



Council Chamber, 18500 W. 13 Mile Road, Beverly Hills, Michigan 48025

VILLAGE COUNCIL MEETING

TUESDAY, JANUARY 6, 2026 AT 7:00 PM

AGENDA

- A. **Call to Order/ Roll Call**
- B. **Pledge of Allegiance**
- C. **Amendments to the Agenda/Approve Agenda**
- D. **Community Announcements**
- E. **Public Comments**
- F. **Consent Agenda**
 - 1. Approval of December 16, 2025 Council Minutes
 - 2. Review and File Bills recapped as of Monday, January 5, 2026
 - 3. Traffic Control Order #003-SS-25
- G. **Business Agenda**
 - 1. Presentation of Fiscal Year 2025 Audit
- H. **Public Comments**
- I. **Manager's Report**
 - 1. January 6, 2026 Manager Report
 - 2. December 2025 Public Safety Report
- J. **Council Comments**
- K. **Adjournment**

All interested persons may attend and participate in person or virtually
at: <https://us02web.zoom.us/j/86779946790>

Meeting ID: 867 7994 6790 • **Dial in:** 1-646-876-9923

Persons with disabilities who need assistance to participate in this meeting should contact the Clerk's office at 248-646-6404 three days in advance to request mobility, visual, hearing, or other assistance.

Access Council Meeting Materials:
<https://beverlyhillsmi.portal.civicclerk.com/>
Click here to view the current and previous Council agendas, packets, and minutes.

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Present: President George, President Pro Tem Drummond, Members: Abboud, Hrydziuszko, Kecskemeti, Mercer and O’Gorman

Absent:

Also Present: Village Manager, Rothe
Village Attorney, Ryan
Village Attorney, Kolb
Village Clerk, Brown
Building Official, Townsend
Public Safety Director, Arnold

ROLL CALL/CALL TO ORDER/ PLEDGE OF ALLEGIANCE

President George called the regular Village Council meeting to order at 7:01 p.m. in the Village Council Chambers located at 18500 W. Thirteen Mile Road, Beverly Hills, MI 48025. Brown called the roll. The Pledge of Allegiance was recited by those in attendance.

AMENDMENTS TO AGENDA/APPROVE AGENDA

Motion by Hrydziuszko, second by Kecskemeti, to approve the agenda as published.

Motion passed (7-0)

SWEARING IN OF NEW PUBLIC SAFETY OFFICERS

Arnold introduced two new Public Safety Officers, Amanda McNeill and Jordon Franklin. Brown administered the oath of office to new PSOs McNeill and Franklin. Council welcomed the officers and expressed appreciation for improved recruiting efforts.

COMMUNITY ANNOUNCEMENT

None.

PUBLIC COMMENTS

David Tobaben, Orchard Way Court, raised concerns about a police report that wrongly accused his wife, Barbara Tobaben, of suspicious behavior, who Public Safety later determined was not involved. He criticized inaccuracies in the report, questioned how the complaint was handled, and requested an investigation to clear his wife’s name.

Karen Gilbert, Amherst, criticized Hrydziuszko for initiating a false police report against Tobaben. Gilbert spoke in defense of the Tobabens’ character, outlining their long-term residency, community involvement, and volunteer work in Beverly Park. She said the accusation was inconsistent with their behavior and asked Council to condemn the incident and issue an apology to the family.

Pam Rijnovean, Evergreen, stated that she was the individual involved in the sidewalk incident. She stated she was taking photos related to property tax concerns when she was confronted and verbally berated. Rijnovean reported the incident to police and was told it did not warrant further action.

THESE DRAFT MINUTES HAVE NOT BEEN APPROVED BY COUNCIL.

Mark Melendy, Kinross, raised concerns about icy, uncleared sidewalks despite recent pedestrian improvements. He asked whether the Village enforces sidewalk clearing rules and suggested assistance for residents who are unable to clear their walks.

CONSENT AGENDA

Motion by Hrydziuszko, second by Kecskemeti, be it resolved, that the Council for the Village of Beverly Hills approves the consent agenda.

1. Approve December 2nd, 2025 Council Minutes
2. Review and File Bills recapped as of December 15th, 2025
3. Adopt 2026 Building Department Fee Schedule
4. Approve Fire Bay Vehicle Exhaust System Upgrade

Roll Call:
Motion passed (7-0)

BUSINESS AGENDA

APPROVE THE PURCHASE OF NEW SIGNAGE FOR THE PUBLIC SAFETY BUILDING

Rothe gave an overview of the proposed signage for the Public Safety Building stating that the new sign is intended to improve visibility, replace an aging structure and comply with Village sign ordinances. Council and Administration discussed illumination, logo placement, ordinance compliance and landscaping around the monument sign.

Motion by Mercer, second by Kecskemeti, be it resolved, the Beverly Hills Village Council hereby accepts the proposal from Metro Signs and Lighting in the amount of \$36,787.00. Funds are available in account #205-900-980.05

Roll Call:
Motion passed (7-0)

APPROVE POLIMORPHIC SOFTWARE PROPOSAL

Rothe gave an overview of the proposed software services offered by Polimorphic, an AI Chatbot that would be trained specifically on the information provided by the Village/website, and CRM software that would allow the Village to manage forms and service requests online. Council, Rothe and John Doyle from Polimorphic discussed monitoring performance metrics and satisfaction, funding source, deployment timeline, training and security, privacy and public sector accountability.

Motion by Abboud, second by Hrydziuszko, be it resolved, the Beverly Hills Village Council hereby approves the proposal from Polimorphic as quoted. Funds are available in the professional services accounts in the General Funds: General Administration, Building, and Parks Departments; Public Safety Fund; and Water/Sewer Fund accounts subject to review and approval of the terms of service by the Village Attorney and modification of the trial period to 60 days.

THESE DRAFT MINUTES HAVE NOT BEEN APPROVED BY COUNCIL.

Roll Call:

Motion passed (7-0)

SCHEDULE 2026 STRATEGY SESSION MEETING

The Council agreed to hold the 2026 Strategy Session on Saturday, January 31, 2026 at 9:00 a.m. in the Village Council Chambers located at 18500 W. 13 Mile Road, Beverly Hills, MI 48025

PROCLAMATION RECOGNIZING ATTORNEY RYAN

President George stated that after 43 years, Mr. Ryan is retiring as Village Attorney but will continue to assist with Public Safety prosecutions.

President George proclaimed the following:

Village Council Hereby Issues Proclamation Honoring Thomas J. Ryan

WHEREAS, Thomas J. Ryan began his distinguished legal career in 1973, after earning his law degree from the University of Detroit Mercy School of Law, and joined the firm of Tom Dillon, the attorney who incorporated the Village of Beverly Hills and the first Village attorney; and,

WHEREAS, Attorney Ryan and Attorney Dillon practiced together for several years until Attorney Dillon's retirement in December of 1981, at which time Attorney Ryan assumed the role of Village Attorney for the Village of Beverly Hills; and,

WHEREAS, Attorney Ryan developed a highly respected municipal law practice, representing at various times Bloomfield Township, the City of Clarkston, the City of Keego Harbor, and City of Orchard Lake, in addition to his long-standing service to the Village of Beverly Hills; and,

WHEREAS, Attorney Ryan's professional achievements include serving as President of the State Bar of Michigan during the 2000-2001 term, as well as serving as a Board member and Chairman of the Oakland County Bar Association; and,

WHEREAS, Attorney Ryan has faithfully served as Village Attorney for the Village of Beverly Hills for forty-three years, and has provided continuity, institutional knowledge, and trusted legal counsel through generations of elected and appointed officials; and,

WHEREAS, during his tenure, Attorney Ryan authored more than two hundred ordinances, attended hundreds of Village Council meetings, and assisted in the drafting and interpretation of thousands of resolutions, policies, and legal actions essential to the effective governance of the Village; and,

WHEREAS, Attorney Ryan's calm demeanor, thoughtful analysis, and steadfast presence at Village Council meetings have been hallmarks of his service and have consistently contributed to respectful deliberation and sound decision-making; and,

THESE DRAFT MINUTES HAVE NOT BEEN APPROVED BY COUNCIL.

WHEREAS, Attorney Ryan and his wife Colleen – also a respected attorney – have established a lasting professional legacy within the Oakland County legal community while raising five children and exemplifying a life of service, integrity, and commitment; and,

WHEREAS, Attorney Ryan is retiring after a remarkable career and an extraordinary tenure as Village Attorney for the Village of Beverly Hills, leaving behind a legacy of professionalism, dedication, and public service.

NOW THEREFORE BE IT RESOLVED, that the Village Council of the Village of Beverly Hills hereby expresses its deepest gratitude and sincere appreciation to Thomas J. Ryan for his forty-three years of exemplary service to the Village; and,

BE IT FURTHER RESOLVED, that the Village Council commends Attorney Ryan for his unwavering commitment to the residents of Beverly Hills, his contributions to the stability and success of Village governance, and his lasting impact on municipal law within the State of Michigan, and extends its best wishes to Attorney Ryan and his family for a fulfilling and well-deserved retirement, marked by continued success, good health, and happiness.

Adopted by the Village Council of the Village of Beverly Hills this 16th day of December, 2025.

Abboud thanked Ryan for his guidance, thoughtful mentorship, and dedication to helping public officials serve responsibly and in the best interests of residents.

Ryan shared some historical context about the Village’s incorporation and the unusual Southfield Township boundaries. He reflected on his start in municipal work in 1978, initially covering meetings while his predecessor was on vacation, and continued attending every first and third Tuesday for 47 years. Ryan praised the dedication of past presidents, council members, staff, and residents, recalling memorable moments like resolving disputes between council members. Ryan expressed gratitude for the opportunity to serve the community and appreciated the honor and recognition from the Village.

PUBLIC COMMENTS

None.

MANAGER’S REPORT

Rothe went over the Manager’s report as provided in the regular Village Council meeting packet.

COUNCIL COMMENTS

Mercer thanked Tom Ryan for his long and dedicated service as the Village Attorney, noting his record number of meetings. Mercer also stated that from his interactions with Barb Tobaben she may be someone who may inherit the earth. Mercer gave a warm holiday greetings to all, wishing everyone a Happy Hanukkah, Merry Christmas, and Happy Holidays.

O’Gorman thanked Tom Ryan for his guidance, knowledge, and dedication to the Village, praised his candidness, wished him well in retirement, and extended holiday greetings.

THESE DRAFT MINUTES HAVE NOT BEEN APPROVED BY COUNCIL.

Kecskemeti reflected on the Village's accomplishments over the past year and thanked Administration and staff for their hard work. Kecskemeti highlighted bringing the DPW in-house as a major achievement despite recent challenges and expressed appreciation for Director Johnston's efforts. Additionally, Kecskemeti personally thanked Ryan for his counsel, patience, and calm demeanor, acknowledging the value of their time working together and wishing him all the best.

Hrydziuszko welcomed the new PSOs sworn in this evening and expressed excitement about finally having a full Public Safety Department. Hrydziuszko thanked Mr. Ryan for his many years of service, noting his friendly demeanor and willingness to help. Hrydziuszko wished everyone Happy Holidays and looks forward to seeing them in the new year.

Abboud emphasized the importance of Council responding to residents like the Tobabens. Abboud reflected on occasionally disagreeing with Ryan but appreciating his knowledge and guidance. Abboud wished Ryan well and wished everyone a Happy Holidays and Merry Christmas.

Drummond stated that he will miss the January 21st, 28th and 31st meetings due to travel and apologized for missing those commitments. Drummond thanked Ryan for his long-standing service to the Village and praised Ryan for his steady guidance across zoning, planning, and council matters and noted his consistent focus on the Village's best interests, even in difficult situations. Drummond stated that the Village owes much of its success to Ryan's dedication.

George received emails about the water rates and plans to share the date and materials from a prior discussion that included a third-party water rate study. George highlighted the arrival of a newly purchased plow truck and suggested public communication about plowing standards. George celebrated the swearing-in of the new Public Safety officers. George reflected on the year, praised the Village's accomplishments and suggested a future State of the Village update for residents. Finally, George thanked Mr. Ryan for his long service, calm guidance, and dedication to the village.

ADJOURNMENT

Motion by Abboud, second by Hrydziuszko, to adjourn the meeting at 8:55 p.m.

Motion passed.

John George
Village President

Carissa Brown
Village Clerk

Inv Num Inv Ref#	Vendor Description GL Distribution	Inv Date Entered By	Due Date	Inv Amt	Amt Due	Status	Jrnlized Post Date
1NY1-KQ9L-HHJL 58887	AMAZON CAPITAL SERVICES OFFICE SUPPLIES (VH) 101-248-752.00	12/18/2025 SUSAN OFFICE SUPPLIES	01/17/2026	62.93 62.93	62.93	Open	N 12/19/2025
1WQF-DFJM-CCDM 58888	AMAZON CAPITAL SERVICES OFFICE SUPPLIES (VH) 101-248-752.00	12/18/2025 SUSAN OFFICE SUPPLIES	01/17/2026	35.74 35.74	35.74	Open	N 12/19/2025
INUS405301 58894	AXON ENTERPRISE, INC. TASER HOLSTERS 205-345-756.00	12/12/2025 SUSAN ENFORCEMENT SUPPLIES	01/12/2026	430.00 430.00	430.00	Open	N 12/29/2025
12232025 58906*	BLUE CARE NETWORK BLUE CARE NETWORK JANUARY 2026 101-248-723.00 205-345-723.00 101-171-718.00 101-215-718.00 101-191-718.00 101-371-718.00 101-441-718.00 202-463-718.00 203-463-718.00 205-345-718.00 205-346-718.00 208-751-718.00 226-528-718.00 592-540-718.00	12/23/2025 SUSAN RETIREE HEALTH - PAID BY VBH RETIREE HEALTH - PAID BY VBH HEALTH INSURANCE PREMIUMS - CURRENT EM HEALTH INSURANCE PREMIUMS - CURRENT EM HEALTH INSURANCE PREMIUMS - CURRENT EM HEALTH INSURANCE PREMIUMS - CURRENT EM HEALTH INSURANCE PREMIUMS - CURRENT EM HEALTH INSURANCE PREMIUMS - CURRENT EM HEALTH INSURANCE PREMIUMS - CURRENT EM HEALTH INSURANCE PREMIUMS - CURRENT EM HEALTH INSURANCE PREMIUMS - CURRENT EM HEALTH INSURANCE PREMIUMS - CURRENT EM HEALTH INSURANCE PREMIUMS - CURRENT EM HEALTH INSURANCE PREMIUMS - CURRENT EM HEALTH INSURANCE PREMIUMS - CURRENT EM HEALTH INSURANCE PREMIUMS - CURRENT EM	12/30/2025	60,061.65 1,026.52 19,426.98 2,631.51 446.31 914.82 1,883.73 1,759.68 2,103.36 410.66 25,521.63 420.58 806.38 616.65 2,092.84	60,061.65	Open	N 12/29/2025
12232025 58907	BLUE CROSS BLUE SHIELD BCBS RHC COVERAGE 01/15/2026- 101-248-723.00 205-345-723.00	12/23/2025 SUSAN RETIREE HEALTH - PAID BY VBH RETIREE HEALTH - PAID BY VBH	01/13/2026	41,375.28 10,643.94 30,731.34	41,375.28	Open	N 12/29/2025
56CDDFD2-0004 58895	BRYX INC. BRYX STATION BOARD (RADIO) 205-345-850.02	11/20/2025 SUSAN RADIO MAINTENANCE	12/20/2025	750.00 750.00	750.00	Open	N 12/29/2025
12292025 58902	CLASSIC DRIVING SCHOOL CDL CLASS - JACOB TOWNSEND 101-371-916.02	12/29/2025 SUSAN EDUCATION & TRAINING	12/29/2025	1,800.00 1,800.00	1,800.00	Open	N 12/29/2025

INVOICE REGISTER REPORT FOR VILLAGE OF BEVERLY HILLS
 EXP CHECK RUN DATES 12/29/2025 - 12/29/2025
 BOTH JOURNALIZED AND UNJOURNALIZED
 OPEN

Inv Num Inv Ref#	Vendor Description GL Distribution	Inv Date Entered By	Due Date	Inv Amt	Amt Due	Status	Jrnlized Post Date
12232025 58908	COALITION OF PUBLIC SAFETY COPS TRUST JANUARY 2026 205-345-723.00	12/23/2025 SUSAN RETIREE HEALTH - PAID BY VBH	12/30/2025	20,250.70 20,250.70	20,250.70	Open	N 12/29/2025
11192025 58904	COMCAST CABLE SERVICES PS DEC 2025 205-345-850.01	11/19/2025 SUSAN COMMUNICATIONS - PHONE, INTERNET	12/10/2025	70.41 70.41	70.41	Open	N 12/29/2025
#7-133257 58896	CONTRACTORS CLOTHING UNIFORM GEAR - CODE ENFORCEMENT 205-345-736.00	12/02/2025 SUSAN UNIFORMS/CLOTHING ALLOW	01/01/2026	94.98 94.98	94.98	Open	N 12/29/2025
1100512-01 58897	DETROIT AIR COMPRESSOR CO. REPAIRS TO PS VEHICLE 205-345-934.55	11/28/2025 SUSAN BUILDING MAINTENANCE	12/28/2025	592.87 592.87	592.87	Open	N 12/29/2025
027301 58890	HUNT SIGN COMPANY SIGN POSTS 202-474-934.81	12/18/2025 SUSAN R & M STREET SIGNS & POSTS	01/17/2026	380.00 380.00	380.00	Open	N 12/19/2025
2771 58886	JCJ SERVICES LLC DOT INSPECTION - DPW VEHICLES 101-441-932.00	12/17/2025 SUSAN VEHICLE REPAIRS & MAINTENANCE	12/17/2025	505.00 505.00	505.00	Open	N 12/19/2025
1159050425 58898	KONE ELEVATOR REPAIRS - PS 205-345-934.55	12/11/2025 SUSAN BUILDING MAINTENANCE	01/11/2026	542.81 542.81	542.81	Open	N 12/29/2025
37438 58905	MOTORWERKS REPAIRS TO 2022 TAHOE PS (INS REIMB) 205-345-932.00	08/29/2025 SUSAN VEHICLE REPAIRS & MAINTENANCE	12/30/2025	29,612.87 29,612.87	29,612.87	Open	N 12/29/2025
936663 58892	NYE UNIFORM EAST UNIFORM GEAR (PS) 205-345-736.00	12/12/2025 SUSAN UNIFORMS/CLOTHING ALLOW	01/11/2026	164.50 164.50	164.50	Open	N 12/19/2025
1028609202 58885	PITNEY BOWES CREDIT CORP. MACHINE RENTAL 101-248-940.02	12/10/2025 SUSAN RENTAL OFFICE EQUIPMENT	01/09/2026	297.78 297.78	297.78	Open	N 12/19/2025

User: SUSAN

EXP CHECK RUN DATES 12/29/2025 - 12/29/2025

DB: Beverly Hills

BOTH JOURNALIZED AND UNJOURNALIZED

OPEN

Inv Num Inv Ref#	Vendor Description GL Distribution	Inv Date Entered By	Due Date	Inv Amt	Amt Due	Status	Jrnlized Post Date
1084832 58884	ROSATI, SCHULTZ, JOPPICH P.C. LEGAL SERVICES NOV 2025 101-248-802.00	12/11/2025 SUSAN LEGAL FEES	12/30/2025	2,000.00 2,000.00	2,000.00	Open	N 12/19/2025
4731 58899	SUNSET MAINTENANCE SERVICE JANITORIAL SERVICES (PS) NOVEMBER 205-345-820.00	12/01/2025 SUSAN JANITORIAL SERVICE	12/31/2025	1,350.00 1,350.00	1,350.00	Open	N 12/29/2025
85707621 58900	TERMINIX EHRlich PEST CONTROL MAINTENANCE (PS) NOV 205-345-934.55	11/25/2025 SUSAN BUILDING MAINTENANCE	12/25/2025	76.91 76.91	76.91	Open	N 12/29/2025
89384992 58901	TERMINIX EHRlich PEST CONTROL MAINTENANCE (PS) DEC 205-345-934.55	12/10/2025 SUSAN BUILDING MAINTENANCE	01/09/2026	76.91 76.91	76.91	Open	N 12/29/2025
504485 58889	TEXT MY GOV, INC. TEXT MY GOV ANNUAL AGREEMENT W/SET 101-248-933.00 205-345-933.00 592-540-933.00	12/18/2025 SUSAN SOFTWARE MAINTENANCE AGREEMENTS SOFTWARE MAINTENANCE AGREEMENTS SOFTWARE MAINTENANCE AGREEMENTS	01/17/2026	9,300.00 3,100.00 3,100.00 3,100.00	9,300.00	Open	N 12/19/2025
115 58903	THE ROSSOW GROUP INITIAL ACCREDITATION PYMT #4 205-345-804.50	12/12/2025 SUSAN ACCREDITATION SERVICES	12/12/2025	7,500.00 7,500.00	7,500.00	Open	N 12/29/2025
6152-7 58891	THE SHERWIN WILLIAMS CO. INTERIOR PAINT 101-265-934.55	12/17/2025 SUSAN BUILDING MAINTENANCE	01/20/2026	65.61 65.61	65.61	Open	N 12/19/2025
11232025 58893	WOW! BUSINESS INTERNET (PS) 11/22/25-12/21/25 205-345-850.01	11/23/2025 SUSAN COMMUNICATIONS - PHONE, INTERNET	12/11/2025	657.98 657.98	657.98	Open	N 12/19/2025

# of Invoices:	25	# Due:	25	Totals:	178,054.93	178,054.93
# of Credit Memos:	0	# Due:	0	Totals:	0.00	0.00
Net of Invoices and Credit Memos:					178,054.93	178,054.93

* 1 Net Invoices have Credits Totalling: (3,691.02)

Inv Num	Vendor	Inv Date	Due Date	Inv Amt	Amt Due	Status	Jrnlized
Inv Ref#	Description	Entered By					Post Date
	GL Distribution						
--- TOTALS BY FUND ---							
	101 - GENERAL FUND			27,173.57	27,173.57		
	202 - MAJOR ROAD FUND			2,483.36	2,483.36		
	203 - LOCAL STREET FUND			410.66	410.66		
	205 - PUBLIC SAFETY DEPARTMENT			141,371.47	141,371.47		
	208 - PARK IMPROVEMENT FUND			806.38	806.38		
	226 - GARBAGE AND RUBBISH COLLECTI			616.65	616.65		
	592 - WATER/SEWER OPERATION FUND			5,192.84	5,192.84		
--- TOTALS BY DEPT/ACTIVITY ---							
	171 - VILLAGE MANAGER			2,631.51	2,631.51		
	191 - VILLAGE ACCOUNTING AND FINAN			914.82	914.82		
	215 - CLERK			446.31	446.31		
	248 - GENERAL ADMINISTRATION			17,166.91	17,166.91		
	265 - BUILDING & GROUNDS MAINTENAN			65.61	65.61		
	345 - PUBLIC SAFETY DEPARTMENT			140,950.89	140,950.89		
	346 - SCHOOL RESOURCE OFFICER			420.58	420.58		
	371 - BUILDING INSPECTION DEPARTME			3,683.73	3,683.73		
	441 - DEPARTMENT OF PUBLIC WORKS (2,264.68	2,264.68		
	463 - ROAD/STREET MAINTENANCE			2,514.02	2,514.02		
	474 - TRAFFIC SERVICES			380.00	380.00		
	528 - RUBBISH COLLECTION/DISPOSAL			616.65	616.65		
	540 - OFFICE/ADMINISTRATION CHARGE			5,192.84	5,192.84		
	751 - PARKS AND RECREATION DEPARTM			806.38	806.38		



Agenda Item Summary

To: Village Council
From: Neil Johnston, Public Services Director
Edward Arnold, Public Safety Director

Re: *Consent Agenda - 3. Traffic Control Order #003-SS-25*
Date: January 6, 2026 - [Click to View Agenda](#)

Summary:

Proposed Traffic Control Order (TCO) #003-SS-25 recommends the installation of a stop sign, accompanied by a "crossing traffic does not stop" sign, for westbound traffic on Riverside Drive at Faircrest Street, addressing a current collision point. The existing stop sign for southbound traffic on Faircrest may be removed, as traffic must cross a lane at this location. This TCO aims to mitigate the issue of traffic crossing lanes without a designated stop. Additionally, this TCO modifies a portion of an existing TCO established in 1984, which is cited within the proposed TCO.

Recommendation:

BE IT RESOLVED, the Beverly Hills Village Council approves Traffic Control Order #003-SS-25 as presented.

Attachments:

1. Riverside_Faircrest TCO 003-SS-25



TRAFFIC CONTROL ORDER

Order No: 003-SS-25

Date of Filing: 12/16/2025

In accordance with Ordinance 42-2 as amended, we have made an investigation of traffic conditions on Riverside Drive.

and as a result of said investigation, do hereby direct:

That a stop sign be installed on westbound Riverside Drive at Faircrest Street along with a 'crossing traffic does not stop' sign beneath.

The following Traffic Control Order(s) is/are hereby rescinded 022-SS-84 (Faircrest at Riverside, southbound only)

This order shall expire 90 days from the date of filing except that upon its approval by the Village Council, it shall not so expire.
(Legislative Body)

Road Commissioner

Neil Johnston

Date of Filing with Village Clerk

Received for Filing (Date) _____

Village Clerk _____

Carissa Brown

Approved by: _____
(Legislative Body)

Date: _____

Faircrest St

Riverside Dr

Riverside Dr

Riverside Dr

Riverside Dr



ADD STOP SIGN



REMOVE STOP SIGN

Riverside Dr



VILLAGE OF BEVERLY HILLS
18500 WEST THIRTEEN MILE ROAD
BIRMINGHAM, MICHIGAN

TRAFFIC CONTROL ORDER

ORDER NO: 022-SS84

DATE OF FILING: Nov 1, 1984

In accordance with Ordinance 41.01 as amended, we have made an investigation of traffic conditions on Sunnyslope, Norwood, Riverside, and Faircrest

and as a result of said investigation, do hereby direct that:

The following intersections shall be designated as stop intersections and posted as such. All traffic shall stop before entering such intersections.

- Sunnyslope at Evergreen, westbound.
- Norwood at Riverside, southbound.
- Riverside at Evergreen, westbound.
- Riverside at Beaconsfield, east and westbound.
- Riverside at Norchester, east and westbound.
- Riverside at Beverly, southbound.
- Riverside at 19180 Riverside, eastbound.
- Faircrest at Riverside, southbound.

The following Traffic Control Order(s) is/are hereby rescinded SS70-121, SS70-122

This order shall expire 90 days from the date of filing except that upon its approval by the Village Council Legislative Body, it shall not so expire.

J. A. Good

Traffic Engineer

Nov 1, 1984

Date of Filing with Village Clerk

Received for Filing (Date)

by: City
Township
Village
Clerk

Donald M. Rejzinski
(Signature)

Approved by:

W. A. Massburg

(Legislative Body)

Date NOV 5 1984



Agenda Item Summary

To: Village Council
From: Elizabeth Kutey, Finance Director
Warren Rothe, Village Manager

Re: ***Business Agenda - 1. Presentation of Fiscal Year 2025 Audit***
Date: January 6, 2026 - [Click to View Agenda](#)

Summary:

The Village's audit firm, Yeo & Yeo, has completed the audit for the 2025 Fiscal Year. The audit process commenced following the conclusion of the Fiscal Year on June 30, 2025, and concluded with the submission of the audit report to the Michigan Department of Treasury in compliance with State law. This audit marks the first conducted by Yeo & Yeo since their selection as the Village's new auditor. Representatives from Yeo & Yeo will attend the upcoming meeting to present the audit findings to the Village Council.

The combined year-end fund balances for all governmental funds was \$14.4 million, including \$3.2 million in the General Fund, and \$5.1 in the Public Safety Fund. The year-end cash balance of the water/sewer fund was \$1.78 million.

Yeo & Yeo has **issued an unmodified opinion** on the Village's financial statements, which is the highest opinion that can be given.

Recommendation:

BE IT RESOLVED, the Beverly Hills Village Council hereby accepts the 2025 Fiscal Year Audit as presented.

Attachments:

1. 2025 Audit
2. 2025 Single Audit
3. FY 2025 Audit Governance Letter

Village of Beverly Hills

Financial Statements

June 30, 2025



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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Independent Auditors' Report

Village Council and Management
Village of Beverly Hills
Beverly Hills, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Beverly Hills (the Village), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, 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.

Correction of an Error

As described in Note 13 to the financial statements, a correction of an error was necessary to correct the beginning net position of the Governmental Activities and the beginning fund balance of the General Fund. Our opinion is not modified with respect to that matter.

Adoption of New Accounting Standard

As discussed in Note 13 to the financial statements, during the year ended June 30, 2025, the Village adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and the pension and OPEB schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 Village's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and, was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Troy, Michigan
December 23, 2025

Village of Beverly Hills

Management's Discussion and Analysis

June 30, 2025

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

Overview of the Financial Statements

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

Government-wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private sector business. The statement of net position presents financial information on all of the Village's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., the cost of pension and other postemployment benefits).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works, community and economic development, and culture and recreation. The business-type activities of the Village include providing water and sewage disposal.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Village's funds can be divided into the following three categories:

- *Governmental Funds* - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements. The Village adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.
- *Proprietary Funds* - The Village maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for its water and sewage disposal activities.
- *Fiduciary Funds* - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village's fiduciary funds include the other postemployment benefit trust fund (OPEB) and a custodial fund.

Village of Beverly Hills
Management's Discussion and Analysis
June 30, 2025

Notes and Other Information

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Village's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees. The combining statements in connection with nonmajor governmental funds and fiduciary funds are presented immediately following the required supplementary information on pensions and OPEB.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows by approximately \$40,300,000 at the close of the most recent fiscal year.

For fiscal year 2025, the net increase of total revenue in excess of total expenses of governmental activities is \$813,727. The increased revenue is primarily due to higher tax revenue.

The Village's Net Position

	Governmental Activities			
	2025	2024	Change	Percent Change
Assets				
Current assets	\$ 16,063,797	\$ 15,923,805	\$ 139,992	1%
Capital assets	17,093,534	15,886,287	1,207,247	8%
Total assets	<u>33,157,331</u>	<u>31,810,092</u>	<u>1,347,239</u>	4%
Deferred outflows	<u>1,435,721</u>	<u>1,565,701</u>	<u>(129,980)</u>	-8%
Liabilities				
Current liabilities	1,291,038	2,326,180	(1,035,142)	-44%
Long-term liabilities	14,158,812	13,064,483	1,094,329	8%
Total liabilities	<u>15,449,850</u>	<u>15,390,663</u>	<u>59,187</u>	0%
Deferred inflows	<u>69,911</u>	<u>-</u>	<u>69,911</u>	100%
Net position				
Net Investment in capital assets	15,093,534	15,790,757	(697,223)	-4%
Restricted	8,414,944	7,066,424	1,348,520	19%
Unrestricted (deficit)	<u>(4,435,187)</u>	<u>(4,872,051)</u>	<u>436,864</u>	-9%
Total net position	<u>\$ 19,073,291</u>	<u>\$ 17,985,130</u>	<u>\$ 1,088,161</u>	6%

**Village of Beverly Hills
Management's Discussion and Analysis
June 30, 2025**

	Business-type Activities			
	2025	2024	Change	Percent Change
Assets				
Current assets	\$ 4,532,395	\$ 2,780,836	\$ 1,751,559	63%
Capital assets	21,915,157	20,057,852	1,857,305	9%
Total assets	<u>26,447,552</u>	<u>22,838,688</u>	<u>3,608,864</u>	16%
Liabilities				
Current liabilities	1,348,760	364,026	984,734	271%
Long-term liabilities	3,845,630	3,363,493	482,137	14%
Total liabilities	<u>5,194,390</u>	<u>3,727,519</u>	<u>1,466,871</u>	39%
Net position				
Net Investment in capital assets	18,007,505	16,700,340	1,307,165	8%
Unrestricted (deficit)	3,245,657	2,410,829	834,828	35%
Total net position	<u>\$ 21,253,162</u>	<u>\$ 19,111,169</u>	<u>\$ 2,141,993</u>	11%

The Village's Changes in Net Position

	Governmental Activities			
	2025	2024	Change	Percent Change
Program revenues:				
Charges for services	\$ 1,019,612	\$ 838,701	\$ 180,911	22%
Operating grants & contributions	1,737,822	1,537,823	199,999	13%
Capital grants & contributions	434,059	394,682	39,377	10%
General Revenues:				
Property taxes	10,820,140	10,211,008	609,132	6%
State shared revenue and grants	1,194,728	1,244,157	(49,429)	-4%
Unrestricted investment earnings	715,882	798,906	(83,024)	-10%
Miscellaneous	170,342	299,526	(129,184)	-43%
Total revenues	<u>16,092,585</u>	<u>15,324,803</u>	<u>767,782</u>	5%
Expenses:				
General government	1,006,678	1,327,058	(320,380)	-24%
Public safety	8,027,302	8,826,600	(799,298)	-9%
Public works	4,106,828	2,871,581	1,235,247	43%
Recreation and culture	1,056,053	1,247,879	(191,826)	-15%
Community and economic development	247,123	232,063	15,060	6%
Debt service	20,325	5,073	15,252	301%
Total expenses	<u>14,464,309</u>	<u>14,510,254</u>	<u>(45,945)</u>	0%
Excess or (deficiency) before transfers	1,628,276	814,549	813,727	100%
Transfers	<u>(434,310)</u>	<u>(45,565)</u>	<u>(388,745)</u>	853%
Changes in net position	1,193,966	768,984	424,982	55%
Net position - beginning	17,985,130	17,216,146	768,984	4%
Prior period adjustment	<u>(105,805)</u>	<u>-</u>	<u>(105,805)</u>	100%
Net position-beginning of year restated	17,879,325	17,216,146	663,179	4%
Total net position	<u>\$ 19,073,291</u>	<u>\$ 17,985,130</u>	<u>\$ 1,088,161</u>	6%

Village of Beverly Hills
Management's Discussion and Analysis
June 30, 2025

	Business-type Activities			
	2025	2024	Change	Percent Change
Program revenues:				
Charges for services	\$ 7,144,423	\$ 6,601,596	\$ 542,827	8%
Capital grants & contributions	591,306	-	591,306	100%
General Revenues:				
Unrestricted investment earnings	65,007	40,188	24,819	62%
Miscellaneous	2,567	-	2,567	100%
Total revenues	7,803,303	6,641,784	1,161,519	17%
Expenses:				
Water & Sewer	6,095,620	6,101,242	(5,622)	0%
Excess or (deficiency) before transfers	1,707,683	540,542	1,167,141	216%
Transfers	434,310	45,565	388,745	853%
Changes in net position	2,141,993	586,107	1,555,886	265%
Net position - beginning	19,111,169	18,525,062	586,107	3%
Total net position	\$ 21,253,162	\$ 19,111,169	\$ 2,141,993	11%

Financial Analysis of Individual Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements.

The General Fund pays for the Village's governmental services, including all administrative departments (excluding public safety) and rubbish collection and disposal services. Total General Fund expenditures excluding transfers for fiscal year 2025 were approximately \$4.4 million.

The Public Safety Fund covers all public safety department costs. This represents the largest cost group, which incurred expenses over \$8.2 million in fiscal year 2025.

The Major Streets and Local Streets funds are predominately funded by state-shared revenue and grants in addition to contributions from the General Fund. For fiscal year 2025, the General Fund contributed \$200,000 to the Major Streets Fund and \$2,000,000 to the Local Streets Fund.

Budgetary Highlights

Over the course of the year, the Village amended the budget to reflect changes that occurred throughout the fiscal year. General Fund net expenditures in excess of revenue was a minimal \$14,948. Other line item revenue and expenditure variances were not material.

In the Public Safety Fund, revenue in excess of total expenditures was \$447,675 greater than the amended budget. This is due largely to persistent vacancies in the Public Safety Department.

In the Major Streets Fund, expenditures were under the amended budget, after accounting for the transfer in for the General Fund to support ongoing road and right-of-way improvement projects.

In the Local Streets Fund, the excess of revenues over expenditures greater than the amended budget was due to the timing of construction for the Village's 2025 local road construction projects.

Village of Beverly Hills
Management's Discussion and Analysis
June 30, 2025

Capital Assets and Debt Administration

At June 30, 2025, the Village had roughly \$39 million, net of depreciation, invested in a broad range of capital assets, including buildings, furniture, equipment, roads and bridges, and water and sewer mains (see Note 5 for detail). During the current year, the Village added approximately \$1,200,000 of governmental capital assets, net of disposals with a significant portion of this due to the HMA Patching Program in the Major Streets Fund and the Local Streets Fund. Other additions related to the water and sewer Fund include the Pierce water main project, which will be completed in early Fiscal Year 2026.

At the end of fiscal year 2025, total recorded debt (excluding compensated absences) was \$5,845,630, comprising \$2,000,000 for governmental activities relating to the State Infrastructure Note for the TAP and Safe Routes to School sidewalk projects and \$3,845,630 for business-type activities for the water and sewer bonds (see Note 7 for detail). In Fiscal Year 2025 the Village paid off the 2018 fire truck installment purchase agreement. New business-type debt in fiscal year 2026 will be due to the \$121,070,000 Evergreen- Farmington Sanitary Drain Drainage District Bonds, Series 2023. The Village's participation percentage is 6.06 percent. Total Evergreen-Farmington debt attributable to the Village will be \$6.6 million. Evergreen-Farmington recorded debt up to the level of disbursement as of June 30, 2025 of approximately \$3.83 million.

Economic Factors and Next Year's Budgets and Rates

The Village's present financial condition in the governmental funds is strong. As of fiscal year 2026, the Village is in year 5 of a 10-year millage. The Village tax rate of 13.6064 mills levied includes 1.7763 mills for the general operating fund, 9.3548 mills for public safety, 0.7731 mills for the library, 0.3022 mills for park improvement, and 1.4 mills for refuse collection. Total projected tax revenue is \$11.3 million. The property tax values are projected to increase by 5 percent from fiscal year 2025 compared to fiscal year 2026. The taxable value for fiscal year 2026 is \$833,830,730. State revenue sharing, tied to sales tax receipts, is forecasted to marginally increase.

The fiscal year 2026 budget reflects transfers from the General Fund of \$1,100,000 to the Capital Projects Fund, and \$700,000 to the Local Streets Fund. The Public Safety Fund has a \$100,000 transfer to the Capital Projects Fund budgeted. The transfers will support the planned asphalt resurfacing projects in the road funds and the sidewalk projects in the Capital Projects Fund. Additional transfers are budgeted in fiscal year 2027 for continued road resurfacing and the completion of the sidewalk projects.

The General Fund and Public Safety Fund are both budgeted to decrease fund balance in fiscal year 2026. The General Fund fund balance is budgeted to decrease slightly over \$2,200,000 due to transfers to other funds for capital projects, and the Public Safety Fund fund balance is budgeted to decrease by \$670,000 due to higher wages and benefits, capital spending requests, and an additional defined benefit pension surplus contribution of \$425,000.

Water and sewer rates were increased for fiscal year 2026. The additional revenue collected will pay for needed operational and maintenance costs of the water and sewer distribution system and increase the cash position of the Water and Sewer Fund. The additional revenue will strengthen the ability of the Village to maintain the aging infrastructure going forward.

The Village is 68.5 percent funded for retiree health care and 75.8 percent funded for the defined benefit pension, which puts the Village in a select group of municipalities with favorable rates of funding and sets up the Village for future financial stability. Both plans are closed to new hires. Retiree health care closed as of the end of fiscal year 2006, and defined benefit pension closed as of the end of fiscal year 2013. Defined benefit pension payments are set by MERS and are approximately \$1,115,000 for fiscal year 2026. An additional defined benefit pension surplus payment for public safety is budgeted at \$425,000.

Village of Beverly Hills
Management's Discussion and Analysis
June 30, 2025

Contacting the Village's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office. This report, village budgets, and other financial information are available on the Village's website at www.villagebeverlyhills.com.

Village of Beverly Hills

Statement of Net Position

June 30, 2025

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 15,014,749	\$ 1,786,662	\$ 16,801,411
Receivables			
Accounts	203,841	-	203,841
Utility bills	-	1,988,015	1,988,015
Due from other units of government	644,882	566,048	1,210,930
Inventories	-	188,851	188,851
Prepaid items	200,325	2,819	203,144
Capital assets not being depreciated	1,708,028	4,967,506	6,675,534
Capital assets, net of accumulated depreciation	<u>15,385,506</u>	<u>16,947,651</u>	<u>32,333,157</u>
Total assets	<u>33,157,331</u>	<u>26,447,552</u>	<u>59,604,883</u>
Deferred outflows of resources			
Pension related	<u>1,435,721</u>	<u>-</u>	<u>1,435,721</u>
Liabilities			
Accounts payable	424,561	1,243,818	1,668,379
Contracts payable - retainage	-	63,022	63,022
Payroll and other liabilities	622,442	9,475	631,917
Interest payable	18,521	17,940	36,461
Customer deposits	-	14,505	14,505
Provision for claims	225,514	-	225,514
Noncurrent liabilities			
Debt due within one year	710,945	5,232	716,177
Debt due in more than one year	2,207,741	3,840,398	6,048,139
Net pension liability	7,467,672	-	7,467,672
Net OPEB liability	<u>3,772,454</u>	<u>-</u>	<u>3,772,454</u>
Total liabilities	<u>15,449,850</u>	<u>5,194,390</u>	<u>20,644,240</u>
Deferred inflows of resources			
OPEB related	<u>69,911</u>	<u>-</u>	<u>69,911</u>
Net position			
Net investment in capital assets	15,093,534	18,007,505	33,101,039
Restricted for			
Roads	2,621,040	-	2,621,040
Public safety	5,312,417	-	5,312,417
Drug law enforcement	52,520	-	52,520
Library	72,044	-	72,044
Park improvements	356,923	-	356,923
Unrestricted (deficit)	<u>(4,435,187)</u>	<u>3,245,657</u>	<u>(1,189,530)</u>
Total net position	<u>\$ 19,073,291</u>	<u>\$ 21,253,162</u>	<u>\$ 40,326,453</u>

See Accompanying Notes to the Financial Statements

Village of Beverly Hills
Statement of Activities
For the Year Ended June 30, 2025

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 1,006,678	\$ 871,266	\$ 19,658	\$ -	\$ (115,754)	\$ -	\$ (115,754)
Public safety	8,027,302	128,830	116,154	-	(7,782,318)	-	(7,782,318)
Public works	4,106,828	-	1,571,939	434,059	(2,100,830)	-	(2,100,830)
Community and economic development	247,123	-	16,412	-	(230,711)	-	(230,711)
Recreation and culture	1,056,053	19,516	13,659	-	(1,022,878)	-	(1,022,878)
Interest	20,325	-	-	-	(20,325)	-	(20,325)
Total governmental activities	14,464,309	1,019,612	1,737,822	434,059	(11,272,816)	-	(11,272,816)
Business-type activities							
Water & Sewer	6,095,620	7,144,423	-	591,306	-	1,640,109	1,640,109
Total	\$ 20,559,929	\$ 8,164,035	\$ 1,737,822	\$ 1,025,365	(11,272,816)	1,640,109	(9,632,707)
General revenues							
Property taxes					10,820,140	-	10,820,140
Unrestricted state-shared revenue					1,194,728	-	1,194,728
Unrestricted investment earnings					715,882	65,007	780,889
Miscellaneous					170,342	2,567	172,909
Transfers					(434,310)	434,310	-
Total general revenues and transfers					12,466,782	501,884	12,968,666
Change in net position					1,193,966	2,141,993	3,335,959
Net position - beginning of year					17,985,130	19,111,169	37,096,299
Adjustments					(105,805)	-	(105,805)
Net position - beginning of year, as adjusted or restated					17,879,325	19,111,169	36,990,494
Net position - end of year					\$ 19,073,291	\$ 21,253,162	\$ 40,326,453

Village of Beverly Hills
Governmental Funds
Balance Sheet
June 30, 2025

	General Fund	Special	Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
		Revenue Fund	Fund		
		Public Safety Fund	Capital Projects Fund		
Assets					
Cash and cash equivalents	\$ 3,436,345	\$ 5,298,797	\$ 3,038,120	\$ 2,895,722	\$ 14,668,984
Receivables					
Accounts	46,360	157,481	-	-	203,841
Due from other units of government	255,293	141,509	-	248,080	644,882
Prepaid items	53,164	144,920	-	2,241	200,325
Total assets	<u>\$ 3,791,162</u>	<u>\$ 5,742,707</u>	<u>\$ 3,038,120</u>	<u>\$ 3,146,043</u>	<u>\$ 15,718,032</u>
Liabilities					
Accounts payable	\$ 94,542	\$ 207,156	\$ 79,347	\$ 43,516	\$ 424,561
Payroll and other liabilities	399,308	223,134	-	-	622,442
Total liabilities	<u>493,850</u>	<u>430,290</u>	<u>79,347</u>	<u>43,516</u>	<u>1,047,003</u>
Deferred inflows of resources					
Unavailable revenue - receivables	<u>37,881</u>	<u>157,481</u>	<u>-</u>	<u>22,500</u>	<u>217,862</u>
Fund balances					
Non-spendable					
Prepaid items	53,164	144,920	-	2,241	200,325
Restricted for					
Roads	-	-	-	2,618,799	2,618,799
Public safety	-	5,010,016	-	-	5,010,016
Drug law enforcement	-	-	-	52,520	52,520
Library	-	-	-	72,044	72,044
Park improvements	-	-	-	334,423	334,423
Assigned					
Subsequent year's budget	2,235,167	-	-	-	2,235,167
Capital projects	-	-	2,958,773	-	2,958,773
Sick pay severance	46,196	-	-	-	46,196
Vacation reserve	151,876	-	-	-	151,876
Unassigned	773,028	-	-	-	773,028
Total fund balances	<u>3,259,431</u>	<u>5,154,936</u>	<u>2,958,773</u>	<u>3,080,027</u>	<u>14,453,167</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,791,162</u>	<u>\$ 5,742,707</u>	<u>\$ 3,038,120</u>	<u>\$ 3,146,043</u>	<u>\$ 15,718,032</u>

See Accompanying Notes to the Financial Statements

Village of Beverly Hills
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2025

Total fund balances for governmental funds	\$ 14,453,167
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	1,708,028
Capital assets, net of accumulated depreciation	15,385,506
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	
	217,862
Deposit held with MMRMA insurance authority not reported in the funds	
	345,765
Deferred outflows (inflows) of resources.	
Deferred outflows of resources resulting from net pension liability	1,435,721
Deferred inflows of resources resulting from net OPEB liability	(69,911)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(18,521)
Compensated absences	(918,686)
Claims and judgments	(225,514)
Bonds, notes, premiums and discounts	(2,000,000)
Net pension liability	(7,467,672)
Net OPEB liability	<u>(3,772,454)</u>
Net position of governmental activities	<u>\$ 19,073,291</u>

Village of Beverly Hills
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	General Fund	Special Revenue Funds			ARPA Fund
		Formerly Major Fund	Formerly Major Fund	Formerly Major Fund	
		Major Streets Fund	Local Streets Fund	Public Safety Fund	
Revenues					
Taxes	\$ 2,468,319			\$ 7,490,737	
Licenses and permits	19,055			-	
Federal grants	16,412			-	
State grants	1,222,922			111,423	
Local contributions	1,395			-	
Charges for services	766,199			82,244	
Fines and forfeitures	-			46,586	
Investment income	158,869			337,387	
Other revenue	456,957			16,941	
Total revenues	<u>5,110,128</u>			<u>8,085,318</u>	
Expenditures					
Current					
General government	1,775,759			-	
Public safety	387,063			7,787,979	
Public works	1,315,203			-	
Community and economic development	244,392			-	
Recreation and culture	428,234			-	
Capital outlay	248,718			375,431	
Debt service					
Principal retirement	-			95,530	
Interest and fiscal charges	-			3,330	
Total expenditures	<u>4,399,369</u>			<u>8,262,270</u>	
Excess (deficiency) of revenues over expenditures	<u>710,759</u>			<u>(176,952)</u>	
Other financing sources (uses)					
Transfers in	-			-	
Transfers out	(3,300,000)			(100,000)	
Issuance of debt	-			-	
Sale of capital assets	260			-	
Total other financing sources (uses)	<u>(3,299,740)</u>			<u>(100,000)</u>	
Net change in fund balances	<u>(2,588,981)</u>			<u>(276,952)</u>	
Fund balances - beginning of year	5,645,041	878,989	416,193	5,431,888	288
Adjustments	<u>203,371</u>	<u>(878,989)</u>	<u>(416,193)</u>	<u>-</u>	<u>(288)</u>
Fund balances - beginning of year, as adjusted or restated	<u>5,848,412</u>			<u>5,431,888</u>	
Fund balances - end of year	<u>\$ 3,259,431</u>			<u>\$ 5,154,936</u>	

See Accompanying Notes to the Financial Statements

Village of Beverly Hills
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	Capital Project Fund	Formerly Nonmajor Fund	Total
	Capital Projects Fund	Nonmajor Governmental Funds	Governmental Funds
Revenues			
Taxes	\$ -	\$ 861,084	\$ 10,820,140
Licenses and permits	-	-	19,055
Federal grants	-	434,022	450,434
State grants	-	1,424,616	2,758,961
Local contributions	-	24,045	25,440
Charges for services	-	-	848,443
Fines and forfeitures	-	-	46,586
Investment income	71,998	147,628	715,882
Other revenue	-	24,580	498,478
Total revenues	<u>71,998</u>	<u>2,915,975</u>	<u>16,183,419</u>
Expenditures			
Current			
General government	-	-	1,775,759
Public safety	-	-	8,175,042
Public works	-	2,436,497	3,751,700
Community and economic development	-	-	244,392
Recreation and culture	-	618,260	1,046,494
Capital outlay	639,113	88,754	1,352,016
Debt service			
Principal retirement	-	-	95,530
Interest and fiscal charges	-	-	3,330
Total expenditures	<u>639,113</u>	<u>3,143,511</u>	<u>16,444,263</u>
Excess (deficiency) of revenues over expenditures	<u>(567,115)</u>	<u>(227,536)</u>	<u>(260,844)</u>
Other financing sources (uses)			
Transfers in	1,200,000	2,200,000	3,400,000
Transfers out	-	(434,310)	(3,834,310)
Issuance of debt	2,000,000	-	2,000,000
Sale of capital assets	-	-	260
Total other financing sources (uses)	<u>3,200,000</u>	<u>1,765,690</u>	<u>1,565,950</u>
Net change in fund balances	<u>2,632,885</u>	<u>1,538,154</u>	<u>1,305,106</u>
Fund balances - beginning of year	-	572,291	12,944,690
Adjustments	<u>325,888</u>	<u>969,582</u>	<u>203,371</u>
Fund balances - beginning of year, as adjusted or restated	<u>325,888</u>	<u>1,541,873</u>	<u>13,148,061</u>
Fund balances - end of year	<u>\$ 2,958,773</u>	<u>\$ 3,080,027</u>	<u>\$ 14,453,167</u>

See Accompanying Notes to the Financial Statements

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

Net change in fund balances - total governmental funds \$ 1,305,106

Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(1,285,137)
Capital outlay	2,629,202
Sale of capital assets (net book value)	(136,818)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(88,712)
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Deposit held with MMRMA insurance authority not reported in the funds	(2,122)
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Expenses are recorded when incurred in the statement of activities.

Accrued interest	(16,995)
Compensated absences	(154,770)
Claims and judgments	(207,572)

The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.

Net change in the net pension liability	872,804
Net change in the deferred outflow of resources related to the net pension liability	(112,481)

The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and pension expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.

Net change in the net OPEB liability	383,341
Net change in the deferred outflow of resources related to the net OPEB liability	(17,499)
Net change in the deferred inflow of resources related to the net OPEB liability	(69,911)

Long-term liabilities and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.

Debt issued	(2,000,000)
Repayments of long-term debt	95,530

Change in net position of governmental activities	<u>\$ 1,193,966</u>
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Village of Beverly Hills
Proprietary Fund
Statement of Net Position
June 30, 2025

	Enterprise Fund
	Water & Sewer Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 1,786,662
Receivables	
Utility bills	1,988,015
Due from other units of government	566,048
Inventories	188,851
Prepaid items	2,819
Total current assets	4,532,395
Noncurrent assets	
Capital assets not being depreciated	4,967,506
Capital assets, net of accumulated depreciation	16,947,651
Total noncurrent assets	21,915,157
Total assets	26,447,552
Liabilities	
Current liabilities	
Accounts payable	1,243,818
Contracts payable - retainage	63,022
Payroll and other liabilities	9,475
Interest payable	17,940
Customer deposits	14,505
Current portion of long-term liabilities	5,232
Total current liabilities	1,353,992
Noncurrent liabilities	
Long-term liabilities	3,840,398
Total liabilities	5,194,390
Net position	
Net investment in capital assets	18,007,505
Unrestricted	3,245,657
Total net position	\$ 21,253,162

See Accompanying Notes to the Financial Statements

Village of Beverly Hills
Proprietary Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2025

	Enterprise Fund
	Water & Sewer
	Fund
Operating revenue	
Sale of water	\$ 1,212,151
Sewage disposal charges	3,258,357
Debt service charges	748,523
Other sales to customers	1,791,128
Interest and penalty charges	112,071
Connection fees	6,037
Meter and other charges	18,723
Total operating revenue	7,146,990
Operating expenses	
Cost of water	768,493
Cost of sewage treatment	2,691,178
Billing and administrative costs	280,832
Repairs and maintenance	1,608,415
Other expenses	99,327
Depreciation	561,022
Total operating expenses	6,009,267
Operating income (loss)	1,137,723
Nonoperating revenue (expenses)	
Investment income	65,007
Loss on disposal of capital assets	(1,380)
Interest expense	(84,973)
Total nonoperating revenues (expenses)	(21,346)
Income (loss) before contributions and transfers	1,116,377
Capital contributions - federal grants	591,306
Transfers in	434,310
Change in net position	2,141,993
Net position - beginning of year	19,111,169
Net position - end of year	\$ 21,253,162

See Accompanying Notes to the Financial Statements

**Village of Beverly Hills
Proprietary Fund
Statement of Cash Flows
For the Year Ended June 30, 2025**

	Enterprise Fund
	Water & Sewer Fund
Cash flows from operating activities	
Receipts from customers	\$ 6,405,902
Payments to suppliers	(3,785,785)
Payments to employees	(768,493)
Net cash provided (used) by operating activities	1,851,624
Cash flows from noncapital financing activities	
Transfer from other funds	434,310
Cash flows from capital and related financing activities	
Proceeds from capital debt	715,287
Capital contributions	591,306
Purchases/construction of capital assets	(2,356,685)
Principal and interest paid on long-term debt	(295,519)
Net cash provided (used) by capital and related financing activities	(1,345,611)
Cash flows from investing activities	
Interest received	65,007
Net change in cash and cash equivalents	1,005,330
Cash and cash equivalents - beginning of year	781,332
Cash and cash equivalents - end of year	\$ 1,786,662
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ 1,137,723
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation expense	561,022
Changes in assets and liabilities	
Receivables (net)	(175,754)
Due from other units of government	(566,048)
Inventories	(7,157)
Prepaid items	2,730
Accounts payable	837,873
Accrued and other liabilities	60,521
Customer deposits payable	714
Net cash provided (used) by operating activities	\$ 1,851,624

See Accompanying Notes to the Financial Statements

Village of Beverly Hills
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2025

	Other Employee Benefit Trust Fund	Custodial Fund Birmingham Area Cable Board
	Retiree Healthcare Trust Fund	Birmingham Area Cable Board
Assets		
Cash and cash equivalents	\$ 145,453	\$ 358,974
Investments		
MERS Retiree Health Funding Vehicle	8,088,260	-
Total assets	<u>8,233,713</u>	<u>358,974</u>
Liabilities		
Accounts payable	<u>-</u>	<u>4,948</u>
Net position		
Restricted for:		
Postemployment benefits other than pension	8,233,713	-
Other governments	<u>-</u>	<u>354,026</u>
Total net position	<u>\$ 8,233,713</u>	<u>\$ 354,026</u>

Village of Beverly Hills
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	Other Employee Benefit Trust Fund	Custodial Fund
	Retiree Healthcare Trust Fund	Birmingham Area Cable Board
Additions		
Contributions		
Employer	\$ 450,384	\$ -
Members	13,998	-
Total contributions	464,382	-
Investment earnings		
Interest, dividends and other	5,719	-
Net increase in fair value of investments	742,133	-
Total investment earnings	747,852	-
Charges for services	-	926,154
Total additions	1,212,234	926,154
Deductions		
Benefits paid to participants or beneficiaries	889,085	-
Administrative expense	16,786	843,088
Total deductions	905,871	843,088
Change in net position	306,363	83,066
Net position - beginning of year	7,927,350	270,960
Net position - end of year	\$ 8,233,713	\$ 354,026

See Accompanying Notes to the Financial Statements

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Village of Beverly Hills (the Village) is governed by an elected seven-member Council. The accompanying financial statements present all funds of the Village for which the Village is considered to be financially accountable. The Village has no component units.

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

The Public Safety Fund accounts for the resources of property tax revenue that are restricted for use on public safety.

The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The Village reports the following major proprietary fund:

The Water & Sewer Fund accounts for the activities of the water distribution system and the sewage collection system. The fund is financed primarily by a user charge for the provided service.

Additionally, the Village reports the following:

The Nonmajor Special Revenue Funds account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative requirements.

The Other Employee Benefit Trust Fund accounts for the accumulation of resources to be used for payments to eligible employees for certain healthcare costs.

The Custodial Fund accounts for assets held by the Village in a trustee capacity, consisting of fees collected on behalf of the Birmingham Area Cable Board.

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

Assets, Liabilities, and Net Position or Fund Balance

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

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

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. The Village considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

Property taxes are levied on each July 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent after the third Monday in September of the following year, at which time penalties and interest are assessed. Taxes unpaid on February 28 of the following year are added to the county tax rolls.

The Village'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.

The 2024 taxable valuation of the Village totaled \$794,688,350, on which taxes levied consisted of 1.7965 mills for operating purposes, 0.7819 mills for the library, 1.2900 mills for refuse collection, 9.4608 mills for public safety, and 0.3057 mills for parks. This resulted in \$1,422,686 for operating, \$619,191 for the library, \$1,021,573 for refuse collection, \$7,492,295 for public safety, and \$242,073 for parks. These amounts are recognized in the General, Library, Public Safety, and Park Improvement funds financial statements as taxes receivable or tax revenue, net of delinquent tax revenue and administrative fees. Personal property taxes that are still unpaid as of June 30, 2025 will be recognized as revenue in the future as they are collected.

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. For such payments in governmental funds the Village follows the consumption method, and they therefore are capitalized as prepaid items both government-wide and fund financial statements.

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 Village as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of three years. If several items are purchased as a group and the total cost exceeds \$10,000, the individual items must have a unit cost of \$5,000 or more to be capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

In accordance with GASB Statement No. 89, interest incurred during the construction of capital assets is expensed in the period it is incurred.

Infrastructure, intangibles, buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Roads and bridges	10 - 50 years
Water and sewer lines	50 - 100 years
Meters	20 years
Buildings and improvements	15 - 50 years
Furniture and equipment	5 - 10 years
Vehicles	5 - 25 years
Land improvements	20 years

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

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

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

Compensated absences – Village employees are granted compensated absences for vacation and sick leave in varying amounts based on agreements and policies. It is the Village's policy to permit employees to accumulate a limited amount of earned but unused annual and sick leave benefits, which will be utilized in future periods or will be paid to employees upon separation from City service. The estimated long-term liability for estimated vacation and sick pay that more likely than not will be paid or used with future governmental-type operating resources is recorded as long-term debt.

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

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

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

Other Postemployment Benefits (OPEB) – The Village offers retiree health care benefits to eligible administrative retirees hired before July 1, 2006 and eligible public safety retirees hired before July 1, 2013. The Village records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

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

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

Fund Balances – In the fund financial statements, governmental funds report fund balances in the following categories:

Non-spendable – assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the government’s highest level of decision-making authority. The Village Council is the highest level of decision-making authority for the government 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.

Assigned – 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 Village has, by resolution, authorized the finance director to assign fund balance. The Village 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.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village’s policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the Village’s policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

Use of Estimates

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

Adoption of New Accounting Standards

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

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

Upcoming Accounting and Reporting Changes

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

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

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

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

Note 2 - Stewardship, Compliance, and Accountability

Expenditures in Excess of Appropriations

	Appropriations	Actual	Budget Variance
General Fund			
General government			
Building and grounds	\$ 88,961	\$ 91,643	\$ 2,682
Building, planning and zoning	358,517	359,698	1,181
Recreation and culture			
Parks and recreation	421,482	428,234	6,752
ARPA Fund			
Transfers out	-	434,310	434,310

Construction Code Fees

The Village 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, through February of the current year. The Village 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 January 1, 2000 is as follows:

Cumulative shortfall at July 1, 2024	\$ (1,614,740)
Current year permit revenue	570,392
Related expenses	
Direct costs	(359,698)
Estimated indirect costs	<u>(91,643)</u>
Cumulative shortfall at June 30, 2025	<u>\$ (1,495,689)</u>

Note 3 - Deposits and Investments

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

	Cash and Cash		
	Equivalents	Investments	Total
Governmental activities	\$ 15,014,749	\$ -	\$ 15,014,749
Business-type activities	<u>1,786,662</u>	<u>-</u>	<u>1,786,662</u>
Total	16,801,411	-	16,801,411
Fiduciary funds	<u>504,427</u>	<u>8,088,260</u>	<u>8,592,687</u>
Total	<u>\$ 17,305,838</u>	<u>\$ 8,088,260</u>	<u>\$ 25,394,098</u>

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

The breakdown between deposits and investments is as follows:

	Governmental Activities and Business-type Activities	Fiduciary Funds	Total
Bank deposits (checking and savings accounts, money markets and certificates of deposit)	\$ 16,800,811	\$ 504,427	\$ 17,305,238
Investments in securities, mutual funds and similar vehicles	-	8,088,260	8,088,260
Petty cash and cash on hand	600	-	600
	<u>\$ 16,801,411</u>	<u>\$ 8,592,687</u>	<u>\$ 25,394,098</u>

Interest rate risk – The Village'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 Village did not hold any investments subject to interest rate risk.

Credit risk – State statutes and the Village's investment policy authorize the Village to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States. United States government or federal agency obligations; repurchase agreements; bankers acceptance of United States Banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of its political subdivisions, which 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 pension trust fund and the retiree health care fund are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Village has designated six 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 bonds and securities of the United States government and bank accounts and CDs but not the remainder of state statutory authority, as listed above. The Village's deposits and investment policies are in accordance with statutory authority. The Village has not adopted an investment policy for the retiree health care fund; however, the Village has by resolution set aside advanced funding of this obligation in the Municipal Employees' Retirement System Retiree Health Funding Vehicle (RHFV), which is held in a separate reserve but invested on a pooled basis by MERS with other governmental units.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost.

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

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. As of year-end, \$16,823,291 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Note 4 - Fair Value Measurements

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

Investments in Entities that Calculate Net Asset Value per Share

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

At year end, the net asset value of the Village's investment in the MERS Retiree Health Funding Vehicle Total Market Fund (the Fund) was \$8,088,260. The Fund is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity and commodities and is carried at net asset value. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. MERS manages the asset allocation and monitors the underlying investment managers. There is no redemption period and no unfunded commitments.

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

Note 5 - Capital Assets

Capital assets activity of the Village for the current year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 209,936	\$ -	\$ -	\$ 209,936
Construction-in-progress	1,174,470	1,739,124	1,415,502	1,498,092
Total capital assets not being depreciated	<u>1,384,406</u>	<u>1,739,124</u>	<u>1,415,502</u>	<u>1,708,028</u>
Capital assets being depreciated				
Buildings and improvements	3,609,260	108,083	10,163	3,707,180
Roads and bridges	22,187,201	1,197,442	4,023	23,380,620
Equipment	3,864,563	492,595	504,765	3,852,393
Improvements other than buildings	1,846,723	-	116,467	1,730,256
Land improvements	53,973	507,460	4,575	556,858
Total capital assets being depreciated	<u>31,561,720</u>	<u>2,305,580</u>	<u>639,993</u>	<u>33,227,307</u>
Less accumulated depreciation for				
Buildings and improvements	1,965,379	91,926	8,633	2,048,672
Roads and bridges	11,453,136	773,495	4,023	12,222,608
Equipment	2,195,597	352,879	384,646	2,163,830
Improvements other than buildings	1,442,790	41,464	105,415	1,378,839
Land improvements	2,937	25,373	458	27,852
Total accumulated depreciation	<u>17,059,839</u>	<u>1,285,137</u>	<u>503,175</u>	<u>17,841,801</u>
Net capital assets being depreciated	<u>14,501,881</u>	<u>1,020,443</u>	<u>136,818</u>	<u>15,385,506</u>
Governmental activities capital assets, net	<u>\$ 15,886,287</u>	<u>\$ 2,759,567</u>	<u>\$ 1,552,320</u>	<u>\$ 17,093,534</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Construction-in-progress	\$ 3,111,827	\$ 2,395,998	\$ 540,319	\$ 4,967,506
Capital assets being depreciated				
Water mains	7,430,016	-	9,279	7,420,737
Sanitary sewers and drains	22,278,606	540,319	-	22,818,925
Service buildings	42,163	-	21,048	21,115
Meters	823,042	-	-	823,042
Motor vehicles	36,740	-	1,740	35,000
Furniture and equipment	6,891	23,709	9,520	21,080
Total capital assets being depreciated	<u>30,617,458</u>	<u>564,028</u>	<u>41,587</u>	<u>31,139,899</u>
Less accumulated depreciation for				
Water mains	1,855,493	77,003	9,082	1,923,414
Sanitary sewers and drains	11,038,481	437,867	-	11,476,348
Service buildings	42,163	-	21,048	21,115
Meters	693,107	41,152	-	734,259
Motor vehicles	36,740	-	1,740	35,000
Furniture and equipment	5,449	5,000	8,337	2,112
Total accumulated depreciation	<u>13,671,433</u>	<u>561,022</u>	<u>40,207</u>	<u>14,192,248</u>
Net capital assets being depreciated	<u>16,946,025</u>	<u>3,006</u>	<u>1,380</u>	<u>16,947,651</u>
Business-type capital assets, net	<u>\$ 20,057,852</u>	<u>\$ 2,399,004</u>	<u>\$ 541,699</u>	<u>\$ 21,915,157</u>

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

Depreciation expense as charged to programs as follows:

Governmental activities	
General government	\$ 158,763
Public safety	352,879
Public works	<u>773,495</u>
Total governmental activities	1,285,137
 Business-type activities	
Water and Sewer Fund	<u>561,022</u>
Total	<u>\$ 1,846,159</u>

Construction Commitments

At June 30, 2025, the Village had \$1,397,237 in construction commitments outstanding for projects related to sidewalk improvements and street resurfacing. The commitments will be satisfied using grant funding and fund balance.

Note 6 - Interfund Transfers

The details for interfund transfers are as follows:

Transfers In	Transfers Out			Total
	General Fund	Public Safety Fund	Nonmajor Governmental Funds	
Capital Projects Fund	\$ 1,100,000	\$ 100,000	\$ -	\$ 1,200,000
Water and Sewer Fund	-	-	434,310	434,310
Nonmajor Governmental Funds	<u>2,200,000</u>	<u>-</u>	<u>-</u>	<u>2,200,000</u>
	<u>\$ 3,300,000</u>	<u>\$ 100,000</u>	<u>\$ 434,310</u>	<u>\$ 3,834,310</u>

The transfers from the General Fund to the Nonmajor Governmental Funds and the Capital Projects Fund represent the use of unrestricted resources to finance those programs in accordance with budgetary authorizations. The transfer from the Public Safety Fund to the Capital Projects Fund represents the use of restricted resources to finance capital improvements. The Nonmajor Governmental Funds to Water and Sewer Fund represents the transfer of capital assets that were funded with restricted grant resources.

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

Note 7 - Long-Term Debt

The Village issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. Installment purchase agreements are also general obligations of the Village. Other long-term obligations include compensated absences. Compensated absences additions and deductions are reported net.

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities									
Bonds and notes payable									
Notes from direct borrowings and direct placements									
2018 Fire Truck Installment Purchase Agreement	\$ 604,800	2025	-	-	\$ 95,530	\$ -	\$ 95,530	\$ -	\$ -
MDOT State Infrastructure Note	2,000,000	2036	3.250%	\$172,462 - \$229,988	-	2,000,000	-	2,000,000	172,462
Total notes from direct borrowings and direct placements					95,530	2,000,000	95,530	2,000,000	172,462
Compensated absences					763,916	154,770	-	918,686	538,483
Total governmental activities					\$ 859,446	\$ 2,154,770	\$ 95,530	\$ 2,918,686	\$ 710,945
Business-type activities									
Bonds and notes payable									
General obligation bonds									
Evergreen-Farmington Sanitary Drainage District Bond Series 2023	\$ 6,599,987	2048	1.875%	\$129,456 - \$900,202	\$ 3,111,827	\$ 715,287	\$ -	\$ 3,827,114	\$ -
2005 George W. Kuhn Drain Bond	12,534	2026	1.625	737	1,438	-	701	737	737
2007 George W. Kuhn Drain Bond	14,563	2028	1.625	825	3,300	-	825	2,475	825
2008 George W. Kuhn Drain Bond	63,408	2029	2.500	3,670 - 3,959	18,892	-	3,588	15,304	3,670
Total general obligation bonds					3,135,457	715,287	5,114	3,845,630	5,232
Notes from direct borrowings and direct placements									
2003 Drinking Water Revolving Fund Loan	3,562,053	2025	-	-	222,055	-	222,055	-	-
Total business-type activities					\$ 3,357,512	\$ 715,287	\$ 227,169	\$ 3,845,630	\$ 5,232

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

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Notes from Direct Borrowings and Direct Placements		Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 172,462	\$ 65,000	\$ 5,232	\$ 58,782
2027	178,067	59,395	4,624	58,665
2028	183,854	53,608	4,703	58,556
2029	189,830	47,633	133,413	57,232
2030	195,999	41,463	131,941	54,683
2031-2035	1,079,788	107,523	697,829	235,008
2036-2040	-	-	766,370	166,418
2041-2045	-	-	841,906	91,090
2046-2048	-	-	1,259,612	15,438
	<u>\$ 2,000,000</u>	<u>\$ 374,622</u>	<u>\$ 3,845,630</u>	<u>\$ 795,872</u>

County Contractual Obligations

The above contractual obligations include county contractual obligations payable to Oakland County, Michigan (the County) and are the result of the issuance of bonds by Oakland County, Michigan on the Village's behalf. The Village has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the obligations. In addition, it has pledged to raise property taxes, to the extent permitted by law, if necessary to fund the obligation to repay the County. Proceeds from the county bonds provided financing for the construction of the George W. Kuhn Drain. The remaining principal and interest to be paid on the bonds total \$18,516. During the current year, net expenses of the system, excluding depreciation, were \$499,300, compared to the annual debt requirements of \$232,471.

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

Evergreen-Farmington Sanitary Drainage District Bonds

During the year ended June 30, 2023, the Village entered into an agreement with the Drainage Board for the Evergreen-Farmington Sanitary Drain Drainage District to allow for the issuance of bonds to finance increasing outlet capacity as part of a corrective action plan submitted to the State of Michigan on behalf of the 15 Oakland County municipalities served by the Evergreen-Farmington Sewage Disposal System. The Evergreen-Farmington Sanitary Drain Drainage District Bonds, Series 2023 were issued in the amount of \$121,070,000, with \$12,107,000 of the bonds anticipated to be forgiven. The Village will be responsible for 6.05709 percent of the debt service payments associated with this issuance. As of June 30, 2025, the total balance drawn on these bonds is \$63,184,030, of which \$3,827,114 will be the responsibility of the Village. The bonds bear interest at 1.8750 percent, and principal payments will begin repayment in October 2029.

Note 8 - Net Investment in Capital Assets

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

	Governmental Activities	Business-type Activities
Capital assets		
Capital assets not being depreciated	\$ 1,708,028	\$ 4,967,506
Capital assets, net of accumulated depreciation	15,385,506	16,947,651
Total capital assets	17,093,534	21,915,157
Related debt		
General obligation bonds	-	(3,845,630)
Notes from direct borrowing and direct placements	(2,000,000)	-
Capital accounts payable and retainage payable	-	(62,022)
Total related debt	(2,000,000)	(3,907,652)
Net investment in capital assets	\$ 15,093,534	\$ 18,007,505

Note 9 - Risk Management

The Village 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 Village has purchased commercial insurance for medical claims and participates in the Michigan Municipal League Workers' Compensation for claims relating to workers' compensation and the Michigan Municipal Risk Management Authority for general liability claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The 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.

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

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

The Village is self-insured for a portion of its health care reimbursement for the drug program. Active employees are not eligible. Under the plan, eligible retirees are assigned a drug card and pay a \$2, \$3, or \$10 copay. The Village is billed for the amounts exceeding the copay. As of June 30, 2025, all related claims have been accrued.

The Village estimates the liability for general liability claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	2025	2024
Unpaid claims - beginning of year	\$ 23,923	\$ 23,923
Reported claims	280,416	106,630
Claims payments	(78,825)	(106,630)
Estimated liability - end of year	\$ 225,514	\$ 23,923

Note 10 - Pension Plans

Defined Benefit Pension Plan

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

Benefits provided – The plan provides 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 MERS. The MERS plan covers general employees (closed to new hires), command and public safety officers (closed to new hires), and general nonunion employees (closed to new hires). Retirement benefits are calculated as 2.50% of the employee's final 2-year average compensation times the employee's years of service. Normal retirement age is 60, with early retirement at 50 with 25 years of service (reduced benefits) or at 55 with 15 years of service (reduced benefits). The vesting period is 10 years. To be eligible for nonduty disability benefits, employees must have a minimum of 10 years of service, and employees are eligible for duty-related benefits upon hire. The benefits also include nonduty disability benefits and disability retirement benefits in limited situations. An employee who leaves village 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 one-half of the change in the Consumer Price Index, limited to a maximum increase in retirement allowance of 2% for general employees and 3 percent for public safety employees. Benefit terms are generally established and amended by authority of the Village Council, generally after negotiations of these terms with the affected unions. Police and fire employees benefit terms may be subject to binding arbitration in certain circumstances.

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

Inactive employees or beneficiaries currently receiving benefits	62
Inactive employees entitled to, but not yet receiving benefits	9
Active employees	8
	79

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

Contributions – State law requires public employers to make pension contributions in accordance with an actuarial valuation. The Village hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Village's required contribution is determined after consideration of the required contribution rate of employees. Eligible public safety employees contribute 5% of annual pay. Eligible Village administration employees do not contribute to the plan. For the year ended June 30, 2025, the Village contributed \$1,671,180 for eligible public safety employees and \$64,354 for eligible general administrative employees.

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

Actuarial assumptions – The total pension liability in the December 31, 2024, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 2.50%; 2) Salary increases 3.00% in the long-term; 3) Investment rate of return of 7.00%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 2.50%.

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

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

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

Asset Class	Target Allocation	Target Allocation Gross Rate Of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real Rate of Return
Global equity	60.00%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.00%	4.66%	0.93%	2.50%	0.43%
Private investments	20.00%	9.00%	1.80%	2.50%	1.30%
	<u>100.00%</u>		<u>7.00%</u>		<u>4.43%</u>

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

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2023	\$ 30,582,821	\$ 22,242,345	\$ 8,340,476
Changes for the year			
Service cost	168,834	-	168,834
Interest on total pension liability	2,127,538	-	2,127,538
Experience differences	49,285	-	49,285
Employer contributions	19,645	1,625,466	(1,605,821)
Employee contributions	-	32,447	(32,447)
Net investment income (loss)	-	1,628,770	(1,628,770)
Benefit payments and refunds	(2,071,580)	(2,071,580)	-
Administrative expense	-	(48,577)	48,577
Net changes	293,722	1,166,526	(872,804)
Balances as of December 31, 2024	\$ 30,876,543	\$ 23,408,871	\$ 7,467,672

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

1% Decrease	Current Discount Rate	1% Increase
\$ 10,916,916	\$ 7,467,672	\$ 4,587,636

Pension expense and deferred outflows of resources related to pensions – For the year ended June 30, 2025 the employer recognized pension expense of \$974,616. The employer reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Total to Amortize
Net difference between projected and actual earning on plan investments	\$ 996,857	\$ 996,857
Contributions subsequent to the measurement date*	438,864	-
Total	\$ 1,435,721	\$ 996,857

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

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

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

<u>Year ended June 30,</u>		
2026	\$	457,612
2027		730,952
2028		(182,035)
2029		(9,672)
	<u>\$</u>	<u>996,857</u>

Defined Contribution Pension Plans

The Village contributes to the Municipal Employees' Retirement System Defined Contribution Plan for Public Safety Officers Union and Command Union employees hired after July 1, 2013, who meet the eligibility requirements. MERS acts as the plan administrator pursuant to the terms and conditions of the plan. Benefit terms, including contribution requirements, for the Municipal Employees' Retirement System Defined Contribution Plan for Public Safety Officers Union and Command Union are established by and may be amended by the Village Council. For each employee in the plan, the Village is required to contribute 12% of annual salary, exclusive of overtime pay to an individual employee account. Employees are vested in their own contributions and earnings on those contributions and become vested in village contributions and earnings on village contributions after completion of five years of creditable service with the Village. Nonvested village contributions are forfeited upon termination of employment. As of June 30, 2025, there were 15 members in the plan. During the year ended June 30, 2025, the Village contributed \$265,749 into the plan, and \$199,876 was contributed to the plan by plan participants.

The Village also contributes to the Municipal Employees' Retirement System Defined Contribution Plan for general administration employees hired after July 1, 2013, who meet the eligibility requirements. MERS acts as the plan administrator pursuant to the terms and conditions of the plan. Benefit terms, including contribution requirements, for the Municipal Employees' Retirement System Defined Contribution Plan for general administration employees are established by and may be amended by the Village Council. For each employee in the plan, the Village is required to contribute 10% of annual salary to an individual employee account. Employees are vested in their own contributions and earnings on those contributions, and vesting in village contributions and earnings is immediate. As of June 30, 2025, there were 19 members in the plan. During the year ended June 30, 2025, the Village contributed \$122,415 into the plan, and \$72,723 was contributed to the plan by plan participants.

Note 11 - Other Postemployment Benefits

Plan description – The Village provides OPEB for all administrative employees hired before July 1, 2006, and all public safety employees hired before July 1, 2013, who meet eligibility requirements. The benefits are provided through the Village of Beverly Hills Retiree Health Care Plan, a single-employer plan administered by the Village. The financial statements of the OPEB plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund). Management of the OPEB plan is vested with the Village's administration.

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

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

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

Inactive employees or beneficiaries currently receiving benefits	46
Inactive employees entitled to, but not yet receiving benefits	3
Active employees	6
	55
	55

Contributions – The Village requires eligible municipal employees to contribute 2% of their salary to the retiree health care program. Retiree health care costs are recognized when paid by the Village on a pay-as-you go basis. The Village has no obligation to make contributions in advance of when the insurance premiums are due for payment. The Village made contributions of \$450,385 into the plan to advance fund these benefits, as determined by the Village Council through annual budget resolutions.

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 July 1, 2025. The components of the net OPEB liability as of June 30, 2025 were as follows:

Total OPEB liability	\$ 12,006,166
Plan fiduciary net position	(8,233,712)
Net OPEB liability	\$ 3,772,454

Plan fiduciary net position as a percentage of the total OPEB liability is 68.58%.

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of July 1, 2025, using the following actuarial assumptions, applied to all periods included in the measurement.

The total OPEB liability in the July 1, 2025 actuarial valuation was determined using an inflation assumption of 2.50%; assumed salary increases (including inflation) of 3% and 3.75%; an investment rate of return (net of investment expenses) of 6.93%; a health care cost trend rate of 8% for 2026, decreasing by 0.50% per year to an ultimate rate of 4.50%; and the SOA Pub-2016 Headcount Weighted Mortality Table fully generational using Scale MP-2021. These assumptions were applied to all periods included in the measurement.

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 return by the target asset allocation percentage and adding expected inflation. 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 footnote, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equities	60.00%	7.00%
Global fixed income	20.00%	4.66%
Private assets	20.00%	9.00%

Discount rate – The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that Village contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of July 1, 2024	\$ 12,083,144	\$ 7,927,349	\$ 4,155,795
Changes for the year			
Service cost	59,135	-	59,135
Interest on total OPEB liability	819,368	-	819,368
Experience differences	(576,539)	-	(576,539)
Changes in assumptions	510,144	-	510,144
Employer contributions	-	450,385	(450,385)
Employee contributions	-	13,998	(13,998)
Net investment income (loss)	-	747,851	(747,851)
Benefit payments and refunds	(889,086)	(889,086)	-
Administrative expense	-	(16,785)	16,785
Net changes	(76,978)	306,363	(383,341)
Balances as of June 30, 2025	\$ 12,006,166	\$ 8,233,712	\$ 3,772,454

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

1% Decrease	Current Discount Rate	1% Increase
\$ 5,092,815	\$ 3,772,454	\$ 2,673,795

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

1% Decrease	Healthcare Cost Trend Rates	1% Increase
\$ 2,686,797	\$ 3,772,454	\$ 5,061,515

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

OPEB expense and deferred inflows of resources related to OPEB – For the year ended June 30, 2025 the employer recognized OPEB expense of \$138,726. The employer reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Total to Amortize
Net difference between projected and actual earning on plan investments	\$ (69,911)	\$ (69,911)

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

Year ended June 30,	
2026	\$ 161,193
2027	(97,981)
2028	(91,496)
2029	(41,627)
	\$ (69,911)

Note 12 - Joint Ventures

Birmingham Area Cablecasting Board

The Village is a member of the Birmingham Area Cablecasting Board (BACB), which provides cable program coordinating services to the residents of Birmingham, Bingham Farms, Beverly Hills, and Franklin Village. The Village has no explicit and measurable equity interest in the BACB. The Village is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements for the BACB can be obtained from its administrative offices at P.O. Box 165, Birmingham, MI 48012.

Southeastern Oakland Water Authority

The Village is a member of the Southeastern Oakland County Water Authority (the Authority), which provides a water supply system serving 11 member municipalities in Oakland County. The Village appoints one member of the Authority’s governing board, which approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2025, the Village expensed payments totaling \$754,183 made to the Authority. The Village has no explicit and measurable equity interest in the Authority. The Authority’s operations are financially independent of the Village. The Village is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements for the Authority can be obtained from its administrative offices at 3910 Webster Road, Royal Oak, MI 48073.

Southeastern Oakland County Resource Recovery Authority

The Village is a member of the Southeastern Oakland County Resource Recovery Authority (the Authority), which consists of 12 municipalities in Oakland County, Michigan and provide refuse disposal services for the benefit of member municipalities. The Village appoints one member of the Authority’s governing board, which approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2025, the Village expensed \$902,749 of payments to the Authority. The Village has no explicit and measurable equity interest in the Authority. The Authority’s operations are financially independent of the Village. The Village is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements for the Authority can be

Village of Beverly Hills
Notes to the Financial Statements
June 30, 2025

obtained from its administrative offices at 3910 Webster Road, Royal Oak, MI 48073.

Note 13 - Adjustments

The Major Streets Fund, the Local Streets Fund and the ARPA Fund were previously reported as major funds within the governmental funds; however, the funds no longer meet the quantitative threshold for presentation as major funds.

The Capital Projects Fund was previously reported as a nonmajor fund within the governmental funds; however, the fund now meets the quantitative threshold for presentation as a major fund.

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

The Village improperly recorded the May/June 2024 state shared revenue payment as a deferred inflow of resources in the prior year as it was received within 60 days of year end. This results in a correction of an error in the Governmental Activities and General Fund of \$191,023 to increase beginning net position and fund balance.

	June 30, 2024 As Previously Reported	Change Within the Financial Reporting Entity	Change in Accounting Principle	Correction of an Error	June 30, 2024 As Restated
Government-Wide					
Governmental Activities Net Position	\$ 17,985,130	\$ -	\$ (309,176)	\$ 203,371	\$ 17,879,325
Governmental Funds					
Major Funds					
General Fund Fund Balance	\$ 5,645,041	\$ -	\$ -	\$ 203,371	\$ 5,848,412
Major Streets Fund Fund Balance	878,989	(878,989)	-	-	-
Local Streets Fund Fund Balance	416,193	(416,193)	-	-	-
Public Safety Fund Fund Balance	5,431,888	-	-	-	5,431,888
ARPA Fund Fund Balance	288	(288)	-	-	-
Capital Projects Fund Fund Balance	-	325,888	-	-	325,888
Nonmajor Funds Fund Balances	572,291	969,582	-	-	1,541,873
	<u>\$ 12,944,690</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,371</u>	<u>\$ 13,148,061</u>

Village of Beverly Hills
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes	\$ 2,450,541	\$ 2,450,541	\$ 2,468,319	\$ 17,778
Licenses and permits	11,200	16,425	19,055	2,630
Federal grants	10,000	12,915	16,412	3,497
State-shared revenue	1,209,910	1,183,052	1,182,311	(741)
State grants	38,000	79,196	40,611	(38,585)
Local grants and contributions	1,370	1,370	1,395	25
Charges for services				
Construction code fees	515,000	544,700	570,392	25,692
Charges to other funds	195,000	195,000	195,000	-
User fees	-	-	807	807
Investment income	160,000	145,000	146,572	1,572
Other revenue	359,140	321,732	188,907	(132,825)
Total revenues	<u>4,950,161</u>	<u>4,949,931</u>	<u>4,829,781</u>	<u>(120,150)</u>
Expenditures				
General government				
Village council	30,712	30,712	24,742	(5,970)
Village manager	317,472	329,574	313,542	(16,032)
Village finance and accounting	349,551	356,091	344,683	(11,408)
Village clerk	139,111	136,336	123,506	(12,830)
Building and grounds	83,686	88,961	91,643	2,682
General administration	428,774	493,320	491,633	(1,687)
Pension board	48,334	85,784	77,324	(8,460)
Total general government	<u>1,397,640</u>	<u>1,520,778</u>	<u>1,467,073</u>	<u>(53,705)</u>
Building, planning and zoning	<u>354,517</u>	<u>358,517</u>	<u>359,698</u>	<u>1,181</u>
Public works				
Public services	<u>1,256,301</u>	<u>1,374,618</u>	<u>1,315,203</u>	<u>(59,415)</u>
Community and economic development	<u>278,927</u>	<u>245,290</u>	<u>244,392</u>	<u>(898)</u>
Recreation and culture				
Parks and recreation	<u>307,257</u>	<u>421,482</u>	<u>428,234</u>	<u>6,752</u>
Capital outlay	<u>231,800</u>	<u>255,300</u>	<u>248,718</u>	<u>(6,582)</u>
Total expenditures	<u>3,826,442</u>	<u>4,175,985</u>	<u>4,063,318</u>	<u>(112,667)</u>
Excess (deficiency) of revenues over expenditures	<u>1,123,719</u>	<u>773,946</u>	<u>766,463</u>	<u>(7,483)</u>
Other financing sources (uses)				
Transfers out	(3,300,000)	(3,300,000)	(3,300,000)	-
Sale of capital assets	-	-	260	260
Total other financing sources (uses)	<u>(3,300,000)</u>	<u>(3,300,000)</u>	<u>(3,299,740)</u>	<u>260</u>
Net change in fund balance	<u>(2,176,281)</u>	<u>(2,526,054)</u>	<u>(2,533,277)</u>	<u>(7,223)</u>
Fund balance - beginning of year	5,391,265	5,391,265	5,391,265	-
Adjustments	203,371	203,371	203,371	-
Fund balance - beginning of year, as adjusted or restated	<u>5,594,636</u>	<u>5,594,636</u>	<u>5,594,636</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,418,355</u>	<u>\$ 3,068,582</u>	<u>\$ 3,061,359</u>	<u>\$ (7,223)</u>

See Accompanying Notes to Required Supplementary Information

Village of Beverly Hills
Required Supplementary Information
Budgetary Comparison Schedule
Public Safety Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Revenues				
Taxes	\$ 7,480,796	\$ 7,480,796	\$ 7,490,737	\$ 9,941
State grants	41,000	54,762	111,423	56,661
Charges for services	155,167	155,837	82,244	(73,593)
Fines and forfeitures	65,250	50,250	46,586	(3,664)
Investment income	325,000	345,000	337,387	(7,613)
Other revenue	-	7,138	16,941	9,803
Total revenues	<u>8,067,213</u>	<u>8,093,783</u>	<u>8,085,318</u>	<u>(8,465)</u>
Expenditures				
Current				
Public safety	8,306,345	8,125,636	7,787,979	(337,657)
Capital outlay	694,000	493,914	375,431	(118,483)
Debt service				
Principal retirement	95,530	95,530	95,530	-
Interest and fiscal charges	3,330	3,330	3,330	-
Total expenditures	<u>9,099,205</u>	<u>8,718,410</u>	<u>8,262,270</u>	<u>(456,140)</u>
Excess of revenues (deficiency) over expenditures	(1,031,992)	(624,627)	(176,952)	447,675
Other financing sources (uses)				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balance	(1,131,992)	(724,627)	(276,952)	447,675
Fund balance - beginning of year	<u>5,431,888</u>	<u>5,431,888</u>	<u>5,431,888</u>	<u>-</u>
Fund balance - end of year	<u>\$ 4,299,896</u>	<u>\$ 4,707,261</u>	<u>\$ 5,154,936</u>	<u>\$ 447,675</u>

Village of Beverly Hills
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal year ended June 30,	2025	2024	2023	2022	2021
Total pension liability					
Service cost	\$ 168,834	\$ 180,623	\$ 166,187	\$ 159,550	\$ 258,596
Interest	2,127,538	2,097,577	2,070,618	2,072,594	1,963,965
Experience differences	49,285	273,748	173,095	91,069	272,445
Changes in assumptions	19,645	220,302	-	1,055,626	920,735
Benefit payments and refunds	<u>(2,071,580)</u>	<u>(2,062,416)</u>	<u>(2,028,123)</u>	<u>(2,157,673)</u>	<u>(1,716,092)</u>
Net change in total pension liability	293,722	709,834	381,777	1,221,166	1,699,649
Total pension liability - beginning	<u>30,582,821</u>	<u>29,872,987</u>	<u>29,491,210</u>	<u>28,270,044</u>	<u>26,570,395</u>
Total pension liability - ending (a)	<u>\$ 30,876,543</u>	<u>\$ 30,582,821</u>	<u>\$ 29,872,987</u>	<u>\$ 29,491,210</u>	<u>\$ 28,270,044</u>
Plan fiduciary net position					
Employer contributions	\$ 1,625,466	\$ 722,868	\$ 773,502	\$ 677,430	\$ 530,242
Employee contributions	32,447	30,489	31,410	179,062	362,296
Net investment income (loss)	1,628,770	2,353,015	(2,777,164)	3,103,933	2,963,399
Benefit payments and refunds	(2,071,580)	(2,062,416)	(2,028,123)	(2,157,673)	(1,716,092)
Administrative expense	(48,577)	(48,972)	(45,472)	(36,852)	(42,952)
Other	-	-	-	-	-
Net change in plan fiduciary net position	1,166,526	994,984	(4,045,847)	1,765,900	2,096,893
Plan fiduciary net position - beginning	<u>22,242,345</u>	<u>21,247,361</u>	<u>25,293,208</u>	<u>23,527,308</u>	<u>21,430,415</u>
Plan fiduciary net position - ending (b)	<u>\$ 23,408,871</u>	<u>\$ 22,242,345</u>	<u>\$ 21,247,361</u>	<u>\$ 25,293,208</u>	<u>\$ 23,527,308</u>
Net pension liability (a-b)	<u>\$ 7,467,672</u>	<u>\$ 8,340,476</u>	<u>\$ 8,625,626</u>	<u>\$ 4,198,002</u>	<u>\$ 4,742,736</u>
Plan fiduciary net position as a percentage					
of total pension liability	75.81%	72.73%	71.13%	85.77%	83.22%
Covered payroll	\$ 876,070	\$ 941,404	\$ 874,311	\$ 931,435	\$ 1,441,719
Net pension liability as a percentage of covered payroll	852.41%	885.96%	986.56%	450.70%	328.96%

See Accompanying Notes to Required Supplementary Information

Village of Beverly Hills
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal year ended June 30,	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$ 254,845	\$ 251,631	\$ 243,363	\$ 341,278	\$ 395,718
Interest	1,955,756	1,928,824	1,888,095	1,939,231	1,821,548
Experience differences	24,511	(147,490)	329,825	(1,065,216)	527,126
Changes in assumptions	861,687	-	-	-	955,924
Benefit payments and refunds	<u>(1,691,826)</u>	<u>(1,704,038)</u>	<u>(2,208,579)</u>	<u>(1,402,509)</u>	<u>(1,621,661)</u>
Net change in total pension liability	1,404,973	328,927	252,704	(187,216)	2,078,655
Total pension liability - beginning	<u>25,165,422</u>	<u>24,836,495</u>	<u>24,583,791</u>	<u>24,771,007</u>	<u>22,692,352</u>
Total pension liability - ending (a)	<u>\$ 26,570,395</u>	<u>\$ 25,165,422</u>	<u>\$ 24,836,495</u>	<u>\$ 24,583,791</u>	<u>\$ 24,771,007</u>
Plan fiduciary net position					
Employer contributions	\$ 453,554	\$ 466,194	\$ 611,972	\$ 459,837	\$ 378,302
Employee contributions	167,465	46,821	89,673	65,122	74,509
Net investment income (loss)	2,654,422	(826,011)	2,682,871	2,195,311	(313,771)
Benefit payments and refunds	(1,691,826)	(1,704,038)	(2,208,579)	(1,402,509)	(1,621,661)
Administrative expense	(45,719)	(41,816)	(42,650)	(43,366)	(45,714)
Other	-	-	-	(132,415)	-
Net change in plan fiduciary net position	1,537,896	(2,058,850)	1,133,287	1,141,980	(1,528,335)
Plan fiduciary net position - beginning	<u>19,892,519</u>	<u>21,951,369</u>	<u>20,818,082</u>	<u>19,676,102</u>	<u>21,204,437</u>
Plan fiduciary net position - ending (b)	<u>\$ 21,430,415</u>	<u>\$ 19,892,519</u>	<u>\$ 21,951,369</u>	<u>\$ 20,818,082</u>	<u>\$ 19,676,102</u>
Net pension liability (a-b)	<u>\$ 5,139,980</u>	<u>\$ 5,272,903</u>	<u>\$ 2,885,126</u>	<u>\$ 3,765,709</u>	<u>\$ 5,094,905</u>
Plan fiduciary net position as a percentage					
of total pension liability	80.66%	79.05%	88.38%	84.68%	79.43%
Covered payroll	\$ 1,465,257	\$ 1,431,207	\$ 1,423,915	\$ 1,905,227	\$ 2,157,414
Net pension liability as a percentage of covered payroll	350.79%	368.42%	202.62%	197.65%	236.16%

See Accompanying Notes to Required Supplementary Information

Village of Beverly Hills
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Employer Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 511,879	\$ 511,879	\$ -	\$ 2,157,414	23.73%
2017	393,492	462,900	(69,408)	1,905,227	24.30%
2018	490,488	490,488	-	1,423,915	34.45%
2019	441,900	441,900	-	1,431,207	30.88%
2020	465,444	465,444	-	1,465,257	31.77%
2021	594,840	594,840	-	1,441,719	41.26%
2022	760,056	760,056	-	931,435	81.60%
2023	789,170	789,170	-	874,311	90.26%
2024	658,788	658,788	-	941,404	69.98%
2025	877,728	1,734,936	(857,208)	931,088	186.33%

Village of Beverly Hills
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios

Fiscal year ended June 30,	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 59,135	\$ 55,389	\$ 63,119	\$ 58,444
Interest	819,368	721,235	747,199	773,588
Experience differences	(576,539)	1,270,526	(410,458)	(261,684)
Changes in assumptions	510,144	249,341	122,977	418,407
Benefit payments and refunds	(889,086)	(907,281)	(865,433)	(829,655)
Net change in total OPEB liability	(76,978)	1,389,210	(342,596)	159,100
Total OPEB liability - beginning	12,083,144	10,693,934	11,036,530	10,877,430
Total OPEB liability - ending (a)	<u>\$ 12,006,166</u>	<u>\$ 12,083,144</u>	<u>\$ 10,693,934</u>	<u>\$ 11,036,530</u>
Plan fiduciary net position				
Employer contributions	\$ 450,385	\$ 460,025	\$ 399,942	\$ 398,416
Employee contributions	13,998	14,914	13,352	13,061
Net investment income (loss)	747,851	766,569	543,606	(673,226)
Benefit payments and refunds	(889,086)	(907,281)	(865,433)	(829,655)
Administrative expense	(16,784)	(16,178)	(13,709)	(14,941)
Net change in plan fiduciary net position	306,364	318,049	77,758	(1,106,345)
Plan fiduciary net position - beginning	7,927,349	7,609,300	7,531,542	8,637,887
Plan fiduciary net position - ending (b)	<u>\$ 8,233,713</u>	<u>\$ 7,927,349</u>	<u>\$ 7,609,300</u>	<u>\$ 7,531,542</u>
Net OPEB liability (a-b)	<u>\$ 3,772,453</u>	<u>\$ 4,155,795</u>	<u>\$ 3,084,634</u>	<u>\$ 3,504,988</u>
Plan fiduciary net position as a percentage of total OPEB liability	68.58%	65.61%	71.16%	68.24%
Covered payroll	\$ 878,402	\$ 917,185	\$ 841,503	\$ 654,774
Net OPEB liability as a percentage of covered payroll	429.47%	453.10%	366.56%	535.30%

See Accompanying Notes to Required Supplementary Information

Village of Beverly Hills
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios

Fiscal year ended June 30,	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 81,148	\$ 72,131	\$ 91,548	\$ 153,337	\$ 154,954
Interest	782,215	795,159	779,157	877,479	719,701
Experience differences	(771,500)	(166,909)	273,635	(2,394,561)	-
Changes in assumptions	620,642	453,126	(108,614)	-	2,412,873
Benefit payments and refunds	(778,797)	(780,970)	(837,639)	(904,286)	(720,855)
Net change in total OPEB liability	(66,292)	372,537	198,087	(2,268,031)	2,566,673
Total OPEB liability - beginning	10,943,722	10,571,185	10,373,098	12,641,129	12,350,198
Total OPEB liability - ending (a)	<u>\$ 10,877,430</u>	<u>\$ 10,943,722</u>	<u>\$ 10,571,185</u>	<u>\$ 10,373,098</u>	<u>\$ 14,916,871</u>
Plan fiduciary net position					
Employer contributions	\$ 384,037	\$ 418,461	\$ 994,646	\$ 1,227,868	\$ 1,151,735
Employee contributions	20,413	19,797	19,872	22,704	26,417
Net investment income (loss)	1,918,194	162,321	205,204	463,537	643,833
Benefit payments and refunds	(778,797)	(780,970)	(837,639)	(904,286)	(720,855)
Administrative expense	(17,196)	(12,580)	(14,197)	(15,289)	(13,009)
Net change in plan fiduciary net position	1,526,651	(192,971)	367,886	794,534	1,088,121
Plan fiduciary net position - beginning	7,111,236	7,304,207	6,936,321	6,141,787	5,053,666
Plan fiduciary net position - ending (b)	<u>\$ 8,637,887</u>	<u>\$ 7,111,236</u>	<u>\$ 7,304,207</u>	<u>\$ 6,936,321</u>	<u>\$ 6,141,787</u>
Net OPEB liability (a-b)	<u>\$ 2,239,543</u>	<u>\$ 3,832,486</u>	<u>\$ 3,266,978</u>	<u>\$ 3,436,777</u>	<u>\$ 8,775,084</u>
Plan fiduciary net position as a percentage					
of total OPEB liability	79.41%	64.98%	69.10%	66.87%	41.17%
Covered payroll	\$ 825,566	\$ 1,223,272	\$ 1,179,057	\$ 1,350,903	\$ 1,337,528
Net OPEB liability as a percentage of	271.27%	313.30%	277.08%	254.41%	656.07%
covered payroll					

See Accompanying Notes to Required Supplementary Information

Village of Beverly Hills
Required Supplementary Information
Other Postemployment Benefits
Schedule of Employer Contributions

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	\$ 720,855	\$ 1,151,735	\$ (430,880)	\$ 1,337,528	86.11%
2018	808,536	1,227,868	(419,332)	1,350,903	90.89%
2019	837,639	994,646	(157,007)	1,179,057	84.36%
2020	360,238	418,461	(58,223)	1,223,272	34.21%
2021	415,419	384,260	31,159	82,566	465.40%
2022	256,784	398,416	(141,632)	654,774	60.85%
2023	376,722	399,942	(23,220)	841,503	47.53%
2024	336,303	460,025	(123,722)	917,185	50.16%
2025	450,238	450,385	(147)	878,402	51.27%

See Accompanying Notes to Required Supplementary Information

Village of Beverly Hills
Required Supplementary Information
Other Postemployment Benefits
Schedule of Investment Returns

Fiscal Year Ended June 30,	Money-weighted Rate of Return
2017	12.99%
2018	7.68%
2019	3.09%
2020	2.32%
2021	28.12%
2022	-8.23%
2023	7.47%
2024	10.28%
2025	2.41%

Village of Beverly Hills
Notes to the Required Supplementary Information
June 30, 2025

Note 1 – Budgetary Information

Budgetary Information

The annual budget is prepared by village management and adopted by the Village Council; subsequent amendments are approved by the Village Council. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. During the current year, the budget was amended in a legally permissible manner. The budget process begins in January when each department head calculates its appropriation request. This is due by the first Monday in March. The budget is submitted to the Village Council at the first meeting in April. During the next month, the Village Council reviews the budget and considers any changes. After a public hearing, the final budget is adopted by resolution no later than the second regular meeting in May.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds, except that operating transfers and debt proceeds have been included in the revenue and expenditures categories rather than as other financing sources (uses), and the budgetary schedules include the use of fund balance as revenue. Also, in accordance with Governmental Accounting Standards Board Statement No. 54, the Sick Pay Severance Fund and Vacation Reserve Fund are presented within the General Fund for financial reporting purposes but are not budgeted in that manner.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level. If any department exceeds budget appropriations, the Village Council may, by resolution, amend the department's appropriation. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

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

	Total		
	Total Revenue	Expenditures	Fund Balance
Amounts per operating statement	\$ 5,122,476	\$ 4,399,369	\$ 3,259,431
Vacation Reserve Fund	(222,047)	(262,685)	(46,196)
Sick Pay Several Fund	(58,300)	(73,366)	(151,876)
Amounts per budget statement	<u>\$ 4,842,129</u>	<u>\$ 4,063,318</u>	<u>\$ 3,061,359</u>

Note 2 - Pension Information

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios – Municipal Employees’ Retirement System of Michigan

The following assumption changes were reflected in the 2024 valuation:

- Changes to assumptions as a result of the experience study for the period from 2019 through 2023. The changes related to mortality, retirement, disability, and termination rates.
- The investment rate of return, net of pension plan investment expense including inflation, was decreased from 7.00% to 6.93%.

The following assumption changes were reflected in the 2023 valuation:

- The investment rate of return, net of pension plan investment expense including inflation, was decreased from 7.25% to 7.18%.

Village of Beverly Hills
Notes to the Required Supplementary Information
June 30, 2025

The following assumption changes were reflected in the 2022 valuation:

- The investment rate of return, net of pension plan investment expense including inflation, was decreased from 7.60% to 7.25%.

The following assumption changes were reflected in the 2020 valuation:

- Changes to demographic assumptions as a result of the experience study for the period from 2013 through 2018. The changes related to mortality, retirement, disability, and termination rates.

The following assumption changes were reflected in the 2019 valuation:

- The investment rate of return, net of pension plan investment expense including inflation, was decreased from 7.75% to 7.60%.
- The rate of wage inflation was changed from 3.75% to 3.00%.

Notes to the Schedule of Employer Contributions – Municipal Employees’ Retirement System of Michigan

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

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal level percent of pay
- Amortization method: Level percentage of payroll, closed
- Remaining amortization period: 23 years
- Asset valuation method: Market value of assets
- Inflation: 2.50%
- Salary increase: 3.00%
- Investment rate of return: 7.00%, net of administrative and investment expenses
- Mortality rates: Pub-2010 Juvenile, Employee, and Healthy Retiree Tables and PubNS-2010 Disabled Retiree Tables.

Note 3 - OPEB Information

Notes to the Schedule of Changes in Net OPEB and Related Ratios – Other Postemployment Benefits Plan

The following assumption has been updated in the June 30, 2025 full valuation:

- In May 2025, the Society of Actuaries (SOA) released the Pub-2016 Mortality Tables, which serve as an important update to the Pub-2010 Tables previously utilized for public sector plans. These tables were incorporated, including separate mortality assumptions for active employees and retired participants, aligning with the detail provided by the Pub-2016 tables. The impact of this update was a slight increase in liabilities.
- Healthcare trend rates were reset to an initial rate of 8.00% in 2026 decreasing annually by 0.25% to an ultimate rate of 4.50%. This change caused an increase in liabilities.
- The turnover rates have been updated to the most recent rates found in the MERS valuation as of December 31, 2024. This change had no impact on the liabilities.
- The retirement rates have been updated to the most recent rates found in the MERS valuation as of December 31, 2024. This change caused a slight decrease in liabilities.
- The discount rate is updated to 6.93% from 7.00%. Making this change resulted in a slight increase in liabilities.

Village of Beverly Hills
Notes to the Required Supplementary Information
June 30, 2025

The following assumption has been updated in the June 30, 2024 interim valuation:

- Health care trend rates have been updated for pre-65 (post-65) benefits starting in 2025 to an initial rate of 8.00 percent (6.50 percent) decreasing annually by 0.50 percent (0.25 percent) to an ultimate rate of 4.50 percent. This resulted in an increase in liabilities.

The following assumption changes were reflected in the 2023 full valuation:

- Mortality improvement scale have been updated for all mortality tables from scale MP-2020 to MP-2021.
- Health care trend rates have been updated to an initial rate of 7.50 percent decreasing by 0.50 percent annually to an ultimate rate of 4.50 percent for pre-65 benefits, an initial rate of 6.50 percent decreasing by 0.25 percent to an ultimate rate of 4.50 percent for post-65 benefits, a flat 4.00 percent for dental benefits, and a flat 3.00 percent for vision benefits.
- The termination rates, retirement rates, and payroll growth rates have been updated to the most recent rates found in the MERS valuation as of December 31, 2021.

The following assumption changes were reflected in the 2022 interim valuation:

- The investment rate of return and the discount rate were reduced from 7.35 percent to 7.00 percent. The following assumption changes were reflected in the 2021 full valuation:
- Mortality table for healthy retirees has been updated to the SOA Pub-2010 weighted mortality tables fully generational using Scale MP-2020.
- Health care cost trend rates have been reset to an initial rate of 8.0 percent, decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent.
- The payroll growth rate has been updated to the most recent rates found in the MERS valuation as of December 31, 2019.
- The health care coverage election rate for active and deferred vested employees with current coverage was updated from 85 percent to 95 percent to more accurately reflect recent experience.

The following assumption changes were reflected in the 2020 interim valuation:

- The investment rate of return and the discount rate were reduced from 7.60 to 7.35 percent.

The following assumption changes were reflected in the 2019 full valuation:

- Mortality table for healthy retirees has been updated from RPH-2016 Total Dataset Mortality Table fully generational using Scale MP-2016 to SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018. This change has caused a decrease in liabilities.
- Health care cost trend rates have been reset to an initial rate of 8.0 percent, decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent. This change has caused a slight increase in liabilities.

The following assumption changes were reflected in the 2017 full valuation:

- Mortality table was updated from RP-2000 Combined Mortality Table fully generational using Scale AA to SOA RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015. The impact of this change is an increase in liabilities.
- Retirement, termination, salary scale, and disability rates for general employees were updated to reflect the most recent tables from the Municipal Employees' Retirement System as of December 31, 2015. The net impact of these changes was a slight increase in liabilities.
- The health care coverage election rate was changed for this valuation based on village experience. The net impact of these changes was a decrease in liabilities.

Village of Beverly Hills
Notes to the Required Supplementary Information
June 30, 2025

Notes to the Schedule of Employer Contributions – Other Postemployment Benefits Plan

- Valuation date: July 1, 2025
- Liabilities as of June 30, 2025, are based on an actuarial valuation date of July 1, 2025 with no adjustments to get to the June 30, 2025 measurement date.

Methods and assumptions used to determine contribution rates:

- Discount rate: 6.93%
- Cost method: Entry age normal level percent of salary
- Asset valuation method: Market value
- Payroll growth: 3.00% for general employees and 3.75% for public safety employees
- Health care cost trend rates: 8.00% decreasing 0.25% per year to an ultimate rate of 4.50%
- Mortality: SOA Pub-2016 General Employees Headcount Weighted Mortality Table fully generational using Scale MP-2021

Village of Beverly Hills
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds					
	Drug Law Enforcement Fund	Library Fund	Park Improvement Fund	Major Streets Fund	Local Streets Fund	ARPA Fund
Assets						
Cash and cash equivalents	\$ 52,520	\$ 72,044	\$ 334,423	\$ 858,449	\$ 1,578,286	\$ -
Due from other units of government	-	-	22,500	152,519	73,061	-
Prepaid items	-	-	-	2,241	-	-
Total assets	<u>\$ 52,520</u>	<u>\$ 72,044</u>	<u>\$ 356,923</u>	<u>\$ 1,013,209</u>	<u>\$ 1,651,347</u>	<u>\$ -</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 12,123	31,393	\$ -
Deferred inflows of resources						
Unavailable revenue - receivables	-	-	22,500	-	-	-
Fund balances						
Non-spendable						
Prepaid items	-	-	-	2,241	-	-
Restricted for						
Drug law enforcement	52,520	-	-	-	-	-
Library	-	72,044	-	-	-	-
Park improvements	-	-	334,423	-	-	-
Roads	-	-	-	998,845	1,619,954	-
Total fund balances	<u>52,520</u>	<u>72,044</u>	<u>334,423</u>	<u>1,001,086</u>	<u>1,619,954</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,520</u>	<u>\$ 72,044</u>	<u>\$ 356,923</u>	<u>\$ 1,013,209</u>	<u>\$ 1,651,347</u>	<u>\$ -</u>

Village of Beverly Hills
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Capital Project Fund	Total Nonmajor Governmental Funds
	Coyell/Hummel SAD Fund	Funds
Assets		
Cash and cash equivalents	\$ -	\$ 2,895,722
Due from other units of government	-	248,080
Prepaid items	-	2,241
Total assets	\$ -	\$ 3,146,043
Liabilities		
Accounts payable	\$ -	\$ 43,516
Deferred inflows of resources		
Unavailable revenue - receivables	-	22,500
Fund balances		
Non-spendable		
Prepaid items	-	2,241
Restricted for		
Drug law enforcement	-	52,520
Library	-	72,044
Park improvements	-	334,423
Roads	-	2,618,799
Total fund balances	-	3,080,027
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 3,146,043

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

	Special Revenue Funds					
			Formerly Major Fund	Formerly Major Fund	Formerly Major Fund	
	Drug Law Enforcement Fund	Library Fund	Park Improvement Fund	Major Streets Fund	Local Streets Fund	ARPA Fund
Revenues						
Taxes	\$ -	\$ 619,062	\$ 242,022	\$ -	\$ -	\$ -
Federal grants	-	-	-	-	-	434,022
State grants	-	6,964	2,450	956,843	458,359	-
Local contributions	-	-	-	-	24,045	-
Investment income	-	10,510	14,048	37,328	85,742	-
Other revenue	-	-	24,543	37	-	-
Total revenues	<u>-</u>	<u>636,536</u>	<u>283,063</u>	<u>994,208</u>	<u>568,146</u>	<u>434,022</u>
Expenditures						
Current						
Public works	-	-	-	1,072,111	1,364,385	-
Recreation and culture	-	618,260	-	-	-	-
Capital outlay	-	-	88,754	-	-	-
Total expenditures	<u>-</u>	<u>618,260</u>	<u>88,754</u>	<u>1,072,111</u>	<u>1,364,385</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>18,276</u>	<u>194,309</u>	<u>(77,903)</u>	<u>(796,239)</u>	<u>434,022</u>
Other financing sources (uses)						
Transfers in	-	-	-	200,000	2,000,000	-
Transfers out	-	-	-	-	-	(434,310)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>2,000,000</u>	<u>(434,310)</u>
Net change in fund balances	<u>-</u>	<u>18,276</u>	<u>194,309</u>	<u>122,097</u>	<u>1,203,761</u>	<u>(288)</u>
Fund balances - beginning of year	52,520	53,768	140,114	-	-	-
Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>878,989</u>	<u>416,193</u>	<u>288</u>
Fund balances - beginning of year, as adjusted or restated	<u>52,520</u>	<u>53,768</u>	<u>140,114</u>	<u>878,989</u>	<u>416,193</u>	<u>288</u>
Fund balances - end of year	<u>\$ 52,520</u>	<u>\$ 72,044</u>	<u>\$ 334,423</u>	<u>\$ 1,001,086</u>	<u>\$ 1,619,954</u>	<u>\$ -</u>

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

	<u>Capital Projects Funds</u>		Total Nonmajor Governmental Funds
	Formerly		
	<u>Capital Projects Fund</u>	<u>Coyell/Hummel SAD Fund</u>	
Revenues			
Taxes		\$ -	\$ 861,084
Federal grants		-	434,022
State grants		-	1,424,616
Local contributions		-	24,045
Investment income		-	147,628
Other revenue		-	24,580
Total revenues		<u>-</u>	<u>2,915,975</u>
Expenditures			
Current			
Public works		1	2,436,497
Recreation and culture		-	618,260
Capital outlay		-	88,754
Total expenditures		<u>1</u>	<u>3,143,511</u>
Excess (deficiency) of revenues over expenditures		<u>(1)</u>	<u>(227,536)</u>
Other financing sources (uses)			
Transfers in		-	2,200,000
Transfers out		-	(434,310)
Total other financing sources and uses		<u>-</u>	<u>1,765,690</u>
Net change in fund balances		<u>(1)</u>	<u>1,538,154</u>
Fund balances - beginning of year	325,888	1	572,291
Adjustments	<u>(325,888)</u>	<u>-</u>	<u>969,582</u>
Fund balances - beginning of year, as adjusted or restated		<u>1</u>	<u>1,541,873</u>
Fund balances - end of year		<u>\$ -</u>	<u>\$ 3,080,027</u>

Village of Beverly Hills, Michigan

Single Audit

June 30, 2025



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

Independent Auditors' Report

Village Council and Management
Village of Beverly Hills
Beverly Hills, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Beverly Hills (the Village), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated December 23, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002 and 2025-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2025-003.

Village of Beverly Hills's Response to Findings and Corrective Action Plan

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

Purpose of this Report

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

Yeo & Yeo, P.C.

Troy, Michigan
December 23, 2025

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

Independent Auditors' Report

Village Council and Management
Village of Beverly Hills
Beverly Hills, Michigan

Report on Compliance for Each Major Federal Program

Qualified Opinion

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

Qualified Opinion on Assistance Listing 66.202 Congressionally Mandated Projects

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the Village complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Assistance Listing 66.202 Congressionally Mandated Projects for the year ended June 30, 2025.

Basis for Qualified Opinion

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

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

Matters Giving Rise to Qualified Opinion on Assistance Listing 66.202 Congressionally Mandated Projects

As described in the accompanying schedule of findings and questioned costs, the Village did not comply with requirements regarding Assistance Listing 66.202 Congressionally Mandated Projects as described in finding number 2025-005 for Allowable Costs.

Compliance with such requirements is necessary, in our opinion, for the Village to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of

findings and questioned costs as item 2025-004. Our opinion on each major federal program is not modified with respect to this matter.

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

The Village is responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The Village's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-005 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-004 to be a significant deficiency.

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements. We issued our report thereon dated December 23, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Yeo & Yeo, P.C.

Troy, Michigan
December 23, 2025

Village of Beverly Hills, Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

	<u>Federal Assistance Listing Number</u>	<u>Federal or Pass-Through Grant Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development			
Passed through Oakland County			
Community Development Block Grants/Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	B-21-UC-26-0002	\$ 1,383
Community Development Block Grants/Entitlement Grants	14.218	B-22-UC-26-0002	8,706
Community Development Block Grants/Entitlement Grants	14.218	B-23-UC-26-0002	8,765
Community Development Block Grants/Entitlement Grants	14.218	B-24-UC-26-0002	8,903
Community Development Block Grants/Entitlement Grants	14.218	B-25-UC-26-0002	<u>1,540</u>
Total Community Development Block Grants/Entitlement Grants Cluster			<u>29,297</u>
U.S. Department of Treasury			
Passed through State of Michigan Department of Treasury			
Coronavirus State and Local Fiscal Recovery Funds - COVID	21.027	1505-0271	434,022
Passed through Oakland County			
Coronavirus State and Local Fiscal Recovery Funds - COVID	21.027	SLFRP2640	46,231
Passed through Michigan Department of Environment, Great Lakes and Energy			
Coronavirus State and Local Fiscal Recovery Funds - COVID	21.027	TMF-062	124,463
Passed through Michigan Department of Natural Resources			
Coronavirus State and Local Fiscal Recovery Funds - COVID	21.027	SLFRP0127	<u>22,500</u>
Total Coronavirus State and Local Fiscal Recovery Funds - COVID			<u>627,216</u>
U.S Environmental Protection Agency			
Congressionally Mandated Projects	66.202	00E04067	<u>445,608</u>
Total Expenditures of Federal Awards			<u>\$ 1,102,121</u>

Village of Beverly Hills, Michigan
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2025

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

Expenditures

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

Indirect Cost Rate

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

Note 3 – Reconciliation to the Financial Statements

Federal revenue per the financial statements		
Governmental funds	\$	450,434
Proprietary funds - capital contributions		591,306
Reconciling items		
Change in deferred inflows		<u>60,381</u>
Total expenditures of federal awards per the Schedule	\$	<u><u>1,102,121</u></u>

Note 4 - Subrecipients

There were no amounts provided to subrecipients.

Village of Beverly Hills, Michigan
Schedule of Findings and Questioned Costs
June 30, 2025

Section I – Summary of Auditors’ Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

<i>Assistance Listing Number(s)</i>	<i>Name of Federal Program or Cluster</i>
66.202	Congressionally Mandated Projects

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

Auditee qualified as low-risk auditee? yes X no

Village of Beverly Hills, Michigan
Schedule of Findings and Questioned Costs
June 30, 2025

Section II – Government Auditing Standards Findings

Finding 2025-001 - Material Weakness – Audit Adjustment

Criteria: Management is responsible for reporting reliable financial data in accordance with Generally Accepted Accounting Principles.

Condition: A material adjustment was required during the audit to reduce federal expenses and revenues in the Water and Sewer Fund related to an invoice that included activity for both fiscal year 2025 and fiscal year 2026. The expenses and revenues were originally entirely recorded only in fiscal year 2025.

Cause and Effect: The adjustment was posted as a result of audit procedures in order to fairly state the federal expenses and revenues of the Water and Sewer Fund in the proper period. This adjustment had a material effect on the financial statements.

Recommendation: We recommend federal expenses and revenues be reviewed closely to ensure they are recorded in the proper period, especially at year end. This will give management and the Village Council an accurate depiction of federal expenses and revenues, which will also help to ensure that single audits are performed when required.

Views of Responsible Officials: Management agrees with the finding.

Corrective Action Plan: See attached corrective action plan.

Finding 2025-002 - Material Weakness – Correction of Prior Period Error

Criteria: Management is responsible for reporting reliable financial data in accordance with Generally Accepted Accounting Principles.

Condition: A material prior period adjustment was required to adjust beginning fund balance of the General Fund as the May/June 2024 State Shared Revenue payment was improperly recorded as a deferred inflow of resources in fiscal year 2024 as the payment was received within 60 days of year end and therefore should have been recorded as revenue.

Cause and Effect: The adjustment was posted as a result of audit procedures in order to fairly state the beginning fund balance of the General Fund. This adjustment had a material effect on the financial statements.

Recommendation: We recommend that receipts are reviewed closely around year end to ensure that they are properly recorded as revenues or deferred inflows of resources depending on the date of the receipt in the modified accrual funds.

Views of Responsible Officials: Management agrees with the finding.

Village of Beverly Hills, Michigan
Schedule of Findings and Questioned Costs
June 30, 2025

Corrective Action Plan: See attached corrective action plan.

Finding 2025-003 - Material Weakness and Material Noncompliance – Budget Overage

Criteria: The Village may not make expenditures for which there are not appropriations in the budget.

Condition: As of June 30, 2025, the ARPA Fund had a budget overage for transfers out that was material to the financial statements.

Cause and Effect: The transfer out of the ARPA Fund was not included in the amended budget which results in a material budget overage.

Recommendation: We recommend that the Village develop budgetary control procedures, including passing budget amendments, which will ensure that expenditures do not exceed amounts authorized in the General Appropriations Act or amendments thereof.

Views of Responsible Officials: Management agrees with the finding.

Corrective Action Plan: See attached corrective action plan.

Section III – Federal Award Findings

Finding 2025-004 - Significant Deficiency and Noncompliance – Written Federal Policies and Procedures

Program Information: Congressionally Mandated Projects, U.S. Environmental Protection Agency, 00E04067, 2025, ALN #66.202

Criteria: The Village is required to have in place written federal policies and procedures in compliance with Uniform Guidance 2 CFR 200, which include procurement and suspension/debarment and equipment and real property management.

Condition: The Village is lacking written federal policies and procedures in compliance with Uniform Guidance 2 CFR 200.

Questioned Costs: None

Cause and Effect: The Village has not historically received significant federal funding and therefore federal policies and procedures in compliance with Uniform Guidance 2 CFR 200 were not drafted and approved. This results in noncompliance that is considered a significant deficiency.

Recommendation: We recommend that the Village draft and approve federal policies and procedures in compliance with Uniform Guidance 2 CFR 200 to ensure that they are in compliance with laws and regulations related to federal programs.

Village of Beverly Hills, Michigan
Schedule of Findings and Questioned Costs
June 30, 2025

Views of Responsible Officials: Management agrees with the finding.

Corrective Action Plan: See attached corrective action plan.

Finding 2025-005 – Material Weakness and Material Noncompliance – Allowable Costs

Program Information: Congressionally Mandated Projects, U.S. Environmental Protection Agency, 00E04067, 2025, ALN #66.202

Criteria: Federal revenues and expenses reported on the Schedule of Expenditures of Federal Awards should only include eligible expenses that occurred within the current fiscal year.

Condition: A material adjustment was required during the audit to record federal expenses and revenues of the program in the proper period for an invoice that included activity for both fiscal year 2025 and fiscal year 2026. The expenses and revenues were originally improperly recorded only in fiscal year 2025.

Questioned Costs: None

Cause and Effect: Expenses and revenues were recorded in the improper period resulting in a material audit adjustment to correct the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend federal expenses and revenues be reviewed closely to ensure they are recorded in the proper period, especially at year end. This will give management and the Village Council an accurate depiction of federal expenses and revenues, which will also help to ensure that single audits are performed when required.

Views of Responsible Officials: Management agrees with the finding.

Corrective Action Plan: See attached corrective action plan.

Village of Beverly Hills, Michigan
Summary Schedule of Prior Audit Findings
June 30, 2025

Section IV – Prior Audit Findings

Government Auditing Standards Findings

An audit in compliance with *Governmental Auditing Standards* was not performed for the year ended June 30, 2024 as it was not required.

Federal Award Findings

A single audit was not performed for the year ended June 30, 2024 as federal expenditures were below \$750,000.



Local Audit and Finance Division
Michigan Department of Treasury
P.O. Box 30728
Lansing, Michigan 48847

Dear Sir/Madam:

I am writing to relay the corrective action plan for the issues identified in the June 30, 2025, audit report of the Village of Beverly Hills. As Village Manager and Chief Administration Officer, I will be the contact person and ultimately responsible for implementation.

2025-001 – Material Weakness – Audit Adjustment

Condition: A material adjustment was required during the audit to reduce federal expenses and revenues in the Water and Sewer Fund related to an invoice that included activity for both fiscal year 2025 and fiscal year 2026. The expenses and revenues were originally entirely recorded only in fiscal year 2025.

Corrective Action Plan: Going forward the Village will develop a more specific calculation method for allocating project costs and associated revenues when projects span multiple fiscal years.

2025-002 – Material Weakness – Correction of Prior Period Error

Condition: A material prior period adjustment was required to adjust beginning fund balance of the General Fund as the May/June 2024 State Shared Revenue payment was improperly recorded as a deferred inflow of resources in fiscal year 2024 as the payment was received within 60 days of year end and therefore should have been recorded as revenue.

Corrective Action Plan: The Village will carefully review all payments received during the 90 days following the end of the fiscal year to identify which have been received within 60 days of the fiscal year end and which have been received after that time and classify them accordingly.

2025-003 – Material Weakness and Material Noncompliance – Budget Overage

Condition: As of June 30, 2025, the ARPA Fund had a budget overage for transfers out that was material to the financial statements.

Corrective Action Plan: The Village experienced some staff turnover in the prior fiscal year. This, coupled with the non-recurring ARPA funding and its accounting requirements, resulted in budget dollars not being reallocated for this.

2025-004 – Significant Deficiency and Noncompliance – Written Federal Policies and Procedures

Condition: The Village is required to have in place written federal policies and procedures in compliance with Uniform Guidance 2 CFR 200, which include procurement and suspension/debarment and equipment and real property management.

Corrective Action Plan: The Village has drafted a Federal Policy/Procedure document which will be approved by the Village Council in early 2026.

2025-005 – Material Weakness and Material Noncompliance – Allowable Costs

Condition: Federal revenues and expenses reported on the Schedule of Expenditures of Federal Awards should only include eligible expenses that occurred within the current fiscal year.

Corrective Action Plan: The Village experienced some staff turnover in the prior fiscal year. In addition, the Village has not historically been subject to single audits, which created some challenges with the preparation of the Schedule of Expenditures of Federal Awards. Going forward, the Village has a better understanding of the requirements for completing the Schedule.



Responsible Official: Warren Rothe, Village Manager

December 23, 2025

Village Council and Management
Village of Beverly Hills
Beverly Hills, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Beverly Hills (the Village) as of and for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated October 20, 2025. Professional standards also require that we communicate to you the following information related to our audit.

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

Significant Audit Matters

Qualitative Aspects of Accounting Practices

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

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

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

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

- The useful lives of its capital assets. Useful lives are estimated based on the expected length of time during which the asset is able to deliver a given level of service.
- Net pension liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.

- Net other postemployment benefits (OPEB) liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.
- Compensated Absences. Management’s estimate is based pay rates in effect at the end of the reporting period and the likelihood that employees will use or be paid out for earned time.

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

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

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

- Management override of controls
- Improper revenue recognition
- Recognition of accounts payable

Accounting Standards and Regulatory Updates

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. Management has corrected all such misstatements except as discussed below.

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

General Fund	
Description	Net Income Effect
Correction of an error in a prior period - improper deferral of State Shared Revenue	\$ (203,371)
Business-type Activities and Water and Sewer Fund	
Description	Net Income Effect
Federal revenues recorded in the improper period	\$ (267,365)
Federal expenses recorded in the improper period	351,149
	<u>\$ 83,784</u>

Management has determined that the effects of the uncorrected misstatements in the following summary are immaterial both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Governmental Activities				
Over (Under) Stated				
Description	Total Assets	Total Liabilities	Net Position or	
			Fund Balance	Expenses
GASB 87 Leases adjustment	\$ (26,281)	\$ (26,281)	\$ -	\$ -
Net OPEB liability	-	(164,849)	164,849	(164,849)
	<u>\$ (26,281)</u>	<u>\$ (191,130)</u>	<u>\$ 164,849</u>	<u>\$ (164,849)</u>

General Fund				
Over (Under) Stated				
Description	Total Assets	Total Liabilities	Net Position or	
			Fund Balance	Revenues
GASB 87 Leases adjustment	\$ (26,281)	\$ (26,281)	\$ -	\$ -

Aggregate Remaining Funds				
Over (Under) Stated				
Description	Total Assets	Total Liabilities	Net Position	
			Fund Balance	Deductions
OPEB Trust Fund did not record payable for reimbursements to other funds	\$ -	\$ (164,849)	\$ 164,849	\$ (164,849)

Disagreements with Management

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

Management Representations

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

Management's Consultations with Other Accountants

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

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Emphasis of Matter in Independent Auditors' Report

Our report will include the following emphasis of matter paragraphs:

Correction of an Error

As described in Note 13 to the financial statements, a correction of an error was necessary to correct the beginning net position of the Governmental Activities and the beginning fund balance of the General Fund. Our opinion is not modified with respect to that matter.

Adoption of New Accounting Standard

As discussed in Note 13 to the financial statements, during the year ended June 30, 2025, the Village adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Other Reports

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

Report on Required Supplementary Information

We applied certain limited procedures to management's discussion and analysis and the remaining required supplementary information (RSI) as described in the table of contents of the financial statements that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Report on Other Supplementary Information

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

Restriction on Use

This information is intended solely for the information and use of the Village Council and management of the Village and is not intended to be, and should not be, used by anyone other than these specified parties.

Yeo & Yeo, P.C.

Troy, Michigan



Manager Report

To: President George and Village Council

From: Warren Rothe, Village Manager

Re: January 6, 2025, Manager Report

General Updates

- The Village applied for a **SEMCOG grant** to conduct **PASER ratings** of all Village roads.
- The **2026 Village Calendar** was mailed in December, and extra copies are available at Village Hall.
- The Village is preparing the winter edition of the **Villager newsletter**, including a 2025 recap.
- Training on **Text My Gov** continues, with a go-live date set in the next few weeks.
- **Implementation** of the **Polimorphic** software will begin in the next few weeks.
- Village staff continue to **prepare for the upcoming strategy session** and additional meetings.
- Village administration is preparing a **revised contract** with Tom Ryan for **prosecution services** after his retirement as Village Attorney. This contract will be presented to the Council for its consideration at the January 20th meeting.
- **Recruitment** of members to serve on the **Downtown Development Authority Board** is underway. A majority of the members must have an interest in property within the DDA boundaries.
- The recently purchased used **plow truck is operational** and has been a great addition to the Village fleet!
- A **federal grants policy** is being drafted and will be brought to Council for consideration at a future meeting.
- Village staff completed the following **annual end of year reports**:
 - PA 202 Pension and OPEB report

- MDOT Act 51 Finance Report
- Transportation Asset Management Council (TAMC) – annual transportation report
- MI Treasury Qualifying Statement
- MI Treasury F-65 report
- Save the dates for the following **upcoming special meetings**:
 - January 15, 2026 – joint meeting of Village Council and the Parks Board, 7:00 PM
 - January 28, 2026 – joint meeting of Village Council and the Planning Commission, 7:00 PM
 - January 31, 2026 – Village Council study session, 9:00 AM
- The Village continues to work with **Senator Moss's Office** to receive approval to award the bid for the **Spark Grant**. The DNR provided guidance just before the holidays and administration is following up with them at the time this report was being written.
- **RFPs are being developed** for FY 2026 planned improvements to Beverly Green and Riverside parks.
- Village offices **will be closed Monday January 19th** in honor of Martin Luther King Jr. Day.
- Beverly Hills residents **seeking assistance with utility bills** can contact United Way of Southeast Michigan regarding various **assistance programs**. The best way to connect is by calling 2-1-1.



Public Safety

Highlights & Statistics

December 2025

445 Calls for Service.
47 Tickets issued.
8 Arrests.

1. Officers were dispatched to pick up a subject with a warrant from Detroit PD. The subject was taken into custody without incident.
 2. Officers were dispatched to an injury accident at 13 Mile and Old Stage. The responsible driver was arrested for Driving While License Suspended and taken into custody without incident.
 3. Officers were dispatched to Detroit PD to pick up a subject with a warrant. The subject was taken into custody without incident.
 4. Officers stopped a driver for a traffic violation at Lahser and 13 Mile. The driver was arrested for Driving While License Suspended and taken into custody without incident.
 5. Officers stopped a commercial truck driver running a stop sign at Beverly Park. The driver was arrested for Driving While License Suspended and taken into custody without incident.
 6. Officers were dispatched to a residence on Rosevear for a report of a Domestic Assault. Officers arrested a subject and took them into custody without incident.
 7. Officers were dispatched to Oak Park PD to pick up a subject with a warrant. The subject was taken into custody without incident.
 8. Officers were dispatched to the Huntley Square Apartments for a report of Domestic Assault. Officers arrested a subject and took them into custody without incident.
- Our department has been participating in the Toys For Tots program all month leading up to Christmas. We've had many residents and officers take on the rolls of "Secret Santas" this year resulting in multiple large boxes full of toys for the charity drive.

Beverly Hills Department of Public Safety 2025 Monthly Performance Report

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Calls For Service	485	418	425	478	438	510	470	594	632	592	455	445	5,942
Arrests & Traffic Citations													
Arrests Total	7	6	8	15	7	13	9	5	8	18	6	8	110
OWI Arrests (Drunk Driving)	0	1	2	2	0	2	0	1	2	3	1	0	14
Drug Arrests	0	0	0	0	0	0	0	0	1	0	0	0	1
Traffic Violations	70	70	84	84	50	82	67	114	135	64	81	47	948
Accidents													
Personal Injury Accidents	1	1	0	1	3	1	2	3	3	1	2	0	18
Property Damage	9	13	19	12	14	21	25	21	25	26	22	17	224
Fire Division													
Fire Response (structure & car fires)	1	0	1	0	1	0	0	0	1	0	1	0	5
Smoke & Downed Wire Responses	0	2	2	1	0	4	4	0	1	0	1	3	18
Medical & Ambulance Responses	55	34	42	39	45	40	40	40	36	43	40	47	501
Odor, Carbon Monoxide & Fire Alarms	3	4	0	4	2	8	5	5	7	12	8	6	64
Fire Inspections & Plan Reviews	1	2	1	1	0	0	1	2	0	0	2	0	10
Mutual Aid Provided to S.O.F.A.	0	2	0	1	0	0	1	1	0	2	0	0	7
Mutual Aid Received from S.O.F.A.	0	0	1	0	0	0	0	0	0	0	1	0	2
Detective Bureau & School Resource													
Cases Investigated	19	14	16	20	21	13	18	20	32	20	39	36	268
Gun Related Cases	0	1	0	0	1	0	0	1	0	0	1	0	4
Guns Seized	0	1	0	0	1	0	0	1	0	0	28	0	31
Warrants Submitted	4	0	2	4	0	2	1	6	4	7	5	4	39
Warrants Obtained	4	0	2	4	0	2	1	5	3	1	4	1	27