



CITY OF WARREN, MICHIGAN

Fiscal Year Ended June 30, 2022
Annual Comprehensive Financial Report



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December 22, 2022

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, 2022.

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, 2022 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. The General Motors Wallace Battery Cell Innovation Center, a 300,000 square foot battery facility for electric cars, is in development.

The 2023 budget has committed to continue to invest in the City's infrastructure with over \$25 million in General Fund and Special Revenue Fund Equipment and Capital Improvements. The Enterprise Funds have capital outlay of almost \$37 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.

Like the rest of the nation, no area of City operations has been free from the lingering effects of the Coronavirus pandemic. However, City management has maintained all essential services since March, 2020. In addition to proactive steps to offset revenue losses the City has diligently pursued Federal, State and County grant programs designed to assist our efforts to minimize the impact on Warren residents and businesses.

Long-term Financial Planning

Even though the worst of the health impact of the pandemic appears to be behind us, supply chain issues continue to show economic consequences on the availability and cost of goods and services. The inflationary effect of Federal government assistance for citizens and businesses over the past few years, while needed, has engendered additional government intervention in the economy through interest rate hikes. The City needs to continue to be vigilant and responsive to economic changes to avoid impacting essential services provided to our citizens and businesses.

The many challenges of a weakening economy, slow property assessment increases and the uncertain personal property tax reimbursements are likely to force the City to cut future expenditures through staffing levels reductions 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 a contribution of \$3.6 million in Fiscal Year 2020 to help fund improvements in parks throughout the City. Those funds have been allocated to various capital projects and operating costs. With the completion of a master plan the Parks and Recreation department has defined needed capital improvements in parks throughout the city. With limited local monies for the Recreation Fund, the City is actively seeking grants to accomplish master plan objectives. The Administration has recommended the allocation of American Rescue Plan Act funds to address the most critical areas.

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, 2021. 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**

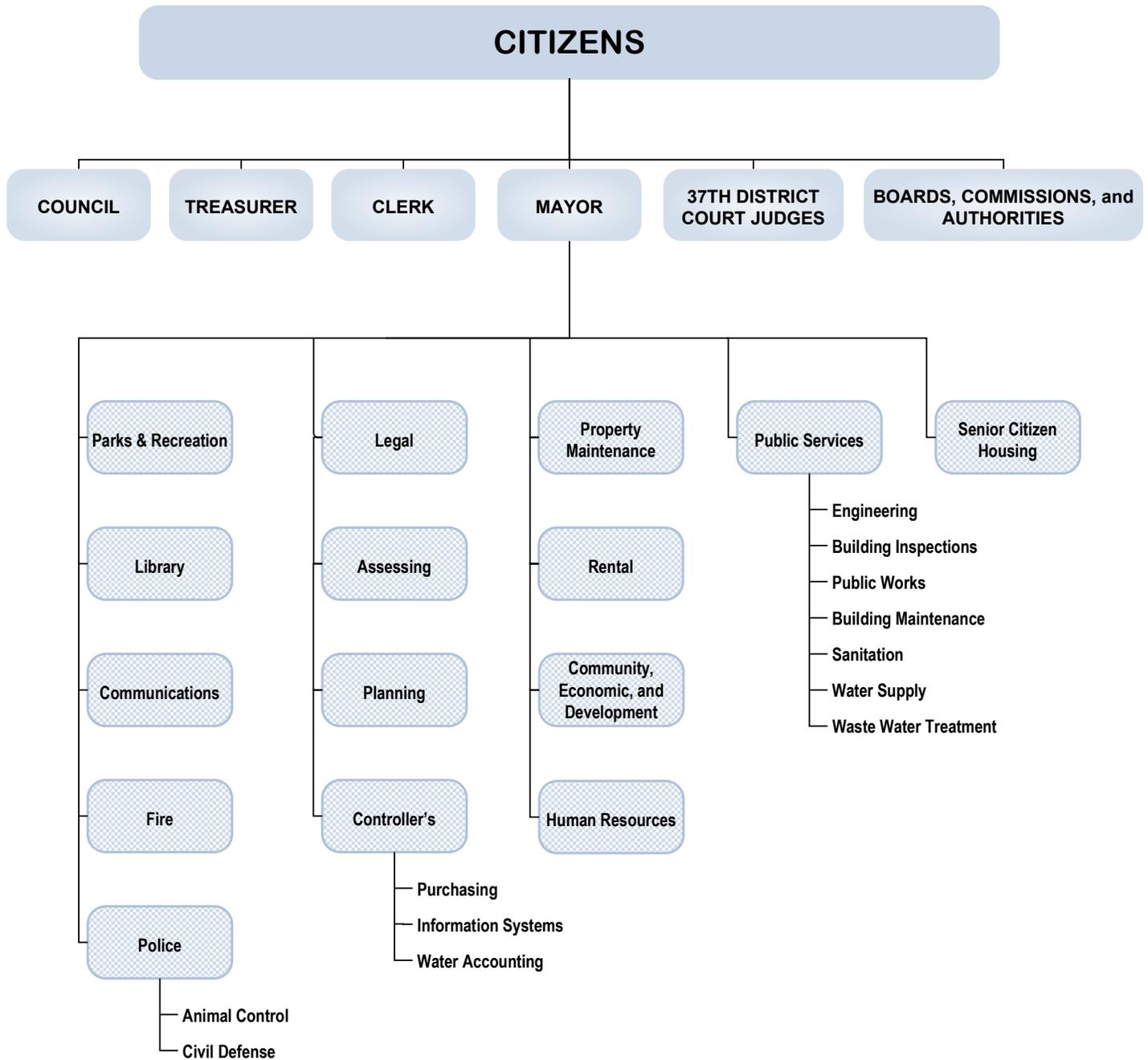
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Warren, Michigan (the "City") as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of 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, which represent 34 percent and 17 percent, respectively, of the assets and revenue or additions of the aggregate remaining fund information as of December 31, 2021 and the respective changes in financial position for the year then ended. 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 Employees' Retirement System Defined Benefit Pension Plan and the City of Warren City Employees' Retirement Health, Life and Disability Benefits Plan and Trust, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

To the City Council
City of Warren, Michigan

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplemental Information

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

To the City Council
City of Warren, Michigan

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Warren, Michigan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Warren, Michigan's internal control over financial reporting and compliance.



December 22, 2022

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, 2022. 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, 2022:

Financial Highlights

- As a result of this year's operations, governmental activities net position increased by \$47.4 million, or 145.1 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 \$14.3 million, or 13.3 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 \$3.2 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, 2022 compared to the prior year:

The City's Net Position

	Governmental Activities			
	2021	2022	Change	Percent Change
Assets				
Other assets	\$ 206,280,208	\$ 217,841,553	\$ 11,561,345	5.6
Capital assets	171,256,400	172,184,792	928,392	0.5
Total assets	377,536,608	390,026,345	12,489,737	3.3
Deferred Outflows of Resources	26,340,147	41,702,092	15,361,945	58.3
Liabilities	384,314,128	348,556,565	(35,757,563)	(9.3)
Deferred Inflows of Resources	52,229,659	68,441,227	16,211,568	31.0
Net Position (Deficit)				
Net investment in capital assets	147,713,494	147,004,950	(708,544)	(0.5)
Restricted	60,813,301	62,672,438	1,859,137	3.1
Unrestricted	(241,193,827)	(194,946,743)	46,247,084	(19.2)
Total net position (deficit)	\$ (32,667,032)	\$ 14,730,645	\$ 47,397,677	(145.1)

City of Warren, Michigan

Management's Discussion and Analysis (Continued)

	Business-type Activities			
	2021	2022	Change	Percent Change
Assets				
Other assets	\$ 93,888,200	\$ 58,763,613	\$ (35,124,587)	(37.4)
Capital assets	187,227,427	219,097,449	31,870,022	17.0
Total assets	281,115,627	277,861,062	(3,254,565)	(1.2)
Deferred Outflows of Resources	3,534,017	2,472,696	(1,061,321)	(30.0)
Liabilities				
Current liabilities	4,767,626	5,457,833	690,207	14.5
Long-term liabilities:				
Due within one year	16,458,336	13,251,360	(3,206,976)	(19.5)
Due in more than one year	152,191,440	132,416,487	(19,774,953)	(13.0)
Total liabilities	173,417,402	151,125,680	(22,291,722)	(12.9)
Deferred Inflows of Resources	3,378,689	7,017,959	3,639,270	107.7
Net Position				
Net investment in capital assets	107,137,005	119,294,810	12,157,805	11.3
Restricted	11,701,581	9,814,138	(1,887,443)	(16.1)
Unrestricted	(10,985,033)	(6,918,829)	4,066,204	(37.0)
Total net position	\$ 107,853,553	\$ 122,190,119	\$ 14,336,566	13.3

The City's Changes in Net Position

	Governmental Activities			
	2021	2022	Change	Percent Change
Revenue				
Program revenue:				
Charges for services	\$ 19,061,826	\$ 20,532,170	\$ 1,470,344	7.7
Operating grants	29,283,510	23,328,385	(5,955,125)	(20.3)
Capital grants	1,345,524	2,351,816	1,006,292	74.8
General revenue:				
Taxes - Property taxes	96,020,738	100,786,741	4,766,003	5.0
State-shared revenue	25,046,426	25,954,903	908,477	3.6
Investment earnings	217,319	(494,724)	(712,043)	(327.6)
Other revenue	2,344,366	2,372,318	27,952	1.2
Total revenue	173,319,709	174,831,609	1,511,900	0.9
Program Expenses				
General government	14,130,689	8,021,513	(6,109,176)	(43.2)
District court	6,645,015	5,330,732	(1,314,283)	(19.8)
Public safety	46,455,172	56,272,504	9,817,332	21.1
Public works	35,368,130	42,145,948	6,777,818	19.2
Community and economic development	4,001,355	4,769,563	768,208	19.2
Recreation and culture	10,100,720	9,509,946	(590,774)	(5.8)
Interest on long-term debt	800,814	1,383,726	582,912	72.8
Total program expenses	117,501,895	127,433,932	9,932,037	8.5
Change in Net Position	55,817,814	47,397,677	(8,420,137)	(15.1)
Net Position (Deficit) - Beginning of year	(88,484,846)	(32,667,032)	55,817,814	(63.1)
Net Position (Deficit) - End of year	\$ (32,667,032)	\$ 14,730,645	\$ 47,397,677	(145.1)

Management's Discussion and Analysis (Continued)

	Business-type Activities			
	2021	2022	Change	Percent Change
Revenue				
Water and Sewer Fund:				
Charges for services	\$ 54,107,953	\$ 55,451,156	\$ 1,343,203	2.5
Operating grants	760,180	1,673,246	913,066	120.1
Senior housing - Charges for services	2,484,655	2,598,771	114,116	4.6
Total revenue	57,352,788	59,723,173	2,370,385	4.1
Expenses				
Water and Sewer Fund	44,287,599	43,238,821	(1,048,778)	(2.4)
Senior housing	2,291,810	2,186,408	(105,402)	(4.6)
Total expenses	46,579,409	45,425,229	(1,154,180)	(2.5)
Investment income	87,838	38,622	(49,216)	(56.0)
Change in Net Position	10,861,217	14,336,566	3,475,349	32.0
Net Position - Beginning of year	96,992,336	107,853,553	10,861,217	11.2
Net Position - End of year	\$ 107,853,553	\$ 122,190,119	\$ 14,336,566	13.3

The governmental activities net position is \$14.7 million. This is an increase of \$47.4 million from a year ago - from \$(32.7) million to \$14.7 million. The increase is primarily due to a decrease of \$42.1 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 \$1.5 million, or 0.9 percent. This increase was primarily due to the increase in property tax revenue and state-shared revenue offset by a decrease in investment earnings and other revenue.

Expenses increased by approximately \$9.9 million, or 8.5 percent. Increases in public safety personnel and capital equipment purchases were offset by a decrease in general government and court 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 sewage treatment plant owned and operated by the City. 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 by \$14.3 million, or 13.3 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 \$4.1 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 11, 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 2022 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 \$80.3 million in 2022. Revenue was greater than expenditures (including transfers) in the General Fund by \$3.3 million. This was primarily due to an increase in property tax revenue. Unassigned fund balance of \$21.5 million is approximately 19 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 \$293 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 less than expenditures (including transfers) in the Capital Projects Fund by \$5.9 million due to the work on 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 \$13.6 million under budget. This was due to careful spending by department leaders. General Fund revenue came in over budget by \$539 thousand, primarily due to an increase in state-shared revenue.

At year end, Grant Fund expenditures were \$2 million under budget. This was primarily because the microenterprise assistance program and the homeless prevention program were being developed and were not fully operational during fiscal year 2022.

Capital Assets and Debt Administration

At the end of fiscal year 2022, the City had \$391.3 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 \$172.2 million, and business-type net capital assets are \$219.1 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 2022 when the City issued refunding bonds of \$4.6 million in governmental activities and refunding bonds of \$14.8 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

Inflation and supply chain issues will continue to have major impacts on the City's ability to function efficiently in the near future. City management must remain responsive to changes that impact the cost of local services. The City negotiated some substantial adjustments to the compensation packages of police and fire personnel to competitively attract and keep qualified candidates. Aside from those changes, the City has negotiated conservative compensation increases with all city unions through June 30, 2024. The city administration and City Council must work together to maintain a fiscally responsible financial strategy that protects the integrity of core services.

Capital costs in the 2024 budget should be minimal because of substantial commitments to capital asset replacement and acquisition in fiscal years 2023 and prior.

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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 168,660,680	\$ 23,680,374	\$ 192,341,054	\$ 24,951,662
Receivables (Note 4)	28,675,830	8,652,277	37,328,107	25,800
Due from component units	393,799	-	393,799	-
Internal balances	1,193,928	(1,193,928)	-	-
Inventory	451,915	342,345	794,260	136,296
Prepaid items and other assets	407,485	147,011	554,496	300
Deposits	2,014,658	-	2,014,658	-
Restricted assets (Note 1)	16,043,258	27,135,534	43,178,792	-
Capital assets:				
Assets not subject to depreciation (Note 5)	18,498,399	44,948,645	63,447,044	-
Assets subject to depreciation - Net (Note 5)	153,686,393	174,148,804	327,835,197	-
Total assets	390,026,345	277,861,062	667,887,407	25,114,058
Deferred Outflows of Resources				
Bond refunding loss being amortized (Note 7)	206,530	199,318	405,848	99,318
Deferred outflows related to pensions (Note 11)	33,052,331	1,385,226	34,437,557	-
Deferred outflows related to OPEB (Note 8)	8,443,231	888,152	9,331,383	18,125
Total deferred outflows of resources	41,702,092	2,472,696	44,174,788	117,443
Liabilities				
Accounts payable	8,870,126	4,305,440	13,175,566	375,323
Due to other governmental units	3,115	-	3,115	59,758
Due to primary government	-	-	-	393,799
Refundable deposits, bonds, etc.	3,771,133	482,265	4,253,398	58,488
Accrued liabilities and other	636,716	668,590	1,305,306	190,824
Unearned revenue	26,578,982	1,538	26,580,520	-
Noncurrent liabilities:				
Due within one year:				
Payable from restricted assets	-	4,361,167	4,361,167	-
Compensated absences	2,751,096	469,537	3,220,633	-
Provision for claims	1,808,082	-	1,808,082	-
Provision for property tax refunds	87,576	-	87,576	19,887
Current portion of long-term debt (Note 7)	3,858,457	8,420,656	12,279,113	5,497,938
Due in more than one year:				
Compensated absences	8,875,369	474,668	9,350,037	-
Provision for claims (Note 15)	1,587,094	-	1,587,094	-
Net pension liability (Notes 11 and 12)	113,905,017	9,213,911	123,118,928	-
Net OPEB liability (Notes 8 and 9)	134,952,010	10,055,824	145,007,834	205,217
Long-term debt (Note 7)	37,571,173	112,672,084	150,243,257	23,932,048
Landfill post-closure liability (Note 18)	3,300,619	-	3,300,619	-
Total liabilities	348,556,565	151,125,680	499,682,245	30,733,282
Deferred Inflows of Resources				
Deferred benefit on bond refunding	-	380,494	380,494	-
Deferred inflows related to pension (Note 11)	50,446,310	4,582,909	55,029,219	-
Deferred inflows related to OPEB (Note 8)	17,994,917	2,054,556	20,049,473	41,929
Total deferred inflows of resources	68,441,227	7,017,959	75,459,186	41,929
Net Position (Deficit)				
Net investment in capital assets	147,004,950	119,294,810	266,299,760	-
Restricted:				
Streets and highways	33,584,470	-	33,584,470	-
Public safety	2,548,904	-	2,548,904	-
Recreation and culture	10,594,127	-	10,594,127	-
Sanitation	4,640,168	-	4,640,168	-
Community development	9,494,777	-	9,494,777	-
Capital projects	1,809,992	-	1,809,992	-
Debt service	-	9,814,138	9,814,138	-
Unrestricted	(194,946,743)	(6,918,829)	(201,865,572)	(5,543,710)
Total net position (deficit)	\$ 14,730,645	\$ 122,190,119	\$ 136,920,764	\$ (5,543,710)

City of Warren, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 8,021,513	\$ 6,450,831	\$ 795,619	\$ 324,001
District court	5,330,732	4,647,361	953,948	-
Public safety	56,272,504	7,254,069	1,223,675	-
Public works	42,145,948	84,648	17,268,205	2,027,815
Community and economic development	4,769,563	1,235,465	2,724,102	-
Recreation and culture	9,509,946	859,796	362,836	-
Interest on long-term debt	1,383,726	-	-	-
Total governmental activities	127,433,932	20,532,170	23,328,385	2,351,816
Business-type activities:				
Water and Sewer Fund	43,238,821	55,451,156	1,673,246	-
Senior Housing	2,186,408	2,598,771	-	-
Total business-type activities	45,425,229	58,049,927	1,673,246	-
Total primary government	\$ 172,859,161	\$ 78,582,097	\$ 25,001,631	\$ 2,351,816
Component units:				
Tax Increment Finance Authority	\$ 133,066	\$ -	\$ -	\$ -
Downtown Development Authority	3,990,739	-	-	-
Brownfield Redevelopment Authority	1,302,572	-	-	-
Total component units	\$ 5,426,377	\$ -	\$ -	\$ -

General revenue:

Property taxes
 State-shared revenue
 Investment (loss) 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, 2022

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (451,062)	\$ -	\$ (451,062)	\$ -
270,577	-	270,577	-
(47,794,760)	-	(47,794,760)	-
(22,765,280)	-	(22,765,280)	-
(809,996)	-	(809,996)	-
(8,287,314)	-	(8,287,314)	-
(1,383,726)	-	(1,383,726)	-
(81,221,561)	-	(81,221,561)	-
-	13,885,581	13,885,581	-
-	412,363	412,363	-
-	14,297,944	14,297,944	-
(81,221,561)	14,297,944	(66,923,617)	-
-	-	-	(133,066)
-	-	-	(3,990,739)
-	-	-	(1,302,572)
-	-	-	(5,426,377)
100,786,741	-	100,786,741	8,249,771
25,954,903	-	25,954,903	4,394,670
(494,724)	38,622	(456,102)	17,340
1,896,974	-	1,896,974	-
475,344	-	475,344	251
128,619,238	38,622	128,657,860	12,662,032
47,397,677	14,336,566	61,734,243	7,235,655
(32,667,032)	107,853,553	75,186,521	(12,779,365)
\$ 14,730,645	\$ 122,190,119	\$ 136,920,764	\$ (5,543,710)

Governmental Funds
Balance Sheet

June 30, 2022

	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 101,802,144	\$ 1,542,532	\$ 11,898,625	\$ 53,417,379	\$ 168,660,680
Receivables (Note 4)	15,404,365	8,675,684	1,018,315	3,577,466	28,675,830
Due from component units (Note 6)	378,095	-	-	15,704	393,799
Due from other funds (Note 6)	2,239,057	-	70,445	578,779	2,888,281
Inventory	422,383	-	-	29,532	451,915
Prepaid items and other assets	378,294	17,657	-	11,534	407,485
Deposits	358,342	-	844,687	811,629	2,014,658
Restricted assets	-	-	16,043,258	-	16,043,258
Total assets	\$ 120,982,680	\$ 10,235,873	\$ 29,875,330	\$ 58,442,023	\$ 219,535,906
Liabilities					
Accounts payable	\$ 4,103,415	\$ 390,503	\$ 727,566	\$ 3,648,642	\$ 8,870,126
Due to other governmental units	3,103	-	-	12	3,115
Due to other funds (Note 6)	571,181	338,483	33,786	750,903	1,694,353
Refundable deposits, bonds, etc.	3,172,420	11,190	25,000	562,523	3,771,133
Accrued liabilities and other	311,907	920	-	88,379	401,206
Unearned revenue	25,961,003	-	-	617,979	26,578,982
Landfill closure and post-closure	66,003	-	-	21,573	87,576
Total liabilities	34,189,032	741,096	786,352	5,690,011	41,406,491
Deferred Inflows of Resources - Unavailable revenue	1,053,171	8,327,611	958,390	313,579	10,652,751
Fund Balances (Note 14)					
Nonspendable	800,677	17,657	-	41,066	859,400
Restricted	-	1,149,509	17,739,547	50,168,337	69,057,393
Committed	-	-	75,994	2,146,856	2,222,850
Assigned	63,402,430	-	10,315,047	82,174	73,799,651
Unassigned	21,537,370	-	-	-	21,537,370
Total fund balances	85,740,477	1,167,166	28,130,588	52,438,433	167,476,664
Total liabilities, deferred inflows of resources, and fund balances	\$ 120,982,680	\$ 10,235,873	\$ 29,875,330	\$ 58,442,023	\$ 219,535,906

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2022

Fund Balances Reported in Governmental Funds	\$ 167,476,664
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	172,184,792
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	10,652,751
Deferred charges on refunding are deferred inflows and are not reported in the funds	206,530
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(41,429,630)
Accrued interest is not due and payable in the current period and is not reported in the funds	(235,510)
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	(11,626,465)
Pension benefits	(131,298,996)
Retiree health care benefits	(144,503,696)
Other long-term liabilities, such as claims, judgments, and landfill post-closure costs, do not present a claim on current financial resources and are not reported in the funds	<u>(6,695,795)</u>
Net Position of Governmental Activities	<u><u>\$ 14,730,645</u></u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2022

	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Property taxes	\$ 75,880,567	\$ -	\$ -	\$ 24,906,174	\$ 100,786,741
Special assessments	-	-	324,001	-	324,001
Intergovernmental:					
Federal grants	726,049	3,587,447	-	470,037	4,783,533
State sources	24,303,825	-	-	21,969,003	46,272,828
Charges for services	4,728,457	-	-	645,195	5,373,652
Fines and forfeitures	3,862,108	-	612,381	1,370,062	5,844,551
Licenses and permits:					
Cable franchise fees	-	-	-	1,896,974	1,896,974
Other licenses and permits	5,022,366	-	-	-	5,022,366
Interest and rentals	(614,228)	-	29,781	167,441	(417,006)
Other revenue	2,642,769	-	-	492,933	3,135,702
Total revenue	116,551,913	3,587,447	966,163	51,917,819	173,023,342
Expenditures					
Current:					
General government	12,502,375	-	184,887	-	12,687,262
District court	7,671,381	-	-	789,609	8,460,990
Public safety	80,279,992	-	-	1,267,214	81,547,206
Public works	11,713,141	-	6,671,647	31,030,651	49,415,439
Community and economic development	907,880	3,294,082	-	868,085	5,070,047
Recreation and culture	40,700	-	-	11,042,302	11,083,002
Debt service	94,741	-	37,315	5,233,664	5,365,720
Total expenditures	113,210,210	3,294,082	6,893,849	50,231,525	173,629,666
Excess of Revenue Over (Under) Expenditures	3,341,703	293,365	(5,927,686)	1,686,294	(606,324)
Other Financing Sources (Uses)					
Transfers in	-	-	-	5,123,929	5,123,929
Transfers out	(155,684)	-	-	(4,968,245)	(5,123,929)
Face value of debt issued	-	-	-	4,569,538	4,569,538
Debt premium or discount	-	-	-	463,249	463,249
Payment to bond refunding escrow agent	-	-	-	(4,975,816)	(4,975,816)
Total other financing (uses) sources	(155,684)	-	-	212,655	56,971
Net Change in Fund Balances	3,186,019	293,365	(5,927,686)	1,898,949	(549,353)
Fund Balances - Beginning of year	82,554,458	873,801	34,058,274	50,539,484	168,026,017
Fund Balances - End of year	\$ 85,740,477	\$ 1,167,166	\$ 28,130,588	\$ 52,438,433	\$ 167,476,664

Governmental Funds

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

Year Ended June 30, 2022

Net Change in Fund Balances Reported in Governmental Funds	\$ (549,353)
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	16,705,460
Depreciation expense	(15,755,004)
Net book value of assets disposed of	(22,064)
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	661,570
Expenses and expense recoveries related to the landfill post-closure liability are not reported in the funds	5,815
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(5,032,787)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	9,114,449
Interest expense is recognized in the government-wide statements as it accrues	30,806
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	42,285,504
Amortization of deferred charges on refunding is expensed in the statement of net position but does not affect financial resources for the governmental funds	(46,719)
Change in Net Position of Governmental Activities	\$ 47,397,677

Proprietary Funds
Statement of Net Position

June 30, 2022

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Assets			
Current assets:			
Cash and investments	\$ 20,663,596	\$ 3,016,778	\$ 23,680,374
Receivables	8,650,076	2,201	8,652,277
Due from other funds	10,885	1,080	11,965
Inventory	342,345	-	342,345
Prepaid items and other assets	146,990	21	147,011
Total current assets	29,813,892	3,020,080	32,833,972
Noncurrent assets:			
Restricted assets (Note 1)	27,135,534	-	27,135,534
Capital assets:			
Assets not subject to depreciation (Note 5)	44,727,001	221,644	44,948,645
Assets subject to depreciation - Net (Note 5)	167,141,356	7,007,448	174,148,804
Total noncurrent assets	239,003,891	7,229,092	246,232,983
Total assets	268,817,783	10,249,172	279,066,955
Deferred Outflows of Resources			
Bond refunding loss being amortized	199,318	-	199,318
Deferred outflows related to pensions	1,385,226	-	1,385,226
Deferred outflows related to OPEB	870,027	18,125	888,152
Total deferred outflows of resources	2,454,571	18,125	2,472,696
Liabilities			
Current liabilities:			
Accounts payable	4,202,966	102,474	4,305,440
Due to other funds	959,917	245,976	1,205,893
Refundable deposits, bonds, etc.	218,691	263,574	482,265
Accrued liabilities and other	668,027	563	668,590
Unearned revenue	-	1,538	1,538
Compensated absences	468,749	788	469,537
Current portion of long-term debt (Note 7)	8,270,656	150,000	8,420,656
Total current liabilities	14,789,006	764,913	15,553,919
Noncurrent liabilities:			
Payable from restricted assets	4,361,167	-	4,361,167
Compensated absences	433,075	41,593	474,668
Net pension liability (Note 11)	9,213,911	-	9,213,911
Net OPEB liability (Note 8)	9,850,605	205,219	10,055,824
Long-term debt (Note 7)	112,672,084	-	112,672,084
Total noncurrent liabilities	136,530,842	246,812	136,777,654
Total liabilities	151,319,848	1,011,725	152,331,573
Deferred Inflows of Resources			
Deferred benefit on bond refunding	380,494	-	380,494
Deferred inflows related to pension	4,582,909	-	4,582,909
Deferred inflows related to OPEB	2,012,626	41,930	2,054,556
Total deferred inflows of resources	6,976,029	41,930	7,017,959
Net Position			
Net investment in capital assets	112,215,718	7,079,092	119,294,810
Restricted - Debt service	9,814,138	-	9,814,138
Unrestricted	(9,053,379)	2,134,550	(6,918,829)
Total net position	\$ 112,976,477	\$ 9,213,642	\$ 122,190,119

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

Year Ended June 30, 2022

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Operating Revenue			
Sale of water	\$ 27,229,880	\$ -	\$ 27,229,880
Sewage disposal charges	26,739,851	-	26,739,851
Other sales to customers	493,395	-	493,395
Interest and penalty charges	988,030	-	988,030
Rental revenue	-	1,752,386	1,752,386
Other operating revenue	-	846,385	846,385
Total operating revenue	<u>55,451,156</u>	<u>2,598,771</u>	<u>58,049,927</u>
Operating Expenses			
Cost of water	10,940,909	-	10,940,909
Other operating and maintenance costs	7,305,036	-	7,305,036
Billing and administrative costs	2,832,733	583,714	3,416,447
Wages and fringes	8,584,218	664,998	9,249,216
Materials and supplies	1,022,423	71,586	1,094,009
Other operating expenses	-	522,318	522,318
Professional services	2,577,066	-	2,577,066
Depreciation	6,403,362	339,638	6,743,000
Total operating expenses	<u>39,665,747</u>	<u>2,182,254</u>	<u>41,848,001</u>
Operating Income	15,785,409	416,517	16,201,926
Nonoperating Revenue (Expense)			
Investment income	37,701	921	38,622
Interest expense	(3,577,369)	(4,154)	(3,581,523)
Gain on sale of assets	4,295	-	4,295
Operating grants	1,673,246	-	1,673,246
Total nonoperating expense	<u>(1,862,127)</u>	<u>(3,233)</u>	<u>(1,865,360)</u>
Change in Net Position	13,923,282	413,284	14,336,566
Net Position - Beginning of year	<u>99,053,195</u>	<u>8,800,358</u>	<u>107,853,553</u>
Net Position - End of year	<u><u>\$ 112,976,477</u></u>	<u><u>\$ 9,213,642</u></u>	<u><u>\$ 122,190,119</u></u>

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2022

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 55,665,693	\$ 2,598,771	\$ 58,264,464
(Payments for) receipts from interfund services and reimbursements	(1,445,903)	42,862	(1,403,041)
Payments to suppliers	(21,922,828)	(1,323,921)	(23,246,749)
Payments to employees and fringes	(17,989,518)	(745,789)	(18,735,307)
Net cash and cash equivalents provided by operating activities	14,307,444	571,923	14,879,367
Cash Flows Provided by Noncapital Financing Activities			
- Operating grants and subsidies	1,673,246	-	1,673,246
Cash Flows from Capital and Related Financing Activities			
Issuance of bonds	14,830,462	-	14,830,462
Proceeds from sale of capital assets	9,340	-	9,340
Purchase of capital assets	(38,275,957)	(342,110)	(38,618,067)
Principal and interest paid on capital debt	(28,585,586)	(401,173)	(28,986,759)
Net cash and cash equivalents used in capital and related financing activities	(52,021,741)	(743,283)	(52,765,024)
Cash Flows Provided by Investing Activities - Interest received on investments	36,486	921	37,407
Net Decrease in Cash and Cash Equivalents	(36,004,565)	(170,439)	(36,175,004)
Cash and Cash Equivalents - Beginning of year	83,803,695	3,187,217	86,990,912
Cash and Cash Equivalents - End of year	\$ 47,799,130	\$ 3,016,778	\$ 50,815,908
Classification of Cash and Cash Equivalents			
Cash and investments	\$ 20,663,596	\$ 3,016,778	\$ 23,680,374
Restricted cash	27,135,534	-	27,135,534
Total cash and cash equivalents	\$ 47,799,130	\$ 3,016,778	\$ 50,815,908

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended June 30, 2022

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Reconciliation of Operating Income to Net Cash from Operating Activities			
Operating income	\$ 15,785,409	\$ 416,517	\$ 16,201,926
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	6,403,362	339,638	6,743,000
Changes in assets and liabilities:			
Receivables	310,638	3,615	314,253
Due to and from other funds	(1,445,903)	42,862	(1,403,041)
Inventories	(16,878)	-	(16,878)
Prepaid and other assets	55,366	-	55,366
Net pension or OPEB liability	(6,724,123)	(75,820)	(6,799,943)
Accounts payable	(55,666)	(154,889)	(210,555)
Deferred refunding charges	(4,761)	-	(4,761)
Total adjustments	<u>(1,477,965)</u>	<u>155,406</u>	<u>(1,322,559)</u>
Net cash and cash equivalents provided by operating activities	<u><u>\$ 14,307,444</u></u>	<u><u>\$ 571,923</u></u>	<u><u>\$ 14,879,367</u></u>

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2022

	Pension and Other Employee Benefits - December 31, 2021	<u>Custodial Fund</u> Tax Collection Fund
Assets		
Cash and investments	\$ 1,891,426	\$ 320
Investments:		
U.S. government securities	47,840,428	-
Mortgage-backed securities	3,132,308	-
Asset-backed securities	309,374	-
Mutual funds	161,474,004	-
Short-term cash management funds	24,773,720	-
Stocks	179,699,958	-
Bonds	56,388,462	-
Real estate	58,678,119	-
Other	144,951,224	-
Securities lending	6,566,147	-
Hedge funds	4,446,105	-
Receivables:		
Accrued interest receivable	2,209,717	-
Other receivables	6,996	-
Prepaid items and other assets	5,817	-
Total assets	692,373,805	320
Liabilities		
Accounts payable	1,381,116	-
Due to primary government	9,173,527	-
Accrued liabilities and other	584,788	320
Obligations under securities lending agreements	6,672,025	-
Total liabilities	17,811,456	320
Net Position		
Restricted for pension	500,181,918	-
Restricted for postemployment benefits other than pension	174,380,431	-
Total net position	\$ 674,562,349	\$ -

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2022

	Pension and Other Employee Benefits - Year Ended December 31, 2021	Custodial Fund Tax Collection Fund
Additions		
Investment income (loss):		
Interest and dividends	\$ 18,618,169	\$ -
Net increase in fair value of investments	81,135,611	-
Investment-related expenses	(2,231,120)	-
Net investment income	97,522,660	-
Securities lending income:		
Interest and dividends	57,743	-
Securities lending - Investment income	17,681	-
Total securities lending income	75,424	-
Contributions:		
Employer contributions	41,090,138	-
Employee contributions	1,925,289	-
Total contributions	43,015,427	-
Property tax collections	-	129,288,315
Total additions	140,613,511	129,288,315
Deductions		
Benefit payments	67,315,522	-
Refunds of contributions	2,486,855	-
Administrative expenses	960,599	-
Tax distributions to other governments	-	129,288,315
Total deductions	70,762,976	129,288,315
Net Increase in Fiduciary Net Position	69,850,535	-
Net Position - Beginning of year	604,711,814	-
Net Position - End of year	\$ 674,562,349	\$ -

Component Units
Statement of Net Position

June 30, 2022

	Tax Increment Finance Authority	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Assets				
Cash and investments	\$ 1,281,705	\$ 23,143,532	\$ 526,425	\$ 24,951,662
Receivables - Other	-	16,164	9,636	25,800
Inventory	-	136,296	-	136,296
Prepaid items and other assets	-	300	-	300
Total assets	1,281,705	23,296,292	536,061	25,114,058
Deferred Outflows of Resources				
Bond refunding loss being amortized (Note 1)	-	99,318	-	99,318
Deferred outflows related to OPEB	-	18,125	-	18,125
Total deferred outflows of resources	-	117,443	-	117,443
Liabilities				
Accounts payable	14,640	332,095	28,588	375,323
Due to other governmental units	-	-	59,758	59,758
Due to primary government	5,471	387,201	1,127	393,799
Refundable deposits, bonds, etc.	-	58,488	-	58,488
Accrued liabilities and other	-	190,824	-	190,824
Noncurrent liabilities:				
Due within one year:				
Provision for property tax refunds	10,523	9,364	-	19,887
Current portion of long-term debt	-	5,497,938	-	5,497,938
Due in more than one year:				
Net OPEB liability	-	205,217	-	205,217
Long-term debt	-	23,932,048	-	23,932,048
Total liabilities	30,634	30,613,175	89,473	30,733,282
Deferred Inflows of Resources - Deferred inflows related to OPEB	-	41,929	-	41,929
Net Position (Deficit) - Unrestricted	\$ 1,251,071	\$ (7,241,369)	\$ 446,588	\$ (5,543,710)

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	\$ 133,066	\$ -	\$ -	\$ -
Downtown Development Authority:				
Community and economic development	3,136,617	-	-	-
Interest on long-term debt	854,122	-	-	-
Total Downtown Development Authority	3,990,739	-	-	-
Brownfield Redevelopment Authority - Community and economic development	1,302,572	-	-	-
Total component units	\$ 5,426,377	\$ -	\$ -	\$ -

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, 2022

Net (Expense) Revenue and Changes in Net Position			
Tax Increment Finance Authority	Downtown Development Authority	Brownfield Redevelopment Authority	Total
\$ (133,066)	\$ -	\$ -	\$ (133,066)
-	(3,136,617)	-	(3,136,617)
-	(854,122)	-	(854,122)
-	(3,990,739)	-	(3,990,739)
-	-	(1,302,572)	(1,302,572)
(133,066)	(3,990,739)	(1,302,572)	(5,426,377)
320,781	6,544,208	1,384,782	8,249,771
4,099	4,390,571	-	4,394,670
570	16,279	491	17,340
-	251	-	251
325,450	10,951,309	1,385,273	12,662,032
192,384	6,960,570	82,701	7,235,655
1,058,687	(14,201,939)	363,887	(12,779,365)
\$ 1,251,071	\$ (7,241,369)	\$ 446,588	\$ (5,543,710)

Note 1 - Nature of Business and Significant Accounting Policies

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

Reporting Entity

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

Blended Component Units

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

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

Discretely Presented Component Units

Tax Increment Finance Authority

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

Downtown Development Authority

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

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

Brownfield Redevelopment Authority

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

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 Benefits Plan and Trust

The Police and Fire Retirement Health, Life and Disability Benefits 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 Projects 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).

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.

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 \$16,043,258 set aside and classified as restricted assets related to unspent bond proceeds to be spent on capital projects.

The Water and Sewer Fund has \$27,135,534 set aside and classified as restricted assets. Of this amount, \$21,471,277 relates 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 \$1,303,090 at June 30, 2022. Net position of \$9,814,318 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 bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets 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 11, 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 assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has three 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 benefit on refunding, as discussed above. The third is the deferred outflows of resources related to the OPEB and defined benefit pension plans, as indicated in Notes 8 and 11, 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 2021 tax is levied and collectible on July 1, 2021 and is recognized as revenue in the year ended June 30, 2022 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, 2022

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

The 2021 taxable valuation of the City totaled \$3.79 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	8.4592 \$	32,071,000
Emergency medical service	0.2815	1,067,000
Library charter and operating	1.0710	4,060,000
Rubbish services	2.8193	10,689,000
Police/Fire pension and retiree health care	4.9848	18,899,000
Police operating	0.9438	3,578,000
Fire operating	0.9438	3,578,000
Recreation operating	0.9395	3,562,000
Police and fire operating	4.7487	18,004,000
Road repairs	2.0349	7,715,000
Total		<u>\$ 103,223,000</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.

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 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 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 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.

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

In April 2022, the Governmental Accounting Standards Board issued Statement No. 99, *Omnibus 2022*, which establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, public-public and public-private partnerships (PPPs), subscription-based information technology arrangements, the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program (SNAP), nonmonetary transactions, pledges of future revenue, the focus of government-wide financial statements, and terminology. The standard has various effective dates. The City does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2024.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2025.

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, 2021	\$ (7,539,025)
Current year permit revenue	3,000,015
Related expenses - Estimated indirect costs	<u>3,387,834</u>
Current year shortfall	<u>(387,819)</u>
Cumulative shortfall - June 30, 2022	<u><u>\$ (7,926,844)</u></u>

Fund Deficits

At June 30, 2022, the Downtown Development Authority reported a deficit in net position of \$7,241,369. 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, 2022, the City had no outstanding encumbrances.

Note 3 - Deposits and Investments

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

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

Note 3 - Deposits and Investments (Continued)

7. The city treasurer shall not exceed 60 percent of the investable funds of the City in any one form of investment.

8. The city treasurer shall not have in excess of 50 percent of the City's total amount of surplus funds in any one financial institution.

The City of Warren Employees' Retirement System, general employees' VEBA, Police and Fire Retirement System, and police and fire VEBA are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The City has designated 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, 2021, only United States currency was received as collateral.

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

The Retirement Systems and the borrower maintain the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in an investment pool. The average duration of such investment pool as of December 31, 2021 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, 2021, 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, 2021 were \$6,566,147 and \$6,476,037, 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 bank deposits of \$192,008,958 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City's component units had bank deposits of \$22,389,322 that were uninsured and uncollateralized. Additionally, the fiduciary funds, at their year end of December 31, 2021, had bank deposits of \$1,482,163 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

June 30, 2022

Note 3 - Deposits and Investments (Continued)

Interest Rate Risk

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

At June 30, 2022 (December 31, 2021 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	\$ 7,226,194	\$ -	\$ 7,226,194
Municipal bonds	3,908,747	3,908,747	-
Total	<u>\$ 11,134,941</u>	<u>\$ 3,908,747</u>	<u>\$ 7,226,194</u>

Fiduciary Funds	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
U.S. government	\$ 38,558,605	\$ 24,755,142	\$ 9,255,698	\$ 4,547,765
U.S. government agency	719,646	240,156	479,490	-
Mortgage-backed securities	9,164,310	13,889	714,491	8,435,930
Collateralized mortgage obligations	1,258,469	317,769	560,328	380,372
Asset-backed securities	3,024,266	922,896	1,148,070	953,300
Corporate and convertible bonds	43,570,852	21,661,960	14,968,876	6,940,016
Foreign bonds and notes	748,300	143,670	317,674	286,956
Municipal bonds	257,561	56,477	166,150	34,934
Bond index funds	10,542,256	-	-	10,542,256
Total	<u>\$ 107,844,265</u>	<u>\$ 48,111,959</u>	<u>\$ 27,610,777</u>	<u>\$ 32,121,529</u>

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of June 30, 2022, 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	\$ 21,380,872	Not rated	N/A
Fifth Third - Federated Hermes Government Obligations Fund	788,634	AAA-mf	Moody's
Municipal bonds	<u>3,908,747</u>	Aa1, NR	Moody's
Total	<u>\$ 26,078,253</u>		

Note 3 - Deposits and Investments (Continued)

Investment	Fair Value	Rating	Rating Organization
Fiduciary Funds			
Goldman Sachs FS Prime Obligations Fund	\$ 5,134,218	AAAm2	S&P
Repurchase agreement	995,657	A1/P1/F1	Moody's
Comerica Short-term Fund Series C	4,026,417	Not rated	N/A
Index funds	10,542,256	AAA	Moody's
Bank investment pool	3,582,381	AAA - AA	Moody's
Debt securities	15,271,992	AAA	S&P
Debt securities	141,976	AA1	S&P
Debt securities	3,425,676	AA2	S&P
Debt securities	2,736,003	AA3	S&P
Debt securities	5,811,103	A1	S&P
Debt securities	10,102,559	A2	S&P
Debt securities	4,475,561	A3	S&P
Debt securities	20,795	BBB	S&P
Debt securities	13,210,754	BAA1 and below	S&P
Debt securities	15,789,312	Not rated	N/A
Total	<u>\$ 95,266,660</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	\$ 3,460,911
Foreign bonds	UK pound	379,204
Foreign bonds	Hong Kong dollar	2,020,433
Foreign bonds	Japanese yen	2,463,627
Foreign bonds	Danish krone	389,502
Foreign bonds	Australian dollar	676,143
Foreign bonds	Norwegian krone	285,140

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 had \$21,380,872 in such funds at Comerica Bank (J Fund), which is recorded at amortized cost in accordance with GASB Statement No. 79. There are no limitations or restrictions on participant withdrawals for that investment pool.

June 30, 2022

Note 4 - Receivables

Receivables as of June 30, 2022 for the City's individual major funds and the nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds					Business-type Activities	Component Units
	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Funds	Total		
Receivables:							
Property taxes receivable	\$ 710,716	\$ -	\$ -	\$ 247,796	\$ 958,512	\$ -	\$ -
Special assessments receivable	-	-	958,391	-	958,391	-	-
Receivables from sales to customers on account	-	-	-	-	-	8,632,024	-
Accrued interest receivable	30,185	-	-	5,361	35,546	1,252	1,312
Other receivables	448,509	-	59,924	636,963	1,145,396	11,559	24,488
Due from other governmental units	4,120,392	417,129	-	2,687,346	7,224,867	7,442	-
Due from pension and VEBA funds	10,094,563	-	-	-	10,094,563	-	-
Notes receivable	-	8,258,555	-	-	8,258,555	-	-
Net receivables	\$ 15,404,365	\$ 8,675,684	\$ 1,018,315	\$ 3,577,466	\$ 28,675,830	\$ 8,652,277	\$ 25,800

The City is party to the national opioid settlement. As part of this settlement, the City is expected to receive settlement payments over the course of the next 18 years. The first annual payment will be received in June 2023 for approximately \$91,000. The annual payments could vary depending upon a variety of circumstances in the settlement. The City has not recorded a receivable for future payments.

June 30, 2022

Note 5 - Capital Assets

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

Governmental Activities

	Balance July 1, 2021	Reclassifications	Additions	Disposals	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 15,255,269	\$ -	\$ -	\$ -	\$ 15,255,269
Construction in progress	987,710	(785,541)	3,040,961	-	3,243,130
Subtotal	16,242,979	(785,541)	3,040,961	-	18,498,399
Capital assets being depreciated:					
Infrastructure	219,082,482	197,058	7,854,420	-	227,133,960
Buildings and improvements	101,379,485	-	699,006	-	102,078,491
Machinery and equipment	78,893,462	588,483	4,910,806	(1,296,650)	83,096,101
Land improvements	10,185,544	-	200,267	-	10,385,811
Subtotal	409,540,973	785,541	13,664,499	(1,296,650)	422,694,363
Accumulated depreciation:					
Infrastructure	129,508,627	-	5,478,284	-	134,986,911
Buildings and improvements	58,493,492	-	2,950,440	-	61,443,932
Machinery and equipment	57,579,836	-	7,147,730	(1,274,586)	63,452,980
Land improvements	8,945,597	-	178,550	-	9,124,147
Subtotal	254,527,552	-	15,755,004	(1,274,586)	269,007,970
Net capital assets being depreciated	155,013,421	785,541	(2,090,505)	(22,064)	153,686,393
Net governmental activities capital assets	\$ 171,256,400	\$ -	\$ 950,456	\$ (22,064)	\$ 172,184,792

June 30, 2022

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2021	Reclassifications	Additions	Disposals	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 1,598,648	\$ -	\$ -	\$ -	\$ 1,598,648
Construction in progress	40,268,456	(24,079,794)	27,161,335	-	43,349,997
Subtotal	41,867,104	(24,079,794)	27,161,335	-	44,948,645
Capital assets being depreciated:					
Buildings and improvements	105,495,474	23,993,992	6,156,838	(741,994)	134,904,310
Machinery and equipment	19,389,055	-	423,533	(144,162)	19,668,426
Utility systems	165,060,181	85,802	4,876,361	(159,238)	169,863,106
Subtotal	289,944,710	24,079,794	11,456,732	(1,045,394)	324,435,842
Accumulated depreciation:					
Buildings and improvements	51,768,851	-	3,172,511	(741,944)	54,199,418
Machinery and equipment	15,289,834	-	629,155	(139,167)	15,779,822
Utility systems	77,525,702	-	2,941,334	(159,238)	80,307,798
Subtotal	144,584,387	-	6,743,000	(1,040,349)	150,287,038
Net capital assets being depreciated	145,360,323	24,079,794	4,713,732	(5,045)	174,148,804
Net business-type activities capital assets	<u>\$ 187,227,427</u>	<u>\$ -</u>	<u>\$ 31,875,067</u>	<u>\$ (5,045)</u>	<u>\$ 219,097,449</u>

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

Governmental activities:	
General government	\$ 2,402,431
Public safety	3,585,112
City development	167,180
Highway and streets	5,145,216
Sanitation	2,715,148
Recreation and culture	1,739,917
Total governmental activities	<u>\$ 15,755,004</u>
Business-type activities:	
Water and Sewer Fund	\$ 6,403,362
Senior Citizen Housing Funds	339,638
Total business-type activities	<u>\$ 6,743,000</u>

June 30, 2022

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	\$ 33,645,414	\$ 13,044,132
Water and sewer projects	63,414,574	17,855,368
Total	<u>\$ 97,059,988</u>	<u>\$ 30,899,500</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	\$ -	\$ 338,483	\$ 33,781	\$ 662,350	\$ 959,547	\$ 244,896	\$ 2,239,057
Capital Projects Fund	-	-	-	70,445	-	-	70,445
Nonmajor governmental funds	571,181	-	5	7,223	370	-	578,779
Water and Sewer Fund	-	-	-	10,885	-	-	10,885
Nonmajor enterprise funds	-	-	-	-	-	1,080	1,080

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

Receivable	Payable	Amount
General Fund	Tax Increment Finance Authority	\$ 5,471
	Downtown Development Authority	371,497
	Brownfield Redevelopment Authority	1,127
	Total General Fund	<u>378,095</u>
Nonmajor governmental funds	Downtown Development Authority	<u>15,704</u>
	Total	<u>\$ 393,799</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, 2022.

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	\$ 155,684
Nonmajor governmental funds	Nonmajor governmental funds	4,968,245
	Total	<u>\$ 5,123,929</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, 2022

Note 7 - Long-term Debt

Long-term debt activity for the year ended June 30, 2022 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%	\$ 5,742,759	\$ -	\$ (1,108,332)	\$ 4,634,427	\$ 1,146,510
Other debt:						
Road Construction - Capital Improvement Refunding: Series 2013A Maturing through 2027						
	2.70%	1,903,673	-	(1,903,673)	-	-
Sidewalk Construction - Capital Improvement Refunding: Series 2015 Maturing through 2029						
	2.00%- 3.25%	1,305,000	-	(210,000)	1,095,000	200,000
Road Construction - MTF, Series 2018 - Maturing through 2033						
	3.00%- 3.35%	10,895,000	-	(770,000)	10,125,000	790,000
General Obligation Bonds - Series 2014, WCC refunding - Maturing through 2027						
	2.35%	4,290,000	-	(4,290,000)	-	-
Road Construction - MTF, Series 2021 - Maturing through 2041						
	2.00%- 5.00%	18,930,000	-	(645,000)	18,285,000	640,000
Road Construction - Capital Improvement Refunding: Series 2021A Maturing through 2026						
	1.30%	-	1,418,775	-	1,418,775	305,306
General Obligation Bonds - Capital Improvement Refunding: Series 2021C Maturing through 2026						
	5.00%	-	3,150,763	-	3,150,763	558,206
Total other debt principal outstanding		37,323,673	4,569,538	(7,818,673)	34,074,538	2,493,512
Unamortized bond premiums		2,443,260	463,249	(185,844)	2,720,665	218,435
Total bonds and contracts payable		45,509,692	5,032,787	(9,112,849)	41,429,630	3,858,457
Compensated absences		11,127,048	3,158,279	(2,658,862)	11,626,465	2,751,096
Total governmental activities long-term debt		<u>\$ 56,636,740</u>	<u>\$ 8,191,066</u>	<u>\$ (11,771,711)</u>	<u>\$ 53,056,095</u>	<u>\$ 6,609,553</u>

June 30, 2022

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%	\$ 1,150,000	\$ -	\$ (275,000)	\$ 875,000	\$ 285,000
SRF, Series 5134-02 - Maturing through 2026	2.125%	1,880,000	-	(360,000)	1,520,000	370,000
SRF, Series 5134-03 - Maturing through 2024	2.125%	267,091	-	(65,000)	202,091	65,000
SRF, Series 5134-04 - Maturing 2026	1.625%	2,305,000	-	(445,000)	1,860,000	455,000
SRF, Series 5401-01 - Maturing through 2030	2.50%	1,653,918	-	(150,000)	1,503,918	150,000
Other direct borrowings - Installment purchase agreements		4,342,962	-	(604,224)	3,738,738	652,528
		<u>11,598,971</u>	<u>-</u>	<u>(1,899,224)</u>	<u>9,699,747</u>	<u>1,977,528</u>
Total direct borrowings and direct placements principal outstanding						
		11,598,971	-	(1,899,224)	9,699,747	1,977,528
Other debt:						
Water and Sewer Bonds - Refunding Series 2012 - Maturing through 2016	4.00%	5,640,000	-	(5,640,000)	-	-
Capital Improvement Bonds - Series 2003	3.70%-4.125%	175,000	-	(85,000)	90,000	90,000
Capital Improvement Bonds - Series 2013A Refunding	2.70%	746,327	-	(746,327)	-	-
Capital Improvement Bonds - Series 2013	4.00%-4.50%	13,575,000	-	(13,575,000)	-	-
Capital Improvement Bonds - Series 2017	2.00%-3.25%	44,650,000	-	(2,255,000)	42,395,000	2,305,000
Capital Improvement Bonds - Refunding Series 2019	3.00%-3.25%	11,440,000	-	(550,000)	10,890,000	570,000
Capital Improvement Bonds - Refunding Series 2019A	2.00%-3.00%	5,685,000	-	(445,000)	5,240,000	470,000
Senior Housing Bonds - Refunding Series 2012 - Maturing 2023	2.00%	545,000	-	(395,000)	150,000	150,000
Capital Improvement Bonds - Series 2019 - Maturing 2037	3.00%	25,605,000	-	(1,020,000)	24,585,000	1,050,000
Revenue Bonds - Series 2020	2.00%-5.00%	8,530,000	-	(225,000)	8,305,000	-
Capital Improvement Bonds - Refunding Series 2021A	1.30%	-	556,225	-	556,225	119,694
Capital Improvement Bonds - Refunding Series 2021B	2.00%-5.00%	-	11,075,000	-	11,075,000	710,000
Capital Improvement Bonds - Refunding Series 2021C	5.00%	-	3,199,237	-	3,199,237	566,794
		<u>116,591,327</u>	<u>14,830,462</u>	<u>(24,936,327)</u>	<u>106,485,462</u>	<u>6,031,488</u>
Total other debt principal outstanding						
		116,591,327	14,830,462	(24,936,327)	106,485,462	6,031,488
Unamortized bond premiums		3,887,248	2,288,974	(1,268,374)	4,907,848	411,851
Unamortized bond discounts		(528)	-	211	(317)	(211)
		<u>3,886,720</u>	<u>2,288,974</u>	<u>(1,268,163)</u>	<u>4,907,531</u>	<u>411,640</u>
Total bonds and contracts payable						
		132,077,018	17,119,436	(28,103,714)	121,092,740	8,420,656
Compensated absences		928,159	473,611	(457,565)	944,205	469,537
		<u>928,159</u>	<u>473,611</u>	<u>(457,565)</u>	<u>944,205</u>	<u>469,537</u>
Total business-type activities long-term debt						
		<u>\$ 133,005,177</u>	<u>\$ 17,593,047</u>	<u>\$ (28,561,279)</u>	<u>\$ 122,036,945</u>	<u>\$ 8,890,193</u>

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%	\$ 9,160,000	\$ -	\$ (1,035,000)	\$ 8,125,000	\$ 1,010,000
Series 2013 Refunding	4.00%- 4.625%	6,960,000	-	(6,960,000)	-	-
Series 2014 Refunding	2.00%- 3.00%	18,485,000	-	(2,955,000)	15,530,000	2,920,000
Series 2021 Refunding	0.68%	-	5,550,000	-	5,550,000	1,515,000
Total other debt principal outstanding		34,605,000	5,550,000	(10,950,000)	29,205,000	5,445,000
Unamortized bond premiums		302,956	(23,560)	(54,410)	224,986	52,938
Total component units long-term debt		<u>\$ 34,907,956</u>	<u>\$ 5,526,440</u>	<u>\$ (11,004,410)</u>	<u>\$ 29,429,986</u>	<u>\$ 5,497,938</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, 2022 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 \$1,030,000 to \$2,310,000 a year and are due serially through fiscal year 2041, with annual interest rates ranging from 1.30 percent to 5.00 percent.

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 \$8,600,000 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, 2022 is \$1,503,918; however, this issue is subject to 40 percent principal forgiveness at close-out of construction and is reflected in the balances stated above.

Note 7 - Long-term Debt (Continued)

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 \$5,555,000 a year and are due serially through fiscal year 2029, with annual interest rates ranging from 0.68 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 a principal maturity of \$150,000 in 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 \$4,634,427 was outstanding as of June 30, 2022.

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 \$3,738,738 was outstanding as of June 30, 2022.

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	
2023	\$ 1,146,510	\$ 156,679	\$ 2,493,512	\$ 1,120,466	\$ 4,917,167
2024	1,186,028	117,162	2,573,504	1,027,142	4,903,836
2025	1,132,191	76,258	2,617,164	930,277	4,755,890
2026	1,169,698	38,750	2,694,751	829,875	4,733,074
2027	-	-	2,735,607	725,607	3,461,214
2028-2032	-	-	9,650,000	2,441,544	12,091,544
2033-2037	-	-	5,445,000	842,700	6,287,700
2038-2042	-	-	5,865,000	278,013	6,143,013
2043-2046	-	-	-	-	-
Total	\$ 4,634,427	\$ 388,849	\$ 34,074,538	\$ 8,195,624	\$ 47,293,438

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2023	\$ 1,977,528	\$ 222,232	\$ 6,031,488	\$ 3,189,695	\$ 11,420,943
2024	2,042,832	176,780	6,241,496	3,109,228	11,570,336
2025	2,132,482	129,517	6,467,836	2,894,868	11,624,703
2026	1,825,306	84,770	6,685,249	2,676,561	11,271,886
2027	1,012,679	42,927	6,899,393	2,454,598	10,409,597
2028-2032	708,920	36,030	33,105,000	9,058,306	42,908,256
2033-2037	-	-	32,115,000	4,043,144	36,158,144
2038-2042	-	-	7,110,000	652,475	7,762,475
2043-2046	-	-	1,830,000	93,000	1,923,000
Total	\$ 9,699,747	\$ 692,256	\$ 106,485,462	\$ 28,171,875	\$ 145,049,340

Years Ending June 30	Component Units Activities		
	Other Debt		
	Principal	Interest	Total
2023	\$ 5,445,000	\$ 678,239	\$ 6,123,239
2024	5,555,000	552,509	6,107,509
2025	5,415,000	420,207	5,835,207
2026	5,260,000	290,242	5,550,242
2027	3,930,000	166,950	4,096,950
2028-2032	3,600,000	88,050	3,688,050
2033-2037	-	-	-
2038-2042	-	-	-
2043-2046	-	-	-
Total	\$ 29,205,000	\$ 2,196,197	\$ 31,401,197

Note 7 - Long-term Debt (Continued)

Current Bond Refunding

During the year, the City issued Capital Improvement Refunding Bonds, Series 2021A, in the amount of \$1,975,000. The debt refunded amounted to \$1,950,000 of Capital Improvement Bonds, Series 2013A, maturing through 2027. The refunding was undertaken to reduce the debt service payment over the next 5 years, with net savings of \$54,271, and to obtain an economic (present value) gain for the City of Warren, Michigan of \$53,066.

During the year, the City issued Capital Improvement Refunding Bonds, Series 2021B, in the amount of \$11,075,000, with a premium of \$1,818,598. The debt refunded amounted to \$12,750,000 of Capital Improvement Bonds, Series 2013, maturing through 2034. The refunding was undertaken to reduce the debt service payment over the next 12 years, with net savings of \$2,630,286, and to obtain an economic (present value) gain for the City of Warren, Michigan of \$2,626,716.

During the year, the City issued Capital Improvement Refunding Bonds, Series 2021C, in the amount of \$6,350,000, with a premium of \$933,625. The debt refunded amounted to \$7,205,000 of Capital Improvement Refunding Bonds, Series 2014, maturing through 2026. The refunding was undertaken to reduce the debt service payment over the next 4 years, with net savings of \$471,075, and to obtain an economic (present value) gain for the City of Warren, Michigan of \$470,130.

During the year, the City issued Downtown Development Authority Refunding Bonds, Series 2021 in the amount of \$5,550,000. The debt refunded amounted to \$5,495,000 of Downtown Development Authority Bonds, Series 2013, maturing through 2026. The refunding was undertaken to reduce the debt service payment over the next 4 years, with net savings of \$443,647, and to obtain an economic (present value) gain for the City of Warren, Michigan of \$443,369.

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 Benefits 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.

Note 8 - Other Postemployment Benefit Plan (Continued)

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

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

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

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

Benefits Provided

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

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, 2020	December 31, 2020
Inactive plan members or beneficiaries currently receiving benefits	587	568
Inactive plan members entitled to but not yet receiving benefits	38	7
Active plan members	132	107
Total plan members	<u>757</u>	<u>682</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, 2022, the City contributed \$8,809,098. There were no provisions in the collective bargaining agreements for additional contributions and no required employee contributions.

Note 8 - Other Postemployment Benefit Plan (Continued)

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, 2022, the City contributed \$10,390,007. There were no required employee contributions.

Net OPEB Liability

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

	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust
Measurement date used for the City's net OPEB liability	December 31, 2021	December 31, 2021
Based on a comprehensive actuarial valuation as of	December 31, 2020	December 31, 2020

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, 2020	\$ 155,192,651	\$ 80,571,657	\$ 74,620,994
Changes for the year:			
Service cost	727,149	-	727,149
Interest	11,371,058	-	11,371,058
Differences between expected and actual experience	5,878,851	-	5,878,851
Changes in actuarial assumptions	(20,477,561)	-	(20,477,561)
Contributions - Employer	-	9,059,108	(9,059,108)
Net investment income	-	13,348,262	(13,348,262)
Benefit payments, including refunds	(7,871,388)	(7,871,388)	-
Administrative expenses	-	(155,561)	155,561
Net changes	(10,371,891)	14,380,421	(24,752,312)
Balance at December 31, 2021	\$ 144,820,760	\$ 94,952,078	\$ 49,868,682

The plan's fiduciary net position represents 65.6 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, 2020	\$ 169,152,191	\$ 67,387,662	\$ 101,764,529
Changes for the year:			
Service cost	1,045,244	-	1,045,244
Interest	12,426,542	-	12,426,542
Differences between expected and actual experience	3,707,903	-	3,707,903
Changes in assumptions	(1,711,060)	-	(1,711,060)
Contributions - Employer	-	10,390,011	(10,390,011)
Net investment income	-	11,538,308	(11,538,308)
Benefit payments, including refunds	(9,848,098)	(9,848,098)	-
Administrative expenses	-	(39,530)	39,530
Net changes	5,620,531	12,040,691	(6,420,160)
Balance at December 31, 2021	\$ 174,772,722	\$ 79,428,353	\$ 95,344,369

The plan's fiduciary net position represents 45.4 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, 2022, the City recognized OPEB recovery of \$9,340,888 for the city employees' plan and OPEB expense of \$2,401,867 for the police and fire plan.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources - City Employees'	Deferred Inflows of Resources - City Employees'	Deferred Outflows of Resources - Police and Fire	Deferred Inflows of Resources - Police and Fire
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ (10,188,915)	\$ -	\$ (9,902,487)
Employer contributions to the plan subsequent to the measurement date	4,404,510	-	4,944,998	-
Total	\$ 4,404,510	\$ (10,188,915)	\$ 4,944,998	\$ (9,902,487)

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	City Employees'	Police and Fire
2023	\$ (2,440,847)	\$ (2,626,665)
2024	(3,991,281)	(3,682,195)
2025	(2,254,799)	(2,280,254)
2026	(1,501,988)	(1,313,373)
Total	\$ (10,188,915)	\$ (9,902,487)

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	\$ 4,386,385	\$ 18,125	\$ 4,944,998	\$ -
Net OPEB liability	49,663,465	205,217	95,344,369	-
Deferred inflows related to OPEB	10,146,986	41,929	9,902,487	-

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	7.5% for the first year, decreasing 0.25% per year to 4.5%	8.0% for the first year, decreasing 0.25% per year to 4.5%
Salary increases (including inflation)	N/A	Varies with service
Investment rate of return (net of investment expenses)	7.15%	7.30%
Health care cost trend rate	7.5%, reducing to 4.5% over 12 years	8.0%, reducing to 4.5% over 14 years
Mortality rates	RP-2014 Mortality Table	Publication 2010 Public Safety projected to 2026 with MP-2020

Discount Rate

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

The discount rate used to measure the total OPEB liability was 7.15 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 7.15 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.

Note 8 - Other Postemployment Benefit Plan (Continued)

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

The discount rate used to measure the total OPEB liability was 7.30 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 7.30 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, 2021 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	55.00 %	5.47 %
International equity	17.00	6.20
Fixed income	23.00	1.82
Real estate	5.00	3.28

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 %	4.81 %
International equity	15.00	5.58
Domestic bonds	19.00	2.75
Real estate	10.00	3.74
Alternative assets	11.00	3.98

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 7.15 percent for the city employees' plan and 7.30 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	\$ 65,941,212	\$ 49,868,682	\$ 36,379,903
Net OPEB liability of the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	116,806,399	95,344,369	77,595,587

June 30, 2022

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 7.50 percent for the city employees' plan and 8.00 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	\$ 34,902,769	\$ 49,868,682	\$ 67,684,536
Net OPEB liability of the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	75,783,190	95,344,369	118,895,032

Assumption Changes

For the current year, the rate of return for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust was changed from 7.20 percent to 7.15 percent, and the rate of return for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust was changed from 7.35 percent to 7.30 percent. Also, the initial retiree health trend rates for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust changed from 8.50 percent to 7.50 percent, and the initial retiree health trend rates for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust changed from 8.25 percent to 8.00 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, 2022. Detailed information for each OPEB plan can be found in Note 8.

	Total OPEB Liability	Plan Net Position	Net OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB (Recovery) Expense
City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	\$ 144,820,760	\$ 94,952,078	\$ 49,868,682	\$ 4,404,510	\$ 10,188,915	\$ (9,340,888)
Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	174,772,722	79,428,353	95,344,369	4,944,998	9,902,487	2,401,867
Total	<u>\$ 319,593,482</u>	<u>\$ 174,380,431</u>	<u>\$ 145,213,051</u>	<u>\$ 9,349,508</u>	<u>\$ 20,091,402</u>	<u>\$ (6,939,021)</u>

Note 10 - OPEB Allocations

The schedule below provides a summary of all the amounts allocated to various funds within the City's financial statements for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust:

	Primary Government		Component Units	Total
	Governmental Activities			
	Governmental Activities	Business-type Activities		
Net OPEB liability	\$ 39,607,641	\$ 10,055,824	\$ 205,217	\$ 49,868,682
OPEB expense	(7,418,896)	(1,883,553)	(38,439)	(9,340,888)
Deferred outflows of resources representing contributions subsequent to the measurement date	3,498,233	888,152	18,125	4,404,510
Deferred inflows of resources representing the net difference between projected and actual earnings on OPEB plan investments	(8,092,431)	(2,054,555)	(41,929)	(10,188,915)
Amortization of deferred amounts:				
2023	(1,938,615)	(492,187)	(10,045)	(2,440,847)
2024	(3,170,030)	(804,826)	(16,425)	(3,991,281)
2025	(1,790,848)	(454,671)	(9,279)	(2,254,798)
2026	(1,192,938)	(302,870)	(6,181)	(1,501,989)
Total	\$ (8,092,431)	\$ (2,054,554)	\$ (41,930)	\$ (10,188,915)
Sensitivity analysis:				
Net OPEB liability at 6.15 percent discount rate	\$ 52,373,066	\$ 13,296,786	\$ 271,360	\$ 65,941,212
Net OPEB liability at 8.15 percent discount rate	28,894,328	7,335,865	149,710	36,379,903
Net OPEB liability at 6.50 percent health care cost trend rate	27,721,132	7,038,006	143,631	34,902,769
Net OPEB liability at 8.50 percent health care cost trend rate	53,757,681	13,648,321	278,534	67,684,536

Note 11 - 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.

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.

Note 11 - Pension Plans (Continued)

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.

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, 2020	December 31, 2020
Retirees and beneficiaries	489	575
Inactive plan members entitled to but not yet receiving benefits	15	7
Active plan members	50	307
Total employees covered by the plan	554	889

Note 11 - Pension Plans (Continued)

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, 2022, the City contributed \$9,101,952, which is \$250,000 more than 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, 2022, the City contributed \$12,413,251, 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, 2021 as its measurement date for the net pension liability. The December 31, 2021 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2021. The December 31, 2021 total pension liability was determined by an actuarial valuation performed as of December 31, 2020, which used update procedures to roll forward the estimated liability to December 31, 2021.

Police and Fire Retirement System

The City has chosen to use December 31, 2021 as its measurement date for the net pension liability. The December 31, 2021 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2021. The December 31, 2021 total pension liability was determined by an actuarial valuation performed as of December 31, 2020, which used update procedures to roll forward the estimated liability to December 31, 2021.

Note 11 - Pension Plans (Continued)

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, 2020	\$ 188,989,785	\$ 142,332,200	\$ 46,657,585
Changes for the year:			
Service cost	668,898	-	668,898
Interest	13,050,679	-	13,050,679
Differences between expected and actual experience	(513,022)	-	(513,022)
Changes in assumptions	748,018	-	748,018
Contributions - Employer	-	9,491,940	(9,491,940)
Net investment income	-	21,917,934	(21,917,934)
Benefit payments, including refunds	(16,798,495)	(16,798,495)	-
Administrative expenses	-	(273,296)	273,296
Miscellaneous other charges	-	35,944	(35,944)
Net changes	(2,843,922)	14,374,027	(17,217,949)
Balance at December 31, 2021	\$ 186,145,863	\$ 156,706,227	\$ 29,439,636

The plan's fiduciary net position represents 84.2 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, 2020	\$ 412,379,943	\$ 314,419,838	\$ 97,960,105
Changes for the year:			
Service cost	4,332,212	-	4,332,212
Interest	29,331,642	-	29,331,642
Differences between expected and actual experience	12,685,478	-	12,685,478
Changes in assumptions	13,046,123	-	13,046,123
Contributions - Employer	-	12,149,079	(12,149,079)
Contributions - Employee	-	1,925,289	(1,925,289)
Net investment income	-	50,758,093	(50,758,093)
Benefit payments, including refunds	(35,284,396)	(35,284,396)	-
Administrative expenses	-	(492,212)	492,212
Miscellaneous other charges	663,981	-	663,981
Net changes	24,775,040	29,055,853	(4,280,813)
Balance at December 31, 2021	\$ 437,154,983	\$ 343,475,691	\$ 93,679,292

The plan's fiduciary net position represents 78.8 percent of the total pension liability.

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

For the year ended June 30, 2022, the City recognized pension recovery of \$125,044 for the Employees' Retirement System and \$228,871 for the Police and Fire Retirement System.

June 30, 2022

Note 11 - Pension Plans (Continued)

At June 30, 2022, 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	\$ -	\$ -	\$ 11,547,228	\$ -
Changes in assumptions	-	-	12,257,720	-
Net difference between projected and actual earnings on pension plan investments	-	(14,642,986)	-	(40,386,233)
Employer contributions to the plan subsequent to the measurement date	4,425,974	-	6,206,635	-
Total	\$ 4,425,974	\$ (14,642,986)	\$ 30,011,583	\$ (40,386,233)

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
2023	\$ (2,800,810)	\$ (1,872,571)
2024	(6,155,601)	(9,937,923)
2025	(3,298,256)	(4,227,952)
2026	(2,388,319)	(542,839)
Total	\$ (14,642,986)	\$ (16,581,285)

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)	7.15%	7.30%
Mortality rates	RP-2014 Healthy Annuitant	Pub-2010 Public Safety

Discount Rate

Employees' Retirement System

The discount rate used to measure the total pension liability was 7.15 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.

Note 11 - Pension Plans (Continued)

Police and Fire Retirement System

The discount rate used to measure the total pension liability was 7.30 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, 2021 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, 2021 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 11 - Pension Plans (Continued)

The following were the asset allocation policies as of December 31, 2021 for each plan:

Employees' Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	55.00 %	5.47 %
International equity	17.00	6.20
Fixed income	23.00	1.82
Real estate	5.00	3.28

Police and Fire Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00 %	4.81 %
International equity	15.00	5.58
Domestic bonds	19.00	2.75
Alternative assets	11.00	3.98
Real estate	10.00	3.74

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 (6.15 percent and 6.30 percent for the Employees' Retirement System and Police and Fire Retirement System, respectively) or 1 percentage point higher (8.15 percent and 8.30 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	\$ 45,600,279	\$ 29,439,636	\$ 15,437,177
Net pension liability of the Police and Fire Retirement System Defined Benefit Pension Plan	138,364,909	93,677,176	55,632,604

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 pensions, 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 7.20 percent to 7.15 percent.

Note 11 - Pension Plans (Continued)

Police and Fire Retirement System

For the Police and Fire Retirement System, in the current year, the investment rate of return was changed from 7.35 percent to 7.30 percent.

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, 2021 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	\$ 145,825,017	\$ 145,825,017	\$ 265,157,214	\$ 265,157,214
Employee reserve	21,085	21,085	18,490,749	18,490,749
Employer reserve	10,860,125	10,860,125	59,827,728	59,827,728

June 30, 2022

Note 12 - 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, 2022. Detailed information for each pension plan can be found in Note 11.

	Total Pension Liability	Plan Net Position	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Recovery
City of Warren Employees' Retirement System Defined Benefit Pension Plan	\$ 186,145,863	\$ 156,706,227	\$ 29,439,636	\$ 4,425,974	\$ 14,642,986	\$ (125,044)
Police and Fire Retirement System Defined Benefit Pension Plan	437,154,983	343,475,691	93,679,292	30,011,583	40,386,233	(228,871)
Total	<u>\$ 623,300,846</u>	<u>\$ 500,181,918</u>	<u>\$ 123,118,928</u>	<u>\$ 34,437,557</u>	<u>\$ 55,029,219</u>	<u>\$ (353,915)</u>

Note 13 - 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 365 active participants in the plan as of June 30, 2022. The City contributed approximately \$2.9 million for the year ended June 30, 2022.

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.

June 30, 2022

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	\$ 422,383	\$ -	\$ -	\$ 29,532	\$ 451,915
Prepays	378,294	17,657	-	11,534	407,485
Total nonspendable	800,677	17,657	-	41,066	859,400
Restricted:					
Roads	-	-	16,887,945	32,651,956	49,539,901
Grants	-	1,149,509	-	-	1,149,509
Sanitation	-	-	-	4,541,817	4,541,817
Recreation	-	-	-	3,007,910	3,007,910
Library	-	-	-	4,729,548	4,729,548
Cable franchise fees	-	-	-	2,688,202	2,688,202
Police enforcement	-	-	-	2,153,660	2,153,660
Special assessments	-	-	851,602	-	851,602
Vice crime	-	-	-	395,244	395,244
Total restricted	-	1,149,509	17,739,547	50,168,337	69,057,393
Committed:					
Road ordinance	-	-	-	2,146,856	2,146,856
Special assessments	-	-	75,994	-	75,994
Total committed	-	-	75,994	2,146,856	2,222,850
Assigned:					
Subsequent year's budget	17,375,030	-	-	-	17,375,030
Compensated absences	10,735,642	-	-	-	10,735,642
Claims and insurance	6,395,176	-	-	-	6,395,176
Fire equipment	1,743,586	-	-	-	1,743,586
Capital projects	-	-	10,315,047	-	10,315,047
Debt service	-	-	-	82,174	82,174
Capital equipment	5,000,000	-	-	-	5,000,000
Retiree health care	8,002,996	-	-	-	8,002,996
General employee retirement	7,075,000	-	-	-	7,075,000
Police and fire employee retirement	7,075,000	-	-	-	7,075,000
Total assigned	63,402,430	-	10,315,047	82,174	73,799,651
Unassigned	21,537,370	-	-	-	21,537,370
Total fund balance	\$ 85,740,477	\$ 1,167,166	\$ 28,130,588	\$ 52,438,433	\$ 167,476,664

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 \$3,395,176 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, 2022, as provided by the City's insurance carrier. The General Fund balance sheet reports assigned fund balance - claims and insurance in the amount of \$3,395,176.

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:

	2020	Est. Claims Incurred/ Reserved	Payments and Adjustments	2021	Est. Claims Incurred/ Reserved	Payments and Adjustments	2022	Due in One Year
Workers' compensation, automobile, and public entity liability	\$ 3,457,913	\$ 3,492,727	\$(2,155,384)	\$ 4,795,256	\$ 1,153,607	\$(2,553,687)	\$ 3,395,176	\$ 1,808,082

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, 2021.

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, 2022

Note 16 - Fair Value Measurements (Continued)

The City has the following recurring fair value measurements as of June 30, 2022:

	Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2022
Debt securities:				
U.S. Treasury securities*	\$ -	\$ 38,086,340	\$ -	\$ 38,086,340
Domestic fixed income*	-	10,542,256	-	10,542,256
International fixed income*	-	748,300	-	748,300
Commercial mortgage-backed securities*	-	13,365,886	-	13,365,886
Asset-backed securities*	-	3,024,266	-	3,024,266
Open-end MF - Fixed income*	5,261,893	-	-	5,261,893
Municipal obligations*	-	257,561	-	257,561
Corporate bonds*	-	41,645,963	-	41,645,963
Private placement*	-	-	173,693	173,693
U.S. Treasury securities	-	7,226,194	-	7,226,194
Municipal obligations	-	3,908,747	-	3,908,747
Total debt securities	5,261,893	118,805,513	173,693	124,241,099
Equity securities:				
Domestic stock*	200,800,684	-	-	200,800,684
Foreign stock*	8,475,494	-	-	8,475,494
Real estate investment trusts*	5,635,781	-	-	5,635,781
ADR*	15,397,969	-	-	15,397,969
CTF - Equity*	-	66,587,618	-	66,587,618
Closed-end MF - Equity*	20,312,766	90,619,775	-	110,932,541
Partnerships publicly traded*	256,273	-	-	256,273
Open-end MF - Equity*	12,397,476	-	-	12,397,476
Short-term investment funds	14,617,428	-	-	14,617,428
Total equity securities	277,893,871	157,207,393	-	435,101,264
Total investments by fair value level	\$ 283,155,764	\$ 276,012,906	\$ 173,693	559,342,363
Investments measured at NAV:				
Fifth Third Fund - DDA				788,634
Closely held equities*				82,806,190
CTF equities*				3,253,715
Collective investment fund equities*				37,270,081
Total investments measured at NAV				124,118,620
Total investments measured at fair value				\$ 683,460,983

*These represent fiduciary fund investments, which are stated as of December 31, 2021.

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, 2021 and June 30, 2022 was determined using prices quoted in active markets for those securities.

Note 16 - Fair Value Measurements (Continued)

The fair value of debt securities at December 31, 2021 and June 30, 2022 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, 2021 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, 2022, 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	\$ 788,634	\$ -	N/A	N/A
Closely held equities*	82,806,190	16,431,664	Ongoing	Until maturity
CTF equities*	3,253,715	-	Ongoing	Until maturity
Collective investment fund equities*	37,270,081	-	Ongoing	Until maturity
Total investments measured at NAV	<u>\$ 124,118,620</u>	<u>\$ 16,431,664</u>		

*These represent fiduciary fund investments, which are stated as of December 31, 2021.

Closely held, CTF, and collective investment fund equities are valued at net asset value and, unlike more traditional investments, generally do not have readily attainable market values and take the form of limited partnerships. The Plan and the Trust value these investments at fair value, on a recurring basis, based on the investment fund's audited financial statements. If the December 31 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than December 31. If December 31 valuations are not available, the value is adjusted from the most recently available valuation, taking into account subsequent calls and distributions, adjustments for unrealized appreciation/depreciation, and other income and fees.

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.

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 17 - Contingent Liabilities (Continued)

A class action lawsuit was filed against the City (the plaintiffs has brought the same suit against numerous Act 345 municipalities) alleging excess taxes were assessed under PA 345 (the Michigan Fire Fighters and Police Officers Retirement Act). The plaintiffs seek a refund of what they believe to be excess taxes levied during the fiscal year ended June 30, 2022 and future periods. In the fiscal year ended June 30, 2022, the City levied 4.9848 mills under PA 345, which imposed property taxes of approximately \$18 million, and the lawsuit alleges the levy exceeded the maximum allowed by approximately \$5.1 million. The City disagrees with these allegations and intends to vigorously defend this claim. The City has not recorded a liability related to this claim at June 30, 2022.

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 post-closure 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, 2022, the City abated \$1,982,370 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.

Note 19 - Tax Abatements (Continued)

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.

Information relevant to the disclosure of those programs for the fiscal year ended June 30, 2022 is as follows:

Tax Abatement Program	Amount of Taxes Abated During the Year Ended June 30, 2022
Brownfield Redevelopment Authority Sites	\$ 1,340,492
Industrial and Commercial Facilities (Act 198)	1,982,370
Other commercial and industrial tax abatements	51,985

Note 20 - Subsequent Events

Subsequent to year end, the City issued Michigan Transportation Fund Bonds, Series 2022, for \$11,670,000, with \$1,639,214 in premium. The City also issued Capital Improvement Bonds, Series 2022 for \$15,040,000, with \$1,448,341 in premium.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 75,841,467	\$ 75,841,467	\$ 75,880,567	\$ 39,100
Intergovernmental:				
Federal grants	-	955,664	726,049	(229,615)
State sources - State-shared revenue	20,726,552	20,822,552	24,303,825	3,481,273
Charges for services	5,532,124	5,532,124	4,728,457	(803,667)
Fines and forfeitures	4,548,982	4,548,982	3,862,108	(686,874)
Licenses and permits	4,405,000	4,405,000	5,022,366	617,366
Interest and rentals - Investment earnings	400,000	400,000	(614,228)	(1,014,228)
Other revenue	8,961,581	8,961,581	8,097,656	(863,925)
Total revenue	120,415,706	121,467,370	122,006,800	539,430
Expenditures				
Current services:				
General government:				
Council	1,420,760	1,472,699	1,153,766	318,933
Mayor	569,610	569,610	532,633	36,977
Controller	1,931,177	1,956,177	1,802,442	153,735
Information technology/Data proc.	885,477	926,278	840,883	85,395
Treasurer	1,482,145	1,500,145	1,394,594	105,551
Assessing	2,240,530	2,249,885	1,933,590	316,295
Clerk	1,937,880	1,938,190	1,210,102	728,088
Buildings maintenance	2,636,682	2,636,682	2,043,867	592,815
Legal	1,727,110	1,752,110	1,646,544	105,566
Human resources	1,724,391	1,774,391	1,395,731	378,660
Administration unallocated expense	5,239,095	6,019,520	3,942,357	2,077,163
Other commissions	97,888	97,888	60,753	37,135
District court	7,530,515	8,939,300	7,671,381	1,267,919
Public safety:				
Police department	48,557,532	49,578,994	47,585,037	1,993,957
Fire department	28,076,672	28,095,194	28,562,973	(467,779)
Civil defense	246,593	259,103	240,911	18,192
Animal control	555,201	555,201	489,490	65,711
Crime commission	14,800	14,800	13,747	1,053
Building inspections	4,086,816	4,151,086	3,387,834	763,252
Public works:				
Property maintenance	2,555,978	2,599,246	1,971,687	627,559
Stormwater drainage	154,223	154,223	154,223	-
Highway street lighting	2,875,000	2,875,000	2,678,292	196,708
DPW garage	7,843,832	7,935,721	4,555,354	3,380,367
Public service director	532,319	532,319	439,850	92,469
Engineering and inspections	2,238,502	2,370,353	1,913,735	456,618
Community and economic development:				
Planning	852,762	871,265	697,832	173,433
Zoning	22,040	22,040	9,919	12,121
Economic development opportunities	262,450	262,450	200,129	62,321
Recreation and culture:				
Historical commission	15,413	15,413	7,275	8,138
Cultural commission	29,100	29,100	21,723	7,377
Village historical commission	51,100	51,100	11,702	39,398
Debt service	94,742	94,742	94,741	1
Total expenditures	128,488,335	132,300,225	118,665,097	13,635,128
Excess of Revenue (Under) Over Expenditures	(8,072,629)	(10,832,855)	3,341,703	14,174,558
Other Financing Uses - Transfers out	(281,308)	(278,308)	(155,684)	122,624
Net Change in Fund Balance	(8,353,937)	(11,111,163)	3,186,019	14,297,182
Fund Balance - Beginning of year	82,554,458	82,554,458	82,554,458	-
Fund Balance - End of year	\$ 74,200,521	\$ 71,443,295	\$ 85,740,477	\$ 14,297,182

City of Warren, Michigan

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

Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue - Federal grants	\$ 3,085,407	\$ 3,085,407	\$ 3,587,447	\$ 502,040
Expenditures - Community and economic development	<u>5,330,670</u>	<u>5,330,669</u>	<u>3,294,082</u>	<u>2,036,587</u>
Net Change in Fund Balance	(2,245,263)	(2,245,262)	293,365	2,538,627
Fund Balance - Beginning of year	<u>873,801</u>	<u>873,801</u>	<u>873,801</u>	<u>-</u>
Fund Balance (Deficit) - End of year	<u><u>\$ (1,371,462)</u></u>	<u><u>\$ (1,371,461)</u></u>	<u><u>\$ 1,167,166</u></u>	<u><u>\$ 2,538,627</u></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 Five Plan Years Years Ended December 31				
	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 727,149	\$ 1,393,370	\$ 1,860,535	\$ 1,852,338	\$ 1,920,562
Interest	11,371,058	10,486,925	11,573,427	10,665,881	10,711,662
Differences between expected and actual experience	5,878,851	-	(16,391,907)	896,114	(5,938,551)
Changes in assumptions	(20,477,561)	3,977,930	(5,033,563)	6,436,284	-
Benefit payments, including refunds	(7,871,388)	(7,704,095)	(7,346,347)	(7,327,343)	(7,254,730)
Net Change in Total OPEB Liability	(10,371,891)	8,154,130	(15,337,855)	12,523,274	(561,057)
Total OPEB Liability - Beginning of year	155,192,651	147,038,521	162,376,376	149,853,102	150,414,159
Total OPEB Liability - End of year	\$ 144,820,760	\$ 155,192,651	\$ 147,038,521	\$ 162,376,376	\$ 149,853,102
Plan Fiduciary Net Position					
Contributions - Employer	\$ 9,059,108	\$ 8,654,612	\$ 8,768,498	\$ 10,631,555	\$ 14,900,078
Net investment income (loss)	13,348,262	8,928,872	12,840,448	(3,474,216)	6,909,968
Administrative expenses	(155,561)	(142,878)	(137,215)	(140,508)	(61,216)
Benefit payments, including refunds	(7,871,388)	(7,704,095)	(7,346,347)	(7,327,343)	(7,254,730)
Net Change in Plan Fiduciary Net Position	14,380,421	9,736,511	14,125,384	(310,512)	14,494,100
Plan Fiduciary Net Position - Beginning of year	80,571,657	70,835,146	56,709,762	57,020,274	42,526,174
Plan Fiduciary Net Position - End of year	\$ 94,952,078	\$ 80,571,657	\$ 70,835,146	\$ 56,709,762	\$ 57,020,274
Net OPEB Liability - Ending	\$ 49,868,682	\$ 74,620,994	\$ 76,203,375	\$ 105,666,614	\$ 92,832,828
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	65.57 %	51.92 %	48.17 %	34.92 %	38.05 %
Covered-employee Payroll	\$ 11,265,238	\$ 10,369,664	\$ 11,200,842	\$ 13,518,450	\$ 14,008,732
Net OPEB Liability as a Percentage of Covered-employee Payroll	442.68 %	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.

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 Five Plan Years Years Ended December 31				
	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 1,045,244	\$ 1,173,699	\$ 1,424,167	\$ 1,516,273	\$ 1,539,652
Interest	12,426,542	12,718,529	12,665,563	13,045,589	13,250,035
Differences between expected and actual experience	3,707,903	1,681,689	(2,349,801)	(10,623,910)	(8,704,524)
Changes in assumptions	(1,711,060)	(11,540,029)	(2,346,037)	-	-
Benefit payments, including refunds	(9,848,098)	(9,958,488)	(9,522,588)	(8,532,131)	(9,140,410)
Net Change in Total OPEB Liability	5,620,531	(5,924,600)	(128,696)	(4,594,179)	(3,055,247)
Total OPEB Liability - Beginning of year	169,152,191	175,076,791	175,205,487	179,799,666	182,854,913
Total OPEB Liability - End of year	\$ 174,772,722	\$ 169,152,191	\$ 175,076,791	\$ 175,205,487	\$ 179,799,666
Plan Fiduciary Net Position					
Contributions - Employer	\$ 10,390,011	\$ 10,445,000	\$ 10,500,000	\$ 11,810,718	\$ 20,903,170
Net investment income (loss)	11,538,308	9,101,392	10,477,904	(1,829,637)	5,389,014
Administrative expenses	(39,530)	(22,129)	(24,529)	(26,665)	(8,600)
Benefit payments, including refunds	(9,848,098)	(9,958,488)	(9,522,588)	(8,532,131)	(9,140,410)
Net Change in Plan Fiduciary Net Position	12,040,691	9,565,775	11,430,787	1,422,285	17,143,174
Plan Fiduciary Net Position - Beginning of year	67,387,662	57,821,887	46,391,100	44,968,815	27,825,641
Plan Fiduciary Net Position - End of year	\$ 79,428,353	\$ 67,387,662	\$ 57,821,887	\$ 46,391,100	\$ 44,968,815
Net OPEB Liability - Ending	\$ 95,344,369	\$ 101,764,529	\$ 117,254,904	\$ 128,814,387	\$ 134,830,851
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	45.45 %	39.84 %	33.00 %	26.48 %	25.01 %
Covered-employee Payroll	\$ 13,444,774	\$ 12,776,733	\$ 13,778,852	\$ 15,109,196	\$ 14,805,884
Net OPEB Liability as a Percentage of Covered-employee Payroll	709.16 %	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.

City of Warren, Michigan

Required Supplemental Information Schedule of OPEB Investment Returns

**Last Five Plan Years
Years Ended December 31**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018*</u>	<u>2017*</u>
City Employees' Retirement Health, Life and Disability Benefits Plan and Trust - VEBA - Annual money-weighted rate of return - Net of investment expense	15.70 %	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	16.30 %	14.01 %	20.87 %	(3.68)%	15.53 %

*The annual money-weighted rate of return is not available for the city 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 Eight Plan Years
 Years Ended December 31**

	2021	2020	2019	2018	2016	2015	2014	2013
Total Pension Liability								
Service cost	\$ 668,898	\$ 931,363	\$ 887,102	\$ 1,012,891	\$ 1,128,729	\$ 1,248,269	\$ 1,182,428	\$ 1,227,820
Interest	13,050,679	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	(513,022)	1,678,023	2,040,186	2,626,423	292,886	(3,319,419)	747,834	(963)
Changes in assumptions	748,018	766,546	-	5,403,963	-	-	3,842,234	3,134,370
Benefit payments, including refunds	(16,798,495)	(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	(2,843,922)	(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	188,989,785	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	\$ 186,145,863	\$ 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	\$ 9,491,940	\$ 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)	21,917,934	14,145,524	22,826,658	(7,078,254)	16,452,990	11,663,608	(2,521,195)	7,307,119
Administrative expenses	(273,296)	(244,278)	(241,814)	(251,092)	(255,718)	(259,188)	(295,700)	(307,881)
Benefit payments, including refunds	(16,798,495)	(16,867,737)	(16,681,354)	(16,346,649)	(16,227,323)	(16,056,453)	(15,912,254)	(15,879,218)
Other	35,944	14,133	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	14,374,027	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	142,332,200	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	\$ 156,706,227	\$ 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	\$ 29,439,636	\$ 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	84.18 %	75.31 %	72.12 %	64.20 %	74.13 %	63.36 %	59.35 %	65.30 %
Covered Payroll	\$ 4,433,703	\$ 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	664.00 %	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 Eight Plan Years
 Years Ended December 31**

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 4,332,212	\$ 4,691,927	\$ 4,967,302	\$ 4,815,882	\$ 7,276,212	\$ 8,417,461	\$ 7,077,600	\$ 7,157,955
Interest	29,331,642	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	12,685,478	1,639,804	990,094	2,098,602	2,223,032	1,435,610	(2,546,396)	(1,257,514)
Changes in assumptions	13,046,123	-	5,722,581	-	(61,092,666)	(27,905,225)	42,956,365	-
Benefit payments, including refunds	(35,284,396)	(33,924,776)	(33,635,851)	(32,350,541)	(31,176,529)	(31,148,538)	(30,567,324)	(29,482,283)
Other	663,981	-	-	-	-	-	-	-
Net Change in Total Pension Liability	24,775,040	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	412,379,943	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	\$ 437,154,983	\$ 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	\$ 12,149,079	\$ 11,287,917	\$ 10,963,884	\$ 10,917,187	\$ 10,477,176	\$ 10,481,016	\$ 10,604,562	\$ 10,830,419
Contributions - Member	1,925,289	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)	50,758,093	40,956,241	50,495,991	(13,770,465)	40,082,680	20,689,791	2,222,576	18,413,945
Administrative expenses	(492,212)	(472,081)	(480,236)	(514,140)	(456,239)	(426,933)	(454,638)	(397,298)
Benefit payments, including refunds	(35,284,396)	(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	29,055,853	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	314,419,838	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	\$ 343,475,691	\$ 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	\$ 93,679,292	\$ 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	78.57 %	76.25 %	71.83 %	65.91 %	75.03 %	61.37 %	58.15 %	67.73 %
Covered Payroll	\$ 31,943,494	\$ 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	293.27 %	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**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 8,851,952	\$ 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
Contributions in relation to the actuarially determined contribution	9,101,952	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
Contribution Excess (Deficiency)	\$ 250,000	\$ -	\$ -	\$ 102,708	\$ 6,637,871	\$ 3,187,157	\$ (48,960)	\$ 73,710	\$ 247,768	\$ (1,786,261)
Covered Payroll	\$ 4,433,442	\$ 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
Contributions as a Percentage of Covered Payroll	205.30 %	225.74 %	157.74 %	157.24 %	267.93 %	198.08 %	137.03 %	127.80 %	128.50 %	77.40 %

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	Level percent of payroll, closed
Remaining amortization period	Expected future working lifetime
Asset valuation method	Closed 4-year smoothed market value
Inflation	2.5 percent
Salary increase	4.0 - 7.83 percent (includes inflation)
Investment rate of return	7.20 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**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 12,413,251	\$ 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
Contributions in relation to the actuarially determined contribution	12,413,251	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
Contribution Excess (Deficiency)	\$ -	\$ -	\$ -	\$ 296,336	\$ (100,294)	\$ (59,852)	\$ 131,876	\$ 8,315	\$ 171,042	\$ (693,591)
Covered Payroll	\$ 31,943,494	\$ 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
Contributions as a Percentage of Covered Payroll	38.86 %	38.05 %	38.79 %	40.44 %	38.45 %	39.58 %	41.89 %	41.47 %	43.66 %	37.45 %

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 of percentage of payroll - Closed basis
Remaining amortization period	19 years
Asset valuation method	4-year smoothed market
Inflation	3.50 percent
Salary increase	3.50 - 6.50 percent, including inflation
Investment rate of return	7.35 percent, net of pension plan investment expenses
Mortality	Publication 2010 Safety Mortality Tables

Required Supplemental Information
Schedule of Pension Investment Returns

Last Eight Plan Years
Years Ended December 31

	2021	2020	2019	2018*	2017*	2016	2015*	2014*
Employees' Retirement System Defined Benefit Pension Plan - Annual money-weighted rate of return - Net of investment expense	15.72 %	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	16.97 %	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	\$ 116,551,913	\$ 113,210,210
Nonreciprocal interfund activity budgeted as revenue	5,454,887	5,454,887
Amounts per budget statement	<u>\$ 122,006,800</u>	<u>\$ 118,665,097</u>

During the year, the City of Warren, Michigan adopted the budget on a line-item basis for the General Fund. The Grant Fund was adopted on a fund basis. The following line items were over budget in the General Fund:

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
General Fund:				
101-1136-72100 Longevity	\$ 79,025	\$ 81,988	\$ 84,180	\$ 2,192
101-1136-80103 Cont Serv/Magist/Vist Jud	56,400	56,400	63,828	7,428
101-1136-92000 Public Utilities	105,000	105,000	105,264	264
101-1209-72100 Longevity	10,104	10,274	11,440	1,166
101-1294-71302 Education Allowance	55,000	55,000	57,567	2,567
101-1294-82602 Professional Services	217,000	267,573	514,456	246,883
101-1294-88001 Community Promotion	-	-	915	915
101-1301-70905 Overtime - Policemen	950,000	1,200,000	1,252,830	52,830
101-1301-92000 Public Utilities	200,000	200,000	216,727	16,727
101-1336-70300 Appointed Official	129,011	129,011	138,710	9,699
101-1336-70602 Clerical	189,499	189,499	195,861	6,362
101-1336-70606 Firefighter Cadets	-	-	377,008	377,008
101-1336-70902 Overtime - Clerical	2,500	2,500	9,701	7,201
101-1336-70903 Overtime - Firemen	1,200,000	1,200,000	2,636,515	1,436,515
101-1336-70906 Overtime - FF Cadets	-	-	20	20
101-1336-71303 Clean/Clothing Allowance	9,100	9,100	14,301	5,201
101-1336-71500 Social Security	213,853	213,853	246,736	32,883
101-1336-72201 Defined Contribution Exp	38,426	38,426	41,325	2,899
101-1336-72401 Uniforms	77,350	77,350	93,777	16,427
101-1336-75100 Gas and Oil	100,000	100,000	150,387	50,387
101-1336-82401 Instruction	75,000	75,000	11,541	36,541
101-1336-92000 Public Utilities	125,000	125,000	147,985	22,985
101-1401-70300 Appointed Official	56,319	56,319	57,821	1,502
101-1401-70600 Permanent Employees	72,946	72,946	77,701	4,755
101-1401-71303 Clean/Clothing Allowance	-	-	150	150
101-1401-71500 Social Security	10,086	10,086	10,496	410
101-1401-71905 H.S.A. Expense	2,637	2,637	2,848	211
101-1401-71906 Suppl Life Insurance Exp	58	58	62	4
101-1401-72201 Defined Contribution Exp	13,184	13,184	14,239	1,055
101-1401-88001 Community Promotion	8,000	8,000	9,480	1,480
101-1430-72100 Longevity	3,400	3,400	6,800	3,400
101-1430-72201 Defined Contribution Exp	18,667	18,667	18,775	108

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.

June 30, 2022

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.

For the 2021 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan was changed to 7.15 percent.

For the 2021 plan year, the discount rate for the Police and Fire System Defined Benefit Pension Plan was changed to 7.30 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.

For the 2021 plan year, the discount rate for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust was changed to 7.15 percent.

For the 2021 plan year, the discount rate for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust was changed to 7.30 percent.

Other Supplemental Information

City of Warren, Michigan

	Special Revenue Funds					
	Major Streets	Local Streets	Recreation	Sanitation	Library	Communications
Assets						
Cash and investments	\$ 16,222,308	\$ 4,907,312	\$ 3,570,957	\$ 4,810,290	\$ 4,873,615	\$ 2,292,321
Receivables:						
Property taxes receivable	-	-	31,802	91,527	37,141	-
Accrued interest receivable	3,972	1,389	-	-	-	-
Other receivables	-	-	45,919	53,953	88,834	448,257
Due from other governments	1,949,058	649,450	-	-	88,838	-
Due from component units	-	-	2,327	6,011	2,531	-
Due from other funds	24,442	546,828	164	-	70	235
Inventory	-	-	22,709	6,823	-	-
Prepaid items and other assets	500	-	-	-	11,034	-
Deposits	811,629	-	-	-	-	-
Total assets	\$ 19,011,909	\$ 6,104,979	\$ 3,673,878	\$ 4,968,604	\$ 5,102,063	\$ 2,740,813
Liabilities						
Accounts payable	\$ 885,970	\$ 210,520	\$ 509,660	\$ 277,147	\$ 176,372	\$ 51,243
Due to other governmental units	-	-	-	-	12	-
Due to other funds	382,778	367,937	-	-	-	-
Refundable deposits, bonds, etc.	228,048	16,784	40,423	-	107,016	-
Accrued liabilities and other	8,121	16,101	12,504	42,428	5,109	1,368
Unearned revenue	-	-	-	-	12,601	-
Provision for property tax refunds	-	-	2,953	8,861	3,366	-
Total liabilities	1,504,917	611,342	565,540	328,436	304,476	52,611
Deferred Inflows of Resources -						
Unavailable revenue	-	-	77,719	91,528	57,005	-
Total liabilities and deferred inflows of resources	1,504,917	611,342	643,259	419,964	361,481	52,611
Fund Balances						
Nonspendable:						
Inventory/Assets held for resale	-	-	22,709	6,823	-	-
Prepays	500	-	-	-	11,034	-
Restricted:						
Roads	17,506,492	5,493,637	-	-	-	-
Sanitation	-	-	-	4,541,817	-	-
Recreation	-	-	3,007,910	-	-	-
Library	-	-	-	-	4,729,548	-
Cable franchise fees	-	-	-	-	-	2,688,202
Police enforcement	-	-	-	-	-	-
Vice crime	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	17,506,992	5,493,637	3,030,619	4,548,640	4,740,582	2,688,202
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,011,909	\$ 6,104,979	\$ 3,673,878	\$ 4,968,604	\$ 5,102,063	\$ 2,740,813

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2022

Special Revenue Funds								
Rental Ordinance	Vice Crime Confiscations	Drug Forfeiture	Police Training	Local Road Millage	Indigent Defense	Debt Service Funds	Total	
\$ 2,144,170	\$ 495,892	\$ 2,135,857	\$ 19,181	\$ 11,202,648	\$ 660,654	\$ 82,174	\$ 53,417,379	
-	-	-	-	87,326	-	-	247,796	
-	-	-	-	-	-	-	5,361	
-	-	-	-	-	-	-	636,963	
-	-	-	-	-	-	-	2,687,346	
-	-	-	-	4,835	-	-	15,704	
7,035	-	-	-	5	-	-	578,779	
-	-	-	-	-	-	-	29,532	
-	-	-	-	-	-	-	11,534	
-	-	-	-	-	-	-	811,629	
\$ 2,151,205	\$ 495,892	\$ 2,135,857	\$ 19,181	\$ 11,294,814	\$ 660,654	\$ 82,174	\$ 58,442,023	
\$ 1,601	\$ 100,648	\$ 1,378	\$ -	\$ 1,378,827	\$ 55,276	\$ -	\$ 3,648,642	
-	-	-	-	-	-	-	12	
-	-	-	-	188	-	-	750,903	
-	-	-	-	170,252	-	-	562,523	
2,748	-	-	-	-	-	-	88,379	
-	-	-	-	-	605,378	-	617,979	
-	-	-	-	6,393	-	-	21,573	
4,349	100,648	1,378	-	1,555,660	660,654	-	5,690,011	
-	-	-	-	87,327	-	-	313,579	
4,349	100,648	1,378	-	1,642,987	660,654	-	6,003,590	
-	-	-	-	-	-	-	29,532	
-	-	-	-	-	-	-	11,534	
-	-	-	-	9,651,827	-	-	32,651,956	
-	-	-	-	-	-	-	4,541,817	
-	-	-	-	-	-	-	3,007,910	
-	-	-	-	-	-	-	4,729,548	
-	-	-	-	-	-	-	2,688,202	
-	-	2,134,479	19,181	-	-	-	2,153,660	
-	395,244	-	-	-	-	-	395,244	
2,146,856	-	-	-	-	-	-	2,146,856	
-	-	-	-	-	-	82,174	82,174	
2,146,856	395,244	2,134,479	19,181	9,651,827	-	82,174	52,438,433	
\$ 2,151,205	\$ 495,892	\$ 2,135,857	\$ 19,181	\$ 11,294,814	\$ 660,654	\$ 82,174	\$ 58,442,023	

City of Warren, Michigan

	Special Revenue Funds					
	Major Streets	Local Streets	Recreation	Sanitation	Library	Communications
Revenue						
Property taxes	\$ -	\$ -	\$ 3,415,696	\$ 10,236,052	\$ 3,891,691	\$ -
Intergovernmental:						
Federal grants	-	-	-	-	17,991	-
State sources:						
Local Community Stabilization Authority	-	-	472,969	1,273,647	536,228	-
Act 51 gas and weight tax	12,540,861	4,179,983	-	-	-	-
Other	-	546,778	224,545	-	227,125	-
Charges for services	-	-	645,195	-	-	-
Fines and forfeitures	-	-	-	-	48,049	-
Licenses and permits	-	-	-	-	-	1,896,974
Interest and rentals	21,826	7,741	84,351	8,215	9,348	4,597
Other revenue	24,385	-	6,300	412,014	7,391	10,961
Total revenue	12,587,072	4,734,502	4,849,056	11,929,928	4,737,823	1,912,532
Expenditures						
Current services:						
District court	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	10,074,699	5,032,874	-	9,048,703	-	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	4,891,174	-	4,427,627	1,723,501
Debt service:						
Principal	-	-	-	1,026,731	-	-
Interest and fiscal charges	-	-	-	181,717	-	-
Total expenditures	10,074,699	5,032,874	4,891,174	10,257,151	4,427,627	1,723,501
Excess of Revenue Over (Under) Expenditures	2,512,373	(298,372)	(42,118)	1,672,777	310,196	189,031
Other Financing Sources (Uses)						
Transfers in	17,039	1,017,039	-	-	-	-
Transfers out	(4,107,439)	-	(301,282)	-	(129,121)	(430,403)
Face value of debt issued	-	-	-	-	-	-
Debt premium or discount	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-	-
Total other financing (uses) sources	(4,090,400)	1,017,039	(301,282)	-	(129,121)	(430,403)
Net Change in Fund Balances	(1,578,027)	718,667	(343,400)	1,672,777	181,075	(241,372)
Fund Balances - Beginning of year	19,085,019	4,774,970	3,374,019	2,875,863	4,559,507	2,929,574
Fund Balances - End of year	\$ 17,506,992	\$ 5,493,637	\$ 3,030,619	\$ 4,548,640	\$ 4,740,582	\$ 2,688,202

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

Year Ended June 30, 2022

Rental Ordinance	Vice Crime Confiscations	Special Revenue Funds			Local Road Millage	Indigent Defense	Debt Service Funds	Total
		Drug Forfeiture	Police Training					
\$ -	\$ -	\$ -	\$ -	\$ 7,362,735	\$ -	\$ -	\$ 24,906,174	
-	-	452,046	-	-	-	-	470,037	
-	-	-	-	1,024,352	-	-	3,307,196	
-	-	-	-	-	-	-	16,720,844	
-	-	250,923	24,938	-	666,654	-	1,940,963	
-	-	-	-	-	-	-	645,195	
1,235,465	86,548	-	-	-	-	-	1,370,062	
-	-	-	-	-	-	-	1,896,974	
4,182	808	4,262	36	20,567	1,349	159	167,441	
-	-	-	-	-	-	31,882	492,933	
<u>1,239,647</u>	<u>87,356</u>	<u>707,231</u>	<u>24,974</u>	<u>8,407,654</u>	<u>668,003</u>	<u>32,041</u>	<u>51,917,819</u>	
-	-	-	-	-	789,609	-	789,609	
-	48,097	1,198,472	20,645	-	-	-	1,267,214	
-	-	-	-	6,874,375	-	-	31,030,651	
868,085	-	-	-	-	-	-	868,085	
-	-	-	-	-	-	-	11,042,302	
-	-	-	-	-	-	2,807,667	3,834,398	
-	-	-	-	-	-	1,217,549	1,399,266	
<u>868,085</u>	<u>48,097</u>	<u>1,198,472</u>	<u>20,645</u>	<u>6,874,375</u>	<u>789,609</u>	<u>4,025,216</u>	<u>50,231,525</u>	
371,562	39,259	(491,241)	4,329	1,533,279	(121,606)	(3,993,175)	1,686,294	
-	-	-	-	-	121,606	3,968,245	5,123,929	
-	-	-	-	-	-	-	(4,968,245)	
-	-	-	-	-	-	4,569,538	4,569,538	
-	-	-	-	-	-	463,249	463,249	
-	-	-	-	-	-	(4,975,816)	(4,975,816)	
-	-	-	-	-	121,606	4,025,216	212,655	
371,562	39,259	(491,241)	4,329	1,533,279	-	32,041	1,898,949	
<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>	
\$ 2,146,856	\$ 395,244	\$ 2,134,479	\$ 19,181	\$ 9,651,827	\$ -	\$ 82,174	\$ 52,438,433	

Other Supplemental Information
Combining Statement of Net Position
Nonmajor Enterprise Funds

June 30, 2022

	Senior Citizen Housing Funds - Stilwell Manor	Senior Citizen Housing Funds - Jos. Coach Manor	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and investments	\$ 463,443	\$ 2,553,335	\$ 3,016,778
Receivables	446	1,755	2,201
Due from other funds	330	750	1,080
Prepaid items and other assets	-	21	21
Total current assets	464,219	2,555,861	3,020,080
Noncurrent assets - Capital assets:			
Assets not subject to depreciation	221,644	-	221,644
Assets subject to depreciation - Net	1,516,506	5,490,942	7,007,448
Total assets	2,202,369	8,046,803	10,249,172
Deferred Outflows of Resources - Deferred outflows related to OPEB	18,125	-	18,125
Liabilities			
Current liabilities:			
Accounts payable	68,711	33,763	102,474
Due to other funds	151,701	94,275	245,976
Refundable deposits, bonds, etc.	79,554	184,020	263,574
Accrued liabilities and other	-	563	563
Unearned revenue	424	1,114	1,538
Compensated absences	788	-	788
Current portion of long-term debt	-	150,000	150,000
Total current liabilities	301,178	463,735	764,913
Noncurrent liabilities:			
Compensated absences	38,846	2,747	41,593
Net OPEB liability	205,219	-	205,219
Total noncurrent liabilities	244,065	2,747	246,812
Total liabilities	545,243	466,482	1,011,725
Deferred Inflows of Resources - Deferred inflows related to OPEB	41,930	-	41,930
Net Position			
Net investment in capital assets	1,738,150	5,340,942	7,079,092
Unrestricted	(104,829)	2,239,379	2,134,550
Total net position	\$ 1,633,321	\$ 7,580,321	\$ 9,213,642

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

Year Ended June 30, 2022

	Senior Citizen Housing Funds - Stilwell Manor	Senior Citizen Housing Funds - Jos. Coach Manor	Total Nonmajor Enterprise Funds
Operating Revenue			
Rental revenue	\$ 557,449	\$ 1,194,937	\$ 1,752,386
Other operating revenue	427,805	418,580	846,385
Total operating revenue	985,254	1,613,517	2,598,771
Operating Expenses			
Billing and administrative costs	81,600	502,114	583,714
Wages and fringes	530,870	134,128	664,998
Materials and supplies	11,406	60,180	71,586
Other operating expenses	226,230	296,088	522,318
Depreciation	119,123	220,515	339,638
Total operating expenses	969,229	1,213,025	2,182,254
Operating Income	16,025	400,492	416,517
Nonoperating Revenue (Expense)			
Investment income	281	640	921
Interest expense	-	(4,154)	(4,154)
Total nonoperating revenue (expense)	281	(3,514)	(3,233)
Change in Net Position	16,306	396,978	413,284
Net Position - Beginning of year	1,617,015	7,183,343	8,800,358
Net Position - End of year	\$ 1,633,321	\$ 7,580,321	\$ 9,213,642

Other Supplemental Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds

Year Ended June 30, 2022

	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	\$ 985,254	\$ 1,613,517	\$ 2,598,771
Receipts from interfund services and reimbursements	12,481	30,381	42,862
Payments to suppliers	(317,413)	(1,006,508)	(1,323,921)
Payments to employees and fringes	(610,290)	(135,499)	(745,789)
Net cash and cash equivalents provided by operating activities	70,032	501,891	571,923
Cash Flows from Capital and Related Financing Activities			
Purchase of capital assets	(281,539)	(60,571)	(342,110)
Principal and interest paid on capital debt	-	(401,173)	(401,173)
Net cash and cash equivalents used in capital and related financing activities	(281,539)	(461,744)	(743,283)
Cash Flows Provided by Investing Activities - Interest income	281	640	921
Net (Decrease) Increase in Cash and Cash Equivalents	(211,226)	40,787	(170,439)
Cash and Cash Equivalents - Beginning of year	674,669	2,512,548	3,187,217
Cash and Cash Equivalents - End of year	<u>\$ 463,443</u>	<u>\$ 2,553,335</u>	<u>\$ 3,016,778</u>
Classification of Cash and Cash Equivalents - Cash and investments	<u>\$ 463,443</u>	<u>\$ 2,553,335</u>	<u>\$ 3,016,778</u>
Reconciliation of Operating Income to Net Cash from Operating Activities			
Operating income	\$ 16,025	\$ 400,492	\$ 416,517
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	119,123	220,515	339,638
Changes in assets and liabilities:			
Receivables	196	3,419	3,615
Due to and from other funds	12,481	30,381	42,862
Net pension or OPEB liability	(76,343)	523	(75,820)
Accounts payable	(1,450)	(153,439)	(154,889)
Total adjustments	54,007	101,399	155,406
Net cash and cash equivalents provided by operating activities	<u>\$ 70,032</u>	<u>\$ 501,891</u>	<u>\$ 571,923</u>

Other Supplemental Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2022

Pension and Other Employee Benefits Trust Funds - December 31, 2021						
	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	\$ 1,732,163	\$ 21,207	\$ 138,056	\$ -	\$ -	\$ 1,891,426
Investments:						
U.S. government securities	24,656,458	13,793,131	-	9,390,839	-	47,840,428
Mortgage-backed securities	-	1,540,846	-	1,591,462	-	3,132,308
Asset-backed securities	-	303,260	-	6,114	-	309,374
Mutual funds	14,227,984	55,220,106	42,686,267	49,339,647	-	161,474,004
Short-term cash management funds	11,035,047	5,022,074	3,582,381	5,134,218	-	24,773,720
Stocks	83,941,017	58,377,137	16,318,666	21,063,138	-	179,699,958
Bonds	28,135,376	9,661,596	12,342,256	6,249,234	-	56,388,462
Real estate	48,230,954	1,879,485	8,567,680	-	-	58,678,119
Other	127,919,395	11,027,762	866,977	5,137,090	-	144,951,224
Securities lending	4,818,535	1,747,612	-	-	-	6,566,147
Hedge funds	4,446,105	-	-	-	-	4,446,105
Receivables:						
Accrued interest receivable	315,951	180,894	273,150	1,439,722	-	2,209,717
Other receivables	-	6,996	-	-	-	6,996
Prepaid items and other assets	-	2,446	-	3,371	-	5,817
Total assets	349,458,985	158,784,552	84,775,433	99,354,835	-	692,373,805
Liabilities						
Accounts payable	848,888	227,145	243,660	61,423	-	1,381,116
Due to primary government	209,993	103,568	4,764,570	4,095,396	-	9,173,527
Accrued liabilities and other obligations under securities lending agreements	4,924,413	1,747,612	-	-	-	6,672,025
Total liabilities	5,983,294	2,078,325	5,347,080	4,402,757	-	17,811,456
Net Position						
Restricted for pension	343,475,691	156,706,227	-	-	-	500,181,918
Restricted for postemployment benefits other than pension	-	-	79,428,353	94,952,078	-	174,380,431
Total net position	\$ 343,475,691	\$ 156,706,227	\$ 79,428,353	\$ 94,952,078	\$ -	\$ 674,562,349

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

Year Ended June 30, 2022

	Pension and Other Employee Benefits Trust Funds - Year Ended December 31, 2021					
	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	\$ 5,756,506	\$ 2,648,293	\$ 3,934,206	\$ 6,279,164	\$ -	\$ 18,618,169
Net increase in fair value of investments	46,169,802	19,887,543	7,800,710	7,277,556	-	81,135,611
Investment-related expenses	(1,207,695)	(617,902)	(196,608)	(208,458)	(457)	(2,231,120)
Net investment income (loss)	50,718,613	21,917,934	11,538,308	13,348,262	(457)	97,522,660
Securities lending income (loss):						
Interest and dividends	53,956	3,787	-	-	-	57,743
Securities lending - Investment (expense) income	(14,476)	32,157	-	-	-	17,681
Total securities lending income	39,480	35,944	-	-	-	75,424
Contributions:						
Employer contributions	12,149,079	9,491,940	10,390,011	9,059,108	-	41,090,138
Employee contributions	1,925,289	-	-	-	-	1,925,289
Total contributions	14,074,368	9,491,940	10,390,011	9,059,108	-	43,015,427
Total additions - Net	64,832,461	31,445,818	21,928,319	22,407,370	(457)	140,613,511
Deductions						
Benefit payments	32,797,541	16,798,495	9,848,098	7,871,388	-	67,315,522
Refunds of contributions	2,486,855	-	-	-	-	2,486,855
Administrative expenses	492,212	273,296	39,530	155,561	-	960,599
Total deductions	35,776,608	17,071,791	9,887,628	8,026,949	-	70,762,976
Net Increase (Decrease) in Fiduciary Net Position	29,055,853	14,374,027	12,040,691	14,380,421	(457)	69,850,535
Net Position - Beginning of year	314,419,838	142,332,200	67,387,662	80,571,657	457	604,711,814
Net Position - End of year	\$ 343,475,691	\$ 156,706,227	\$ 79,428,353	\$ 94,952,078	\$ -	\$ 674,562,349

Other Supplemental Information
Budgetary Comparison Schedules
Major Streets

Year Ended June 30, 2022

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental - State sources	\$ 12,091,915	\$ 12,091,915	\$ 12,540,861	\$ 448,946
Interest and rentals	25,000	25,000	21,826	(3,174)
Other revenue	23,801	23,801	24,385	584
Total revenue	12,140,716	12,140,716	12,587,072	446,356
Expenditures - Current services - Public works				
Streets	10,111,197	13,151,163	10,042,257	3,108,906
Stormwater drainage	32,442	32,442	32,442	-
Total expenditures	10,143,639	13,183,605	10,074,699	3,108,906
Excess of Revenue Over (Under) Expenditures	1,997,077	(1,042,889)	2,512,373	3,555,262
Other Financing Sources (Uses)				
Transfers in	68,154	68,154	17,039	(51,115)
Transfers out	(2,861,380)	(4,117,581)	(4,107,439)	10,142
Total other financing uses	(2,793,226)	(4,049,427)	(4,090,400)	(40,973)
Net Change in Fund Balance	(796,149)	(5,092,316)	(1,578,027)	3,514,289
Fund Balance - Beginning of year	19,085,019	19,085,019	19,085,019	-
Fund Balance - End of year	<u>\$ 18,288,870</u>	<u>\$ 13,992,703</u>	<u>\$ 17,506,992</u>	<u>\$ 3,514,289</u>

Other Supplemental Information
Budgetary Comparison Schedules (Continued)
Local Streets

Year Ended June 30, 2022

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental - State sources	\$ 4,507,766	\$ 4,507,766	\$ 4,726,761	\$ 218,995
Interest and rentals	15,000	15,000	7,741	(7,259)
Total revenue	4,522,766	4,522,766	4,734,502	211,736
Expenditures - Current services - Public works				
Streets	6,268,488	6,437,713	5,000,432	1,437,281
Stormwater drainage	32,442	32,442	32,442	-
Total expenditures	6,300,930	6,470,155	5,032,874	1,437,281
Excess of Expenditures Over Revenue	(1,778,164)	(1,947,389)	(298,372)	1,649,017
Other Financing Sources - Transfers in	1,088,154	1,088,154	1,017,039	(71,115)
Net Change in Fund Balance	(690,010)	(859,235)	718,667	1,577,902
Fund Balance - Beginning of year	4,774,970	4,774,970	4,774,970	-
Fund Balance - End of year	\$ 4,084,960	\$ 3,915,735	\$ 5,493,637	\$ 1,577,902

**Other Supplemental Information
Budgetary Comparison Schedules (Continued)
Recreation**

Year Ended June 30, 2022

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Property taxes	\$ 3,433,343	\$ 3,433,343	\$ 3,415,696	\$ (17,647)
Intergovernmental	422,285	422,285	697,514	275,229
Charges for services	1,607,350	1,607,350	645,195	(962,155)
Interest and rentals	56,250	56,250	84,351	28,101
Other revenue	-	-	6,300	6,300
Total revenue	5,519,228	5,519,228	4,849,056	(670,172)
Expenditures - Current - Recreation and culture				
- Parks and recreation	6,250,649	7,550,479	4,891,174	2,659,305
Excess of Expenditures Over Revenue				
	(731,421)	(2,031,251)	(42,118)	1,989,133
Other Financing Uses - Transfers out				
	(282,683)	(301,371)	(301,282)	89
Net Change in Fund Balance				
	(1,014,104)	(2,332,622)	(343,400)	1,989,222
Fund Balance - Beginning of year				
	3,374,019	3,374,019	3,374,019	-
Fund Balance - End of year				
	<u>\$ 2,359,915</u>	<u>\$ 1,041,397</u>	<u>\$ 3,030,619</u>	<u>\$ 1,989,222</u>

Other Supplemental Information
 Budgetary Comparison Schedules (Continued)
 Sanitation

Year Ended June 30, 2022

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Property taxes	\$ 10,302,953	\$ 10,302,953	\$ 10,236,052	\$ (66,901)
Intergovernmental - State sources	450,000	450,000	1,273,647	823,647
Investment income	20,000	20,000	8,215	(11,785)
Other revenue	314,306	314,306	412,014	97,708
Total revenue	11,087,259	11,087,259	11,929,928	842,669
Expenditures - Public works	11,365,651	11,692,450	10,257,151	1,435,299
Net Change in Fund Balance	(278,392)	(605,191)	1,672,777	2,277,968
Fund Balance - Beginning of year	2,875,863	2,875,863	2,875,863	-
Fund Balance - End of year	<u>\$ 2,597,471</u>	<u>\$ 2,270,672</u>	<u>\$ 4,548,640</u>	<u>\$ 2,277,968</u>

Other Supplemental Information
Budgetary Comparison Schedules (Continued)
Library

Year Ended June 30, 2022

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Property taxes	\$ 3,913,849	\$ 3,913,849	\$ 3,891,691	\$ (22,158)
Intergovernmental	474,000	533,682	781,344	247,662
Fines and forfeitures	76,000	76,000	48,049	(27,951)
Interest and rentals	40,000	40,000	9,348	(30,652)
Other revenue	10,500	10,500	7,391	(3,109)
Total revenue	4,514,349	4,574,031	4,737,823	163,792
Expenditures - Current - Recreation and culture - Library	5,301,939	5,433,800	4,427,627	1,006,173
Excess of Revenue (Under) Over Expenditures	(787,590)	(859,769)	310,196	1,169,965
Other Financing Uses - Transfers out	(121,151)	(129,160)	(129,121)	39
Net Change in Fund Balance	(908,741)	(988,929)	181,075	1,170,004
Fund Balance - Beginning of year	4,559,507	4,559,507	4,559,507	-
Fund Balance - End of year	<u>\$ 3,650,766</u>	<u>\$ 3,570,578</u>	<u>\$ 4,740,582</u>	<u>\$ 1,170,004</u>

Other Supplemental Information
Budgetary Comparison Schedules (Continued)
Communications

Year Ended June 30, 2022

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Licenses and permits	\$ 2,100,000	\$ 2,100,000	\$ 1,896,974	\$ (203,026)
Interest and rentals	30,000	30,000	4,597	(25,403)
Other revenue	200	200	10,961	10,761
Total revenue	2,130,200	2,130,200	1,912,532	(217,668)
Expenditures - Current - Recreation and culture	2,075,182	2,100,566	1,723,501	377,065
Excess of Revenue Over Expenditures	55,018	29,634	189,031	159,397
Other Financing Uses - Transfers out	(403,832)	(430,528)	(430,403)	125
Net Change in Fund Balance	(348,814)	(400,894)	(241,372)	159,522
Fund Balance - Beginning of year	2,929,574	2,929,574	2,929,574	-
Fund Balance - End of year	<u>\$ 2,580,760</u>	<u>\$ 2,528,680</u>	<u>\$ 2,688,202</u>	<u>\$ 159,522</u>

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

Year Ended June 30, 2022

	<u>Original Budget</u> (Unaudited)	<u>Amended Budget</u> (Unaudited)	<u>Actual</u>	<u>Variance with Amended Budget</u> (Unaudited)
Revenue				
Fines and forfeitures	\$ 990,000	\$ 990,000	\$ 1,235,465	\$ 245,465
Interest and rentals	10,000	10,000	4,182	(5,818)
Total revenue	1,000,000	1,000,000	1,239,647	239,647
Expenditures - Current - Community and economic development	1,001,282	1,005,782	868,085	137,697
Net Change in Fund Balance	(1,282)	(5,782)	371,562	377,344
Fund Balance - Beginning of year	1,775,294	1,775,294	1,775,294	-
Fund Balance - End of year	<u><u>\$ 1,774,012</u></u>	<u><u>\$ 1,769,512</u></u>	<u><u>\$ 2,146,856</u></u>	<u><u>\$ 377,344</u></u>

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

Year Ended June 30, 2022

	<u>Original Budget</u> (Unaudited)	<u>Amended Budget</u> (Unaudited)	<u>Actual</u>	<u>Variance with Amended Budget</u> (Unaudited)
Revenue				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 86,548	\$ 66,548
Interest and rentals	1,500	1,500	808	(692)
Total revenue	21,500	21,500	87,356	65,856
Expenditures - Current - Public safety - Crime Commission	60,000	60,000	48,097	11,903
Net Change in Fund Balance	(38,500)	(38,500)	39,259	77,759
Fund Balance - Beginning of year	355,985	355,985	355,985	-
Fund Balance - End of year	<u>\$ 317,485</u>	<u>\$ 317,485</u>	<u>\$ 395,244</u>	<u>\$ 77,759</u>

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

Year Ended June 30, 2022

	<u>Original Budget</u> (Unaudited)	<u>Amended Budget</u> (Unaudited)	<u>Actual</u>	<u>Variance with Amended Budget</u> (Unaudited)
Revenue				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 702,969	\$ 202,969
Interest and rentals	15,000	15,000	4,262	(10,738)
Total revenue	515,000	515,000	707,231	192,231
Expenditures - Current - Public safety - Crime commission	1,088,266	1,274,339	1,198,472	75,867
Net Change in Fund Balance	(573,266)	(759,339)	(491,241)	268,098
Fund Balance - Beginning of year	2,625,720	2,625,720	2,625,720	-
Fund Balance - End of year	<u><u>\$ 2,052,454</u></u>	<u><u>\$ 1,866,381</u></u>	<u><u>\$ 2,134,479</u></u>	<u><u>\$ 268,098</u></u>

Other Supplemental Information
 Budgetary Comparison Schedules (Continued)
 Police Training

Year Ended June 30, 2022

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental	\$ 24,000	\$ 24,000	\$ 24,938	\$ 938
Interest and rentals	100	100	36	(64)
Total revenue	24,100	24,100	24,974	874
Expenditures - Current - Public safety - Crime commission	24,100	24,100	20,645	3,455
Net Change in Fund Balance	-	-	4,329	4,329
Fund Balance - Beginning of year	14,852	14,852	14,852	-
Fund Balance - End of year	<u>\$ 14,852</u>	<u>\$ 14,852</u>	<u>\$ 19,181</u>	<u>\$ 4,329</u>

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

Year Ended June 30, 2022

	<u>Original Budget</u> (Unaudited)	<u>Amended Budget</u> (Unaudited)	<u>Actual</u>	<u>Variance with Amended Budget</u> (Unaudited)
Revenue				
Property taxes	\$ 7,436,350	\$ 7,436,350	\$ 7,362,735	\$ (73,615)
Intergovernmental	200,000	200,000	1,024,352	824,352
Interest and rentals	25,000	25,000	20,567	(4,433)
Total revenue	7,661,350	7,661,350	8,407,654	746,304
Expenditures - Current - Public works - Streets	8,915,312	14,206,052	6,874,375	7,331,677
Net Change in Fund Balance	(1,253,962)	(6,544,702)	1,533,279	8,077,981
Fund Balance - Beginning of year	8,118,548	8,118,548	8,118,548	-
Fund Balance - End of year	<u><u>\$ 6,864,586</u></u>	<u><u>\$ 1,573,846</u></u>	<u><u>\$ 9,651,827</u></u>	<u><u>\$ 8,077,981</u></u>

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

Year Ended June 30, 2022

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental	\$ -	\$ -	\$ 666,654	\$ 666,654
Interest and rentals	25	25	1,349	1,324
Total revenue	25	25	668,003	667,978
Expenditures - Current services - District court	1,155,895	1,155,895	789,609	366,286
Excess of Expenditures Over Revenue	(1,155,870)	(1,155,870)	(121,606)	1,034,264
Other Financing Sources - Transfers in	121,606	121,606	121,606	-
Net Change in Fund Balance	(1,034,264)	(1,034,264)	-	1,034,264
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u>\$ (1,034,264)</u>	<u>\$ (1,034,264)</u>	<u>\$ -</u>	<u>\$ 1,034,264</u>

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

Year Ended June 30, 2022

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - Investment income	\$ 50	\$ 50	\$ 32,041	\$ 31,991
Expenditures - Debt service				
Principal	1,447,668	2,092,668	2,807,667	(714,999)
Interest and fiscal charges	413,712	1,024,913	1,217,549	(192,636)
Total expenditures	<u>1,861,380</u>	<u>3,117,581</u>	<u>4,025,216</u>	<u>(907,635)</u>
Excess of Expenditures Over Revenue	(1,861,330)	(3,117,531)	(3,993,175)	(875,644)
Other Financing Sources (Uses)				
Transfers in	1,861,380	3,117,581	3,968,245	850,664
Face value of debt issued	-	-	4,569,538	4,569,538
Debt premium or discount	-	-	463,249	463,249
Payment to bond refunding escrow agent	-	-	(4,975,816)	(4,975,816)
Total other financing sources	<u>1,861,380</u>	<u>3,117,581</u>	<u>4,025,216</u>	<u>907,635</u>
Net Change in Fund Balance	50	50	32,041	31,991
Fund Balance - Beginning of year	50,133	50,133	50,133	-
Fund Balance - End of year	<u>\$ 50,183</u>	<u>\$ 50,183</u>	<u>\$ 82,174</u>	<u>\$ 31,991</u>

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

Year Ended June 30, 2022

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Special assessments	\$ -	\$ -	\$ 324,001	\$ 324,001
Fines and forfeitures	500,000	500,000	612,381	112,381
Interest and rentals	15,000	15,000	29,781	14,781
Total revenue	515,000	515,000	966,163	451,163
Expenditures				
Current services:				
General government	500,000	900,000	184,887	715,113
Public works	-	-	6,671,647	(6,671,647)
Debt service	-	-	37,315	(37,315)
Total expenditures	500,000	900,000	6,893,849	(5,993,849)
Excess of Revenue Over (Under) Expenditures	15,000	(385,000)	(5,927,686)	(5,542,686)
Net Change in Fund Balance	15,000	(385,000)	(5,927,686)	(5,542,686)
Fund Balance - Beginning of year	34,058,274	34,058,274	34,058,274	-
Fund Balance - End of year	\$ 34,073,274	\$ 33,673,274	\$ 28,130,588	\$ (5,542,686)

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			
	2013 (1)	2014	2015 (2)	2016
Governmental activities:				
Net investment in capital assets	\$ 110,679,720	\$ 109,841,350	\$ 115,090,168	\$ 117,332,131
Restricted	41,217,523	44,730,230	41,673,841	44,077,625
Unrestricted	31,944,097	42,214,308	(132,087,443)	(148,581,462)
Total net position	\$ 183,841,340	\$ 196,785,888	\$ 24,676,566	\$ 12,828,294
Business-type activities:				
Net investment in capital assets	\$ 60,666,179	\$ 61,917,558	\$ 66,690,180	\$ 73,329,416
Restricted	10,511,646	11,418,448	11,195,095	12,215,367
Unrestricted	25,185,018	26,783,108	1,609,583	(5,756,509)
Total net position	\$ 96,362,843	\$ 100,119,114	\$ 79,494,858	\$ 79,788,274
Primary government in total:				
Net investment in capital assets	\$ 171,345,899	\$ 171,758,908	\$ 181,780,348	\$ 190,661,547
Restricted	51,729,169	56,148,678	52,868,936	56,292,992
Unrestricted	57,129,115	68,997,416	(130,477,860)	(154,337,971)
Total net position	\$ 280,204,183	\$ 296,905,002	\$ 104,171,424	\$ 92,616,568

(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, 2022

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 123,302,796	\$ 113,821,101	\$ 137,591,150	\$ 148,821,662	\$ 147,713,494	\$ 147,004,950
45,423,260	62,562,871	51,381,660	56,657,895	60,813,301	62,672,438
<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>(194,946,743)</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>	<u>\$ 14,730,645</u>
\$ 74,111,047	\$ 78,416,923	\$ 88,586,233	\$ 97,426,077	\$ 107,137,005	\$ 119,294,810
9,907,889	10,604,481	11,758,477	12,864,828	11,701,581	9,814,138
<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>(6,918,829)</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>	<u>\$ 122,190,119</u>
\$ 197,413,843	\$ 192,238,024	\$ 226,177,383	\$ 246,247,739	\$ 254,850,499	\$ 266,299,760
55,331,149	73,167,352	63,140,137	69,522,723	72,514,882	72,486,576
<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>(201,865,572)</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>	<u>\$ 136,920,764</u>

City of Warren, Michigan

	Fiscal Year		
	2013	2014	2015 (1)
Expenses:			
Governmental activities:			
General government	\$ 11,005,229	\$ 12,963,834	\$ 25,310,012
District Court	5,939,804	6,501,550	7,138,274
Public safety	59,683,364	63,792,208	66,512,308
Public works	24,338,956	27,934,896	31,261,848
Recreation and culture	12,111,420	11,815,426	11,749,078
Community and economic development	4,254,706	4,331,962	3,750,923
Interest on long-term debt	1,085,956	937,659	645,177
Total governmental activities expenses	<u>118,419,435</u>	<u>128,277,535</u>	<u>146,367,620</u>
Business-type activities:			
Water and Sewer System	34,191,241	34,986,469	58,331,386
Senior citizen housing	2,025,103	2,121,185	2,083,881
Total business-type activities expenses	<u>36,216,344</u>	<u>37,107,654</u>	<u>60,415,267</u>
Total primary government expenses	<u>\$ 154,635,779</u>	<u>\$ 165,385,189</u>	<u>\$ 206,782,887</u>
Program revenues:			
Governmental activities:			
Charges for services	\$ 14,573,858	\$ 16,511,721	\$ 16,317,219
Operating grants and contributions	15,882,698	16,769,695	17,431,409
Capital grants and contributions	700,760	821,463	504,251
Total governmental activities program revenue	<u>31,157,316</u>	<u>34,102,879</u>	<u>34,252,879</u>
Business-type activities:			
Water and Sewer System	40,839,611	38,541,038	55,669,322
Senior citizen housing	2,157,649	2,219,578	2,359,466
Total business-type activities program revenue	<u>42,997,260</u>	<u>40,760,616</u>	<u>58,028,788</u>
Total primary government program revenue	<u>\$ 74,154,576</u>	<u>\$ 74,863,495</u>	<u>\$ 92,281,667</u>
Net (expense) revenue:			
Governmental activities	\$ (87,262,119)	\$ (94,174,656)	\$ (112,114,741)
Business-type activities	6,780,916	3,652,962	(2,386,479)
Total primary government net expense	<u>\$ (80,481,203)</u>	<u>\$ (90,521,694)</u>	<u>\$ (114,501,220)</u>
General Revenue and Other Changes in Net Position			
Governmental activities:			
Property taxes	\$ 90,992,186	\$ 89,157,917	\$ 89,085,885
State-shared revenue	12,256,586	12,604,122	15,470,027
Franchise fees	1,935,470	2,009,117	2,209,191
Investment earnings	169,068	151,370	214,871
Gain (loss) on sale of capital assets	26,204	19,489	-
Other revenue	2,656,638	3,177,189	8,240,399
Reduction in long-term debt obligation	-	-	-
Settlement agreements	-	-	-
Transfers	(90,000)	-	-
Total governmental activities	<u>107,946,152</u>	<u>107,119,204</u>	<u>115,220,373</u>
Business-type activities:			
Investment earnings	48,181	65,970	187,828
Gain (loss) on sale of capital assets	140,108	37,339	14,466
Other general revenue	289,164	-	-
Total business-type activities	<u>477,453</u>	<u>103,309</u>	<u>202,294</u>
Total primary government	<u>\$ 108,423,605</u>	<u>\$ 107,222,513</u>	<u>\$ 115,422,667</u>
Changes in Net Position			
Governmental activities	\$ 20,684,033	\$ 12,944,548	\$ 3,105,632
Business-type activities	<u>7,258,369</u>	<u>3,756,271</u>	<u>(2,184,185)</u>
Total primary government	<u>\$ 27,942,402</u>	<u>\$ 16,700,819</u>	<u>\$ 921,447</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, 2022

		Fiscal Year											
		2016	2017	2018	2019	2020	2021	2022					
\$	24,104,939	\$	11,213,283	\$	16,097,711	\$	13,009,185	\$	8,555,463	\$	14,130,689	\$	8,021,513
	7,289,471		7,044,306		6,464,165		7,840,727		5,663,508		6,645,015		5,330,732
	82,746,267		82,752,844		62,391,916		60,857,353		55,271,480		46,455,172		56,272,504
	29,080,210		36,116,970		26,695,024		34,995,669		35,020,927		35,368,130		42,145,948
	11,812,918		13,945,510		11,398,091		9,492,031		5,211,844		10,100,720		9,509,946
	4,292,710		3,588,945		3,966,082		7,438,567		6,513,838		4,001,355		4,769,563
	472,567		386,248		359,449		541,808		675,970		800,814		1,383,726
	<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>		<u>127,433,932</u>
	40,773,173		39,590,168		31,872,979		52,185,596		41,501,782		44,287,599		43,238,821
	2,094,997		2,069,939		1,797,443		2,126,731		1,944,925		2,291,810		2,186,408
	<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>45,425,229</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>	\$	<u>172,859,161</u>
\$	23,645,696	\$	22,409,974	\$	21,808,137	\$	23,004,408	\$	20,085,980	\$	19,061,826	\$	20,532,170
	17,390,917		15,536,736		19,154,256		20,534,246		20,086,577		29,283,510		23,328,385
	844,295		2,190,092		326,759		193,543		9,286,649		1,345,524		2,351,816
	<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>		<u>46,212,371</u>
	40,682,519		44,240,520		47,890,812		52,340,914		50,383,639		54,868,133		57,124,402
	2,371,020		2,380,731		2,379,554		2,482,676		2,455,909		2,484,655		2,598,771
	<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>59,723,173</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>	\$	<u>105,935,544</u>
\$	(117,918,174)	\$	(114,911,304)	\$	(86,083,286)	\$	(90,443,143)	\$	(67,453,824)	\$	(67,811,035)	\$	(81,221,561)
	185,369		4,961,144		16,599,944		511,263		9,392,841		10,773,379		14,297,944
\$	<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>	\$	<u>(66,923,617)</u>
\$	90,658,051	\$	87,521,449	\$	88,206,104	\$	90,212,955	\$	93,420,380	\$	96,020,738	\$	100,786,741
	12,830,042		28,184,436		18,394,692		26,158,925		22,967,832		25,046,426		25,954,903
	2,263,382		2,266,273		2,175,819		2,095,219		2,015,541		2,018,162		1,896,974
	318,427		427,405		870,709		2,371,630		1,816,753		217,319		(494,724)
	-		-		-		-		-		-		-
	-		-		37,982		3,469,650		1,559,717		326,204		475,344
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	<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>		<u>128,619,238</u>
	108,047		101,116		636,200		1,760,106		908,523		87,838		38,622
	-		-		-		(79,651)		-		-		-
	-		-		-		-		-		-		-
	<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>38,622</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>	\$	<u>128,657,860</u>
\$	(11,848,272)	\$	3,488,259	\$	23,602,020	\$	33,865,236	\$	54,326,399	\$	55,817,814	\$	47,397,677
	293,416		5,062,260		17,236,144		2,191,718		10,301,364		10,861,217		14,336,566
\$	<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>	\$	<u>61,734,243</u>

City of Warren, Michigan

	Fiscal Year			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	368,087	184,408	363,734	579,045
Restricted	78,199	78,199	-	-
Assigned	20,165,441	24,044,726	44,489,417	45,342,612
Unassigned	24,348,477	32,659,940	19,010,250	17,896,751
Unreserved	-	-	-	-
Total General Fund	<u>\$ 44,960,204</u>	<u>\$ 56,967,273</u>	<u>\$ 63,863,401</u>	<u>\$ 63,818,408</u>
All other governmental funds:				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	54,358	53,178	36,258	38,165
Restricted	32,306,941	35,495,128	32,997,440	35,138,179
Committed	1,038,648	1,053,463	1,285,591	1,243,997
Assigned	6,157,192	6,223,114	6,453,982	7,072,981
Unassigned	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Total all other governmental funds	<u>\$ 39,557,139</u>	<u>\$ 42,824,883</u>	<u>\$ 40,773,271</u>	<u>\$ 43,493,322</u>
Total of all governmental funds				

Fund Balances, Governmental Funds

Last Ten Fiscal Years

June 30, 2022

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
488,137	1,018,208	978,208	570,605	852,775	800,677
-	-	-	-	-	-
54,304,851	30,694,045	40,972,321	46,852,322	62,341,595	63,402,430
16,620,736	17,504,161	17,408,258	18,146,893	19,360,088	21,537,370
-	-	-	-	-	-
<u>\$ 71,413,724</u>	<u>\$ 49,216,414</u>	<u>\$ 59,358,787</u>	<u>\$ 65,569,820</u>	<u>\$ 82,554,458</u>	<u>\$ 85,740,477</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29,679	51,057	55,249	47,971	36,782	58,723
35,541,188	53,037,480	51,084,443	48,150,409	73,645,453	69,057,393
1,272,625	1,326,799	1,444,972	1,670,057	1,869,967	2,222,850
7,458,170	8,054,317	8,849,088	9,401,273	9,919,357	10,397,221
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 44,301,662</u>	<u>\$ 62,469,653</u>	<u>\$ 61,433,752</u>	<u>\$ 59,269,710</u>	<u>\$ 85,471,559</u>	<u>\$ 81,736,187</u>

City of Warren, Michigan

	Fiscal Year			
	2013	2014	2015	2016
Revenue				
Property taxes	\$ 90,938,534	\$ 89,360,407	\$ 89,168,842	\$ 90,615,975
Special assessments	706,457	642,545	542,016	268,564
Licenses and permits	2,691,555	2,700,351	3,253,426	4,265,251
Intergovernmental:				
Federal revenue	5,372,783	5,986,783	5,611,462	3,681,679
State-shared revenue and grants	23,016,885	24,793,129	26,163,042	27,103,065
Charges for services	5,474,068	6,046,079	5,652,636	6,213,357
Fines and fees	6,066,412	7,229,026	6,909,278	7,326,390
Interest	163,641	131,813	177,106	269,262
Other	3,983,816	4,461,539	9,750,547	6,927,801
Total revenue	<u>138,414,151</u>	<u>141,351,672</u>	<u>147,228,355</u>	<u>146,671,344</u>
Expenditures				
General government	10,300,278	11,858,091	16,275,040	16,524,940
District court	6,104,152	6,756,822	7,128,439	7,423,740
Public safety	59,701,143	59,763,179	64,014,960	68,062,083
Public works	26,170,932	28,397,991	36,843,249	33,294,649
Recreation and culture	10,539,284	10,757,141	11,439,118	11,136,185
Community and economic development	4,191,743	4,334,700	3,711,712	4,342,649
Debt service:				
Principal	3,217,783	3,346,848	3,523,678	2,683,113
Interest	1,106,733	975,952	663,414	528,927
Total expenditures	<u>121,332,048</u>	<u>126,190,724</u>	<u>143,599,610</u>	<u>143,996,286</u>
Excess of Revenue Over Expenditures	17,082,103	15,160,948	3,628,745	2,675,058
Other Financing Sources (Uses)				
Transfers in (out)	3,839,724	3,833,755	4,116,088	3,067,228
Transfers to fiduciary funds	-	-	-	-
Transfers to Water and Sewer System	(3,929,724)	(3,833,755)	(4,116,088)	(3,067,228)
Proceeds from sale of property	-	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>1,634,856</u>	<u>113,865</u>	<u>1,215,771</u>	<u>-</u>
Net change in fund balances	18,716,959	15,274,813	4,844,516	2,675,058
Debt service as a percentage of noncapital expenditures (1)	3.56%	3.63%	3.02%	2.55%

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

June 30, 2022

Fiscal Year					
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 87,521,449	\$ 88,206,104	\$ 90,212,955	\$ 93,420,380	\$ 96,020,738	\$ 100,786,741
320,742	337,461	216,085	294,158	189,444	324,001
4,018,513	3,841,077	7,054,475	6,184,488	7,631,277	6,919,340
3,913,933	3,577,958	3,210,255	3,591,773	11,566,905	4,783,533
41,747,464	34,921,047	45,333,707	40,815,671	43,918,419	46,272,828
6,503,468	6,807,317	6,794,015	6,148,689	4,454,264	5,373,652
6,392,742	6,706,617	7,016,632	5,726,850	5,472,330	5,844,551
402,702	860,007	2,452,406	1,914,947	253,385	(417,006)
6,392,356	5,564,304	6,008,780	4,180,883	2,862,779	3,135,702
<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>	<u>173,023,342</u>
16,785,509	24,627,533	14,048,925	11,724,444	12,069,470	12,687,262
7,514,872	7,802,982	7,522,817	7,457,866	7,817,129	8,460,990
69,691,662	84,110,962	71,718,485	72,677,218	76,410,290	81,547,206
35,771,364	33,345,393	51,698,511	47,252,283	36,220,296	49,415,439
12,841,100	11,500,198	11,877,714	10,921,674	9,865,713	11,083,002
3,522,057	4,019,759	7,458,288	5,467,507	4,068,628	5,070,047
2,287,475	2,345,582	2,061,021	2,109,755	3,216,978	3,951,188
395,674	335,522	677,966	620,101	796,376	1,414,532
<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>	<u>173,629,666</u>
8,403,656	(17,266,039)	1,235,583	4,046,991	21,904,661	(606,324)
4,387,854	-	-	-	-	-
-	-	-	-	-	-
(4,387,854)	-	-	-	-	-
-	-	-	-	-	-
-	13,236,720	7,870,889	-	21,281,826	4,569,538
-	-	-	-	-	(4,975,816)
-	-	-	-	-	463,249
-	-	-	-	-	-
<u>-</u>	<u>13,236,720</u>	<u>7,870,889</u>	<u>-</u>	<u>21,281,826</u>	<u>56,971</u>
8,403,656	(4,029,319)	9,106,472	4,046,991	43,186,487	(549,353)
1.97%	1.71%	2.03%	2.16%	3.38%	3.78%

City of Warren, Michigan

		Real Property					
		Commercial		Industrial		Residential	
Valuation Date	Fiscal Year	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value
Dec. 31	Ended	Value	Value	Value	Value	Value	Value
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
2020	2022	690,400,420	568,582,718	791,097,440	647,737,401	3,162,889,387	2,169,931,025

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, 2022

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
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
411,930,164	411,930,164	159,771,540	154,253,998	5,216,088,951	3,952,435,306	27.2265

City of Warren, Michigan

City-wide Direct Tax Rate

Fiscal Year Ended	Emergency		Police			Police	Fire	Local	Police
	General (1)	Library	Medical Service	Parks & Recreation	& Fire Pensions	Sanitation	Protection	Road	& Fire Operating
2013	8.7724	1.3373	0.2923	0.9746	4.9848	2.5550	0.9746	2.1000	4.9000
2014	8.7724	1.3373	0.2923	0.9746	4.9848	2.5550	0.9746	2.1000	4.9000
2015	8.7724	1.3373	0.2923	0.9746	4.9848	2.5550	0.9746	2.1000	4.9000
2016	8.7302	1.3308	0.2908	0.9699	4.9848	2.5550	0.9699	2.0899	4.8764
2017	8.7285	1.3305	0.2908	0.9697	4.9848	2.5550	0.9697	2.0961	4.8755
2018	8.7101	1.3276	0.2901	0.9676	4.9848	2.5550	0.9676	2.0955	4.9000
2019	8.6709	1.3216	0.2887	0.9632	4.9848	2.5550	0.9632	2.0860	4.8573
2020	8.6249	1.3145	0.2871	0.9580	4.9848	2.5550	0.9624	2.0749	4.8418
2021	8.5421	1.0757	0.2843	0.9488	4.9848	2.5550	0.9531	2.0549	4.7953
2022	8.4592	1.0710	0.2815	0.9395	4.9848	2.8193	0.9438	2.0349	4.7487

(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	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
School District Rate	18.6480	36.1816	15.8308	33.8308	12.3434	29.4743
Combined City & County Rate	39.2426	39.2426	39.2426	39.2426	39.2426	39.2426
2022 Total Direct & Overlapping Rate	57.8906	75.4242	55.0734	73.0734	51.5860	68.7169

Direct and Overlapping Property Tax Rates

**Last Ten Fiscal Years
June 30, 2022**

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. Zoo Authority, & Veterans	S.M.A.R.T.	Macomb County		
						Operating	Drain Debt	
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
27.2265	0.1911	4.6845	1.4247	0.3706	0.9731	4.3721	-	12.0161

School District Overlapping Tax Rate

	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	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
School District Rate	25.3372	30.4415	14.5400	31.5060	15.8452	28.6096
Combined City & County Rate	39.2426	39.2426	39.2426	39.2426	39.2426	39.2426
2022 Total Direct & Overlapping Rate	64.5798	69.6841	53.7826	70.7486	55.0878	67.8522

Principal Property Taxpayers

Current and Ten Years Ago
June 30, 2022

	Fiscal Year Ended June 30, 2022			Fiscal Year Ended June 30, 2012		
	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	\$ 329,141,771	1	8.33%	\$ 468,717,081	1	11.64%
DTE Electric Co	58,235,071	2	1.47%	35,218,846	3	0.87%
FCA US LLC-Chrysler	57,207,633	3	1.45%	171,776,408	2	4.27%
Consumers Energy	44,495,783	4	1.13%	11,909,857	8	0.30%
International Transmission	37,836,455	5	0.96%	19,703,529	6	0.49%
Lex Warren LP	19,397,959	6	0.49%			
LCN AVF Warren LLC	18,504,050	7	0.47%			
Livwell Michigan LLC	15,150,000	8	0.38%			
Noble 12B LLC	13,617,887	9	0.34%			
Stag Industrial Holdings LLC	13,542,534	10	0.34%	-		0.00%
US Manufacturing Corp				24,688,688	4	0.61%
Art Van Furniture				19,824,259	5	0.49%
Wico Metal Products				11,915,080	7	0.30%
VJL Real Estate/Lipari Foods				7,986,930	9	0.20%
Iroquois Industries				7,623,133	10	0.19%
Ten largest taxpayers	607,129,143		15.36%	779,363,811		19.35%
Other taxpayers	3,345,306,163		84.64%	3,247,413,406		80.65%
Total taxable value	\$ 3,952,435,306		100.00%	\$ 4,026,777,217		100.00%

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			
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
2021	2022	105,200,119	(3,607,898)	(780,720)	100,811,500	95.83%	3,607,898

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, 2022**

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				
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%	
12,003	104,431,401	99.27%	-	-	768,717	104,431,401	99.27%	

Governmental Activities - General Bonded Debt

	Installment Purchase Agreements	Land Contract	Michigan Strategic Fund Loan	Capital Improvement Bonds	Building Authority Bonds	Bonds	Bonds
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			
2022	4,634,427			3,552,246			

	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
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	-
2022	33,173,125	69,831	-	41,429,629	3,738,738	150,001	-

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 - 2022 (excluding 2021)
2021: 2019 ACS (American Community Survey) 5-Year Estimates
- (2) 2010 U.S. Census Bureau, 2020 U.S. Census Bureau
2021: 2019 ACS (American Community Survey) 5-Year Estimates

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

June 30, 2022

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
-	-	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
		8,186,673	3,952,435,306	0.21%	139,623	58.63

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
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
117,204,001	121,092,740	162,522,370	26,508	4.39%	1,164.01

City of Warren, Michigan

Direct and Overlapping Governmental Activities Debt

June 30, 2022

Net Direct Debt

Capital Improvement Bonds				
Refunding Series 2014	Warren Community Center	\$	3,150,763	\$ 3,552,246

Road Construction Bonds:

Series 2003 Michigan Transportation Bonds	Road improvements		-	
Series 2013A Capital Improvement Bonds	Road improvements		1,418,775	
Series 2015 Capital Improvement Bonds	Road improvements		1,020,170	
Series 2018 Michigan Transportation Bonds	Road improvements		10,224,502	
Series 2021 Michigan Transportation Bonds	Road improvements		<u>20,509,436</u>	33,172,882

Special Assessment Bonds:

Series 2015	Sidewalk replacement program		70,074	
Less amounts available in debt service funds			<u>-</u>	70,074

Capital Leases:

Sanitation			4,458,520	
Police			<u>175,907</u>	<u>4,634,427</u>

Direct debt **41,429,629**

Less:

Road Construction Bonds			(33,172,882)	
Special Assessment Bonds			(70,074.00)	
Capital Leases:			<u>(4,634,427.00)</u>	<u>(37,877,383)</u>

Net direct debt to be repaid with property taxes **44,981,875**

Overlapping Debt

Macomb County:				
County at large	12.22%		253,400,607	31,117,595
Intermediate School District	11.96%		580,000	69,658
Macomb Community College			-	-
Local School Districts:				
Center Line	66.90%		30,780,000	20,505,636
East Detroit	20.35%		9,907,833	1,993,456
Fitzgerald	100.00%		38,680,000	38,680,000
Van Dyke	97.78%		44,515,705	43,612,037
Warren Consolidated	47.79%		232,450,000	111,111,100
Warren Woods	100.00%		<u>43,590,000</u>	<u>43,590,000</u>

Total Overlapping Debt **290,679,482**

Net direct debt outstanding and overlapping debt **\$ 335,661,357**

Source: Municipal Advisory Council of Michigan

	Fiscal Year				
	2013	2014	2015	2016	2017
Assessed value	<u>\$ 3,630,847,280</u>	<u>\$ 3,537,933,048</u>	<u>\$ 3,689,472,137</u>	<u>\$ 4,006,975,440</u>	<u>\$ 3,926,697,488</u>
Debt limit (10% of assessed value)	\$ 363,084,728	\$ 353,793,305	\$ 368,947,214	\$ 400,697,544	\$ 392,669,749
Total debt applicable	-	-	-	-	-
Legal debt margin	<u>\$ 363,084,728</u>	<u>\$ 353,793,305</u>	<u>\$ 368,947,214</u>	<u>\$ 400,697,544</u>	<u>\$ 392,669,749</u>

Total debt applicable to the debt limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%
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	Fiscal Year				
	2018	2019	2020	2021	2022
Assessed value	<u>\$ 4,065,604,921</u>	<u>\$ 4,216,515,132</u>	<u>\$ 4,530,119,109</u>	<u>\$ 4,878,750,818</u>	<u>\$ 5,216,088,951</u>
Debt limit (10% of assessed value)	\$ 406,560,492	\$ 421,651,513	\$ 453,011,911	\$ 487,875,082	\$ 521,608,895
Total debt applicable	-	-	123,570,000	115,015,000	103,695,000
Legal debt margin	<u>\$ 406,560,492</u>	<u>\$ 421,651,513</u>	<u>\$ 329,441,911</u>	<u>\$ 372,860,082</u>	<u>\$ 417,913,895</u>

Total debt applicable to the debt limit as a percentage of debt limit	0.00%	0.00%	27.28%	23.57%	19.88%
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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.

City of Warren, Michigan

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	
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
2022	1,613,517	992,510	621,007	395,000	7,572	402,572	1.54

(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		
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
2022	15,503,792	7,751,896	1,415,000	948,318	2,363,318	3.28	752,343

(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, 2022

Fiscal Year	Special Assessment Bonds (3)						Coverage
	S/A	Interest	Transferred to	Debt Service			
	Collections (4)		Debt Funds	Principal	Interest	Total	
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
2022	37,231	-	37,231	35,190	2,041	37,231	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	
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
2022	55,451,156	39,665,747	15,785,409	9,511,367	3,689,254	13,200,622	1.20

(6) Fiscal year 2013 ends 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 FY22 the principal for the 2020 Public Utility bonds was \$225,000 and the interest was \$256,688.

Demographic and Economic Statistics

Last Ten Fiscal Years
June 30, 2022

Fiscal Year	Population (1)	Number of Households (1)	Income		Unemployment Rate (3)		
			Per Capita (2)	Total	City of Warren	Macomb County	State of Michigan
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%
2022	139,623	54,936	26,508	3,701,126,484	5.20%	4.30%	4.80%

Sources:

- (1) Southeast Michigan Council of Governments - est population through July 2018
2021 2019 American Community Survey
- (2) 2010, 2020 U.S. Census Bureau
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, 2022

		Year Ended June 30, 2022			Year Ended June 30, 2016		
		Employees	Percentage of Total	Rank	Employees	Percentage of Total	Rank
General Motors Corporation	Automotive	23,823	(1)	1	20,000	(1)	1
Government of The United States	Government	7,800	(1)	2	7,800	(1)	2
Stelantis - Chrysler Corp.	Automotive	5,523	(1)	3	6,000	(1)	3
Ascension Health	Health care	2,407	(1)	4	3,180	(1)	4
Lipari Foods	Wholesaler	1,300	(1)	5	-		
		-			-		
Total		40,853			36,980		

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (1)
General government:										
<u>37th District Court</u>										
Small claims	657	597	574	487	609	633	580	334	304	700
Landlord & tenant	5,333	4,136	4,804	4,610	4,617	4,333	4,667	2,573	2,712	5,000
Parking tickets	1,496	1,868	1,538	1,670	1,518	2,159	1,652	958	1,287	2,500
Traffic misdemeanor & civil	49,446	46,529	46,337	45,944	39,965	50,971	44,701	24,667	34,990	53,000
Non-traffic felony	2,358	2,252	2,251	1,944	2,018	1,918	1,785	1,382	1,677	2,200
Non-traffic misdemeanor	1,886	1,772	1,686	1,846	1,563	1,583	1,422	1,138	1,129	1,700
Traffic OUIL/OWI	354	298	644	236	198	212	198	102	134	300
General civil	4,812	4,164	4,581	4,795	5,792	6,496	6,159	5,294	6,029	6,600
Probation - Active cases	892	892	1,121	853	821	716	643	1,024	1,437	900
Pre-sentence investigations	429	429	406	319	334	325	256	160	260	350
<u>City Clerk</u>										
Business licenses	771	660	616	570	720	568	647	479	705	800
Public hearings	75	49	47	39	19	38	27	27	18	60
Changes in voter registrations	41,389	40,559	41,182	65,295	39,333	45,136	45,584	108,471	136,572	150,000
Dog licenses issued	4,945	4,831	4,597	4,569	6,489	5,621	3,795	1,677	2,486	4,000
Garage sale permits	1,429	1,285	996	1,124	940	749	717	260	637	700
Death certificates	1,806	1,523	1,571	1,721	1,575	1,497	1,499	1,974	4,399	5,000
Birth certificates	1,183	902	754	797	633	694	715	738	2,170	3,000
Lawsuits issued	35	27	35	27	16	11	11	23	25	75
Contracts signed, catalogued	83	100	87	121	88	85	109	70	106	200
Internet requests processed	4,232	6,750	6,100	6,050	4,020	5,122	5,114	5,832	5,473	5,750
<u>Treasurer</u>										
Tax bills processed:										
Manually	94,499	96,021	82,777	84,829	78,402	74,663	75,140	64,331	56,443	55,393
CD-ROM	45,056	48,550	51,380	51,904	51,853	53,584	54,658	55,209	55,405	58,503
Checks processed	40,082	42,457	43,397	41,903	38,881	41,586	42,343	38,747	32,164	36,000
Water bills processed	351,898	427,242	340,536	342,794	323,072	311,233	362,565	278,502	248,162	241,176
Status changes	720	708	696	732	751	762	771	763	757	780
Personal property	4,242	3,950	2,664	2,849	2,615	2,539	2,539	2,650	2,575	2,503
Delinquent tax accounts	40	40	40	-	-	-	-	-	-	-
<u>Assessing</u>										
Personal property audits	45	55	75	93	106	106	106	106	100	100
Small claim MTT appeals	59	54	32	34	29	35	35	32	40	20
Full tax tribunal appeals	227	155	120	37	38	40	40	20	50	25
Board of Review appeals	735	920	819	753	721	689	690	677	750	750
Principal residence exemption	5,774	6,950	3,750	4,091	4,231	2,175	4,450	2,646	3,000	3,500
Deeds and transfer affidavits	9,817	11,066	8,091	7,368	7,381	3,675	3,600	6,412	4,000	5,000
Special assessment rolls	30	30	30	30	30	30	30	30	5	30
Review / appraise										
taxable properties	63,104	63,559	63,625	59,279	59,820	62,823	63,000	62,823	63,000	64,000
Verify sales & transfers										
of sold properties	1,403	1,633	2,470	7,368	7,358	6,326	8,600	6,326	7,500	8,000
building permit activity	13,210	13,198	13,274	11,310	9,350	18,604	19,500	20,610	25,000	25,000

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

(1) Fiscal year 2022 estimates

(2) Fiscal years 2013 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (1)
Recreation and Culture:										
<u>Library</u>										
Annual attendance	366,929	347,214	339,789	409,595	274,235	288,043	273,641	70,515	52,872	62,000
Circulation:										
Annual total	577,403	568,805	482,397	412,723	404,300	853,047	751,571	389,223	498,697	510,000
Children's material	253,018	239,449	256,746	176,454	142,222	150,905	172,185	71,245	76,224	81,000
Reference requests	49,875	53,776	43,304	36,989	34,943	41,987	47,143	33,782	41,270	49,000
Registered borrowers	59,909	62,475	53,988	56,501	54,616	72,578	73,869	56,345	64,591	67,000
Materials:										
Loaned to other libraries	74,391	70,602	63,062	57,354	52,237	26,749	51,901	36,267	55,724	59,000
Received from other libraries	52,630	49,408	38,869	36,237	35,253	36,033	87,156	22,032	29,524	33,100
Added to collection	37,576	46,225	39,956	22,695	18,496	23,310	19,466	18,434	28,871	30,000
Deleted from collection	10,984	18,741	24,740	30,098	19,615	18,163	21,761	6,951	12,907	14,000
Home Page hits	361,112	357,531	333,915	291,638	231,977	224,885	195,304	102,031	91,888	99,000
<u>Recreation</u>										
Pavilion rentals	484	424	424	467	518	518	518	318	197	284
Bus transportation	14,227	15,309	15,309	14,565	14,376	14,376	14,376	8,001	1,200	1,400
Adult & youth sports:										
Registrants	7,000	4,436	4,436	4,401	4,470	4,470	4,288	4,359	1,060	2,500
Participants	106,500	107,000	107,000	107,250	107,500	107,500	107,500	50,000	40	2,500
Senior programs	85,000	86,000	86,000	86,125	86,200	86,200	86,200	86,200	-	150
Senior sports programs	23,000	23,000	23,000	23,000	22,750	22,750	22,750	10,000	200	200
Trees removed	250	-	-	-	-	-	-	-	-	-
Trees trimmed	2,000	-	-	-	-	-	-	-	-	-
Pool attendance	380,000	350,000	350,000	386,500	360,000	360,000	260,000	260,000	40,000	40,000
Yearly pass registrations	3,463	4,142	4,142	4,280	4,129	4,129	4,129	3,300	485	1,000
<u>Sanitation:</u>										
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	47,315	45,207	63,236	59,773	52,888	50,931	51,000	58,470	59,500	52,000
Curbside recycling	5,847	4,816	4,661	4,635	4,555	4,447	5,900	6,230	6,100	5,000
Curbside compost	9,029	12,684	3,048	965	9,100	12,490	14,000	14,720	15,300	15,000
Drop-off center:										
Car batteries (each)	162	138	255	221	343	2,566	4,511	3,750	444	3,500
Non-ferrous metal (tons)	3	1	2	2	17	3	4	3	2	10
Concrete (tons)	195	208	261	299	299	222	124	53	48	100
Motor oil (gallons)	8,460	6,145	7,120	5,650	8,790	4,935	447	7,670	4,550	5,000
Collected / dropped off (tons):										
Cardboard	67	58	67	68	73	83	69	71	65	75
White goods / scrap metal	80	82	134	165	181	133	102	243	135	200

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

(1) Fiscal year 2022 estimates

(2) Fiscal years 2013 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, 2022

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 (1)
Public Safety:										
<u>Fire Department</u>										
Incident responses	15,500	16,547	16,718	17,818	18,343	18,503	18,199	19,502	20,407	21,000
Equipment responses	29,276	30,530	31,520	33,524	32,827	34,104	26,455	37,532	38,763	40,000
Fire training (hours)	6,480	3,062	2,000	2,340	2,880	3,409	6,172	4,203	8,894	9,000
Medical training (hours)	6,480	4,401	3,474	3,120	5,760	3,567	2,605	2,038	4,379	4,400
<u>Police Department</u>										
Calls for police service	95,000	95,000	95,000	95,000	95,000	95,000	92,756	80,436	62,925	99,750
Part A crimes	3,764	3,550	3,470	3,800	9,257	8,325	7,253	6,019	1,279	1,400
Burglary incidents	887	750	715	910	823	567	607	502	332	420
Auto theft incidents	582	590	530	632	560	543	432	327	365	400
Narcotic and drug incidents	1,455	1,575	1,165	1,450	1,725	1,086	1,103	722	390	500
Liquor license investigations	6,455	6,200	5,980	6,326	191	158	225	207	208	225
Traffic citations	20,678	20,500	24,155	40,000	17,279	27,580	28,539	17,081	27,483	30,000
OUIL charges	300	355	330	325	200	284	255	105	98	120
Traffic accidents	3,820	4,320	3,980	4,300	4,155	4,827	4,565	3,111	3,321	3,800
Juveniles charged	244	205	200	180	200	157	110	66	244	150
Total arrests	6,556	6,200	5,440	5,500	4,973	4,596	4,632	3,032	3,643	4,000
Abandoned autos processed	1,100	1,100	240	500	500	1,055	1,100	859	1,049	1,000
Guns registered	6,922	6,300	3,370	7,800	4,661	4,504	4,569	4,569	4,658	4,800
<u>Animal Control</u>										
Calls for service	2,850	3,500	8,860	9,951	9,951	1,873	2,195	2,164	2,164	2,850
Stray animals picked up	1,450	-	890	1,621	1,621	738	815	614	614	750
Wild animals secured	75	-	-	-	-	-	-	-	-	-
Dead animals handled	1,000	-	350	60	60	458	600	476	476	550
Animals given up by owners	377	-	60	88	88	285	110	105	105	50
<u>Civil Defense</u>										
Disaster/emergency incidents	5	6	12	10	10	14	14	12	12	15
Functional / full-scale exercise	3	3	3	4	4	4	4	1	1	3
City Development:										
<u>Engineering</u>										
Service requests processed	838	877	1,355	836	894	816	783	692	629	700
Planning reviews	79	66	100	125	129	154	123	138	93	110
Site plan reviews	258	426	386	386	367	364	461	477	392	400
Projects inspected	225	258	121	131	117	134	170	160	125	150
Sidewalk inspections / repairs	806	501	254	193	687	687	435	479	-	455
<u>Property Maintenance Inspection</u>										
Weed enforcement	4,012	4,045	5,508	2,752	5,071	2,977	5,304	2,875	5,797	6,500
Complaints investigated	4,387	4,022	4,373	5,071	2,446	5,205	1,929	1,753	2,058	5,070
Complaints in tracking system	18,300	21,016	30,637	17,946	26,153	28,371	28,259	10,640	13,915	29,500
Vacant/foreclosed clean-ups	676	524	1,332	1,408	1,234	1,323	1,252	459	469	1,500
<u>Building Inspections</u>										
Certificates of Occupancy	767	420	327	500	252	298	311	401	531	620
Building permits	1,918	2,053	2,160	2,100	2,820	2,388	2,406	1,928	2,180	2,400
Plumbing permits	1,351	1,152	1,054	1,200	4,133	1,117	1,152	1,115	1,069	1,400
Electrical permits	3,798	3,402	3,161	3,400	6,807	2,157	2,155	2,252	2,247	2,500
Mechanical permits	3,127	2,095	2,107	2,200	3,331	1,860	1,871	1,927	2,171	2,200
Miscellaneous permits	830	944	634	800	761	882	4,019	2,815	1,772	2,000
Building inspections	14,427	15,296	11,134	14,000	8,518	8,058	7,642	7,316	5,654	6,500
Plumbing inspections	10,421	10,529	9,814	9,000	7,135	5,814	5,939	4,880	4,842	5,000
Electrical inspections	14,206	14,276	13,727	12,500	9,128	8,303	7,790	5,960	5,118	6,000
Mechanical inspections	10,879	10,004	10,041	9,800	6,265	4,898	5,115	4,659	4,358	5,500
Zoning inspections	6,511	6,320	926	900	8,293	9,475	9,025	6,543	3,157	5,000
Plan reviews	2,048	2,165	716	800	881	560	630	658	694	750

Operating Indicators

Last Ten Fiscal Years

June 30, 2022

	Fiscal Year									
	2013	2014	2015 (2)	2016	2017	2018	2019	2020	2021	2022 (1)
Senior Citizens Housing:										
<u>Stilwell Manor</u>										
Carpet replacements	15	15	22	12	23	25	24	32	29	30
Linoleum replacements	7	7	10	7	14	12	23	10	16	15
Stove replacements	15	15	6	4	6	5	4	4	9	10
Apartments painted	20	20	23	21	18	25	26	25	27	30
Air conditioner replacements	10	10	10	8	7	12	7	10	11	10
Maintenance work orders	575	575	450	375	275	325	337	375	423	450
<u>Jos. Coach Manor</u>										
Carpet replacements	27	27	35	26	50	40	27	27	41	40
Linoleum replacements	14	14	17	12	16	20	13	13	18	20
Hot water tank replacements	53	53	70	-	-	-	-	-	-	-
Apartments painted	34	34	63	28	850	45	40	40	39	40
Countertop replacements	18	18	16	18	18	14	16	16	28	20
Maintenance work orders	955	955	760	936	850	755	825	825	920	900
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	49,229	49,450
Sewer utility accounts	49,269	48,650	48,588	49,089	48,618	48,899	48,711	48,820	49,045	49,260
Second meter accounts	628	680	684	712	744	799	775	765	683	750
Water sold (thousand cu. ft.)	692,951	699,581	656,511	914,804	648,699	622,872	645,348	590,888	575,955	619,163
Water purchased	769,815	784,929	744,182	1,081,125	670,703	669,744	713,248	634,010	642,032	666,731
Broken water main repairs	212	184	271	393	101	177	175	170	191	190
Sewer jetting (in footage)	249,000	273,816	343,647	454,716	753,000	674,656	678,716	702,124	685,165	690,000
<u>Waste Water Treatment Plant:</u>										
Sewage treated	10.8	7.4	8.2	11.7	7.6	7.8	8.2	8.4	8.6	8
Sludge solids removed	28.4	31.1	29.9	42.3	27.5	30.0	32.0	28.4	31.2	30
Power consumption	15.8	14.1	12.7	19.1	12.2	12.0	12.0	13.6	13.8	13
Natural gas for incinerator	90	102	94	130	61	85	75	68	72	72
Laboratory samples taken	5,694	6,694	5,963	8,886	8,031	6,800	7,900	7,908	7,905	7,900
Analytical lab tests run	33,718	38,044	35,577	54,944	36,975	36,750	35,000	39,184	38,669	38,000
Dye tests performed to locate	25	13	12	8	4	10	10	7	12	15
Storm water samples collected	240	396	296	245	119	245	220	666	462	500
Illicit discharges identified	5	4	6	3	2	3	3	1	3	3
Illicit discharges removed	9	2	6	3	2	3	3	4	4	4

Value of New Construction

Last Ten Fiscal Years
June 30, 2022

<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>
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
2022	2,539,000	-	43,692,400	-	46,231,400

(1) Estimated Cost of Construction

Source:
City of Warren Building Department

Full-Time Equivalent Government Employees

Last Ten Fiscal Years

June 30, 2022

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>General Government:</u>										
Council	10	10	11	11	11	11	11	11	11	11
37th District Court	46	46	46	49	49	49	50	50	50	50
Mayor	6	6	6	6	6	6	6	6	5	4
Clerk	7	7	8	7	7	7	7	8	8	8
Treasurer	9	9	9	9	9	9	9	9	9	9
Controller	10	10	10	10	11	12	12	12	11	12
Information Systems	4	4	4	4	4	4	4	4	4	4
Legal	10	10	10	10	10	10	10	10	10	10
Assessing	11	11	11	12	12	12	13	13	12	12
Labor Relations	-	-	-	-	-	-	-	-	-	-
Personnel	-	-	-	-	-	-	-	-	-	-
Human Resources	9	9	9	9	9	9	9	10	9	9
D.P.W. Garage	7	8	8	14	14	14	14	14	13	13
Building Maintenance	8	8	8	17	17	17	17	17	17	18
Police & Fire Retirement	2	2	2	2	2	2	2	2	2	2
City Retirement	-	2	2	2	2	2	2	2	2	2
	<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>164</u>
<u>Public Safety:</u>										
Fire Department	114	132	132	132	132	132	133	134	134	134
Police Department	233	233	235	235	239	239	243	253	253	265
Animal Control	2	2	2	2	2	2	3	3	3	3
Civil Defense	1	1	1	1	1	1	1	1	1	1
	<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>403</u>
<u>City Development:</u>										
Public Service Director	3	3	3	3	2	3	4	4	4	4
Engineering	5	5	5	5	5	5	5	6	6	6
Property Maintenance	-	-	-	1	1	2	4	5	5	11
Building Inspections	15	14	16	21	22	22	22	24	22	23
Planning	3	4	4	4	4	4	4	4	5	5
Rental Ordinance	3	4	4	5	5	5	5	6	6	6
	<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>55</u>
<u>Highways and Streets</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>27</u>
<u>Recreation and Culture:</u>										
Library	22	22	22	24	24	24	24	24	23	24
Recreation	13	12	12	9	9	9	9	9	9	9
Communications	5	5	5	5	5	5	6	6	6	6
	<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>39</u>
<u>Sanitation</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>38</u>
<u>Economic Development:</u>										
Community & Economic	2	2	2	2	2	2	2	2	2	2
D.D.A.	1	1	2	2	2	2	2	2	2	2
	<u>3</u>	<u>3</u>	<u>4</u>							
<u>Community Development:</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>3</u>
<u>Senior Housing</u>	<u>5</u>	<u>8</u>								
<u>Water and Sewer System</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>	<u>98</u>
Total full-time city employees	<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>	<u>839</u>

Source: Adopted fiscal year budget