



CITY OF WARREN, MICHIGAN

Fiscal Year Ended June 30, 2021
Annual Comprehensive Financial Report



City of Warren, Michigan

**Annual Comprehensive Financial Report
with Supplemental Information
June 30, 2021**

Prepared by the Controller's Office

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December 10, 2021

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 Annual Comprehensive Financial Report of the City of Warren for the fiscal year ended June 30, 2021.

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, 2021 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 complement 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 139,387 (2020 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 Community College 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. In addition, Police body cameras have been purchased during this fiscal year to help protect our officers and residents during police work. 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 37th District Court Building Renovation Fund to assist management in monitoring operations.

The City Council, by resolution, adopted a budget on a line item basis for all city departments, divisions, boards, commissions and other activities. A budget amendment would be needed to overspend the adopted budget. 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. In addition, GM will be adding the Wallace Battery Cell Innovation Center, a 300,000 square foot battery facility for electric cars.

The 2022 budget has committed to continue to invest in the City's infrastructure with over \$ 12 million in General Fund and Special Revenue Fund Equipment and Capital Improvements. The Enterprise Funds have capital outlay of almost \$31 million. With all labor contracts being in place, 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. With vaccines now available and additional stimulus package's being approved by the Federal Government, the city should maintain a strong financial position 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. On August 3, 2021, after the fiscal year end of June 30, 2021, the citizens of Warren again passed a road millage that will be dedicated for the use of local streets for five years. The renewal of the local road millage will provide the needed funds to upgrade the local roads in the City of Warren.

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, 2020. 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**

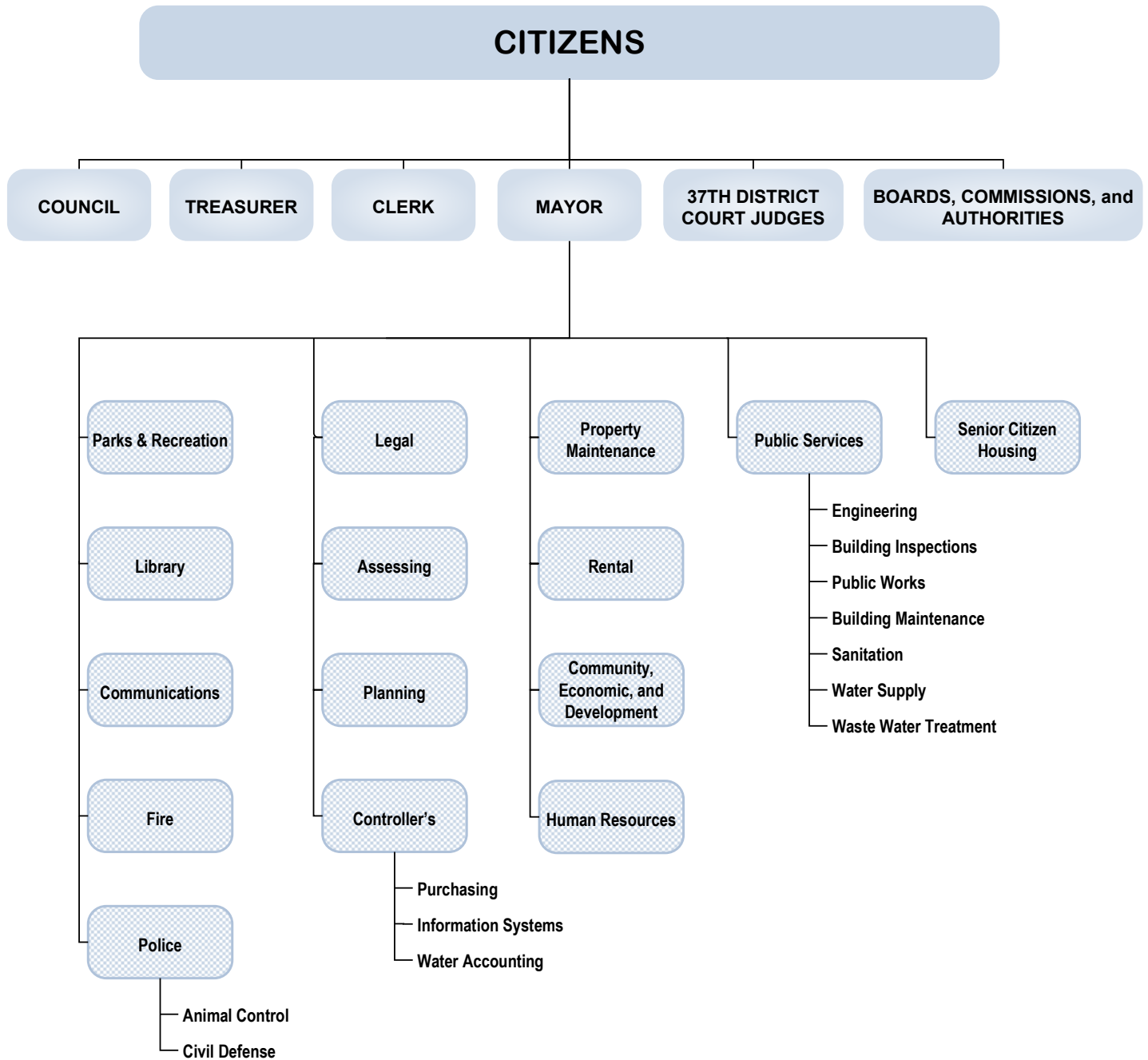
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

City of Warren, Michigan Organization Chart



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, 2021 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 Pension Plan, which represent 33 percent, 34 percent, and 25 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 Benefit Pension 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 Pension 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, 2021 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the year ended June 30, 2021, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which gives guidance on the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

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 December 10, 2021 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

December 10, 2021

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, 2021. 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, 2021:

Financial Highlights

- As a result of this year's operations, governmental activities net position increased by \$55.8 million, or 63 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 \$10.9 million, or 11 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 \$17 million increase in fund balance from the prior year. This increase is primarily due to favorable budget expenditures variance for the year and an increase in state-shared revenue.

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.

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, 2021 compared to the prior year:

The City's Net Position

	Governmental Activities			
	2020	2021	Change	Percent Change
Assets				
Other assets	\$ 146,861,252	\$ 206,280,208	\$ 59,418,956	40.5
Capital assets	174,982,113	171,256,400	(3,725,713)	(2.1)
Total assets	321,843,365	377,536,608	55,693,243	17.3
Deferred Outflows of Resources	23,902,476	26,340,147	2,437,671	10.2
Liabilities	387,023,054	384,314,128	(2,708,926)	(0.7)
Deferred Inflows of Resources	47,216,814	52,229,659	5,012,845	10.6
Net Position (Deficit)				
Net investment in capital assets	148,821,662	147,713,494	(1,108,168)	(0.7)
Restricted	56,657,895	60,813,301	4,155,406	7.3
Unrestricted	(293,964,403)	(241,193,827)	52,770,576	(18.0)
Total net position (deficit)	\$ (88,484,846)	\$ (32,667,032)	\$ 55,817,814	(63.1)

City of Warren, Michigan

Management's Discussion and Analysis (Continued)

	Business-type Activities			
	2020	2021	Change	Percent Change
Assets				
Other assets	\$ 105,808,809	\$ 93,888,200	\$ (11,920,609)	(11.3)
Capital assets	163,750,887	187,227,427	23,476,540	14.3
Total assets	269,559,696	281,115,627	11,555,931	4.3
Deferred Outflows of Resources	2,862,586	3,534,017	671,431	23.5
Liabilities				
Current liabilities	4,943,324	4,767,626	(175,698)	(3.6)
Long-term liabilities:				
Due within one year	13,496,413	16,458,336	2,961,923	21.9
Due in more than one year	154,304,850	152,191,440	(2,113,410)	(1.4)
Total liabilities	172,744,587	173,417,402	672,815	0.4
Deferred Inflows of Resources	2,685,359	3,378,689	693,330	25.8
Net Position				
Net investment in capital assets	97,426,077	107,137,005	9,710,928	10.0
Restricted	12,864,828	11,701,581	(1,163,247)	(9.0)
Unrestricted	(13,298,569)	(10,985,033)	2,313,536	(17.4)
Total net position	\$ 96,992,336	\$ 107,853,553	\$ 10,861,217	11.2

The City's Changes in Net Position

	Governmental Activities			
	2020	2021	Change	Percent Change
Revenue				
Program revenue:				
Charges for services	\$ 20,085,980	\$ 19,061,826	\$ (1,024,154)	(5.1)
Operating grants	20,086,577	29,283,510	9,196,933	45.8
Capital grants	9,286,649	1,345,524	(7,941,125)	(85.5)
General revenue:				
Taxes - Property taxes	93,420,380	96,020,738	2,600,358	2.8
State-shared revenue	22,967,832	25,046,426	2,078,594	9.1
Investment earnings	1,816,753	217,319	(1,599,434)	(88.0)
Other revenue	3,575,258	2,344,366	(1,230,892)	(34.4)
Total revenue	171,239,429	173,319,709	2,080,280	1.2
Program Expenses				
General government	8,555,463	14,130,689	5,575,226	65.2
District court	5,663,508	6,645,015	981,507	17.3
Public safety	55,271,480	46,455,172	(8,816,308)	(16.0)
Public works	34,774,419	35,368,130	593,711	1.7
Community and economic development	5,211,844	4,001,355	(1,210,489)	(23.2)
Recreation and culture	6,513,838	10,100,720	3,586,882	55.1
Interest on long-term debt	922,478	800,814	(121,664)	(13.2)
Total program expenses	116,913,030	117,501,895	588,865	0.5
Change in Net Position	54,326,399	55,817,814	1,491,415	2.7
Net Position (Deficit) - Beginning of year	(142,811,245)	(88,484,846)	54,326,399	(38.0)
Net Position (Deficit) - End of year	\$ (88,484,846)	\$ (32,667,032)	\$ 55,817,814	(63.1)

Management's Discussion and Analysis (Continued)

	Business-type Activities			
	2020	2021	Change	Percent Change
Revenue				
Water and Sewer Fund:				
Charges for services	\$ 49,933,346	\$ 56,592,608	\$ 6,659,262	13.3
Operating grants	450,293	760,180	309,887	68.8
Senior housing - Charges for services	2,455,909	87,838	(2,368,071)	(96.4)
Total revenue	52,839,548	57,440,626	4,601,078	8.7
Expenses				
Water and Sewer Fund	41,501,782	44,287,599	2,785,817	6.7
Senior housing	1,944,925	2,291,810	346,885	17.8
Total expenses	43,446,707	46,579,409	3,132,702	7.2
Investment income	908,523	-	(908,523)	(100.0)
Change in Net Position	10,301,364	10,861,217	559,853	5.4
Net Position - Beginning of year	86,690,972	96,992,336	10,301,364	11.9
Net Position - End of year	<u>\$ 96,992,336</u>	<u>\$ 107,853,553</u>	<u>\$ 10,861,217</u>	11.2

The governmental activities net deficit was reduced by \$55.8 million from a year ago - from (\$88.5) million to (\$32.7) million. The reduction is primarily due to a decrease of \$37 million in net pension and OPEB liabilities coupled with a favorable budget variance for the year.

The City's total governmental revenue increased by approximately \$2.1 million, or 1.2 percent. This increase was primarily due the increase in property tax revenue and state-shared revenue offset by a decrease in investment earnings and other revenue.

Expenses increased by approximately \$600 thousand, or 0.5 percent. Increases in general government and recreation and culture expenses were offset by a decrease in public safety expenses.

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 \$10.9 million, or 11.2 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 \$2.3 million. The increase in unrestricted net position was primarily due to positive operating activities from the water and sewer system.

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 and to show accountability for certain activities, such as special property tax millages. The City's major funds for 2021 include the General Fund, Grant Fund, and Capital Projects 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 \$75.6 million in 2021. Revenue was greater than expenditures (including transfers) in the General Fund by \$17.2 million. This was primarily due to an increase in property tax revenue. Unassigned fund balance of \$19.4 million is approximately 18 percent of expenditures.

The Grant Fund consists of various federal grants awarded by the U.S. Department of Housing and Urban Development. The largest grant in this fund is the community development block grant. Revenue was greater than expenditures in the Grant Fund by \$349 thousand. This revenue is generated from payment and payoffs on residential loans provided by the community development block grant.

The Capital Projects Fund pays for various road and sidewalk replacement projects. Revenue was greater than expenditures (including transfers) in the Capital Projects Fund by \$21.1 million due to the issuance of new bonds for Mound Road construction.

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 \$15.4 million under budget. This was due to careful spending by department leaders. General Fund revenue came in over budget by \$8 million, primarily due to an increase in property tax revenue.

At year end, Grant Fund expenditures were \$2.4 million under budget. This was primarily because the micro enterprise assistance program and the homeless prevention program were being developed and were not fully operational during FY 2021.

Capital Assets and Debt Administration

At the end of fiscal year 2021, the City had \$358.5 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 \$171.3 million, and business-type net capital assets are \$187.2 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 2021 when the City issued new bonds of \$18.9 million in governmental activities and \$8.7 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 implementation of austerity measures helped provide positive results for the fiscal year ended June 30, 2021. Driven by the lasting inflationary effects of the COVID-19 pandemic, national and global economies remain uncertain. City management must remain responsive to changes that impact the cost of local services. The city administration and City Council must work together to maintain a fiscally responsible financial strategy that protects the integrity of core services.

COVID-19 affected city operations in various ways prior to the beginning of and throughout the 2021 fiscal year. Parks and recreation was completely shut down from March to September 2020. Library services were limited to drive-through pickup only. City hall was closed from March 2020 to the presidential election only to shut down again for several weeks as regional COVID-19 cases continued to surge.

City employees were furloughed during the months of May, June, and July 2020 to offset projected revenue losses in the court, building department, and state-shared revenue. The City 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 took steps to protect city finances and its employees and residents. That the City was able to end fiscal year 2021 on a positive note is a testament to the success of management's efforts.

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, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 148,752,691	\$ 27,849,066	\$ 176,601,757	\$ 23,526,232
Receivables (Note 4)	29,193,552	8,966,413	38,159,965	8,335
Due from component units	267,908	-	267,908	-
Due from primary government	-	-	-	38,729
Internal balances	2,596,969	(2,596,969)	-	-
Inventory	304,668	325,467	630,135	136,296
Prepaid items and other assets	584,889	202,377	787,266	300
Deposits	2,857,065	-	2,857,065	-
Restricted assets (Note 1)	21,722,466	59,141,846	80,864,312	-
Capital assets:				
Assets not subject to depreciation (Note 5)	16,242,979	41,867,104	58,110,083	-
Assets subject to depreciation - Net (Note 5)	155,013,421	145,360,323	300,373,744	-
Total assets	377,536,608	281,115,627	658,652,235	23,709,892
Deferred Outflows of Resources				
Bond refunding loss being amortized (Note 7)	251,649	687,102	938,751	144,948
Deferred outflows related to pensions (Note 10)	15,026,140	1,507,282	16,533,422	-
Deferred outflows related to OPEB (Note 8)	11,062,358	1,339,633	12,401,991	27,340
Total deferred outflows of resources	26,340,147	3,534,017	29,874,164	172,288
Liabilities				
Accounts payable	6,442,588	3,278,192	9,720,780	703,368
Due to other governmental units	44,877	12,923	57,800	27,580
Due to component units	38,729	-	38,729	-
Due to primary government	-	-	-	267,908
Refundable deposits, bonds, etc.	4,432,283	453,959	4,886,242	54,136
Accrued liabilities and other	2,593,099	1,019,916	3,613,015	282,506
Unearned revenue	14,902,378	2,636	14,905,014	-
Noncurrent liabilities:				
Due within one year:				
Payable from restricted assets	-	5,994,847	5,994,847	-
Compensated absences	2,658,862	457,565	3,116,427	-
Provision for property tax refunds	75,372	-	75,372	87,028
Current portion of long-term debt (Note 7)	4,076,656	10,005,924	14,082,580	5,513,828
Due in more than one year:				
Compensated absences	8,468,186	470,594	8,938,780	-
Provision for claims (Note 15)	4,795,256	-	4,795,256	-
Net pension liability (Note 10)	130,014,977	14,602,713	144,617,690	-
Net OPEB liability (Note 8)	161,031,395	15,047,039	176,078,434	307,089
Long-term debt (Note 7)	41,433,036	122,071,094	163,504,130	29,394,128
Landfill postclosure liability (Note 18)	3,306,434	-	3,306,434	-
Total liabilities	384,314,128	173,417,402	557,731,530	36,637,571
Deferred Inflows of Resources				
Deferred inflows related to pension (Note 10)	35,291,456	2,203,985	37,495,441	-
Deferred inflows related to OPEB (Note 8)	16,938,203	1,174,704	18,112,907	23,974
Total deferred inflows of resources	52,229,659	3,378,689	55,608,348	23,974
Net Position (Deficit)				
Net investment in capital assets	147,713,494	107,137,005	254,850,499	-
Restricted:				
Streets and highways	32,375,057	-	32,375,057	-
Public safety	2,996,557	-	2,996,557	-
Recreation and culture	10,964,084	-	10,964,084	-
Sanitation	2,958,880	-	2,958,880	-
Community development	9,121,366	-	9,121,366	-
Capital projects	2,397,357	-	2,397,357	-
Debt service	-	11,701,581	11,701,581	-
Unrestricted	(241,193,827)	(10,985,033)	(252,178,860)	(12,779,365)
Total net position (deficit)	\$ (32,667,032)	\$ 107,853,553	\$ 75,186,521	\$ (12,779,365)

City of Warren, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 14,130,689	\$ 5,908,055	\$ 695,729	\$ 167,036
District court	6,645,015	4,518,079	537,058	-
Public safety	46,455,172	7,175,522	9,194,421	-
Public works	35,368,130	51,609	16,022,302	1,178,488
Community and economic development	4,001,355	1,032,950	2,503,652	-
Recreation and culture	10,100,720	375,611	330,348	-
Interest on long-term debt	800,814	-	-	-
Total governmental activities	117,501,895	19,061,826	29,283,510	1,345,524
Business-type activities:				
Water and Sewer Fund	44,287,599	54,107,953	760,180	-
Senior Housing	2,291,810	2,484,655	-	-
Total business-type activities	46,579,409	56,592,608	760,180	-
Total primary government	\$ 164,081,304	\$ 75,654,434	\$ 30,043,690	\$ 1,345,524
Component units:				
Tax Increment Finance Authority	\$ 187,701	\$ -	\$ -	\$ -
Downtown Development Authority	3,355,253	-	-	-
Brownfield Redevelopment Authority	1,349,222	-	-	-
Total component units	\$ 4,892,176	\$ -	\$ -	\$ -
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position (Deficit) - Beginning of year				
Net Position (Deficit) - End of year				

Statement of Activities

Year Ended June 30, 2021

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (7,359,869)	\$ -	\$ (7,359,869)	\$ -
(1,589,878)	-	(1,589,878)	-
(30,085,229)	-	(30,085,229)	-
(18,115,731)	-	(18,115,731)	-
(464,753)	-	(464,753)	-
(9,394,761)	-	(9,394,761)	-
(800,814)	-	(800,814)	-
(67,811,035)	-	(67,811,035)	-
-	10,580,534	10,580,534	-
-	192,845	192,845	-
-	10,773,379	10,773,379	-
(67,811,035)	10,773,379	(57,037,656)	-
-	-	-	(187,701)
-	-	-	(3,355,253)
-	-	-	(1,349,222)
-	-	-	(4,892,176)
96,020,738	-	96,020,738	8,152,783
25,046,426	-	25,046,426	4,461,106
217,319	87,838	305,157	10,180
2,018,162	-	2,018,162	-
326,204	-	326,204	46,460
123,628,849	87,838	123,716,687	12,670,529
55,817,814	10,861,217	66,679,031	7,778,353
(88,484,846)	96,992,336	8,507,490	(20,557,718)
<u>\$ (32,667,032)</u>	<u>\$ 107,853,553</u>	<u>\$ 75,186,521</u>	<u>\$ (12,779,365)</u>

Governmental Funds
Balance Sheet

June 30, 2021

	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 85,834,646	\$ 1,019,587	\$ 11,978,808	\$ 49,919,650	\$ 148,752,691
Receivables (Note 4)	16,838,467	8,383,368	403,361	3,568,356	29,193,552
Due from component units	266,844	-	-	1,064	267,908
Due from other funds	3,453,419	1,364	412,100	122,736	3,989,619
Inventory	288,585	-	-	16,083	304,668
Prepaid items and other assets	564,190	18,089	-	2,610	584,889
Deposits	416,157	-	-	2,440,908	2,857,065
Restricted assets	-	-	21,722,466	-	21,722,466
Total assets	\$ 107,662,308	\$ 9,422,408	\$ 34,516,735	\$ 56,071,407	\$ 207,672,858
Liabilities					
Accounts payable	\$ 3,558,979	\$ 224,906	\$ 89,628	\$ 2,569,075	\$ 6,442,588
Due to other governmental units	26,281	-	-	18,596	44,877
Due to component units	-	-	-	38,729	38,729
Due to other funds	413,464	66,573	5	912,608	1,392,650
Refundable deposits, bonds, etc.	4,150,582	880	26,436	254,385	4,432,283
Accrued liabilities and other	1,919,901	8,683	-	398,199	2,326,783
Unearned revenue	13,836,225	-	-	1,066,153	14,902,378
Landfill closure and postclosure	57,440	-	-	17,932	75,372
Total liabilities	23,962,872	301,042	116,069	5,275,677	29,655,660
Deferred Inflows of Resources - Unavailable revenue	1,144,978	8,247,565	342,392	256,246	9,991,181
Fund Balances (Note 14)					
Nonspendable	852,775	18,089	-	18,693	889,557
Restricted	-	855,712	24,094,377	48,695,364	73,645,453
Committed	-	-	94,673	1,775,294	1,869,967
Assigned	62,341,595	-	9,869,224	50,133	72,260,952
Unassigned	19,360,088	-	-	-	19,360,088
Total fund balances	82,554,458	873,801	34,058,274	50,539,484	168,026,017
Total liabilities, deferred inflows of resources, and fund balances	\$ 107,662,308	\$ 9,422,408	\$ 34,516,735	\$ 56,071,407	\$ 207,672,858

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2021

Fund Balances Reported in Governmental Funds	\$ 168,026,017
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	171,256,400
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	9,991,181
Deferred charges on refunding are deferred inflows and are not reported in the funds	251,649
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(45,509,692)
Accrued interest is not due and payable in the current period and is not reported in the funds	(266,316)
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	(11,127,048)
Pension benefits	(150,280,293)
Retiree health care benefits	(166,907,240)
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>(8,101,690)</u>
Net Position (Deficit) of Governmental Activities	<u>\$ (32,667,032)</u>

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

Year Ended June 30, 2021

	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Property taxes	\$ 73,024,686	\$ -	\$ -	\$ 22,996,052	\$ 96,020,738
Special assessments	-	-	189,444	-	189,444
Intergovernmental:					
Federal grants	8,436,614	2,762,058	-	368,233	11,566,905
State sources	24,388,614	-	850,000	18,679,805	43,918,419
Charges for services	4,259,530	-	-	194,734	4,454,264
Fines and forfeitures	3,686,699	-	648,484	1,137,147	5,472,330
Licenses and permits:					
Cable franchise fees	-	-	-	2,018,162	2,018,162
Other licenses and permits	5,613,115	-	-	-	5,613,115
Interest and rentals	178,481	-	8,702	66,202	253,385
Other revenue	2,449,287	17,479	-	396,013	2,862,779
Total revenue	122,037,026	2,779,537	1,696,630	45,856,348	172,369,541
Expenditures					
Current:					
General government	11,657,325	-	412,145	-	12,069,470
District court	7,199,227	-	-	617,902	7,817,129
Public safety	75,633,177	-	-	777,113	76,410,290
Public works	9,410,881	-	1,419,409	25,390,006	36,220,296
Community and economic development	792,981	2,430,705	-	844,942	4,068,628
Recreation and culture	32,741	-	-	9,832,972	9,865,713
Debt service	94,741	-	38,017	3,880,596	4,013,354
Total expenditures	104,821,073	2,430,705	1,869,571	41,343,531	150,464,880
Excess of Revenue Over (Under) Expenditures	17,215,953	348,832	(172,941)	4,512,817	21,904,661
Other Financing Sources (Uses)					
Transfers in	-	-	-	3,903,463	3,903,463
Transfers out	(231,315)	-	-	(3,672,148)	(3,903,463)
New debt issued	-	-	21,281,826	-	21,281,826
Total other financing (uses) sources	(231,315)	-	21,281,826	231,315	21,281,826
Net Change in Fund Balances	16,984,638	348,832	21,108,885	4,744,132	43,186,487
Fund Balances - Beginning of year	65,569,820	524,969	12,949,389	45,795,352	124,839,530
Fund Balances - End of year	\$ 82,554,458	\$ 873,801	\$ 34,058,274	\$ 50,539,484	\$ 168,026,017

Governmental Funds

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

Year Ended June 30, 2021

Net Change in Fund Balances Reported in Governmental Funds	\$ 43,186,487
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	12,023,279
Depreciation expense	(15,709,631)
Net book value of assets disposed of	(39,361)
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	(263,387)
Expenses and expense recoveries related to the landfill postclosure liability are not reported in the funds	(640,820)
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(21,281,826)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	3,234,651
Interest expense is recognized in the government-wide statements as it accrues	(4,438)
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	35,359,366
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)
Change in Net Position of Governmental Activities	\$ 55,817,814

Proprietary Funds
Statement of Net Position

June 30, 2021

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Assets			
Current assets:			
Cash and investments	\$ 24,661,849	\$ 3,187,217	\$ 27,849,066
Receivables	8,959,499	6,914	8,966,413
Inventory	325,467	-	325,467
Prepaid items and other assets	202,356	21	202,377
Total current assets	34,149,171	3,194,152	37,343,323
Noncurrent assets:			
Restricted assets (Note 1)	59,141,846	-	59,141,846
Capital assets:			
Assets not subject to depreciation (Note 5)	41,645,460	221,644	41,867,104
Assets subject to depreciation - Net (Note 5)	138,355,347	7,004,976	145,360,323
Total noncurrent assets	239,142,653	7,226,620	246,369,273
Total assets	273,291,824	10,420,772	283,712,596
Deferred Outflows of Resources			
Bond refunding loss being amortized	687,102	-	687,102
Deferred outflows related to pensions	1,507,282	-	1,507,282
Deferred outflows related to OPEB	1,312,293	27,340	1,339,633
Total deferred outflows of resources	3,506,677	27,340	3,534,017
Liabilities			
Current liabilities:			
Accounts payable	3,036,022	242,170	3,278,192
Due to other governmental units	11,475	1,448	12,923
Due to other funds	2,394,935	202,034	2,596,969
Refundable deposits, bonds, etc.	176,640	277,319	453,959
Accrued liabilities and other	1,003,726	16,190	1,019,916
Unearned revenue	-	2,636	2,636
Compensated absences	457,565	-	457,565
Current portion of long-term debt (Note 7)	9,608,905	397,019	10,005,924
Total current liabilities	16,689,268	1,138,816	17,828,084
Noncurrent liabilities:			
Payable from restricted assets	5,994,847	-	5,994,847
Compensated absences	442,722	27,872	470,594
Net pension liability (Note 10)	14,602,713	-	14,602,713
Net OPEB liability (Note 8)	14,739,948	307,091	15,047,039
Long-term debt (Note 7)	121,921,094	150,000	122,071,094
Total noncurrent liabilities	157,701,324	484,963	158,186,287
Total liabilities	174,390,592	1,623,779	176,014,371
Deferred Inflows of Resources			
Deferred inflows related to pension	2,203,985	-	2,203,985
Deferred inflows related to OPEB	1,150,729	23,975	1,174,704
Total deferred inflows of resources	3,354,714	23,975	3,378,689
Net Position			
Net investment in capital assets	100,457,404	6,679,601	107,137,005
Restricted - Debt service	11,701,581	-	11,701,581
Unrestricted	(13,105,790)	2,120,757	(10,985,033)
Total net position	\$ 99,053,195	\$ 8,800,358	\$ 107,853,553

See notes to financial statements.

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

Year Ended June 30, 2021

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Operating Revenue			
Sale of water	\$ 25,584,415	\$ -	\$ 25,584,415
Sewage disposal charges	27,063,303	-	27,063,303
Other sales to customers	301,529	-	301,529
Interest and penalty charges	1,158,706	-	1,158,706
Rental revenue	-	1,514,676	1,514,676
Other operating revenue	-	969,979	969,979
Total operating revenue	54,107,953	2,484,655	56,592,608
Operating Expenses			
Cost of water	10,625,676	-	10,625,676
Other operating and maintenance costs	5,237,208	-	5,237,208
Billing and administrative costs	3,357,128	547,482	3,904,610
Wages and fringes	12,928,475	544,606	13,473,081
Materials and supplies	917,071	79,319	996,390
Other operating expenses	-	796,794	796,794
Professional services	1,369,395	-	1,369,395
Depreciation	5,881,607	315,297	6,196,904
Total operating expenses	40,316,560	2,283,498	42,600,058
Operating Income	13,791,393	201,157	13,992,550
Nonoperating Revenue (Expense)			
Investment income	85,789	2,049	87,838
Interest expense	(4,026,699)	(8,312)	(4,035,011)
Gain on sale of assets	55,660	-	55,660
Operating grants	760,180	-	760,180
Total nonoperating expense	(3,125,070)	(6,263)	(3,131,333)
Change in Net Position	10,666,323	194,894	10,861,217
Net Position - Beginning of year	88,386,872	8,605,464	96,992,336
Net Position - End of year	\$ 99,053,195	\$ 8,800,358	\$ 107,853,553

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2021

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 53,297,829	\$ 2,484,655	\$ 55,782,484
Payments for interfund services and reimbursements	(51,785)	(9,941)	(61,726)
Payments to suppliers	(17,531,411)	(1,178,618)	(18,710,029)
Payments to employees and fringes	(15,891,089)	(536,634)	(16,427,723)
Net cash and cash equivalents provided by operating activities	19,823,544	759,462	20,583,006
Cash Flows Provided by Noncapital Financing Activities			
- Operating grants and subsidies	760,180	-	760,180
Cash Flows from Capital and Related Financing Activities			
Issuance of bonds	9,416,747	-	9,416,747
Proceeds from sale of capital assets	55,660	-	55,660
Purchase of capital assets	(29,263,310)	(410,134)	(29,673,444)
Principal and interest paid on capital debt	(13,477,654)	(404,368)	(13,882,022)
Net cash and cash equivalents used in capital and related financing activities	(33,268,557)	(814,502)	(34,083,059)
Cash Flows Provided by Investing Activities - Interest received on investments	86,475	2,049	88,524
Net Decrease in Cash and Cash Equivalents	(12,598,358)	(52,991)	(12,651,349)
Cash and Cash Equivalents - Beginning of year	96,402,053	3,240,208	99,642,261
Cash and Cash Equivalents - End of year	\$ 83,803,695	\$ 3,187,217	\$ 86,990,912
Classification of Cash and Cash Equivalents			
Cash and investments	\$ 24,661,849	\$ 3,187,217	\$ 27,849,066
Restricted cash	59,141,846	-	59,141,846
Total cash and cash equivalents	\$ 83,803,695	\$ 3,187,217	\$ 86,990,912

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended June 30, 2021

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Reconciliation of Operating Income to Net Cash from Operating Activities			
Operating income	\$ 13,791,393	\$ 201,157	\$ 13,992,550
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	5,881,607	315,297	6,196,904
Changes in assets and liabilities:			
Receivables	(592,893)	(2,407)	(595,300)
Due to and from other funds	(51,785)	(9,941)	(61,726)
Inventories	(11,948)	-	(11,948)
Prepaid and other assets	(64,738)	-	(64,738)
Net pension or OPEB liability	(1,339,275)	8,520	(1,330,755)
Accounts payable	2,211,183	246,836	2,458,019
Total adjustments	<u>6,032,151</u>	<u>558,305</u>	<u>6,590,456</u>
Net cash and cash equivalents provided by operating activities	<u><u>\$ 19,823,544</u></u>	<u><u>\$ 759,462</u></u>	<u><u>\$ 20,583,006</u></u>

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2021

	Pension and Other Employee Benefits - December 31, 2020	<u>Custodial Funds</u> Tax Collection Fund
Assets		
Cash and investments	\$ 1,958,293	\$ 23,000
Investments:		
U.S. government securities	34,977,979	-
Mortgage-backed securities	3,611,122	-
Asset-backed securities	1,794,921	-
Mutual funds	139,694,184	-
Short-term cash management funds	25,112,410	-
Stocks	270,861,210	-
Bonds	50,996,709	-
Real estate	48,108,777	-
Other	33,768,768	-
Securities lending	13,763,200	-
Hedge funds	4,004,149	-
Receivables:		
Accrued interest receivable	1,246,919	-
Other receivables	219,572	-
Due from primary government	42,854	-
Prepaid items and other assets	3,407	-
Total assets	630,164,474	23,000
Liabilities		
Accounts payable	1,517,145	-
Due to primary government	9,417,417	-
Accrued liabilities and other	551,287	23,000
Obligations under securities lending agreements	13,966,811	-
Total liabilities	25,452,660	23,000
Net Position		
Restricted for pension	456,752,495	-
Restricted for postemployment benefits other than pension	147,959,319	-
Total net position	\$ 604,711,814	\$ -

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2021

	Pension and Other Employee Benefits - Year Ended December 31, 2020	<u>Custodial Funds</u> Tax Collection Fund
Additions		
Investment income (loss):		
Interest and dividends	\$ 15,100,372	\$ -
Net increase in fair value of investments	60,106,676	-
Investment-related expenses	(2,087,277)	-
Net investment income	73,119,771	-
Securities lending income:		
Interest and dividends	36,783	-
Securities lending - Investment expense	(10,889)	-
Total securities lending income	25,894	-
Contributions:		
Employer contributions	39,145,943	-
Employee contributions	1,577,142	-
Total contributions	40,723,085	-
Property tax collections	-	124,477,006
Total additions	113,868,750	124,477,006
Deductions		
Benefit payments	66,761,902	-
Refunds of contributions	1,693,194	-
Administrative expenses	881,366	-
Tax distributions to other governments	-	124,477,006
Total deductions	69,336,462	124,477,006
Net Increase in Fiduciary Net Position	44,532,288	-
Net Position - Beginning of year	560,179,526	-
Net Position - End of year	\$ 604,711,814	\$ -

Component Units
Statement of Net Position

June 30, 2021

	Tax Increment Finance Authority	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Assets				
Cash and investments	\$ 1,073,633	\$ 22,045,609	\$ 406,990	\$ 23,526,232
Receivables - Other	-	75	8,260	8,335
Due from primary government	-	38,729	-	38,729
Inventory	-	136,296	-	136,296
Prepaid items and other assets	-	300	-	300
Total assets	1,073,633	22,221,009	415,250	23,709,892
Deferred Outflows of Resources				
Bond refunding loss being amortized (Note 1)	-	144,948	-	144,948
Deferred outflows related to OPEB	-	27,340	-	27,340
Total deferred outflows of resources	-	172,288	-	172,288
Liabilities				
Accounts payable	-	684,268	19,100	703,368
Due to other governmental units	-	-	27,580	27,580
Due to primary government	4,423	258,802	4,683	267,908
Refundable deposits, bonds, etc.	-	54,136	-	54,136
Accrued liabilities and other	-	282,506	-	282,506
Noncurrent liabilities:				
Due within one year:				
Provision for property tax refunds	10,523	76,505	-	87,028
Current portion of long-term debt	-	5,513,828	-	5,513,828
Due in more than one year:				
Net OPEB liability	-	307,089	-	307,089
Long-term debt	-	29,394,128	-	29,394,128
Total liabilities	14,946	36,571,262	51,363	36,637,571
Deferred Inflows of Resources - Deferred inflows related to OPEB	-	23,974	-	23,974
Net Position (Deficit) - Unrestricted	\$ 1,058,687	\$ (14,201,939)	\$ 363,887	\$ (12,779,365)

City of Warren, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Tax Increment Finance Authority - Community and economic development	\$ 187,701	\$ -	\$ -	\$ -
Downtown Development Authority:				
Community and economic development	2,239,876	-	-	-
Interest on long-term debt	1,115,377	-	-	-
Total Downtown Development Authority	3,355,253	-	-	-
Brownfield Redevelopment Authority - Community and economic development	1,349,222	-	-	-
Total component units	\$ 4,892,176	\$ -	\$ -	\$ -

General revenue:
 Property taxes
 State-shared revenue
 Investment income
 Other miscellaneous 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, 2021

Net (Expense) Revenue and Changes in Net Position			
Tax Increment Finance Authority	Downtown Development Authority	Brownfield Redevelopment Authority	Total
\$ (187,701)	\$ -	\$ -	\$ (187,701)
-	(2,239,876)	-	(2,239,876)
-	(1,115,377)	-	(1,115,377)
-	(3,355,253)	-	(3,355,253)
-	-	(1,349,222)	(1,349,222)
(187,701)	(3,355,253)	(1,349,222)	(4,892,176)
299,485	6,438,128	1,415,170	8,152,783
6,312	4,454,794	-	4,461,106
742	9,260	178	10,180
46,460	-	-	46,460
352,999	10,902,182	1,415,348	12,670,529
165,298	7,546,929	66,126	7,778,353
893,389	(21,748,868)	297,761	(20,557,718)
\$ 1,058,687	\$ (14,201,939)	\$ 363,887	\$ (12,779,365)

June 30, 2021

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.

June 30, 2021

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.

Fiduciary Component Units

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

The City Employees' Retirement Health, Life and Disability Benefits Plan and Trust is governed by a five-member pension board that includes the mayor, a trustee appointment by the mayor, one member of the City Council, and two trustees who are members of and elected by the City Employees' Retirement System membership at large. Although it is legally separate from the City, it is reported as fiduciary component units because the City appoints a voting majority to the retiree health care plan board and the plan imposes a financial burden on the City.

Employees' Retirement System

The Employees' Retirement System is governed by a five-member pension board that includes the mayor, a trustee appointment by the mayor, one member of the City Council, and two trustees elected by the City Employees' Retirement System membership at large. Although it is legally separate from the City, it is reported as a fiduciary component unit because the City appoints a voting majority to the pension board and the plan imposes a financial burden on the City.

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

The Police and Fire Retirement Health, Life and Disability Plan and Trust is governed by a six-member pension board: two elected by plan members, two appointed by the city mayor, the city treasurer by default, and an ex officio city council member. Although it is legally separate from the City, it is reported as fiduciary component units because the City appoints a voting majority to the retiree health care plan board and the plan imposes a financial burden on the City.

Police and Fire Retirement System

The Police and Fire Retirement System is governed by a six-member pension board: two elected by plan members, two appointed by the mayor, the city treasurer by default, and an ex officio city council member. Although it is legally separate from the City, it is reported as fiduciary component units because the City appoints a voting majority to the retirement system board and the plan imposes a financial burden on the City.

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

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.
- The Capital Project Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designed for acquiring new buildings, equipment, and technology upgrades and for remodeling and repairs. The funds operate until the purpose for which they were created is accomplished.

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.
- The Tax Collection Fund collects taxes on behalf of all the taxing authorities (state, county, school district, and the various smaller authorities).

June 30, 2021

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

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.

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.

June 30, 2021

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

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 \$21,722,466 set aside and classified as restricted assets related to unspent bond proceeds to be spent on capital projects.

The Water and Sewer Fund has \$59,141,846 set aside and classified as restricted assets. Of this amount, \$51,299,494 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 \$1,847,505 at June 30, 2021. Net position of \$11,701,581 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.

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

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

Capital Asset Class	Depreciable Life - Years
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 OPEB and defined benefit pension plans, as indicated in Notes 8 and 10, respectively.

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

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

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 exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

Property taxes are levied on each July 1 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 2020 tax is levied and collectible on July 1, 2020 and is recognized as revenue in the year ended June 30, 2021 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 28 before they are added to the county tax rolls.

June 30, 2021

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

The 2020 taxable valuation of the City totaled \$3.64 billion (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	8.5421 \$	29,636,000
Emergency medical service	0.2843	986,000
Library charter and operating	1.0757	3,731,000
Rubbish services	2.5550	8,859,000
Police/Fire pension and retiree health care	4.9848	17,421,000
Police operating	0.9531	3,306,000
Fire operating	0.9531	3,306,000
Recreation operating	0.9488	3,292,000
Police and fire operating	4.7953	16,602,000
Road repairs	2.0549	7,115,000
Total		<u>\$ 94,254,000</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.

All full-time employees of the City earn 1 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.

June 30, 2021

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

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 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 ended 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 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.

June 30, 2021

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

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.

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.

Adoption of New Accounting Pronouncement

During the current year, the City adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the following activities that were previously reported as fiduciary activities no longer meet the definition of such; therefore, these activities are now reported within governmental funds: payroll clearing, performance deposits, building permits and fees, property tax admin fee, and property tax collected for the City.

There was no effect of this new standard on fund balance/net position.

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, 2020	\$ (7,768,901)
Current year permit revenue	3,398,971
Related expenses - Estimated indirect costs	<u>3,169,095</u>
Current year excess	<u>229,876</u>
Cumulative shortfall - June 30, 2021	<u><u>\$ (7,539,025)</u></u>

Note 2 - Stewardship, Compliance, and Accountability (Continued)

Fund Deficits

At June 30, 2021, the governmental activities reported a deficit in net position of \$32,667,032. 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, 2021, the Downtown Development Authority reported a deficit in net position of \$14,201,939. 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, 2021, 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

Note 3 - Deposits and Investments (Continued)

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.
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 12 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 fair value of the loaned securities. During the year ended December 31, 2020, 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.

June 30, 2021

Note 3 - Deposits and Investments (Continued)

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 December 31, 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 December 31, 2020, the Retirement Systems had no credit risk exposure to borrowers. The collateral held and the fair value of the underlying securities on loan for the retirement systems as of December 31, 2020 were \$13,763,200 and \$13,625,836, 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 \$212,820,065 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City's component units had \$21,082,215 of bank deposits that were uninsured and uncollateralized. Additionally, the fiduciary funds, at their year end of December 31, 2020, 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.

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, 2021 (December 31, 2020 for the City's fiduciary funds), the City had the following investments and maturities:

Primary Government	Carrying Value	0-5 Years	More Than 10 Years
U.S. government agency securities	\$ 2,507,688	\$ 1,513,000	\$ 994,688
Municipal bonds	910,204	910,204	-
Total	\$ 3,417,892	\$ 2,423,204	\$ 994,688

Fiduciary Funds	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
U.S. government	\$ 29,022,313	\$ 16,220,099	\$ 9,709,044	\$ 3,093,170
U.S. government agency	245,549	245,549	-	-
Mortgage-backed securities	9,321,240	37,357	374,904	8,908,979
Collateralized mortgage obligations	862,393	135,490	421,737	305,166
Asset-backed securities	4,001,143	2,251,444	534,921	1,214,778
Corporate and convertible bonds	39,840,386	18,335,187	17,615,749	3,889,450
Mezzanine debt financing	23,156	-	-	23,156
Foreign bonds and notes	667,969	273,611	155,012	239,346
Municipal bonds	218,328	57,898	127,775	32,655
Bond index funds	7,201,411	-	7,201,411	-
Total	\$ 91,403,888	\$ 37,556,635	\$ 36,140,553	\$ 17,706,700

June 30, 2021

Note 3 - Deposits and Investments (Continued)

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, 2021, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary Government			
Comerica - Government Cash Investment Fund	\$ 28,978,431	Not rated	N/A
Municipal bonds	910,204	Aa1, NR	Moody's
Total	<u>\$ 29,888,635</u>		

Investment	Fair Value	Rating	Rating Organization
Fiduciary Funds			
Goldman Sachs FS Prime Obligations Fund	\$ 4,037,205	AAAm	S&P
Repurchase agreement	782,136	A1/P1/F1	Moody's
Comerica Short-term Fund Series C	3,469,058	Not rated	N/A
Index funds	7,201,411	AA1 - AA2	Moody's
Bank investment pool	6,300,752	AAA - AA	Moody's
Debt securities	12,560,970	AAA	S&P
Debt securities	105,503	AA1	S&P
Debt securities	3,319,478	AA2	S&P
Debt securities	2,803,439	AA3	S&P
Debt securities	7,152,756	A1	S&P
Debt securities	6,799,807	A2	S&P
Debt securities	7,538,049	A3	S&P
Debt securities	21,564	BBB	S&P
Debt securities	9,977,220	BAA1 and below	S&P
Debt securities	11,961,579	Not rated	N/A
Total	<u>\$ 84,030,927</u>		

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	\$ 6,984,852
Foreign bonds	UK pound	815,940
Foreign bonds	Hong Kong dollar	2,664,080
Foreign bonds	Japanese yen	5,151,436
Foreign bonds	Danish krone	1,101,240
Foreign bonds	Australian dollar	1,427,749

June 30, 2021

Note 3 - Deposits and Investments (Continued)

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 \$28,978,431 and \$787,927, 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.

Note 4 - Receivables

Receivables as of June 30, 2021 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
	Combining General Fund	Grant Fund	Capital Projects Fund	Nonmajor Funds	Total		
Receivables:							
Property taxes receivable	\$ 688,647	\$ -	\$ -	\$ 222,904	\$ 911,551	\$ -	\$ -
Special assessments receivable	-	-	341,393	-	341,393	-	-
Receivables from sales to customers on account	-	-	-	-	-	8,846,561	-
Accrued interest receivable	31,000	-	-	182	31,182	37	77
Other receivables	802,517	-	61,968	719,271	1,583,756	117,393	8,258
Due from other governmental units	5,534,511	135,803	-	2,625,999	8,296,313	2,422	-
Due from pension and VEBA funds	9,781,792	-	-	-	9,781,792	-	-
Notes receivable	-	8,247,565	-	-	8,247,565	-	-
Net receivables	\$ 16,838,467	\$ 8,383,368	\$ 403,361	\$ 3,568,356	\$ 29,193,552	\$ 8,966,413	\$ 8,335

June 30, 2021

Note 5 - Capital Assets

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

Governmental Activities

	Balance July 1, 2020	Reclassifications	Additions	Disposals	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 15,255,269	\$ -	\$ -	\$ -	\$ 15,255,269
Construction in progress	2,900,109	(2,854,716)	942,317	-	987,710
Subtotal	18,155,378	(2,854,716)	942,317	-	16,242,979
Capital assets being depreciated:					
Infrastructure	208,863,966	2,834,618	7,383,898	-	219,082,482
Buildings and improvements	100,301,055	8,586	1,069,844	-	101,379,485
Machinery and equipment	77,268,461	-	2,356,515	(731,514)	78,893,462
Land improvements	9,903,327	11,512	270,705	-	10,185,544
Subtotal	396,336,809	2,854,716	11,080,962	(731,514)	409,540,973
Accumulated depreciation:					
Infrastructure	124,334,828	-	5,173,799	-	129,508,627
Buildings and improvements	55,220,125	-	3,273,367	-	58,493,492
Machinery and equipment	51,180,021	-	7,091,968	(692,153)	57,579,836
Land improvements	8,775,100	-	170,497	-	8,945,597
Subtotal	239,510,074	-	15,709,631	(692,153)	254,527,552
Net capital assets being depreciated	156,826,735	2,854,716	(4,628,669)	(39,361)	155,013,421
Net governmental activities capital assets	\$ 174,982,113	\$ -	\$ (3,686,352)	\$ (39,361)	\$ 171,256,400

June 30, 2021

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2020	Reclassifications	Additions	Disposals	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 1,598,648	\$ -	\$ -	\$ -	\$ 1,598,648
Construction in progress	16,956,770	(204,434)	23,516,120	-	40,268,456
Subtotal	18,555,418	(204,434)	23,516,120	-	41,867,104
Capital assets being depreciated:					
Buildings and improvements	104,663,421	24,625	895,710	(88,282)	105,495,474
Machinery and equipment	18,998,262	36,583	750,185	(395,975)	19,389,055
Utility systems	160,566,300	143,226	4,511,429	(160,774)	165,060,181
Subtotal	284,227,983	204,434	6,157,324	(645,031)	289,944,710
Accumulated depreciation:					
Buildings and improvements	49,087,948	-	2,769,185	(88,282)	51,768,851
Machinery and equipment	15,104,247	-	581,562	(395,975)	15,289,834
Utility systems	74,840,319	-	2,846,157	(160,774)	77,525,702
Subtotal	139,032,514	-	6,196,904	(645,031)	144,584,387
Net capital assets being depreciated	145,195,469	204,434	(39,580)	-	145,360,323
Net business-type activities capital assets	<u>\$ 163,750,887</u>	<u>\$ -</u>	<u>\$ 23,476,540</u>	<u>\$ -</u>	<u>\$ 187,227,427</u>

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

Governmental activities:	
General government	\$ 2,750,462
Public safety	3,566,895
City development	138,125
Highway and streets	4,965,715
Sanitation	2,559,547
Recreation and culture	1,728,887
Total governmental activities	<u>\$ 15,709,631</u>
Business-type activities:	
Water and Sewer Fund	\$ 5,881,607
Senior Citizen Housing Funds	315,297
Total business-type activities	<u>\$ 6,196,904</u>

June 30, 2021

Note 5 - Capital Assets (Continued)

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	\$ 15,238,966	\$ 4,880,982
Water and sewer projects	57,165,226	47,060,660
Total	<u>\$ 72,404,192</u>	<u>\$ 51,941,642</u>

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From						Total
	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 66,573	\$ -	\$ 905,385	\$ 2,279,427	\$ 202,034	\$ 3,453,419
Grant Fund	1,364	-	-	-	-	-	1,364
Capital Projects Fund	412,100	-	-	-	-	-	412,100
Nonmajor governmental funds	-	-	5	7,223	115,508	-	122,736

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

Receivable	Payable	Amount
General Fund	Tax Increment Finance Authority	\$ 4,423
	Downtown Development Authority	258,802
	Brownfield Redevelopment Authority	3,619
	Total General Fund	266,844
Nonmajor governmental funds	Brownfield Redevelopment Authority	1,064
Downtown Development Authority	Nonmajor governmental funds	38,729
	Total	<u>\$ 306,637</u>

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, 2021.

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	\$ 231,315
	Nonmajor governmental funds	3,672,148
	Total	<u>\$ 3,903,463</u>

The transfer from the General Fund to the nonmajor governmental funds represents the use of unrestricted resources to finance costs related to roads and 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, 2021

Note 7 - Long-term Debt

Long-term debt activity for the year ended June 30, 2021 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%	\$ 6,814,207	\$ -	\$ (1,071,448)	\$ 5,742,759	\$ 1,108,333
Other debt:						
Road Construction - Capital Improvement Refunding: Series 2013A Maturing through 2027	2.70%	2,374,203	-	(470,530)	1,903,673	502,857
Sidewalk Construction - Capital Improvement Refunding: Series 2015 Maturing through 2029	2.00%- 3.25%	1,520,000	-	(215,000)	1,305,000	210,000
Road Construction - MTF, Series 2018 - Maturing through 2033	3.00%- 3.35%	11,645,000	-	(750,000)	10,895,000	770,000
General Obligation Bonds - Series 2014, WCC refunding - Maturing through 2027	2.35%	5,000,000	-	(710,000)	4,290,000	715,000
Road Construction - MTF, Series 2021 - Maturing through 2041	2.00%- 5.00%	-	18,930,000	-	18,930,000	645,000
Total other debt principal outstanding		20,539,203	18,930,000	(2,145,530)	37,323,673	2,842,857
Unamortized bond premiums		109,107	2,351,826	(17,673)	2,443,260	125,466
Total bonds and contracts payable		27,462,517	21,281,826	(3,234,651)	45,509,692	4,076,656
Compensated absences		10,746,410	2,960,734	(2,580,096)	11,127,048	2,658,862
Total governmental activities long-term debt		<u>\$ 38,208,927</u>	<u>\$ 24,242,560</u>	<u>\$ (5,814,747)</u>	<u>\$ 56,636,740</u>	<u>\$ 6,735,518</u>

June 30, 2021

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%	\$ 1,420,000	\$ -	\$ (270,000)	\$ 1,150,000	\$ 275,000
SRF, Series 5134-02 - Maturing through 2026	2.125%	2,235,000	-	(355,000)	1,880,000	360,000
SRF, Series 5134-03 - Maturing through 2024	2.125%	332,091	-	(65,000)	267,091	65,000
SRF, Series 5134-04 - Maturing 2026	1.625%	2,745,000	-	(440,000)	2,305,000	445,000
SRF, Series 5401-01 - Maturing through 2030	2.50%	1,798,918	-	(145,000)	1,653,918	150,000
Other direct borrowings - Installment purchase agreements		4,906,396	-	(563,434)	4,342,962	604,224
Total direct borrowings and direct placements principal outstanding		13,437,405	-	(1,838,434)	11,598,971	1,899,224
Other debt:						
Water and Sewer Bonds - Refunding Series 2012 - Maturing through 2016	4.00%	7,600,000	-	(1,960,000)	5,640,000	2,010,000
Capital Improvement Bonds - Series 2003	3.70%-4.125%	260,000	-	(85,000)	175,000	85,000
Capital Improvement Bonds - Series 2013A Refunding	2.70%	930,797	-	(184,470)	746,327	197,143
Capital Improvement Bonds - Series 2013	4.00%-4.50%	14,375,000	-	(800,000)	13,575,000	825,000
Capital Improvement Bonds - Series 2017	2.00%-3.25%	46,865,000	-	(2,215,000)	44,650,000	2,255,000
Capital Improvement Bonds - Refunding Series 2019	3.00%-3.25%	11,975,000	-	(535,000)	11,440,000	550,000
Capital Improvement Bonds - Refunding Series 2019A	2.00%-3.00%	6,100,000	-	(415,000)	5,685,000	445,000
Senior Housing Bonds - Refunding Series 2012 - Maturing 2023	2.00%	935,000	-	(390,000)	545,000	395,000
Capital Improvement Bonds - Series 2019 - Maturing 2037	3.00%	26,570,000	-	(965,000)	25,605,000	1,020,000
Revenue Bonds - Series 2020	2.00%-5.00%	-	8,725,000	(195,000)	8,530,000	-
Total other debt principal outstanding		115,610,797	8,725,000	(7,744,470)	116,591,327	7,782,143
Unamortized bond premiums		3,510,472	691,747	(314,971)	3,887,248	324,768
Unamortized bond discounts		(739)	-	211	(528)	(211)
Total bonds and contracts payable		132,557,935	9,416,747	(9,897,664)	132,077,018	10,005,924
Compensated absences		929,297	472,015	(473,153)	928,159	457,565
Total business-type activities long-term debt		\$ 133,487,232	\$ 9,888,762	\$ (10,370,817)	\$ 133,005,177	\$ 10,463,489

June 30, 2021

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%	\$ 10,220,000	\$ -	\$ (1,060,000)	\$ 9,160,000	\$ 1,035,000
Series 2013 Refunding	4.00% - 4.625%	8,465,000	-	(1,505,000)	6,960,000	1,465,000
Series 2014 Refunding	2.00% - 3.00%	21,230,000	-	(2,745,000)	18,485,000	2,955,000
Total other debt principal outstanding		39,915,000	-	(5,310,000)	34,605,000	5,455,000
Unamortized bond premiums		361,784	-	(58,828)	302,956	58,828
Total component units long-term debt		<u>\$ 40,276,784</u>	<u>\$ -</u>	<u>\$ (5,368,828)</u>	<u>\$ 34,907,956</u>	<u>\$ 5,513,828</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, 2021 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 \$1,065,000 to \$2,105,000 a year and are due serially through fiscal year 2041, with annual interest rates ranging from 2.00 percent to 5.00 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, Revenue 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 \$420,000 to \$8,862,143 a year and are due serially through fiscal year 2046, with annual interest rates ranging from 1.625 percent to 5.00 percent. The total liability for SRF, Series 5401-01 at June 30, 2021 is \$1,653,918; 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 \$8,725,000 in Revenue Bond Series 2020.

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 \$5,742,759 was outstanding as of June 30, 2021.

In 2011, the Water and Sewer Fund entered into an agreement to finance the purchase of energy performance improvements for the wastewater treatment plant. The total amount of financing is \$8,021,303, with \$54,693 of issuance costs included in the total. A total of \$4,342,962 was outstanding as of June 30, 2021.

Other Long-term Liabilities

Compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund, and those attributable to the business-type activities will be liquidated primarily by the Water and Sewer Fund.

Pension and OPEB liabilities attributable to the governmental activities will be liquidated primarily by the General Fund, and nonmajor governmental funds. Those attributable to the business-type activities will be liquidated primarily by the Water and Sewer Fund.

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	
2022	\$ 1,108,333	\$ 194,857	\$ 2,842,857	\$ 1,117,448	\$ 5,263,495
2023	1,146,510	156,679	2,669,530	1,069,528	5,042,247
2024	1,186,028	117,162	2,715,939	983,621	5,002,750
2025	1,132,191	76,258	2,755,939	895,659	4,860,047
2026	1,169,697	38,750	2,832,347	805,102	4,845,896
2027-2031	-	-	10,162,061	2,822,077	12,984,138
2032-2036	-	-	7,415,000	1,095,375	8,510,375
2037-2041	-	-	5,930,000	360,600	6,290,600
2042-2046	-	-	-	-	-
Total	\$ 5,742,759	\$ 583,706	\$ 37,323,673	\$ 9,149,410	\$ 52,799,548

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2022	\$ 1,899,224	\$ 265,740	\$ 7,782,143	\$ 3,675,969	\$ 13,623,076
2023	1,977,528	222,232	6,705,470	3,420,388	12,325,618
2024	2,042,832	176,781	6,614,061	3,203,839	12,037,513
2025	2,132,482	129,517	6,774,061	2,988,235	12,024,295
2026	1,825,306	84,770	6,927,653	2,767,874	11,605,603
2027-2031	1,721,599	78,957	33,752,939	10,633,255	46,186,750
2032-2036	-	-	32,730,000	5,129,656	37,859,656
2037-2041	-	-	13,045,000	1,041,463	14,086,463
2042-2046	-	-	2,260,000	143,319	2,403,319
Total	\$ 11,598,971	\$ 957,997	\$ 116,591,327	\$ 33,003,998	\$ 162,152,293

Years Ending June 30	Component Unit Activities		
	Other Debt		
	Principal	Interest	Total
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	5,320,000	316,384	5,636,384
2027-2031	7,530,000	255,000	7,785,000
2032-2036	-	-	-
2037-2041	-	-	-
2042-2046	-	-	-
Total	\$ 34,605,000	\$ 3,628,315	\$ 38,233,315

Note 7 - Long-term Debt (Continued)

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.

Note 8 - Other Postemployment Benefit Plan (Continued)

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.

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, 2019
Inactive plan members or beneficiaries currently receiving benefits	562	567
Inactive plan members entitled to but not yet receiving benefits	41	6
Active plan members	169	122
Total plan members	<u>772</u>	<u>695</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, 2021, the City contributed \$9,309,098, which is \$500,000 more than 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, 2021, the City contributed \$10,390,007, which is \$500,000 more than the actuarial determined calculation. There were no required employee contributions.

Note 8 - Other Postemployment Benefit Plan (Continued)

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, 2020	December 31, 2020
Based on a comprehensive actuarial valuation as of	December 31, 2018	December 31, 2019

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
Balance at December 31, 2019	\$ 147,038,521	\$ 70,835,146	\$ 76,203,375
Changes for the year:			
Service cost	1,393,370	-	1,393,370
Interest	10,486,925	-	10,486,925
Changes in actuarial assumptions	3,977,930	-	3,977,930
Contributions - Employer	-	8,654,612	(8,654,612)
Net investment income	-	8,928,872	(8,928,872)
Benefit payments, including refunds	(7,704,095)	(7,704,095)	-
Administrative expenses	-	(142,878)	142,878
Net changes	<u>8,154,130</u>	<u>9,736,511</u>	<u>(1,582,381)</u>
Balance at December 31, 2020	<u>\$ 155,192,651</u>	<u>\$ 80,571,657</u>	<u>\$ 74,620,994</u>

The plan's fiduciary net position represents 51.9 percent of the total OPEB liability.

Note 8 - Other Postemployment Benefit Plan (Continued)

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
Balance at December 31, 2019	\$ 175,076,791	\$ 57,821,887	\$ 117,254,904
Changes for the year:			
Service cost	1,173,699	-	1,173,699
Interest	12,718,529	-	12,718,529
Differences between expected and actual experience	1,681,689	-	1,681,689
Changes in assumptions	(11,540,029)	-	(11,540,029)
Contributions - Employer	-	10,445,000	(10,445,000)
Net investment income	-	9,101,392	(9,101,392)
Benefit payments, including refunds	(9,958,488)	(9,958,488)	-
Administrative expenses	-	(22,129)	22,129
Net changes	(5,924,600)	9,565,775	(15,490,375)
Balance at December 31, 2020	\$ 169,152,191	\$ 67,387,662	\$ 101,764,529

The plan's fiduciary net position represents 39.8 percent of the total OPEB liability.

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$5,254,937 for the general employees' plan and \$2,043,277 for the police and fire plan.

At June 30, 2021, 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	\$ -	\$ -	\$ 840,845	\$ -
Changes in assumptions	1,988,963	-	-	(5,770,015)
Net difference between projected and actual earnings on OPEB plan investments	-	(5,825,565)	-	(6,541,301)
Employer contributions to the plan subsequent to the measurement date	4,654,520	-	4,945,003	-
Total	\$ 6,643,483	\$ (5,825,565)	\$ 5,785,848	\$ (12,311,316)

Note 8 - Other Postemployment Benefit Plan (Continued)

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
2022	\$ 344,360	\$ (6,821,467)
2023	(938,858)	(1,313,295)
2024	(2,489,292)	(2,368,825)
2025	(752,812)	(966,884)
Total	<u>\$ (3,836,602)</u>	<u>\$ (11,470,471)</u>

The balances related to the OPEB plans are recorded within the primary government and discretely presented component units as follows:

	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust		Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	
	Primary Government	Component Units	Primary Government	Component Units
Deferred outflows related to OPEB	\$ 6,616,143	\$ 27,340	\$ 5,785,848	\$ -
Net OPEB liability	74,313,905	307,089	101,764,529	-
Deferred inflows related to OPEB	5,801,591	23,974	12,311,316	-

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%	8.25% 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)	7.20%	7.35%
Healthcare cost trend rate	0	Publication 2010 Public Safety
Mortality rates	RP-2014 Mortality Table	RP-2000 Mortality Table, with adjustments for mortality improvements based on Scale AA

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 7.20 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 7.20 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, 2020 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 %	5.28 %
International equity	20.00	6.13
Fixed income	25.00	3.61
Alternative assets	20.00	3.61

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 %	5.37 %
International equity	15.00	6.23
Domestic bonds	19.00	3.44
Real estate	10.00	4.41
Alternative assets	11.00	3.67

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 7.20 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	\$ 92,956,725	\$ 74,620,994	\$ 59,323,208
Net OPEB liability of the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	122,738,931	101,764,529	84,388,846

June 30, 2021

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 8.50 percent for the city employees' plan and 8.25 percent for the police and fire plan, 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	\$ 56,363,406	\$ 74,620,994	\$ 96,600,509
Net OPEB liability of the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	82,533,360	101,764,529	124,933,550

Assumption Changes

For the current year, the medical inflation rates were changed for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust, and the rate of return for the General Employees' Retirement Health, Life and Disability Benefits Plan and Trust was changed from 7.25 percent to 7.20 percent.

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, 2021. 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 Expense
City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	\$ 155,192,651	\$ 80,571,657	\$ 74,620,994	\$ 6,643,483	\$ 5,825,565	\$ 5,254,937
Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	169,152,191	67,387,662	101,764,529	5,785,848	12,311,316	2,043,277
Total	<u>\$ 324,344,842</u>	<u>\$ 147,959,319</u>	<u>\$ 176,385,523</u>	<u>\$ 12,429,331</u>	<u>\$ 18,136,881</u>	<u>\$ 7,298,214</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.

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.

Note 10 - Pension Plans (Continued)

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 2 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 of Warren Employees' Retirement System Defined Benefit Pension Plan	Police and Fire Retirement System Defined Benefit Pension Plan
Date of member count	December 31, 2019	December 31, 2019
Retirees and beneficiaries	504	579
Inactive plan members entitled to but not yet receiving benefits	16	6
Active plan members	53	317
Total employees covered by the plan	<u>573</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 June 30, 2021, the City contributed \$9,131,944, which equals the actuarial determined calculation. 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 June 30, 2021, the City contributed \$11,884,923, which equals the actuarial determined calculation, 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, 2020 as its measurement date for the net pension liability. The December 31, 2020 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2020. The December 31, 2020 total pension liability was determined by an actuarial valuation performed as of December 31, 2019, which used update procedures to roll forward the estimated liability to December 31, 2020.

June 30, 2021

Note 10 - Pension Plans (Continued)

Police and Fire Retirement System

The City has chosen to use December 31, 2020 as its measurement date for the net pension liability. The December 31, 2020 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2020. The December 31, 2020 total pension liability was determined by an actuarial valuation performed as of December 31, 2019, which used update procedures to roll forward the estimated liability to December 31, 2020.

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
Balance at December 31, 2019	\$ 189,301,186	\$ 136,526,144	\$ 52,775,042
Changes for the year:			
Service cost	931,363	-	931,363
Interest	13,180,404	-	13,180,404
Differences between expected and actual experience	1,678,023	-	1,678,023
Changes in assumptions	766,546	-	766,546
Contributions - Employer	-	8,758,414	(8,758,414)
Net investment income	-	14,145,524	(14,145,524)
Benefit payments, including refunds	(16,867,737)	(16,867,737)	-
Administrative expenses	-	(244,278)	244,278
Miscellaneous other charges	-	14,133	(14,133)
Net changes	(311,401)	5,806,056	(6,117,457)
Balance at December 31, 2020	\$ 188,989,785	\$ 142,332,200	\$ 46,657,585

The plan's fiduciary net position represents 75.3 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
Balance at December 31, 2019	\$ 410,689,210	\$ 294,995,395	\$ 115,693,815
Changes for the year:			
Service cost	4,691,927	-	4,691,927
Interest	29,283,778	-	29,283,778
Differences between expected and actual experience	1,639,804	-	1,639,804
Contributions - Employer	-	11,287,917	(11,287,917)
Contributions - Employee	-	1,577,142	(1,577,142)
Net investment income	-	40,956,241	(40,956,241)
Benefit payments, including refunds	(33,924,776)	(33,924,776)	-
Administrative expenses	-	(472,081)	472,081
Net changes	1,690,733	19,424,443	(17,733,710)
Balance at December 31, 2020	\$ 412,379,943	\$ 314,419,838	\$ 97,960,105

The plan's fiduciary net position represents 76.2 percent of the total pension liability.

June 30, 2021

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, 2021, the City recognized pension expense of \$4,531,359 for the Employees' Retirement System and pension recovery of \$9,350,936 for the Police and Fire Retirement System.

At June 30, 2021, 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	\$ -	\$ -	\$ 2,653,589	\$ -
Changes in assumptions	-	-	3,121,408	(5,553,879)
Net difference between projected and actual earnings on pension plan investments	-	(7,042,022)	-	(24,899,540)
Employer contributions to the plan subsequent to the measurement date	4,815,962	-	5,942,463	-
Total	<u>\$ 4,815,962</u>	<u>\$ (7,042,022)</u>	<u>\$ 11,717,460</u>	<u>\$ (30,453,419)</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
2022	\$ (1,952,313)	\$ (10,268,491)
2023	(412,490)	(1,329,733)
2024	(3,767,281)	(9,395,084)
2025	(909,938)	(3,685,114)
2026	-	-
Thereafter	-	-
Total	<u>\$ (7,042,022)</u>	<u>\$ (24,678,422)</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 of Warren Employees' Retirement System Defined Benefit Pension Plan	Police and Fire Retirement System Defined Benefit Pension Plan
Inflation	3.5%	3.5%
Salary increases (including inflation)	4.0% - 7.8%	3.50% - 6.50%
Investment rate of return (net of investment expenses, including inflation)	7.20%	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 7.20 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, 2020 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, 2020 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 plans' policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of their members. It is the policy of the pension boards 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 plans' 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, 2020 for each plan:

Employees' Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	35.00 %	5.28 %
International equity	20.00	6.13
Fixed income	25.00	3.61
Alternative assets	20.00	3.61

Police and Fire Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00 %	5.37 %
International equity	15.00	6.23
Domestic bonds	19.00	3.44
Alternative assets	11.00	3.67
Real estate	10.00	4.41

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 (6.20 percent and 6.35 percent for the Employees' Retirement System and Police and Fire Retirement System, respectively) or 1 percentage point higher (8.20 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	\$ 63,229,993	\$ 46,657,585	\$ 32,316,449
Net pension liability of the Police and Fire Retirement System Defined Benefit Pension Plan	139,322,073	97,960,105	62,653,388

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.

Assumption Changes

Employees' Retirement System

For the Employees' Retirement System, in the current year, the investment rate of return was changed from 7.25 percent to 7.20 percent.

Note 10 - Pension Plans (Continued)

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, 2020 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	\$ 146,620,877	\$ 142,305,503	\$ 261,066,882	\$ 261,066,882
Employee reserve	26,696	26,696	18,665,000	18,665,000
Employer reserve	-	-	34,687,956	34,687,956

June 30, 2021

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, 2021. 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 (Recovery)
City of Warren Employees' Retirement System Defined Benefit Pension Plan	\$ 188,989,785	\$ 142,332,200	\$ 46,657,585	\$ 4,815,962	\$ 7,042,022	\$ 4,531,359
Police and Fire Retirement System Defined Benefit Pension Plan	412,379,943	314,419,838	97,960,105	11,717,460	30,453,419	(9,350,936)
Total	<u>\$ 601,369,728</u>	<u>\$ 456,752,038</u>	<u>\$ 144,617,690</u>	<u>\$ 16,533,422</u>	<u>\$ 37,495,441</u>	<u>\$ (4,819,577)</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 338 active participants in the plan as of June 30, 2021. The City contributed approximately \$2.6 million for the year ended June 30, 2021.

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.

June 30, 2021

Note 14 - Fund Balance Constraints

The detail of the various components of fund balance is as follows:

	Primary Government				Total
	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Funds	
Nonspendable:					
Inventory	\$ 288,585	\$ -	\$ -	\$ 16,083	\$ 304,668
Prepays	564,190	18,089	-	2,610	584,889
Total nonspendable	852,775	18,089	-	18,693	889,557
Restricted:					
Roads	-	-	22,039,412	31,978,537	54,017,949
Grants	-	855,712	-	-	855,712
Capital projects	-	-	7,329	-	7,329
Sanitation	-	-	-	2,869,138	2,869,138
Recreation	-	-	-	3,364,661	3,364,661
Library	-	-	-	4,556,897	4,556,897
Cable franchise fees	-	-	-	2,929,574	2,929,574
Police enforcement	-	-	-	2,640,572	2,640,572
Special assessments	-	-	2,047,636	-	2,047,636
Vice crime	-	-	-	355,985	355,985
Total restricted	-	855,712	24,094,377	48,695,364	73,645,453
Committed:					
Road ordinance	-	-	-	1,775,294	1,775,294
Special assessments	-	-	94,673	-	94,673
Total committed	-	-	94,673	1,775,294	1,869,967
Assigned:					
Subsequent year's budget	9,898,961	-	-	-	9,898,961
Compensated absences	10,193,754	-	-	-	10,193,754
Claims and insurance	6,003,433	-	-	-	6,003,433
Fire equipment	1,537,389	-	-	-	1,537,389
Capital projects	-	-	9,869,224	-	9,869,224
Debt service	-	-	-	50,133	50,133
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
Police and fire employee retirement	8,700,000	-	-	-	8,700,000
Roads	5,062	-	-	-	5,062
Total assigned	62,341,595	-	9,869,224	50,133	72,260,952
Unassigned	19,360,088	-	-	-	19,360,088
Total fund balance	\$ 82,554,458	\$ 873,801	\$ 34,058,274	\$ 50,539,484	\$ 168,026,017

Note 15 - 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.

Note 15 - Risk Management (Continued)

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 \$4,795,256 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, 2021, as provided by the City's insurance carrier. The General Fund balance sheet reports assigned fund balance - claims and insurance in the amount of \$4,795,256.

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:

	2019	Est. Claims Incurred/ Reserved	Payments and Adjustments	2020	Est. Claims Incurred/ Reserved	Payments and Adjustments	2021
Workers' compensation, automobile, and public entity liability	\$ 5,013,405	\$ 2,059,774	\$ (3,615,266)	\$ 3,457,913	\$ 3,492,727	\$ (2,155,384)	\$ 4,795,256

Note 16 - 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, 2020.

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, 2021

Note 16 - Fair Value Measurements (Continued)

The City has the following recurring fair value measurements as of June 30, 2021:

	Fair Value Measurement Using			Balance at June 30, 2021
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Debt securities:				
U.S. Treasury securities*	\$ -	\$ 26,825,988	\$ -	\$ 26,825,988
Domestic fixed income*	-	7,201,411	-	7,201,411
International fixed income*	-	667,969	-	667,969
Commercial mortgage-backed securities*	-	11,763,115	-	11,763,115
Asset-backed securities*	-	4,001,143	-	4,001,143
Closed-end MF - Fixed income*	5,182,845	-	-	5,182,845
Municipal obligations*	-	3,394,849	-	3,394,849
Corporate bonds*	-	40,702,779	-	40,702,779
U.S. Treasury securities	1,513,000	-	-	1,513,000
Total debt securities	6,695,845	94,557,254	-	101,253,099
Equity securities:				
Domestic stock*	194,812,430	-	-	194,812,430
Foreign stock*	36,511,280	-	-	36,511,280
Real estate investment trusts*	5,146,124	-	-	5,146,124
ADR*	38,070,080	-	-	38,070,080
CIF - Equity*	-	58,648,778	-	58,648,778
Closed-end MF - Equity*	26,397,700	41,892,902	12,885,700	81,176,302
Partnerships publicly traded*	411,991	-	-	411,991
Private equity funds*	-	-	41,271,906	41,271,906
Short-term investment funds	16,824,469	-	-	16,824,469
Total equity securities	318,174,074	100,541,680	54,157,606	472,873,360
Total investments by fair value level	\$ 324,869,919	\$ 195,098,934	\$ 54,157,606	574,126,459
Investments measured at NAV:				
Fifth Third Fund - DDA				787,927
Equity Index Fund*				29,765,437
Vintage VI Offshore LP*				1,184,465
StepStone Mezzanine Partners I (Offshore) LP*				23,156
StepStone Mezzanine Partners (Offshore II) LP*				113,762
Avista Capital Opportunities Fund II (Offshore) LP*				114,382
Cohesive Capital Partners II (Offshore) LP*				4,004,149
Total investments measured at NAV				35,993,278
Total investments measured at fair value				\$ 610,119,737

*These represent fiduciary fund investments, which are stated as of December 31, 2020.

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

The fair value of Level 1 investments at December 31, 2020 and June 30, 2021 was determined using prices quoted in active markets for those securities.

June 30, 2021

Note 16 - Fair Value Measurements (Continued)

The fair value of debt securities at December 31, 2020 and June 30, 2021 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, 2020 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, 2021, 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	\$ 787,927	\$ -	N/A	N/A
Equity Index Fund*	29,765,437	-	N/A	N/A
Vintage VI Offshore LP*	1,184,465	1,532,364	Ongoing	Until maturity
StepStone Mezzanine Partners I (Offshore) LP*	23,156	40,000	Ongoing	Until maturity
StepStone Private Equity Partners (Offshore II) LP*	113,762	591,055	Ongoing	Until maturity
Avista Capital Opportunities Fund II (Offshore) LP*	114,382	169,483	Ongoing	Until maturity
Cohesive Capital Partners II (Offshore) LP*	4,004,149	710,816	Ongoing	Until maturity
Total investments measured at NAV	\$ 35,993,278	\$ 3,043,718		

*These represent fiduciary fund investments, which are stated as of December 31, 2020.

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.

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.

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.

Note 16 - Fair Value Measurements (Continued)

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 17 - 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 18 - 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 \$3,300,000. 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 19 - 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, 2021, the City abated \$1,253,841 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.

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.

June 30, 2021

Note 19 - Tax Abatements (Continued)

Information relevant to the disclosure of those programs for the fiscal year ended June 30, 2021 is as follows:

Tax Abatement Program	Amount of Taxes Abated During the Year Ended June 30, 2021
Brownfield Redevelopment Authority Sites	\$ 1,143,576
Industrial and Commercial Facilities (Act 198)	1,253,841
Exempt Personal Property (Act 328)	5,346
Tool & Die Renaissance and Recovery Zone Properties	65,534
Other commercial and industrial tax abatements	51,375

Note 20 - Subsequent Events

Subsequent to year end, the City issued \$24,950,000 in new bonds to refund a portion of its existing bonds. The new bonds mature through October 2033.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 72,574,070	\$ 72,574,070	\$ 73,024,686	\$ 450,616
Intergovernmental:				
Federal grants	-	2,022,724	8,436,614	6,413,890
State sources - State-shared revenue	20,642,220	20,738,220	24,388,614	3,650,394
Charges for services	5,146,500	5,225,124	4,259,530	(965,594)
Fines and forfeitures	4,950,000	4,950,000	3,686,699	(1,263,301)
Licenses and permits	4,405,000	4,405,000	5,613,115	1,208,115
Interest and rentals - Investment earnings	800,000	800,000	178,481	(621,519)
Other revenue	8,909,929	8,909,929	7,749,707	(1,160,222)
Total revenue	117,427,719	119,625,067	127,337,446	7,712,379
Expenditures				
Current services:				
General government:				
Council	1,453,329	1,453,329	1,113,874	339,455
Mayor	642,229	642,229	566,209	76,020
Controller	1,754,169	1,779,458	1,708,105	71,353
Information technology/Data proc.	786,692	793,492	740,731	52,761
Treasurer	1,434,264	1,464,264	1,386,127	78,137
Assessing	2,212,303	2,212,303	1,648,762	563,541
Clerk	1,985,424	2,112,757	1,564,131	548,626
Buildings maintenance	2,467,761	2,475,543	1,896,167	579,376
Legal	1,629,057	1,645,057	1,547,728	97,329
Human resources	1,636,811	1,676,371	1,358,245	318,126
Administration unallocated expense	5,168,815	5,526,463	3,377,442	2,149,021
Other commissions	100,101	100,101	50,224	49,877
District court	7,846,344	8,594,756	7,199,227	1,395,529
Public safety:				
Police department	46,418,462	47,830,883	44,679,969	3,150,914
Fire department	26,480,895	28,884,129	27,041,161	1,842,968
Civil defense	246,192	262,017	239,492	22,525
Animal control	522,719	522,719	493,180	29,539
Crime commission	14,800	14,800	10,280	4,520
Building inspections	3,633,777	3,671,253	3,169,095	502,158
Public works:				
Property maintenance	1,811,538	2,004,935	1,455,824	549,111
Stormwater drainage	158,434	158,434	158,434	-
Highway street lighting	2,700,000	2,740,456	2,699,282	41,174
DPW garage	5,467,578	5,475,928	3,490,712	1,985,216
Public service director	514,681	514,681	440,427	74,254
Engineering and inspections	1,391,305	1,594,574	1,166,202	428,372
Community and economic development:				
Planning	761,918	761,918	602,466	159,452
Zoning	22,005	22,005	12,996	9,009
Economic development opportunities	377,895	377,895	177,519	200,376
Recreation and culture:				
Historical commission	17,563	17,578	8,913	8,665
Cultural commission	26,600	26,600	12,266	14,334
Village historical commission	51,100	51,100	11,562	39,538
Debt service	94,741	94,742	94,741	1
Total expenditures	119,829,502	125,502,770	110,121,493	15,381,277
Excess of Revenue (Under) Over Expenditures	(2,401,783)	(5,877,703)	17,215,953	23,093,656
Other Financing Uses - Transfers out	(276,700)	(276,700)	(231,315)	45,385
Net Change in Fund Balance	(2,678,483)	(6,154,403)	16,984,638	23,139,041
Fund Balance - Beginning of year	65,569,820	65,569,820	65,569,820	-
Fund Balance - End of year	\$ 62,891,337	\$ 59,415,417	\$ 82,554,458	\$ 23,139,041

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

Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Federal grants	\$ 3,019,130	\$ 4,506,684	\$ 2,762,058	\$ (1,744,626)
Other revenue	-	-	17,479	17,479
Total revenue	3,019,130	4,506,684	2,779,537	(1,727,147)
Expenditures - Community and economic development	3,355,139	4,842,694	2,430,705	2,411,989
Net Change in Fund Balance	(336,009)	(336,010)	348,832	684,842
Fund Balance - Beginning of year	524,969	524,969	524,969	-
Fund Balance - End of year	<u>\$ 188,960</u>	<u>\$ 188,959</u>	<u>\$ 873,801</u>	<u>\$ 684,842</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

	Last Four Plan Years Years Ended December 31			
	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 1,393,370	\$ 1,860,535	\$ 1,852,338	\$ 1,920,562
Interest	10,486,925	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	3,977,930	(5,033,563)	6,436,284	-
Benefit payments, including refunds	(7,704,095)	(7,346,347)	(7,327,343)	(7,254,730)
Net Change in Total OPEB Liability	8,154,130	(15,337,855)	12,523,274	(561,057)
Total OPEB Liability - Beginning of year	147,038,521	162,376,376	149,853,102	150,414,159
Total OPEB Liability - End of year	\$ 155,192,651	\$ 147,038,521	\$ 162,376,376	\$ 149,853,102
Plan Fiduciary Net Position				
Contributions - Employer	\$ 8,654,612	\$ 8,768,498	\$ 10,631,555	\$ 14,900,078
Net investment income (loss)	8,928,872	12,840,448	(3,474,216)	6,909,968
Administrative expenses	(7,704,095)	(137,215)	(140,508)	(61,216)
Benefit payments, including refunds	(142,878)	(7,346,347)	(7,327,343)	(7,254,730)
Net Change in Plan Fiduciary Net Position	9,736,511	14,125,384	(310,512)	14,494,100
Plan Fiduciary Net Position - Beginning of year	70,835,146	56,709,762	57,020,274	42,526,174
Plan Fiduciary Net Position - End of year	\$ 80,571,657	\$ 70,835,146	\$ 56,709,762	\$ 57,020,274
Net OPEB Liability - Ending	\$ 74,620,994	\$ 76,203,375	\$ 105,666,614	\$ 92,832,828
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	51.92 %	48.17 %	34.92 %	38.05 %
Covered-employee Payroll	\$ 10,369,664	\$ 11,200,842	\$ 13,518,450	\$ 14,008,732
Net OPEB Liability as a Percentage of Covered-employee Payroll	719.61 %	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

	Last Four Plan Years			
	Years Ended December 31			
	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 1,173,699	\$ 1,424,167	\$ 1,516,273	\$ 1,539,652
Interest	12,718,529	12,665,563	13,045,589	13,250,035
Differences between expected and actual experience	1,681,689	(2,349,801)	(10,623,910)	(8,704,524)
Changes in assumptions	(11,540,029)	(2,346,037)	-	-
Benefit payments, including refunds	(9,958,488)	(9,522,588)	(8,532,131)	(9,140,410)
Net Change in Total OPEB Liability	(5,924,600)	(128,696)	(4,594,179)	(3,055,247)
Total OPEB Liability - Beginning of year	175,076,791	175,205,487	179,799,666	182,854,913
Total OPEB Liability - End of year	<u>\$ 169,152,191</u>	<u>\$ 175,076,791</u>	<u>\$ 175,205,487</u>	<u>\$ 179,799,666</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 10,445,000	\$ 10,500,000	\$ 11,810,718	\$ 20,903,170
Net investment income (loss)	9,101,392	10,477,904	(1,829,637)	5,389,014
Administrative expenses	(22,129)	(24,529)	(26,665)	(8,600)
Benefit payments, including refunds	(9,958,488)	(9,522,588)	(8,532,131)	(9,140,410)
Net Change in Plan Fiduciary Net Position	9,565,775	11,430,787	1,422,285	17,143,174
Plan Fiduciary Net Position - Beginning of year	57,821,887	46,391,100	44,968,815	27,825,641
Plan Fiduciary Net Position - End of year	<u>\$ 67,387,662</u>	<u>\$ 57,821,887</u>	<u>\$ 46,391,100</u>	<u>\$ 44,968,815</u>
Net OPEB Liability - Ending	<u>\$ 101,764,529</u>	<u>\$ 117,254,904</u>	<u>\$ 128,814,387</u>	<u>\$ 134,830,851</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	39.84 %	33.00 %	26.48 %	25.01 %
Covered-employee Payroll	\$ 12,776,733	\$ 13,778,852	\$ 15,109,196	\$ 14,805,884
Net OPEB Liability as a Percentage of Covered-employee Payroll	796.48 %	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.

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**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 8,809,098	\$ 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
Contributions in relation to the actuarially determined contribution	9,309,098	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
Contribution Excess (Deficiency)	\$ 500,000	\$ -	\$ (522,397)	\$ 6,064,475	\$ (1,548,296)	\$ 984,893	\$ (3,309,520)	\$ (2,956,710)	\$ 648,139	\$ 370,423
Covered-employee Payroll	\$ 11,073,661	\$ 11,541,121	\$ 12,405,998	\$ 13,773,397	\$ 15,036,127	\$ 15,984,491	\$ 16,250,648	\$ 16,496,331	\$ 18,708,867	\$ 20,751,208
Contributions as a Percentage of Covered-employee Payroll	84.07 %	73.65 %	72.55 %	118.35 %	62.98 %	79.98 %	58.70 %	44.27 %	38.01 %	34.56 %

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	8.0 percent (7.0 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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 9,890,007	\$ 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
Contributions in relation to the actuarially determined contribution	10,390,007	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
Contribution Excess (Deficiency)	\$ 500,000	\$ -	\$ (850,363)	\$ 8,175,871	\$ (666,003)	\$ (3,121,389)	\$ (3,903,163)	\$ (5,760,355)	\$ (1,931,883)	\$ (1,076,233)
Covered-employee Payroll	\$ 13,784,654	\$ 13,491,514	\$ 14,682,360	\$ 14,951,474	\$ 15,054,199	\$ 16,093,212	\$ 17,025,976	\$ 18,124,982	\$ 19,411,665	\$ 21,889,785
Contributions as a Percentage of Covered-employee Payroll	75.37 %	77.83 %	68.11 %	141.27 %	87.58 %	65.25 %	55.80 %	40.00 %	39.01 %	24.40 %

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 (7.0 percent for Medicare) the first year, decreasing 0.25 percent per year to 4.5 percent
Salary increase	3.50 percent
Investment rate of return	7.35 - Net of plan investment expense
Mortality	Publication 2010 Public Safety Mortality Tables

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

**Last Four Plan Years
Years Ended December 31**

	2020	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	11.75 %	20.81 %	- %	- %
Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust - VEBA - Annual money-weighted rate of return - Net of investment expense	14.01 %	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 Seven Plan Years Years Ended December 31						
	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 931,363	\$ 887,102	\$ 1,012,891	\$ 1,128,729	\$ 1,248,269	\$ 1,182,428	\$ 1,227,820
Interest	13,180,404	13,192,507	12,809,972	12,952,830	13,312,456	13,100,633	13,329,959
Differences between expected and actual experience	1,678,023	2,040,186	2,626,423	292,886	(3,319,419)	747,834	(963)
Changes in assumptions	766,546	-	5,403,963	-	-	3,842,234	3,134,370
Benefit payments, including refunds	(16,867,737)	(16,681,354)	(16,346,649)	(16,227,323)	(16,056,453)	(15,912,254)	(15,879,218)
Net Change in Total Pension Liability	(311,401)	(561,559)	5,506,600	(1,852,878)	(4,815,147)	2,960,875	1,811,968
Total Pension Liability - Beginning of year	189,301,186	189,862,745	184,356,145	186,209,023	191,024,170	188,063,295	186,251,327
Total Pension Liability - End of year	\$ 188,989,785	\$ 189,301,186	\$ 189,862,745	\$ 184,356,145	\$ 186,209,023	\$ 191,024,170	\$ 188,063,295
Plan Fiduciary Net Position							
Contributions - Employer	\$ 8,758,414	\$ 8,737,667	\$ 8,888,571	\$ 18,721,115	\$ 9,254,969	\$ 9,301,612	\$ 9,587,638
Net investment income (loss)	14,145,524	22,826,658	(7,078,254)	16,452,990	11,663,608	(2,521,195)	7,307,119
Administrative expenses	(244,278)	(241,814)	(251,092)	(255,718)	(259,188)	(295,700)	(307,881)
Benefit payments, including refunds	(16,867,737)	(16,681,354)	(16,346,649)	(16,227,323)	(16,056,453)	(15,912,254)	(15,879,218)
Other	14,133	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	5,806,056	14,641,157	(14,787,424)	18,691,064	4,602,936	(9,427,537)	707,658
Plan Fiduciary Net Position - Beginning of year	136,526,144	121,884,987	136,672,411	117,981,347	113,378,411	122,805,948	122,098,290
Plan Fiduciary Net Position - End of year	\$ 142,332,200	\$ 136,526,144	\$ 121,884,987	\$ 136,672,411	\$ 117,981,347	\$ 113,378,411	\$ 122,805,948
City's Net Pension Liability - Ending	\$ 46,657,585	\$ 52,775,042	\$ 67,977,758	\$ 47,683,734	\$ 68,227,676	\$ 77,645,759	\$ 65,257,347
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.31 %	72.12 %	64.20 %	74.13 %	63.36 %	59.35 %	65.30 %
Covered Payroll	\$ 4,405,934	\$ 5,549,146	\$ 5,384,080	\$ 6,064,836	\$ 6,773,574	\$ 7,398,730	\$ 7,302,759
City's Net Pension Liability as a Percentage of Covered Payroll	1,058.97 %	951.00 %	1,262.60 %	786.20 %	1,107.30 %	1,049.40 %	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 Seven Plan Years Years Ended December 31						
	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 4,691,927	\$ 4,967,302	\$ 4,815,882	\$ 7,276,212	\$ 8,417,461	\$ 7,077,600	\$ 7,157,955
Interest	29,283,778	28,822,160	28,627,916	26,517,999	25,346,092	25,830,279	25,735,103
Differences between expected and actual experience	1,639,804	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	(33,924,776)	(33,635,851)	(32,350,541)	(31,176,529)	(31,148,538)	(30,567,324)	(29,482,283)
Net Change in Total Pension Liability	1,690,733	6,866,286	3,191,859	(56,251,952)	(23,854,600)	42,750,524	2,153,261
Total Pension Liability - Beginning of year	410,689,210	403,822,924	400,631,065	456,883,017	480,737,617	437,987,093	435,833,832
Total Pension Liability - End of year	\$ 412,379,943	\$ 410,689,210	\$ 403,822,924	\$ 400,631,065	\$ 456,883,017	\$ 480,737,617	\$ 437,987,093
Plan Fiduciary Net Position							
Contributions - Employer	\$ 11,287,917	\$ 10,963,884	\$ 10,917,187	\$ 10,477,176	\$ 10,481,016	\$ 10,604,562	\$ 10,830,419
Contributions - Member	1,577,142	1,448,475	1,238,075	1,192,568	1,138,678	1,033,752	1,089,202
Net investment income (loss)	40,956,241	50,495,991	(13,770,465)	40,082,680	20,689,791	2,222,576	18,413,945
Administrative expenses	(472,081)	(480,236)	(514,140)	(456,239)	(426,933)	(454,638)	(397,298)
Benefit payments, including refunds	(33,924,776)	(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
Net Change in Plan Fiduciary Net Position	19,424,443	28,821,192	(34,424,474)	20,198,015	847,258	(17,075,685)	610,390
Plan Fiduciary Net Position - Beginning of year	294,995,395	266,174,203	300,598,677	280,400,662	279,553,404	296,629,089	296,018,699
Plan Fiduciary Net Position - End of year	\$ 314,419,838	\$ 294,995,395	\$ 266,174,203	\$ 300,598,677	\$ 280,400,662	\$ 279,553,404	\$ 296,629,089
City's Net Pension Liability - Ending	\$ 97,960,105	\$ 115,693,815	\$ 137,648,721	\$ 100,032,388	\$ 176,482,355	\$ 201,184,213	\$ 141,358,004
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.25 %	71.83 %	65.91 %	75.03 %	61.37 %	58.15 %	67.73 %
Covered Payroll	\$ 28,181,237	\$ 27,825,961	\$ 27,750,304	\$ 26,762,823	\$ 24,703,698	\$ 24,413,784	\$ 25,839,293
City's Net Pension Liability as a Percentage of Covered Payroll	347.61 %	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**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 9,131,944	\$ 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
Contributions in relation to the actuarially determined contribution	9,131,944	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
Contribution Excess (Deficiency)	\$ -	\$ -	\$ 102,708	\$ 6,637,871	\$ 3,187,157	\$ (48,960)	\$ 73,710	\$ 247,768	\$ (1,786,261)	\$ (53,983)
Covered Payroll	\$ 4,045,311	\$ 5,315,590	\$ 5,463,312	\$ 5,704,355	\$ 6,096,441	\$ 6,551,962	\$ 7,140,447	\$ 7,447,625	\$ 7,941,280	\$ 9,369,920
Contributions as a Percentage of Covered Payroll	225.74 %	157.74 %	157.24 %	267.93 %	198.08 %	137.03 %	127.80 %	128.50 %	77.40 %	70.33 %

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, one and a half years prior to the beginning 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**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 11,884,923	\$ 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
Contributions in relation to the actuarially determined contribution	11,884,923	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
Contribution Excess (Deficiency)	\$ -	\$ -	\$ 296,336	\$ (100,294)	\$ (59,852)	\$ 131,876	\$ 8,315	\$ 171,042	\$ (693,591)	\$ (480,850)
Covered Payroll	\$ 31,231,103	\$ 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
Contributions as a Percentage of Covered Payroll	38.05 %	38.79 %	40.44 %	38.45 %	39.58 %	41.89 %	41.47 %	43.66 %	37.45 %	32.11 %

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, one and a half years prior to the beginning 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	Entry age
Amortization method	Level percentage of payroll - Open
Remaining amortization period	22 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 Seven Plan Years
Years Ended December 31**

	<u>2020</u>	<u>2019</u>	<u>2018*</u>	<u>2017*</u>	<u>2016</u>	<u>2015*</u>	<u>2014*</u>
Employees' Retirement System Defined Benefit Pension Plan - Annual money-weighted rate of return - Net of investment expense	11.63 %	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	13.39 %	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	\$ 122,037,026	\$ 104,821,073
Nonreciprocal interfund activity budgeted as revenue	5,300,420	5,300,420
Amounts per budget statement	<u>\$ 127,337,446</u>	<u>\$ 110,121,493</u>

June 30, 2021

During the year, the City of Warren, Michigan adopted the budget on a line-item basis. The following line items were over budget:

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
General Fund:				
101-1336-92000 Public Utilities	\$ 125,000	\$ 125,000	\$ 133,464	\$ (8,464)
101-1371-86300 Vehicle Maintenance	28,000	28,000	29,937	(1,937)
101-1421-85300 Telephone & Radio	415	510	626	(116)
101-1426-92000 Public Utilities	1,200	1,200	1,215	(15)
Major Streets Fund:				
202-2479-71900 Employee Insurances	12,667	13,867	14,006	(139)
202-2479-71906 Suppl Life Insurance Exp	27	27	52	(25)
202-2483-72100 Longevity	3,882	3,882	4,754	(872)
Local Streets Fund:				
203-3463-70600 Permanent Employees	666,077	735,525	785,285	(49,760)
203-3463-71905 H.S.A. Expense	2,040	2,040	2,537	(497)
203-3463-71906 Suppl Life Insurance Exp	390	390	857	(467)
203-3463-72100 Longevity	30,092	30,092	34,849	(4,757)
203-3463-72401 Uniforms	3,032	3,032	3,364	(332)
203-3474-70600 Permanent Employees	66,734	70,734	71,507	(773)
203-3474-71905 H.S.A. Expense	205	205	209	(4)
203-3474-71906 Suppl Life Insurance Exp	27	27	74	(47)
203-3479-70600 Permanent Employees	65,915	40,990	44,619	(3,629)
203-3479-71900 Employee Insurances	12,712	15,912	16,157	(245)
203-3479-71906 Suppl Life Insurance Exp	27	27	59	(32)
203-3483-72100 Longevity	3,882	3,882	4,754	(872)
Recreation Fund - 208-9208-86300 Vehicle Maintenance	25,000	25,000	27,964	(2,964)
Library Fund - 271-9271-80130 Library Coop Indirect Aid	55,000	55,000	58,134	(3,134)

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.

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.

For the 2020 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan was changed to 7.20 percent.

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 Health, Life and Disability Benefits Plan and Trust calculation was updated from the RP-2014 Mortality Table to the Publication 2010 Mortality Table.

For the 2020 plan year, the discount rate for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust was changed to 7.20 percent.

For the 2020 plan year, the medical inflation rate for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust was changed to 8.25 percent.

Other Supplemental Information

City of Warren, Michigan

	Special Revenue Funds					
	Major Streets	Local Streets	Recreation	Sanitation	Library	Communications
Assets						
Cash and investments	\$ 15,465,855	\$ 4,758,547	\$ 3,679,309	\$ 3,208,148	\$ 4,764,887	\$ 2,469,707
Receivables:						
Property taxes receivable	-	-	30,823	82,606	37,560	-
Accrued interest receivable	138	44	-	-	-	-
Other receivables	-	-	65,139	56,152	93,768	504,212
Due from other governments	1,927,428	634,946	-	-	63,625	-
Due from component units	-	-	152	410	172	-
Due from other funds	138	50	-	-	-	-
Inventory	-	-	9,358	6,725	-	-
Prepaid items and other assets	-	-	-	-	2,610	-
Deposits	2,440,908	-	-	-	-	-
Total assets	\$ 19,834,467	\$ 5,393,587	\$ 3,784,781	\$ 3,354,041	\$ 4,962,622	\$ 2,973,919
Liabilities						
Accounts payable	\$ 283,120	\$ 31,916	\$ 244,653	\$ 264,120	\$ 190,550	\$ 19,407
Due to other governmental units	-	-	7,081	9,129	250	688
Due to component units	-	38,729	-	-	-	-
Due to other funds	432,059	480,361	-	-	-	-
Refundable deposits, bonds, etc.	138	119	27,253	-	107,016	-
Accrued liabilities and other	34,131	67,492	65,959	115,006	64,659	24,250
Unearned revenue	-	-	-	-	-	-
Provision for property tax refunds	-	-	2,564	6,906	2,908	-
Total liabilities	749,448	618,617	347,510	395,161	365,383	44,345
Deferred Inflows of Resources -						
Unavailable revenue	-	-	63,252	83,017	37,732	-
Total liabilities and deferred inflows of resources	749,448	618,617	410,762	478,178	403,115	44,345
Fund Balances						
Nonspendable:						
Inventory/Assets held for resale	-	-	9,358	6,725	-	-
Prepays	-	-	-	-	2,610	-
Restricted:						
Roads	19,085,019	4,774,970	-	-	-	-
Sanitation	-	-	-	2,869,138	-	-
Recreation	-	-	3,364,661	-	-	-
Library	-	-	-	-	4,556,897	-
Cable franchise fees	-	-	-	-	-	2,929,574
Police enforcement	-	-	-	-	-	-
Vice crime	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	19,085,019	4,774,970	3,374,019	2,875,863	4,559,507	2,929,574
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,834,467	\$ 5,393,587	\$ 3,784,781	\$ 3,354,041	\$ 4,962,622	\$ 2,973,919

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2021

Special Revenue Funds								
Rental Ordinance	Vice Crime Confiscations	Drug Forfeiture	Police Training	Local Road Millage	Indigent Defense	Debt Service Fund	Total	
\$ 1,796,856	\$ 355,985	\$ 2,653,043	\$ 16,478	\$ 9,528,579	\$ 1,172,123	\$ 50,133	\$ 49,919,650	
-	-	-	-	71,915	-	-	222,904	
-	-	-	-	-	-	-	182	
-	-	-	-	-	-	-	719,271	
-	-	-	-	-	-	-	2,625,999	
-	-	-	-	330	-	-	1,064	
7,035	-	-	-	115,513	-	-	122,736	
-	-	-	-	-	-	-	16,083	
-	-	-	-	-	-	-	2,610	
-	-	-	-	-	-	-	2,440,908	
\$ 1,803,891	\$ 355,985	\$ 2,653,043	\$ 16,478	\$ 9,716,337	\$ 1,172,123	\$ 50,133	\$ 56,071,407	
\$ 1,838	\$ -	\$ 27,323	\$ 1,626	\$ 1,399,943	\$ 104,579	\$ -	\$ 2,569,075	
1,448	-	-	-	-	-	-	18,596	
-	-	-	-	-	-	-	38,729	
-	-	-	-	188	-	-	912,608	
-	-	-	-	119,859	-	-	254,385	
25,311	-	-	-	-	1,391	-	398,199	
-	-	-	-	-	1,066,153	-	1,066,153	
-	-	-	-	5,554	-	-	17,932	
28,597	-	27,323	1,626	1,525,544	1,172,123	-	5,275,677	
-	-	-	-	72,245	-	-	256,246	
28,597	-	27,323	1,626	1,597,789	1,172,123	-	5,531,923	
-	-	-	-	-	-	-	16,083	
-	-	-	-	-	-	-	2,610	
-	-	-	-	8,118,548	-	-	31,978,537	
-	-	-	-	-	-	-	2,869,138	
-	-	-	-	-	-	-	3,364,661	
-	-	-	-	-	-	-	4,556,897	
-	-	-	-	-	-	-	2,929,574	
-	-	2,625,720	14,852	-	-	-	2,640,572	
-	355,985	-	-	-	-	-	355,985	
1,775,294	-	-	-	-	-	-	1,775,294	
-	-	-	-	-	-	50,133	50,133	
1,775,294	355,985	2,625,720	14,852	8,118,548	-	50,133	50,539,484	
\$ 1,803,891	\$ 355,985	\$ 2,653,043	\$ 16,478	\$ 9,716,337	\$ 1,172,123	\$ 50,133	\$ 56,071,407	

City of Warren, Michigan

	Special Revenue Funds					
	Major Streets	Local Streets	Recreation	Sanitation	Library	Communications
Revenue						
Property taxes	\$ -	\$ -	\$ 3,291,718	\$ 8,859,086	\$ 3,730,599	\$ -
Intergovernmental:						
Federal grants	-	-	-	-	38,400	-
State sources:						
Local Community Stabilization Authority	-	-	176,597	470,987	242,314	-
Act 51 gas and weight tax	11,626,040	3,877,751	-	-	-	-
Other	-	518,511	185,723	25,000	213,393	-
Charges for services	-	-	194,734	-	-	-
Fines and forfeitures	-	-	-	-	28,635	-
Licenses and permits	-	-	-	-	-	2,018,162
Interest and rentals	2,798	864	59,012	374	677	336
Other revenue	23,802	-	890	359,466	2,906	1,914
Total revenue	11,652,640	4,397,126	3,908,674	9,714,913	4,256,924	2,020,412
Expenditures						
Current services:						
District court	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	5,211,851	4,011,092	-	8,389,780	-	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	4,151,221	-	4,133,383	1,548,368
Debt service:						
Principal	-	-	-	993,808	-	-
Interest and fiscal charges	-	-	-	214,640	-	-
Total expenditures	5,211,851	4,011,092	4,151,221	9,598,228	4,133,383	1,548,368
Excess of Revenue Over (Under) Expenditures	6,440,789	386,034	(242,547)	116,685	123,541	472,044
Other Financing Sources (Uses)						
Transfers in	54,091	1,054,536	-	-	-	-
Transfers out	(2,852,740)	-	(286,793)	-	(122,911)	(409,704)
Total other financing (uses) sources	(2,798,649)	1,054,536	(286,793)	-	(122,911)	(409,704)
Net Change in Fund Balances	3,642,140	1,440,570	(529,340)	116,685	630	62,340
Fund Balances - Beginning of year	15,442,879	3,334,400	3,903,359	2,759,178	4,558,877	2,867,234
Fund Balances - End of year	\$ 19,085,019	\$ 4,774,970	\$ 3,374,019	\$ 2,875,863	\$ 4,559,507	\$ 2,929,574

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

Year Ended June 30, 2021

Rental Ordinance	Vice Crime Confiscations	Special Revenue Funds			Local Road Millage	Indigent Defense	Debt Service Fund	Total
		Drug Forfeiture	Police Training					
\$ -	\$ -	\$ -	\$ -	\$ 7,114,649	\$ -	\$ -	\$ 22,996,052	
-	-	329,833	-	-	-	-	368,233	
-	-	-	-	382,485	-	-	1,272,383	
-	-	-	-	-	-	-	15,503,791	
-	-	443,800	22,136	-	495,068	-	1,903,631	
-	-	-	-	-	-	-	194,734	
1,032,950	75,562	-	-	-	-	-	1,137,147	
-	-	-	-	-	-	-	2,018,162	
237	46	371	3	1,331	146	7	66,202	
7,035	-	-	-	-	-	-	396,013	
<u>1,040,222</u>	<u>75,608</u>	<u>774,004</u>	<u>22,139</u>	<u>7,498,465</u>	<u>495,214</u>	<u>7</u>	<u>45,856,348</u>	
-	-	-	-	-	617,902	-	617,902	
-	20,812	735,039	21,262	-	-	-	777,113	
-	-	-	-	7,777,283	-	-	25,390,006	
844,942	-	-	-	-	-	-	844,942	
-	-	-	-	-	-	-	9,832,972	
-	-	-	-	-	-	2,110,340	3,104,148	
-	-	-	-	-	-	561,808	776,448	
<u>844,942</u>	<u>20,812</u>	<u>735,039</u>	<u>21,262</u>	<u>7,777,283</u>	<u>617,902</u>	<u>2,672,148</u>	<u>41,343,531</u>	
195,280	54,796	38,965	877	(278,818)	(122,688)	(2,672,141)	4,512,817	
-	-	-	-	-	122,688	2,672,148	3,903,463	
-	-	-	-	-	-	-	(3,672,148)	
-	-	-	-	-	122,688	2,672,148	231,315	
195,280	54,796	38,965	877	(278,818)	-	7	4,744,132	
<u>1,580,014</u>	<u>301,189</u>	<u>2,586,755</u>	<u>13,975</u>	<u>8,397,366</u>	<u>-</u>	<u>50,126</u>	<u>45,795,352</u>	
<u>\$ 1,775,294</u>	<u>\$ 355,985</u>	<u>\$ 2,625,720</u>	<u>\$ 14,852</u>	<u>\$ 8,118,548</u>	<u>\$ -</u>	<u>\$ 50,133</u>	<u>\$ 50,539,484</u>	

Other Supplemental Information
Combining Statement of Net Position
Nonmajor Enterprise Funds

June 30, 2021

	Senior Citizen Housing Funds - Stilwell Manor	Senior Citizen Housing Funds - Jos. Coach Manor	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and investments	\$ 674,669	\$ 2,512,548	\$ 3,187,217
Receivables	1,183	5,731	6,914
Prepaid items and other assets	-	21	21
Total current assets	675,852	2,518,300	3,194,152
Noncurrent assets - Capital assets:			
Assets not subject to depreciation	221,644	-	221,644
Assets subject to depreciation - Net	1,354,090	5,650,886	7,004,976
Total assets	2,251,586	8,169,186	10,420,772
Deferred Outflows of Resources - Deferred outflows related to OPEB	27,340	-	27,340
Liabilities			
Current liabilities:			
Accounts payable	69,024	173,146	242,170
Due to other governmental units	1,448	-	1,448
Due to other funds	138,890	63,144	202,034
Refundable deposits, bonds, etc.	79,243	198,076	277,319
Accrued liabilities and other	13,403	2,787	16,190
Unearned revenue	965	1,671	2,636
Current portion of long-term debt	-	397,019	397,019
Total current liabilities	302,973	835,843	1,138,816
Noncurrent liabilities:			
Compensated absences	27,872	-	27,872
Net OPEB liability	307,091	-	307,091
Long-term debt	-	150,000	150,000
Total noncurrent liabilities	334,963	150,000	484,963
Total liabilities	637,936	985,843	1,623,779
Deferred Inflows of Resources - Deferred inflows related to OPEB	23,975	-	23,975
Net Position			
Net investment in capital assets	1,575,734	5,103,867	6,679,601
Unrestricted	41,281	2,079,476	2,120,757
Total net position	\$ 1,617,015	\$ 7,183,343	\$ 8,800,358

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

Year Ended June 30, 2021

	Senior Citizen Housing Funds - Stilwell Manor	Senior Citizen Housing Funds - Jos. Coach Manor	Total Nonmajor Enterprise Funds
Operating Revenue			
Rental revenue	\$ 540,889	\$ 973,787	\$ 1,514,676
Other operating revenue	383,788	586,191	969,979
Total operating revenue	924,677	1,559,978	2,484,655
Operating Expenses			
Billing and administrative costs	79,300	468,182	547,482
Wages and fringes	522,284	22,322	544,606
Materials and supplies	10,953	68,366	79,319
Other operating expenses	305,222	491,572	796,794
Depreciation	98,542	216,755	315,297
Total operating expenses	1,016,301	1,267,197	2,283,498
Operating (Loss) Income	(91,624)	292,781	201,157
Nonoperating Revenue (Expense)			
Investment income	657	1,392	2,049
Interest expense	-	(8,312)	(8,312)
Total nonoperating revenue (expense)	657	(6,920)	(6,263)
Change in Net Position	(90,967)	285,861	194,894
Net Position - Beginning of year	1,707,982	6,897,482	8,605,464
Net Position - End of year	\$ 1,617,015	\$ 7,183,343	\$ 8,800,358

Other Supplemental Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds

Year Ended June 30, 2021

	Senior Citizen Housing Funds - Stilwell Manor	Senior Citizen Housing Funds - Jos. Coach Manor	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 924,677	\$ 1,559,978	\$ 2,484,655
Receipts from (payments for) interfund services and reimbursements	(11,744)	1,803	(9,941)
Payments to suppliers	(328,819)	(849,799)	(1,178,618)
Payments to employees and fringes	(510,629)	(26,005)	(536,634)
Net cash and cash equivalents provided by operating activities	73,485	685,977	759,462
Cash Flows from Capital and Related Financing Activities			
Purchase of capital assets	(394,007)	(16,127)	(410,134)
Principal and interest paid on capital debt	-	(404,368)	(404,368)
Net cash and cash equivalents used in capital and related financing activities	(394,007)	(420,495)	(814,502)
Cash Flows Provided by Investing Activities - Interest income			
	657	1,392	2,049
Net (Decrease) Increase in Cash and Cash Equivalents	(319,865)	266,874	(52,991)
Cash and Cash Equivalents - Beginning of year	994,534	2,245,674	3,240,208
Cash and Cash Equivalents - End of year	\$ 674,669	\$ 2,512,548	\$ 3,187,217
Classification of Cash and Cash Equivalents - Cash and investments	\$ 674,669	\$ 2,512,548	\$ 3,187,217
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities			
Operating (loss) income	\$ (91,624)	\$ 292,781	\$ 201,157
Adjustments to reconcile operating (loss) income to net cash from operating activities:			
Depreciation	98,542	216,755	315,297
Changes in assets and liabilities:			
Receivables	1,616	(4,023)	(2,407)
Due to and from other funds	(11,744)	1,803	(9,941)
Net pension or OPEB liability	11,655	(3,135)	8,520
Accounts payable	65,040	181,796	246,836
Total adjustments	165,109	393,196	558,305
Net cash and cash equivalents provided by operating activities	\$ 73,485	\$ 685,977	\$ 759,462

Other Supplemental Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2021

Pension and Other Employee Benefits Trust Funds - December 31, 2020

	Police and Fire Retirement System	City Employees' Retirement System	Police and Fire VEBA Trust	City Employees' VEBA Trust	City Employees' QEBA Trust	Total Pension Trust Funds
Assets						
Cash and investments	\$ 1,761,624	\$ 24,594	\$ 171,618	\$ -	\$ 457	\$ 1,958,293
Investments:						
U.S. government securities	16,626,990	10,146,052	-	8,204,937	-	34,977,979
Mortgage-backed securities	-	2,262,697	-	1,348,425	-	3,611,122
Asset-backed securities	-	1,266,381	-	528,540	-	1,794,921
Mutual funds	41,892,902	48,043,216	7,571,959	42,186,107	-	139,694,184
Short-term cash management funds	10,523,717	4,251,193	6,300,752	4,036,748	-	25,112,410
Stocks	159,413,441	48,205,423	46,741,975	16,500,371	-	270,861,210
Bonds	24,601,170	10,665,839	9,091,411	6,638,289	-	50,996,709
Real estate	43,513,323	1,637,122	2,958,332	-	-	48,108,777
Other	12,823,644	16,084,859	-	4,860,265	-	33,768,768
Securities lending	9,999,523	3,763,677	-	-	-	13,763,200
Hedge funds	4,004,149	-	-	-	-	4,004,149
Receivables:						
Accrued interest receivable	312,600	168,925	400,386	365,008	-	1,246,919
Other receivables	216,194	3,378	-	-	-	219,572
Due from primary government	-	-	42,854	-	-	42,854
Prepaid items and other assets	-	2,643	-	764	-	3,407
Total assets	325,689,277	146,525,999	73,279,287	84,669,454	457	630,164,474
Liabilities						
Accounts payable	856,403	331,597	282,261	46,884	-	1,517,145
Due to primary government	209,902	98,525	5,249,837	3,859,153	-	9,417,417
Accrued liabilities and other	-	-	359,527	191,760	-	551,287
Obligations under securities lending agreements	10,203,134	3,763,677	-	-	-	13,966,811
Total liabilities	11,269,439	4,193,799	5,891,625	4,097,797	-	25,452,660
Net Position						
Restricted for pension	314,419,838	142,332,200	-	-	457	456,752,495
Restricted for postemployment benefits other than pension	-	-	67,387,662	80,571,657	-	147,959,319
Total net position	\$ 314,419,838	\$ 142,332,200	\$ 67,387,662	\$ 80,571,657	\$ 457	\$ 604,711,814

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

Year Ended June 30, 2021

	Pension and Other Employee Benefits Trust Funds - Year Ended December 31, 2020					
	City Police and Fire Retirement System	City Employees' Retirement System	City Police and Fire VEBA Trust	City Employees' VEBA Trust	City Employees' QEBA Trust	Total Pension Trust Funds
Additions						
Investment income (loss):						
Interest and dividends	\$ 4,772,850	\$ 2,193,692	\$ 4,231,836	\$ 3,901,991	\$ 3	\$ 15,100,372
Net increase in fair value of investments	37,353,954	12,493,947	5,077,820	5,180,955	-	60,106,676
Investment-related expenses	(1,182,324)	(542,115)	(208,264)	(154,074)	(500)	(2,087,277)
Net investment income (loss)	40,944,480	14,145,524	9,101,392	8,928,872	(497)	73,119,771
Securities lending income:						
Interest and dividends	22,179	14,604	-	-	-	36,783
Securities lending - Investment expense	(10,418)	(471)	-	-	-	(10,889)
Total securities lending income	11,761	14,133	-	-	-	25,894
Contributions:						
Employer contributions	11,287,917	8,758,414	10,445,000	8,654,612	-	39,145,943
Employee contributions	1,577,142	-	-	-	-	1,577,142
Total contributions	12,865,059	8,758,414	10,445,000	8,654,612	-	40,723,085
Total additions - Net	53,821,300	22,918,071	19,546,392	17,583,484	(497)	113,868,750
Deductions						
Benefit payments	32,231,582	16,867,737	9,958,488	7,704,095	-	66,761,902
Refunds of contributions	1,693,194	-	-	-	-	1,693,194
Administrative expenses	472,081	244,278	22,129	142,878	-	881,366
Total deductions	34,396,857	17,112,015	9,980,617	7,846,973	-	69,336,462
Net Increase (Decrease) in Fiduciary Net Position	19,424,443	5,806,056	9,565,775	9,736,511	(497)	44,532,288
Net Position - Beginning of year	294,995,395	136,526,144	57,821,887	70,835,146	954	560,179,526
Net Position - End of year	\$ 314,419,838	\$ 142,332,200	\$ 67,387,662	\$ 80,571,657	\$ 457	\$ 604,711,814

Other Supplemental Information
Budgetary Comparison Schedules
Major Streets

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental - State sources	\$ 12,187,000	\$ 12,187,000	\$ 11,626,040	\$ (560,960)
Interest and rentals	80,000	80,000	2,798	(77,202)
Other revenue	23,801	23,801	23,802	1
Total revenue	12,290,801	12,290,801	11,652,640	(638,161)
Expenditures - Current services - Public works:				
Streets	13,136,482	15,965,930	5,176,720	10,789,210
Stormwater drainage	35,131	35,131	35,131	-
Total expenditures	13,171,613	16,001,061	5,211,851	10,789,210
Excess of Revenue (Under) Over Expenditures	(880,812)	(3,710,260)	6,440,789	10,151,049
Other Financing Sources (Uses)				
Transfers in	65,850	65,850	54,091	(11,759)
Transfers out	(2,853,249)	(2,853,249)	(2,852,740)	509
Total other financing uses	(2,787,399)	(2,787,399)	(2,798,649)	(11,250)
Net Change in Fund Balance	(3,668,211)	(6,497,659)	3,642,140	10,139,799
Fund Balance - Beginning of year	15,442,879	15,442,879	15,442,879	-
Fund Balance - End of year	<u>\$ 11,774,668</u>	<u>\$ 8,945,220</u>	<u>\$ 19,085,019</u>	<u>\$ 10,139,799</u>

Other Supplemental Information
Budgetary Comparison Schedules (Continued)
Local Streets

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental - State sources	\$ 4,512,000	\$ 4,512,000	\$ 4,396,262	\$ (115,738)
Interest and rentals	35,000	35,000	864	(34,136)
Total revenue	4,547,000	4,547,000	4,397,126	(149,874)
Expenditures - Current services - Public works:				
Streets	5,358,050	5,500,367	3,975,962	1,524,405
Stormwater drainage	35,130	35,130	35,130	-
Total expenditures	5,393,180	5,535,497	4,011,092	1,524,405
Excess of Revenue (Under) Over Expenditures	(846,180)	(988,497)	386,034	1,374,531
Other Financing Sources - Transfers in	1,085,850	1,085,850	1,054,536	(31,314)
Net Change in Fund Balance	239,670	97,353	1,440,570	1,343,217
Fund Balance - Beginning of year	3,334,400	3,334,400	3,334,400	-
Fund Balance - End of year	<u>\$ 3,574,070</u>	<u>\$ 3,431,753</u>	<u>\$ 4,774,970</u>	<u>\$ 1,343,217</u>

Other Supplemental Information
Budgetary Comparison Schedules (Continued)
Recreation

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Property taxes	\$ 3,290,579	\$ 3,290,579	\$ 3,291,718	\$ 1,139
Intergovernmental	386,000	386,000	362,320	(23,680)
Charges for services	1,823,400	1,823,400	194,734	(1,628,666)
Interest and rentals	99,853	99,853	59,012	(40,841)
Other revenue	-	-	890	890
Total revenue	5,599,832	5,599,832	3,908,674	(1,691,158)
Expenditures - Current - Recreation and culture				
- Parks and recreation	6,036,982	7,177,575	4,151,221	3,026,354
Excess of Expenditures Over Revenue				
	(437,150)	(1,577,743)	(242,547)	1,335,196
Other Financing Uses - Transfers out				
	(286,794)	(286,794)	(286,793)	1
Net Change in Fund Balance				
	(723,944)	(1,864,537)	(529,340)	1,335,197
Fund Balance - Beginning of year				
	3,903,359	3,903,359	3,903,359	-
Fund Balance - End of year				
	<u>\$ 3,179,415</u>	<u>\$ 2,038,822</u>	<u>\$ 3,374,019</u>	<u>\$ 1,335,197</u>

Other Supplemental Information
Budgetary Comparison Schedules (Continued)
Sanitation

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Property taxes	\$ 8,861,117	\$ 8,861,117	\$ 8,859,086	\$ (2,031)
Intergovernmental - State sources	325,000	325,510	495,987	170,477
Investment income	20,000	20,000	374	(19,626)
Other revenue	314,306	314,306	359,466	45,160
Total revenue	9,520,423	9,520,933	9,714,913	193,980
Expenditures - Public works	10,575,026	10,943,944	9,598,228	1,345,716
Net Change in Fund Balance	(1,054,603)	(1,423,011)	116,685	1,539,696
Fund Balance - Beginning of year	2,759,178	2,759,178	2,759,178	-
Fund Balance - End of year	<u>\$ 1,704,575</u>	<u>\$ 1,336,167</u>	<u>\$ 2,875,863</u>	<u>\$ 1,539,696</u>

Other Supplemental Information
Budgetary Comparison Schedules (Continued)
Library

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Property taxes	\$ 3,730,686	\$ 3,730,686	\$ 3,730,599	\$ (87)
Intergovernmental	474,000	476,646	494,107	17,461
Fines and forfeitures	76,000	76,000	28,635	(47,365)
Interest and rentals	40,000	40,000	677	(39,323)
Other revenue	10,500	10,500	2,906	(7,594)
Total revenue	4,331,186	4,333,832	4,256,924	(76,908)
Expenditures - Current - Recreation and culture - Library	4,853,669	4,856,315	4,133,383	722,932
Excess of Revenue (Under) Over Expenditures	(522,483)	(522,483)	123,541	646,024
Other Financing Uses - Transfers out	(122,912)	(122,912)	(122,911)	1
Net Change in Fund Balance	(645,395)	(645,395)	630	646,025
Fund Balance - Beginning of year	4,558,877	4,558,877	4,558,877	-
Fund Balance - End of year	<u>\$ 3,913,482</u>	<u>\$ 3,913,482</u>	<u>\$ 4,559,507</u>	<u>\$ 646,025</u>

Other Supplemental Information
Budgetary Comparison Schedules (Continued)
Communications

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental	\$ -	\$ 7,635	\$ -	\$ (7,635)
Licenses and permits	2,100,000	2,100,000	2,018,162	(81,838)
Interest and rentals	40,000	40,000	336	(39,664)
Other revenue	200	200	1,914	1,714
Total revenue	2,140,200	2,147,835	2,020,412	(127,423)
Expenditures - Current - Recreation and culture	1,967,648	1,975,283	1,548,368	426,915
Excess of Revenue Over Expenditures	172,552	172,552	472,044	299,492
Other Financing Uses - Transfers out	(409,704)	(409,704)	(409,704)	-
Net Change in Fund Balance	(237,152)	(237,152)	62,340	299,492
Fund Balance - Beginning of year	2,867,234	2,867,234	2,867,234	-
Fund Balance - End of year	<u>\$ 2,630,082</u>	<u>\$ 2,630,082</u>	<u>\$ 2,929,574</u>	<u>\$ 299,492</u>

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

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental	\$ -	\$ 266	\$ -	\$ (266)
Fines and forfeitures	861,520	861,520	1,032,950	171,430
Interest and rentals	10,000	10,000	237	(9,763)
Other revenue	-	-	7,035	7,035
Total revenue	871,520	871,786	1,040,222	168,436
Expenditures - Current - Community and economic development	955,252	971,590	844,942	126,648
Net Change in Fund Balance	(83,732)	(99,804)	195,280	295,084
Fund Balance - Beginning of year	1,580,014	1,580,014	1,580,014	-
Fund Balance - End of year	<u>\$ 1,496,282</u>	<u>\$ 1,480,210</u>	<u>\$ 1,775,294</u>	<u>\$ 295,084</u>

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

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 75,562	\$ 55,562
Interest and rentals	2,500	2,500	46	(2,454)
Total revenue	22,500	22,500	75,608	53,108
Expenditures - Current - Public safety - Crime Commission	60,000	60,000	20,812	39,188
Net Change in Fund Balance	(37,500)	(37,500)	54,796	92,296
Fund Balance - Beginning of year	301,189	301,189	301,189	-
Fund Balance - End of year	<u>\$ 263,689</u>	<u>\$ 263,689</u>	<u>\$ 355,985</u>	<u>\$ 92,296</u>

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

Year Ended June 30, 2021

	<u>Original Budget</u> (Unaudited)	<u>Amended Budget</u> (Unaudited)	<u>Actual</u>	<u>Variance with Amended Budget</u> (Unaudited)
Revenue				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 773,633	\$ 173,633
Interest and rentals	25,000	25,000	371	(24,629)
Total revenue	625,000	625,000	774,004	149,004
Expenditures - Current - Public safety - Crime commission	850,000	883,009	735,039	147,970
Net Change in Fund Balance	(225,000)	(258,009)	38,965	296,974
Fund Balance - Beginning of year	2,586,755	2,586,755	2,586,755	-
Fund Balance - End of year	<u>\$ 2,361,755</u>	<u>\$ 2,328,746</u>	<u>\$ 2,625,720</u>	<u>\$ 296,974</u>

Other Supplemental Information
 Budgetary Comparison Schedules (Continued)
 Police Training

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental	\$ 33,000	\$ 33,000	\$ 22,136	\$ (10,864)
Interest and rentals	100	100	3	(97)
Total revenue	33,100	33,100	22,139	(10,961)
Expenditures - Current - Public safety - Crime commission	38,000	38,000	21,262	16,738
Net Change in Fund Balance	(4,900)	(4,900)	877	5,777
Fund Balance - Beginning of year	13,975	13,975	13,975	-
Fund Balance - End of year	<u>\$ 9,075</u>	<u>\$ 9,075</u>	<u>\$ 14,852</u>	<u>\$ 5,777</u>

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

Year Ended June 30, 2021

	<u>Original Budget</u> (Unaudited)	<u>Amended Budget</u> (Unaudited)	<u>Actual</u>	<u>Variance with Amended Budget</u> (Unaudited)
Revenue				
Property taxes	\$ 7,126,697	\$ 7,126,697	\$ 7,114,649	\$ (12,048)
Intergovernmental	200,000	200,000	382,485	182,485
Interest and rentals	100,000	100,000	1,331	(98,669)
Total revenue	7,426,697	7,426,697	7,498,465	71,768
Expenditures - Current - Public works - Streets	6,586,154	12,463,259	7,777,283	4,685,976
Net Change in Fund Balance	840,543	(5,036,562)	(278,818)	4,757,744
Fund Balance - Beginning of year	8,397,366	8,397,366	8,397,366	-
Fund Balance - End of year	<u>\$ 9,237,909</u>	<u>\$ 3,360,804</u>	<u>\$ 8,118,548</u>	<u>\$ 4,757,744</u>

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

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental	\$ -	\$ -	\$ 495,068	\$ 495,068
Interest and rentals	-	2,288	146	(2,142)
Total revenue	-	2,288	495,214	492,926
Expenditures - Current services - District court	1,129,454	1,197,437	617,902	579,535
Excess of Expenditures Over Revenue	(1,129,454)	(1,195,149)	(122,688)	1,072,461
Other Financing Sources - Transfers in	-	122,688	122,688	-
Net Change in Fund Balance	(1,129,454)	(1,072,461)	-	1,072,461
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u>\$ (1,129,454)</u>	<u>\$ (1,072,461)</u>	<u>\$ -</u>	<u>\$ 1,072,461</u>

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

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - Investment income	\$ 50	\$ 50	\$ 7	\$ (43)
Expenditures - Debt service:				
Principal	1,400,342	1,400,342	2,110,340	(709,998)
Interest and fiscal charges	452,907	452,907	561,808	(108,901)
Total expenditures	<u>1,853,249</u>	<u>1,853,249</u>	<u>2,672,148</u>	<u>(818,899)</u>
Excess of Expenditures Over Revenue	(1,853,199)	(1,853,199)	(2,672,141)	(818,942)
Other Financing Sources - Transfers in	<u>1,853,249</u>	<u>1,853,249</u>	<u>2,672,148</u>	<u>818,899</u>
Net Change in Fund Balance	50	50	7	(43)
Fund Balance - Beginning of year	<u>50,126</u>	<u>50,126</u>	<u>50,126</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 50,176</u></u>	<u><u>\$ 50,176</u></u>	<u><u>\$ 50,133</u></u>	<u><u>\$ (43)</u></u>

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

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Special assessments	\$ -	\$ -	\$ 189,444	\$ 189,444
Intergovernmental	-	660	850,000	849,340
Fines and forfeitures	500,000	500,000	648,484	148,484
Interest and rentals	25,000	25,000	8,702	(16,298)
Total revenue	525,000	525,660	1,696,630	1,170,970
Expenditures				
Current services:				
General government	500,000	500,660	412,145	88,515
Public works	-	-	1,419,409	(1,419,409)
Debt service	-	-	38,017	(38,017)
Total expenditures	500,000	500,660	1,869,571	(1,368,911)
Excess of Revenue Over (Under)				
Expenditures	25,000	25,000	(172,941)	(197,941)
Other Financing Sources - Bond proceeds	-	-	21,281,826	21,281,826
Net Change in Fund Balance	25,000	25,000	21,108,885	21,083,885
Fund Balance - Beginning of year	12,949,389	12,949,389	12,949,389	-
Fund Balance - End of year	\$ 12,974,389	\$ 12,974,389	\$ 34,058,274	\$ 21,083,885

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			
	2012	2013 (1)	2014	2015 (2)
Governmental activities:				
Net investment in capital assets	\$ 110,327,564	\$ 110,679,720	\$ 109,841,350	\$ 115,090,168
Restricted	28,243,279	41,217,523	44,730,230	41,673,841
Unrestricted	24,905,176	31,944,097	42,214,308	(132,087,443)
Total net position	\$ 163,476,019	\$ 183,841,340	\$ 196,785,888	\$ 24,676,566
Business-type activities:				
Net investment in capital assets	\$ 59,757,545	\$ 60,666,179	\$ 61,917,558	\$ 66,690,180
Restricted	9,800,089	10,511,646	11,418,448	11,195,095
Unrestricted	19,578,952	25,185,018	26,783,108	1,609,583
Total net position	\$ 89,136,586	\$ 96,362,843	\$ 100,119,114	\$ 79,494,858
Primary government in total:				
Net investment in capital assets	\$ 170,085,109	\$ 171,345,899	\$ 171,758,908	\$ 181,780,348
Restricted	38,043,377	51,729,169	56,148,678	52,868,936
Unrestricted	44,484,128	57,129,115	68,997,416	(130,477,860)
Total net position	\$ 252,612,614	\$ 280,204,183	\$ 296,905,002	\$ 104,171,424

(1) 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.

(2) Reflects retroactive implementation of GASB Statement Number 68, *Accounting and Financial Reporting for Pensions*

Net Position by Component

Last Ten Fiscal Years

June 30, 2021

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 117,332,131	\$ 123,302,796	\$ 113,821,101	\$ 137,591,150	\$ 148,821,662	\$ 147,713,494
44,077,625	45,423,260	62,562,871	51,381,660	56,657,895	60,813,301
<u>(148,581,462)</u>	<u>(152,409,503)</u>	<u>(353,060,453)</u>	<u>(331,784,055)</u>	<u>(293,964,403)</u>	<u>(241,193,827)</u>
<u>\$ 12,828,294</u>	<u>\$ 16,316,553</u>	<u>\$ (176,676,481)</u>	<u>\$ (142,811,245)</u>	<u>\$ (88,484,846)</u>	<u>\$ (32,667,032)</u>
\$ 73,329,416	\$ 74,111,047	\$ 78,416,923	\$ 88,586,233	\$ 97,426,077	\$ 107,137,005
12,215,367	9,907,889	10,604,481	11,758,477	12,864,828	11,701,581
<u>(5,756,509)</u>	<u>831,598</u>	<u>(4,522,150)</u>	<u>(13,653,738)</u>	<u>(13,298,569)</u>	<u>(10,985,033)</u>
<u>\$ 79,788,274</u>	<u>\$ 84,850,534</u>	<u>\$ 84,499,254</u>	<u>\$ 86,690,972</u>	<u>\$ 96,992,336</u>	<u>\$ 107,853,553</u>
\$ 190,661,547	\$ 197,413,843	\$ 192,238,024	\$ 226,177,383	\$ 246,247,739	\$ 254,850,499
56,292,992	55,331,149	73,167,352	63,140,137	69,522,723	72,514,882
<u>(154,337,971)</u>	<u>(151,577,905)</u>	<u>(357,582,603)</u>	<u>(345,437,793)</u>	<u>(307,262,972)</u>	<u>(252,178,860)</u>
<u>\$ 92,616,568</u>	<u>\$ 101,167,087</u>	<u>\$ (92,177,227)</u>	<u>\$ (56,120,273)</u>	<u>\$ 8,507,490</u>	<u>\$ 75,186,521</u>

City of Warren, Michigan

	Fiscal Year		
	2012	2013	2014
Expenses:			
Governmental activities:			
General government	\$ 10,187,753	\$ 11,005,229	\$ 12,963,834
District Court	6,308,210	5,939,804	6,501,550
Public safety	56,710,270	59,683,364	63,792,208
Public works	24,550,108	24,338,956	27,934,896
Recreation and culture	12,502,460	12,111,420	11,815,426
Community and economic development	4,851,249	4,254,706	4,331,962
Interest on long-term debt	1,172,012	1,085,956	937,659
Total governmental activities expenses	<u>116,282,062</u>	<u>118,419,435</u>	<u>128,277,535</u>
Business-type activities:			
Water and Sewer System	33,119,786	34,191,241	34,986,469
Senior citizen housing	2,130,362	2,025,103	2,121,185
Total business-type activities expenses	<u>35,250,148</u>	<u>36,216,344</u>	<u>37,107,654</u>
Total primary government expenses	<u>\$ 151,532,210</u>	<u>\$ 154,635,779</u>	<u>\$ 165,385,189</u>
Program revenues:			
Governmental activities:			
Charges for services	\$ 14,646,243	\$ 14,573,858	\$ 16,511,721
Operating grants and contributions	15,689,801	15,882,698	16,769,695
Capital grants and contributions	837,793	700,760	821,463
Total governmental activities program revenue	<u>31,173,837</u>	<u>31,157,316</u>	<u>34,102,879</u>
Business-type activities:			
Water and Sewer System	38,427,954	40,839,611	38,541,038
Senior citizen housing	2,168,354	2,157,649	2,219,578
Total business-type activities program revenue	<u>40,596,308</u>	<u>42,997,260</u>	<u>40,760,616</u>
Total primary government program revenue	<u>\$ 71,770,145</u>	<u>\$ 74,154,576</u>	<u>\$ 74,863,495</u>
Net (expense) revenue:			
Governmental activities	\$ (85,108,225)	\$ (87,262,119)	\$ (94,174,656)
Business-type activities	5,346,160	6,780,916	3,652,962
Total primary government net expense	<u>\$ (79,762,065)</u>	<u>\$ (80,481,203)</u>	<u>\$ (90,521,694)</u>
General Revenue and Other Changes in Net Position			
Governmental activities:			
Property taxes	\$ 72,437,479	\$ 90,992,186	\$ 89,157,917
State-shared revenue	11,895,230	12,256,586	12,604,122
Franchise fees	1,841,166	1,935,470	2,009,117
Investment earnings	177,108	169,068	151,370
Gain (loss) on sale of capital assets	30,051	26,204	19,489
Other revenue	3,147,656	2,656,638	3,177,189
Reduction in long-term debt obligation	-	-	-
Settlement agreements	-	-	-
Transfers	-	(90,000)	-
Total governmental activities	<u>89,528,690</u>	<u>107,946,152</u>	<u>107,119,204</u>
Business-type activities:			
Investment earnings	26,887	48,181	65,970
Gain (loss) on sale of capital assets	90,904	140,108	37,339
Other general revenue	178,457	289,164	-
Total business-type activities	<u>296,248</u>	<u>477,453</u>	<u>103,309</u>
Total primary government	<u>\$ 89,824,938</u>	<u>\$ 108,423,605</u>	<u>\$ 107,222,513</u>
Changes in Net Position			
Governmental activities	\$ 4,420,465	\$ 20,684,033	\$ 12,944,548
Business-type activities	5,642,408	7,258,369	3,756,271
Total primary government	<u>\$ 10,062,873</u>	<u>\$ 27,942,402</u>	<u>\$ 16,700,819</u>

(1) 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, 2021

		Fiscal Year					
	2015 (1)	2016	2017	2018	2019	2020	2021
\$	25,310,012	\$ 24,104,939	\$ 11,213,283	\$ 16,097,711	\$ 13,009,185	\$ 8,555,463	\$ 14,130,689
	7,138,274	7,289,471	7,044,306	6,464,165	7,840,727	5,663,508	6,645,015
	66,512,308	82,746,267	82,752,844	62,391,916	60,857,353	55,271,480	46,455,172
	31,261,848	29,080,210	36,116,970	26,695,024	34,995,669	35,020,927	35,368,130
	11,749,078	11,812,918	13,945,510	11,398,091	9,492,031	5,211,844	4,001,355
	3,750,923	4,292,710	3,588,945	3,966,082	7,438,567	6,513,838	10,100,720
	645,177	472,567	386,248	359,449	541,808	675,970	800,814
	<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>	<u>117,501,895</u>
	58,331,386	40,773,173	39,590,168	31,872,979	52,185,596	41,501,782	44,287,599
	<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>2,291,810</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>	<u>46,579,409</u>
\$	<u>206,782,887</u>	<u>202,667,252</u>	<u>196,708,213</u>	<u>161,042,860</u>	<u>188,487,667</u>	<u>160,359,737</u>	<u>164,081,304</u>
\$	16,317,219	\$ 23,645,696	\$ 22,409,974	\$ 21,808,137	\$ 23,004,408	\$ 20,085,980	\$ 19,061,826
	17,431,409	17,390,917	15,536,736	19,154,256	20,534,246	20,086,577	29,283,510
	504,251	844,295	2,190,092	326,759	193,543	9,286,649	1,345,524
	<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>	<u>49,690,860</u>
	55,669,322	40,682,519	44,240,520	47,890,812	52,340,914	50,383,639	54,868,133
	<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>2,484,655</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>	<u>57,352,788</u>
\$	<u>92,281,667</u>	<u>84,934,447</u>	<u>86,758,053</u>	<u>91,559,518</u>	<u>98,555,787</u>	<u>102,298,754</u>	<u>107,043,648</u>
\$	(112,114,741)	\$ (117,918,174)	\$ (114,911,304)	\$ (86,083,286)	\$ (90,443,143)	\$ (67,453,824)	\$ (67,811,035)
	(2,386,479)	185,369	4,961,144	16,599,944	511,263	9,392,841	10,773,379
\$	<u>(114,501,220)</u>	<u>(117,732,805)</u>	<u>(109,950,160)</u>	<u>(69,483,342)</u>	<u>(89,931,880)</u>	<u>(58,060,983)</u>	<u>(57,037,656)</u>
\$	89,085,885	\$ 90,658,051	\$ 87,521,449	\$ 88,206,104	\$ 90,212,955	\$ 93,420,380	\$ 96,020,738
	15,470,027	12,830,042	28,184,436	18,394,692	26,158,925	22,967,832	25,046,426
	2,209,191	2,263,382	2,266,273	2,175,819	2,095,219	2,015,541	2,018,162
	214,871	318,427	427,405	870,709	2,371,630	1,816,753	217,319
	-	-	-	-	-	-	-
	8,240,399	-	-	37,982	3,469,650	1,559,717	326,204
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	<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>	<u>123,628,849</u>
	187,828	108,047	101,116	636,200	1,760,106	908,523	87,838
	14,466	-	-	-	(79,651)	-	-
	-	-	-	-	-	-	-
	<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>	<u>87,838</u>
\$	<u>115,422,667</u>	<u>106,177,949</u>	<u>118,500,679</u>	<u>110,321,506</u>	<u>125,988,834</u>	<u>122,688,746</u>	<u>123,716,687</u>
\$	3,105,632	\$ (11,848,272)	\$ 3,488,259	\$ 23,602,020	\$ 33,865,236	\$ 54,326,399	\$ 55,817,814
	(2,184,185)	293,416	5,062,260	(17,236,144)	2,191,718	10,301,364	10,861,217
\$	<u>921,447</u>	<u>(11,554,856)</u>	<u>8,550,519</u>	<u>40,838,164</u>	<u>36,056,954</u>	<u>64,627,763</u>	<u>66,679,031</u>

City of Warren, Michigan

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	308,659	368,087	184,408	363,734
Restricted	78,199	78,199	78,199	-
Assigned	18,810,884	20,165,441	24,044,726	44,489,417
Unassigned	13,103,677	24,348,477	32,659,940	19,010,250
Unreserved	-	-	-	-
Total General Fund	<u>\$ 32,301,419</u>	<u>\$ 44,960,204</u>	<u>\$ 56,967,273</u>	<u>\$ 63,863,401</u>
All other governmental funds:				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	24,182	54,358	53,178	36,258
Restricted	26,570,626	32,306,941	35,495,128	32,997,440
Committed	970,471	1,038,648	1,053,463	1,285,591
Assigned	5,971,715	6,157,192	6,223,114	6,453,982
Unassigned	(38,029)	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Total all other governmental funds	<u>\$ 33,498,965</u>	<u>\$ 39,557,139</u>	<u>\$ 42,824,883</u>	<u>\$ 40,773,271</u>
Total of all governmental funds				

Fund Balances, Governmental Funds

Last Ten Fiscal Years

June 30, 2021

		Fiscal Year					
		2016	2017	2018	2019	2020	2021
\$	-	\$	-	\$	-	\$	-
	579,045		488,137		1,018,208		\$ 978,208
	-		-		-		\$ 570,605
	45,342,612		54,304,851		30,694,045		\$ 40,972,321
	17,896,751		16,620,736		17,504,161		\$ 17,408,258
	-		-		-		\$ 18,146,893
	-		-		-		\$ -
	\$ 63,818,408		\$ 71,413,724		\$ 49,216,414		\$ 59,358,787
							\$ 65,569,820
							\$ 82,554,458
\$	-	\$	-	\$	-	\$	-
	38,165		29,679		51,057		\$ 55,249
	35,138,179		35,541,188		53,037,480		\$ 47,971
	1,243,997		1,272,625		1,326,799		\$ 48,150,409
	7,072,981		7,458,170		8,054,317		\$ 1,670,057
	-		-		-		\$ 9,401,273
	-		-		-		-
	-		-		-		-
	-		-		-		-
	\$ 43,493,322		\$ 44,301,662		\$ 62,469,653		\$ 61,433,752
							\$ 59,269,710
							\$ 85,471,559

City of Warren, Michigan

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenue				
Property taxes	\$ 71,507,381	\$ 90,938,534	\$ 89,360,407	\$ 89,168,842
Special assessments	844,775	706,457	642,545	542,016
Licenses and permits	2,368,083	2,691,555	2,700,351	3,253,426
Intergovernmental:				
Federal revenue	5,761,605	5,372,783	5,986,783	5,611,462
State-shared revenue and grants	22,507,426	23,016,885	24,793,129	26,163,042
Charges for services	6,127,204	5,474,068	6,046,079	5,652,636
Fines and fees	5,715,141	6,066,412	7,229,026	6,909,278
Interest	170,130	163,641	131,813	177,106
Other	4,214,605	3,983,816	4,461,539	9,750,547
Total revenue	<u>119,216,350</u>	<u>138,414,151</u>	<u>141,351,672</u>	<u>147,228,355</u>
Expenditures				
General government	11,855,175	10,300,278	11,858,091	16,275,040
District court	6,308,210	6,104,152	6,756,822	7,128,439
Public safety	57,004,462	59,701,143	59,763,179	64,014,960
Public works	23,689,400	26,170,932	28,397,991	36,843,249
Recreation and culture	11,227,817	10,539,284	10,757,141	11,439,118
Community and economic development	4,709,232	4,191,743	4,334,700	3,711,712
Debt service:				
Principal	3,302,755	3,217,783	3,346,848	3,523,678
Interest	1,201,091	1,106,733	975,952	663,414
Total expenditures	<u>119,298,142</u>	<u>121,332,048</u>	<u>126,190,724</u>	<u>143,599,610</u>
Excess of Revenue Over Expenditures	(81,792)	17,082,103	15,160,948	3,628,745
Other Financing Sources (Uses)				
Transfers in	3,992,886	3,839,724	3,833,755	4,116,088
Transfers to fiduciary funds	-	-	-	-
Transfers to Water and Sewer System	(3,992,886)	(3,929,724)	(3,833,755)	(4,116,088)
Proceeds from sale of property	2,859	-	763	-
Proceeds from issuance of debt	-	1,724,856	13,790,528	3,589,572
Payment to refunded bond escrow agent	-	-	(13,677,426)	(2,385,000)
Bond premium (discounts)	-	-	-	11,199
Settlement agreement	-	-	-	-
Total other financing sources (uses)	<u>2,859</u>	<u>1,634,856</u>	<u>113,865</u>	<u>1,215,771</u>
Net change in fund balances	(78,933)	18,716,959	15,274,813	4,844,516
Debt service as a percentage of noncapital expenditures (1)	3.78%	3.56%	3.63%	3.02%

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

June 30, 2021

		Fiscal Year					
		2016	2017	2018	2019	2020	2021
\$	90,615,975	\$ 87,521,449	\$ 88,206,104	\$ 90,212,955	\$ 93,420,380	\$ 96,020,738	
	268,564	320,742	337,461	216,085	294,158	189,444	
	4,265,251	4,018,513	3,841,077	7,054,475	6,184,488	7,631,277	
	3,681,679	3,913,933	3,577,958	3,210,255	3,591,773	11,566,905	
	27,103,065	41,747,464	34,921,047	45,333,707	40,815,671	43,918,419	
	6,213,357	6,503,468	6,807,317	6,794,015	6,148,689	4,454,264	
	7,326,390	6,392,742	6,706,617	7,016,632	5,726,850	5,472,330	
	269,262	402,702	860,007	2,452,406	1,914,947	253,385	
	6,927,801	6,392,356	5,564,304	6,008,780	4,180,883	2,862,779	
	<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>	<u>172,369,541</u>	
	16,524,940	16,785,509	24,627,533	14,048,925	11,724,444	12,069,470	
	7,423,740	7,514,872	7,802,982	7,522,817	7,457,866	7,817,129	
	68,062,083	69,691,662	84,110,962	71,718,485	72,677,218	76,410,290	
	33,294,649	35,771,364	33,345,393	51,698,511	47,252,283	36,220,296	
	11,136,185	12,841,100	11,500,198	11,877,714	10,921,674	9,865,713	
	4,342,649	3,522,057	4,019,759	7,458,288	5,467,507	4,068,628	
	2,683,113	2,287,475	2,345,582	2,061,021	2,109,755	3,216,978	
	528,927	395,674	335,522	677,966	620,101	796,376	
	<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>	<u>150,464,880</u>	
	2,675,058	8,403,656	(17,266,039)	1,235,583	4,046,991	21,904,661	
	3,067,228	4,387,854	-	-	-	-	
	-	-	-	-	-	-	
	(3,067,228)	(4,387,854)	-	-	-	-	
	-	-	-	-	-	-	
	-	-	13,236,720	7,870,889	-	21,281,826	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	<u>-</u>	<u>-</u>	<u>13,236,720</u>	<u>7,870,889</u>	<u>-</u>	<u>21,281,826</u>	
	2,675,058	8,403,656	(4,029,319)	9,106,472	4,046,991	43,186,487	
	2.55%	1.97%	1.71%	2.03%	2.16%	3.38%	

City of Warren, Michigan

Valuation Date Dec. 31	Fiscal Year Ended	Real Property					
		Commercial		Industrial		Residential	
		State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value
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
2019	2021	695,570,595	568,136,475	725,992,230	619,975,020	2,946,749,019	2,078,961,947

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, 2021

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
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
380,012,060	380,012,060	130,426,914	128,110,219	4,878,750,818	3,775,195,721	27.1471

City of Warren, Michigan

City-wide Direct Tax Rate

Fiscal Year Ended	General (1)	Emergency Medical	Parks & Recreation	Police & Fire Pensions	Police Sanitation	Police Protection	Fire Protection	Local Road	Police & Fire Operating	
<u>June 30</u>	<u>Operating</u>	<u>Library</u>	<u>Service</u>	<u>Recreation</u>	<u>Pensions</u>	<u>Sanitation</u>	<u>Protection</u>	<u>Protection</u>	<u>Road</u>	<u>Operating</u>
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
2021	8.5421	1.0757	0.2843	0.9488	4.9848	2.5550	0.9531	0.9531	2.0549	4.7953

(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	16.6080	34.6080	16.6080	34.6080
Combined City & County Rate	26.3167	26.3167	26.3167	26.3167	26.3167	26.3167
2012 Total Direct & Overlapping Rate	40.4167	58.4167	42.9247	60.9247	42.9247	60.9247
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
2013 Total Direct & Overlapping Rate	53.6979	71.6979	51.0979	69.0979	51.0979	69.0979
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
2014 Total Direct & Overlapping Rate	54.5179	72.5179	51.0579	69.0579	51.0579	69.0579
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
2015 Total Direct & Overlapping Rate	55.0329	73.0329	53.6929	71.6929	51.4629	69.4629
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
2016 Total Direct & Overlapping Rate	54.8242	72.8214	56.1689	74.1689	51.3689	69.3689
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
2017 Total Direct & Overlapping Rate	52.4999	70.4405	54.9895	72.9895	51.2395	69.1387
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
2018 Total Direct & Overlapping Rate	53.2428	71.1834	54.9324	72.9324	51.1824	68.8770
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
2019 Total Direct & Overlapping Rate	52.6058	70.4206	54.8354	72.6213	51.0854	68.8502
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
2020 Total Direct & Overlapping Rate	55.3359	73.1259	55.6647	73.6647	50.9169	68.5040
School District Rate	18.4000	35.8039	16.6846	34.6846	12.5000	29.8285
Combined City & County Rate	39.3789	39.3789	39.3789	39.3789	39.3789	39.3789
2021 Total Direct & Overlapping Rate	57.7789	75.1828	56.0635	74.0635	51.8789	69.2074

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

June 30, 2021

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. & Veterans	Zoo Authority, S.M.A.R.T.	Macomb County		
						Operating	Drain Debt	
19.8924	-	2.9430	1.5712	0.3546	0.5900	4.5685	0.0050	10.0323
27.8656	0.2000	2.9430	1.5712	0.3546	0.5900	4.5685	0.0050	10.2323
27.8656	0.2000	2.9430	1.5312	0.3546	0.5900	4.5685	0.0050	10.1923
27.8656	0.2000	2.9430	1.5262	0.3546	1.0000	4.5685	0.0050	10.5973
27.7676	0.2000	2.9430	1.5302	0.3546	1.0000	4.5685	0.0050	10.6013
27.7703	0.1994	2.9355	1.4212	0.3541	0.9974	4.5566	0.0050	10.4692
27.7659	0.1979	2.9146	1.4034	0.3811	0.9903	4.5242	0.0050	10.4165
27.6539	0.1965	2.8945	1.4640	0.3790	1.0000	4.4925	0.0050	10.4315
27.5658	0.1950	2.8744	1.4531	0.3768	0.9926	4.4592	-	10.3511
27.1471	0.1930	4.7296	1.4387	0.4728	0.9827	4.4150	-	12.2318

	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	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
2012 Total Direct & Overlapping Rate	50.7005	55.8247	42.8247	60.8247	46.7668	57.3611
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
2013 Total Direct & Overlapping Rate	63.4333	64.8979	51.6979	69.6979	55.4603	65.9579
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
2014 Total Direct & Overlapping Rate	63.6433	65.1079	52.0179	70.0179	55.4408	65.9779
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
2015 Total Direct & Overlapping Rate	64.0483	65.5129	51.7829	69.7829	55.2232	66.0629
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
2016 Total Direct & Overlapping Rate	63.2189	65.1189	51.3889	69.3889	55.0655	66.2889
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
2017 Total Direct & Overlapping Rate	63.2749	64.7251	50.8795	68.7499	55.9009	66.9277
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
2018 Total Direct & Overlapping Rate	63.2178	64.4718	50.8224	68.6070	55.4715	66.7111
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
2019 Total Direct & Overlapping Rate	67.6968	69.0506	52.6254	70.2481	55.0332	66.8654
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
2020 Total Direct & Overlapping Rate	67.5284	68.8015	52.4569	69.9597	54.4900	66.6432
School District Rate	28.2510	30.6398	14.5400	31.7522	16.1383	28.7263
Combined City & County Rate	39.3789	39.3789	39.3789	39.3789	39.3789	39.3789
2021 Total Direct & Overlapping Rate	67.6299	70.0187	53.9189	71.1311	55.5172	68.1052

Principal Property Taxpayers

Current and Ten Years Ago
June 30, 2021

	Fiscal Year Ended June 30, 2021			Fiscal Year Ended June 30, 2011		
	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	\$ 328,412,300	1	8.70%	\$ 551,983,813	1	13.71%
DTE Electric Co	54,785,643	2	1.45%	34,920,070	3	0.87%
Chrysler - FCA US LLC	41,230,454	3	1.09%	197,046,967	2	4.89%
Consumers Energy	37,253,116	4	0.99%	10,947,564	7	0.27%
International Transmission	35,461,408	5	0.94%	19,848,228	4	0.49%
Lex Warren LP	19,136,390	6	0.51%			
LCN AVF Warren LLC	18,514,260	7	0.49%			
Noble 12B LLC	13,429,870	8	0.36%			
Stag Industrial Holdings LLC	9,960,520	9	0.26%			
Hoover Eleven Holding LLC	8,746,440	10	0.23%	-		0.00%
Art Van Furniture				19,426,652	5	0.48%
Wico Metal Products				12,531,797	6	0.31%
VJL Real Estate/Lipari Foods				8,795,740	8	0.22%
Parkview Village				8,333,850	9	0.21%
Meijer, Inc				8,233,260	10	0.20%
Ten largest taxpayers	566,930,401		15.02%	872,067,941		21.66%
Other taxpayers	<u>3,208,265,320</u>		<u>84.98%</u>	<u>3,154,709,276</u>		<u>78.34%</u>
Total taxable value	<u>\$ 3,775,195,721</u>		<u>100.00%</u>	<u>\$ 4,026,777,217</u>		<u>100.00%</u>

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

City of Warren, Michigan

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			
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
2020	2021	100,519,652	(3,906,987)	(634,320)	95,978,345	95.48%	3,906,987

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, 2021**

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				
14,508	74,722,486	99.41%	(22,033)	-	89,178	75,053,678	99.88%	
20,823	74,728,803	78.38%	(27,308)	-	103,675	95,205,461	99.89%	
24,508	94,691,113	102.03%	(1,514)	-	151,438	92,656,803	99.84%	
-	94,547,034	99.57%	28,590	-	119,690	94,865,395	99.87%	
-	96,675,425	99.56%	79,970	-	108,021	97,078,133	99.89%	
-	89,674,594	99.52%	348,700	-	112,078	90,341,987	99.88%	
-	90,721,851	99.55%	(68,228)	-	128,395	90,933,175	99.86%	
-	93,410,955	99.54%	(109,122)	-	131,311	93,606,581	99.86%	
-	96,870,341	99.47%	(20,338)	-	308,437	97,052,968	99.68%	
-	99,885,332	99.37%	-	-	783,651	99,736,001	99.22%	

Governmental Activities - General Bonded Debt

	Installment Purchase Agreements	Land Contract	Michigan Strategic Fund Loan	Capital Improvement Bonds	Building Authority Bonds	Bonds	Bonds
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	-	-	-
2021	5,742,759	-	-	4,288,293	-	-	-

	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
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	-
2021	35,373,725	104,915	-	45,509,692	4,342,962	547,019	-

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 - 2020
Beginning with 2021: 2019 ACS (American Community Survey) 5-Year Estimates
- (2) 2010 U.S. Census Bureau
Beginning with 2021: 2019 ACS (American Community Survey) 5-Year Estimates

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

June 30, 2021

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
-	-	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
-	-	10,031,052	3,775,195,721	0.27%	139,387	71.97

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
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
127,187,037	132,077,018	177,586,709	25,803	4.94%	1,274.06

City of Warren, Michigan

Direct and Overlapping Governmental Activities Debt

June 30, 2021

Net Direct Debt

Capital Improvement Bonds				
Refunding Series 2014	Warren Community Center	\$	4,290,000	\$ 4,290,000

Road Construction Bonds:

Series 2003 Michigan Transportation Bonds	Road improvements		-	
Series 2013A Capital Improvement Bonds	Road improvements		1,903,673	
Series 2015 Capital Improvement Bonds	Road improvements		1,199,430	
Series 2018 Michigan Transportation Bonds	Road improvements		10,895,000	
Series 2021 Michigan Transportation Bonds	Road improvements		<u>18,930,000</u>	32,928,103

Special Assessment Bonds:

Series 2015	Sidewalk replacement program		105,570	
Less amounts available in debt service funds			<u>-</u>	105,570

Less:

Road Construction Bonds			(32,928,103)	
Special Assessment Bonds			(105,570.00)	<u>(33,033,673)</u>

Net direct debt to be repaid with property taxes

4,290,000

Overlapping Debt

Macomb County:				
County at large	12.22%		273,215,479	33,386,932
Intermediate School District	11.96%		1,150,000	137,540
Macomb Community College			-	-
Local School Districts:				
Center Line	66.90%		33,480,000	22,398,120
East Detroit	20.35%		11,507,833	2,341,844
Fitzgerald	100.00%		24,205,000	24,205,000
Van Dyke	97.78%		46,615,705	45,604,145
Warren Consolidated	47.79%		194,000,000	92,712,600
Warren Woods	100.00%		<u>47,490,000</u>	<u>47,490,000</u>

Total Overlapping Debt

268,276,181

Net direct debt outstanding and overlapping debt

\$ 272,566,181

Source: Municipal Advisory Council of Michigan

June 30, 2021

	Fiscal Year				
	2012	2013	2014	2015	2016
Assessed value	\$ 4,081,046,497	\$ 3,630,847,280	\$ 3,537,933,048	\$ 3,689,472,137	\$ 4,006,975,440
Debt limit (10% of assessed value)	\$ 408,104,650	\$ 363,084,728	\$ 353,793,305	\$ 368,947,214	\$ 400,697,544
Total debt applicable	-	-	-	-	-
Legal debt margin	\$ 408,104,650	\$ 363,084,728	\$ 353,793,305	\$ 368,947,214	\$ 400,697,544
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				
	2017	2018	2019	2020	2021
Assessed value	\$ 3,926,697,488	\$ 4,065,604,921	\$ 4,216,515,132	\$ 4,530,119,109	\$ 4,878,750,818
Debt limit (10% of assessed value)	\$ 392,669,749	\$ 406,560,492	\$ 421,651,513	\$ 453,011,911	\$ 487,875,082
Total debt applicable	-	-	-	123,570,000	115,015,000
Legal debt margin	\$ 392,669,749	\$ 406,560,492	\$ 421,651,513	\$ 329,441,911	\$ 372,860,082
Total debt applicable to the debt limit as a percentage of debt limit	0.00%	0.00%	0.00%	27.28%	23.57%

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	
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
2021	1,559,978	1,050,443	509,535	390,000	15,669	405,669	1.26

(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		
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
2021	14,097,385	7,048,693	750,000	360,118	1,110,118	6.35	741,703

(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 \$741,703 of principal and interest was paid on the Capital Improvements Bonds during the fiscal year ended June 30, 2021 and is reflected in the schedule above.

Pledged-Revenue Coverage

June 30, 2021

Fiscal Year	Special Assessment Bonds (3)						Coverage
	S/A	Interest	Transferred to	Debt Service			
	Collections (4)		Debt Funds	Principal	Interest	Total	
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
2021	37,935	-	37,935	35,190	2,745	37,935	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	
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
2021	54,868,133	40,316,560	14,551,573	9,192,905	4,070,664	13,263,569	1.10

(6) Fiscal years 2012 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 with the exception of the 2020 Public Utility bonds which are secured by revenues from the Water & Sewer System. For FY21 the principal for the 2020 Public Utility bonds was \$195,000 and the interest was \$152,657.

Demographic and Economic Statistics

Last Ten Fiscal Years
June 30, 2021

Fiscal Year	Population (1)	Number of Households (1)	Income		Unemployment Rate (3)		
			Per Capita (2)	Total	City of Warren	Macomb County	State of Michigan
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%
2021	139,387	53,652	25,803	3,596,602,761	5.40%	4.50%	5.30%

Sources:

- (1) Southeast Michigan Council of Governments - est population through July 2018
Beginning with 2021 2019 American Community Survey
- (2) 2010 U.S. Census Bureau
Beginning with 2021 2019 American Community Survey
- (3) Michigan Department of Technology, Management & Budget
- *Not Seasonally Adjusted.*

Principal Employers

Current Fiscal and Six Years Ago
June 30, 2021

		Year Ended June 30, 2021			Year Ended June 30, 2015		
		Percentage			Percentage		
		Employees	of Total	Rank	Employees	of Total	Rank
General Motors Corporation	Automotive	23,000	(1)	1	20,000	(1)	1
Government of The United States	Government	8,650	(1)	2	7,800	(1)	2
FIAT - Chrysler Corp.	Automotive	4,800	(1)	3	6,000	(1)	3
Ascension Health	Health care	3,350	(1)	4	3,180	(1)	4
Dana Corp	Automotive	880		5	-		
		-			-		
Total		40,680			36,980		

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 (1)
General government:										
<u>37th District Court</u>										
Small claims	566	657	597	574	487	609	633	580	334	700
Landlord & tenant	4,910	5,333	4,136	4,804	4,610	4,617	4,333	4,667	2,573	5,000
Parking tickets	1,272	1,496	1,868	1,538	1,670	1,518	2,159	1,652	958	2,200
Traffic misdemeanor & civil	37,454	49,446	46,529	46,337	45,944	39,965	50,971	44,701	24,667	51,000
Non-traffic felony	2,069	2,358	2,252	2,251	1,944	2,018	1,918	1,785	1,382	2,200
Non-traffic misdemeanor	1,779	1,886	1,772	1,686	1,846	1,563	1,583	1,422	1,138	1,700
Traffic OUIL/OWI	284	354	298	644	236	198	212	198	102	250
General civil	5,633	4,812	4,164	4,581	4,795	5,792	6,496	6,159	5,294	6,600
Probation - Active cases	752	892	892	1,121	853	821	716	643	1,024	1,100
Pre-sentence investigations	460	429	429	406	319	334	325	256	160	350
<u>City Clerk</u>										
Business licenses	765	771	660	616	570	720	568	647	479	800
Public hearings	53	75	49	47	39	19	38	27	27	60
Changes in voter registrations	56,137	41,389	40,559	41,182	65,295	39,333	45,136	45,584	108,471	120,000
Dog licenses issued	4,662	4,945	4,831	4,597	4,569	6,489	5,621	3,795	1,677	4,000
Garage sale permits	1,466	1,429	1,285	996	1,124	940	749	717	260	500
Death certificates	1,856	1,806	1,523	1,571	1,721	1,575	1,497	1,499	1,974	3,000
Birth certificates	1,188	1,183	902	754	797	633	694	715	738	1,500
Lawsuits issued	30	35	27	35	27	16	11	11	23	75
Contracts signed, catalogued	68	83	100	87	121	88	85	109	70	200
Internet requests processed	4,972	4,232	6,750	6,100	6,050	4,020	5,122	5,114	5,832	6,000
<u>Treasurer</u>										
Tax bills processed:										
Manually	85,454	94,499	96,021	82,777	84,829	78,402	74,663	75,140	64,331	68,000
CD-ROM	54,865	45,056	48,550	51,380	51,904	51,853	53,584	54,658	55,209	55,431
Checks processed	46,736	40,082	42,457	43,397	41,903	38,881	41,586	42,343	38,747	43,000
Water bills processed	372,981	351,898	427,242	340,536	342,794	323,072	311,233	362,565	278,502	247,502
Status changes	481	720	708	696	732	751	762	771	763	780
Personal property	4,183	4,242	3,950	2,664	2,849	2,615	2,539	2,539	2,650	2,594
Delinquent tax accounts	2,561	40	40	40	-	-	-	-	-	-
<u>Assessing</u>										
Personal property audits	86	45	55	75	93	106	106	106	106	100
Small claim MTT appeals	789	59	54	32	34	29	35	35	32	40
Full tax tribunal appeals	596	227	155	120	37	38	40	40	20	40
Board of Review appeals	1,200	735	920	819	753	721	689	690	677	700
Principal residence exemption	3,923	5,774	6,950	3,750	4,091	4,231	2,175	4,450	2,646	3,000
Deeds and transfer affidavits	11,255	9,817	11,066	8,091	7,368	7,381	3,675	3,600	6,412	4,000
Special assessment rolls	30	30	30	30	30	30	30	30	30	30
Review / appraisal										
taxable properties	60,300	63,104	63,559	63,625	59,279	59,820	62,823	63,000	62,823	63,000
Verify sales & transfers										
of sold properties	3,500	1,403	1,633	2,470	7,368	7,358	6,326	8,600	6,326	7,500
building permit activity	11,000	13,210	13,198	13,274	11,310	9,350	18,604	19,500	20,610	25,000

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

(1) Fiscal year 2021 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 (1)
Recreation and Culture:										
<u>Library</u>										
Annual attendance	342,297	366,929	347,214	339,789	409,595	274,235	288,043	273,641	70,515	420,000
Circulation:										
Annual total	855,235	577,403	568,805	482,397	412,723	404,300	853,047	751,571	389,223	908,000
Children's material	279,921	253,018	239,449	256,746	176,454	142,222	150,905	172,185	71,245	202,000
Reference requests	47,285	49,875	53,776	43,304	36,989	34,943	41,987	47,143	33,782	51,000
Registered borrowers	53,754	59,909	62,475	53,988	56,501	54,616	72,578	73,869	56,345	75,000
Materials:										
Loaned to other libraries	74,359	74,391	70,602	63,062	57,354	52,237	26,749	51,901	36,267	38,000
Received from other libraries	52,593	52,630	49,408	38,869	36,237	35,253	36,033	87,156	22,032	45,000
Added to collection	56,914	37,576	46,225	39,956	22,695	18,496	23,310	19,466	18,434	27,000
Deleted from collection	23,165	10,984	18,741	24,740	30,098	19,615	18,163	21,761	6,951	16,000
Home Page hits	331,023	361,112	357,531	333,915	291,638	231,977	224,885	195,304	102,031	364,000
<u>Recreation</u>										
Pavilion rentals	460	484	424	424	467	518	518	518	318	108
Bus transportation	18,510	14,227	15,309	15,309	14,565	14,376	14,376	14,376	8,001	1,369
Adult & youth sports:										
Registrants	7,000	7,000	4,436	4,436	4,401	4,470	4,470	4,288	4,359	1,060
Participants	106,500	106,500	107,000	107,000	107,250	107,500	107,500	107,500	50,000	40
Senior programs	85,000	85,000	86,000	86,000	86,125	86,200	86,200	86,200	86,200	-
Senior sports programs	23,000	23,000	23,000	23,000	23,000	22,750	22,750	22,750	10,000	150
Trees removed	345	250	-	-	-	-	-	-	-	-
Trees trimmed	1,000	2,000	-	-	-	-	-	-	-	-
Pool attendance	380,000	380,000	350,000	350,000	386,500	360,000	360,000	260,000	260,000	1,000
Yearly pass registrations	3,975	3,463	4,142	4,142	4,280	4,129	4,129	4,129	3,300	157
Sanitation:										
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	45,391	47,315	45,207	63,236	59,773	52,888	50,931	51,000	58,470	52,000
Curbside recycling	5,169	5,847	4,816	4,661	4,635	4,555	4,447	5,900	6,230	5,000
Curbside compost	13,245	9,029	12,684	3,048	965	9,100	12,490	14,000	14,720	15,000
Drop-off center:										
Car batteries (each)	256	162	138	255	221	343	2,566	4,511	3,750	3,500
Non-ferrous metal (tons)	3	3	1	2	2	17	3	4	3	10
Concrete (tons)	283	195	208	261	299	299	222	124	53	100
Motor oil (gallons)	8,950	8,460	6,145	7,120	5,650	8,790	4,935	447	7,670	5,000
Collected / dropped off (tons):										
Cardboard	80	67	58	67	68	73	83	69	71	75
White goods / scrap metal	101	80	82	134	165	181	133	102	243	225

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

(1) Fiscal year 2021 estimates

(2) Fiscal years 2012 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, 2021

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 (1)
Public Safety:										
<u>Fire Department</u>										
Incident responses	14,974	15,500	16,547	16,718	17,818	18,343	18,503	18,199	19,502	20,000
Equipment responses	29,674	29,276	30,530	31,520	33,524	32,827	34,104	26,455	37,532	40,000
Fire training (hours)	3,139	6,480	3,062	2,000	2,340	2,880	3,409	6,172	4,203	4,344
Medical training (hours)	808	6,480	4,401	3,474	3,120	5,760	3,567	2,605	2,038	4,000
<u>Police Department</u>										
Calls for police service	88,184	95,000	95,000	95,000	95,000	95,000	95,000	92,756	80,436	95,000
Part A crimes	4,065	3,764	3,550	3,470	3,800	9,257	8,325	7,253	6,019	8,200
Burglary incidents	1,015	887	750	715	910	823	567	607	502	675
Auto theft incidents	728	582	590	530	632	560	543	432	327	500
Narcotic and drug incidents	1,093	1,455	1,575	1,165	1,450	1,725	1,086	1,103	722	1,150
Liquor license investigations	6,386	6,455	6,200	5,980	6,326	191	158	225	207	200
Traffic citations	18,419	20,678	20,500	24,155	40,000	17,279	27,580	28,539	17,081	30,500
OUIL charges	294	300	355	330	325	200	284	255	105	330
Traffic accidents	3,295	3,820	4,320	3,980	4,300	4,155	4,827	4,565	3,111	5,000
Juveniles charged	346	244	205	200	180	200	157	110	66	145
Total arrests	5,708	6,556	6,200	5,440	5,500	4,973	4,596	4,632	3,032	5,000
Abandoned autos processed	1,061	1,100	1,100	240	500	500	1,055	1,100	859	1,250
Guns registered	7,329	6,922	6,300	3,370	7,800	4,661	4,504	4,569	4,569	5,000
<u>Animal Control</u>										
Calls for service	3,000	2,850	3,500	8,860	9,951	9,951	1,873	2,195	2,164	2,300
Stray animals picked up	1,600	1,450	-	890	1,621	1,621	738	815	614	750
Wild animals secured	60	75	-	-	-	-	-	-	-	-
Dead animals handled	1,000	1,000	-	350	60	60	458	600	476	600
Animals given up by owners	325	377	-	60	88	88	285	110	105	125
<u>Civil Defense</u>										
Disaster/emergency incidents	7	5	6	12	10	10	14	14	12	18
Functional / full-scale exercise	2	3	3	3	4	4	4	4	1	3
City Development:										
<u>Engineering</u>										
Service requests processed	695	838	877	1,355	836	894	816	783	692	600
Planning reviews	79	79	66	100	125	129	154	123	138	120
Site plan reviews	129	258	426	386	386	367	364	461	477	400
Projects inspected	61	225	258	121	131	117	134	170	160	120
Sidewalk inspections / repairs	933	806	501	254	193	687	687	435	479	-
<u>Property Maintenance Inspection</u>										
Weed enforcement	3,810	4,012	4,045	5,508	2,752	5,071	2,977	5,304	2,875	6,500
Complaints investigated	4,285	4,387	4,022	4,373	5,071	2,446	5,205	1,929	1,753	5,075
Complaints in tracking system	21,500	18,300	21,016	30,637	17,946	26,153	28,371	28,259	10,640	29,500
Vacant/foreclosed clean-ups	632	676	524	1,332	1,408	1,234	1,323	1,252	459	1,500
<u>Building Inspections</u>										
Certificates of Occupancy	470	767	420	327	500	252	298	311	401	550
Building permits	1,804	1,918	2,053	2,160	2,100	2,820	2,388	2,406	1,928	2,750
Plumbing permits	1,351	1,351	1,152	1,054	1,200	4,133	1,117	1,152	1,115	1,700
Electrical permits	3,626	3,798	3,402	3,161	3,400	6,807	2,157	2,155	2,252	2,500
Mechanical permits	2,240	3,127	2,095	2,107	2,200	3,331	1,860	1,871	1,927	2,100
Miscellaneous permits	786	830	944	634	800	761	882	4,019	2,815	3,000
Building inspections	13,666	14,427	15,296	11,134	14,000	8,518	8,058	7,642	7,316	9,000
Plumbing inspections	9,136	10,421	10,529	9,814	9,000	7,135	5,814	5,939	4,880	7,000
Electrical inspections	12,676	14,206	14,276	13,727	12,500	9,128	8,303	7,790	5,960	9,000
Mechanical inspections	9,861	10,879	10,004	10,041	9,800	6,265	4,898	5,115	4,659	6,000
Zoning inspections	5,575	6,511	6,320	926	900	8,293	9,475	9,025	6,543	9,000
Plan reviews	2,304	2,048	2,165	716	800	881	560	630	658	800

Operating Indicators

Last Ten Fiscal Years
June 30, 2021

	Fiscal Year									
	2012	2013	2014	2015 (2)	2016	2017	2018	2019	2020 (1)	2021
Senior Citizens Housing:										
<u>Stilwell Manor</u>										
Carpet replacements	15	15	22	12	23	25	24	32	24	32
Linoleum replacements	7	7	10	7	14	12	23	10	8	13
Stove replacements	15	15	6	4	6	5	4	4	3	8
Apartments painted	20	20	23	21	18	25	26	25	21	32
Air conditioner replacements	10	10	10	8	7	12	7	10	9	9
Maintenance work orders	575	575	450	375	275	325	337	375	344	400
<u>Jos. Coach Manor</u>										
Carpet replacements	27	27	35	26	50	40	27	27	38	42
Linoleum replacements	14	14	17	12	16	20	13	13	20	20
Hot water tank replacements	53	53	70	-	-	-	-	-	-	-
Apartments painted	34	34	63	28	850	45	40	40	38	40
Countertop replacements	18	18	16	18	18	14	16	16	15	20
Maintenance work orders	955	955	760	936	850	755	825	825	825	850
Water and Sewer System (2)										
<u>Water Department:</u>										
Water utility accounts	50,025	49,171	49,137	49,639	49,076	49,685	49,529	49,656	492,229	49,229
Sewer utility accounts	49,269	48,650	48,588	49,089	48,618	48,899	48,711	48,820	49,045	49,045
Second meter accounts	628	680	684	712	744	799	775	765	683	683
Water sold (thousand cu. ft.)	692,951	699,581	656,511	914,804	648,699	622,872	645,348	590,888	569,733	619,163
Water purchased	769,815	784,929	744,182	1,081,125	670,703	669,744	713,248	634,010	617,013	666,731
Broken water main repairs	212	184	271	393	101	177	175	170	121	180
Sewer jetting (in footage)	249,000	273,816	343,647	454,716	753,000	674,656	678,716	702,124	685,165	700,000
<u>Waste Water Treatment Plant:</u>										
Sewage treated	10.8	7.4	8.2	11.7	7.6	7.8	8.2	8.4	7.3	8.4
Sludge solids removed	28.4	31.1	29.9	42.3	27.5	30.0	32.0	28.4	32.1	30.0
Power consumption	15.8	14.1	12.7	19.1	12.2	12.0	12.0	13.6	13.8	13.0
Natural gas for incinerator	90	102	94	130	61	85	75	68	74	70
Laboratory samples taken	5,694	6,694	5,963	8,886	8,031	6,800	7,900	7,908	7,862	7,950
Analytical lab tests run	33,718	38,044	35,577	54,944	36,975	36,750	35,000	39,184	37,828	39,000
Dye tests performed to locate	25	13	12	8	4	10	10	7	22	9
Storm water samples collected	240	396	296	245	119	245	220	666	257	500
Illicit discharges identified	5	4	6	3	2	3	3	1	4	2
Illicit discharges removed	9	2	6	3	2	3	3	4	7	3

Value of New Construction

Last Ten Fiscal Years
June 30, 2021

<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>
2012	10,933,601	1,728,930	76,617,376	1,197,300	90,477,207
2012	2,425,000	2,412,000	580,000	-	5,417,000
2013	12,213,524	2,354,600	40,713,090	1,267,277	56,548,491
2014	3,640,000	975,000	5,194,000	-	9,809,000
2015	4,681,895	3,340,000	4,068,500	-	12,090,395
2016	1,055,800	4,621,500	56,015,270	-	61,692,570
2017	900,000	3,742,000	7,822,000	-	12,464,000
2018	9,303,950	965,600	176,514,000	-	186,783,550
2019	7,145,000	12,540,000	27,862,278	-	47,547,278
2021	6,067,000	556,800	4,000,000	-	10,623,800

(1) Estimated Cost of Construction

Source:
City of Warren Building Department

Full-Time Equivalent Government Employees

Last Ten Fiscal Years

June 30, 2021

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>General Government:</u>										
Council	10	10	10	11	11	11	11	11	11	11
37th District Court	46	46	46	46	49	49	49	50	50	50
Mayor	6	6	6	6	6	6	6	6	6	5
Clerk	8	7	7	8	7	7	7	7	8	8
Treasurer	10	9	9	9	9	9	9	9	9	9
Controller	13	10	10	10	10	11	12	12	12	11
Information Systems	3	4	4	4	4	4	4	4	4	4
Legal	10	10	10	10	10	10	10	10	10	10
Assessing	11	11	11	11	12	12	12	13	13	12
Labor Relations	-	-	-	-	-	-	-	-	-	-
Personnel	-	-	-	-	-	-	-	-	-	-
Human Resources	9	9	9	9	9	9	9	9	10	9
D.P.W. Garage	7	7	8	8	14	14	14	14	14	13
Building Maintenance	8	8	8	8	17	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	2
	<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>	<u>163</u>
<u>Public Safety:</u>										
Fire Department	120	114	132	132	132	132	132	133	134	134
Police Department	239	233	233	235	235	239	239	243	253	253
Animal Control	2	2	2	2	2	2	2	3	3	3
Civil Defense	1	1	1	1	1	1	1	1	1	1
	<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>	<u>391</u>
<u>City Development:</u>										
Public Service Director	3	3	3	3	3	2	3	4	4	4
Engineering	5	5	5	5	5	5	5	5	6	6
Property Maintenance	-	-	-	-	1	1	2	4	5	5
Building Inspections	15	15	14	16	21	22	22	22	24	22
Planning	3	3	4	4	4	4	4	4	4	5
Rental Ordinance	3	3	4	4	5	5	5	5	6	6
	<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>	<u>48</u>
<u>Highways and Streets</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>	<u>26</u>
<u>Recreation and Culture:</u>										
Library	22	22	22	22	24	24	24	24	24	23
Recreation	16	13	12	12	9	9	9	9	9	9
Communications	5	5	5	5	5	5	5	6	6	6
	<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>	<u>38</u>
<u>Sanitation</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>	<u>38</u>
<u>Economic Development:</u>										
Community & Economic	2	2	2	2	2	2	2	2	2	2
D.D.A.	1	1	1	2	2	2	2	2	2	2
	<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>	<u>4</u>
<u>Community Development:</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>	<u>3</u>
<u>Senior Housing</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>	<u>5</u>
<u>Water and Sewer System</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>	<u>97</u>
Total full-time city employees	<u>722</u>	<u>707</u>	<u>731</u>	<u>770</u>	<u>785</u>	<u>795</u>	<u>798</u>	<u>801</u>	<u>819</u>	<u>813</u>

Source: Adopted fiscal year budget