



## CITY OF WARREN, MICHIGAN

Fiscal Year Ended June 30, 2020  
Comprehensive Annual Financial Report



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# City of Warren, Michigan

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**Comprehensive Annual Financial Report  
with Supplemental Information  
June 30, 2020**

**Prepared by the Controller's Office**

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November 20, 2020

To the Honorable Mayor, Members of City Council  
and Citizens of the City of Warren

In accordance with City Charter and State Statute, the City of Warren is required to publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited by a licensed certified public accounting firm in accordance with generally accepted auditing standards. Pursuant to those requirements, the City Controller's Office hereby submits the comprehensive annual financial report of the City of Warren for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a framework of internal controls that is designed to both protect the City's assets and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by the certified public accounting firm of Plante & Moran, PLLC. The purpose of an independent audit is to provide reasonable assurance that the City's financial statements for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used; and evaluating the overall financial statement presentation. The City's financial statements have received an "unmodified opinion" from the independent auditor. An unmodified opinion is the best opinion an organization can receive. It indicates that the auditor's examination has disclosed no conditions that cause them to believe that the financial statements are not fairly stated in all material respects. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

### **General Information**

The City of Warren was incorporated as a home rule City on January 1, 1957. The City is governed by a seven-member Council, Mayor, Treasurer and City Clerk, all of whom are elected to a maximum of three four-year terms. The City encompasses 34.5 square miles (22,080 acres) of the southwestern section of Macomb County where it is adjacent to the City of Detroit. The City's boundaries are Eight Mile Road on the south, Fourteen Mile Road on the north, Dequindre Road on the west and a parallel line running due north from the Gratiot-Eight Mile Road intersection on the east. With a population of 134,056 (2010 census figure), Warren remains the third largest city in the State of Michigan.

## General Information (continued)

With over 4,000 businesses, Warren has a diverse business climate. Unquestionably contributing to the economic vitality of the City is the presence of General Motors Corporation and Fiat Chrysler Automobiles (FCA) automotive facilities. Warren is proud to be the home of General Motors Technical Center, a 330-acre complex housing General Motors Corporation staff operations; research laboratories, engineering, and design. FCA has three major facilities in Warren. Occupying a 224-acre site, this complex includes an assembly plant, a stamping plant and a paint plant.

The South Campus of Macomb Community College is a public college located on a 100-acre site on Twelve Mile Road. Macomb Community College is one of the nation's leading community colleges, providing learning experiences to better our community. Macomb ranks high in Michigan and nationally in the number of associate's degrees. The college's comprehensive educational programming includes pre-collegiate experiences, university transfer and career preparation programs, bachelor's degree completion and graduate degree programs, workforce training, professional and continuing education and enrichment opportunities. Wayne State University has opened an Extension Center right across from Macomb's South Campus on 12 Mile and is named the Advanced Technology Education Center.

Protecting the lives and property of Warren's citizens is the mission of our public safety departments. The Fire Department strives to ensure that the best fire extinguishment and emergency medical service is available to service the community. The Police Department operates an Emergency 911 system, in-vehicle wireless communications and a high tech mobile command center to afford residents the quickest possible response to any emergency situation. This continual investment in equipment, facilities and personnel has resulted in Warren having one of the lowest crime rates in the nation for a city of over 100,000 people.

The mission of the Warren Public Library is to improve the quality of life for the citizens of Warren by providing services and resources that promote educational, cultural, social and economic well being. The library strives to be a source of information for lifetime learning and enjoyment. One of its primary goals is to stimulate young children's interest in reading and learning and to encourage literacy among all age groups. The Warren Public Library operates a Civic Center Library and occupies 35,000 square feet on the main floor of the City Hall building. The Library features a computer lab, self check-out units, private study rooms and an inviting reading room with fireplace. Services such as after-hours book pick-up and a drive-up book drop are also available. This centrally located library benefits all citizens of Warren. Warren also has branch libraries, each providing internet access and adaptive devices for the visually impaired. The Maybelle Burnette library has been constructed in the City's south end and opened in October 2019 for our residents. As a member of the Suburban Library Cooperative, the Warren Libraries provide access for patrons to all library materials in the State of Michigan.

The City of Warren has developed several city parks. Halmich Park, the largest of the city parks sits on approximately 80 acres and has four-lighted baseball diamonds, soccer fields, a concession stand and picnic pavilions. The City operates three indoor recreational facilities: The Warren Community Center, Owen Jax Recreation Center, and Stilwell Manor Senior Drop-In Center. The Warren Community Center facility houses the Parks and Recreation, Communications Department and City Council offices as well as the Miller Branch of the Warren Public Library. The facility operates a year round aquatics center which includes a 150-foot water slide, a lazy river, play structure and lap pool. In addition there are three gymnasiums, multi-purpose meeting rooms, an auditorium and a fitness center. The exterior grounds include a lighted football stadium, walking paths and irrigated soccer fields. With grant assistance from the Michigan Department of Transportation, the Recreation Department continues to offer specialized transportation for seniors and special populations. The Parks and Recreation Department offers many year-round recreational programs, including baseball, softball, basketball, volleyball, swimming, bowling, arts and crafts, music, theater and dancing. Programs service pre-school children to senior citizens. Summer concerts are conducted by the City's Cultural Commission and the Parks and Recreation Department.

The City's Public Service Department provides a variety of services to the City's residents. Amongst these are weekly garbage collection; street maintenance, including snow and ice removal; building inspections; operation of the Waste Water Treatment Plant and the Water and Sewer System.

Affordable and safe housing is provided to Warren seniors through the operation of its 366-unit Senior Citizen Housing Complex.

## **Reporting Entity**

In conformance with criteria established by the Governmental Accounting Standards Board (GASB), the financial statements report all the funds of the City and its component units. Component units are separate legal entities for which the primary government is financially accountable. The component units of the City include the Tax Increment Finance Authority, Downtown Development Authority, Building Authority, and Brownfield Redevelopment Authority. Due to the degree of control exercised by the primary government, its financial relationship with each component unit and the component unit's benefit to the primary government, each component is reported in the accompanying financial statements discretely except for the Building Authority which is considered a blended component unit.

## **Accounting Systems, Budgetary and Internal Controls**

The City's accounting system is organized and operated on a "fund basis". Each fund is a distinct, self-balancing entity created to account for all assets, liabilities, financial resources and uses associated with its intended purpose.

Annual balanced budgets are adopted for all the primary government's General, Special Revenue and Debt Service Funds as required by the Michigan Public Act 621 of 178, the Uniform Budgeting and Accounting Act. Although not required, budgets were formally adopted for the proprietary funds and the 37<sup>th</sup> District Court Building Renovation Fund to assist management in monitoring operations.

The City Council, by resolution, adopted a budget on a budgetary center basis for all city departments, divisions, boards, commissions and other activities. Budgets for the General, Special Revenue and Debt Service Funds were adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal controls. Internal control represents the organization's plan of procedures associated with safeguarding assets and maintaining the integrity of financial records and consequently is designed to provide reasonable assurance that:

- transactions are executed in accordance with management's general or specific authorization.
- transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles, or any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability for assets.
- access to assets is permitted only in accordance with management's authorization.
- the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

## **Economic Outlook**

The auto industry is the lifeblood of the economy of Southeast Michigan. The City of Warren is no exception to this with the presence of the General Motors Technical Center and GM and FCA manufacturing facilities as well as numerous third-party suppliers to the auto industry. Its role in the City's financial future is increasingly optimistic as both GM and FCA have made considerable investments in their facilities within the City. General Motors is in the process of an expansion at the Technical Center of over \$1 billion dollars to modernize the campus. This expansion will include an additional 3,000 jobs.

The 2021 budget has committed to continue to invest in the City's infrastructure with over \$9 million in General Fund and Special Revenue Fund Equipment and Capital Improvements. The Enterprise Funds have capital outlay of almost \$43 million. With six of the seven labor contracts being in place through June 2021, the City is poised to deliver excellent services and financial results for the upcoming years. There is still concern over revenues from personal property tax and state shared revenues. The City will continue to scrutinize expenditures and try to maximize all other revenues.

The Coronavirus has impacted most of the city services since March, 2020. However, city management has maintained all essential services to the residents and businesses throughout the city. The City implemented furloughs in non-essential services to offset revenue losses due to the Coronavirus. The City has diligently pursued all Federal, State and County programs to recoup expenditures related to Covid-19 virus. City management has taken all the necessary steps to protect the city finances, its employees, and residents to date. Our hope is a vaccine will be available soon and an additional stimulus package will be approved by the Federal Government to further assist our State and Local governments through this pandemic.

## **Long-term Financial Planning**

The City continues to have a long-term approach to the financing of the organization. There continues to be many challenges with a weakening economy, slow property assessment increases and the uncertainty of personal property reimbursements.



These revenue pressures along with legacy costs will force the City to continue to cut expenditures through staffing levels and labor contract savings. The City has refinanced several bonds in the past several years and will continue to look for those opportunities in the future.

### **Major Initiatives**

There is an ongoing commitment to improve conditions of road surfaces and traffic flows throughout the City. Road projects are either funded directly by the City utilizing state shared gas and weight taxes, through cooperative efforts with the Michigan Department of Transportation or Macomb County Road Commission, or through road millages. Road widening and resurfacing projects, as well as water main and sewer line replacements, are currently underway at various locations. In November 2011, the citizens of Warren passed a road millage that will be dedicated for the use of local streets for five years. There have been several locations that were completed during the fiscal year as a result of this millage. This millage was renewed for an additional five years in August 2016.

The Water and Sewer System, because of its aging infrastructure, has an unprecedented amount of capital projects occurring. This includes water main and sewer improvements and replacements, capital equipment upgrades, energy efficiency projects at the Waste Water Treatment Plant, and the ongoing plans to construct a detention basin for State mandated environmental requirements.

The general fund made an initial contribution of \$3.6 million to help fund improvements in parks throughout the City. The Parks and Recreation department is currently updating its master plan to determine capital improvements in parks throughout the city. After the master plans completion, the City will apply for grants to match the City's contribution of \$3.6 million to achieve the goals of the recreation master plan.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Warren for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Controller's Office. A significant investment in time and resources has been expended to submit this report in compliance with all financial requirements. I would like to express my sincere appreciation to all members of the Department who assisted and contributed so greatly to its preparation. I would also like to thank your office and members of the Warren City Council for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully,



Richard Fox  
City Controller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Warren  
Michigan**

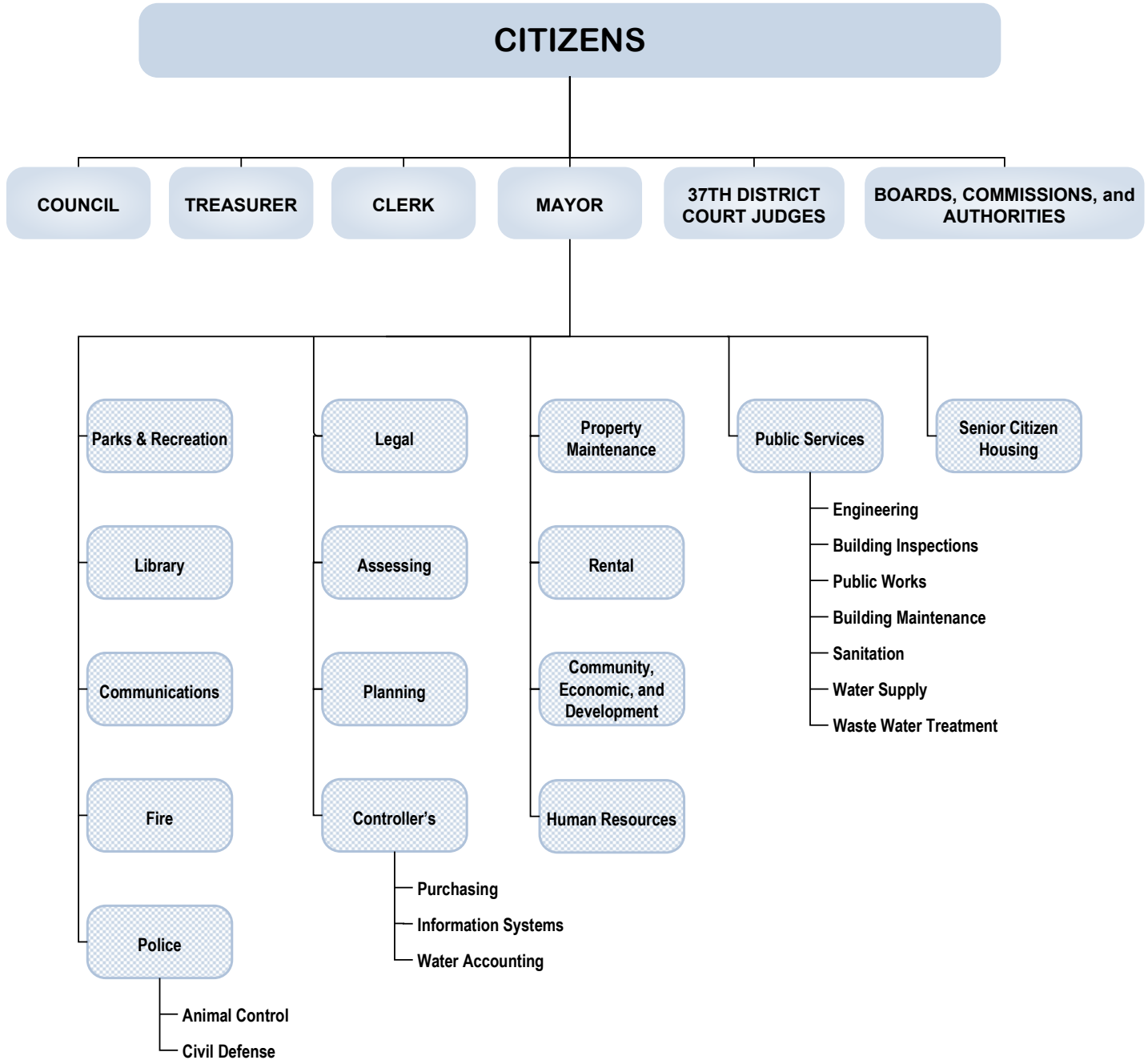
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# City of Warren, Michigan Organization Chart



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## List of Elected Officials

James R. Fouts	Mayor
Sonja Buffa	Clerk
Lorie Barnwell	Treasurer
Patrick Green	Council President
Garry Watts	Council Vice President
Mindy Moore	Council Secretary
Jonathan Lafferty	Assistant Council Secretary
Angela Rogensues	Council Member
Ron Papandrea	Council Member
Eddie Kabacinski	Council Member

## Independent Auditor's Report

To the City Council  
City of Warren, Michigan

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Warren, Michigan (the "City") as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise City of Warren, Michigan's basic financial statements, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Warren City Employees' Retirement Health, Life and Disability Benefits Plan and Trust and the City of Warren Employees' Retirement System Defined Benefit Plan, which represent 33 percent, 33 percent, and 29 percent of the assets, net position/fund balance, and revenue, respectively, of the aggregate remaining fund information of City of Warren, Michigan. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Warren City Employees' Retirement Health, Life and Disability Benefits Plan and Trust and the City of Warren Employees' Retirement System Defined Pension Benefit Plan, is based solely on the report of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the City of Warren Police and Fire Retirement System Defined Benefit Pension Plan; the City of Warren Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust; the City of Warren Employees' Retirement System Defined Benefit Plan, and the City of Warren City Employees' Retirement Health, Life and Disability Benefits Plan and Trust were not audited under *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the City Council  
City of Warren, Michigan

### **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Warren, Michigan as of June 30, 2020 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Warren, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, and introductory section and statistical section schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

To the City Council  
City of Warren, Michigan

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020 on our consideration of City of Warren, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 City of Warren, Michigan's internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

November 20, 2020

Our discussion and analysis of City of Warren, Michigan's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2020. This narrative should be considered in conjunction with the additional information presented in the letter of transmittal and the City's financial statements.

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2020:

### ***Financial Highlights***

- As a result of this year's operations, governmental activities net position increased by \$54 million, or 38 percent, from the prior year. The increase is primarily due to the net change in pension and OPEB liabilities.
- As a result of this year's operations, business-type activities net position increased by \$10.3 million, or 11.9 percent, from the prior year. The increase is primarily due to the positive operating activity in the water and sewer system and net change in pension and OPEB obligations.
- The General Fund reported a \$6.2 million increase in fund balance from the prior year. This increase is primarily due to an increase in property tax revenue and a reduction in overall expenditures.

### ***Using This Annual Report***

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

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



# City of Warren, Michigan

## Management's Discussion and Analysis (Continued)

The following tables show, in a condensed format, the current year's net position and changes in net position as of and for the year ended June 30, 2020 compared to the prior year:

### The City's Net Position

	Governmental Activities			
	2019	2020	Change	Percent Change
<b>Assets</b>				
Other assets	\$ 143,105,018	\$ 146,861,252	\$ 3,756,234	2.6
Capital assets	158,868,087	174,982,113	16,114,026	10.1
Total assets	301,973,105	321,843,365	19,870,260	6.6
<b>Deferred Outflows of Resources</b>	59,826,050	23,902,476	(35,923,574)	(60.0)
<b>Liabilities</b>				
Current liabilities	12,334,743	11,992,655	(342,088)	(2.8)
Long-term liabilities:				
Due within one year	5,845,014	5,841,325	(3,689)	(0.1)
Due in more than one year	440,438,086	369,179,893	(71,258,193)	(16.2)
Total liabilities	458,617,843	387,013,873	(71,603,970)	(15.6)
<b>Deferred Inflows of Resources</b>	45,992,557	47,216,814	1,224,257	2.7
<b>Net Position (Deficit)</b>				
Net investment in capital assets	137,591,150	148,821,662	11,230,512	8.2
Restricted	51,381,660	56,657,895	5,276,235	10.3
Unrestricted	(331,784,055)	(293,964,403)	37,819,652	(11.4)
Total net position (deficit)	<b>\$ (142,811,245)</b>	<b>\$ (88,484,846)</b>	<b>\$ 54,326,399</b>	(38.0)

	Business-type Activities			
	2019	2020	Change	Percent Change
<b>Assets</b>				
Other assets	\$ 92,432,650	\$ 105,808,809	\$ 13,376,159	14.5
Capital assets	150,363,539	163,750,887	13,387,348	8.9
Total assets	242,796,189	269,559,696	26,763,507	11.0
<b>Deferred Outflows of Resources</b>	7,291,331	2,862,586	(4,428,745)	(60.7)
<b>Liabilities</b>				
Current liabilities	6,877,135	4,943,324	(1,933,811)	(28.1)
Long-term liabilities:				
Due within one year	8,895,340	13,496,413	4,601,073	51.7
Due in more than one year	147,624,073	154,304,850	6,680,777	4.5
Total liabilities	163,396,548	172,744,587	9,348,039	5.7
<b>Deferred Inflows of Resources</b>	-	2,685,359	2,685,359	100.0
<b>Net Position</b>				
Net investment in capital assets	88,586,233	97,426,077	8,839,844	10.0
Restricted	11,758,477	12,864,828	1,106,351	9.4
Unrestricted	(13,653,738)	(13,298,569)	355,169	(2.6)
Total net position	<b>\$ 86,690,972</b>	<b>\$ 96,992,336</b>	<b>\$ 10,301,364</b>	11.9

**The City's Changes in Net Position**

	Governmental Activities			
	2019	2020	Change	Percent Change
<b>Revenue</b>				
Program revenue:				
Charges for services	\$ 23,004,408	\$ 20,085,980	\$ (2,918,428)	(12.7)
Operating grants	20,534,246	20,086,577	(447,669)	(2.2)
Capital grants	193,543	9,286,649	9,093,106	4,698.2
General revenue:				
Taxes - Property taxes	90,212,955	93,420,380	3,207,425	3.6
State-shared revenue	26,158,925	22,967,832	(3,191,093)	(12.2)
Investment earnings	2,371,630	1,816,753	(554,877)	(23.4)
Other revenue	5,564,869	3,575,258	(1,989,611)	(35.8)
<b>Total revenue</b>	<b>168,040,576</b>	<b>171,239,429</b>	<b>3,198,853</b>	<b>1.9</b>
<b>Program Expenses</b>				
General government	13,009,185	8,555,463	(4,453,722)	(34.2)
District court	7,840,727	5,663,508	(2,177,219)	(27.8)
Public safety	60,857,353	55,271,480	(5,585,873)	(9.2)
Public works	34,995,669	35,020,927	25,258	0.1
Community and economic development	7,438,567	5,211,844	(2,226,723)	(29.9)
Recreation and culture	9,492,031	6,513,838	(2,978,193)	(31.4)
Interest on long-term debt	541,808	675,970	134,162	24.8
<b>Total program expenses</b>	<b>134,175,340</b>	<b>116,913,030</b>	<b>(17,262,310)</b>	<b>(12.9)</b>
<b>Change in Net Position</b>	<b>33,865,236</b>	<b>54,326,399</b>	<b>20,461,163</b>	<b>60.4</b>
<b>Net Position (Deficit) - Beginning of year</b>	<b>(176,676,481)</b>	<b>(142,811,245)</b>	<b>33,865,236</b>	<b>(19.2)</b>
<b>Net Position (Deficit) - End of year</b>	<b><u>\$ (142,811,245)</u></b>	<b><u>\$ (88,484,846)</u></b>	<b><u>\$ 54,326,399</u></b>	<b>(38.0)</b>

	Business-type Activities			
	2019	2020	Change	Percent Change
<b>Revenue</b>				
Water and Sewer Fund	\$ 50,100,846	\$ 50,383,639	\$ 282,793	0.6
Senior housing	2,482,676	2,455,909	(26,767)	(1.1)
<b>Total revenue</b>	<b>52,583,522</b>	<b>52,839,548</b>	<b>256,026</b>	<b>0.5</b>
<b>Expenses</b>				
Water and Sewer Fund	52,185,596	41,501,782	(10,683,814)	(20.5)
Senior housing	2,126,731	1,944,925	(181,806)	(8.5)
<b>Total expenses</b>	<b>54,312,327</b>	<b>43,446,707</b>	<b>(10,865,620)</b>	<b>(20.0)</b>
Investment income	1,760,106	908,523	(851,583)	(48.4)
Capital contributions	2,160,417	-	(2,160,417)	(100.0)
<b>Change in Net Position</b>	<b>2,191,718</b>	<b>10,301,364</b>	<b>8,109,646</b>	<b>370.0</b>
<b>Net Position - Beginning of year</b>	<b>84,499,254</b>	<b>86,690,972</b>	<b>2,191,718</b>	<b>2.6</b>
<b>Net Position - End of year</b>	<b><u>\$ 86,690,972</u></b>	<b><u>\$ 96,992,336</u></b>	<b><u>\$ 10,301,364</u></b>	<b>11.9</b>

The governmental net position increased \$54.3 million from a year ago - increasing from \$(142.8) million to \$(88.5) million. The increase is primarily due to a decrease of \$66.4 million in net pension and OPEB liabilities offset by an increase of \$11.2 million in net investment in capital assets.

The City's total governmental revenue increased by approximately \$3.2 million, or 1.9 percent. This increase was primarily due the increase in property tax revenue.

Expenses decreased by approximately \$17.3 million, or 12.9 percent. The decrease was primarily in the general government due to reductions in pension and OPEB expenses, public safety vacant positions, and management's effective control over expenditures.

The City's business-type activities consist of the Water and Sewer Fund and Senior Citizen Housing Funds. We provide water to residents from the Great Lakes Water Authority. We also provide sewage treatment through a city-owned and operated sewage treatment plant. Affordable and safe housing is provided to the City's seniors through operation of a 366-unit complex.

The net position of business-type activities increased \$10.3 million, or 11.9 percent, from a year ago.

Business-type activities unrestricted net position, the part of net position that can be used to finance day-to-day operations, increased by approximately \$355,169. The increase in unrestricted net position was primarily due to positive operating activities from the Senior Citizen Housing Funds.

#### ***The City of Warren, Michigan's Funds***

Our analysis of the City's major funds begins on page 12, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Council creates funds to help manage money for specific purposes, as well as to show accountability for certain activities, such as special property tax millages. The City's major funds for 2020 include the General Fund and Grant Fund.

The General Fund pays for most of the City's governmental services. The most significant are public safety, which includes police and fire. Public safety incurred expenses of approximately \$71.3 million in 2020. Revenue was greater than expenditures (including transfers) in the General Fund by \$6.2 million. This was primarily due to an increase in property tax revenue. Unassigned fund balance of \$18.1 million is approximately 18 percent of expenditures.

#### ***General Fund Budgetary Highlights***

Over the course of the year, the City amended the budget to take into account events during the year. The most significant budget adjustments were for additional personnel in the Police department and temporary funding for COVID-19 expenditures. At year end, General Fund expenditures were \$13.7 million under budget. This was due to careful spending by department leaders. General Fund revenue came in over budget by \$2.6 million, primarily due to an increase in property tax revenue.

#### ***Capital Assets and Debt Administration***

At the end of fiscal year 2020, the City had \$338.7 million invested in a broad range of capital assets, including land, buildings, police and fire equipment, computer equipment, infrastructure assets (roads, bridges, sidewalks, and storm drains), and water and sewer lines. The value of the City's governmental net capital assets is \$175.0 million, and business-type net capital assets are \$163.8 million (see Note 5 of the notes to the basic financial statements for additional information).

The City's general obligation bonds maintained their rating from Standard & Poor's (AA) during the fiscal year. This rating was affirmed in 2020 when the City issued new bonds of \$26.6 million in business-type activities. Please see Note 7 of the notes to the basic financial statements for additional information.

***Economic Factors and Next Year's Budgets***

City management has implemented cost-cutting programs that have reduced overall expenditures and provided positive fiscal results for the fiscal year ended June 30, 2020. However, the economy is beginning to weaken across the country and globally. Therefore, city management will need to adopt even more cost-cutting programs throughout the budget to ensure the City's financial stability. The city administration, along with the City Council, must continue to develop a financial strategy that is fiscally responsible while maintaining as many core services as possible.

COVID-19 has impacted most of the City's services since March 2020. Parks and recreation was shut down until September. Library services were curtailed to drive-through pickup only. City Hall was shut down then reopened for the 2020 presidential election and payment of property taxes. Subsequently, city hall is shut down again due to the surge of cases to date.

COVID-19 further impacted the City and employees through furloughs implemented during the months of May, June, and July. The furloughs were implemented to offset projected revenue losses in the court, building department, and state-shared revenue. The City has implemented procedures to protect employees and residents by purchasing the necessary personal protective equipment and establishing social distancing guidelines.

The City has diligently pursued all federal, state, and county programs to recoup expenditures related to the COVID-19 pandemic. The city management has taken all the necessary steps to protect the city finances and its employees and residents to date. We hope a vaccine will come soon and an additional stimulus package will be approved to further assist our state and local governments through this pandemic.

***Contacting the City's Management***

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the resources it receives. If you have questions about this report or need additional information, we welcome you to contact the controller's office at city hall.

June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents (Note 3)	\$ 112,692,097	\$ 29,702,162	\$ 142,394,259	\$ 21,021,962
Receivables (Note 4)	25,196,963	8,374,085	33,571,048	41,161
Due from component units	431,960	-	431,960	-
Due from primary government	-	-	-	38,729
Internal balances	2,658,695	(2,658,695)	-	-
Inventary	321,418	313,519	634,937	136,296
Prepaid items and other assets	297,158	137,639	434,797	300
Deposits	4,259,050	-	4,259,050	-
Restricted assets (Note 1)	1,003,911	69,940,099	70,944,010	-
Capital assets:				
Assets not subject to depreciation (Note 5)	18,155,378	18,555,418	36,710,796	-
Assets subject to depreciation - Net (Note 5)	156,826,735	145,195,469	302,022,204	-
<b>Total assets</b>	<b>321,843,365</b>	<b>269,559,696</b>	<b>591,403,061</b>	<b>21,238,448</b>
<b>Deferred Outflows of Resources</b>				
Bond refunding loss being amortized	298,155	791,305	1,089,460	171,435
Deferred outflows related to pensions	15,378,931	1,312,136	16,691,067	-
Deferred outflows related to OPEB	8,225,390	759,145	8,984,535	15,493
<b>Total deferred outflows of resources</b>	<b>23,902,476</b>	<b>2,862,586</b>	<b>26,765,062</b>	<b>186,928</b>
<b>Liabilities</b>				
Accounts payable	6,510,848	3,439,756	9,950,604	362,120
Due to other governmental units	44,413	12,923	57,336	46,814
Due to component units	38,729	-	38,729	-
Due to primary government	-	-	-	431,960
Refundable deposits, bonds, etc.	1,436,688	494,792	1,931,480	116,752
Accrued liabilities and other	2,374,752	990,931	3,365,683	321,982
Unearned revenue	1,587,225	4,922	1,592,147	-
Noncurrent liabilities:				
Due within one year:				
Payable from restricted assets	-	3,334,431	3,334,431	-
Compensated absences	2,580,096	473,153	3,053,249	-
Provision for property tax refunds	36,377	-	36,377	109,635
Current portion of long-term debt (Note 7)	3,224,852	9,688,829	12,913,681	5,368,828
Due in more than one year:				
Compensated absences	8,166,314	456,144	8,622,458	-
Provision for claims (Note 14)	3,457,913	-	3,457,913	-
Net pension liability (Note 10)	151,951,483	16,517,374	168,468,857	-
Net OPEB liability (Note 8)	178,700,904	14,462,226	193,163,130	295,149
Long-term debt (Note 7)	24,237,665	122,869,106	147,106,771	34,907,956
Landfill postclosure liability (Note 17)	2,665,614	-	2,665,614	-
<b>Total liabilities</b>	<b>387,013,873</b>	<b>172,744,587</b>	<b>559,758,460</b>	<b>41,961,196</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to pensions	38,276,022	1,612,338	39,888,360	-
Deferred inflows related to OPEB	8,940,792	1,073,021	10,013,813	21,898
<b>Total deferred inflows of resources</b>	<b>47,216,814</b>	<b>2,685,359</b>	<b>49,902,173</b>	<b>21,898</b>
<b>Net Position (Deficit)</b>				
Net investment in capital assets	148,821,662	97,426,077	246,247,739	-
Restricted:				
Streets and highways	27,227,379	-	27,227,379	-
Public safety	2,901,919	-	2,901,919	-
Recreation and culture	11,408,418	-	11,408,418	-
Sanitation	2,821,549	-	2,821,549	-
Community development	9,256,930	-	9,256,930	-
Capital projects	3,041,700	-	3,041,700	-
Debt service	-	12,864,828	12,864,828	-
Unrestricted	(293,964,403)	(13,298,569)	(307,262,972)	(20,557,718)
<b>Total net position (deficit)</b>	<b>\$ (88,484,846)</b>	<b>\$ 96,992,336</b>	<b>\$ 8,507,490</b>	<b>\$ (20,557,718)</b>

# City of Warren, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs</b>				
Primary government:				
Governmental activities:				
General government	\$ 8,555,463	\$ 6,124,615	\$ 696,173	\$ 293,792
District court	5,663,508	4,796,749	393,312	-
Public safety	55,271,480	6,630,656	1,654,136	-
Public works	35,020,927	96,289	14,595,901	8,992,857
Community and economic development	5,211,844	1,006,095	2,314,039	-
Recreation and culture	6,513,838	1,431,576	433,016	-
Interest on long-term debt	675,970	-	-	-
Total governmental activities	116,913,030	20,085,980	20,086,577	9,286,649
Business-type activities:				
Water and Sewer Fund	41,501,782	49,933,346	450,293	-
Senior Housing	1,944,925	2,455,909	-	-
Total business-type activities	43,446,707	52,389,255	450,293	-
Total primary government	<b>\$ 160,359,737</b>	<b>\$ 72,475,235</b>	<b>\$ 20,536,870</b>	<b>\$ 9,286,649</b>
Component units:				
Tax Increment Finance Authority	\$ 427,225	\$ -	\$ -	\$ -
Downtown Development Authority	8,455,520	69,051	-	-
Brownfield Redevelopment Authority	1,278,076	283,421	-	-
Total component units	<b>\$ 10,160,821</b>	<b>\$ 352,472</b>	<b>\$ -</b>	<b>\$ -</b>
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Other miscellaneous income				
Total general revenue				
<b>Change in Net Position</b>				
<b>Net Position (Deficit) - Beginning of year</b>				
<b>Net Position (Deficit) - End of year</b>				

# Statement of Activities

**Year Ended June 30, 2020**

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (1,440,883)	\$ -	\$ (1,440,883)	\$ -
(473,447)	-	(473,447)	-
(46,986,688)	-	(46,986,688)	-
(11,335,880)	-	(11,335,880)	-
(1,891,710)	-	(1,891,710)	-
(4,649,246)	-	(4,649,246)	-
(675,970)	-	(675,970)	-
(67,453,824)	-	(67,453,824)	-
-	8,881,857	8,881,857	-
-	510,984	510,984	-
-	9,392,841	9,392,841	-
(67,453,824)	9,392,841	(58,060,983)	-
-	-	-	(427,225)
-	-	-	(8,386,469)
-	-	-	(994,655)
-	-	-	(9,808,349)
93,420,380	-	93,420,380	7,181,439
22,967,832	-	22,967,832	4,378,661
1,816,753	908,523	2,725,276	212,882
2,015,541	-	2,015,541	-
1,559,717	-	1,559,717	-
121,780,223	908,523	122,688,746	11,772,982
54,326,399	10,301,364	64,627,763	1,964,633
(142,811,245)	86,690,972	(56,120,273)	(22,522,351)
<b>\$ (88,484,846)</b>	<b>\$ 96,992,336</b>	<b>\$ 8,507,490</b>	<b>\$ (20,557,718)</b>

Governmental Funds  
Balance Sheet

June 30, 2020

	General Fund	Grant Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 54,873,411	\$ 855,132	\$ 56,963,554	\$ 112,692,097
Receivables (Note 4)	12,615,185	8,731,961	3,849,817	25,196,963
Due from component units	431,960	-	-	431,960
Due from other funds	3,294,904	-	9,900	3,304,804
Inventory	310,897	-	10,521	321,418
Prepaid items and other assets	259,708	18,736	18,714	297,158
Deposits	962,492	-	3,296,558	4,259,050
Restricted assets	-	-	1,003,911	1,003,911
<b>Total assets</b>	<b>\$ 72,748,557</b>	<b>\$ 9,605,829</b>	<b>\$ 65,152,975</b>	<b>\$ 147,507,361</b>
<b>Liabilities</b>				
Accounts payable	\$ 3,411,792	\$ 191,486	\$ 2,907,570	\$ 6,510,848
Due to other governmental units	25,898	-	18,515	44,413
Due to component units	-	-	38,729	38,729
Due to other funds	-	148,386	497,723	646,109
Refundable deposits, bonds, etc.	616,857	-	819,831	1,436,688
Accrued liabilities and other	1,816,648	9,027	287,199	2,112,874
Unearned revenue	488,631	-	1,098,594	1,587,225
Provision for property tax refunds	27,769	-	8,608	36,377
<b>Total liabilities</b>	<b>6,387,595</b>	<b>348,899</b>	<b>5,676,769</b>	<b>12,413,263</b>
<b>Deferred Inflows of Resources - Unavailable revenue</b>	<b>791,142</b>	<b>8,731,961</b>	<b>731,465</b>	<b>10,254,568</b>
<b>Fund Balances</b>				
Nonspendable:				
Inventory/Assets held for resale	310,897	-	10,521	321,418
Prepays	259,708	18,736	18,714	297,158
Restricted:				
Roads	-	-	28,178,556	28,178,556
Grants	-	506,233	-	506,233
Capital projects	-	-	1,440,544	1,440,544
Sanitation	-	-	2,753,730	2,753,730
Recreation	-	-	3,897,662	3,897,662
Library	-	-	4,540,787	4,540,787
Cable franchise fees	-	-	2,867,234	2,867,234
Police enforcement	-	-	2,600,730	2,600,730
Special assessments	-	-	1,063,744	1,063,744
Vice crime	-	-	301,189	301,189
Committed:				
Rental ordinance	-	-	1,580,014	1,580,014
Special assessments	-	-	90,043	90,043
Assigned:				
Subsequent year's budget	5,009,147	-	-	5,009,147
Compensated absences	9,869,618	-	-	9,869,618
Claims and insurance	5,970,561	-	-	5,970,561
Capital projects	-	-	9,351,147	9,351,147
Debt service	-	-	50,126	50,126
Capital equipment	7,500,000	-	-	7,500,000
Retiree health care	8,002,996	-	-	8,002,996
General employee retirement	10,500,000	-	-	10,500,000
Unassigned	18,146,893	-	-	18,146,893
<b>Total fund balances</b>	<b>65,569,820</b>	<b>524,969</b>	<b>58,744,741</b>	<b>124,839,530</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 72,748,557</b>	<b>\$ 9,605,829</b>	<b>\$ 65,152,975</b>	<b>\$ 147,507,361</b>



**Governmental Funds**

**Reconciliation of the Balance Sheet to the Statement of Net Position**

**June 30, 2020**

<b>Fund Balances Reported in Governmental Funds</b>	<b>\$ 124,839,530</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	174,982,113
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	10,254,568
Deferred charges on refunding are deferred inflows and are not reported in the funds	298,155
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(27,462,517)
Accrued interest is not due and payable in the current period and is not reported in the funds	(261,878)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(10,746,410)
Pension benefits	(174,848,574)
Retiree health care benefits	(179,416,306)
Other long-term liabilities, such as claims, judgments, and landfill postclosure costs, do not present a claim on current financial resources and are not reported in the funds	<u>(6,123,527)</u>
<b>Net Position (Deficit) of Governmental Activities</b>	<b><u><u>\$ (88,484,846)</u></u></b>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2020

	General Fund	Grant Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenue</b>				
Property taxes	\$ 70,451,484	\$ -	\$ 22,968,896	\$ 93,420,380
Special assessments	-	-	294,158	294,158
Intergovernmental:				
Federal grants	824,877	2,165,906	600,990	3,591,773
State sources	22,723,071	-	18,092,600	40,815,671
Charges for services	4,996,393	-	1,152,296	6,148,689
Fines and forfeitures	3,891,929	-	1,834,921	5,726,850
Licenses and permits:				
Cable franchise fees	-	-	2,015,541	2,015,541
Other licenses and permits	4,168,947	-	-	4,168,947
Interest and rentals	1,059,492	-	855,455	1,914,947
Other revenue	2,625,406	3,685	1,551,792	4,180,883
<b>Total revenue</b>	<b>110,741,599</b>	<b>2,169,591</b>	<b>49,366,649</b>	<b>162,277,839</b>
<b>Expenditures</b>				
Current:				
General government	11,437,933	-	286,511	11,724,444
District court	7,036,270	-	421,596	7,457,866
Public safety	71,326,029	-	1,351,189	72,677,218
Public works	10,191,453	-	37,060,830	47,252,283
Community and economic development	777,799	2,261,841	2,427,867	5,467,507
Recreation and culture	38,274	-	10,883,400	10,921,674
Debt service	-	-	2,729,856	2,729,856
<b>Total expenditures</b>	<b>100,807,758</b>	<b>2,261,841</b>	<b>55,161,249</b>	<b>158,230,848</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>9,933,841</b>	<b>(92,250)</b>	<b>(5,794,600)</b>	<b>4,046,991</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	7,414,432	7,414,432
Transfers out	(3,722,808)	-	(3,691,624)	(7,414,432)
<b>Total other financing (uses) sources</b>	<b>(3,722,808)</b>	<b>-</b>	<b>3,722,808</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>6,211,033</b>	<b>(92,250)</b>	<b>(2,071,792)</b>	<b>4,046,991</b>
<b>Fund Balances - Beginning of year</b>	<b>59,358,787</b>	<b>617,219</b>	<b>60,816,533</b>	<b>120,792,539</b>
<b>Fund Balances - End of year</b>	<b>\$ 65,569,820</b>	<b>\$ 524,969</b>	<b>\$ 58,744,741</b>	<b>\$ 124,839,530</b>

Governmental Funds

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

Year Ended June 30, 2020

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	\$ 4,046,991
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay and donated assets	30,390,220
Depreciation expense	(13,989,901)
Net book value of assets disposed of	(286,293)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	139,865
Expenses and expense recoveries related to the landfill postclosure liability are not reported in the funds	(114,048)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	3,174,311
Interest expense is recognized in the government-wide statements as it accrues	(55,869)
Some employee costs (pension, OPEB, compensated absences, and insurance claims) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	31,067,629
Amortization of deferred charges on refunding is expensed in the statement of net position but does not affect financial resources for the governmental funds	(46,506)
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 54,326,399</u></b>

Proprietary Funds  
Statement of Net Position

June 30, 2020

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 26,461,954	\$ 3,240,208	\$ 29,702,162
Receivables	8,367,292	6,793	8,374,085
Inventory	313,519	-	313,519
Prepaid items and other assets	137,618	21	137,639
Total current assets	35,280,383	3,247,022	38,527,405
Noncurrent assets:			
Restricted assets (Note 1)	69,940,099	-	69,940,099
Capital assets:			
Assets not subject to depreciation (Note 5)	18,333,774	221,644	18,555,418
Assets subject to depreciation - Net (Note 5)	138,285,330	6,910,139	145,195,469
Total noncurrent assets	226,559,203	7,131,783	233,690,986
Total assets	261,839,586	10,378,805	272,218,391
<b>Deferred Outflows of Resources</b>			
Bond refunding loss being amortized	791,305	-	791,305
Deferred outflows related to pensions	1,312,136	-	1,312,136
Deferred outflows related to OPEB	743,652	15,493	759,145
Total deferred outflows of resources	2,847,093	15,493	2,862,586
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	3,402,057	37,699	3,439,756
Due to other governmental units	11,475	1,448	12,923
Due to other funds	2,446,720	211,975	2,658,695
Refundable deposits, bonds, etc.	259,838	234,954	494,792
Accrued liabilities and other	975,438	15,493	990,931
Unearned revenue	-	4,922	4,922
Compensated absences	469,330	3,823	473,153
Current portion of long-term debt (Note 7)	9,292,773	396,056	9,688,829
Total current liabilities	16,857,631	906,370	17,764,001
Noncurrent liabilities:			
Payable from restricted assets	3,334,431	-	3,334,431
Compensated absences	437,746	18,398	456,144
Net pension liability (Note 10)	16,517,374	-	16,517,374
Net OPEB liability (Note 8)	14,167,077	295,149	14,462,226
Long-term debt (Note 7)	122,322,087	547,019	122,869,106
Total noncurrent liabilities	156,778,715	860,566	157,639,281
Total liabilities	173,636,346	1,766,936	175,403,282
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	1,612,338	-	1,612,338
Deferred inflows related to OPEB	1,051,123	21,898	1,073,021
Total deferred inflows of resources	2,663,461	21,898	2,685,359
<b>Net Position</b>			
Net investment in capital assets	91,237,369	6,188,708	97,426,077
Restricted - Debt service	12,864,828	-	12,864,828
Unrestricted	(15,715,325)	2,416,756	(13,298,569)
Total net position	\$ 88,386,872	\$ 8,605,464	\$ 96,992,336

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

Year Ended June 30, 2020

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
<b>Operating Revenue</b>			
Sale of water	\$ 24,910,690	\$ -	\$ 24,910,690
Sewage disposal charges	23,913,126	-	23,913,126
Other sales to customers	477,121	-	477,121
Interest and penalty charges	632,409	-	632,409
Rental revenue	-	1,537,380	1,537,380
Other operating revenue	-	918,529	918,529
Total operating revenue	49,933,346	2,455,909	52,389,255
<b>Operating Expenses</b>			
Cost of water	10,302,809	-	10,302,809
Operating and maintenance costs	6,836,768	-	6,836,768
Billing and administrative costs	2,726,075	530,300	3,256,375
Wages and fringes	9,632,995	472,820	10,105,815
Materials and supplies	902,942	59,520	962,462
Other operating expenses	-	559,843	559,843
Professional services	1,436,354	-	1,436,354
Depreciation	5,660,229	306,396	5,966,625
Total operating expenses	37,498,172	1,928,879	39,427,051
<b>Operating Income</b>	12,435,174	527,030	12,962,204
<b>Nonoperating Revenue (Expense)</b>			
Investment income	902,330	6,193	908,523
Interest expense	(3,982,969)	(16,046)	(3,999,015)
Loss on sale of assets	(20,641)	-	(20,641)
Operating grants	450,293	-	450,293
Total nonoperating expense	(2,650,987)	(9,853)	(2,660,840)
<b>Change in Net Position</b>	9,784,187	517,177	10,301,364
<b>Net Position - Beginning of year</b>	78,602,685	8,088,287	86,690,972
<b>Net Position - End of year</b>	<b>\$ 88,386,872</b>	<b>\$ 8,605,464</b>	<b>\$ 96,992,336</b>

Proprietary Funds  
Statement of Cash Flows

Year Ended June 30, 2020

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 48,802,530	\$ 2,455,909	\$ 51,258,439
Receipts from interfund services and reimbursements	239,339	12,440	251,779
Payments to suppliers	(22,883,224)	(1,170,569)	(24,053,793)
Payments to employees and fringes	(15,288,799)	(588,397)	(15,877,196)
Net cash and cash equivalents provided by operating activities	10,869,846	709,383	11,579,229
<b>Cash Flows Provided by Noncapital Financing Activities</b>			
- Operating grants and subsidies	450,293	-	450,293
<b>Cash Flows from Capital and Related Financing Activities</b>			
Issuance of bonds	27,964,115	-	27,964,115
Proceeds from sale of capital assets	4,217	-	4,217
Purchase of capital assets	(16,016,528)	(27,872)	(16,044,400)
Principal and interest paid on capital debt	(12,101,258)	(402,103)	(12,503,361)
Net cash and cash equivalents used in capital and related financing activities	(149,454)	(429,975)	(579,429)
<b>Cash Flows Provided by Investing Activities - Interest received on investments</b>	915,331	6,193	921,524
<b>Net Increase in Cash and Cash Equivalents</b>	12,086,016	285,601	12,371,617
<b>Cash and Cash Equivalents - Beginning of year</b>	84,316,037	2,954,607	87,270,644
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 96,402,053</b>	<b>\$ 3,240,208</b>	<b>\$ 99,642,261</b>
<b>Classification of Cash and Cash Equivalents</b>			
Cash and investments	\$ 26,461,954	\$ 3,240,208	\$ 29,702,162
Restricted cash	69,940,099	-	69,940,099
Total cash and cash equivalents	<b>\$ 96,402,053</b>	<b>\$ 3,240,208</b>	<b>\$ 99,642,261</b>

Proprietary Funds  
Statement of Cash Flows (Continued)

Year Ended June 30, 2020

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>			
Operating income	\$ 12,435,174	\$ 527,030	\$ 12,962,204
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	5,660,229	306,396	5,966,625
Changes in assets and liabilities:			
Receivables	(1,284,636)	(9,593)	(1,294,229)
Due to and from other funds	239,339	12,440	251,779
Inventories	45,718	-	45,718
Prepaid and other assets	(27,691)	-	(27,691)
Net pension or OPEB liability	(4,469,533)	(113,483)	(4,583,016)
Accounts payable	(1,832,957)	(13,407)	(1,846,364)
Deferred refunding charges	104,203	-	104,203
Total adjustments	<u>(1,565,328)</u>	<u>182,353</u>	<u>(1,382,975)</u>
Net cash and cash equivalents provided by operating activities	<u><u>\$ 10,869,846</u></u>	<u><u>\$ 709,383</u></u>	<u><u>\$ 11,579,229</u></u>

Fiduciary Funds  
Statement of Fiduciary Net Position

June 30, 2020

	Pension and Other Employee Benefits - December 31, 2019	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 1,120,239	\$ 2,741,962
Investments:		
U.S. government securities	58,148,213	-
Mortgage-backed securities	3,183,068	-
Asset-backed securities	2,412,780	-
Commercial notes	21,556,867	-
Mutual funds	27,460,242	-
Short-term cash management funds	18,720,848	-
Stocks	335,918,662	-
Bonds	47,366,960	-
Real estate	48,279,989	-
Other	3,274,781	-
Securities lending	2,263,111	-
Hedge funds	6,795,290	-
Receivables:		
Accrued interest receivable	4,922,599	-
Other receivables	12,306	-
Due from primary government	5,532	-
Prepaid items and other assets	251,406	-
	581,692,893	\$ 2,741,962
<b>Liabilities</b>		
Accounts payable	9,064,493	\$ 67,055
Due to other governmental units	-	24
Due to primary government	9,457,408	-
Refundable deposits, bonds, etc.	-	2,642,702
Accrued liabilities and other	427,011	32,181
Obligations under securities lending agreements	2,564,455	-
	21,513,367	\$ 2,741,962
<b>Net Position Restricted for Pension and Other Employee Benefits</b>	<b>\$ 560,179,526</b>	



Fiduciary Funds  
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2020

	Pension and Other Employee Benefits - December 31, 2019
<b>Additions</b>	
Investment income (loss):	
Interest and dividends	\$ 21,202,987
Net decrease in fair value of investments	77,543,196
Investment-related expenses	<u>(2,133,258)</u>
Net investment income	96,612,925
Securities lending income:	
Interest and dividends	167,569
Securities lending - Investment expense	<u>(129,599)</u>
Total securities lending income	37,970
Contributions:	
Employer contributions	38,970,049
Employee contributions	<u>1,448,475</u>
Total contributions	<u>40,418,524</u>
Total additions	137,069,419
<b>Deductions</b>	
Benefit payments	64,921,774
Refunds of contributions	2,264,366
Administrative expenses	<u>865,238</u>
Total deductions	<u>68,051,378</u>
<b>Net Increase in Net Position</b>	69,018,041
<b>Net Position Restricted for Pension and Other Employee Benefits - Beginning of year</b>	<u>491,161,485</u>
<b>Net Position Restricted for Pension and Other Employee Benefits - End of year</b>	<u><u>\$ 560,179,526</u></u>

Component Units  
Statement of Net Position

June 30, 2020

	Tax Increment Finance Authority	Downtown Development Authority	Brownfield Redevelopment Authority	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 1,037,217	\$ 19,600,023	\$ 384,722	\$ 21,021,962
Receivables - Other	-	74	41,087	41,161
Due from primary government	-	38,729	-	38,729
Inventory	-	136,296	-	136,296
Prepaid items and other assets	-	300	-	300
Total assets	1,037,217	19,775,422	425,809	21,238,448
<b>Deferred Outflows of Resources</b>				
Bond refunding loss being amortized (Note 1)	-	171,435	-	171,435
Deferred outflows related to OPEB	-	15,493	-	15,493
Total deferred outflows of resources	-	186,928	-	186,928
<b>Liabilities</b>				
Accounts payable	119,770	201,700	40,650	362,120
Due to other governmental units	-	-	46,814	46,814
Due to primary government	3,535	387,841	40,584	431,960
Refundable deposits, bonds, etc.	10,000	106,752	-	116,752
Accrued liabilities and other	-	321,982	-	321,982
Noncurrent liabilities:				
Due within one year:				
Provision for property tax refunds	10,523	99,112	-	109,635
Current portion of long-term debt	-	5,368,828	-	5,368,828
Due in more than one year:				
Net OPEB liability	-	295,149	-	295,149
Long-term debt	-	34,907,956	-	34,907,956
Total liabilities	143,828	41,689,320	128,048	41,961,196
<b>Deferred Inflows of Resources - Deferred inflows related to OPEB</b>	-	21,898	-	21,898
<b>Net Position (Deficit)</b>	<b>\$ 893,389</b>	<b>\$ (21,748,868)</b>	<b>\$ 297,761</b>	<b>\$ (20,557,718)</b>

# City of Warren, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs</b>				
Tax Increment Finance Authority - Community and economic development	\$ 427,225	\$ -	\$ -	\$ -
Downtown Development Authority:				
Community and economic development	7,183,580	69,051	-	-
Interest on long-term debt	1,271,940	-	-	-
Total Downtown Development Authority	8,455,520	69,051	-	-
Brownfield Redevelopment Authority - Community and economic development	1,278,076	283,421	-	-
Total component units	<b>\$ 10,160,821</b>	<b>\$ 352,472</b>	<b>\$ -</b>	<b>\$ -</b>

General revenue:  
 Property taxes  
 State-shared revenue  
 Investment income  
 Total general revenue

**Change in Net Position**

**Net Position (Deficit) - Beginning of year**

**Net Position (Deficit) - End of year**

Component Units  
Statement of Activities

Year Ended June 30, 2020

Net (Expense) Revenue and Changes in Net Position			
Tax Increment Finance Authority	Downtown Development Authority	Brownfield Redevelopment Authority	Total
\$ (427,225)	\$ -	\$ -	\$ (427,225)
-	(7,114,529)	-	(7,114,529)
-	(1,271,940)	-	(1,271,940)
-	(8,386,469)	-	(8,386,469)
-	-	(994,655)	(994,655)
(427,225)	(8,386,469)	(994,655)	(9,808,349)
282,346	5,844,730	1,054,363	7,181,439
11,778	4,366,883	-	4,378,661
3,325	206,374	3,183	212,882
297,449	10,417,987	1,057,546	11,772,982
(129,776)	2,031,518	62,891	1,964,633
1,023,165	(23,780,386)	234,870	(22,522,351)
<b>\$ 893,389</b>	<b>\$ (21,748,868)</b>	<b>\$ 297,761</b>	<b>\$ (20,557,718)</b>

**Note 1 - Nature of Business and Significant Accounting Policies**

City of Warren, Michigan (the "City"), formerly Warren Township, was incorporated on January 1, 1957 under provisions of Act 279, P.A. 1909, as amended (Home Rule Act). The City is administered by a mayor, a council of seven members, a treasurer, and a clerk, all of whom are elected for four-year terms. The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, recreation, library, planning and zoning, and general administrative services.

***Reporting Entity***

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The component units do not issue their own financial statements. Although blended component units are legally separate entities, in substance, they are part of the City's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City (see discussion below for description).

**Blended Component Units**

The following entity is considered a blended component unit of the City due to the authority existing for the exclusive benefit of the City itself:

The City of Warren Building Authority was incorporated, pursuant to the provisions of Act 31, Public Acts of Michigan, 1948, as amended, and approved by the Warren City Council for the purpose of acquiring, furnishing, and equipping and maintaining buildings, structures, and sites for use by the City. The authority is governed by a commission consisting of three members who are appointed by the mayor and the City Council. All contracts entered into by the authority must be approved by the City Council. The City has pledged its full faith and credit for payment of annual lease payments to the authority in order to satisfy principal and interest requirements from issuance of Building Authority Bonds. The City of Warren Building Authority is reported within the enterprise and Capital Projects funds. Additional information can be obtained from the council office at 5460 Arden, Warren, MI 48092.

**Discretely Presented Component Units**

*Tax Increment Finance Authority*

The Tax Increment Finance Authority (TIFA) of City of Warren, Michigan was established pursuant to Act 450 of the Michigan Public Acts of 1980 and approved by the Warren City Council to prevent urban deterioration and to encourage economic development and historic preservation within a defined geographic area of City of Warren, Michigan. The authority is governed by a board of directors consisting of eight members who are appointed by the mayor subject to the approval of the City Council. The City has pledged its full faith and credit for payment of principal and interest requirements from issuance of Tax Increment Finance Authority bonds. Additional information can be obtained from the mayor's office at One City Square, Suite 215, Warren, MI 48093-6726.

*Downtown Development Authority*

The Downtown Development Authority (DDA) of City of Warren, Michigan was established pursuant to Act 197 of the Public Acts of Michigan, 1975, as amended, and approved by the Warren City Council to prevent property value deterioration, eliminate the causes of that deterioration, increase property tax valuation where possible, and improve economic growth in the business district of the City. The authority is governed by a board of directors, which consists of the mayor plus eight members appointed by the mayor subject to the approval of the City Council. The City has pledged its full faith and credit for payment of principal and interest requirements from issuance of Downtown Development Authority bonds. Additional information can be obtained from the mayor's office at One City Square, Suite 215, Warren, MI 48093-6726.

**Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

*Brownfield Redevelopment Authority*

The Brownfield Redevelopment Authority (the "Brownfield Authority") was established pursuant to Act 381 of the Public Acts of Michigan, 1996, as amended. The act allows municipalities to establish the authority, adopt brownfield redevelopment financing plans, and capture incremental local and school property taxes from redeveloped properties to pay for the environmental costs associated with those properties. The act, as amended in 2000, expanded the definition of brownfield properties to include not only contaminated properties but also blighted or functionally obsolete properties and also expanded eligible activities to include infrastructure improvements, demolition, lead and asbestos abatement, and site preparation. The authority is governed by a board of directors consisting of five members who are appointed by the mayor subject to the approval of the City Council. The City is also responsible for any cost overruns. Additional information can be obtained from the planning department at One City Square, Suite 315, Warren, MI 48093-5283.

**Accounting and Reporting Principles**

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

**Fund Accounting**

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

**Governmental Funds**

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Grant Fund is used to account for the proceeds of specific grant revenue that is restricted to expenditures for specified purposes.

**Proprietary Funds**

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

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

**Fiduciary Funds**

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

- The Pension and Other Employee Benefits Trust Funds account for the activities of the police and fire employees' health and retirement system and general employees' health and retirement system, which accumulate resources for pension benefit payments to qualified employees.

**Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

- The Payroll Revolving, Cash Bond, Tax Collection, and Fire Insurance Withholding agency funds account for assets held by the City in a trustee capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

**Interfund Activity**

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

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

**Basis of Accounting**

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

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

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

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

**Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

***Report Presentation***

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

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

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

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

The City does not allocate indirect expenses. An administrative service fee is charged by the General Fund to other funds to recover direct costs, such as finance, personnel, purchasing, legal costs, etc. incurred by the General Fund. This reimbursement is eliminated by reducing corresponding revenue and expenses in the General Fund.

***Specific Balances and Transactions***

**Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

**Inventories and Prepaid Items**

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

**Restricted Assets**

The Capital Projects Fund has \$1,003,911 set aside and classified as restricted assets related to unspent bond proceeds to be spent on capital projects.



**Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

The Water and Sewer Fund has \$69,940,099 set aside and classified as restricted assets. Of this amount, \$68,776,251 related to unspent bond proceeds to be spent on water main replacements and the detention basin. In addition, the Water and Sewer Fund's revenue bonds have a covenant that requires the fund to maintain certain reserve levels, which amounted to \$1,163,848 at June 30, 2020. Net position of \$12,864,828 has been restricted for future debt service payments, which include the required reserve levels as discussed, and is made up of the remaining excess of revenue over expenditures.

**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 activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

<u>Capital Asset Class</u>	<u>Depreciable Life - Years</u>
Buildings and improvements	40 to 60
Utility systems	50
Machinery and equipment	5 to 25
Land improvements	20
Infrastructure	12 to 50

**Long-term Obligations**

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred outflows of resources related to the VEBA and defined benefit pension plans, as indicated in Notes 8 and 10, respectively.

**Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The first is the deferred inflows of resources related to unavailable revenue. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from many sources: property taxes, circuit court revenue, grants, special assessments, and various other sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second is the deferred outflows of resources related to the VEBA and defined benefit pension plans, as indicated in Notes 8 and 10, respectively.

**Net Position Flow Assumption**

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

**Fund Balance Flow Assumptions**

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

**Fund Balance Policies**

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

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

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

June 30, 2020

**Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

**Property Tax Revenue**

Property taxes are levied on each July 1 and December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The City's 2019 tax is levied and collectible on July 1, 2019 and is recognized as revenue in the year ended June 30, 2020 when the proceeds of the levy are budgeted and available for the financing of operations.

Property taxes are assessed as of December 31. The related property taxes are billed and become a lien on July 1 of the following year. These taxes are due without penalty during the period from July 1 through August 31 with the final collection date of February 29 before they are added to the county tax rolls.

The 2019 taxable valuation of the City totaled \$3.47 million (a portion of which is abated and a portion of which is captured by the TIFA, the DDA, and the Brownfield Authority). Taxes were levied as follows:

Purpose	Millage Rate	Revenue
General operating	8.6249 \$	28,740,000
Emergency medical service	0.2871	956,000
Library charter and operating	1.3145	4,373,000
Rubbish services	2.5550	8,506,000
Police/Fire pension and retiree health care	4.9848	16,650,000
Police operating	0.9624	3,207,000
Fire operating	0.9624	3,207,000
Recreation operating	0.9580	3,191,000
Police and fire operating	4.8418	16,099,000
Road repairs	2.0749	6,897,000
Total		<u>\$ 91,826,000</u>

**Pension**

The City offers defined benefit pension plans to its employees through the City of Warren Employees' Retirement System and the Police and Fire Retirement System. For each plan, the City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the pension plans' fiduciary net positions have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Postemployment Benefit Costs**

The City offers retiree health care benefits to retirees through the City of Warren City Employees' Retirement Health, Life and Disability Benefits Plan and Trust and the City of Warren Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust. For each plan, the City receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, other postemployment benefit (OPEB) costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the City reports the full accrual cost equal to the current year required contribution, adjusted for interest and adjustment to the ARC on the beginning of year underpaid amount, if any.

**Compensated Absences (Vacation and Sick Leave)**

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits.

**Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

All full-time employees of the City earn one sick leave day for each month of service rendered, not to exceed 12 days in any calendar year. Employees are allowed to accumulate anywhere from 27 days to 225 days depending upon their hire date, union affiliation, and pension plan participation. Upon retirement, most employees are paid 80 percent of their accumulated sick bank.

Each year, employees earn a number of vacation days based on total years of service. Vacation days are not allowed to accumulate and must be used in the year in which they are earned.

Employees are allowed to accumulate compensatory time in lieu of receiving overtime pay. Compensatory time is allowed to accumulate to a maximum of 80 hours. Compensated absences and compensatory time, inclusive of associated payroll taxes and benefits, are accrued in the government-wide financial statements.

The governmental fund financial statements report an assignment of fund balance for compensated absences and compensatory time to the extent that budget appropriations have been approved by the City Council to fund this noncurrent liability.

**Proprietary Funds Operating Classification**

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

**Use of Estimates**

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

**Upcoming Accounting Pronouncements**

In January 2017, the Governmental Accounting Standards Board issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the City's financial statements for the year ended June 30, 2020 but were extended to June 30, 2021 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

**Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the City's financial statements for the year ending June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In August 2018, the Governmental Accounting Standards Board issued Statement No. 90, *Majority Equity Interests*. This statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the City's financial statements for the year ended June 30, 2020 but were extended to June 30, 2021 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The provisions of this statement were originally effective for the City's financial statements for the year ending June 30, 2022 but were extended to June 30, 2023 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The City does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2023.

June 30, 2020

**Note 1 - Nature of Business and Significant Accounting Policies (Continued)**

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2023.

In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or an other employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the City's financial statements for the year ending June 30, 2022.

**Note 2 - Stewardship, Compliance, and Accountability**

**Construction Code Fees**

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

Cumulative shortfall - July 1, 2019	\$ (7,862,744)
Current year permit revenue	3,053,400
Related expenses - Estimated indirect costs	<u>2,959,557</u>
Current year excess	<u>93,843</u>
Cumulative shortfall - June 30, 2020	<u><u>\$ (7,768,901)</u></u>

**Fund Deficits**

At June 30, 2020, the governmental activities reported a deficit in net position of \$88,484,846. This deficit primarily relates to the net pension and OPEB liabilities reported in the full accrual basis. No governmental funds have deficits when reported on the fund basis.

At June 30, 2020, the Downtown Development Authority reported a deficit in net position of \$21,748,868. This deficit relates to debt reported in the full accrual basis. The Downtown Development Authority does not have a deficit when reported on the fund basis.

**Budgetary Information**

At June 30, 2020, the City had no outstanding encumbrances.

**Note 3 - Deposits and Investments**

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

1. The city treasurer is authorized to invest surplus funds as follows:
  - (a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States
  - (b) Certificates of deposit, savings accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection (2) below
  - (c) Commercial paper rated at the time of purchase within the two highest classifications established by no fewer than two standard rating services that matures no more than 270 days after the date of purchase
  - (d) Repurchase agreements consisting of instruments list in subdivision (a) above
  - (e) Bankers' acceptances of United States banks
  - (f) Obligations of the State of Michigan or any of its political subdivisions that, at the time of purchase, are rated as investment grade by no fewer than one standard rating service
  - (g) Mutual funds registered under the Investment Company Act of 1940 with authority to purchase only investment vehicles that are legal for direct investment by public corporation
  - (h) Obligations described in the above subdivisions (a) through (g) if purchased through an interlocal agreement under the Urban Cooperation Act of 1967
  - (i) Investment pools organized under the Surplus Funds Investment Pool Act of 1982
  - (j) Investment pools organized under the Local Government Investment Pool Act of 1985
2. The city treasurer shall not deposit or invest funds in a financial institution that is not eligible to be a depository of funds belonging to the State of Michigan under a law or rule of the State of Michigan of the United States.
3. Assets acceptable for pledging to secure deposits of public funds are limited to assets authorized for direct investments under subsection (1) above.
4. The securities, which serve as collateral, shall be held by the issuing financial institution provided that a written trust agreement has been executed. Institutions without safekeeping departments or abilities must deliver said securities to a third-party custodian with which the City has executed an agreement. Said agreement must be approved by City Council pursuant to resolution.
5. The city treasurer shall only invest the surplus funds of the City in institutions eligible under subsection (2) above and with concurrence by resolution of City Council.
6. The city treasurer shall not deposit or invest in excess of \$50 million at or within any one financial institution.

**Note 3 - Deposits and Investments (Continued)**

- 7. The city treasurer shall not exceed 60 percent of the investable funds of the City in any one form of investment.
- 8. The city treasurer shall not have in excess of 50 percent of the City's total amount of surplus funds in any one financial institution.

The City of Warren Employees' Retirement System, general employees' VEBA, Police and Fire Retirement System, and police and fire VEBA 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 City has designated 11 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 City's deposits and investments are in accordance with statutory authority.

As permitted by state statutes and under the provisions of a securities lending authorization agreement, the City of Warren Employees' Retirement System and the Police and Fire Retirement System (collectively, the "Retirement Systems") lend securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The Retirement Systems' custodial bank manages the securities lending program and receives cash, government securities, or irrevocable bank letters of credit as collateral. Borrowers are required to deliver collateral for each loan equal to no less than 100 percent of the market value of the loaned securities. During the year ended December 31, 2019, only United States currency was received as collateral.

The Retirement Systems did not impose any restrictions during the fiscal year on the amount of loans made on their behalf by the custodial bank. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or custodial bank.

The Retirement Systems and the borrower maintain the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in an investment pool. The average duration of such investment pool as of June 30, 2020 was one day. Because the loans are terminable on demand, their duration generally did not match the duration of the investments made with cash collateral. On June 30, 2020, the Retirement Systems had no credit risk exposure to borrowers. The collateral held and the fair market value of the underlying securities on loan for the retirement systems as of June 30, 2020 were \$2,263,111 and \$4,219,683, respectively.

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

***Custodial Credit Risk of Bank Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had \$178,070,790 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City's component units had \$18,602,403 of bank deposits that were uninsured and uncollateralized. Additionally, the fiduciary funds, at their year end of December 31, 2019, had \$844,085 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.



June 30, 2020

**Note 3 - Deposits and Investments (Continued)**

**Interest Rate Risk**

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

At June 30, 2020 (December 31, 2019 for the City's fiduciary funds), the City had the following investments and maturities:

Primary Government		Carrying Value	0-5 Years	
U.S. government agency securities		\$ 2,038,535	\$	2,038,535
Certificates of deposit		1,950,451		1,950,451
Municipal bonds		1,794,676		1,794,676
Total		<u>\$ 5,783,662</u>	<u>\$</u>	<u>5,783,662</u>

Fiduciary Funds	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
U.S. government	\$ 30,609,735	\$ 13,424,950	\$ 12,635,729	\$ 4,549,056
U.S. government agency	446,719	243,701	-	203,018
Mortgage-backed securities	12,298,833	47,844	128,494	12,122,495
Collateralized mortgage obligations	1,682,358	967,701	478,870	235,787
Asset-backed securities	5,363,668	2,968,040	996,268	1,399,360
Corporate and convertible bonds	38,553,208	22,754,898	12,591,493	3,206,817
Mezzanine debt financing	14,036	-	-	14,036
Foreign bonds and notes	667,023	294,158	104,889	267,976
Municipal bonds	125,077	56,570	33,326	35,181
Bond index funds	6,704,260	-	6,704,260	-
Total	<u>\$ 96,464,917</u>	<u>\$ 40,757,862</u>	<u>\$ 33,673,329</u>	<u>\$ 22,033,726</u>

**Credit Risk**

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of June 30, 2020, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
<b>Primary Government</b>			
Comerica - Government Cash Investment Fund	\$ 26,047,264	Not rated	N/A
Municipal bonds	<u>1,794,676</u>	N/R, Aa1, & Aa2	Moody's
Total	<u>\$ 27,841,940</u>		

June 30, 2020

**Note 3 - Deposits and Investments (Continued)**

Investment	Fair Value	Rating	Rating Organization
<b>Fiduciary Funds</b>			
Goldman Sachs FS Prime Obligations Fund	\$ 4,192,630	AAA	S&P
Repurchase agreement	960,078	A1/P1/F1	Moody's
Comerica Short-term Fund Series C	13,453,365	Not rated	N/A
Index funds	6,704,260	AA1 - AA2	Moody's
Bank investment pool	7,913,463	AAA - AA	Moody's
Debt securities	12,988,068	AAA	S&P
Debt securities	811,896	AA1	S&P
Debt securities	1,818,765	AA2	S&P
Debt securities	2,576,668	AA3	S&P
Debt securities	3,783,291	A1	S&P
Debt securities	8,860,263	A2	S&P
Debt securities	7,399,331	A3	S&P
Debt securities	886,797	BBB	S&P
Debt securities	10,793,129	BAA1 and below	S&P
Debt securities	18,887,797	Not rated	S&P
Total	<u>\$ 102,029,801</u>		
<b>Component Units</b>			
Interlocal agreement	\$ 787,707	Aaa	Moody's

**Foreign Currency Risk**

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. The pension system restricts the amount of investments in foreign currency-denominated investments to 5 percent of total pension system investments.

The following securities are subject to foreign currency risk:

Security	Foreign Currency	Fair Value
Foreign bonds	Euro	\$ 7,727,982
Foreign bonds	UK pound	1,267,733
Foreign bonds	Hong Kong dollar	2,790,805
Foreign bonds	Japanese yen	4,422,443
Foreign bonds	Australian dollar	531,029
Foreign stocks	New Zealand dollar	529,566

**Pool and Sweep Accounts That are Recorded at Amortized Cost**

At year end, the City had investments in a government investment fund that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. These funds are fully liquid for withdrawal at any time, and the price per unit does not fluctuate with interest earned according to the amount and duration of investment. These pools are not rated, and the GASB Statement No. 40 disclosures do not otherwise apply, but the pools do fully comply with Michigan's Public Act 20 of 1943, as amended.

At year end, the City and component units had \$26,047,264 and \$787,707, respectively, in such funds at Comerica Bank (J Fund), which is recorded at amortized cost in accordance with GASB Statement No. 79. There are no limitations or restrictions on participant withdrawals for that investment pool.

June 30, 2020

**Note 4 - Receivables**

Receivables as of June 30, 2020 for the City's individual major funds and the nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				Business-type Activities	Component Units
	General Fund	Grant Fund	Nonmajor Funds	Total		
Receivables:						
Property taxes receivable	\$ 492,457	\$ -	\$ 163,200	\$ 655,657	\$ -	\$ -
Special assessments receivable	-	-	537,418	537,418	-	-
Receivables from sales to customers on account	-	-	-	-	8,036,437	-
Accrued interest receivable	93,541	-	2,372	95,913	723	107
Other receivables	252,613	-	798,676	1,051,289	16,675	41,054
Due from other governmental units	2,790,407	239,869	2,348,151	5,378,427	320,250	-
Due from pension and VEBA funds	8,986,167	-	-	8,986,167	-	-
Notes receivable	-	8,492,092	-	8,492,092	-	-
<b>Net receivables</b>	<b>\$ 12,615,185</b>	<b>\$ 8,731,961</b>	<b>\$ 3,849,817</b>	<b>\$ 25,196,963</b>	<b>\$ 8,374,085</b>	<b>\$ 41,161</b>

**Note 5 - Capital Assets**

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

**Governmental Activities**

	Balance July 1, 2019	Reclassifications	Additions	Disposals	Balance June 30, 2020
Capital assets not being depreciated:					
Land	\$ 15,177,121	\$ -	\$ 78,148	\$ -	\$ 15,255,269
Construction in progress	13,873,577	(13,849,964)	2,876,496	-	2,900,109
Subtotal	29,050,698	(13,849,964)	2,954,644	-	18,155,378
Capital assets being depreciated:					
Infrastructure	177,185,827	10,144,442	21,533,697	-	208,863,966
Buildings and improvements	95,395,893	3,592,626	1,312,536	-	100,301,055
Machinery and equipment	74,997,644	106,396	4,168,231	(2,003,810)	77,268,461
Land improvements	9,475,715	6,500	421,112	-	9,903,327
Subtotal	357,055,079	13,849,964	27,435,576	(2,003,810)	396,336,809
Accumulated depreciation:					
Infrastructure	120,297,413	-	4,037,415	-	124,334,828
Buildings and improvements	52,079,574	-	3,140,551	-	55,220,125
Machinery and equipment	46,233,983	-	6,663,555	(1,717,517)	51,180,021
Land improvements	8,626,720	-	148,380	-	8,775,100
Subtotal	227,237,690	-	13,989,901	(1,717,517)	239,510,074
Net capital assets being depreciated	129,817,389	13,849,964	13,445,675	(286,293)	156,826,735
Net governmental activities capital assets	<b>\$ 158,868,087</b>	<b>\$ -</b>	<b>\$ 16,400,319</b>	<b>\$ (286,293)</b>	<b>\$ 174,982,113</b>

June 30, 2020

**Note 5 - Capital Assets (Continued)**

**Business-type Activities**

	Balance July 1, 2019	Reclassifications	Additions	Disposals	Balance June 30, 2020
Capital assets not being depreciated:					
Land	\$ 1,598,648	\$ -	\$ -	\$ -	\$ 1,598,648
Construction in progress	8,823,740	(4,307,166)	12,440,196	-	16,956,770
Subtotal	10,422,388	(4,307,166)	12,440,196	-	18,555,418
Capital assets being depreciated:					
Buildings and improvements	102,689,132	2,164,010	1,820,764	(2,010,485)	104,663,421
Machinery and equipment	17,396,666	-	1,609,346	(7,750)	18,998,262
Utility systems	155,095,984	2,143,156	3,508,525	(181,365)	160,566,300
Subtotal	275,181,782	4,307,166	6,938,635	(2,199,600)	284,227,983
Accumulated depreciation:					
Buildings and improvements	48,352,848	-	2,722,664	(1,987,564)	49,087,948
Machinery and equipment	14,641,684	-	468,376	(5,813)	15,104,247
Utility systems	72,246,099	-	2,775,585	(181,365)	74,840,319
Subtotal	135,240,631	-	5,966,625	(2,174,742)	139,032,514
Net capital assets being depreciated	139,941,151	4,307,166	972,010	(24,858)	145,195,469
Net business-type activities capital assets	\$ 150,363,539	\$ -	\$ 13,412,206	\$ (24,858)	\$ 163,750,887

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

Governmental activities:	
General government	\$ 2,685,837
Public safety	3,344,676
City development	125,776
Highway and streets	3,829,331
Sanitation	2,485,166
Recreation and culture	1,519,115
Total governmental activities	\$ 13,989,901
Business-type activities:	
Water and Sewer Fund	\$ 5,660,229
Senior Citizen Housing Funds	306,396
Total business-type activities	\$ 5,966,625

**Construction Commitments**

The City has active construction projects at year end. The City's significant active construction projects related to various road and sanitary relief sewer and water main replacement. At year end, the City's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
City projects	\$ 52,148,638	\$ 5,958,942
Water and sewer projects	32,098,240	21,711,023
Total	\$ 84,246,878	\$ 27,669,965

June 30, 2020

**Note 6 - Interfund Receivables, Payables, and Transfers**

The composition of interfund balances is as follows:

Fund Due To	Fund Due From							
	General Fund	Grant Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Primary Government	Component Units	Total
General Fund	\$ -	\$ 148,386	\$ 487,823	\$ 2,446,720	\$ 211,975	\$ 3,294,904	\$ -	\$ 3,294,904
Nonmajor governmental funds	-	-	9,900	-	-	9,900	-	9,900

The balance of amounts loaned to (borrowed from) discretely presented component units is as follows:

Receivable	Payable	Amount
General Fund	Tax Increment Finance Authority	\$ 3,535
	Downtown Development Authority	387,841
	Brownfield Redevelopment Authority	40,584
	<b>Total General Fund</b>	<b>431,960</b>
Downtown Development Authority	Nonmajor governmental funds	38,729
	<b>Total</b>	<b>\$ 470,689</b>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. The balances for the fiduciary funds are amounts due at June 30, 2020.

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

Receiving Fund (Transfer In)	Paying Fund (Transfer Out)	Amount
Nonmajor governmental funds	General Fund	\$ 3,722,808
	Nonmajor governmental funds	3,691,624
	<b>Total</b>	<b>\$ 7,414,432</b>

The transfer from the General Fund to the nonmajor governmental funds represents the use of unrestricted resources to finance costs related to the recreation programs, as well as to finance costs related to the indigent defense commission. The transfers within the nonmajor governmental funds represent the sharing of gas and weight tax revenue in accordance with Act 51 and the movement of resources to be used for debt service.

June 30, 2020

**Note 7 - Long-term Debt**

Long-term debt activity for the year ended June 30, 2020 can be summarized as follows:

**Governmental Activities**

	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:						
Direct borrowings and direct placements - Installment purchase agreements	1.39%-3.42%	\$ 7,870,889	\$ -	\$ (1,056,682)	\$ 6,814,207	\$ 1,071,448
Other debt:						
Road Construction - Capital Improvement Refunding: Series 2013A Maturing through 2027	2.70%	2,833,958	-	(459,755)	2,374,203	470,530
Sidewalk Construction - Capital Improvement Refunding: Series 2015 Maturing through 2029	2.00%-3.25%	1,740,000	-	(220,000)	1,520,000	215,000
Road Construction - MTF, Series 2018 - Maturing through 2033	3.00%-3.35%	12,380,000	-	(735,000)	11,645,000	750,000
General Obligation Bonds - Series 2014, WCC refunding - Maturing through 2027	2.35%	5,695,000	-	(695,000)	5,000,000	710,000
Total other debt principal outstanding		22,648,958	-	(2,109,755)	20,539,203	2,145,530
Unamortized bond premiums		116,981	-	(7,874)	109,107	7,874
Total bonds and contracts payable		30,636,828	-	(3,174,311)	27,462,517	3,224,852
Compensated absences		10,922,359	1,904,225	(2,080,174)	10,746,410	2,580,096
Total governmental activities long-term debt		\$ 41,559,187	\$ 1,904,225	\$ (5,254,485)	\$ 38,208,927	\$ 5,804,948

June 30, 2020

**Note 7 - Long-term Debt (Continued)**

**Business-type Activities**

	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:						
Direct borrowings and direct placements - State Revolving Fund:						
SRF, Series 5134-01 - Maturing through 2024	2.50%	\$ 1,685,000	\$ -	\$ (265,000)	\$ 1,420,000	\$ 270,000
SRF, Series 5134-02 - Maturing through 2026	2.125%	2,580,000	-	(345,000)	2,235,000	355,000
SRF, Series 5134-03 - Maturing through 2024	2.125%	392,091	-	(60,000)	332,091	65,000
SRF, Series 5134-04 - Maturing 2026	1.625%	3,175,000	-	(430,000)	2,745,000	440,000
SRF, Series 5401-01 - Maturing through 2030	2.50%	1,938,918	-	(140,000)	1,798,918	145,000
Other direct borrowings - Installment purchase agreements		5,431,009	-	(524,613)	4,906,396	563,435
Total direct borrowings and direct placements principal outstanding		15,202,018	-	(1,764,613)	13,437,405	1,838,435
Other debt:						
Water and Sewer Bonds - Refunding Series 2012 - Maturing through 2016	4.00%	9,535,000	-	(1,935,000)	7,600,000	1,960,000
Capital Improvement Bonds - Series 2003	3.70%-4.125%	340,000	-	(80,000)	260,000	85,000
Capital Improvement Bonds - Series 2013A Refunding	2.70%	1,111,042	-	(180,245)	930,797	184,470
Capital Improvement Bonds - Series 2013	4.00%-4.50%	15,150,000	-	(775,000)	14,375,000	800,000
Capital Improvement Bonds - Series 2017	2.00%-3.25%	49,035,000	-	(2,170,000)	46,865,000	2,215,000
Capital Improvement Bonds - Refunding Series 2019	3.00%-3.25%	12,495,000	-	(520,000)	11,975,000	535,000
Capital Improvement Bonds - Refunding Series 2019A	2.00%-3.00%	6,490,000	-	(390,000)	6,100,000	415,000
Senior Housing Bonds - Refunding Series 2012 - Maturing 2023	2.00%	1,315,000	-	(380,000)	935,000	390,000
Capital Improvement Bonds - Series 2019 - Maturing 2037	3.00%	-	26,570,000	-	26,570,000	965,000
Total other debt principal outstanding		95,471,042	26,570,000	(6,430,245)	115,610,797	7,549,470
Unamortized bond premiums		2,346,000	1,429,861	(265,389)	3,510,472	301,135
Unamortized bond discounts		(951)	-	212	(739)	(211)
Total bonds and contracts payable		113,018,109	27,999,861	(8,460,035)	132,557,935	9,688,829
Compensated absences		918,566	381,167	(370,436)	929,297	473,153
Total business-type activities long-term debt		\$ 113,936,675	\$ 28,381,028	\$ (8,830,471)	\$ 133,487,232	\$ 10,161,982

June 30, 2020

**Note 7 - Long-term Debt (Continued)**

**Component Units**

	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:						
Other debt:						
Series 2015 Refunding	2.00%- 3.00%	\$ 11,300,000	\$ -	\$ (1,080,000)	\$ 10,220,000	\$ 1,060,000
Series 2013 Refunding	4.00%- 4.625%	10,010,000	-	(1,545,000)	8,465,000	1,505,000
Series 2014 Refunding	2.00%- 3.00%	23,760,000	-	(2,530,000)	21,230,000	2,745,000
Total other debt principal outstanding		45,070,000	-	(5,155,000)	39,915,000	5,310,000
Unamortized bond premiums		420,612	-	(58,828)	361,784	58,828
Total component units long-term debt		<u>\$ 45,490,612</u>	<u>\$ -</u>	<u>\$ (5,213,828)</u>	<u>\$ 40,276,784</u>	<u>\$ 5,368,828</u>

**General Obligation Bonds and Contracts**

The City issues general obligation bonds to provide for the acquisition and construction of major capital facilities and infrastructure. General obligations have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City's qualified bonds are fully guaranteed by the State of Michigan. County contractual agreements and installment purchase agreements are also general obligations of the City. Special assessment bonds provide for capital improvements that benefit specific properties and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a reassessment of the City) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service. General obligations outstanding at June 30, 2020 are as follows:

**Sidewalk and Road Construction Bonds**

Sidewalk and road construction bonds are composed of various bond issues that pledge state-collected gas and weight tax receipts returned to the City. The full faith and credit of the City are pledged as additional security. These bond issues have aggregate principal maturities ranging from \$970,000 to \$1,482,857 a year and are due serially through fiscal year 2033, with annual interest rates ranging from 2.00 percent to 3.35 percent.

**General Obligation Bonds**

The Warren Community Center Refunding Bonds, Series 2014, have principal maturities ranging from \$505,000 to \$800,000 a year and are due serially through the fiscal year ending June 30, 2027, with an annual interest rate of 2.35 percent



**Note 7 - Long-term Debt (Continued)**

**Water and Sewer Bonds**

Water and Sewer Bonds, including the Capital Improvement Bonds and the State Revolving Fund Bonds, are composed of bonds issued to fund major infrastructure replacement projects and are payable solely from the net revenue of the water and sewer system. The bond issues have aggregate principal maturities ranging from \$1,735,000 to \$9,077,143 a year and are due serially through fiscal year 2040, with annual interest rates ranging from 1.625 percent to 4.50 percent. The total liability for SRF, Series 5401-01 at June 30, 2020 is \$1,798,918; however, this issue is subject to 40 percent principal forgiveness at close-out of construction and is reflected in the balances stated above.

During the year, the City issued \$26,570,000 in Capital Improvement Bond Series 2019.

**Downtown Development Authority Bonds**

DDA Bonds are composed of bonds issued pursuant to Act 197, Public Acts of Michigan, 1975, as amended, in anticipation of the collection of certain tax increment revenue payments for the purpose of paying costs of development and redevelopment of all or a portion of the downtown district, as specified in the authority's development and tax increment financing plan. In addition, the City has pledged its full faith and credit as additional security for payment of the principal and interest when due. In order to achieve the desired development and redevelopment objectives, as described in the plan, the City has authorized the issuance of Downtown Development Authority Bonds in four series, not to exceed \$75,000,000 in total. The bonds have aggregate maturities ranging from \$1,135,000 to \$5,515,000 a year and are due serially through fiscal year 2029, with annual interest rates ranging from 2.00 to 4.625 percent.

**Senior Housing Bonds**

Senior Housing Bonds consist of the Refunding Series 2012 bonds. Principal and interest payments are to be paid from cash flows generated by monthly rental unit receipts. In addition, the City has pledged its full faith and credit for the payment of these principal and interest payments as they become due. The Senior Housing Refunding Bonds, Series 2012, have principal maturities ranging from \$150,000 to \$395,000 a year and are due serially through the fiscal year ending June 30, 2023, with an annual interest rate of 2.00 percent.

**Installment Purchases**

In fiscal year 2019, the City entered into agreements to finance the purchase of garbage bins, recycling trucks, and police vehicles. The total amount of the financing is \$7,870,899, and \$6,814,207 was outstanding as of June 30, 2020.

In 2011, the Water and Sewer Fund entered into an agreement to finance the purchase of energy performance improvements for the waste water treatment plant. The total amount of financing is \$8,021,303, with \$54,693 of issuance costs included in the total. A total of \$4,906,396 was outstanding as of June 30, 2020.

**Other Long-term Liabilities**

Compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund or other operating funds to which employees are assigned.

**Note 7 - Long-term Debt (Continued)**

**Annual Debt Service**

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

Years Ending June 30	Governmental Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2021	\$ 1,071,448	\$ 231,742	\$ 2,145,530	\$ 563,383	\$ 4,012,103
2022	1,108,333	194,857	2,197,857	506,748	4,007,795
2023	1,146,510	156,679	2,029,530	451,328	3,784,047
2024	1,186,028	117,162	2,045,939	397,421	3,746,550
2025	1,132,191	76,258	2,050,939	342,959	3,602,347
2026-2030	1,169,697	38,750	6,949,408	1,014,757	9,172,612
2031-2035	-	-	3,120,000	207,798	3,327,798
2036-2040	-	-	-	-	-
<b>Total</b>	<b>\$ 6,814,207</b>	<b>\$ 815,448</b>	<b>\$ 20,539,203</b>	<b>\$ 3,484,394</b>	<b>\$ 31,653,252</b>

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2021	\$ 1,838,435	\$ 307,697	\$ 7,549,470	\$ 3,667,024	\$ 13,362,626
2022	1,899,224	265,740	7,782,143	3,392,155	13,339,262
2023	1,977,528	222,232	6,480,470	3,163,700	11,843,930
2024	2,042,832	176,781	6,379,061	2,958,652	11,557,326
2025	2,132,482	129,517	6,524,061	2,755,172	11,541,232
2026-2030	3,362,986	161,429	32,135,592	10,738,035	46,398,042
2031-2035	183,918	2,299	31,940,000	5,525,431	37,651,648
2036-2040	-	-	16,820,000	1,169,206	17,989,206
<b>Total</b>	<b>\$ 13,437,405</b>	<b>\$ 1,265,695</b>	<b>\$ 115,610,797</b>	<b>\$ 33,369,375</b>	<b>\$ 163,683,272</b>

Years Ending June 30	Component Unit Activities		
	Other Debt		
	Principal	Interest	Total
2021	\$ 5,310,000	\$ 1,187,656	\$ 6,497,656
2022	5,455,000	1,021,806	6,476,806
2023	5,360,000	855,331	6,215,331
2024	5,515,000	681,388	6,196,388
2025	5,425,000	498,406	5,923,406
2026-2030	12,850,000	571,384	13,421,384
2031-2035	-	-	-
2036-2040	-	-	-
<b>Total</b>	<b>\$ 39,915,000</b>	<b>\$ 4,815,971</b>	<b>\$ 44,730,971</b>

**Assets Pledged as Collateral**

**Direct Borrowings and Direct Placements**

The City's outstanding installment purchase agreements are secured with collateral of the financed equipment.

**Note 8 - Other Postemployment Benefit Plan**

***Plan Description***

**City Employees' Retirement Health, Life and Disability Benefits Plan and Trust**

Established by city ordinance and collective bargaining agreements, the City of Warren City Employees' Retirement Health, Life and Disability Benefits Plan and Trust (the "Trust") is a single-employer public employee voluntary employee benefit association (VEBA) trust administered by the City of Warren Employees' Retirement System board of trustees.

The Trust is created for the exclusive purpose of funding health, life, and disability benefits for those retirees and beneficiaries eligible to receive such retirement benefits under the City of Warren Employees' Retirement System and the defined contribution plan.

The plan issues a publicly available financial report that may be obtained by writing to the City of Warren Employees' Retirement System at One City Square, Suite 415, Warren, MI 48093-5287.

**Police and Fire Retirement Health, Life and Disability Plan and Trust**

The City of Warren Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust is a single-employer public employee voluntary employee benefit association trust administered by the City of Warren Police and Fire Retirement System.

The trust is created for the exclusive purpose of funding health, life, and disability benefits for substantially all police and fire retirees of the City.

The plan issues a separate stand-alone financial statement, which can be obtained by writing to the City of Warren Police and Fire Retirement System at One City Square, Suite 415, Warren, MI 48093-5287.

The financial statements of each OPEB plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the plan is vested in the pension board, which consists of five members - two trustees appointed by the mayor; the city treasurer, who is required by city ordinance; and one elected by the police and fire employees.

***Benefits Provided***

The City's postemployment health and dental benefits are administered under a combination of premium-based, self-insurance, and/or Medicare coverage plans. In general, if a retiree or members of his or her immediate family are entitled to retirement benefits under the City of Warren Employees' Retirement System or the Police and Fire Retirement System, then they are entitled to the postretirement health and dental insurance benefits. Currently, the City provides 100 percent of the cost of health insurance and either 50 percent or 100 percent of dental coverage dependent upon the coverage selected. Some collective bargaining agreements include language that employees will pay either 50 percent or 25 percent of their health insurance upon retirement dependent on age and years of service. There are currently no retirees under the provisions of these contracts. Recent collective bargaining agreements have included retirement health savings account provisions for new hires. During employment, the City will contribute 2 percent of the employee's wages, and the employee will contribute 2 percent to 5 percent of wages into the plans. At retirement, the employee will not be provided retiree health insurance under any of the City's existing plans.

June 30, 2020

**Note 8 - Other Postemployment Benefit Plan (Continued)**

***Employees Covered by Benefit Terms***

The following members were covered by the benefit terms:

	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust
Date of member count	December 31, 2018	December 31, 2018
Inactive plan members or beneficiaries currently receiving benefits	488	562
Inactive plan members entitled to but not yet receiving benefits	20	5
Active plan members	<u>70</u>	<u>137</u>
Total plan members	<u><u>578</u></u>	<u><u>704</u></u>

***Contributions***

**City Employees' Retirement Health, Life and Disability Benefits Plan and Trust**

According to Section 25-401 of the Code of Ordinances, the City shall pay to the trust an amount consistent with actuarial valuations and calculations and shall adhere to any funding provisions contained in the collective bargaining agreements. The board of trustees shall adopt rules and procedures for all payments made to the trust and shall conform with all tax provisions of the City Charter and state law. For the year ended June 30, 2020, the City contributed \$8,500,000, which equals the actuarial determined calculation. There were no provisions in the collective bargaining agreements for additional contributions and no required employee contributions.

**Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust**

According to Section 25-401 of the Code of Ordinances, the City shall pay to the trust an amount consistent with actuarial valuations and calculations and shall adhere to any funding provisions contained in the collective bargaining agreements. The board of trustees shall adopt rules and procedures for all payments made to the trust and shall conform with all tax provisions of the City Charter and state law. For the year ended June 30, 2020, the City contributed \$10,500,000, which equals the actuarial determined calculation. There were no required employee contributions.

***Net OPEB Liability***

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

	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust
Measurement date used for the City's net OPEB liability	December 31, 2019	December 31, 2019
Based on a comprehensive actuarial valuation as of	December 31, 2018	December 31, 2018

**Note 8 - Other Postemployment Benefit Plan (Continued)**

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

**City Employees' Retirement Health, Life and Disability Benefits Plan and Trust**

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
<b>Balance at December 31, 2018</b>	\$ 162,376,376	\$ 56,709,762	\$ 105,666,614
Changes for the year:			
Service cost	1,860,535	-	1,860,535
Interest	11,573,427	-	11,573,427
Differences between expected and actual experience	(16,391,907)	-	(16,391,907)
Changes in actuarial assumptions	(5,033,563)	-	(5,033,563)
Contributions - Employer	-	8,768,498	(8,768,498)
Net investment income	-	12,840,448	(12,840,448)
Benefit payments, including refunds	(7,346,347)	(7,346,347)	-
Administrative expenses	-	(137,215)	137,215
Net changes	(15,337,855)	14,125,384	(29,463,239)
<b>Balance at December 31, 2019</b>	<b>\$ 147,038,521</b>	<b>\$ 70,835,146</b>	<b>\$ 76,203,375</b>

The plan's fiduciary net position represents 48.2 percent of the total OPEB liability.

**Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust**

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
<b>Balance at December 31, 2018</b>	\$ 175,205,487	\$ 46,391,100	\$ 128,814,387
Changes for the year:			
Service cost	1,424,167	-	1,424,167
Interest	12,665,563	-	12,665,563
Differences between expected and actual experience	(2,349,801)	-	(2,349,801)
Changes in assumptions	(2,346,037)	-	(2,346,037)
Contributions - Employer	-	10,500,000	(10,500,000)
Net investment income	-	10,477,904	(10,477,904)
Benefit payments, including refunds	(9,522,588)	(9,522,588)	-
Administrative expenses	-	(24,529)	24,529
Net changes	(128,696)	11,430,787	(11,559,483)
<b>Balance at December 31, 2019</b>	<b>\$ 175,076,791</b>	<b>\$ 57,821,887</b>	<b>\$ 117,254,904</b>

The plan's fiduciary net position represents 33.0 percent of the total OPEB liability.

**Note 8 - Other Postemployment Benefit Plan (Continued)**

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

For the year ended June 30, 2020, the City recognized OPEB recovery of \$9,264,261 for the general employees' plan and OPEB expense of \$2,772,046 for the police and fire plan.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources - General Employees'	Deferred Inflows of Resources - General Employees'	Deferred Outflows of Resources - Police and Fire	Deferred Inflows of Resources - Police and Fire
Difference between expected and actual experience	\$ -	\$ (1,490,173)	\$ -	\$ (391,634)
Changes in assumptions	-	(457,597)	-	(391,006)
Net difference between projected and actual earnings on OPEB plan investments	-	(3,706,122)	-	(3,599,179)
Employer contributions to the plan subsequent to the measurement date	4,000,034	-	4,999,994	-
Total	<u>\$ 4,000,034</u>	<u>\$ (5,653,892)</u>	<u>\$ 4,999,994</u>	<u>\$ (4,381,819)</u>

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

Years Ending June 30	General Employees'	Police and Fire
2021	\$ (2,839,566)	\$ (1,708,053)
2022	(891,796)	(925,414)
2023	(186,048)	(346,411)
2024	(1,736,482)	(1,361,941)
Total	<u>\$ (5,653,892)</u>	<u>\$ (4,341,819)</u>

***Actuarial Assumptions***

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

	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust
Medical inflation	8.5% for the first year, decreasing 0.25% per year to 4.5%	8.5% for the first year, decreasing 0.25% per year to 4.5%
Salary increases (including inflation)	N/A	N/A
Investment rate of return (net of investment expenses)	7.25%	7.35%
Mortality rates	RP-2014 Mortality Table	Publication 2010 Public Safety

**Note 8 - Other Postemployment Benefit Plan (Continued)**

***Discount Rate***

**City Employees' Retirement Health, Life and Disability Benefits Plan and Trust**

The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made equal to the benefit payout. Based on these assumptions, the 7.25 percent discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values.

**Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust**

The discount rate used to measure the total OPEB liability was 7.35 percent. The projection of cash flows used to determine the discount rate assumed that plan contributions would be made equal to the benefit payout. Based on these assumptions, the 7.35 percent discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values.

***Investment Rate of Return***

The following were the asset allocation policies as of December 31, 2019 for each plan:

**City Employees' Retirement Health, Life and Disability Benefits Plan and Trust**

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	35.00 %	5.25 %
International equity	20.00	6.38
Fixed income	25.00	2.10
Alternative assets	20.00	3.74

**Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust**

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00 %	5.25 %
International equity	15.00	5.41
Domestic bonds	19.00	2.01
Real estate	10.00	6.82
Alternative assets	11.00	3.74

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

The following presents the net OPEB liabilities of the city employees' and the police and fire plans, calculated using the discount rate of 7.25 percent for the city employees' plan and 7.35 percent for the police and fire plan, as well as what the net OPEB liabilities would be if they were calculated using discount rates that are 1 percentage point lower or 1 percentage point higher than the current rates:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net OPEB liability of the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	\$ 93,556,066	\$ 76,203,375	\$ 61,686,423
Net OPEB liability of the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	139,998,813	117,254,904	98,634,088

June 30, 2020

**Note 8 - Other Postemployment Benefit Plan (Continued)**

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

The following presents the net OPEB liabilities of the city employees' and the police and fire plans, calculated using the health care cost trend rate of 8.5 percent, as well as what the net OPEB liabilities would be if they were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Health Care Cost Trend Rate	1 Percentage Point Increase
Net OPEB liability of the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	\$ 63,579,405	\$ 76,203,375	\$ 92,535,643
Net OPEB liability of the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	98,098,558	117,254,904	140,539,974

**Assumption Changes**

For the current year, the medical inflation rates were changed for both plans, the rate of return for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust was changed from 7.40 percent to 7.35 percent, and the mortality table used for the net OPEB liability of the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust calculation was updated from the RP-2014 Mortality Table to the Publication 2010 Mortality Table.

**Note 9 - Aggregate OPEB-related Balances**

The following table presents the aggregate balances for the net OPEB liability, deferred inflows related to the OPEB plans, deferred outflows related to the OPEB plans, and the OPEB expense for the year ended June 30, 2020. Detailed information for each OPEB plan can be found in Note 8.

	Total OPEB Liability	Plan Net Position	Net OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB (Recovery) Expense
City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	\$ 147,038,521	\$ 70,835,146	\$ 76,203,375	\$ 4,000,034	\$ 5,653,892	\$ (9,264,261)
Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	175,076,791	57,821,887	117,254,904	4,999,994	4,381,819	2,772,046
Total	<u>\$ 322,115,312</u>	<u>\$ 128,657,033</u>	<u>\$ 193,458,279</u>	<u>\$ 9,000,028</u>	<u>\$ 10,035,711</u>	<u>\$ (6,492,215)</u>

**Note 10 - Pension Plans**

**Plan Description**

**Employees' Retirement System**

The City of Warren Employees' Retirement System Defined Benefit Pension Plan is the administrator of a single-employer public employees' retirement system that covered all full-time employees, except police and fire personnel, hired prior to the close of the plan. Benefit terms have been established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process.

Effective upon the ratification of collective bargaining agreements in February 2000, the plan was closed to new members. Current members at that time were given the option of remaining in the plan or transferring to the defined contribution plan.



**Note 10 - Pension Plans (Continued)**

The plan issues a publicly available financial report that may be obtained by writing to the City of Warren Employees' Retirement System at One City Square, Suite 415, Warren, MI 48093-5287.

Management of the plan is vested in the pension board, which consists of six total members - two elected by plan members, the city mayor, one appointed by the city mayor, the city treasurer by default, and an ex officio city council member. All members except the ex officio city council member have voting privileges.

**Police and Fire Retirement System**

The system's pension board administers the Police and Fire Retirement System Defined Benefit Pension Plan (the "Plan"), a single-employer defined benefit pension plan that provides pensions for substantially all permanent full-time police and fire employees of the City. Benefit terms have been established based on the Fire Fighters and Police Officers Retirement Act 345 of 1937 and subsequent amendments by contractual agreements between the City and the various employee union representation; amendments are subject to the same process.

The Plan issues a publicly available financial report that may be obtained by writing to the City of Warren Police and Fire Retirement System at One City Square, Suite 415, Warren, MI 48093-5287.

Management of the Plan is vested in the pension board, which consists of six total members - two elected by plan members, two appointed by the city mayor, the city treasurer by default, and an ex officio city council member. All members except the ex officio member have voting privileges.

**Benefits Provided**

**Employees' Retirement System**

The pension plan provides retirement, disability, and death benefits. Regular retirement benefits are payable upon retirement at any age with 30 years of service, attainment of age 50 with 25 years of service, or attainment of age 60 with 8 years of service. Before reaching the age of 62, benefits are computed as credited years of service times 2.50 percent of final average compensation (FAC). FAC is computed as the average of the highest two years of service. At age 62, benefits are computed as credited years of service times the sum of (a) 1.1 percent of the first \$4,200 of FAC plus (b) 2.50 percent of FAC in excess of \$4,200.

Deferred retirement benefits vest after 8 years of credited service. For members of UAW Local 412 - Unit 59, GELC (formerly AFSCME) Local 1917, GELC 227 (formerly AFSCME Local 1250), 37th Judicial District Court employees, and nonunion employees, deferred retirement benefits are payable beginning at age 55. For members of UAW Local 412 - Unit 35, deferred retirement benefits are payable at age 45. Benefits are based on years of credited service and FAC at the time employment is terminated.

**Police and Fire Retirement System**

The Plan provides retirement, disability, and death benefits. Employees may receive cost of living adjustments as a percentage of their base amounts, pursuant to the collective bargaining agreement or employment agreement in effect at their date of retirement.

**Note 10 - Pension Plans (Continued)**

***Employees Covered by Benefit Terms***

The following members were covered by the benefit terms:

	City Employees' Retirement System Defined Benefit Pension Plan	Police and Fire Retirement System Defined Benefit Pension Plan
Date of member count	December 31, 2018	December 31, 2018
Retirees and beneficiaries	499	573
Inactive plan members entitled to but not yet receiving benefits	20	5
Active plan members	70	324
Total employees covered by the plan	<u>589</u>	<u>902</u>

***Contributions***

**Employees' Retirement System**

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the board of trustees in accordance with the City Charter, union contracts, and plan provisions. The normal cost and actuarial accrued liability were determined using an aggregate actuarial funding method. For the year ended December 31, 2019, employer contributions were \$8,737,667. Of this amount, \$8,384,920 was contributed in accordance with the actuarial valuation dated December 31, 2017. Employees are not required to contribute to the system. Any amounts shown as employee contributions represent purchase of prior service credit. Administrative costs are financed through investment earnings.

**Police and Fire Retirement System**

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the board of trustees in accordance with the City Charter, union contracts, and plan provisions. For the year ended December 31, 2019, employer contributions were \$10,963,884 in accordance with the actuarial valuation dated December 31, 2017, and the average active member contribution rate was 3.0 to 5.0 percent of annual pay determined by date of hire. The City is required to contribute at an actuarially determined rate.

***Net Pension Liability***

**Employees' Retirement System**

The City has chosen to use December 31, 2019 as its measurement date for the net pension liability. The December 31, 2019 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2019. The December 31, 2019 total pension liability was determined by an actuarial valuation performed as of December 31, 2018, which used update procedures to roll forward the estimated liability to December 31, 2019.

**Note 10 - Pension Plans (Continued)**

**Police and Fire Retirement System**

The City has chosen to use December 31, 2019 as its measurement date for the net pension liability. The December 31, 2019 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2019. The December 31, 2019 total pension liability was determined by an actuarial valuation performed as of December 31, 2018, which used update procedures to roll forward the estimated liability to December 31, 2019.

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

**Employees' Retirement System**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2018</b>	\$ 189,862,745	\$ 121,884,987	\$ 67,977,758
Changes for the year:			
Service cost	887,102	-	887,102
Interest	13,192,507	-	13,192,507
Differences between expected and actual experience	2,040,186	-	2,040,186
Contributions - Employer	-	8,737,667	(8,737,667)
Net investment income	-	22,826,658	(22,826,658)
Benefit payments, including refunds	(16,681,354)	(16,681,354)	-
Administrative expenses	-	(241,814)	241,814
Net changes	(561,559)	14,641,157	(15,202,716)
<b>Balance at December 31, 2019</b>	<u>\$ 189,301,186</u>	<u>\$ 136,526,144</u>	<u>\$ 52,775,042</u>

The plan's fiduciary net position represents 72.1 percent of the total pension liability.

**Police and Fire Retirement System**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2018</b>	\$ 403,822,924	\$ 266,174,203	\$ 137,648,721
Changes for the year:			
Service cost	4,967,302	-	4,967,302
Interest	28,822,160	-	28,822,160
Differences between expected and actual experience	990,094	-	990,094
Changes in assumptions	5,722,581	-	5,722,581
Contributions - Employer	-	10,963,884	(10,963,884)
Contributions - Employee	-	1,448,475	(1,448,475)
Net investment income	-	50,495,991	(50,495,991)
Benefit payments, including refunds	(33,635,851)	(33,635,851)	-
Administrative expenses	-	(480,236)	480,236
Miscellaneous other charges	-	28,929	(28,929)
Net changes	6,866,286	28,821,192	(21,954,906)
<b>Balance at December 31, 2019</b>	<u>\$ 410,689,210</u>	<u>\$ 294,995,395</u>	<u>\$ 115,693,815</u>

The plan's fiduciary net position represents 71.8 percent of the total pension liability.

June 30, 2020

**Note 10 - Pension Plans (Continued)**

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

For the year ended June 30, 2020, the City recognized pension expense of \$8,354,922 for the Employees' Retirement System and \$2,441,755 for the Police and Fire Retirement System.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources - Employees' Retirement	Deferred Inflows of Resources - Employees' Retirement	Deferred Outflows of Resources - Police and Fire Retirement	Deferred Inflows of Resources - Police and Fire Retirement
Difference between expected and actual experience	\$ -	\$ -	\$ 2,731,181	\$ -
Changes in assumptions	-	-	4,421,994	(22,539,156)
Net difference between projected and actual earnings on pension plan investments	-	(5,151,619)	-	(12,197,585)
Employer contributions to the plan subsequent to the measurement date	4,192,435	-	5,345,457	-
Total	<u>\$ 4,192,435</u>	<u>\$ (5,151,619)</u>	<u>\$ 12,498,632</u>	<u>\$ (34,736,741)</u>

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

Years Ending June 30	Employees' Retirement System	Police and Fire Retirement System
2021	\$ (1,749,346)	\$ (17,645,599)
2022	(1,042,376)	(6,583,377)
2023	497,447	2,355,381
2024	(2,857,344)	(5,709,971)
Total	<u>\$ (5,151,619)</u>	<u>\$ (27,583,566)</u>

***Actuarial Assumptions***

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

	City Employees' Retirement System Defined Benefit Pension Plan	Police and Fire Retirement System Defined Benefit Pension Plan
Inflation	4.0%	3.5%
Salary increases (including inflation)	4.0% - 7.8%	3.5% - 6.5%
Investment rate of return (net of investment expenses, including inflation)	7.25%	7.35%
Mortality rates	RP-2014 Healthy Annuitant	Pub-2010 Public Safety

**Note 10 - Pension Plans (Continued)**

***Discount Rate***

**Employees' Retirement System**

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

**Police and Fire Retirement System**

The discount rate used to measure the total pension liability was 7.35 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that system contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

***Projected Cash Flows***

**Employees' Retirement System**

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

The long-term expected rate of return on pension 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 pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The table below outlines the board's adopted asset allocation policy and the best estimates of geometric real rates of return as of December 31, 2019 for each major asset class included in the plan's target asset allocation.

**Police and Fire Retirement System**

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

The long-term expected rate of return on pension 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 pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The table below outlines the board's adopted asset allocation policy and the best estimates of geometric real rates of return as of December 31, 2019 for each major asset class included in the Plan's target asset allocation.

***Pension Plan Investments - Policy and Rate of Return***

**Employees' Retirement System and Police and Fire Retirement System**

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

**Note 10 - Pension Plans (Continued)**

The following were the asset allocation policies as of December 31, 2019 for each plan:

**Employees' Retirement System**

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	35.00 %	5.25 %
International equity	20.00	6.38
Fixed income	25.00	2.10
Alternative assets	20.00	3.74

**Police and Fire Retirement System**

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00 %	5.25 %
International equity	15.00	5.41
Domestic bonds	19.00	2.01
Alternative assets	11.00	3.74
Real estate	10.00	4.53

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

The following presents the net pension liabilities of the City, calculated using the current discount rates, as well as what the City's net pension liabilities would be if they were calculated using discount rates that are 1 percentage point lower (6.25 percent and 6.35 percent for the Employees' Retirement System and Police and Fire Retirement System, respectively) or 1 percentage point higher (8.25 percent and 8.35 percent for the Employees' Retirement System and Police and Fire Retirement System, respectively) than the current rates:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net pension liability of the City Employees' Retirement System Defined Benefit Pension Plan	\$ 69,573,501	\$ 52,775,042	\$ 38,222,282
Net pension liability of the Police and Fire Retirement System Defined Benefit Pension Plan	157,552,467	115,693,815	80,130,902

***Pension Plan Fiduciary Net Position***

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

**Note 10 - Pension Plans (Continued)**

**Assumption Changes**

**Police and Fire Retirement System**

For the Police and Fire Retirement System, in the current year, inflation was changed from 4.0 percent to 3.5 percent, the investment rate of return was changed from 7.40 percent to 7.35 percent, and the mortality table used for the net pension liability of the of calculation was updated from the RP-2014 Mortality Table to the Pub-2010 Public Safety Mortality Table.

**Pension Plan Reserves**

In accordance with state law, the following reserves are required to be set aside within the pension plans:

**Employees' Retirement System**

The employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee and credits interest annually at a rate of 2.0 percent. For any employee who terminates before vesting in the pension plan, his or her balance is returned to him or her, but not in excess of 2.0 percent per annum; for those who stay until retirement, the balances are transferred into the retiree reserve.

The employer reserve account is composed of accumulated city contributions, net of amounts transferred for the payment of pensions to the reserve for retirees' benefit payments plus interest thereon.

The undistributed income reserve is composed of net investment income less expenditures for other services and charges and interest transferred to the employee reserve, employer reserve, and retirees' benefit payments reserve.

The retirees' benefit payments reserve is actuarially determined to provide sufficient resources for annuity payments. Upon retirement of an employee, expected future benefit payments are computed and transfers are then made into this reserve from the employee reserve and employer reserve. This account is credited annually with interest from the undistributed income reserve.

**Police and Fire Retirement System**

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

The employee reserve is credited as employee contributions are received throughout the year; the system maintains a record of the amount contributed by each employee and credits interest annually at a rate of 2.0 percent. For any employee who terminates before vesting in the pension plan, his or her balance is returned to him or her, but not in excess of 2.0 percent per annum, with interest; for those who stay until retirement, the balances are transferred into the retiree reserve.

The balances of the reserve accounts at December 31, 2019 are as follows:

	Required Reserve - Employees' Retirement	Amount Funded - Employees' Retirement	Required Reserve - Police and Fire Retirement	Amount Funded - Police and Fire Retirement
Retiree reserve	\$ 150,849,786	\$ 136,499,448	\$ 262,814,327	\$ 262,814,327
Employee reserve	26,696	26,696	18,172,967	18,172,967
Employer reserve	-	-	14,008,101	14,008,101

**Note 11 - Aggregate Pension-related Balances**

The following table presents the aggregate balances for the net pension liability, deferred inflows related to pensions, deferred outflows related to pensions, and pension expense for the year ended June 30, 2020. Detailed information for each pension plan can be found in Note 10.

	Total Pension Liability	Plan Net Position	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
City Employees' Retirement System Defined Benefit Pension Plan	\$ 189,301,186	\$ 136,526,144	\$ 52,775,042	\$ 4,192,435	\$ 5,151,619	\$ 8,354,922
Police and Fire Retirement System Defined Benefit Pension Plan	410,689,210	294,995,395	115,693,815	12,498,632	34,736,741	2,441,755
Total	<u>\$ 599,990,396</u>	<u>\$ 431,521,539</u>	<u>\$ 168,468,857</u>	<u>\$ 16,691,067</u>	<u>\$ 39,888,360</u>	<u>\$ 10,796,677</u>

**Note 12 - Defined Contribution Plan**

***Plan Description***

The defined contribution plan was approved by the Warren City Council at its meeting on April 8, 1997. The plan is administered by the International City Management Association Retirement Corporation (ICMA). Participation in the plan is extended to all full-time employees, other than police and fire personnel. Employees were allowed to transfer the actuarially determined value of prior service credit from the City of Warren Employees' Retirement System to the defined contribution plan upon adoption of the plan and settlement of respective collective bargaining agreements. Employees hired after ratification of the respective collective bargaining agreements are automatically enrolled in the defined contribution plan. There were 326 active participants in the plan as of June 30, 2020. The City contributed approximately \$2.6 million for the year ended June 30, 2020.

***Funding Policy***

For employees transferring from the defined benefit pension plan to the defined contribution plan, the City contributes 15.0 percent of payroll, and the employee contributes 3.0 percent. For employees hired after ratification of their respective union contracts, the City contributes 10.0 percent of payroll, and the employee contributes 4.0 percent.

**Note 13 - Other Retirement Plans**

***Qualified Excess Benefit Arrangement (QEBA) Trust***

**Plan Description**

The City of Warren Employees' Retirement System provides retirement benefits to its participants. Because of statutory limitations on benefits set forth in Section 415(b) of the Internal Revenue Code, certain participants do not receive their full benefits under the City of Warren Employees' Retirement System. Congress has recognized that governmental employers who sponsor tax-qualified retirement plans have contractual obligations to provide full retirement benefits to their employees, regardless of the limitations of Section 415(b). Thus, pursuant to Section 415(m), a governmental plan may include a qualified excess benefit arrangement that allows the payment of the full benefit to plan participants without jeopardizing the tax-qualified status of the governmental plan. The benefits provided by the QEBA shall equal the excess benefit of the participants. The excess benefit of a participant shall equal the difference between (i) the annual benefit that would be payable to the participant pursuant to the terms of the City of Warren Employees' Retirement System without application of Section 415(b) limitations and (ii) the annual benefit actually paid to the participant by the City of Warren Employees' Retirement System in accordance with the limitations of Section 415(b).



**Note 13 - Other Retirement Plans (Continued)**

**Summary of Significant Accounting Policies**

The City of Warren Employees' Retirement System's financial statements are prepared using the accrual basis of accounting. Employer contributions and benefit payments are recognized as revenue or expense in the period when due.

Investments are reported at fair value.

**Funding Policy**

No benefits payable under the QEBA shall be paid from the City of Warren Employees' Retirement System; rather, the amounts due under the QEBA shall be paid directly by the City in an amount sufficient to pay the excess benefits when due.

**Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

In accordance with the provision of IRC Section 457, Subsection (g), plan assets are held for the exclusive benefit of employees in a trust or qualifying insurance contract in an amount equal to the fair value of the deferred account maintained with respect to each participant.

The City's primary responsibility is to process employee payroll withholdings and remit the withheld funds to the plan administrators. The City does not perform any investing function. Accordingly, due to the absence of fiduciary responsibility with respect to these funds, deferred compensation plan assets are not reported in the accompanying financial statements.

**Note 14 - Risk Management**

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The City is self-insured for non-HMO medical benefits afforded to employees and retirees. The program is liable for the first \$250,000 per employee contract. The City has purchased a specific stop-loss insurance policy of \$250,000.

The City is self-insured for workers' compensation, automobile, and public entity liability insurance. The City maintains a \$350,000 Self-insured Retention (SIR) for workers' compensation and a \$1,500,000 SIR for auto and public entity liability. The City has purchased additional insurance to cover potential claims in excess of the SIR.

The government-wide statement of net position reports provision for claims in the amount of \$3,457,913 for the governmental activity funds. This is a representation of amounts that have been accrued in conjunction with the budget process to settle potential claims and judgments outstanding as of June 30, 2020, as provided by the City's insurance carrier. The General Fund balance sheet reports assigned fund balance - claims and insurance in the amount of \$3,457,913.

June 30, 2020

**Note 14 - Risk Management (Continued)**

The City estimates the liability for all 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:

	2018	Est. Claims Incurred/ Reserved	Payments and Adjustments	2019	Est. Claims Incurred/ Reserved	Payments and Adjustments	2020
Workers' compensation, automobile, and public entity liability	\$ 6,554,562	\$ 3,097,963	\$ (4,639,120)	\$ 5,013,405	\$ 2,059,774	\$ (3,615,266)	\$ 3,457,913

**Note 15 - Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and liabilities. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The investments held in the fiduciary funds are reported as of December 31, 2019.

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

June 30, 2020

**Note 15 - Fair Value Measurements (Continued)**

The City has the following recurring fair value measurements as of June 30, 2020:

	Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2020
<b>Debt securities:</b>				
U.S. Treasury securities*	\$ -	\$ 25,712,795	\$ -	\$ 25,712,795
Domestic fixed income*	-	6,704,260	-	6,704,260
International fixed income*	-	968,883	-	968,883
Commercial mortgage-backed securities*	-	17,642,582	-	17,642,582
Asset-backed securities*	-	5,363,668	-	5,363,668
Closed-end MF - Fixed income*	4,950,145	-	-	4,950,145
Open-end MF - Fixed income*	4,133,387	-	-	4,133,387
Municipal obligations*	-	4,279,321	-	4,279,321
Corporate bonds*	-	39,188,725	-	39,188,725
Private placement*	-	-	744,980	744,980
U.S. Treasury securities	2,038,535	-	-	2,038,535
<b>Total debt securities</b>	<b>11,122,067</b>	<b>99,860,234</b>	<b>744,980</b>	<b>111,727,281</b>
<b>Equity securities:</b>				
Domestic stock*	161,603,319	-	-	161,603,319
Foreign stock*	34,089,510	-	-	34,089,510
Real estate investment trusts*	5,714,251	-	-	5,714,251
ADR*	35,656,111	-	-	35,656,111
CIF - Equity*	-	52,785,205	-	52,785,205
Closed-end MF - Equity*	22,510,094	39,935,765	12,826,247	75,272,106
Partnerships publicly traded*	479,693	-	-	479,693
Private equity funds*	-	-	29,855,219	29,855,219
Short-term investment funds	21,556,867	-	-	21,556,867
<b>Total equity securities</b>	<b>281,609,845</b>	<b>92,720,970</b>	<b>42,681,466</b>	<b>417,012,281</b>
<b>Total investments by fair value level</b>	<b>\$ 292,731,912</b>	<b>\$ 192,581,204</b>	<b>\$ 43,426,446</b>	<b>528,739,562</b>
<b>Investments measured at NAV:</b>				
Fifth Third - DDA				787,707
Equity Index Fund*				23,120,486
Peak Partners Offshore Fund Ltd				2,389,614
Vintage VI Offshore LP*				1,483,754
StepStone Mezzanine Partners I (Offshore) LP*				14,036
StepStone Mezzanine Partners (Offshore II) LP*				264,688
Avista Capital Opportunities Fund II (Offshore) LP*				287,630
Cohesive Capital Partners II (Offshore) LP*				4,405,676
<b>Total investments measured at NAV</b>				<b>32,753,591</b>
<b>Total investments measured at fair value</b>				<b>\$ 561,493,153</b>

\*These represent fiduciary fund investments, which are stated as of December 31, 2019.

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

**Note 15 - Fair Value Measurements (Continued)**

The fair value of Level 1 investments at December 31, 2019 and June 30, 2020 was determined using prices quoted in active markets for those securities.

The fair value of debt securities at December 31, 2019 and June 30, 2020 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using quoted prices for similar assets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

The fair value of private equity funds at December 31, 2019 was determined primarily based on Level 3 inputs. The system estimates the fair value of these investments based on a review of an independent auditor’s report for each fund and the fund’s general partner’s assessment of fair value. The general partner’s estimates may include the use of pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the underlying assets.

**Investments in Entities that Calculate Net Asset Value per Share**

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

As of June 30, 2020, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Fifth Third Fund - DDA	\$ 787,707	\$ -	N/A	N/A
Equity Index Fund*	23,120,486	-	N/A	N/A
Peak Partners Offshore Fund Ltd.*	2,389,614	-	N/A	N/A
Vintage VI Offshore LP*	1,483,754	1,532,364	Ongoing	Until maturity
StepStone Mezzanine Partners I (Offshore) LP*	14,036	40,000	Ongoing	Until maturity
StepStone Private Equity Partners (Offshore II) LP*	264,688	591,055	Ongoing	Until maturity
Avista Capital Opportunities Fund II (Offshore) LP*	287,630	169,483	Ongoing	Until maturity
Cohesive Capital Partners II (offshore) LP*	4,405,676	847,165	Ongoing	Until maturity
Total investments measured at NAV	<u>\$ 32,753,591</u>	<u>\$ 3,180,067</u>		

\*These represent fiduciary fund investments, which are stated as of December 31, 2019.

The Equity Index Fund class includes market cap-weighted funds that are long only and hold primarily U.S. common stocks. The fair values of the investments in this class have been estimated using net asset value per share of the investment.

Peak Partners Offshore Fund Ltd. is a global macro hedge fund. It is measured at NAV in the audited financial statements and focuses on quantitative and discretionary trading across multiple asset classes (equities, fixed income, currencies, and commodities) and geographic regions.

Vintage VI Offshore LP consists of conventional investments in public equity markets, including private equity fund of funds with the investment objective of realizing long-term compounded returns in excess of those available through conventional investments in the public equity markets. The funds’ private equity secondary market transactions consist of purchases across spinouts of private equity teams, single-manager funds, direct secondaries, and special situations.

**Note 15 - Fair Value Measurements (Continued)**

StepStone Mezzanine Partners I (Offshore) LP mezzanine debt security is not secured by assets. It falls in between equity and senior debt, essentially junior debt. The fund will seek primarily current income and secondarily long-term appreciation through investments in mezzanine debt securities.

StepStone Private Equity Partners II (Offshore) LP's purpose of the partnership is to offer investors access to a diversified portfolio of limited partnerships and other pooled investment vehicles that invest principally in private equity. The partnership is diversified across managers, investment stage, geography, company/partnership size, and industry focus. The fair values of the investments in this class have been estimated using net asset value per share.

Avista Capital Opportunities Fund II (Offshore) LP will make private equity and equity-related investments primarily in growth-oriented energy, health care, and media companies. The fund generally expects to make controlling or influential minority equity investments of approximately \$50 million to \$300 million in U.S. companies in connection with various transaction structures, including leveraged buyouts, buildups, and growth financing. While the fund's focus is on the energy, health care, and media sectors, the fund may opportunistically invest in other sectors, assuming the fund's investment criteria are met. The fair values of the investments in this class have been estimated using net asset value per share.

Cohesive Capital Partners II (Offshore) LP (Cohesive) seeks to achieve its investment objective through rigorous deal evaluation and selection completed by its high-caliber and direct deal-experienced investment team, as well as through using defined risk management guidelines for amount per investment, sector exposure, sponsor exposure, and investment pace. The fund will invest in leveraged buyout (LBO), growth equity, and opportunistic transactions. The fund will not invest in venture capital transactions. Cohesive itself will also commit, in aggregate, \$11.5 million to the fund, which it believes will provide a strong alignment of interests between the investors in the fund and Cohesive.

The Fifth Third investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated A1 or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

***Disclosures Regarding Redemption Only upon Liquidation***

The only investment carried at NAV that can be redeemed is Peak Partners, the global macro hedge fund. All others are a capital call/distribution structure and are illiquid. Once all the capital is called or when the fund is done calling capital, the fund will go into harvest mode and start to sell off assets and distribute the proceeds to their investors on a pro rata basis.

**Note 16 - Contingent Liabilities**

***Litigation***

There are various claims and legal actions pending against City of Warren, Michigan and its various operating units, most of which are either partially or fully covered by insurance. The City maintains public entity liability coverage with a \$10 million limit. It is the opinion of management that any potential claims not covered by insurance would not materially affect the financial statements of the City.

**Note 17 - Joint Venture**

The City is a member of the South Macomb Disposal Authority (the "Authority"), which provides refuse disposal services to participating municipalities in Macomb County, Michigan. Other members include the cities of Center Line, Roseville, Eastpointe, and St. Clair Shores, Michigan. The City appoints one member to the joint venture's governing board, which then approves the annual budget. The City, however, does not have a definable equity interest in the South Macomb Disposal Authority. Nevertheless, due to the City's previous association with the Authority, the City has estimated a landfill postclosure liability of approximately \$2,700,000. Complete financial statements for the South Macomb Disposal Authority can be obtained from the administrative offices at 20001 Pleasant Avenue, Box 286, St. Clair Shores, MI 48080.

**Note 18 - Tax Abatements**

City of Warren, Michigan provides tax abatements to encourage redevelopment, enable renovation and expansion of aging facilities, assist in the building of new facilities, and promote the establishment of high-tech facilities.

The City has formed the Brownfield Redevelopment Authority and industrial development districts and participates in other industrial facilities tax programs, such as the Tool & Die Recovery Zone Program, Michigan Renaissance Zones, the Obsolete Property Exemption Act (OPRA), and the Commercial Rehabilitation Act program.

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

For the fiscal year ended June 30, 2020, the City abated \$1,319,102 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

The Brownfield Redevelopment Authority provides property tax abatements to encourage redevelopment. The program is established under the auspices of a state statute (Brownfield Redevelopment Act PA 381 of 1996, as amended) empowering municipalities to establish such programs. The abatements equal 100 percent of the approved expenses for the environmental remediation actions. Abatements are obtained through application by the property owner prior to commencing the improvements and require subsequent provision by the owner of proof that the improvements have been made. Because taxes are not abated until after the improvements have been made, there are no provisions for recapturing abated taxes. However, the abatement can be eliminated if taxes are not paid timely. No other commitments were made by the City as part of those agreements.

The New Personal Property Exemption, under Public Act 328 of 1998, as amended, allows distressed communities to abate all new personal property taxes in order to spur economic development. After local approval, the entire millage rate is abated for all new personal property installed by an eligible business for a specific length of time.

The Michigan Plant Rehabilitation and Industrial Development District Act (known as the industrial facilities exemption) PA 198 of 1974, as amended (Act 198), provides significant tax incentives to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and promote the establishment of high-tech facilities.

An industrial development district (IDD) or a plant rehabilitation district (PRD) is created prior to initiating a project. An industrial facilities exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years, as determined by the local unit of government.

For rehabilitated plant and equipment, the assessed value is frozen at previous levels. New plant and equipment are taxed at one-half the current millage rate.

June 30, 2020

**Note 18 - Tax Abatements (Continued)**

Applications are filed, reviewed, and approved by the local unit of government but are also subject to review at the state level by the Michigan Economic Development Corporation. The State Tax Commission (STC) is ultimately responsible for final approval and issuance of certificates. Exemptions are not effective until approved by the STC.

There are no significant abatements made by other governments that reduce the City's tax revenue.

Information relevant to the disclosure of those programs for the fiscal year ended June 30, 2020 is as follows:

Tax Abatement Program	Amount of Taxes Abated During the Year Ended June 30, 2020
Brownfield Redevelopment Authority Sites	\$ 1,092,674
Industrial and Commercial Facilities (Act 198)	1,319,102
Exempt Personal Property (Act 328)	6,541
Tool & Die Renaissance and Recovery Zone Properties	70,412
Other commercial and industrial tax abatements	81,547

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## Required Supplemental Information

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Required Supplemental Information  
Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 69,240,368	\$ 69,240,368	\$ 70,451,484	\$ 1,211,116
Intergovernmental:				
Federal grants	-	1,211,921	824,877	(387,044)
State sources - State-shared revenue	20,438,000	20,542,000	22,723,071	2,181,071
Charges for services	4,446,500	4,446,500	4,996,393	549,893
Fines and forfeitures	4,950,000	4,950,000	3,891,929	(1,058,071)
Licenses and permits	3,905,000	3,905,000	4,168,947	263,947
Interest and rentals - Investment earnings	300,000	300,000	1,059,492	759,492
Other revenue	8,664,863	8,664,863	7,695,775	(969,088)
<b>Total revenue</b>	<b>111,944,731</b>	<b>113,260,652</b>	<b>115,811,968</b>	<b>2,551,316</b>
<b>Expenditures</b>				
Current services:				
General government:				
Council	1,226,519	1,501,921	1,066,269	435,652
Mayor	723,392	723,392	530,690	192,702
Controller	1,788,795	1,788,795	1,556,140	232,655
Information technology/Data proc.	744,735	744,735	734,454	10,281
Treasurer	1,400,208	1,400,208	1,306,832	93,376
Assessing	2,266,208	2,266,433	1,692,005	574,428
Clerk	1,570,652	1,654,410	1,390,522	263,888
Buildings maintenance	2,350,061	2,350,811	1,950,287	400,524
Legal	1,614,252	1,614,252	1,467,973	146,279
Human resources	1,638,442	1,638,442	1,258,233	380,209
Administration unallocated expense	5,255,006	6,255,006	3,497,194	2,757,812
Other commissions	88,151	88,151	57,702	30,449
District court	7,629,797	8,230,286	7,036,270	1,194,016
Public safety:				
Police department	44,017,446	45,042,694	43,092,956	1,949,738
Fire department	25,514,953	26,006,203	24,633,740	1,372,463
Civil defense	230,208	230,208	229,062	1,146
Animal control	493,160	493,160	402,396	90,764
Crime commission	12,900	13,800	8,319	5,481
Building inspections	3,624,641	3,733,436	2,959,557	773,879
Public works:				
Property maintenance	1,636,550	1,693,503	1,247,213	446,290
Stormwater drainage	157,011	157,011	157,011	-
Highway street lighting	3,200,000	3,200,000	3,036,113	163,887
DPW garage	5,456,742	5,523,692	4,113,207	1,410,485
Public service director	504,887	505,262	498,677	6,585
Engineering and inspections	1,569,942	1,598,179	1,139,232	458,947
Community and economic development:				
Planning	714,916	714,916	595,530	119,386
Zoning	22,005	22,005	11,325	10,680
Economic development opportunities	269,886	269,886	170,944	98,942
Recreation and culture:				
Historical commission	20,938	20,938	4,268	16,670
Cultural commission	29,100	29,100	23,104	5,996
Village historical commission	18,150	18,150	10,902	7,248
<b>Total expenditures</b>	<b>115,789,653</b>	<b>119,528,985</b>	<b>105,878,127</b>	<b>13,650,858</b>
<b>Excess of Revenue (Under) Over Expenditures</b>	<b>(3,844,922)</b>	<b>(6,268,333)</b>	<b>9,933,841</b>	<b>16,202,174</b>
<b>Other Financing Uses - Transfers out</b>	<b>(30,000)</b>	<b>(3,752,808)</b>	<b>(3,722,808)</b>	<b>30,000</b>
<b>Net Change in Fund Balance</b>	<b>(3,874,922)</b>	<b>(10,021,141)</b>	<b>6,211,033</b>	<b>16,232,174</b>
<b>Fund Balance - Beginning of year</b>	<b>59,358,787</b>	<b>59,358,787</b>	<b>59,358,787</b>	<b>-</b>
<b>Fund Balance - End of year</b>	<b>\$ 55,483,865</b>	<b>\$ 49,337,646</b>	<b>\$ 65,569,820</b>	<b>\$ 16,232,174</b>

**City of Warren, Michigan**

Required Supplemental Information  
 Budgetary Comparison Schedule - Major Special Revenue Funds  
 Grant Fund

**Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b>Revenue</b>				
Federal grants	\$ 2,515,317	\$ 3,941,618	\$ 2,165,906	\$ (1,775,712)
Other revenue	-	-	3,685	3,685
Total revenue	2,515,317	3,941,618	2,169,591	(1,772,027)
<b>Expenditures</b> - Community and economic development	1,169,441	2,595,743	2,261,841	333,902
<b>Net Change in Fund Balance</b>	1,345,876	1,345,875	(92,250)	(1,438,125)
<b>Fund Balance</b> - Beginning of year	617,219	617,219	617,219	-
<b>Fund Balance</b> - End of year	<u>\$ 1,963,095</u>	<u>\$ 1,963,094</u>	<u>\$ 524,969</u>	<u>\$ (1,438,125)</u>

Required Supplemental Information  
 Schedule of Changes in the Net OPEB Liability and Related Ratios  
 City Employees' Retirement Health, Life and Disability Benefits Plan and  
 Trust

	<b>Last Three Plan Years Years Ended December 31</b>		
	2019	2018	2017
<b>Total OPEB Liability</b>			
Service cost	\$ 1,860,535	\$ 1,852,338	\$ 1,920,562
Interest	11,573,427	10,665,881	10,711,662
Differences between expected and actual experience	(16,391,907)	896,114	(5,938,551)
Changes in assumptions	(5,033,563)	6,436,284	-
Benefit payments, including refunds	(7,346,347)	(7,327,343)	(7,254,730)
<b>Net Change in Total OPEB Liability</b>	(15,337,855)	12,523,274	(561,057)
<b>Total OPEB Liability - Beginning of year</b>	162,376,376	149,853,102	150,414,159
<b>Total OPEB Liability - End of year</b>	<b>\$ 147,038,521</b>	<b>\$ 162,376,376</b>	<b>\$ 149,853,102</b>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 8,768,498	\$ 10,631,555	\$ 14,900,078
Net investment income (loss)	12,840,448	(3,474,216)	6,909,968
Administrative expenses	(137,215)	(140,508)	(61,216)
Benefit payments, including refunds	(7,346,347)	(7,327,343)	(7,254,730)
<b>Net Change in Plan Fiduciary Net Position</b>	14,125,384	(310,512)	14,494,100
<b>Plan Fiduciary Net Position - Beginning of year</b>	56,709,762	57,020,274	42,526,174
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 70,835,146</b>	<b>\$ 56,709,762</b>	<b>\$ 57,020,274</b>
<b>Net OPEB Liability - Ending</b>	<b>\$ 76,203,375</b>	<b>\$ 105,666,614</b>	<b>\$ 92,832,828</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	48.17 %	34.92 %	38.05 %
<b>Covered-employee Payroll</b>	\$ 11,200,842	\$ 13,518,450	\$ 14,008,732
<b>Net OPEB Liability as a Percentage of Covered-employee Payroll</b>	680.30 %	781.65 %	662.68 %

The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

**City of Warren, Michigan**

**Required Supplemental Information**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust**

	<b>Last Three Plan Years</b> <b>Years Ended December 31</b>		
	2019	2018	2017
<b>Total OPEB Liability</b>			
Service cost	\$ 1,424,167	\$ 1,516,273	\$ 1,539,652
Interest	12,665,563	13,045,589	13,250,035
Differences between expected and actual experience	(2,349,801)	(10,623,910)	(8,704,524)
Changes in assumptions	(2,346,037)	-	-
Benefit payments, including refunds	(9,522,588)	(8,532,131)	(9,140,410)
<b>Net Change in Total OPEB Liability</b>	(128,696)	(4,594,179)	(3,055,247)
<b>Total OPEB Liability - Beginning of year</b>	175,205,487	179,799,666	182,854,913
<b>Total OPEB Liability - End of year</b>	<b>\$ 175,076,791</b>	<b>\$ 175,205,487</b>	<b>\$ 179,799,666</b>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 10,500,000	\$ 11,810,718	\$ 20,903,170
Net investment income (loss)	10,477,904	(1,829,637)	5,389,014
Administrative expenses	(24,529)	(26,665)	(8,600)
Benefit payments, including refunds	(9,522,588)	(8,532,131)	(9,140,410)
<b>Net Change in Plan Fiduciary Net Position</b>	11,430,787	1,422,285	17,143,174
<b>Plan Fiduciary Net Position - Beginning of year</b>	46,391,100	44,968,815	27,825,641
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 57,821,887</b>	<b>\$ 46,391,100</b>	<b>\$ 44,968,815</b>
<b>Net OPEB Liability - Ending</b>	<b>\$ 117,254,904</b>	<b>\$ 128,814,387</b>	<b>\$ 134,830,851</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	33.00 %	26.48 %	25.01 %
<b>Covered-employee Payroll</b>	\$ 13,778,852	\$ 15,109,196	\$ 14,805,884
<b>Net OPEB Liability as a Percentage of Covered-employee Payroll</b>	851.30 %	852.56 %	910.66 %

The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

# City of Warren, Michigan

## Required Supplemental Information Schedule of OPEB Contributions City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

### Last Ten Fiscal Years Years Ended June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 8,500,000	\$ 9,522,397	\$ 10,235,695	\$ 11,017,933	\$ 11,800,171	\$ 12,848,781	\$ 10,260,333	\$ 6,463,705	\$ 6,800,483	\$ 7,618,962
Contributions in relation to the actuarially determined contribution	8,500,000	9,000,000	16,300,170	9,469,637	12,785,064	9,539,261	7,303,623	7,111,844	7,170,906	8,010,562
<b>Contribution (Deficiency) Excess</b>	<b>\$ -</b>	<b>\$ (522,397)</b>	<b>\$ 6,064,475</b>	<b>\$ (1,548,296)</b>	<b>\$ 984,893</b>	<b>\$ (3,309,520)</b>	<b>\$ (2,956,710)</b>	<b>\$ 648,139</b>	<b>\$ 370,423</b>	<b>\$ 391,600</b>
<b>Covered-employee Payroll</b>	<b>\$ 11,541,121</b>	<b>\$ 12,405,998</b>	<b>\$ 13,773,397</b>	<b>\$ 15,036,127</b>	<b>\$ 15,984,491</b>	<b>\$ 16,250,648</b>	<b>\$ 16,496,331</b>	<b>\$ 18,708,867</b>	<b>\$ 20,751,208</b>	<b>\$ 23,347,088</b>
<b>Contributions as a Percentage of Covered-employee Payroll</b>	<b>73.65 %</b>	<b>72.55 %</b>	<b>118.35 %</b>	<b>62.98 %</b>	<b>79.98 %</b>	<b>58.70 %</b>	<b>44.27 %</b>	<b>38.01 %</b>	<b>34.56 %</b>	<b>34.31 %</b>

#### Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date December 31, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollars - Open
Remaining amortization period	30 years
Asset valuation method	Market
Health care cost trend rates	8.5 percent (7 percent for Medicare) the first year, decreasing 0.25 percent per year to 4.5 percent
Salary increase	N/A
Investment rate of return	7.25 percent - Net of plan investment expense
Mortality	RP-2014 Mortality Table

Required Supplemental Information  
 Schedule of OPEB Contributions  
 Police and Fire Retirement Health, Life and  
 Disability Benefits Plan and Trust

**Last Ten Fiscal Years  
 Years Ended June 30**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 10,500,000	\$ 10,850,363	\$ 12,945,557	\$ 13,850,911	\$ 13,621,425	\$ 13,403,167	\$ 13,010,345	\$ 9,504,398	\$ 6,417,289	\$ 7,011,993
Contributions in relation to the actuarially determined contribution	10,500,000	10,000,000	21,121,428	13,184,908	10,500,036	9,500,004	7,249,990	7,572,515	5,341,056	7,234,330
<b>Contribution (Deficiency) Excess</b>	<b>\$ -</b>	<b>\$ (850,363)</b>	<b>\$ 8,175,871</b>	<b>\$ (666,003)</b>	<b>\$ (3,121,389)</b>	<b>\$ (3,903,163)</b>	<b>\$ (5,760,355)</b>	<b>\$ (1,931,883)</b>	<b>\$ (1,076,233)</b>	<b>\$ 222,337</b>
<b>Covered-employee Payroll</b>	<b>\$ 13,491,514</b>	<b>\$ 14,682,360</b>	<b>\$ 14,951,474</b>	<b>\$ 15,054,199</b>	<b>\$ 16,093,212</b>	<b>\$ 17,025,976</b>	<b>\$ 18,124,982</b>	<b>\$ 19,411,665</b>	<b>\$ 21,889,785</b>	<b>\$ 27,166,260</b>
<b>Contributions as a Percentage of Covered-employee Payroll</b>	<b>77.83 %</b>	<b>68.11 %</b>	<b>141.27 %</b>	<b>87.58 %</b>	<b>65.25 %</b>	<b>55.80 %</b>	<b>40.00 %</b>	<b>39.01 %</b>	<b>24.40 %</b>	<b>26.63 %</b>

**Notes to Schedule of Contributions**

Actuarial valuation information relative to the determination of contributions:

Valuation date December 31, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollars - Open
Remaining amortization period	30 years
Asset valuation method	Market
Health care cost trend rates	8.5 percent (7 percent for Medicare) the first year, decreasing 0.25 percent per year to 4.5 percent
Salary increase	N/A
Investment rate of return	7.35 percent - Net of plan investment expense
Mortality	Publication 2010 Public Safety Mortality Tables

Required Supplemental Information  
Schedule of OPEB Investment Returns

**Last Three Plan Years  
Years Ended December 31**

	2019*	2018*	2017
City Employees' Retirement Health, Life and Disability Benefits Plan and Trust - VEBA - Annual money-weighted rate of return - Net of investment expense	- %	- %	- %
Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust - VEBA - Annual money-weighted rate of return - Net of investment expense	20.87 %	(3.68)%	15.53 %

\*The annual money-weighted rate of return is not available for the General Employees' other postemployment benefits - VEBA.

Required Supplemental Information  
 Schedule of Changes in the Net Pension Liability and Related Ratios  
 Employees' Retirement System Defined Benefit Pension Plan

**Last Six Plan Years  
 Years Ended December 31**

	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service cost	\$ 887,102	\$ 1,012,891	\$ 1,128,729	\$ 1,248,269	\$ 1,182,428	\$ 1,227,820
Interest	13,192,507	12,809,972	12,952,830	13,312,456	13,100,633	13,329,959
Differences between expected and actual experience	2,040,186	2,626,423	292,886	(3,319,419)	747,834	(963)
Changes in assumptions	-	5,403,963	-	-	3,842,234	3,134,370
Benefit payments, including refunds	(16,681,354)	(16,346,649)	(16,227,323)	(16,056,453)	(15,912,254)	(15,879,218)
<b>Net Change in Total Pension Liability</b>	(561,559)	5,506,600	(1,852,878)	(4,815,147)	2,960,875	1,811,968
<b>Total Pension Liability - Beginning of year</b>	189,862,745	184,356,145	186,209,023	191,024,170	188,063,295	186,251,327
<b>Total Pension Liability - End of year</b>	<b><u>\$ 189,301,186</u></b>	<b><u>\$ 189,862,745</u></b>	<b><u>\$ 184,356,145</u></b>	<b><u>\$ 186,209,023</u></b>	<b><u>\$ 191,024,170</u></b>	<b><u>\$ 188,063,295</u></b>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 8,737,667	\$ 8,888,571	\$ 18,721,115	\$ 9,254,969	\$ 9,301,612	\$ 9,587,638
Net investment income (loss)	22,826,658	(7,078,254)	16,452,990	11,663,608	(2,521,195)	7,307,119
Administrative expenses	(241,814)	(251,092)	(255,718)	(259,188)	(295,700)	(307,881)
Benefit payments, including refunds	(16,681,354)	(16,346,649)	(16,227,323)	(16,056,453)	(15,912,254)	(15,879,218)
<b>Net Change in Plan Fiduciary Net Position</b>	14,641,157	(14,787,424)	18,691,064	4,602,936	(9,427,537)	707,658
<b>Plan Fiduciary Net Position - Beginning of year</b>	121,884,987	136,672,411	117,981,347	113,378,411	122,805,948	122,098,290
<b>Plan Fiduciary Net Position - End of year</b>	<b><u>\$ 136,526,144</u></b>	<b><u>\$ 121,884,987</u></b>	<b><u>\$ 136,672,411</u></b>	<b><u>\$ 117,981,347</u></b>	<b><u>\$ 113,378,411</u></b>	<b><u>\$ 122,805,948</u></b>
<b>City's Net Pension Liability - Ending</b>	<b><u>\$ 52,775,042</u></b>	<b><u>\$ 67,977,758</u></b>	<b><u>\$ 47,683,734</u></b>	<b><u>\$ 68,227,676</u></b>	<b><u>\$ 77,645,759</u></b>	<b><u>\$ 65,257,347</u></b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	72.12 %	64.20 %	74.13 %	63.36 %	59.35 %	65.30 %
<b>Covered Payroll</b>	\$ 5,549,146	\$ 5,384,080	\$ 6,064,836	\$ 6,773,574	\$ 7,398,730	\$ 7,302,759
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	951.05 %	1,262.57 %	786.23 %	1,007.26 %	1,049.45 %	893.60 %

The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.



Required Supplemental Information  
 Schedule of Changes in the Net Pension Liability and Related Ratios  
 Police and Fire Retirement System Defined Benefit Pension Plan

**Last Six Plan Years  
 Years Ended December 31**

	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service cost	\$ 4,967,302	\$ 4,815,882	\$ 7,276,212	\$ 8,417,461	\$ 7,077,600	\$ 7,157,955
Interest	28,822,160	28,627,916	26,517,999	25,346,092	25,830,279	25,735,103
Differences between expected and actual experience	990,094	2,098,602	2,223,032	1,435,610	(2,546,396)	(1,257,514)
Changes in assumptions	5,722,581	-	(61,092,666)	(27,905,225)	42,956,365	-
Benefit payments, including refunds	(33,635,851)	(32,350,541)	(31,176,529)	(31,148,538)	(30,567,324)	(29,482,283)
<b>Net Change in Total Pension Liability</b>	6,866,286	3,191,859	(56,251,952)	(23,854,600)	42,750,524	2,153,261
<b>Total Pension Liability - Beginning of year</b>	403,822,924	400,631,065	456,883,017	480,737,617	437,987,093	435,833,832
<b>Total Pension Liability - End of year</b>	<b>\$ 410,689,210</b>	<b>\$ 403,822,924</b>	<b>\$ 400,631,065</b>	<b>\$ 456,883,017</b>	<b>\$ 480,737,617</b>	<b>\$ 437,987,093</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 10,963,884	\$ 10,917,187	\$ 10,477,176	\$ 10,481,016	\$ 10,604,562	\$ 10,830,419
Contributions - Member	1,448,475	1,238,075	1,192,568	1,138,678	1,033,752	1,089,202
Net investment income (loss)	50,495,991	(13,770,465)	40,082,680	20,689,791	2,222,576	18,413,945
Administrative expenses	(480,236)	(514,140)	(456,239)	(426,933)	(454,638)	(397,298)
Benefit payments, including refunds	(33,635,851)	(32,350,541)	(31,176,529)	(31,148,538)	(30,567,324)	(29,482,283)
Other	28,929	55,410	78,359	113,244	85,387	156,405
<b>Net Change in Plan Fiduciary Net Position</b>	28,821,192	(34,424,474)	20,198,015	847,258	(17,075,685)	610,390
<b>Plan Fiduciary Net Position - Beginning of year</b>	266,174,203	300,598,677	280,400,662	279,553,404	296,629,089	296,018,699
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 294,995,395</b>	<b>\$ 266,174,203</b>	<b>\$ 300,598,677</b>	<b>\$ 280,400,662</b>	<b>\$ 279,553,404</b>	<b>\$ 296,629,089</b>
<b>City's Net Pension Liability - Ending</b>	<b>\$ 115,693,815</b>	<b>\$ 137,648,721</b>	<b>\$ 100,032,388</b>	<b>\$ 176,482,355</b>	<b>\$ 201,184,213</b>	<b>\$ 141,358,004</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	71.83 %	65.91 %	75.03 %	61.37 %	58.15 %	67.73 %
<b>Covered Payroll</b>	\$ 27,825,961	\$ 27,750,304	\$ 26,762,823	\$ 24,703,698	\$ 24,413,784	\$ 25,839,293
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	415.78 %	496.03 %	373.77 %	714.40 %	824.06 %	547.07 %

The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

Required Supplemental Information  
 Schedule of Pension Contributions  
 Employees' Retirement System Defined Benefit Pension Plan

**Last Ten Fiscal Years  
 Years Ended June 30**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 8,384,920	\$ 8,487,619	\$ 8,646,086	\$ 8,888,916	\$ 9,026,914	\$ 9,051,558	\$ 9,322,232	\$ 7,932,939	\$ 6,644,279	\$ 6,833,915
Contributions in relation to the actuarially determined contribution	8,384,920	8,590,327	15,283,957	12,076,073	8,977,954	9,125,268	9,570,000	6,146,678	6,590,296	6,527,534
<b>Contribution Excess (Deficiency)</b>	<b>\$ -</b>	<b>\$ 102,708</b>	<b>\$ 6,637,871</b>	<b>\$ 3,187,157</b>	<b>\$ (48,960)</b>	<b>\$ 73,710</b>	<b>\$ 247,768</b>	<b>\$ (1,786,261)</b>	<b>\$ (53,983)</b>	<b>\$ (306,381)</b>
<b>Covered Payroll</b>	<b>\$ 5,315,590</b>	<b>\$ 5,463,312</b>	<b>\$ 5,704,355</b>	<b>\$ 6,096,441</b>	<b>\$ 6,551,962</b>	<b>\$ 7,140,447</b>	<b>\$ 7,447,625</b>	<b>\$ 7,941,280</b>	<b>\$ 9,369,920</b>	<b>\$ 10,604,640</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>157.74 %</b>	<b>157.24 %</b>	<b>267.93 %</b>	<b>198.08 %</b>	<b>137.03 %</b>	<b>127.80 %</b>	<b>128.50 %</b>	<b>77.40 %</b>	<b>70.33 %</b>	<b>61.55 %</b>

**Notes to Schedule of Pension Contributions - Employees' Retirement System Defined Benefit Pension Plan**

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate
Amortization method	Aggregate
Remaining amortization period	Expected future working lifetime
Asset valuation method	Four years smoothed market
Inflation	4.00 percent
Salary increase	7.8 percent - 4.0 percent, including inflation
Investment rate of return	7.50 percent for actuarial valuations 2012 and prior, declining 0.5 percent for five years to 7.25 percent
Mortality	RP-2014 Healthy Annuitant

Required Supplemental Information  
Schedule of Pension Contributions  
Police and Fire Retirement System Defined Benefit Pension Plan

**Last Ten Fiscal Years  
Years Ended June 30**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 10,690,911	\$ 10,940,536	\$ 10,697,182	\$ 10,417,316	\$ 10,472,692	\$ 10,596,241	\$ 10,774,439	\$ 9,857,744	\$ 8,289,280	\$ 7,978,554
Contributions in relation to the actuarially determined contribution	10,690,911	11,236,872	10,596,888	10,357,464	10,604,568	10,604,556	10,945,481	9,164,153	7,808,430	8,153,051
<b>Contribution Excess (Deficiency)</b>	<u>\$ -</u>	<u>\$ 296,336</u>	<u>\$ (100,294)</u>	<u>\$ (59,852)</u>	<u>\$ 131,876</u>	<u>\$ 8,315</u>	<u>\$ 171,042</u>	<u>\$ (693,591)</u>	<u>\$ (480,850)</u>	<u>\$ 174,497</u>
<b>Covered Payroll</b>	\$ 27,558,831	\$ 27,786,619	\$ 27,558,822	\$ 26,165,748	\$ 25,312,366	\$ 25,569,223	\$ 25,067,238	\$ 24,468,383	\$ 24,315,039	\$ 25,983,240
<b>Contributions as a Percentage of Covered Payroll</b>	38.79 %	40.44 %	38.45 %	39.58 %	41.89 %	41.47 %	43.66 %	37.45 %	32.11 %	31.38 %

**Notes to Schedule of Pension Contributions - Police and Fire Retirement System Defined Benefit Pension Plan**

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, the year prior to the end of the fiscal year in which contributions are reported. Covered payroll is as of December 31 of the current fiscal year (2019 payroll was projected from the 2018 valuation).

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll - Open
Remaining amortization period	21 years closed
Asset valuation method	Four years smoothed market
Inflation	3.50 percent
Salary increase	6.50 percent - 3.50 percent, including inflation
Investment rate of return	7.35 percent - Net of pension plan investment expense, including inflation
Mortality	Publication 2010 Public Safety Mortality Tables

**Required Supplemental Information  
Schedule of Pension Investment Returns**

**Last Six Plan Years  
Years Ended December 31**

	2019	2018*	2017*	2016	2015*	2014*
Employees' Retirement System Defined Benefit Pension Plan - Annual money-weighted rate of return - Net of investment expense	19.43 %	(5.99)%	14.20 %	13.40 %	10.60 %	6.30 %
Police and Fire Retirement System Defined Benefit Pension Plan - Annual money-weighted rate of return - Net of investment expense	20.49 %	- %	- %	8.18 %	- %	- %

\*For the fiscal years ended December 31, 2018, 2017, 2015, and 2014, management of the City omitted the disclosure of the money-weighted rate of return of the Police and Fire Retirement System Defined Benefit Pension Plan.

***Budgetary Information***

Annual balanced budgets are adopted for the General, special revenue, and debt service funds, as required by Michigan Public Act 621 of 1978, the Uniform Budgeting and Accounting Act. Budgets were not formally adopted for the Tax Increment Finance Authority, the Building Authority, or special assessment debt service funds. Although not required, budgets were formally adopted for the Water and Sewer Fund and Senior Citizen Housing Funds, as well as the 37th District Court Building Renovation and Energy Efficiency and Conservation Block Grant capital projects funds to assist management in monitoring operations.

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

- No later than the second Monday in April of each year, the mayor shall submit to the City Council a recommended budget for the next fiscal year.
- The recommended budget of the mayor, together with his supporting schedules, information, and messages, shall be reviewed by the City Council.
- A public hearing on the budget shall be held no less than one week before its final adoption.
- No later than the third Monday in May of each year, the City Council shall, by resolution, adopt a budget at the department level for the ensuing fiscal year in accordance with the Michigan Uniform Budgeting and Accounting Act.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles, except that nonreciprocal interfund activity, including expenditure reimbursements between funds, is budgeted as revenue rather than as reductions of expenditures. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund, function, department, and line items.

***Encumbrances***

Budgets in governmental funds and proprietary funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. Appropriations for the fiscal year lapse every June 30. However, management does restrict unreserved fund balance designated for the subsequent year's expenditures by the amount of material expenditures for goods and services that were ordered, budgeted, and appropriated at year end but that had not been received or completed at that date. The City Council, by separate resolution, reappropriates funds in the subsequent year to complete these transactions.

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

	<u>Total Revenue</u>	<u>Total Expenditures</u>
Amounts per operating statement	\$ 110,741,599	\$ 100,807,758
Nonreciprocal interfund activity budgeted as revenue	5,070,369	5,070,369
Amounts per budget statement	<u>\$ 115,811,968</u>	<u>\$ 105,878,127</u>

***Pension Information***

**Changes in Assumptions**

For the 2014 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.45 percent from 7.50 percent.

For the 2015 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.40 percent.

**June 30, 2020**

For the 2015 plan year, the Police and Fire Retirement System had multiple changes in assumptions: the discount rate was changed from 6.06 to 5.40 percent, and the mortality tables were changed from the RP Combined Mortality Table to the RP Combined Healthy Mortality Table projected to 2014.

For the 2016 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.35 percent.

For the 2016 plan year, the discount rate for the Police and Fire Retirement System was changed to 5.96 percent.

For the 2017 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.30 percent.

For the 2017 plan year, the discount rate for the Police and Fire Retirement System was changed to 7.40 percent.

For the 2018 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.25 percent.

For the 2019 plan year, the Police and Fire Retirement System had multiple changes in assumptions: inflation was changed from 4.0 to 3.5 percent, the investment rate of return was changed to 7.35 percent, and the mortality table used for the net pension liability calculation was updated to the Pub-2010 Public Safety Mortality Table.

***OPEB Information***

**Changes in Assumptions**

For the 2018 plan year, the mortality table used for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust was updated from the RP-2000 Combined Healthy Table to the RP-2014 Mortality Table

For the 2019 plan year, the medical inflation rates were changed for both plans, the rate of return for the Police and Fire Retirement Health, Life and Disability Benefits Pension Plan and Trust was changed from 7.40 to 7.35 percent, and the mortality table used for the net OPEB liability of the Police and Fire Retirement, Life and Disability Health Benefits Plan and Trust calculation was updated from the RP-2014 Mortality Table to the Publication 2010 Mortality Table.

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## Other Supplemental Information

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# City of Warren, Michigan

	Special Revenue Funds					
	Major Streets	Local Streets	Recreation	Sanitation	Library	Communications
<b>Assets</b>						
Cash and cash equivalents	\$ 11,104,363	\$ 3,194,219	\$ 4,098,554	\$ 3,372,772	\$ 4,646,090	\$ 2,415,995
Receivables:						
Property taxes receivable	-	-	21,938	58,312	30,216	-
Special assessments receivable	-	-	-	-	-	-
Accrued interest receivable	1,842	530	-	-	-	-
Other receivables	-	-	85,603	28,456	128,045	496,994
Due from other governments	1,475,536	491,992	-	-	54,118	-
Due from other funds	138	50	-	-	-	-
Inventory	-	-	5,073	5,448	-	-
Prepaid items and other assets	-	-	624	-	18,090	-
Deposits	3,296,558	-	-	-	-	-
Restricted assets -						
Restricted cash and cash equivalents	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 15,878,437</b>	<b>\$ 3,686,791</b>	<b>\$ 4,211,792</b>	<b>\$ 3,464,988</b>	<b>\$ 4,876,559</b>	<b>\$ 2,912,989</b>
<b>Liabilities</b>						
Accounts payable	\$ 120,104	\$ 46,100	\$ 222,484	\$ 515,118	\$ 141,659	\$ 23,059
Due to other governmental units	-	-	7,081	9,129	169	688
Due to component units	-	38,729	-	-	-	-
Due to other funds	255,280	226,658	-	-	-	-
Refundable deposits, bonds, etc.	13,153	18,531	5,299	-	107,016	-
Accrued liabilities and other	47,021	22,373	23,642	116,006	36,983	22,008
Unearned revenue	-	-	-	-	-	-
Provision for property tax refunds	-	-	1,195	3,186	1,639	-
<b>Total liabilities</b>	<b>435,558</b>	<b>352,391</b>	<b>259,701</b>	<b>643,439</b>	<b>287,466</b>	<b>45,755</b>
<b>Deferred Inflows of Resources - Unavailable revenue</b>	<b>-</b>	<b>-</b>	<b>48,732</b>	<b>62,371</b>	<b>30,216</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>435,558</b>	<b>352,391</b>	<b>308,433</b>	<b>705,810</b>	<b>317,682</b>	<b>45,755</b>
<b>Fund Balances</b>						
Nonspendable:						
Inventory/Assets held for resale	-	-	5,073	5,448	-	-
Prepays	-	-	624	-	18,090	-
Restricted:						
Roads	15,442,879	3,334,400	-	-	-	-
Capital projects	-	-	-	-	-	-
Sanitation	-	-	-	2,753,730	-	-
Recreation	-	-	3,897,662	-	-	-
Library	-	-	-	-	4,540,787	-
Cable franchise fees	-	-	-	-	-	2,867,234
Police enforcement	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Vice crime	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>15,442,879</b>	<b>3,334,400</b>	<b>3,903,359</b>	<b>2,759,178</b>	<b>4,558,877</b>	<b>2,867,234</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 15,878,437</b>	<b>\$ 3,686,791</b>	<b>\$ 4,211,792</b>	<b>\$ 3,464,988</b>	<b>\$ 4,876,559</b>	<b>\$ 2,912,989</b>



Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2020

Special Revenue Funds									
Rental Ordinance	Vice Crime Confiscations	Drug Forfeiture	Police Training	Local Road Millage	Indigent Defense	Debt Service Funds	Capital Projects Fund	Total	
\$ 1,599,664	\$ 300,989	\$ 2,590,169	\$ 13,975	\$ 9,619,292	\$ 787,584	\$ 50,126	\$ 13,169,762	\$ 56,963,554	
-	-	-	-	52,734	-	-	-	163,200	
-	-	-	-	-	-	-	537,418	537,418	
-	-	-	-	-	-	-	-	2,372	
964	-	-	-	-	-	-	58,614	798,676	
-	450	-	-	-	326,055	-	-	2,348,151	
-	-	-	-	9,712	-	-	-	9,900	
-	-	-	-	-	-	-	-	10,521	
-	-	-	-	-	-	-	-	18,714	
-	-	-	-	-	-	-	-	3,296,558	
-	-	-	-	-	-	-	1,003,911	1,003,911	
<b>\$ 1,600,628</b>	<b>\$ 301,439</b>	<b>\$ 2,590,169</b>	<b>\$ 13,975</b>	<b>\$ 9,681,738</b>	<b>\$ 1,113,639</b>	<b>\$ 50,126</b>	<b>\$ 14,769,705</b>	<b>\$ 65,152,975</b>	
\$ -	\$ 250	\$ 3,414	\$ -	\$ 934,998	\$ 15,045	\$ -	\$ 885,339	\$ 2,907,570	
1,448	-	-	-	-	-	-	-	18,515	
-	-	-	-	-	-	-	-	38,729	
-	-	-	-	188	-	-	15,597	497,723	
-	-	-	-	293,864	-	-	381,968	819,831	
19,166	-	-	-	-	-	-	-	287,199	
-	-	-	-	-	1,098,594	-	-	1,098,594	
-	-	-	-	2,588	-	-	-	8,608	
20,614	250	3,414	-	1,231,638	1,113,639	-	1,282,904	5,676,769	
-	-	-	-	52,734	-	-	537,412	731,465	
20,614	250	3,414	-	1,284,372	1,113,639	-	1,820,316	6,408,234	
-	-	-	-	-	-	-	-	10,521	
-	-	-	-	-	-	-	-	18,714	
-	-	-	-	8,397,366	-	-	1,003,911	28,178,556	
-	-	-	-	-	-	-	1,440,544	1,440,544	
-	-	-	-	-	-	-	-	2,753,730	
-	-	-	-	-	-	-	-	3,897,662	
-	-	-	-	-	-	-	-	4,540,787	
-	-	-	-	-	-	-	-	2,867,234	
-	-	2,586,755	13,975	-	-	-	-	2,600,730	
-	-	-	-	-	-	-	1,063,744	1,063,744	
-	301,189	-	-	-	-	-	-	301,189	
1,580,014	-	-	-	-	-	-	90,043	1,670,057	
-	-	-	-	-	-	50,126	9,351,147	9,401,273	
1,580,014	301,189	2,586,755	13,975	8,397,366	-	50,126	12,949,389	58,744,741	
<b>\$ 1,600,628</b>	<b>\$ 301,439</b>	<b>\$ 2,590,169</b>	<b>\$ 13,975</b>	<b>\$ 9,681,738</b>	<b>\$ 1,113,639</b>	<b>\$ 50,126</b>	<b>\$ 14,769,705</b>	<b>\$ 65,152,975</b>	

# City of Warren, Michigan

	Special Revenue Funds					
	Major Streets	Local Streets	Recreation	Sanitation	Library	Communications
<b>Revenue</b>						
Property taxes	\$ -	\$ -	\$ 3,191,503	\$ 8,506,848	\$ 4,373,113	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental:						
Federal grants	-	-	-	-	-	-
State sources:						
Local Community Stabilization Authority	-	-	186,187	493,884	255,466	-
Act 51 gas and weight tax	10,572,319	3,525,066	-	-	-	-
Other	-	498,516	318,192	-	241,653	-
Charges for services	-	-	1,152,296	-	-	-
Fines and forfeitures	-	-	-	-	54,841	-
Licenses and permits	-	-	-	-	-	2,015,541
Interest and rentals	139,702	43,859	155,258	31,546	51,047	32,845
Other revenue	23,802	-	-	1,494,178	12,690	20,158
<b>Total revenue</b>	<b>10,735,823</b>	<b>4,067,441</b>	<b>5,003,436</b>	<b>10,526,456</b>	<b>4,988,810</b>	<b>2,068,544</b>
<b>Expenditures</b>						
Current services:						
General government	-	-	-	-	-	-
District court	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	6,088,561	3,950,020	-	9,618,663	-	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	5,203,126	-	3,719,352	1,960,922
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>6,088,561</b>	<b>3,950,020</b>	<b>5,203,126</b>	<b>9,618,663</b>	<b>3,719,352</b>	<b>1,960,922</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>4,647,262</b>	<b>117,421</b>	<b>(199,690)</b>	<b>907,793</b>	<b>1,269,458</b>	<b>107,622</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	1,000,000	3,600,000	-	487	-
Transfers out	(2,870,221)	-	(287,321)	-	(123,137)	(410,458)
<b>Total other financing (uses) sources</b>	<b>(2,870,221)</b>	<b>1,000,000</b>	<b>3,312,679</b>	<b>-</b>	<b>(122,650)</b>	<b>(410,458)</b>
<b>Net Change in Fund Balances</b>	<b>1,777,041</b>	<b>1,117,421</b>	<b>3,112,989</b>	<b>907,793</b>	<b>1,146,808</b>	<b>(302,836)</b>
<b>Fund Balances - Beginning of year</b>	<b>13,665,838</b>	<b>2,216,979</b>	<b>790,370</b>	<b>1,851,385</b>	<b>3,412,069</b>	<b>3,170,070</b>
<b>Fund Balances - End of year</b>	<b>\$ 15,442,879</b>	<b>\$ 3,334,400</b>	<b>\$ 3,903,359</b>	<b>\$ 2,759,178</b>	<b>\$ 4,558,877</b>	<b>\$ 2,867,234</b>

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

**Year Ended June 30, 2020**

Special Revenue Funds								
Rental Ordinance	Vice Crime Confiscations	Drug Forfeiture	Police Training	Local Road Millage	Indigent Defense	Debt Service Funds	Capital Projects Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 6,897,432	\$ -	\$ -	\$ -	\$ 22,968,896
-	-	-	-	-	-	-	294,158	294,158
-	-	600,990	-	-	-	-	-	600,990
-	-	-	-	403,226	-	-	850,000	2,188,763
-	-	-	-	-	-	-	-	14,097,385
-	-	445,928	32,221	-	269,942	-	-	1,806,452
-	-	-	-	-	-	-	-	1,152,296
1,006,095	52,061	-	-	-	-	-	721,924	1,834,921
-	-	-	-	-	-	-	-	2,015,541
18,560	3,909	33,971	164	125,459	8,146	642	210,347	855,455
964	-	-	-	-	-	-	-	1,551,792
<b>1,025,619</b>	<b>55,970</b>	<b>1,080,889</b>	<b>32,385</b>	<b>7,426,117</b>	<b>278,088</b>	<b>642</b>	<b>2,076,429</b>	<b>49,366,649</b>
-	-	-	-	-	-	-	286,511	286,511
-	-	-	-	-	421,596	-	-	421,596
-	53,770	1,263,983	33,436	-	-	-	-	1,351,189
-	-	-	-	8,323,795	-	-	9,079,791	37,060,830
754,148	-	-	-	-	-	-	1,673,719	2,427,867
-	-	-	-	-	-	-	-	10,883,400
-	-	-	-	-	-	2,074,565	35,190	2,109,755
-	-	-	-	-	-	616,572	3,529	620,101
<b>754,148</b>	<b>53,770</b>	<b>1,263,983</b>	<b>33,436</b>	<b>8,323,795</b>	<b>421,596</b>	<b>2,691,137</b>	<b>11,078,740</b>	<b>55,161,249</b>
271,471	2,200	(183,094)	(1,051)	(897,678)	(143,508)	(2,690,495)	(9,002,311)	(5,794,600)
-	-	-	-	-	122,808	2,691,137	-	7,414,432
-	-	-	-	-	-	-	(487)	(3,691,624)
-	-	-	-	-	122,808	2,691,137	(487)	3,722,808
271,471	2,200	(183,094)	(1,051)	(897,678)	(20,700)	642	(9,002,798)	(2,071,792)
1,308,543	298,989	2,769,849	15,026	9,295,044	20,700	49,484	21,952,187	60,816,533
<b>\$ 1,580,014</b>	<b>\$ 301,189</b>	<b>\$ 2,586,755</b>	<b>\$ 13,975</b>	<b>\$ 8,397,366</b>	<b>\$ -</b>	<b>\$ 50,126</b>	<b>\$ 12,949,389</b>	<b>\$ 58,744,741</b>

Other Supplemental Information  
Combining Statement of Net Position  
Nonmajor Enterprise Funds

June 30, 2020

	Senior Citizen Housing Funds - Stilwell Manor	Senior Citizen Housing Funds - Jos. Coach Manor	Total Nonmajor Enterprise Funds
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 994,534	\$ 2,245,674	\$ 3,240,208
Receivables	3,498	3,295	6,793
Prepaid items and other assets	-	21	21
Total current assets	998,032	2,248,990	3,247,022
Noncurrent assets -			
Capital assets:			
Assets not subject to depreciation	221,644	-	221,644
Assets subject to depreciation - Net	1,058,625	5,851,514	6,910,139
Total assets	2,278,301	8,100,504	10,378,805
<b>Deferred Outflows of Resources</b> - Deferred outflows related to OPEB	15,493	-	15,493
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	20,417	17,282	37,699
Due to other governmental units	1,448	-	1,448
Due to other funds	150,634	61,341	211,975
Refundable deposits, bonds, etc.	62,810	172,144	234,954
Accrued liabilities and other	9,571	5,922	15,493
Unearned revenue	1,664	3,258	4,922
Compensated absences	3,823	-	3,823
Current portion of long-term debt	-	396,056	396,056
Total current liabilities	250,367	656,003	906,370
Noncurrent liabilities:			
Compensated absences	18,398	-	18,398
Net OPEB liability	295,149	-	295,149
Long-term debt	-	547,019	547,019
Total noncurrent liabilities	313,547	547,019	860,566
Total liabilities	563,914	1,203,022	1,766,936
<b>Deferred Inflows of Resources</b> - Deferred inflows related to OPEB	21,898	-	21,898
<b>Net Position</b>			
Net investment in capital assets	1,280,269	4,908,439	6,188,708
Unrestricted	427,713	1,989,043	2,416,756
Total net position	<u>\$ 1,707,982</u>	<u>\$ 6,897,482</u>	<u>\$ 8,605,464</u>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**

**Year Ended June 30, 2020**

	Senior Citizen Housing Funds - Stilwell Manor	Senior Citizen Housing Funds - Jos. Coach Manor	Total Nonmajor Enterprise Funds
<b>Operating Revenue</b>			
Rental revenue	\$ 542,961	\$ 994,419	\$ 1,537,380
Other operating revenue	374,484	544,045	918,529
Total operating revenue	917,445	1,538,464	2,455,909
<b>Operating Expenses</b>			
Billing and administrative costs	77,000	453,300	530,300
Wages and fringes	421,402	51,418	472,820
Materials and supplies	15,370	44,150	59,520
Other operating expenses	322,271	237,572	559,843
Depreciation	92,668	213,728	306,396
Total operating expenses	928,711	1,000,168	1,928,879
<b>Operating (Loss) Income</b>	(11,266)	538,296	527,030
<b>Nonoperating Revenue (Expense)</b>			
Investment income	1,270	4,923	6,193
Interest expense	-	(16,046)	(16,046)
Total nonoperating revenue (expense)	1,270	(11,123)	(9,853)
<b>Change in Net Position</b>	(9,996)	527,173	517,177
<b>Net Position - Beginning of year</b>	1,717,978	6,370,309	8,088,287
<b>Net Position - End of year</b>	<b>\$ 1,707,982</b>	<b>\$ 6,897,482</b>	<b>\$ 8,605,464</b>

Other Supplemental Information  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds

Year Ended June 30, 2020

	Senior Citizen Housing Funds - Stilwell Manor	Senior Citizen Housing Funds - Jos. Coach Manor	Total Nonmajor Enterprise Funds
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 917,445	\$ 1,538,464	\$ 2,455,909
Receipts from (payments for) interfund services and reimbursements	380,611	(368,171)	12,440
Payments to suppliers	(417,643)	(752,926)	(1,170,569)
Payments to employees and fringes	(535,713)	(52,684)	(588,397)
	344,700	364,683	709,383
<b>Net cash and cash equivalents provided by operating activities</b>			
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of capital assets	(9,009)	(18,863)	(27,872)
Principal and interest paid on capital debt	-	(402,103)	(402,103)
	(9,009)	(420,966)	(429,975)
<b>Net cash and cash equivalents used in capital and related financing activities</b>			
<b>Cash Flows Provided by Investing Activities - Interest income</b>	1,270	4,923	6,193
	336,961	(51,360)	285,601
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash and Cash Equivalents - Beginning of year</b>	657,573	2,297,034	2,954,607
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 994,534</b>	<b>\$ 2,245,674</b>	<b>\$ 3,240,208</b>
<b>Classification of Cash and Cash Equivalents - Cash and investments</b>	<b>\$ 994,534</b>	<b>\$ 2,245,674</b>	<b>\$ 3,240,208</b>
<b>Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities</b>			
Operating (loss) income	\$ (11,266)	\$ 538,296	\$ 527,030
Adjustments to reconcile operating (loss) income to net cash from operating activities:			
Depreciation	92,668	213,728	306,396
Changes in assets and liabilities:			
Receivables	(3,547)	(6,046)	(9,593)
Due to and from other funds	380,611	(368,171)	12,440
Net pension or OPEB liability	(112,863)	(620)	(113,483)
Accounts payable	(903)	(12,504)	(13,407)
	355,966	(173,613)	182,353
<b>Total adjustments</b>			
<b>Net cash and cash equivalents provided by operating activities</b>	<b>\$ 344,700</b>	<b>\$ 364,683</b>	<b>\$ 709,383</b>

Other Supplemental Information  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds

June 30, 2020

	Pension and Other Employee Benefits Trust Funds - December 31, 2019					
	City			City		
	Police and Fire Retirement System	Employees' Retirement System	Police and Fire VEBA Trust	City Employees' VEBA Trust	City Employees' QEBA Trust	Total Pension Trust Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 1,094,085	\$ 25,200	\$ -	\$ -	\$ 954	\$ 1,120,239
Investments:						
U.S. government securities	22,400,634	22,622,579	6,470,309	6,654,691	-	58,148,213
Mortgage-backed securities	-	2,005,582	-	1,177,486	-	3,183,068
Asset-backed securities	-	1,688,919	-	723,861	-	2,412,780
Commercial notes	13,643,404	-	7,913,463	-	-	21,556,867
Mutual funds	-	17,524,640	-	9,935,602	-	27,460,242
Short-term cash management funds	-	14,413,444	-	4,307,404	-	18,720,848
Stocks	185,573,862	65,705,899	41,825,953	42,812,948	-	335,918,662
Bonds	22,934,237	15,618,900	1,968,110	6,845,713	-	47,366,960
Real estate	44,060,204	1,360,543	2,859,242	-	-	48,279,989
Other	2,330,287	673,786	-	270,708	-	3,274,781
Securities lending	1,308,655	954,456	-	-	-	2,263,111
Hedge funds	6,795,290	-	-	-	-	6,795,290
Receivables:						
Accrued interest receivable	366,236	202,340	2,294,353	2,059,670	-	4,922,599
Other receivables	-	12,306	-	-	-	12,306
Due from primary government	-	-	5,532	-	-	5,532
Prepaid items and other assets	-	2,457	-	248,949	-	251,406
Total assets	<u>300,506,894</u>	<u>142,811,051</u>	<u>63,336,962</u>	<u>75,037,032</u>	<u>954</u>	<u>581,692,893</u>
<b>Liabilities</b>						
Accounts payable	3,713,022	5,240,782	72,580	38,109	-	9,064,493
Due to primary government	188,478	89,669	5,168,452	4,010,809	-	9,457,408
Accrued liabilities and other	-	-	274,043	152,968	-	427,011
Obligations under securities lending agreements	1,609,999	954,456	-	-	-	2,564,455
Total liabilities	<u>5,511,499</u>	<u>6,284,907</u>	<u>5,515,075</u>	<u>4,201,886</u>	<u>-</u>	<u>21,513,367</u>
<b>Net Position</b>	<u><u>\$ 294,995,395</u></u>	<u><u>\$ 136,526,144</u></u>	<u><u>\$ 57,821,887</u></u>	<u><u>\$ 70,835,146</u></u>	<u><u>\$ 954</u></u>	<u><u>\$ 560,179,526</u></u>

Other Supplemental Information  
Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds

**Year Ended June 30, 2020**

	Pension and Other Employee Benefits Trust Funds - Year Ended December 31, 2019					Total Pension Trust Funds
	Police and Fire Retirement System	City Employees' Retirement System	Police and Fire VEBA Trust	City Employees' VEBA Trust	City Employees' QEBA Trust	
<b>Additions</b>						
Investment income (loss):						
Interest and dividends	\$ 5,701,312	\$ 2,879,443	\$ 6,559,820	\$ 6,062,389	\$ 23	\$ 21,202,987
Net increase in fair value of investments	46,089,202	20,540,839	3,998,350	6,914,805	-	77,543,196
Investment-related expenses	(1,313,076)	(602,668)	(80,266)	(136,746)	(502)	(2,133,258)
Net investment income (loss)	50,477,438	22,817,614	10,477,904	12,840,448	(479)	96,612,925
Securities lending income:						
Interest and dividends	37,294	130,275	-	-	-	167,569
Borrower rebates and bank fees	(8,368)	(121,231)	-	-	-	(129,599)
Contributions:						
Employer contributions	10,963,884	8,737,667	10,500,000	8,768,498	-	38,970,049
Employee contributions	1,448,475	-	-	-	-	1,448,475
Total contributions	12,412,359	8,737,667	10,500,000	8,768,498	-	40,418,524
Total additions	62,918,723	31,564,325	20,977,904	21,608,946	(479)	137,069,419
<b>Deductions</b>						
Benefit payments	31,382,839	16,670,000	9,522,588	7,346,347	-	64,921,774
Refunds of contributions	2,253,012	11,354	-	-	-	2,264,366
Administrative expenses	461,680	241,814	24,529	137,215	-	865,238
Total deductions	34,097,531	16,923,168	9,547,117	7,483,562	-	68,051,378
<b>Net Increase (Decrease) in Net Position Held in Trust</b>	28,821,192	14,641,157	11,430,787	14,125,384	(479)	69,018,041
<b>Net Position Restricted for Pension and Other Employee Benefits - Beginning of year</b>	266,174,203	121,884,987	46,391,100	56,709,762	1,433	491,161,485
<b>Net Position Restricted for Pension and Other Employee Benefits - End of year</b>	<b>\$ 294,995,395</b>	<b>\$ 136,526,144</b>	<b>\$ 57,821,887</b>	<b>\$ 70,835,146</b>	<b>\$ 954</b>	<b>\$ 560,179,526</b>



Other Supplemental Information  
Combining Statement of Assets and Liabilities  
Agency Funds

**June 30, 2020**

	Payroll Revolving Fund	Cash Bond Fund	Tax Collection Fund	Fire Insurance Withholding Fund	Total Agency Funds
<b>Assets - Cash and cash equivalents</b>	<b>\$ 39,236</b>	<b>\$ 2,255,842</b>	<b>\$ 23,000</b>	<b>\$ 423,884</b>	<b>\$ 2,741,962</b>
<b>Liabilities</b>					
Accounts payable	\$ 30,055	\$ 37,000	\$ -	\$ -	\$ 67,055
Due to other governmental units	-	-	-	24	24
Refundable deposits, bonds, etc.	-	2,218,842	-	423,860	2,642,702
Accrued liabilities and other	9,181	-	23,000	-	32,181
Total liabilities	<b>\$ 39,236</b>	<b>\$ 2,255,842</b>	<b>\$ 23,000</b>	<b>\$ 423,884</b>	<b>\$ 2,741,962</b>

Other Supplemental Information  
Combining Schedule of Changes in Assets and Liabilities  
Agency Funds

Year Ended June 30, 2020

		Payroll Revolving Fund			
		July 1, 2019	Additions	Deductions	June 30, 2020
<b>Assets</b>	Cash and investments	\$ 4,127	\$ 23,731,760	\$ (23,696,651)	\$ 39,236
<b>Liabilities</b>	Accounts payable	\$ -	\$ 2,693,233	\$ (2,663,178)	\$ 30,055
	Accrued liabilities and other	4,127	23,741,052	(23,735,998)	9,181
	Total liabilities	<u>\$ 4,127</u>	<u>\$ 26,434,285</u>	<u>\$ (26,399,176)</u>	<u>\$ 39,236</u>
		Cash Bond Fund			
		July 1, 2019	Additions	Deductions	June 30, 2020
<b>Assets</b>	Cash and investments	\$ 1,969,587	\$ 430,580	\$ (144,325)	\$ 2,255,842
<b>Liabilities</b>	Accounts payable	\$ -	\$ 179,925	\$ (142,925)	\$ 37,000
	Refundable deposits, bonds, etc.	1,969,587	430,580	(181,325)	2,218,842
	Total liabilities	<u>\$ 1,969,587</u>	<u>\$ 610,505</u>	<u>\$ (324,250)</u>	<u>\$ 2,255,842</u>
		Tax Collection Fund			
		July 1, 2019	Additions	Deductions	June 30, 2020
<b>Assets</b>	Cash and cash equivalents	\$ 363	\$ 221,734,026	\$ (221,711,389)	\$ 23,000
	Due from other funds	-	45,377	(45,377)	-
	Total assets	<u>\$ 363</u>	<u>\$ 221,779,403</u>	<u>\$ (221,756,766)</u>	<u>\$ 23,000</u>
<b>Liabilities</b>	Due to other governmental units	\$ -	\$ 7,494,495	\$ (7,494,495)	\$ -
	Accrued liabilities and other	363	213,102,597	(213,079,960)	23,000
	Total liabilities	<u>\$ 363</u>	<u>\$ 220,597,092</u>	<u>\$ (220,574,455)</u>	<u>\$ 23,000</u>
		Fire Insurance Withholding Fund			
		July 1, 2019	Additions	Deductions	June 30, 2020
<b>Assets</b>	Cash and investments	\$ 386,384	\$ 158,117	\$ (120,617)	\$ 423,884
<b>Liabilities</b>	Due to other governmental units	\$ 41	\$ 446	\$ (463)	\$ 24
	Refundable deposits, bonds, etc.	386,343	157,670	(120,153)	423,860
	Total liabilities	<u>\$ 386,384</u>	<u>\$ 158,116</u>	<u>\$ (120,616)</u>	<u>\$ 423,884</u>

Other Supplemental Information  
Budgetary Comparison Schedules  
Major Streets

Year Ended June 30, 2020

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Intergovernmental - State sources	\$ 10,596,600	\$ 10,596,600	\$ 10,572,319	\$ (24,281)
Interest and rentals	80,000	80,000	139,702	59,702
Other revenue	48,800	48,800	23,802	(24,998)
Total revenue	10,725,400	10,725,400	10,735,823	10,423
<b>Expenditures -</b>				
Current services -				
Public works:				
Streets	10,298,443	14,077,522	6,053,691	8,023,831
Stormwater drainage	34,870	34,870	34,870	-
Total expenditures	10,333,313	14,112,392	6,088,561	8,023,831
<b>Excess of Revenue (Under) Over Expenditures</b>	392,087	(3,386,992)	4,647,262	8,034,254
<b>Other Financing Uses - Transfers out</b>	(2,870,726)	(2,870,726)	(2,870,221)	505
<b>Net Change in Fund Balance</b>	(2,478,639)	(6,257,718)	1,777,041	8,034,759
<b>Fund Balance - Beginning of year</b>	13,665,838	13,665,838	13,665,838	-
<b>Fund Balance - End of year</b>	<b>\$ 11,187,199</b>	<b>\$ 7,408,120</b>	<b>\$ 15,442,879</b>	<b>\$ 8,034,759</b>

Other Supplemental Information  
Budgetary Comparison Schedules (Continued)  
Local Streets

Year Ended June 30, 2020

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Intergovernmental - State sources	\$ 3,986,100	\$ 3,986,100	\$ 4,023,582	\$ 37,482
Interest and rentals	35,000	35,000	43,859	8,859
Total revenue	4,021,100	4,021,100	4,067,441	46,341
<b>Expenditures -</b>				
Current services -				
Public works:				
Streets	4,932,156	5,121,161	3,915,151	1,206,010
Stormwater drainage	34,869	34,869	34,869	-
Total expenditures	4,967,025	5,156,030	3,950,020	1,206,010
<b>Excess of Revenue (Under) Over Expenditures</b>	(945,925)	(1,134,930)	117,421	1,252,351
<b>Other Financing Sources - Transfers in</b>	1,030,000	1,030,000	1,000,000	(30,000)
<b>Net Change in Fund Balance</b>	84,075	(104,930)	1,117,421	1,222,351
<b>Fund Balance - Beginning of year</b>	2,216,979	2,216,979	2,216,979	-
<b>Fund Balance - End of year</b>	<u>\$ 2,301,054</u>	<u>\$ 2,112,049</u>	<u>\$ 3,334,400</u>	<u>\$ 1,222,351</u>

Other Supplemental Information  
Budgetary Comparison Schedules (Continued)  
Recreation

Year Ended June 30, 2020

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Property taxes	\$ 3,139,989	\$ 3,139,989	\$ 3,191,503	\$ 51,514
Intergovernmental	386,000	386,000	504,379	118,379
Charges for services	1,823,400	1,823,400	1,152,296	(671,104)
Interest and rentals	99,853	99,853	155,258	55,405
Total revenue	5,449,242	5,449,242	5,003,436	(445,806)
<b>Expenditures</b> - Current - Recreation and culture				
- Parks and recreation	5,365,370	8,966,345	5,203,126	3,763,219
<b>Excess of Revenue Over (Under)</b>				
<b>Expenditures</b>	83,872	(3,517,103)	(199,690)	3,317,413
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	3,600,000	3,600,000	-
Transfers out	(287,321)	(287,321)	(287,321)	-
Total other financing (uses) sources	(287,321)	3,312,679	3,312,679	-
<b>Net Change in Fund Balance</b>	(203,449)	(204,424)	3,112,989	3,317,413
<b>Fund Balance</b> - Beginning of year	790,370	790,370	790,370	-
<b>Fund Balance</b> - End of year	<u>\$ 586,921</u>	<u>\$ 585,946</u>	<u>\$ 3,903,359</u>	<u>\$ 3,317,413</u>

Other Supplemental Information  
 Budgetary Comparison Schedules (Continued)  
 Sanitation

**Year Ended June 30, 2020**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Property taxes	\$ 8,374,396	\$ 8,374,396	\$ 8,506,848	\$ 132,452
Intergovernmental - State sources	325,000	325,000	493,884	168,884
Investment income	20,000	20,000	31,546	11,546
Other revenue	255,900	255,900	1,494,178	1,238,278
Total revenue	8,975,296	8,975,296	10,526,456	1,551,160
<b>Expenditures - Public works</b>	9,489,876	9,748,716	9,618,663	130,053
<b>Net Change in Fund Balance</b>	(514,580)	(773,420)	907,793	1,681,213
<b>Fund Balance - Beginning of year</b>	1,851,385	1,851,385	1,851,385	-
<b>Fund Balance - End of year</b>	<u><u>\$ 1,336,805</u></u>	<u><u>\$ 1,077,965</u></u>	<u><u>\$ 2,759,178</u></u>	<u><u>\$ 1,681,213</u></u>

Other Supplemental Information  
Budgetary Comparison Schedules (Continued)  
Library

Year Ended June 30, 2020

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Property taxes	\$ 4,308,471	\$ 4,308,471	\$ 4,373,113	\$ 64,642
Intergovernmental	434,000	434,000	497,119	63,119
Fines and forfeitures	76,000	76,000	54,841	(21,159)
Interest and rentals	40,000	40,000	51,047	11,047
Other revenue	10,500	10,500	12,690	2,190
Total revenue	4,868,971	4,868,971	4,988,810	119,839
<b>Expenditures - Current - Recreation and culture</b>				
- Library	5,195,220	5,195,220	3,719,352	1,475,868
<b>Excess of Revenue (Under) Over Expenditures</b>				
	(326,249)	(326,249)	1,269,458	1,595,707
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	487	487
Transfers out	(123,138)	(123,138)	(123,137)	1
Total other financing uses	(123,138)	(123,138)	(122,650)	488
<b>Net Change in Fund Balance</b>				
	(449,387)	(449,387)	1,146,808	1,596,195
<b>Fund Balance - Beginning of year</b>				
	3,412,069	3,412,069	3,412,069	-
<b>Fund Balance - End of year</b>				
	<u>\$ 2,962,682</u>	<u>\$ 2,962,682</u>	<u>\$ 4,558,877</u>	<u>\$ 1,596,195</u>

Other Supplemental Information  
Budgetary Comparison Schedules (Continued)  
Communications

Year Ended June 30, 2020

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Licenses and permits	\$ 2,100,000	\$ 2,100,000	\$ 2,015,541	\$ (84,459)
Interest and rentals	40,000	40,000	32,845	(7,155)
Other revenue	200	200	20,158	19,958
Total revenue	2,140,200	2,140,200	2,068,544	(71,656)
<b>Expenditures - Current - Recreation and culture</b>	2,181,733	2,208,072	1,960,922	247,150
<b>Excess of Revenue (Under) Over Expenditures</b>	(41,533)	(67,872)	107,622	175,494
<b>Other Financing Uses - Transfers out</b>	(410,459)	(410,459)	(410,458)	1
<b>Net Change in Fund Balance</b>	(451,992)	(478,331)	(302,836)	175,495
<b>Fund Balance - Beginning of year</b>	3,170,070	3,170,070	3,170,070	-
<b>Fund Balance - End of year</b>	<u>\$ 2,718,078</u>	<u>\$ 2,691,739</u>	<u>\$ 2,867,234</u>	<u>\$ 175,495</u>



**Other Supplemental Information  
Budgetary Comparison Schedules (Continued)  
Rental Ordinance**

**Year Ended June 30, 2020**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Fines and forfeitures	\$ 745,000	\$ 745,000	\$ 1,006,095	\$ 261,095
Interest and rentals	10,000	10,000	18,560	8,560
Other revenue	-	-	964	964
Total revenue	755,000	755,000	1,025,619	270,619
<b>Expenditures</b> - Current - Community and economic development	933,498	947,383	754,148	193,235
<b>Net Change in Fund Balance</b>	(178,498)	(192,383)	271,471	463,854
<b>Fund Balance</b> - Beginning of year	1,308,543	1,308,543	1,308,543	-
<b>Fund Balance</b> - End of year	<u>\$ 1,130,045</u>	<u>\$ 1,116,160</u>	<u>\$ 1,580,014</u>	<u>\$ 463,854</u>

**Other Supplemental Information  
Budgetary Comparison Schedules (Continued)  
Vice Crime Confiscations**

**Year Ended June 30, 2020**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 52,061	\$ 32,061
Interest and rentals	2,500	2,500	3,909	1,409
Total revenue	22,500	22,500	55,970	33,470
<b>Expenditures - Current - Public safety - Crime Commission</b>	60,000	60,000	53,770	6,230
<b>Net Change in Fund Balance</b>	(37,500)	(37,500)	2,200	39,700
<b>Fund Balance - Beginning of year</b>	298,989	298,989	298,989	-
<b>Fund Balance - End of year</b>	<u>\$ 261,489</u>	<u>\$ 261,489</u>	<u>\$ 301,189</u>	<u>\$ 39,700</u>

**Other Supplemental Information  
Budgetary Comparison Schedules (Continued)  
Drug Forfeiture**

**Year Ended June 30, 2020**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 1,046,918	\$ 446,918
Interest and rentals	25,000	25,000	33,971	8,971
Total revenue	625,000	625,000	1,080,889	455,889
<b>Expenditures</b> - Current - Public safety - Crime commission	850,000	1,493,373	1,263,983	229,390
<b>Net Change in Fund Balance</b>	(225,000)	(868,373)	(183,094)	685,279
<b>Fund Balance</b> - Beginning of year	2,769,849	2,769,849	2,769,849	-
<b>Fund Balance</b> - End of year	<u>\$ 2,544,849</u>	<u>\$ 1,901,476</u>	<u>\$ 2,586,755</u>	<u>\$ 685,279</u>

Other Supplemental Information  
 Budgetary Comparison Schedules (Continued)  
 Police Training

**Year Ended June 30, 2020**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Intergovernmental	\$ 33,000	\$ 33,000	\$ 32,221	\$ (779)
Interest and rentals	100	100	164	64
Total revenue	33,100	33,100	32,385	(715)
<b>Expenditures</b> - Current - Public safety - Crime commission	37,897	37,897	33,436	4,461
<b>Net Change in Fund Balance</b>	(4,797)	(4,797)	(1,051)	3,746
<b>Fund Balance</b> - Beginning of year	15,026	15,026	15,026	-
<b>Fund Balance</b> - End of year	<u>\$ 10,229</u>	<u>\$ 10,229</u>	<u>\$ 13,975</u>	<u>\$ 3,746</u>

Other Supplemental Information  
 Budgetary Comparison Schedules (Continued)  
 Local Road Millage

**Year Ended June 30, 2020**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Property taxes	\$ 6,800,796	\$ 6,800,796	\$ 6,897,432	\$ 96,636
Intergovernmental	200,000	200,000	403,226	203,226
Interest and rentals	100,000	100,000	125,459	25,459
Total revenue	7,100,796	7,100,796	7,426,117	325,321
<b>Expenditures - Current - Public works - Streets</b>	7,435,462	15,999,081	8,323,795	7,675,286
<b>Net Change in Fund Balance</b>	(334,666)	(8,898,285)	(897,678)	8,000,607
<b>Fund Balance - Beginning of year</b>	9,295,044	9,295,044	9,295,044	-
<b>Fund Balance - End of year</b>	<u><u>\$ 8,960,378</u></u>	<u><u>\$ 396,759</u></u>	<u><u>\$ 8,397,366</u></u>	<u><u>\$ 8,000,607</u></u>

**Other Supplemental Information  
Budgetary Comparison Schedules (Continued)  
Indigent Defense**

**Year Ended June 30, 2020**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Intergovernmental	\$ -	\$ 1,373,093	\$ 269,942	\$ (1,103,151)
Interest and rentals	-	-	8,146	8,146
Total revenue	-	1,373,093	278,088	(1,095,005)
<b>Expenditures</b> - Current services - District court	-	1,495,901	421,596	1,074,305
<b>Excess of Expenditures Over Revenue</b>	-	(122,808)	(143,508)	(20,700)
<b>Other Financing Sources</b> - Transfers in	-	122,808	122,808	-
<b>Net Change in Fund Balance</b>	-	-	(20,700)	(20,700)
<b>Fund Balance</b> - Beginning of year	20,700	20,700	20,700	-
<b>Fund Balance</b> - End of year	<u>\$ 20,700</u>	<u>\$ 20,700</u>	<u>\$ -</u>	<u>\$ (20,700)</u>

Other Supplemental Information  
Budgetary Comparison Schedules (Continued)  
Debt Service Funds

Year Ended June 30, 2020

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b> - Investment income	\$ 50	\$ 50	\$ 642	\$ 592
<b>Expenditures</b>				
Debt service:				
Principal	1,379,565	1,379,565	2,074,565	(695,000)
Interest and fiscal charges	491,161	491,161	616,572	(125,411)
Total expenditures	<u>1,870,726</u>	<u>1,870,726</u>	<u>2,691,137</u>	<u>(820,411)</u>
<b>Excess of Expenditures Over Revenue</b>	(1,870,676)	(1,870,676)	(2,690,495)	(819,819)
<b>Other Financing Sources</b> - Transfers in	<u>1,870,726</u>	<u>1,870,726</u>	<u>2,691,137</u>	<u>820,411</u>
<b>Net Change in Fund Balance</b>	50	50	642	592
<b>Fund Balance</b> - Beginning of year	<u>49,484</u>	<u>49,484</u>	<u>49,484</u>	<u>-</u>
<b>Fund Balance</b> - End of year	<u><u>\$ 49,534</u></u>	<u><u>\$ 49,534</u></u>	<u><u>\$ 50,126</u></u>	<u><u>\$ 592</u></u>

Other Supplemental Information  
Budgetary Comparison Schedules (Continued)  
Capital Projects Fund

Year Ended June 30, 2020

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Special assessments	\$ -	\$ -	\$ 294,158	\$ 294,158
Intergovernmental	-	-	850,000	850,000
Fines and forfeitures	780,000	780,000	721,924	(58,076)
Interest and rentals	95,000	95,000	210,347	115,347
Total revenue	875,000	875,000	2,076,429	1,201,429
<b>Expenditures</b>				
Current services:				
General government	500,000	500,000	286,511	213,489
Public works	-	-	9,079,791	(9,079,791)
Community and economic development	2,000,000	2,000,000	1,673,719	326,281
Debt service	-	-	38,719	(38,719)
Total expenditures	2,500,000	2,500,000	11,078,740	(8,578,740)
<b>Excess of Expenditures Over Revenue</b>	(1,625,000)	(1,625,000)	(9,002,311)	(7,377,311)
<b>Other Financing Uses - Transfers out</b>	-	-	(487)	(487)
<b>Net Change in Fund Balance</b>	(1,625,000)	(1,625,000)	(9,002,798)	(7,377,798)
<b>Fund Balance - Beginning of year</b>	21,952,187	21,952,187	21,952,187	-
<b>Fund Balance - End of year</b>	<u>\$ 20,327,187</u>	<u>\$ 20,327,187</u>	<u>\$ 12,949,389</u>	<u>\$ (7,377,798)</u>



# Statistical Section

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health

The statistical section is organized into the following main categories:

## Financial trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

## Revenue capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

## Debt capacity

These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.

## Demographic and economic information

These schedules help the reader understand the environment within which the government's financial activities take place.

## Operating information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

	Fiscal Year			
	<u>2011 (1)</u>	<u>2012</u>	<u>2013 (2)</u>	<u>2014</u>
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 110,629,268	\$ 110,327,564	\$ 110,679,720	\$ 109,841,350
Restricted	33,189,358	28,243,279	41,217,523	44,730,230
Unrestricted	15,236,928	24,905,176	31,944,097	42,214,308
Total net position	<b>\$ 159,055,554</b>	<b>\$ 163,476,019</b>	<b>\$ 183,841,340</b>	<b>\$ 196,785,888</b>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 60,527,790	\$ 59,757,545	\$ 60,666,179	\$ 61,917,558
Restricted	7,656,513	9,800,089	10,511,646	11,418,448
Unrestricted	15,309,884	19,578,952	25,185,018	26,783,108
Total net position	<b>\$ 83,494,187</b>	<b>\$ 89,136,586</b>	<b>\$ 96,362,843</b>	<b>\$ 100,119,114</b>
<b>Primary government in total:</b>				
Net investment in capital assets	\$ 171,157,058	\$ 170,085,109	\$ 171,345,899	\$ 171,758,908
Restricted	40,845,871	38,043,377	51,729,169	56,148,678
Unrestricted	30,546,812	44,484,128	57,129,115	68,997,416
Total net position	<b>\$ 242,549,741</b>	<b>\$ 252,612,614</b>	<b>\$ 280,204,183</b>	<b>\$ 296,905,002</b>

- (1) Reflects prior period adjustments for compensated absences, debt reclassifications to component units, accrued interest payable, capital assets, property taxes, accruals, and fund balance reclassifications to component units.
- (2) Reflects prior period adjustments for bond issuance costs reclassified as outflow of resources, and for a reclassification between restricted net position and unrestricted net position related to community development.
- (3) Reflects retroactive implementation of GASB Statement Number 68, *Accounting and Financial Reporting for Pensions*

## Net Position by Component

Last Ten Fiscal Years

June 30, 2020

Fiscal Year					
<u>2015 (3)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 115,090,168	\$ 117,332,131	\$ 123,302,796	\$ 113,821,101	\$ 137,591,150	\$ 148,821,662
41,673,841	44,077,625	45,423,260	62,562,871	51,381,660	56,657,895
(132,087,443)	(148,581,462)	(152,409,503)	(353,060,453)	(331,784,055)	(293,964,403)
<b><u>\$ 24,676,566</u></b>	<b><u>\$ 12,828,294</u></b>	<b><u>\$ 16,316,553</u></b>	<b><u>\$ (176,676,481)</u></b>	<b><u>\$ (142,811,245)</u></b>	<b><u>\$ (88,484,846)</u></b>
\$ 66,690,180	\$ 73,329,416	\$ 74,111,047	\$ 78,416,923	\$ 88,586,233	\$ 97,426,077
11,195,095	12,215,367	9,907,889	10,604,481	11,758,477	12,864,828
1,609,583	(5,756,509)	831,598	(4,522,150)	(13,653,738)	(13,298,569)
<b><u>\$ 79,494,858</u></b>	<b><u>\$ 79,788,274</u></b>	<b><u>\$ 84,850,534</u></b>	<b><u>\$ 84,499,254</u></b>	<b><u>\$ 86,690,972</u></b>	<b><u>\$ 96,992,336</u></b>
\$ 181,780,348	\$ 190,661,547	\$ 197,413,843	\$ 192,238,024	\$ 226,177,383	\$ 246,247,739
52,868,936	56,292,992	55,331,149	73,167,352	63,140,137	69,522,723
(130,477,860)	(154,337,971)	(151,577,905)	(357,582,603)	(345,437,793)	(307,262,972)
<b><u>\$ 104,171,424</u></b>	<b><u>\$ 92,616,568</u></b>	<b><u>\$ 101,167,087</u></b>	<b><u>\$ (92,177,227)</u></b>	<b><u>\$ (56,120,273)</u></b>	<b><u>\$ 8,507,490</u></b>

# City of Warren, Michigan

	Fiscal Year		
	2011 (1)	2012	2013
<b>Expenses:</b>			
Governmental activities:			
General government	\$ 13,406,935	\$ 10,187,753	\$ 11,005,229
District Court	6,614,802	6,308,210	5,939,804
Public safety	62,662,439	56,710,270	59,683,364
Public works	25,375,511	24,550,108	24,338,956
Recreation and culture	12,855,869	12,502,460	12,111,420
Community and economic development	6,270,509	4,851,249	4,254,706
Interest on long-term debt	1,268,105	1,172,012	1,085,956
Total governmental activities expenses	<u>128,454,170</u>	<u>116,282,062</u>	<u>118,419,435</u>
Business-type activities:			
Water and Sewer System	32,775,108	33,119,786	34,191,241
Senior citizen housing	1,969,244	2,130,362	2,025,103
Total business-type activities expenses	<u>34,744,352</u>	<u>35,250,148</u>	<u>36,216,344</u>
Total primary government expenses	<b>\$ 163,198,522</b>	<b>\$ 151,532,210</b>	<b>\$ 154,635,779</b>
<b>Program revenues:</b>			
Governmental activities:			
Charges for services	\$ 14,493,843	\$ 14,646,243	\$ 14,573,858
Operating grants and contributions	16,639,068	15,689,801	15,882,698
Capital grants and contributions	953,777	837,793	700,760
Total governmental activities program revenue	<u>32,086,688</u>	<u>31,173,837</u>	<u>31,157,316</u>
Business-type activities:			
Water and Sewer System	37,288,058	38,427,954	40,839,611
Senior citizen housing	2,174,696	2,168,354	2,157,649
Total business-type activities program revenue	<u>39,462,754</u>	<u>40,596,308</u>	<u>42,997,260</u>
Total primary government program revenue	<b>\$ 71,549,442</b>	<b>\$ 71,770,145</b>	<b>\$ 74,154,576</b>
Net (expense) revenue:			
Governmental activities	\$ (96,367,482)	\$ (85,108,225)	\$ (87,262,119)
Business-type activities	4,718,402	5,346,160	6,780,916
Total primary government net expense	<b>\$ (91,649,080)</b>	<b>\$ (79,762,065)</b>	<b>\$ (80,481,203)</b>
<b>General Revenue and Other Changes in Net Position</b>			
Governmental activities:			
Property taxes	\$ 71,451,397	\$ 72,437,479	\$ 90,992,186
State-shared revenue	12,125,928	11,895,230	12,256,586
Franchise fees	1,778,029	1,841,166	1,935,470
Investment earnings	153,793	177,108	169,068
Gain (loss) on sale of capital assets	208,536	30,051	26,204
Other revenue	3,162,742	3,147,656	2,656,638
Reduction in long-term debt obligation	-	-	-
Settlement agreements	-	-	-
Transfers	-	-	(90,000)
Total governmental activities	<u>88,880,425</u>	<u>89,528,690</u>	<u>107,946,152</u>
Business-type activities:			
Investment earnings	35,221	26,887	48,181
Gain (loss) on sale of capital assets	-	90,904	140,108
Other general revenue	-	178,457	289,164
Total business-type activities	<u>35,221</u>	<u>296,248</u>	<u>477,453</u>
Total primary government	<b>\$ 88,915,646</b>	<b>\$ 89,824,938</b>	<b>\$ 108,423,605</b>
<b>Changes in Net Position</b>			
Governmental activities	\$ (7,487,057)	\$ 4,420,465	\$ 20,684,033
Business-type activities	4,753,623	5,642,408	7,258,369
Total primary government	<b>\$ (2,733,434)</b>	<b>\$ 10,062,873</b>	<b>\$ 27,942,402</b>

- (1) Reflects prior period adjustments for compensated absences, debt reclassifications to component units, accrued interest payable, capital assets, property taxes, accruals, and fund balance reclassifications to component units.
- (2) Reflects Water and Sewer Fund revenue and expenses for the 18-month period ended June 30, 2015 due to a change in the Fund's fiscal year end.

# Changes in Net Position

Last Ten Fiscal Years

June 30, 2020

		Fiscal Year						
		2014	2015 (2)	2016	2017	2018	2019	2020
\$	12,963,834	\$ 25,310,012	\$ 24,104,939	\$ 11,213,283	\$ 16,097,711	\$ 13,009,185	\$ 8,555,463	
	6,501,550	7,138,274	7,289,471	7,044,306	6,464,165	7,840,727	5,663,508	
	63,792,208	66,512,308	82,746,267	82,752,844	62,391,916	60,857,353	55,271,480	
	27,934,896	31,261,848	29,080,210	36,116,970	26,695,024	34,995,669	35,020,927	
	11,815,426	11,749,078	11,812,918	13,945,510	11,398,091	9,492,031	5,211,844	
	4,331,962	3,750,923	4,292,710	3,588,945	3,966,082	7,438,567	6,513,838	
	937,659	645,177	472,567	386,248	359,449	541,808	675,970	
	<u>128,277,535</u>	<u>146,367,620</u>	<u>159,799,082</u>	<u>155,048,106</u>	<u>127,372,438</u>	<u>134,175,340</u>	<u>116,913,030</u>	
	34,986,469	58,331,386	40,773,173	39,590,168	31,872,979	52,185,596	41,501,782	
	<u>2,121,185</u>	<u>2,083,881</u>	<u>2,094,997</u>	<u>2,069,939</u>	<u>1,797,443</u>	<u>2,126,731</u>	<u>1,944,925</u>	
	<u>37,107,654</u>	<u>60,415,267</u>	<u>42,868,170</u>	<u>41,660,107</u>	<u>33,670,422</u>	<u>54,312,327</u>	<u>43,446,707</u>	
\$	<b><u>165,385,189</u></b>	<b><u>206,782,887</u></b>	<b><u>202,667,252</u></b>	<b><u>196,708,213</u></b>	<b><u>161,042,860</u></b>	<b><u>188,487,667</u></b>	<b><u>160,359,737</u></b>	
\$	16,511,721	\$ 16,317,219	\$ 23,645,696	\$ 22,409,974	\$ 21,808,137	\$ 23,004,408	\$ 20,085,980	
	16,769,695	17,431,409	17,390,917	15,536,736	19,154,256	20,534,246	20,086,577	
	<u>821,463</u>	<u>504,251</u>	<u>844,295</u>	<u>2,190,092</u>	<u>326,759</u>	<u>193,543</u>	<u>9,286,649</u>	
	<u>34,102,879</u>	<u>34,252,879</u>	<u>41,880,908</u>	<u>40,136,802</u>	<u>41,289,152</u>	<u>43,732,197</u>	<u>49,459,206</u>	
	38,541,038	55,669,322	40,682,519	44,240,520	47,890,812	52,340,914	50,383,639	
	<u>2,219,578</u>	<u>2,359,466</u>	<u>2,371,020</u>	<u>2,380,731</u>	<u>2,379,554</u>	<u>2,482,676</u>	<u>2,455,909</u>	
	<u>40,760,616</u>	<u>58,028,788</u>	<u>43,053,539</u>	<u>46,621,251</u>	<u>50,270,366</u>	<u>54,823,590</u>	<u>52,839,548</u>	
\$	<b><u>74,863,495</u></b>	<b><u>92,281,667</u></b>	<b><u>84,934,447</u></b>	<b><u>86,758,053</u></b>	<b><u>91,559,518</u></b>	<b><u>98,555,787</u></b>	<b><u>102,298,754</u></b>	
\$	(94,174,656)	\$ (112,114,741)	\$ (117,918,174)	\$ (114,911,304)	\$ (86,083,286)	\$ (90,443,143)	\$ (67,453,824)	
	<u>3,652,962</u>	<u>(2,386,479)</u>	<u>185,369</u>	<u>4,961,144</u>	<u>16,599,944</u>	<u>511,263</u>	<u>9,392,841</u>	
\$	<b><u>(90,521,694)</u></b>	<b><u>(114,501,220)</u></b>	<b><u>(117,732,805)</u></b>	<b><u>(109,950,160)</u></b>	<b><u>(69,483,342)</u></b>	<b><u>(89,931,880)</u></b>	<b><u>(58,060,983)</u></b>	
\$	89,157,917	\$ 89,085,885	\$ 90,658,051	\$ 87,521,449	\$ 88,206,104	\$ 90,212,955	\$ 93,420,380	
	12,604,122	15,470,027	12,830,042	28,184,436	18,394,692	26,158,925	22,967,832	
	2,009,117	2,209,191	2,263,382	2,266,273	2,175,819	2,095,219	2,015,541	
	151,370	214,871	318,427	427,405	870,709	2,371,630	1,816,753	
	19,489	-	-	-	-	-	-	
	3,177,189	8,240,399	-	-	37,982	3,469,650	1,559,717	
	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	
	<u>107,119,204</u>	<u>115,220,373</u>	<u>106,069,902</u>	<u>118,399,563</u>	<u>109,685,306</u>	<u>124,308,379</u>	<u>121,780,223</u>	
	65,970	187,828	108,047	101,116	636,200	1,760,106	908,523	
	37,339	14,466	-	-	-	(79,651)	-	
	-	-	-	-	-	-	-	
	<u>103,309</u>	<u>202,294</u>	<u>108,047</u>	<u>101,116</u>	<u>636,200</u>	<u>1,680,455</u>	<u>908,523</u>	
\$	<b><u>107,222,513</u></b>	<b><u>115,422,667</u></b>	<b><u>106,177,949</u></b>	<b><u>118,500,679</u></b>	<b><u>110,321,506</u></b>	<b><u>125,988,834</u></b>	<b><u>122,688,746</u></b>	
\$	12,944,548	\$ 3,105,632	\$ (11,848,272)	\$ 3,488,259	\$ 23,602,020	\$ 33,865,236	\$ 54,326,399	
	<u>3,756,271</u>	<u>(2,184,185)</u>	<u>293,416</u>	<u>5,062,260</u>	<u>17,236,144</u>	<u>2,191,718</u>	<u>10,301,364</u>	
\$	<b><u>16,700,819</u></b>	<b><u>921,447</u></b>	<b><u>(11,554,856)</u></b>	<b><u>8,550,519</u></b>	<b><u>40,838,164</u></b>	<b><u>36,056,954</u></b>	<b><u>64,627,763</u></b>	

## City of Warren, Michigan

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	Fiscal Year			
	<u>2011 (a)(1)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund:				
Nonspendable	192,969	308,659	368,087	184,408
Restricted	78,199	78,199	78,199	78,199
Assigned	22,283,612	18,810,884	20,165,441	24,044,726
Unassigned	14,850,205	13,103,677	24,348,477	32,659,940
Total General Fund	<b><u>\$ 37,404,985</u></b>	<b><u>\$ 32,301,419</u></b>	<b><u>\$ 44,960,204</u></b>	<b><u>\$ 56,967,273</u></b>
All other governmental funds:				
Nonspendable	28,278	24,182	54,358	53,178
Restricted	22,241,525	26,570,626	32,306,941	35,495,128
Committed	807,521	970,471	1,038,648	1,053,463
Assigned	5,518,448	5,971,715	6,157,192	6,223,114
Unassigned	-	(38,029)	-	-
Total all other governmental funds	<b><u>\$ 28,595,772</u></b>	<b><u>\$ 33,498,965</u></b>	<b><u>\$ 39,557,139</u></b>	<b><u>\$ 42,824,883</u></b>
Total of all governmental funds				

(a) In fiscal 2011, the City adopted GASB No. 54, which changed fund balance classifications.

(1) Reflects prior period adjustments for compensated absences, debt reclassifications to component units, accrued interest payable, capital assets, property taxes, accruals, and fund balance reclassifications to component units.

# Fund Balances, Governmental Funds

**Last Ten Fiscal Years**

**June 30, 2020**

Fiscal Year					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
363,734	579,045	488,137	1,018,208	978,208	\$ 570,605
-	-	-	-	-	\$ -
44,489,417	45,342,612	54,304,851	30,694,045	40,972,321	\$ 46,852,322
19,010,250	17,896,751	16,620,736	17,504,161	17,408,258	\$ 18,146,893
<b><u>\$ 63,863,401</u></b>	<b><u>\$ 63,818,408</u></b>	<b><u>\$ 71,413,724</u></b>	<b><u>\$ 49,216,414</u></b>	<b><u>\$ 59,358,787</u></b>	<b><u>\$ 65,569,820</u></b>
36,258	38,165	29,679	51,057	55,249	47,971
32,997,440	35,138,179	35,541,188	53,037,480	51,084,443	48,150,409
1,285,591	1,243,997	1,272,625	1,326,799	1,444,972	1,670,057
6,453,982	7,072,981	7,458,170	8,054,317	8,849,088	9,401,273
-	-	-	-	-	-
<b><u>\$ 40,773,271</u></b>	<b><u>\$ 43,493,322</u></b>	<b><u>\$ 44,301,662</u></b>	<b><u>\$ 62,469,653</u></b>	<b><u>\$ 61,433,752</u></b>	<b><u>\$ 59,269,710</u></b>

## City of Warren, Michigan

	Fiscal Year			
	2011 (1)	2012	2013	2014
<b>Revenue</b>				
Property taxes	\$ 71,241,497	\$ 71,507,381	\$ 90,938,534	\$ 89,360,407
Special assessments	953,569	844,775	706,457	642,545
Licenses and permits	1,765,856	2,368,083	2,691,555	2,700,351
Intergovernmental:				
Federal revenue	6,629,367	5,761,605	5,372,783	5,986,783
State-shared revenue and grants	22,627,501	22,507,426	23,016,885	24,793,129
Charges for services	6,571,928	6,127,204	5,474,068	6,046,079
Fines and fees	6,014,963	5,715,141	6,066,412	7,229,026
Interest	154,001	170,130	163,641	131,813
Other	4,269,622	4,214,605	3,983,816	4,461,539
Total revenue	<u>120,228,304</u>	<u>119,216,350</u>	<u>138,414,151</u>	<u>141,351,672</u>
<b>Expenditures</b>				
General government	12,354,513	11,855,175	10,300,278	11,858,091
District court	6,614,802	6,308,210	6,104,152	6,756,822
Public safety	62,123,437	57,004,462	59,701,143	59,763,179
Public works	23,242,704	23,689,400	26,170,932	28,397,991
Recreation and culture	11,122,496	11,227,817	10,539,284	10,757,141
Community and economic development	6,195,074	4,709,232	4,191,743	4,334,700
Debt service:				
Principal	3,165,918	3,302,755	3,217,783	3,346,848
Interest	1,309,041	1,201,091	1,106,733	975,952
Total expenditures	<u>126,127,985</u>	<u>119,298,142</u>	<u>121,332,048</u>	<u>126,190,724</u>
<b>Excess of Revenue Over Expenditures</b>	(5,899,681)	(81,792)	17,082,103	15,160,948
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,095,093	3,992,886	3,839,724	3,833,755
Transfers to fiduciary funds	-	-	-	-
Transfers to Water and Sewer System	(3,935,417)	(3,992,886)	(3,929,724)	(3,833,755)
Proceeds from sale of property	247,852	2,859	-	763
Proceeds from issuance of debt	-	-	1,724,856	13,790,528
Payment to refunded bond escrow agent	-	-	-	(13,677,426)
Bond premium (discounts)	-	-	-	-
Settlement agreement	-	-	-	-
Total other financing sources (uses)	<u>407,528</u>	<u>2,859</u>	<u>1,634,856</u>	<u>113,865</u>
<b>Net change in fund balances</b>	(5,492,153)	(78,933)	18,716,959	15,274,813
<b>Debt service as a percentage of noncapital expenditures (1)</b>	3.55%	3.78%	3.56%	3.63%

(1) Reflects prior period adjustments for compensated absences, debt reclassifications to component units, accrued interest payable, capital assets, property taxes, accruals, and fund balance reclassifications to component units.



## Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

June 30, 2020

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 89,168,842	\$ 90,615,975	\$ 87,521,449	\$ 88,206,104	\$ 90,212,955	\$ 93,420,380	
542,016	268,564	320,742	337,461	\$ 216,085	\$ 294,158	
3,253,426	4,265,251	4,018,513	3,841,077	\$ 7,054,475	\$ 6,184,488	
5,611,462	3,681,679	3,913,933	3,577,958	\$ 3,210,255	\$ 3,591,773	
26,163,042	27,103,065	41,747,464	34,921,047	\$ 45,333,707	\$ 40,815,671	
5,652,636	6,213,357	6,503,468	6,807,317	\$ 6,794,015	\$ 6,148,689	
6,909,278	7,326,390	6,392,742	6,706,617	\$ 7,016,632	\$ 5,726,850	
177,106	269,262	402,702	860,007	\$ 2,452,406	\$ 1,914,947	
9,750,547	6,927,801	6,392,356	5,564,304	\$ 6,008,780	\$ 4,180,883	
<u>147,228,355</u>	<u>146,671,344</u>	<u>157,213,369</u>	<u>150,821,892</u>	<u>168,299,310</u>	<u>162,277,839</u>	
16,275,040	16,524,940	16,785,509	24,627,533	14,048,925	\$ 11,724,444	
7,128,439	7,423,740	7,514,872	7,802,982	7,522,817	\$ 7,457,866	
64,014,960	68,062,083	69,691,662	84,110,962	71,718,485	\$ 72,677,218	
36,843,249	33,294,649	35,771,364	33,345,393	51,698,511	\$ 47,252,283	
11,439,118	11,136,185	12,841,100	11,500,198	11,877,714	\$ 10,921,674	
3,711,712	4,342,649	3,522,057	4,019,759	7,458,288	\$ 5,467,507	
3,523,678	2,683,113	2,287,475	2,345,582	2,061,021	\$ 2,109,755	
663,414	528,927	395,674	335,522	677,966	\$ 620,101	
<u>143,599,610</u>	<u>143,996,286</u>	<u>148,809,713</u>	<u>168,087,931</u>	<u>167,063,727</u>	<u>158,230,848</u>	
3,628,745	2,675,058	8,403,656	(17,266,039)	1,235,583	4,046,991	
4,116,088	3,067,228	4,387,854	-	-	-	
-	-	-	-	-	-	
(4,116,088)	(3,067,228)	(4,387,854)	-	-	-	
-	-	-	-	-	-	
3,589,572	-	-	13,236,720	7,870,889	-	
(2,385,000)	-	-	-	-	-	
11,199	-	-	-	-	-	
-	-	-	-	-	-	
<u>1,215,771</u>	<u>-</u>	<u>-</u>	<u>13,236,720</u>	<u>7,870,889</u>	<u>-</u>	
4,844,516	2,675,058	8,403,656	(4,029,319)	9,106,472	4,046,991	
3.02%	2.55%	1.97%	1.71%	2.03%	2.16%	

## City of Warren, Michigan

		Real Property					
		Commercial		Industrial		Residential	
Valuation Date	Fiscal Year	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value
Dec. 31	Ended	Value	Value	Value	Value	Value	Value
2009	2011	629,218,480	564,081,510	677,613,220	644,345,220	2,253,489,647	2,241,692,067
2010	2012	591,055,730	553,254,790	523,359,600	509,330,590	2,006,909,739	2,004,558,959
2011	2013	510,962,520	486,206,920	479,895,320	467,227,030	1,761,111,820	1,759,274,870
2012	2014	482,333,454	458,808,554	453,959,170	448,374,390	1,686,089,234	1,683,397,269
2013	2015	516,746,530	462,659,000	448,512,670	441,815,910	1,765,565,520	1,685,392,040
2014	2016	552,421,890	477,195,010	557,876,810	536,764,340	2,000,550,680	1,731,216,405
2015	2017	574,574,110	479,762,650	578,180,810	541,688,250	2,222,026,347	1,764,665,377
2016	2018	605,853,780	499,783,830	602,680,980	550,371,070	2,377,073,450	1,818,118,720
2017	2019	635,317,540	533,676,070	640,338,020	576,625,900	2,473,597,023	1,892,319,973
2018	2020	663,434,110	540,896,560	662,623,930	596,729,950	2,713,853,089	1,987,886,187

The State Equalized Value (SEV) is the Actual Value multiplied by the Equalization Factor, currently equal to 50 percent.

The amounts reported are provided annually by the City Assessor's Office and do not reflect any tax exempt properties. Assessments are valued as of December 31 of each year. The respective taxes were levied on July 1 of the following year for the fiscal year indicated. During the fiscal year, the SEV and taxable values may be amended through judgments of the State Tax Commission (STC), Michigan Tax Tribunal (MTT), or Board of Review (BOR).

On March 15, 1994, Michigan voters passed Proposal A, which places a limit on the value used to compute property taxes. Effective with the July 1, 1995 levy, property taxes are calculated using a Taxable Value. The Taxable Value is the lower of the State Equalized Value or the Capped Value. The State Equalized Value is the Assessed Value (representing 50 percent of the true cash value) multiplied by the Equalization Factor (currently equal to 1.000). The Capped Value is calculated by using the prior year's Taxable Value minus losses times the lower of 1.05 or the prior year's Consumers Price Index for the 12 months ended September 30 plus any additions.

(1) I.F.T. = Industrial Facilities Tax, O.P.R.A. = Obsolete Property Rehabilitation Act

# State Equalized and Taxable Value of Taxable Property

**Last Ten Fiscal Years**

**June 30, 2020**

Personal Property		I.F.T. & O.P.R.A. Tax Rolls (1)		Totals		
State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	Total Direct Tax Rate
621,120,055	621,000,359	380,244,220	380,029,570	4,561,685,622	4,451,148,726	17.7924
633,336,034	633,247,484	326,385,394	326,385,394	4,081,046,497	4,026,777,217	19.8924
609,201,237	609,080,048	269,676,383	269,429,613	3,630,847,280	3,591,218,481	27.8656
634,554,529	634,434,070	280,996,661	280,996,661	3,537,933,048	3,506,010,944	27.8656
678,749,788	678,172,094	279,897,629	278,817,689	3,689,472,137	3,546,856,733	27.8656
709,290,551	709,171,093	186,835,509	185,265,499	4,006,975,440	3,639,612,347	27.7637
405,829,168	405,147,626	146,087,053	144,171,073	3,926,697,488	3,335,434,976	27.7703
362,220,969	362,101,897	117,775,742	117,178,112	4,065,604,921	3,347,553,629	27.7659
346,038,987	345,920,597	121,223,562	119,672,957	4,216,515,132	3,468,215,497	27.6539
357,859,651	357,859,651	132,348,329	130,998,924	4,530,119,109	3,614,371,272	27.5658

# City of Warren, Michigan

## City-wide Direct Tax Rate

Fiscal Year Ended	General (1)	Emergency	Police	Police	Police	Fire	Local	Police & Fire		
	Operating	Library	Medical	Parks & Recreation	& Fire Pensions	Sanitation	Protection	Protection	Road	Operating
2011	8.7724	1.3373	0.2923	0.9746	2.8248	1.6418	0.9746	0.9746	-	-
2012	8.7724	1.3373	0.2923	0.9746	2.8248	1.6418	0.9746	0.9746	2.1000	-
2013	8.7724	1.3373	0.2923	0.9746	4.9848	2.5550	0.9746	0.9746	2.1000	4.9000
2014	8.7724	1.3373	0.2923	0.9746	4.9848	2.5550	0.9746	0.9746	2.1000	4.9000
2015	8.7724	1.3373	0.2923	0.9746	4.9848	2.5550	0.9746	0.9746	2.1000	4.9000
2016	8.7302	1.3308	0.2908	0.9699	4.9848	2.5550	0.9699	0.9699	2.0899	4.8764
2017	8.7285	1.3305	0.2908	0.9697	4.9848	2.5550	0.9697	0.9697	2.0961	4.8755
2018	8.7101	1.3276	0.2901	0.9676	4.9848	2.5550	0.9676	0.9676	2.0955	4.9000
2019	8.6709	1.3216	0.2887	0.9632	4.9848	2.5550	0.9632	0.9632	2.0860	4.8573
2020	8.6249	1.3145	0.2871	0.9580	4.9848	2.5550	0.9624	0.9624	2.0749	4.8418

(1) The City's general operating tax rate charter limit equals 9.0000 mills.

## School District Overlapping Tax Rate

	Fitzgerald		Van Dyke		East Detroit	
	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead
School District Rate	14.1000	32.1000	14.9906	32.9906	12.0000	30.0000
Combined City & County Rate	25.7704	27.6747	27.6747	27.6747	27.6747	27.6747
<b>2011 Total Direct &amp; Overlapping Rate</b>	<b>39.8704</b>	<b>59.7747</b>	<b>42.6653</b>	<b>60.6653</b>	<b>39.6747</b>	<b>57.6747</b>
School District Rate	14.1000	32.1000	16.6080	34.6080	16.6080	34.6080
Combined City & County Rate	26.3167	26.3167	26.3167	26.3167	26.3167	26.3167
<b>2012 Total Direct &amp; Overlapping Rate</b>	<b>40.4167</b>	<b>58.4167</b>	<b>42.9247</b>	<b>60.9247</b>	<b>42.9247</b>	<b>60.9247</b>
School District Rate	15.6000	33.6000	13.0000	31.0000	13.0000	31.0000
Combined City & County Rate	38.0979	38.0979	38.0979	38.0979	38.0979	38.0979
<b>2013 Total Direct &amp; Overlapping Rate</b>	<b>53.6979</b>	<b>71.6979</b>	<b>51.0979</b>	<b>69.0979</b>	<b>51.0979</b>	<b>69.0979</b>
School District Rate	16.4600	34.4600	13.0000	31.0000	13.0000	31.0000
Combined City & County Rate	38.0579	38.0579	38.0579	38.0579	38.0579	38.0579
<b>2014 Total Direct &amp; Overlapping Rate</b>	<b>54.5179</b>	<b>72.5179</b>	<b>51.0579</b>	<b>69.0579</b>	<b>51.0579</b>	<b>69.0579</b>
School District Rate	16.5700	34.5700	15.2300	33.2300	13.0000	31.0000
Combined City & County Rate	38.4629	38.4629	38.4629	38.4629	38.4629	38.4629
<b>2015 Total Direct &amp; Overlapping Rate</b>	<b>55.0329</b>	<b>73.0329</b>	<b>53.6929</b>	<b>71.6929</b>	<b>51.4629</b>	<b>69.4629</b>
School District Rate	16.4553	34.4525	17.8000	35.8000	13.0000	31.0000
Combined City & County Rate	38.3689	38.3689	38.3689	38.3689	38.3689	38.3689
<b>2016 Total Direct &amp; Overlapping Rate</b>	<b>54.8242</b>	<b>72.8214</b>	<b>56.1689</b>	<b>74.1689</b>	<b>51.3689</b>	<b>69.3689</b>
School District Rate	14.2604	32.2010	16.7500	34.7500	13.0000	30.8992
Combined City & County Rate	38.2395	38.2395	38.2395	38.2395	38.2395	38.2395
<b>2017 Total Direct &amp; Overlapping Rate</b>	<b>52.4999</b>	<b>70.4405</b>	<b>54.9895</b>	<b>72.9895</b>	<b>51.2395</b>	<b>69.1387</b>
School District Rate	15.0604	33.0010	16.7500	34.7500	13.0000	30.6946
Combined City & County Rate	38.1824	38.1824	38.1824	38.1824	38.1824	38.1824
<b>2018 Total Direct &amp; Overlapping Rate</b>	<b>53.2428</b>	<b>71.1834</b>	<b>54.9324</b>	<b>72.9324</b>	<b>51.1824</b>	<b>68.8770</b>
School District Rate	14.5204	32.3352	16.7500	34.5359	13.0000	30.7648
Combined City & County Rate	38.0854	38.0854	38.0854	38.0854	38.0854	38.0854
<b>2019 Total Direct &amp; Overlapping Rate</b>	<b>52.6058</b>	<b>70.4206</b>	<b>54.8354</b>	<b>72.6213</b>	<b>51.0854</b>	<b>68.8502</b>
School District Rate	17.4190	35.2090	17.7478	35.7478	13.0000	30.5871
Combined City & County Rate	37.9169	37.9169	37.9169	37.9169	37.9169	37.9169
<b>2020 Total Direct &amp; Overlapping Rate</b>	<b>55.3359</b>	<b>73.1259</b>	<b>55.6647</b>	<b>73.6647</b>	<b>50.9169</b>	<b>68.5040</b>

# Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years  
June 30, 2020

Total City-wide Direct Tax Rate	County-wide Overlapping Tax Rate							Total County-wide Overlapping Tax Rate
	Art Ins Institute	Macomb I.S.D.	Macomb Community College	H.C.M.A. Authority, & Veterans	S.M.A.R.T.	Macomb County		
						Operating	Drain Debt	
<b>17.7924</b>	-	2.9430	1.4212	0.3546	0.5900	4.5685	0.0050	<b>9.8823</b>
<b>19.8924</b>	-	2.9430	1.5712	0.3546	0.5900	4.5685	0.0050	<b>10.0323</b>
<b>27.8656</b>	0.2000	2.9430	1.5712	0.3546	0.5900	4.5685	0.0050	<b>10.2323</b>
<b>27.8656</b>	0.2000	2.9430	1.5312	0.3546	0.5900	4.5685	0.0050	<b>10.1923</b>
<b>27.8656</b>	0.2000	2.9430	1.5262	0.3546	1.0000	4.5685	0.0050	<b>10.5973</b>
<b>27.7676</b>	0.2000	2.9430	1.5302	0.3546	1.0000	4.5685	0.0050	<b>10.6013</b>
<b>27.7703</b>	0.1994	2.9355	1.4212	0.3541	0.9974	4.5566	0.0050	<b>10.4692</b>
<b>27.7659</b>	0.1979	2.9146	1.4034	0.3811	0.9903	4.5242	0.0050	<b>10.4165</b>
<b>27.6539</b>	0.1965	2.8945	1.4640	0.3790	1.0000	4.4925	0.0050	<b>10.4315</b>
<b>27.5658</b>	0.1950	2.8744	1.4531	0.3768	0.9926	4.4592	-	<b>10.3511</b>

	School District Overlapping Tax Rate					
	Center Line		Warren Woods		Warren Consolidated	
	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead
School District Rate	20.4645	25.8000	12.4600	30.4600	16.2590	27.4364
Combined City & County Rate	27.6747	27.6747	27.6747	27.6747	27.6747	27.6747
<b>2011 Total Direct &amp; Overlapping Rate</b>	<b>48.1392</b>	<b>53.4747</b>	<b>40.1347</b>	<b>58.1347</b>	<b>43.9337</b>	<b>55.1111</b>
School District Rate	24.3838	29.5080	16.5080	34.5080	20.4501	31.0444
Combined City & County Rate	26.3167	26.3167	26.3167	26.3167	26.3167	26.3167
<b>2012 Total Direct &amp; Overlapping Rate</b>	<b>50.7005</b>	<b>55.8247</b>	<b>42.8247</b>	<b>60.8247</b>	<b>46.7668</b>	<b>57.3611</b>
School District Rate	25.3354	26.8000	13.6000	31.6000	17.3624	27.8600
Combined City & County Rate	38.0979	38.0979	38.0979	38.0979	38.0979	38.0979
<b>2013 Total Direct &amp; Overlapping Rate</b>	<b>63.4333</b>	<b>64.8979</b>	<b>51.6979</b>	<b>69.6979</b>	<b>55.4603</b>	<b>65.9579</b>
School District Rate	25.5854	27.0500	13.9600	31.9600	17.3829	27.9200
Combined City & County Rate	38.0579	38.0579	38.0579	38.0579	38.0579	38.0579
<b>2014 Total Direct &amp; Overlapping Rate</b>	<b>63.6433</b>	<b>65.1079</b>	<b>52.0179</b>	<b>70.0179</b>	<b>55.4408</b>	<b>65.9779</b>
School District Rate	25.5854	27.0500	13.3200	31.3200	16.7603	27.6000
Combined City & County Rate	38.4629	38.4629	38.4629	38.4629	38.4629	38.4629
<b>2015 Total Direct &amp; Overlapping Rate</b>	<b>64.0483</b>	<b>65.5129</b>	<b>51.7829</b>	<b>69.7829</b>	<b>55.2232</b>	<b>66.0629</b>
School District Rate	24.8500	26.7500	13.0200	31.0200	16.6966	27.9200
Combined City & County Rate	38.3689	38.3689	38.3689	38.3689	38.3689	38.3689
<b>2016 Total Direct &amp; Overlapping Rate</b>	<b>63.2189</b>	<b>65.1189</b>	<b>51.3889</b>	<b>69.3889</b>	<b>55.0655</b>	<b>66.2889</b>
School District Rate	25.0354	26.4856	12.6400	30.5104	17.6614	28.6882
Combined City & County Rate	38.2395	38.2395	38.2395	38.2395	38.2395	38.2395
<b>2017 Total Direct &amp; Overlapping Rate</b>	<b>63.2749</b>	<b>64.7251</b>	<b>50.8795</b>	<b>68.7499</b>	<b>55.9009</b>	<b>66.9277</b>
School District Rate	25.0354	26.2894	12.6400	30.4246	17.2891	28.5287
Combined City & County Rate	38.1824	38.1824	38.1824	38.1824	38.1824	38.1824
<b>2018 Total Direct &amp; Overlapping Rate</b>	<b>63.2178</b>	<b>64.4718</b>	<b>50.8224</b>	<b>68.6070</b>	<b>55.4715</b>	<b>66.7111</b>
School District Rate	29.6114	30.9652	14.5400	32.1627	16.9478	28.7800
Combined City & County Rate	38.0854	38.0854	38.0854	38.0854	38.0854	38.0854
<b>2019 Total Direct &amp; Overlapping Rate</b>	<b>67.6968</b>	<b>69.0506</b>	<b>52.6254</b>	<b>70.2481</b>	<b>55.0332</b>	<b>66.8654</b>
School District Rate	29.6115	30.8846	14.5400	32.0428	16.5731	28.7263
Combined City & County Rate	37.9169	37.9169	37.9169	37.9169	37.9169	37.9169
<b>2020 Total Direct &amp; Overlapping Rate</b>	<b>67.5284</b>	<b>68.8015</b>	<b>52.4569</b>	<b>69.9597</b>	<b>54.4900</b>	<b>66.6432</b>

Principal Property Taxpayers

Current and Ten Years Ago  
June 30, 2020

	Fiscal Year Ended June 30, 2020			Fiscal Year Ended June 30, 2010		
	Taxable Value (including I.F.T. and O.P.R.A)	Rank	Percent of Total Taxable Value	Taxable Value (including I.F.T.)	Rank	Percent of Total Taxable Value
General Motors	\$ 338,415,491	1	9.36%	\$ 632,798,696	1	12.39%
DTE Electric Co	51,238,352	2	1.42%	39,097,934	3	0.77%
Chrysler - FCA US LLC	39,810,449	3	1.10%	310,164,038	2	6.07%
International Transmission Co	31,848,232	4	0.88%	27,535,996	5	0.54%
Consumers Energy	28,993,002	5	0.80%	10,060,077	10	0.20%
Lex Warren LP	18,788,030	6	0.52%			
LCN AVF Warren LLC	18,169,050	7	0.50%			
Noble 12B LLC	13,179,470	8	0.36%			
Hoover Eleven Holding LLC	8,561,880	9	0.24%			
VJL Real Estate LLC / Lipari Foods	7,414,150	10	0.21%	11,039,765	8	0.22%
Art Van Furniture				27,268,722	4	0.53%
Iroquois Industries				15,894,314	6	0.31%
Wico Metal Products				14,744,381	7	0.29%
Meijer, Inc				10,526,870	9	0.21%
Ten largest taxpayers	556,418,106		15.39%	1,099,130,793		21.51%
Other taxpayers	3,057,953,166		84.61%	4,010,239,956		78.49%
Total taxable value	<b>\$ 3,614,371,272</b>		<b>100.00%</b>	<b>\$ 5,109,370,749</b>		<b>100.00%</b>

Source: Audited Financial Statements of the city of Warren and/or City Records

## City of Warren, Michigan

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Tax Year	Fiscal Year	Total Tax Levy	Returned Delinquent		Collected by March 1	Percent Collected by March 1	Delq. Real Property Taxes Reimbursed by Macomb County
			Real Property	Personal Property			
2010	2011	74,503,574	(4,172,945)	(436,652)	69,893,977	93.81%	4,172,945
2011	2012	75,164,889	(4,112,215)	(456,910)	70,595,764	93.92%	4,112,215
2012	2013	95,336,444	(4,949,315)	(669,839)	89,717,290	94.11%	4,949,315
2013	2014	92,809,755	(4,168,155)	(517,993)	88,123,607	94.95%	4,168,155
2014	2015	94,956,495	(3,949,595)	(409,461)	90,597,439	95.41%	3,949,595
2015	2016	97,106,184	(3,605,871)	(430,759)	93,069,554	95.84%	3,605,871
2016	2017	90,105,364	(3,524,101)	(430,770)	86,150,493	95.61%	3,524,101
2017	2018	91,129,798	(3,313,648)	(407,947)	87,408,203	95.92%	3,313,648
2018	2019	93,847,013	(3,605,101)	(436,058)	89,805,854	95.69%	3,605,101
2019	2020	97,381,742	(3,616,041)	(511,401)	93,254,300	95.76%	3,616,041

Note: The schedule above does not include any levies or delinquencies relative to the 1.0% administrative fee assessed on county and school taxes collected by the City.

## Property Tax Levies and Collections

**Last Ten Fiscal Years**

**June 30, 2020**

Personal Property Taxes Collected March 1 - June 30	Collected Within Fiscal Year of Levy	Percent Collected in Fiscal Year	Subsequent to Tax Year		Receivable as of June 30, 2020	Total Collections To Date	Percentage of Adjusted Tax Levy Collected To Date
			STC, MTT, and BOR Adjustments	Personal Property Tax Write-off			
37,409	74,104,331	99.46%	(5,721)	(29)	63,121	74,434,703	99.92%
14,508	74,722,486	99.41%	(22,033)	-	89,642	75,053,214	99.88%
20,823	74,728,803	78.38%	(27,308)	-	104,804	95,204,331	99.89%
24,508	94,691,113	102.03%	(1,514)	-	154,866	92,653,375	99.83%
-	94,547,034	99.57%	28,590	-	121,869	94,863,216	99.87%
-	96,675,425	99.56%	79,970	-	114,489	97,071,665	99.88%
-	89,674,594	99.52%	348,700	-	121,851	90,332,213	99.87%
-	90,721,851	99.55%	(68,228)	-	156,654	90,904,916	99.83%
-	93,410,955	99.54%	(109,122)	-	205,417	93,532,475	99.78%
-	96,870,341	99.47%	-	-	517,504	96,864,238	99.47%



Governmental Activities - General Bonded Debt

	Installment Purchase Agreements	Land Contract	Michigan Strategic Fund Loan	Capital Improvement Bonds	Building Authority Bonds	Bonds	Bonds
2011	-	156,304	-	-	12,695,000	-	-
2012	1,576,024	53,649	-	-	11,655,000	-	-
2013	1,325,870	-	-	-	10,565,000	-	-
2014	2,242,808	-	-	8,920,000	605,000	-	-
2015	1,743,291	-	-	8,321,373	-	-	-
2016	1,250,280	-	-	7,696,693	-	-	-
2017	748,683	-	-	7,057,013	-	-	-
2018	238,345	-	-	6,377,333	-	-	-
2019	7,870,889	-	-	5,692,653	-	-	-
2020	6,814,207	-	-	4,997,973	-	-	-

	Other Governmental Activities Debt			Total Net Governmental Activities Debt	Business-type Activities		
	Michigan Transportation Bonds	Special Assessment Bonds	Available in Debt Service Funds		Installment Purchase Agreements	Senior Citizen Housing	Water and Sewer System
2011	14,609,763	2,185,867	(890,625)	28,756,309	-	5,310,000	-
2012	12,890,975	1,641,900	(659,500)	27,158,048	-	4,700,000	-
2013	11,607,186	1,097,933	(435,375)	24,160,614	8,021,303	3,975,000	-
2014	10,261,561	553,966	(218,713)	22,364,622	7,449,787	3,550,000	-
2015	8,761,647	315,193	(13)	19,141,492	7,219,997	3,095,000	-
2016	7,232,687	280,864	-	16,460,524	6,760,330	2,587,300	-
2017	6,126,553	245,834	-	14,178,083	6,371,223	2,081,244	-
2018	18,247,334	210,166	-	25,073,178	5,918,686	1,710,188	-
2019	16,898,205	175,082	-	30,636,829	5,431,011	1,329,131	-
2020	15,510,338	139,999	-	27,462,517	4,906,398	943,075	-

Comments:

The ratios presented are required by Governmental Accounting Standards Board (GASB) Statement No. 44. While the ratios are an indication of the burden of debt on the City of Warren's citizenry and business community as a whole, in many cases the repayment of the debt will be financed by select taxpayers, users or other sources of revenue. In other cases, the debt burden is shared by not only the citizenry but also by the business community, further distorting per capita ratios. The narrative that follows focuses on debt to be repaid by sources other than property taxes levied on the citywide tax base. Excluding these items from the tables presented above would dramatically affect the ratios presented.

- (a) Debt service requirements for the Tax Increment Finance Authority Bonds and Downtown Development Authority Bonds are derived from the capture of incremental tax revenues on properties within the respective authority's defined geographic boundaries.
- (b) Debt service requirements for the Michigan Transportation Bonds are derived from the receipt of state shared gas and weight taxes.
- (c) Debt service requirements for the Special Assessment Bonds are derived from the receipt of installment payments from taxpayers whose property directly benefited from either the City's sidewalk replacement or tree removal program.
- (d) Debt service requirements for the Building Authority Senior Housing Bonds are derived from the receipt of rental payments from residents of the Joseph Coach Manor senior housing complex.
- (e) Debt service requirements for the Water and Sewer Bonds are received from residential as well as commercial and industrial users of the system.

Sources:

- (1) Southeast Michigan Council of Governments - Estimated Population - FY 2009 - 2018
- (2) 2000 and 2010 U.S. Census Bureau

# Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

June 30, 2020

## Governmental Activities - General Bonded Debt

County Drain Bonds	Amounts Available in Debt Service Funds	Total Net General Bonded Debt	Taxable Value of Property	Percentage of Taxable Value of Property	Estimated Population (1)	Per Capita
-	-	12,851,304	4,451,148,726	0.29%	134,056	95.87
-	-	13,284,673	4,026,777,217	0.33%	133,764	99.31
-	-	11,890,870	3,591,218,481	0.33%	133,466	89.09
-	-	11,767,808	3,506,010,944	0.34%	134,424	87.54
-	-	10,064,665	3,546,856,733	0.28%	134,805	74.66
-	-	8,946,973	3,639,612,347	0.25%	134,850	66.35
-	-	7,805,696	3,335,434,976	0.23%	135,121	57.77
-	-	6,615,678	3,347,553,629	0.20%	135,031	48.99
-	-	13,563,542	3,587,026,029	0.38%	136,168	99.61
-	-	11,812,180	3,614,371,272	0.33%	133,423	88.53

## Business-type Activities

## Total Primary Government

Water and Sewer Bonds	Total Business-type Activities Debt	Total Net Primary Government Debt	Per Capita Income (2)	Percentage of Total Per Capita Income	Per Capita
58,000,605	63,310,605	92,066,914	19,376	3.54%	686.78
63,634,006	68,334,006	95,492,054	19,376	3.68%	713.88
66,721,971	78,718,274	102,878,888	19,376	3.98%	770.82
81,786,384	92,786,171	115,150,793	19,376	4.42%	856.62
75,740,167	86,055,164	105,196,656	19,376	4.03%	780.36
71,083,334	80,430,964	96,891,488	19,376	3.71%	718.51
120,031,529	128,483,996	142,662,079	19,376	5.45%	1,055.81
113,098,488	120,727,362	145,800,540	19,376	5.57%	1,079.76
106,257,967	113,018,110	143,654,939	19,376	5.44%	1,054.98
126,708,463	132,557,935	160,020,452	19,376	6.19%	1,199.35

**City of Warren, Michigan**

**Direct and Overlapping Governmental Activities Debt**

**June 30, 2020**

**Net Direct Debt**

Capital Improvement Bonds				
Refunding Series 2014	Warren Community Center	\$ 5,000,000	\$	5,000,000

Road Construction Bonds:

Series 2003 Michigan Transportation Bonds	Road improvements	-		
Series 2013A Capital Improvement Bonds	Road improvements	2,374,203		
Series 2015 Capital Improvement Bonds	Road improvements	1,379,240		
Series 2018 Michigan Transportation Bonds	Road improvements	<u>11,645,000</u>		15,398,443

Special Assessment Bonds:

Series 2015	Sidewalk replacement program	140,760		
Less amounts available in debt service funds		<u>-</u>		140,760

Less:

Road Construction Bonds	(15,398,443)		
Special Assessment Bonds	(140,760.00)		<u>(15,539,203)</u>

**Net direct debt to be repaid with property taxes** 5,000,000

**Overlapping Debt**

Macomb County:				
County at large	12.22%	268,627,685		32,826,303
Intermediate School District	11.95%	1,705,000		203,748
Macomb Community College		-		-
Local School Districts:				
Center Line	66.92%	36,000,000		24,091,200
East Detroit	20.68%	13,117,833		2,712,768
Fitzgerald	100.00%	26,955,000		26,955,000
Van Dyke	97.78%	48,685,705		47,604,883
Warren Consolidated	47.46%	202,870,000		96,282,102
Warren Woods	100.00%	51,275,000		<u>51,275,000</u>

**Total Overlapping Debt** 281,951,004

**Net direct debt outstanding and overlapping debt** **\$ 286,951,004**

Source: Municipal Advisory Council of Michigan

	Fiscal Year				
	2011	2012	2013	2014	2015
Assessed value	<b>\$ 4,561,685,622</b>	<b>\$ 4,081,046,497</b>	<b>\$ 3,630,847,280</b>	<b>\$ 3,537,933,048</b>	<b>\$ 3,689,472,137</b>
Debt limit (10% of assessed value)	\$ 456,168,562	\$ 408,104,650	\$ 363,084,728	\$ 353,793,305	\$ 368,947,214
Total debt applicable to debt limit	-	-	-	-	-
Legal debt margin	<b>\$ 456,168,562</b>	<b>\$ 408,104,650</b>	<b>\$ 363,084,728</b>	<b>\$ 353,793,305</b>	<b>\$ 368,947,214</b>
Total debt applicable to the debt limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year				
	2016	2017	2018	2019	2020
Assessed value	<b>\$ 4,006,975,440</b>	<b>\$ 3,926,697,488</b>	<b>\$ 4,065,604,921</b>	<b>\$ 4,216,515,132</b>	<b>\$ 4,530,119,109</b>
Debt limit (10% of assessed value)	\$ 400,697,544	\$ 392,669,749	\$ 406,560,492	\$ 421,651,513	\$ 453,011,911
Total debt applicable to debt limit	-	-	-	-	123,570,000
Legal debt margin	<b>\$ 400,697,544</b>	<b>\$ 392,669,749</b>	<b>\$ 406,560,492</b>	<b>\$ 421,651,513</b>	<b>\$ 329,441,911</b>
Total debt applicable to the debt limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	27.28%

Section 8.11 of the Warren City Charter limits the net bonded indebtedness incurred for all public purposes to ten percent of the assessed value of all real and personal property in the city. Net bonded indebtedness applicable to the legal debt margin is defined as general obligation bonds, the principal and interest of which are payable from taxes levied upon taxable real and personal property in the city and for payment of which the full faith and credit of the city are pledged, when authorized by a three-fifths vote of the electors voting thereon at any general or special election.

Building Authority - Senior Housing Bonds (1)

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2011	1,367,727	607,955	759,772	620,000	246,219	866,219	0.88
2012	1,375,872	748,772	627,100	610,000	223,931	833,931	0.75
2013	1,363,193	855,473	507,720	705,000	146,298	851,298	0.60
2014	1,398,586	921,577	477,009	425,000	76,119	501,119	0.95
2015	1,457,703	890,651	567,052	455,000	67,319	522,319	1.09
2016	1,498,223	777,352	720,871	540,000	46,907	586,907	1.23
2017	1,498,162	719,815	778,347	500,000	45,302	545,302	1.43
2018	1,497,378	769,423	727,955	365,000	37,102	402,102	1.81
2019	1,560,909	812,436	748,473	375,000	29,669	404,669	1.85
2020	1,538,393	786,437	751,955	380,000	26,630	406,630	1.85

(1) Building Authority Bonds were issued for the purpose of constructing the 244-unit senior citizen housing complex known as Jos. Coach Manor. Pursuant to certain lease contracts between the Building Authority and the City, the bonds were issued in anticipation of cash rentals from the City in amounts sufficient to pay the principal and interest on the bonds when due. The cash rentals constitute a full faith and credit general obligation of the City and the City is required to provide sufficient monies in its annual budget for the payment thereof and if necessary, to levy ad valorem taxes on all taxable property within its boundaries. The City's intent, then as it is now, is that rental revenues generated from Jos. Coach Manor would be sufficient to pay the principal and interest on the bonds when due. The rental revenue stream has been sufficient to meet the debt service requirements due to steady occupancy rates and debt refinancing and the City has not, nor does it anticipate the need to appropriate any General Fund monies.

Road Construction Bonds

Fiscal Year	Prior Fiscal Year Gas and Weight Taxes	Current Fiscal Year Pledge (50%)	Debt Service			Coverage	Capital Improvement Bonds (2)
			Principal	Interest	Total		
2011	7,798,658	3,899,329	1,435,000	263,232	1,698,232	2.30	571,233
2012	7,913,099	3,956,550	1,450,000	216,383	1,666,383	2.37	632,325
2013	8,197,069	4,098,535	1,015,000	167,363	1,182,363	3.47	620,232
2014	8,281,690	4,140,845	1,000,000	138,275	1,138,275	3.64	709,369
2015	8,537,451	4,268,726	985,000	107,525	1,092,525	3.91	809,695
2016	8,715,645	4,357,823	975,000	75,438	1,050,438	4.15	776,962
2017	9,182,610	4,591,305	500,000	40,500	540,500	8.49	764,614
2018	10,557,447	5,278,724	500,000	20,500	520,500	10.14	758,782
2019	12,650,449	6,325,225	720,000	403,768	1,123,768	5.63	744,170
2020	13,494,529	6,747,264	735,000	382,168	1,117,168	6.04	752,133

(2) Debt service on the Michigan Transportation Fund Bonds is pledged from the receipt of State gas and weight taxes received in the previous year. Debt service on the road improvement portion of the Capital Improvement Bonds, Series 2013A and Series 2015 is likewise paid from gas and weight taxes but is secured by the levy of sufficient City taxes rather than the pledge of gas and weight taxes. A total of \$752,133 of principal and interest was paid on the Capital Improvements Bonds during the fiscal year ended June 30, 2019 and is reflected in the schedule above.

## Pledged-Revenue Coverage

June 30, 2020

Fiscal Year	Special Assessment Bonds (3)						Coverage
	S/A	Interest	Transferred to	Debt Service			
	Collections (4)		Debt Funds	Principal	Interest	Total	
2011	423,297	-	423,297	543,967	117,133	661,100	0.64
2012	406,098	-	406,098	543,967	92,934	636,901	0.64
2013	388,900	-	388,900	543,967	68,736	612,703	0.63
2014	371,702	-	371,702	543,967	44,038	588,005	0.63
2015	52,673	-	52,673	244,397	26,579	270,976	0.19
2016	47,490	-	47,490	34,397	13,093	47,490	1.00
2017	40,750	-	40,750	35,190	5,560	40,750	1.00
2018	40,046	-	40,046	35,190	4,856	40,046	1.00
2019	39,342	-	39,342	35,190	4,152	39,342	1.00
2020	38,639	-	38,639	35,190	3,449	38,639	1.00

(3) The Special Assessment Bonds Series 2002 were issued in anticipation of the collection of certain outstanding special assessments for sidewalk replacements which became due on or after July 1, 2003. The Capital Improvement Bonds Series 2003, Series 2005, and Series 2008 were likewise issued to finance citywide sidewalk improvements. Even though the City has pledged the levy of taxes for the repayment of principal and interest on the Capital Improvement Bonds, the City has designated the collections from certain special assessment districts to meet the debt service requirements.

(4) Property owners commonly elect to make special assessment payments in full rather than in installments. This creates uneven revenue streams in relation to the respective debt service.

Fiscal Year	Water and Sewer System (6)						Coverage
	Operating Revenue	Direct	Net Revenue	Debt Service (7)			
		Operating Expense	Available for Debt Service	Principal	Interest	Total	
2011	38,427,954	26,764,665	11,663,289	3,221,792	1,988,269	5,210,061	2.24
2012	40,839,605	27,563,827	13,275,778	3,912,454	2,389,481	6,301,935	2.11
2013	38,541,046	27,981,654	10,559,392	4,522,090	2,569,620	7,091,710	1.49
2014-2015	55,669,321	44,286,286	11,383,035	7,926,367	4,476,405	12,402,772	0.92
2016	40,682,518	32,628,030	8,054,488	4,954,565	2,699,346	7,653,911	1.05
2017	44,240,519	29,905,967	14,334,552	5,058,230	2,668,644	7,726,874	1.86
2018	47,890,814	38,735,073	9,155,741	7,202,293	3,821,133	11,023,426	0.83
2019	52,340,913	40,211,269	12,129,644	7,586,655	3,631,033	11,217,688	1.08
2020	50,106,098	36,565,977	13,540,121	7,814,859	3,754,770	11,569,629	1.17

(6) Fiscal years 2011 through 2013 end December 31. Fiscal year 2015 year ends June 30 and is for 18 months.

(7) Debt service on the Water and Sewer System bonds are paid from the revenues of the Water & Sewer System but are secured by the levy of sufficient City taxes rather than the pledge of Water and Sewer System revenue.

## Demographic and Economic Statistics

**Last Ten Fiscal Years  
June 30, 2020**

Fiscal Year	Population (1)	Number of Households (1)	Income		Unemployment Rate (3)		
			Per Capita (2)	Total	City of Warren	Macomb County	State of Michigan
2011	134,056	53,442	19,376	2,597,469,056	13.60%	11.70%	11.30%
2012	133,764	53,228	19,376	2,591,811,264	10.20%	10.10%	9.20%
2013	133,466	53,066	19,376	2,586,037,216	11.60%	9.90%	9.40%
2014	134,424	53,408	19,376	2,604,599,424	9.60%	9.10%	7.90%
2015	134,805	53,539	19,376	2,611,981,680	7.50%	6.30%	5.80%
2016	134,850	53,492	19,376	2,612,853,600	6.80%	5.60%	4.90%
2017	135,121	52,164	19,376	2,618,104,496	4.30%	3.60%	4.00%
2018	135,031	53,543	19,376	2,616,360,656	4.90%	4.10%	4.30%
2019	136,168	53,747	19,376	2,638,391,168	5.30%	4.40%	4.40%
2020	133,423	53,207	19,376	2,585,204,048	21.40%	18.30%	15.00%

**Sources:**

- (1) Southeast Michigan Council of Governments est population through July 2018
- (2) 2000 and 2010 U.S. Census Bureau
- (3) Michigan Department of Technology, Management & Budget  
- *Not Seasonally Adjusted.*

Principal Employers

Current Fiscal and Six Years Ago

June 30, 2020

		Year Ended June 30, 2020			Year Ended June 30, 2014		
		Employees	Percentage of Total	Rank	Employees	Percentage of Total	Rank
General Motors Corporation	Automotive	23,000	(1)	1	21,000	(1)	1
Government of The United States	Government	8,650	(1)	2	7,975	(1)	2
FIAT - Chrysler Corp.	Automotive	4,800	(1)	3	3,843	(1)	3
Ascension Health	Health care	3,350	(1)	4	3,180	(1)	4
Dana Corp	Automotive	880		5	-		
Asset Acceptance Financial	Financial services	-			365		5
Total		<b>40,680</b>			<b>36,363</b>		

Source: Dun & Bradstreet and City of Warren Mayor's Office  
 (1) Unavailable



	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (1)
<b>General government:</b>										
<u>37th District Court</u>										
Small claims	635	566	657	597	574	487	609	633	580	700
Landlord & tenant	4,921	4,910	5,333	4,136	4,804	4,610	4,617	4,333	4,667	5,000
Parking tickets	1,116	1,272	1,496	1,868	1,538	1,670	1,518	2,159	1,652	1,500
Traffic misdemeanor & civil	35,250	37,454	49,446	46,529	46,337	45,944	39,965	50,971	44,701	53,000
Non-traffic felony	1,869	2,069	2,358	2,252	2,251	1,944	2,018	1,918	1,785	2,400
Non-traffic misdemeanor	1,653	1,779	1,886	1,772	1,686	1,846	1,563	1,583	1,422	1,900
Traffic OUIL/OWI	202	284	354	298	644	236	198	212	198	400
General civil	5,151	5,633	4,812	4,164	4,581	4,795	5,792	6,496	6,159	6,600
Probation - Active cases	876	752	892	892	1,121	853	821	716	643	900
Pre-sentence investigations	460	460	429	429	406	319	334	325	256	400
<u>City Clerk</u>										
Business licenses	837	765	771	660	616	570	720	568	647	1,100
Public hearings	70	53	75	49	47	39	19	38	27	60
Changes in voter registrations	44,367	56,137	41,389	40,559	41,182	65,295	39,333	45,136	45,584	75,000
Dog licenses issued	4,983	4,662	4,945	4,831	4,597	4,569	6,489	5,621	3,795	7,500
Garage sale permits	1,499	1,466	1,429	1,285	996	1,124	940	749	717	1,500
Death certificates	1,935	1,856	1,806	1,523	1,571	1,721	1,575	1,497	1,499	3,000
Birth certificates	1,201	1,188	1,183	902	754	797	633	694	715	1,500
Lawsuits issued	38	30	35	27	35	27	16	11	11	50
Contracts signed, catalogued	51	68	83	100	87	121	88	85	109	200
Internet requests processed	4,600	4,972	4,232	6,750	6,100	6,050	4,020	5,122	5,114	6,200
<u>Treasurer</u>										
Tax bills processed:										
Manually	88,321	85,454	94,499	96,021	82,777	84,829	78,402	74,663	75,140	75,000
CD-ROM	56,141	54,865	45,056	48,550	51,380	51,904	51,853	53,584	54,658	54,000
Checks processed	51,761	46,736	40,082	42,457	43,397	41,903	38,881	41,586	42,343	42,000
Water bills processed	424,085	372,981	351,898	427,242	340,536	342,794	323,072	311,233	362,565	315,500
Status changes	600	481	720	708	696	732	751	762	771	750
Personal property	4,586	4,183	4,242	3,950	2,664	2,849	2,615	2,539	2,539	2,800
Delinquent tax accounts	2,057	2,561	40	40	40	-	-	-	-	-
<u>Assessing</u>										
Personal property audits	70	86	45	55	75	93	106	106	106	100
Small claim MTT appeals	756	789	59	54	32	34	29	35	35	38
Full tax tribunal appeals	528	596	227	155	120	37	38	40	40	50
Board of Review appeals	1,500	1,200	735	920	819	753	721	689	690	900
Principal residence exemption	1,802	3,923	5,774	6,950	3,750	4,091	4,231	2,175	4,450	3,000
Deeds and transfer affidavits	9,038	11,255	9,817	11,066	8,091	7,368	7,381	3,675	3,600	4,000
Special assessment rolls	30	30	30	30	30	30	30	30	30	30
Review / appraise										
taxable properties	60,768	60,300	63,104	63,559	63,625	59,279	59,820	62,823	63,000	64,000
Verify sales & transfers										
of sold properties	3,500	3,500	1,403	1,633	2,470	7,368	7,358	6,326	8,600	8,000
building permit activity	11,243	11,000	13,210	13,198	13,274	11,310	9,350	18,604	19,500	30,000

N/A = information was either not applicable to or not reported in the fiscal year

(1) Fiscal year 2018 estimates

(2) Fiscal years 2006 through 2014 ended December 31 of the preceding year. Fiscal year 2015 ended June 30, 2015 and is for 18 months.

Source: Fiscal year adopted budget

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (1)
<b>Recreation and Culture:</b>										
<u>Library</u>										
Annual attendance	326,386	342,297	366,929	347,214	339,789	409,595	274,235	288,043	273,641	415,000
Circulation:										
Annual total	1,102,600	855,235	577,403	568,805	482,397	412,723	404,300	853,047	751,571	900,000
Children's material	257,402	279,921	253,018	239,449	256,746	176,454	142,222	150,905	172,185	200,000
Reference requests	47,290	47,285	49,875	53,776	43,304	36,989	34,943	41,987	47,143	48,000
Registered borrowers	57,145	53,754	59,909	62,475	53,988	56,501	54,616	72,578	73,869	78,000
Materials:										
Loaned to other libraries	64,433	74,359	74,391	70,602	63,062	57,354	52,237	26,749	51,901	35,000
Received from other libraries	40,381	52,593	52,630	49,408	38,869	36,237	35,253	36,033	87,156	40,000
Added to collection	35,868	56,914	37,576	46,225	39,956	22,695	18,496	23,310	19,466	25,000
Deleted from collection	13,324	23,165	10,984	18,741	24,740	30,098	19,615	18,163	21,761	20,000
Home Page hits	260,661	331,023	361,112	357,531	333,915	291,638	231,977	224,885	195,304	360,000
<u>Recreation</u>										
Pavilion rentals	460	460	484	424	424	467	518	518	518	520
Bus transportation	23,613	18,510	14,227	15,309	15,309	14,565	14,376	14,376	14,376	14,500
Adult & youth sports:										
Registrants	7,000	7,000	7,000	4,436	4,436	4,401	4,470	4,470	4,288	4,350
Participants	106,500	106,500	106,500	107,000	107,000	107,250	107,500	107,500	107,500	107,500
Senior programs	85,000	85,000	85,000	86,000	86,000	86,125	86,200	86,200	86,200	86,250
Senior sports programs	23,000	23,000	23,000	23,000	23,000	23,000	22,750	22,750	22,750	23,000
Trees removed	345	345	250	-	-	-	-	-	-	-
Trees trimmed	1,000	1,000	2,000	-	-	-	-	-	-	-
Pool attendance	380,000	380,000	380,000	350,000	350,000	386,500	360,000	360,000	260,000	400,000
Yearly pass registrations	4,100	3,975	3,463	4,142	4,142	4,280	4,129	4,129	4,129	5,000
<b>Sanitation:</b>										
Collections points (per week)	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000
Curbside collection (tons):										
Refuse land filled	44,104	45,391	47,315	45,207	63,236	59,773	52,888	50,931	51,000	52,000
Curbside recycling	5,716	5,169	5,847	4,816	4,661	4,635	4,555	4,447	5,900	5,000
Curbside compost	13,123	13,245	9,029	12,684	3,048	965	9,100	12,490	14,000	15,000
Drop-off center:										
Car batteries (each)	142	256	162	138	255	221	343	2,566	4,511	3,000
Non-ferrous metal (tons)	9	3	3	1	2	2	17	3	4	20
Concrete (tons)	247	283	195	208	261	299	299	222	124	185
Motor oil (gallons)	9,300	8,950	8,460	6,145	7,120	5,650	8,790	4,935	447	500
Collected / dropped off (tons):										
Cardboard	68	80	67	58	67	68	73	83	69	75
White goods / scrap metal	140	101	80	82	134	165	181	133	102	155

N/A = information was either not applicable to or not reported in the fiscal year

(1) Fiscal year 2020 estimates

(2) Fiscal years 2006 through 2014 ended December 31 of the preceding year. Fiscal year 2015 ended June 30, 2015 and is for 18 months.

Source: Fiscal year adopted budget

## Operating Indicators

Last Ten Fiscal Years  
June 30, 2020

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (1)
<b>Public Safety:</b>										
<u>Fire Department</u>										
Incident responses	14,717	14,974	15,500	16,547	16,718	17,818	18,343	18,503	18,199	20,000
Equipment responses	34,041	29,674	29,276	30,530	31,520	33,524	32,827	34,104	26,455	38,000
Fire training (hours)	4,400	3,139	6,480	3,062	2,000	2,340	2,880	3,409	6,172	1,500
Medical training (hours)	1,983	808	6,480	4,401	3,474	3,120	5,760	3,567	2,605	1,700
<u>Police Department</u>										
Calls for police service	90,125	88,184	95,000	95,000	95,000	95,000	95,000	95,000	92,756	95,000
Part A crimes	4,322	4,065	3,764	3,550	3,470	3,800	9,257	8,325	7,253	8,200
Burglary incidents	1,096	1,015	887	750	715	910	823	567	607	600
Auto theft incidents	805	728	582	590	530	632	560	543	432	500
Narcotic and drug incidents	955	1,093	1,455	1,575	1,165	1,450	1,725	1,086	1,103	1,200
Liquor license investigations	5,435	6,386	6,455	6,200	5,980	6,326	191	158	225	170
Traffic citations	17,872	18,419	20,678	20,500	24,155	40,000	17,279	27,580	28,539	31,000
OUIL charges	305	294	300	355	330	325	200	284	255	330
Traffic accidents	3,647	3,295	3,820	4,320	3,980	4,300	4,155	4,827	4,565	5,500
Juveniles charged	221	346	244	205	200	180	200	157	110	145
Total arrests	5,055	5,708	6,556	6,200	5,440	5,500	4,973	4,596	4,632	6,000
Abandoned autos processed	1,020	1,061	1,100	1,100	240	500	500	1,055	1,100	1,200
Guns registered	2,705	7,329	6,922	6,300	3,370	7,800	4,661	4,504	4,569	6,000
<u>Animal Control</u>										
Calls for service	3,000	3,000	2,850	3,500	8,860	9,951	9,951	1,873	2,195	2,300
Stray animals picked up	1,340	1,600	1,450	-	890	1,621	1,621	738	815	1,600
Wild animals secured	435	60	75	-	-	-	-	-	-	-
Dead animals handled	900	1,000	1,000	-	350	60	60	458	600	1,800
Animals given up by owners	325	325	377	-	60	88	88	285	110	700
<u>Civil Defense</u>										
Disaster/emergency incidents	9	7	5	6	12	10	10	14	14	12
Functional / full-scale exercise	1	2	3	3	3	4	4	4	4	5
<b>City Development:</b>										
<u>Engineering</u>										
Service requests processed	811	695	838	877	1,355	836	894	816	783	800
Planning reviews	79	79	79	66	100	125	129	154	123	160
Site plan reviews	119	129	258	426	386	386	367	364	461	375
Projects inspected	72	61	225	258	121	131	117	134	170	140
Sidewalk inspections / repairs	1,553	933	806	501	254	193	687	687	435	600
<u>Property Maintenance Inspection</u>										
Weed enforcement	4,568	3,810	4,012	4,045	5,508	2,752	5,071	2,977	5,304	6,500
Complaints investigated	6,068	4,285	4,387	4,022	4,373	5,071	2,446	5,205	1,929	5,575
Complaints in tracking system	23,526	21,500	18,300	21,016	30,637	17,946	26,153	28,371	28,259	29,500
Vacant/foreclosed clean-ups	619	632	676	524	1,332	1,408	1,234	1,323	1,252	1,500
<u>Building Inspections</u>										
Certificates of Occupancy	266	470	767	420	327	500	252	298	311	350
Building permits	1,880	1,804	1,918	2,053	2,160	2,100	2,820	2,388	2,406	2,700
Plumbing permits	1,348	1,351	1,351	1,152	1,054	1,200	4,133	1,117	1,152	2,000
Electrical permits	3,133	3,626	3,798	3,402	3,161	3,400	6,807	2,157	2,155	2,500
Mechanical permits	1,797	2,240	3,127	2,095	2,107	2,200	3,331	1,860	1,871	2,300
Miscellaneous permits	840	786	830	944	634	800	761	882	4,019	900
Building inspections	15,004	13,666	14,427	15,296	11,134	14,000	8,518	8,058	7,642	9,000
Plumbing inspections	7,777	9,136	10,421	10,529	9,814	9,000	7,135	5,814	5,939	6,000
Electrical inspections	11,869	12,676	14,206	14,276	13,727	12,500	9,128	8,303	7,790	9,000
Mechanical inspections	8,391	9,861	10,879	10,004	10,041	9,800	6,265	4,898	5,115	6,000
Zoning inspections	6,236	5,575	6,511	6,320	926	900	8,293	9,475	9,025	10,000
Plan reviews	2,319	2,304	2,048	2,165	716	800	881	560	630	800

## Operating Indicators

Last Ten Fiscal Years  
June 30, 2020

	Fiscal Year									
	2011	2012	2013	2014	2015 (2)	2016	2017	2018	2019	2020 (1)
<b>Senior Citizens Housing:</b>										
<u>Stilwell Manor</u>										
Carpet replacements	23	15	15	22	12	23	25	24	32	30
Linoleum replacements	14	7	7	10	7	14	12	23	10	10
Stove replacements	12	15	15	6	4	6	5	4	4	4
Apartments painted	26	20	20	23	21	18	25	26	25	26
Air conditioner replacements	12	10	10	10	8	7	12	7	10	10
Maintenance work orders	642	575	575	450	375	275	325	337	375	375
<u>Jos. Coach Manor</u>										
Carpet replacements	40	27	27	35	26	50	40	27	27	56
Linoleum replacements	20	14	14	17	12	16	20	13	13	25
Hot water tank replacements	10	53	53	70	-	-	-	-	-	-
Apartments painted	65	34	34	63	28	850	45	40	40	36
Countertop replacements	20	18	18	16	18	18	14	16	16	12
Maintenance work orders	1,188	955	955	760	936	850	755	825	825	800
<b>Water and Sewer System (2)</b>										
<u>Water Department:</u>										
Water utility accounts	50,137	50,025	49,171	49,137	49,639	49,076	49,685	49,529	49,656	49,656
Sewer utility accounts	49,068	49,269	48,650	48,588	49,089	48,618	48,899	48,711	48,820	48,820
Second meter accounts	585	628	680	684	712	744	799	775	765	775
Water sold (thousand cu. ft.)	734,852	692,951	699,581	656,511	914,804	648,699	622,872	645,348	590,888	645,348
Water purchased	805,598	769,815	784,929	744,182	1,081,125	670,703	669,744	713,248	634,010	713,248
Broken water main repairs	202	212	184	271	393	101	177	175	170	200
Sewer jetting (in footage)	117,473	249,000	273,816	343,647	454,716	753,000	674,656	678,716	702,124	690,000
<u>Waste Water Treatment Plant:</u>										
Sewage treated	6.8	10.8	7.4	8.2	11.7	7.6	7.8	8.2	8.4	8.1
Sludge solids removed	26.7	28.4	31.1	29.9	42.3	27.5	30.0	32.0	28.4	31.0
Power consumption	13.4	15.8	14.1	12.7	19.1	12.2	12.0	12.0	13.6	12.0
Natural gas for incinerator	81	90	102	94	130	61	85	75	68	77
Laboratory samples taken	5,609	5,694	6,694	5,963	8,886	8,031	6,800	7,900	7,908	7,950
Analytical lab tests run	35,977	33,718	38,044	35,577	54,944	36,975	36,750	35,000	39,184	34,750
Dye tests performed to locate	20	25	13	12	8	4	10	10	7	11
Storm water samples collected	350	240	396	296	245	119	245	220	666	210
Illicit discharges identified	4	5	4	6	3	2	3	3	1	2
Illicit discharges removed	5	9	2	6	3	2	3	3	4	2

Value of New Construction

Last Ten Fiscal Years

June 30, 2020

<u>Fiscal Year</u>	<u>Residential One Family</u>	<u>Residential Multiple Family</u>	<u>Commercial Development</u>	<u>Industrial Development</u>	<u>Total (1)</u>
2011	1,135,000	-	1,223,000	-	2,358,000
2012	10,933,601	1,728,930	76,617,376	1,197,300	89,279,907
2013	2,425,000	2,412,000	580,000	-	5,417,000
2014	12,213,524	2,354,600	40,713,090	1,267,277	55,281,214
2015	3,640,000	975,000	5,194,000	-	9,809,000
2016	4,681,895	3,340,000	4,068,500	-	12,090,395
2017	1,055,800	4,621,500	56,015,270	-	61,692,570
2018	900,000	3,742,000	7,822,000	-	12,464,000
2019	9,303,950	965,600	176,514,000	-	186,783,550
2020	7,145,000	12,540,000	27,862,278	-	47,547,278

(1) Estimated Cost of Construction

Source:

City of Warren Building Department

Full-Time Equivalent Government Employees

Last Ten Fiscal Years

June 30, 2020

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Government:</b>										
Council	12	10	10	10	11	11	11	11	11	11
37th District Court	49	46	46	46	46	49	49	49	50	50
Mayor	6	6	6	6	6	6	6	6	6	6
Clerk	9	8	7	7	8	7	7	7	7	8
Treasurer	10	10	9	9	9	9	9	9	9	9
Controller	14	13	10	10	10	10	11	12	12	12
Information Systems	3	3	4	4	4	4	4	4	4	4
Legal	11	10	10	10	10	10	10	10	10	10
Assessing	11	11	11	11	11	12	12	12	13	13
Labor Relations	-	-	-	-	-	-	-	-	-	-
Personnel	-	-	-	-	-	-	-	-	-	-
Human Resources	9	9	9	9	9	9	9	9	9	10
D.P.W. Garage	7	7	7	8	8	14	14	14	14	14
Building Maintenance	9	8	8	8	8	17	17	17	17	17
Police & Fire Retirement	2	2	2	2	2	2	2	2	2	2
City Retirement	-	-	-	2	2	2	2	2	2	2
	<u>152</u>	<u>143</u>	<u>139</u>	<u>142</u>	<u>144</u>	<u>162</u>	<u>163</u>	<u>164</u>	<u>166</u>	<u>168</u>
<b>Public Safety:</b>										
Fire Department	126	120	114	132	132	132	132	132	133	134
Police Department	256	239	233	233	235	235	239	239	243	253
Animal Control	2	2	2	2	2	2	2	2	3	3
Civil Defense	1	1	1	1	1	1	1	1	1	1
	<u>385</u>	<u>362</u>	<u>350</u>	<u>368</u>	<u>370</u>	<u>370</u>	<u>374</u>	<u>374</u>	<u>380</u>	<u>391</u>
<b>City Development:</b>										
Public Service Director	3	3	3	3	3	3	2	3	4	4
Engineering	7	5	5	5	5	5	5	5	5	6
Property Maintenance	1	-	-	-	-	1	1	2	4	5
Building Inspections	16	15	15	14	16	21	22	22	22	24
Planning	3	3	3	4	4	4	4	4	4	4
Rental Ordinance	3	3	3	4	4	5	5	5	5	6
	<u>33</u>	<u>29</u>	<u>29</u>	<u>30</u>	<u>32</u>	<u>39</u>	<u>39</u>	<u>41</u>	<u>44</u>	<u>49</u>
<b>Highways and Streets</b>	<u>28</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>
<b>Recreation and Culture:</b>										
Library	12	22	22	22	22	24	24	24	24	24
Recreation	18	16	13	12	12	9	9	9	9	9
Communications	5	5	5	5	5	5	5	5	6	6
	<u>35</u>	<u>43</u>	<u>40</u>	<u>39</u>	<u>39</u>	<u>38</u>	<u>38</u>	<u>38</u>	<u>39</u>	<u>39</u>
<b>Sanitation</b>	<u>28</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>56</u>	<u>53</u>	<u>53</u>	<u>54</u>	<u>38</u>	<u>38</u>
<b>Economic Development:</b>										
Community & Economic	2	2	2	2	2	2	2	2	2	2
D.D.A.	1	1	1	1	2	2	2	2	2	2
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
<b>Community Development:</b>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
<b>Senior Housing</b>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
<b>Water and Sewer System</b>	<u>86</u>	<u>84</u>	<u>88</u>	<u>91</u>	<u>93</u>	<u>88</u>	<u>90</u>	<u>89</u>	<u>96</u>	<u>96</u>
<b>Total full-time city employees</b>	<u><b>758</b></u>	<u><b>722</b></u>	<u><b>707</b></u>	<u><b>731</b></u>	<u><b>770</b></u>	<u><b>785</b></u>	<u><b>795</b></u>	<u><b>798</b></u>	<u><b>801</b></u>	<u><b>819</b></u>

Source: Adopted fiscal year budget