



CITY OF WARREN, MICHIGAN

Fiscal Year Ended June 30, 2023
Annual Comprehensive Financial Report

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December 15, 2023

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, 2023.

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, 2023 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 2024 budget has committed to continue to invest in the City's infrastructure with over \$20 million in General Fund and Special Revenue Fund Equipment and Capital Improvements. The Enterprise Funds have capital outlay of over \$16 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, 2022. 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**

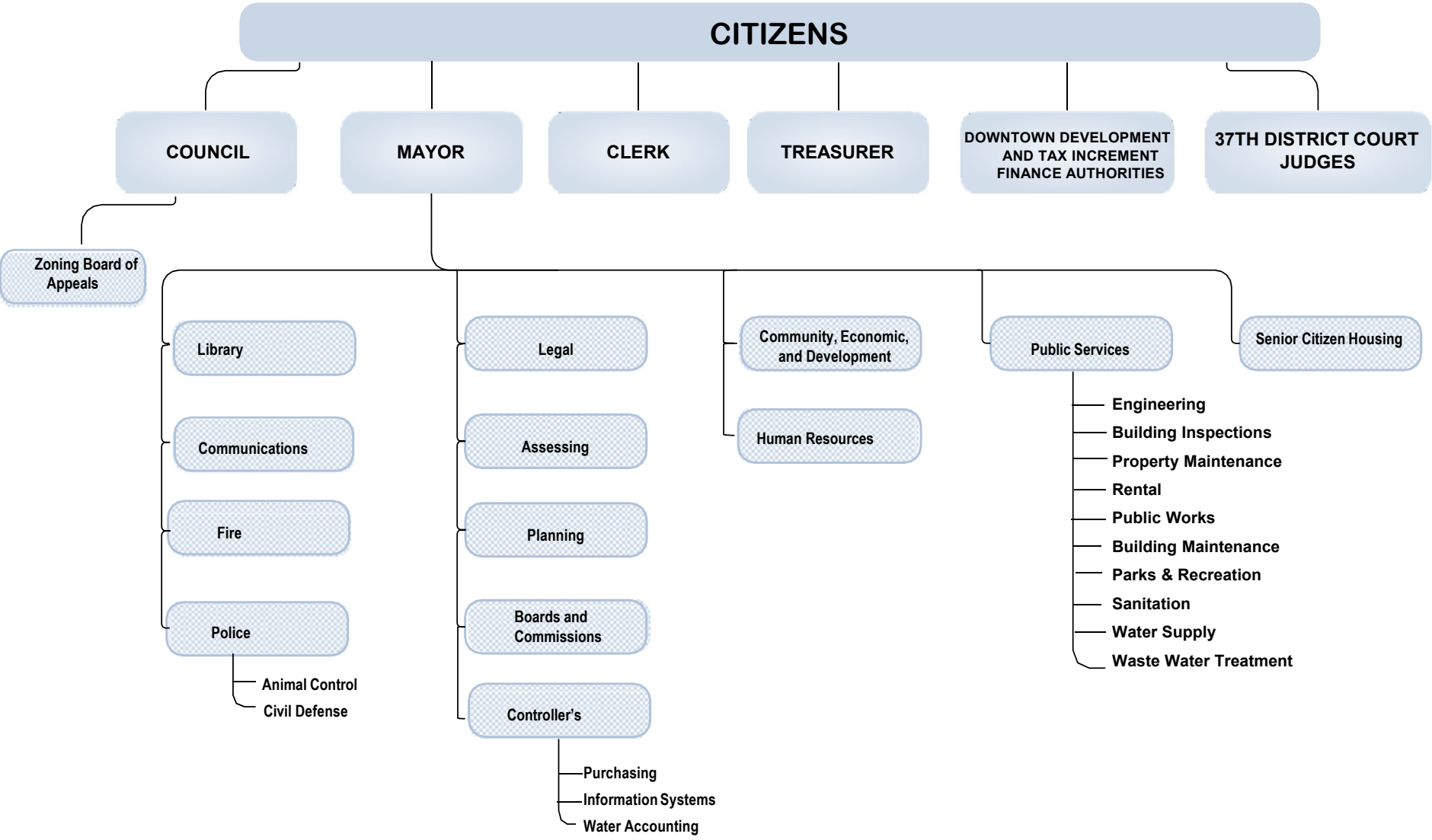
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

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



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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, 2023 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, 2023 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 \$215 million of \$642 million of the assets and \$(15 million) of \$143 million of the revenue or additions (including investment income/loss) of the aggregate remaining fund information as of December 31, 2022 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 Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the City Council
City of Warren, Michigan

Other Supplementary 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 supplementary 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 supplementary 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 15, 2023 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 15, 2023

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, 2023. 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, 2023:

Financial Highlights

- As a result of this year's operations, governmental activities net position increased by \$10.7 million, or 72.3 percent, from the prior year. This is primarily due to an increase in tax and investment revenue.
- As a result of this year's operations, business-type activities net position increased by almost \$12 million, or 9.7 percent, from the prior year. The increase is primarily due to the positive operating activity in the water and sewer system and increase in grant revenue. The water and sewer system received close to \$7 million in ARPA funds to replace water main infrastructure.
- The General Fund reported a \$3.4 million increase in fund balance from the prior year. This increase is primarily due to a favorable budget expenditures variance for the year.

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, 2023 compared to the prior year:

The City's Net Position

	Governmental Activities			
	2022	2023	Change	Percent Change
Assets				
Other assets	\$ 217,841,553	\$ 222,308,518	\$ 4,466,965	2.1
Capital assets	172,184,792	184,168,980	11,984,188	7.0
Total assets	390,026,345	406,477,498	16,451,153	4.2
Deferred Outflows of Resources	41,702,092	86,328,792	44,626,700	107.0
Liabilities	348,556,565	467,424,693	118,868,128	34.1
Deferred Inflows of Resources	68,441,227	-	(68,441,227)	(100.0)
Net Position				
Net investment in capital assets	147,004,950	149,128,949	2,123,999	1.4
Restricted	62,672,438	66,772,250	4,099,812	6.5
Unrestricted	(194,946,743)	(190,519,602)	4,427,141	(2.3)
Total net position	\$ 14,730,645	\$ 25,381,597	\$ 10,650,952	72.3

Management's Discussion and Analysis (Continued)

	Business-type Activities			
	2022	2023	Change	Percent Change
Assets				
Other assets	\$ 58,763,613	\$ 65,277,293	\$ 6,513,680	11.1
Capital assets	219,097,449	235,545,376	16,447,927	7.5
Total assets	277,861,062	300,822,669	22,961,607	8.3
Deferred Outflows of Resources	2,472,696	7,407,424	4,934,728	199.6
Liabilities				
Current liabilities	5,457,833	7,880,078	2,422,245	44.4
Long-term liabilities:				
Due within one year	13,251,360	13,472,713	221,353	1.7
Due in more than one year	132,416,487	152,466,965	20,050,478	15.1
Total liabilities	151,125,680	173,819,756	22,694,076	15.0
Deferred Inflows of Resources	7,017,959	312,769	(6,705,190)	(95.5)
Net Position				
Net investment in capital assets	119,294,810	130,599,205	11,304,395	9.5
Restricted	9,814,138	10,091,328	277,190	2.8
Unrestricted	(6,918,829)	(6,592,965)	325,864	(4.7)
Total net position	<u>\$ 122,190,119</u>	<u>\$ 134,097,568</u>	<u>\$ 11,907,449</u>	9.7

The City's Changes in Net Position

	Governmental Activities			
	2022	2023	Change	Percent Change
Revenue				
Program revenue:				
Charges for services	\$ 20,532,170	\$ 21,236,051	\$ 703,881	3.4
Operating grants	23,328,385	26,628,137	3,299,752	14.1
Capital grants	2,351,816	4,516,294	2,164,478	92.0
General revenue:				
Taxes - Property taxes	100,786,741	106,929,947	6,143,206	6.1
State-shared revenue	25,954,903	25,666,501	(288,402)	(1.1)
Investment earnings	(494,724)	3,997,331	4,492,055	(908.0)
Other revenue	2,372,318	1,768,761	(603,557)	(25.4)
Total revenue	174,831,609	190,743,022	15,911,413	9.1
Program Expenses				
General government	8,021,513	15,499,656	7,478,143	93.2
District court	5,330,732	8,342,545	3,011,813	56.5
Public safety	56,272,504	81,720,834	25,448,330	45.2
Public works	42,145,948	56,854,000	14,708,052	34.9
Community and economic development	4,769,563	5,165,585	396,022	8.3
Recreation and culture	9,509,946	10,801,563	1,291,617	13.6
Interest on long-term debt	1,383,726	1,707,887	324,161	23.4
Total program expenses	127,433,932	180,092,070	52,658,138	41.3
Change in Net Position	47,397,677	10,650,952	(36,746,725)	(77.5)
Net Position (Deficit) - Beginning of year	(32,667,032)	14,730,645	47,397,677	(145.1)
Net Position - End of year	<u>\$ 14,730,645</u>	<u>\$ 25,381,597</u>	<u>\$ 10,650,952</u>	72.3

Management's Discussion and Analysis (Continued)

	Business-type Activities			
	2022	2023	Change	Percent Change
Revenue				
Water and Sewer Fund:				
Charges for services	\$ 55,451,156	\$ 58,065,444	\$ 2,614,288	4.7
Operating grants	1,673,246	6,942,086	5,268,840	314.9
Senior housing - Charges for services	2,598,771	1,039,136	(1,559,635)	(60.0)
Total revenue	59,723,173	66,046,666	6,323,493	10.6
Expenses				
Water and Sewer Fund	43,238,821	51,508,087	8,269,266	19.1
Senior housing	2,186,408	2,631,130	444,722	20.3
Total expenses	45,425,229	54,139,217	8,713,988	19.2
Investment Income	38,622	-	(38,622)	(100.0)
Change in Net Position	14,336,566	11,907,449	(2,429,117)	(16.9)
Net Position - Beginning of year	107,853,553	122,190,119	14,336,566	13.3
Net Position - End of year	<u>\$ 122,190,119</u>	<u>\$ 134,097,568</u>	<u>\$ 11,907,449</u>	9.7

The governmental activities net position is \$25.4 million. This is an increase of \$10.7 million from a year ago - from \$14.7 million to \$25.4 million. The increase is primarily due to an increase in tax revenue, investment revenue, and a favorable budget variance.

The City's total governmental revenue increased by approximately \$16 million, or 9 percent. This increase was primarily due to the increase in property tax revenue and investment earnings. Tax revenue increased due to an average increase of approximately 6 percent in the taxable property values. Investment revenue increased due to more favorable interest rates offered by financial institutions.

Expenses increased by approximately \$53 million, or 41.3 percent, due to increases in public safety personnel, capital equipment purchases, and road reconstruction.

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 almost \$12 million, or 9.7 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, decreased by approximately \$4 million. The decrease in unrestricted net position was primarily due to net change in pension and OPEB obligations.

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 2023 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 \$84.7 million in 2023. Revenue was greater than expenditures (including transfers) in the General Fund by \$3.4 million. This was primarily due to an increase in property tax and interest revenue. Unassigned fund balance of \$22.5 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 less than expenditures in the Grant Fund by \$262 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 more than expenditures (including transfers) in the Capital Projects Fund by \$1 million due to issuance of new debt.

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 capital equipment purchases in public safety and public works, public safety personnel, and grant awards. At year end, General Fund expenditures were almost \$25 million under budget. This was due to careful spending by department leaders and delayed capital equipment purchases.

Capital Assets and Debt Administration

At the end of fiscal year 2023, the City had \$419.7 million invested in a broad range of capital assets, including land, buildings, police and fire equipment, computer equipment, infrastructure assets (roads, bridges, sidewalks, and storm drains), and water and sewer lines. The value of the City's governmental net capital assets is \$184.2 million, and business-type net capital assets are \$235.5 million (see Note 5 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 2023 when the City issued MTF bonds of \$11.7 million in governmental activities, Water Capital bonds of \$15 million in business-type activities, and DDA bonds of \$20.6 million in component units. Please see Note 7 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.

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, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 170,593,093	\$ 25,513,966	\$ 196,107,059	\$ 28,046,425
Receivables (Note 4)	30,983,301	8,754,604	39,737,905	66,815
Due from component units	412,144	-	412,144	-
Internal balances	(1,399,236)	1,399,236	-	-
Inventory	418,177	441,729	859,906	211,375
Prepaid items and other assets	248,534	122,426	370,960	-
Deposits	3,248,345	-	3,248,345	-
Other noncurrent receivable	1,675,392	-	1,675,392	-
Restricted assets (Note 1)	16,128,768	29,045,332	45,174,100	22,321,529
Capital assets:				
Assets not subject to depreciation (Note 5)	20,318,278	51,981,134	72,299,412	-
Assets subject to depreciation - Net (Note 5)	163,850,702	183,564,242	347,414,944	-
Total assets	406,477,498	300,822,669	707,300,167	50,646,144
Deferred Outflows of Resources				
Bond refunding loss being amortized (Note 7)	159,704	183,633	343,337	78,721
Deferred outflows related to pensions (Note 11)	66,696,100	5,038,539	71,734,639	-
Deferred outflows related to OPEB (Note 8)	19,472,988	2,185,252	21,658,240	44,597
Total deferred outflows of resources	86,328,792	7,407,424	93,736,216	123,318
Liabilities				
Accounts payable	9,128,956	6,662,246	15,791,202	1,255,378
Due to other governmental units	765	-	765	86,960
Due to primary government	-	-	-	412,144
Refundable deposits, bonds, etc.	4,121,578	564,803	4,686,381	41,129
Accrued liabilities and other	1,183,315	648,181	1,831,496	436,030
Unearned revenue	19,483,855	4,848	19,488,703	-
Noncurrent liabilities:				
Due within one year:				
Payable from restricted assets	1,035,076	4,442,816	5,477,892	-
Compensated absences (Note 7)	2,818,431	496,406	3,314,837	-
Provision for claims (Note 15)	1,808,082	-	1,808,082	-
Provision for property tax refunds	206,831	-	206,831	170,543
Current portion of long-term debt (Note 7)	4,424,928	8,533,491	12,958,419	6,308,032
Due in more than one year:				
Compensated absences (Note 7)	9,329,041	479,466	9,808,507	-
Provision for claims (Note 15)	1,986,586	-	1,986,586	-
Net pension liability (Notes 11 and 12)	211,036,864	18,635,475	229,672,339	-
Net OPEB liability (Notes 8 and 9)	150,272,581	13,586,300	163,858,881	277,273
Long-term debt (Note 7)	45,868,499	119,765,724	165,634,223	40,517,150
Landfill post-closure liability (Note 18)	4,719,305	-	4,719,305	-
Total liabilities	467,424,693	173,819,756	641,244,449	49,504,639
Deferred Inflows of Resources - Deferred benefit on bond refunding	-	312,769	312,769	-
Net Position				
Net investment in capital assets	149,128,949	130,599,205	279,728,154	-
Restricted:				
Streets and highways	34,500,495	-	34,500,495	-
Public safety	2,538,663	-	2,538,663	-
Recreation and culture	10,884,383	-	10,884,383	-
Sanitation	7,302,125	-	7,302,125	-
Community development	9,633,227	-	9,633,227	-
Capital projects	1,913,357	-	1,913,357	-
Debt service	-	10,091,328	10,091,328	-
Unrestricted	(190,519,602)	(6,592,965)	(197,112,567)	1,264,823
Total net position	\$ 25,381,597	\$ 134,097,568	\$ 159,479,165	\$ 1,264,823

City of Warren, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 15,499,656	\$ 7,950,502	\$ 2,551,756	\$ 361,278
District court	8,342,545	4,478,145	742,780	-
Public safety	81,720,834	6,612,926	1,983,036	-
Public works	56,854,000	102,881	18,068,673	4,155,016
Community and economic development	5,165,585	1,148,510	2,874,647	-
Recreation and culture	10,801,563	943,087	407,245	-
Interest on long-term debt	1,707,887	-	-	-
Total governmental activities	180,092,070	21,236,051	26,628,137	4,516,294
Business-type activities:				
Water and Sewer Fund	51,508,087	55,339,024	6,942,086	-
Senior Housing	2,631,130	2,726,420	-	-
Total business-type activities	54,139,217	58,065,444	6,942,086	-
Total primary government	\$ 234,231,287	\$ 79,301,495	\$ 33,570,223	\$ 4,516,294
Component units:				
Tax Increment Finance Authority	\$ 78,272	\$ -	\$ -	\$ -
Downtown Development Authority	6,600,954	-	-	-
Brownfield Redevelopment Authority	1,358,932	-	-	-
Total component units	\$ 8,038,158	\$ -	\$ -	\$ -
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Gain on sale of capital assets				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position (Deficit) - Beginning of year				
Net Position - End of year				

Statement of Activities

Year Ended June 30, 2023

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (4,636,120)	\$ -	\$ (4,636,120)	\$ -
(3,121,620)	-	(3,121,620)	-
(73,124,872)	-	(73,124,872)	-
(34,527,430)	-	(34,527,430)	-
(1,142,428)	-	(1,142,428)	-
(9,451,231)	-	(9,451,231)	-
(1,707,887)	-	(1,707,887)	-
(127,711,588)	-	(127,711,588)	-
-	10,773,023	10,773,023	-
-	95,290	95,290	-
-	10,868,313	10,868,313	-
(127,711,588)	10,868,313	(116,843,275)	-
-	-	-	(78,272)
-	-	-	(6,600,954)
-	-	-	(1,358,932)
-	-	-	(8,038,158)
106,929,947	-	106,929,947	9,091,915
25,666,501	-	25,666,501	4,909,206
3,997,331	1,028,336	5,025,667	845,520
1,707,103	-	1,707,103	-
-	10,800	10,800	-
61,658	-	61,658	50
138,362,540	1,039,136	139,401,676	14,846,691
10,650,952	11,907,449	22,558,401	6,808,533
14,730,645	122,190,119	136,920,764	(5,543,710)
\$ 25,381,597	\$ 134,097,568	\$ 159,479,165	\$ 1,264,823

Governmental Funds
Balance Sheet

June 30, 2023

	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 99,832,816	\$ 1,324,148	\$ 12,607,634	\$ 56,828,495	\$ 170,593,093
Receivables (Note 4)	17,070,385	9,003,721	1,012,126	3,897,069	30,983,301
Due from component units (Note 6)	396,440	-	-	15,704	412,144
Due from other funds (Note 6)	1,130,760	-	213,900	615,167	1,959,827
Inventory	392,539	-	-	25,638	418,177
Prepaid items and other assets	208,397	26,287	-	13,850	248,534
Deposits	369,115	-	2,530,280	348,950	3,248,345
Other noncurrent receivable	1,675,392	-	-	-	1,675,392
Restricted assets	-	-	16,128,768	-	16,128,768
Total assets	\$ 121,075,844	\$ 10,354,156	\$ 32,492,708	\$ 61,744,873	\$ 225,667,581
Liabilities					
Accounts payable	\$ 3,850,856	\$ 455,446	\$ 795,468	\$ 4,027,186	\$ 9,128,956
Due to other governmental units	-	-	746	19	765
Due to other funds (Note 6)	2,230,263	263,272	-	865,528	3,359,063
Refundable deposits, bonds, etc.	3,123,127	210	277,391	720,850	4,121,578
Accrued liabilities and other	807,755	2,001	-	134,633	944,389
Unearned revenue	19,157,905	-	-	325,950	19,483,855
Payable from restricted assets	-	-	1,035,076	-	1,035,076
Provision for property tax refunds	154,123	-	-	52,708	206,831
Total liabilities	29,324,029	720,929	2,108,681	6,126,874	38,280,513
Deferred Inflows of Resources - Unavailable revenue	2,587,652	8,727,698	926,277	276,271	12,517,898
Fund Balances (Note 14)					
Nonspendable	600,936	26,287	-	39,488	666,711
Restricted	-	879,242	18,226,142	52,764,537	71,869,921
Committed	-	-	517,266	2,460,767	2,978,033
Assigned	66,067,052	-	10,714,342	76,936	76,858,330
Unassigned	22,496,175	-	-	-	22,496,175
Total fund balances	89,164,163	905,529	29,457,750	55,341,728	174,869,170
Total liabilities, deferred inflows of resources, and fund balances	\$ 121,075,844	\$ 10,354,156	\$ 32,492,708	\$ 61,744,873	\$ 225,667,581

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2023

Fund Balances Reported in Governmental Funds	\$ 174,869,170
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	184,168,980
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	12,517,898
Deferred charges on refunding are deferred inflows and are not reported in the funds	159,704
Bonds payable and installment purchase obligations are not due and payable in the current period and are not reported in the funds	(50,293,427)
Accrued interest is not due and payable in the current period and is not reported in the funds	(238,926)
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	(12,147,472)
Pension benefits	(144,340,764)
Retiree health care benefits	(130,799,593)
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>(8,513,973)</u>
Net Position of Governmental Activities	<u>\$ 25,381,597</u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2023

	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Property taxes	\$ 79,937,737	\$ -	\$ -	\$ 26,992,210	\$ 106,929,947
Special assessments	-	-	389,074	-	389,074
Intergovernmental:					
Federal grants	605,581	3,121,030	-	443,007	4,169,618
State sources	24,441,672	-	-	23,164,207	47,605,879
Charges for services	5,492,804	-	-	731,188	6,223,992
Fines and forfeitures	3,775,688	-	546,292	1,228,256	5,550,236
Licenses and permits:					
Cable franchise fees	-	-	-	1,707,103	1,707,103
Other licenses and permits	4,617,957	-	-	-	4,617,957
Interest and rentals	1,890,430	8,162	574,504	1,565,635	4,038,731
Other revenue	3,041,190	28,096	-	549,239	3,618,525
	<u>123,803,059</u>	<u>3,157,288</u>	<u>1,509,870</u>	<u>56,380,845</u>	<u>184,851,062</u>
Expenditures					
Current:					
General government	13,068,571	-	240,334	-	13,308,905
District court	7,208,066	-	-	806,170	8,014,236
Public safety	84,691,426	-	-	1,137,302	85,828,728
Public works	13,864,698	-	13,714,925	33,029,078	60,608,701
Community and economic development	779,859	3,418,925	-	922,411	5,121,195
Recreation and culture	48,243	-	-	11,988,270	12,036,513
Debt service	94,741	-	36,562	5,718,190	5,849,493
	<u>119,755,604</u>	<u>3,418,925</u>	<u>13,991,821</u>	<u>53,601,421</u>	<u>190,767,771</u>
Excess of Revenue Over (Under) Expenditures	4,047,455	(261,637)	(12,481,951)	2,779,424	(5,916,709)
Other Financing Sources (Uses)					
Transfers in	-	-	500,000	7,125,450	7,625,450
Transfers out	(623,769)	-	(102)	(7,001,579)	(7,625,450)
Face value of debt issued	-	-	11,670,000	-	11,670,000
Debt premium	-	-	1,639,215	-	1,639,215
	<u>(623,769)</u>	<u>-</u>	<u>13,809,113</u>	<u>123,871</u>	<u>13,309,215</u>
Net Change in Fund Balances	3,423,686	(261,637)	1,327,162	2,903,295	7,392,506
Fund Balances - Beginning of year	85,740,477	1,167,166	28,130,588	52,438,433	167,476,664
Fund Balances - End of year	<u>\$ 89,164,163</u>	<u>\$ 905,529</u>	<u>\$ 29,457,750</u>	<u>\$ 55,341,728</u>	<u>\$ 174,869,170</u>

Governmental Funds

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

Year Ended June 30, 2023

Net Change in Fund Balances Reported in Governmental Funds	\$	7,392,506
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		27,873,433
Depreciation expense		(15,823,591)
Net book value of assets disposed of		(65,654)
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		1,865,147
Expenses and expense recoveries related to the landfill post-closure liability are not reported in the funds		(1,418,686)
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position		(13,309,215)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)		4,145,022
Interest expense is recognized in the government-wide statements as it accrues		(3,416)
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		(258,164)
Amortization of deferred charges on refunding and bond discounts are expensed in the statement of net position but does not affect financial resources for the governmental funds		253,570
Change in Net Position of Governmental Activities	\$	<u>10,650,952</u>

Proprietary Funds
Statement of Net Position

June 30, 2023

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Assets			
Current assets:			
Cash and investments	\$ 22,305,906	\$ 3,208,060	\$ 25,513,966
Receivables	8,750,761	3,843	8,754,604
Due from other funds	1,650,927	1,967	1,652,894
Inventory	441,729	-	441,729
Prepaid items and other assets	122,426	-	122,426
Total current assets	33,271,749	3,213,870	36,485,619
Noncurrent assets:			
Restricted assets (Note 1)	29,045,332	-	29,045,332
Capital assets:			
Assets not subject to depreciation (Note 5)	51,759,490	221,644	51,981,134
Assets subject to depreciation - Net (Note 5)	176,842,089	6,722,153	183,564,242
Total noncurrent assets	257,646,911	6,943,797	264,590,708
Total assets	290,918,660	10,157,667	301,076,327
Deferred Outflows of Resources			
Bond refunding loss being amortized	183,633	-	183,633
Deferred outflows related to pensions	5,038,539	-	5,038,539
Deferred outflows related to OPEB	2,140,655	44,597	2,185,252
Total deferred outflows of resources	7,362,827	44,597	7,407,424
Liabilities			
Current liabilities:			
Accounts payable	6,613,659	48,587	6,662,246
Due to other funds	370	253,288	253,658
Refundable deposits, bonds, etc.	306,283	258,520	564,803
Accrued liabilities and other	645,595	2,586	648,181
Unearned revenue	-	4,848	4,848
Compensated absences	495,602	804	496,406
Current portion of long-term debt (Note 7)	8,533,491	-	8,533,491
Total current liabilities	16,595,000	568,633	17,163,633
Noncurrent liabilities:			
Payable from restricted assets	4,442,816	-	4,442,816
Compensated absences	432,042	47,424	479,466
Net pension liability (Note 11)	18,635,475	-	18,635,475
Net OPEB liability (Note 8)	13,309,025	277,275	13,586,300
Long-term debt (Note 7)	119,765,724	-	119,765,724
Total noncurrent liabilities	156,585,082	324,699	156,909,781
Total liabilities	173,180,082	893,332	174,073,414
Deferred Inflows of Resources - Deferred benefit on bond refunding	312,769	-	312,769
Net Position			
Net investment in capital assets	123,655,408	6,943,797	130,599,205
Restricted - Debt service	10,091,328	-	10,091,328
Unrestricted	(8,958,100)	2,365,135	(6,592,965)
Total net position	\$ 124,788,636	\$ 9,308,932	\$ 134,097,568

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

Year Ended June 30, 2023

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Operating Revenue			
Sale of water	\$ 26,885,687	\$ -	\$ 26,885,687
Sewage disposal charges	27,123,318	-	27,123,318
Other sales to customers	527,139	-	527,139
Interest and penalty charges	802,880	-	802,880
Rental revenue	-	2,224,861	2,224,861
Other operating revenue	-	501,559	501,559
Total operating revenue	55,339,024	2,726,420	58,065,444
Operating Expenses			
Cost of water	11,248,234	-	11,248,234
Other operating and maintenance costs	8,001,380	-	8,001,380
Billing and administrative costs	2,928,742	643,381	3,572,123
Wages and fringes	15,907,735	812,290	16,720,025
Materials and supplies	1,064,257	130,046	1,194,303
Other operating expenses	-	682,108	682,108
Professional services	1,517,323	-	1,517,323
Depreciation	7,022,500	362,180	7,384,680
Total operating expenses	47,690,171	2,630,005	50,320,176
Operating Income	7,648,853	96,415	7,745,268
Nonoperating Revenue (Expense)			
Investment income	1,028,336	-	1,028,336
Interest expense	(3,817,916)	(1,125)	(3,819,041)
Gain on sale of assets	10,800	-	10,800
Operating grants	6,942,086	-	6,942,086
Total nonoperating revenue (expense)	4,163,306	(1,125)	4,162,181
Change in Net Position	11,812,159	95,290	11,907,449
Net Position - Beginning of year	112,976,477	9,213,642	122,190,119
Net Position - End of year	\$ 124,788,636	\$ 9,308,932	\$ 134,097,568

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2023

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 55,419,110	\$ 2,726,420	\$ 58,145,530
(Payments for) receipts from interfund services and reimbursements	(2,599,589)	6,425	(2,593,164)
Payments to suppliers	(20,887,091)	(1,509,771)	(22,396,862)
Payments to employees and fringes	(16,101,220)	(803,782)	(16,905,002)
Net cash and cash equivalents provided by operating activities	15,831,210	419,292	16,250,502
Cash Flows Provided by Noncapital Financing Activities - Operating grants and subsidies	6,942,086	-	6,942,086
Cash Flows from Capital and Related Financing Activities			
Issuance of bonds	16,488,340	-	16,488,340
Proceeds from sale of capital assets	10,800	-	10,800
Purchase of capital assets	(23,755,722)	(76,885)	(23,832,607)
Principal and interest paid on capital debt	(12,982,776)	(151,125)	(13,133,901)
Net cash and cash equivalents used in capital and related financing activities	(20,239,358)	(228,010)	(20,467,368)
Cash Flows Provided by Investing Activities - Interest received on investments	1,018,170	-	1,018,170
Net Increase in Cash and Cash Equivalents	3,552,108	191,282	3,743,390
Cash and Cash Equivalents - Beginning of year	47,799,130	3,016,778	50,815,908
Cash and Cash Equivalents - End of year	<u>\$ 51,351,238</u>	<u>\$ 3,208,060</u>	<u>\$ 54,559,298</u>
Classification of Cash and Cash Equivalents			
Cash and investments	\$ 22,305,906	\$ 3,208,060	\$ 25,513,966
Restricted cash	29,045,332	-	29,045,332
Total cash and cash equivalents	<u>\$ 51,351,238</u>	<u>\$ 3,208,060</u>	<u>\$ 54,559,298</u>

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended June 30, 2023

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Reconciliation of Operating Income to Net Cash from Operating Activities			
Operating income	\$ 7,648,853	\$ 96,415	\$ 7,745,268
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	7,022,500	362,180	7,384,680
Changes in assets and liabilities:			
Receivables	(90,519)	1,668	(88,851)
Due to and from other funds	(2,599,589)	6,425	(2,593,164)
Inventories	(99,384)	-	(99,384)
Prepaid and other assets	24,564	21	24,585
Net pension or OPEB liability	1,411,433	11,524	1,422,957
Accounts payable	2,512,209	(58,941)	2,453,268
Deferred refunding charges	1,143	-	1,143
Total adjustments	<u>8,182,357</u>	<u>322,877</u>	<u>8,505,234</u>
Net cash and cash equivalents provided by operating activities	<u><u>\$ 15,831,210</u></u>	<u><u>\$ 419,292</u></u>	<u><u>\$ 16,250,502</u></u>

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2023

	Pension and Other Employee Benefits - December 31, 2022	<u>Custodial Fund</u> Tax Collection Fund
Assets		
Cash and investments	\$ 1,279,219	\$ 320
Investments:		
U.S. government securities	50,963,957	-
Mortgage-backed securities	2,428	-
Asset-backed securities	235,809	-
Mutual funds	140,395,286	-
Short-term cash management funds	18,929,311	-
Stocks	141,738,285	-
Bonds	48,539,833	-
Real estate	48,834,114	-
Other	112,423,375	-
Securities lending	1,621,608	-
Hedge funds	3,947,520	-
Receivables:		
Accrued interest receivable	944,446	-
Other receivables	427	-
Due from primary government	37,581	-
Prepaid items and other assets	211,070	-
Total assets	570,104,269	320
Liabilities		
Accounts payable	4,069,039	-
Due to other governmental units	50,991	-
Due to primary government	10,368,306	-
Accrued liabilities and other	597,040	320
Obligations under securities lending agreements	1,629,753	-
Total liabilities	16,715,129	320
Net Position		
Restricted for pension	405,361,249	-
Restricted for postemployment benefits other than pension	148,027,891	-
Total net position	\$ 553,389,140	\$ -

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2023

	Pension and Other Employee Benefits - Year Ended December 31, 2022	Custodial Fund Tax Collection Fund
Additions		
Investment income (loss):		
Interest and dividends	\$ 14,834,506	\$ -
Net decrease in fair value of investments	(102,591,117)	-
Investment-related expenses	(1,699,396)	-
Net investment loss	(89,456,007)	-
Securities lending income:		
Interest and dividends	21,062	-
Securities lending - Investment income	5,733	-
Total securities lending income	26,795	-
Contributions:		
Employer contributions	38,410,710	-
Employee contributions	2,134,819	-
Total contributions	40,545,529	-
Property tax collections	-	132,798,383
Total additions	(48,883,683)	132,798,383
Deductions		
Benefit payments	69,436,038	-
Refunds of contributions	1,887,772	-
Administrative expenses	965,716	-
Tax distributions to other governments	-	132,798,383
Total deductions	72,289,526	132,798,383
Net Decrease in Fiduciary Net Position	(121,173,209)	-
Net Position - Beginning of year	674,562,349	-
Net Position - End of year	\$ 553,389,140	\$ -

Component Units
Statement of Net Position

June 30, 2023

	Tax Increment Finance Authority	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Assets				
Cash and investments	\$ 1,537,742	\$ 25,810,087	\$ 698,596	\$ 28,046,425
Receivables - Other	-	56,407	10,408	66,815
Inventory	75,079	136,296	-	211,375
Restricted assets (Note 1)	-	22,321,529	-	22,321,529
Total assets	1,612,821	48,324,319	709,004	50,646,144
Deferred Outflows of Resources				
Bond refunding loss being amortized (Note 1)	-	78,721	-	78,721
Deferred outflows related to OPEB	-	44,597	-	44,597
Total deferred outflows of resources	-	123,318	-	123,318
Liabilities				
Accounts payable	31,692	1,110,543	113,143	1,255,378
Due to other governmental units	-	-	86,960	86,960
Due to primary government	12,276	398,741	1,127	412,144
Refundable deposits, bonds, etc.	-	41,129	-	41,129
Accrued liabilities and other	-	436,030	-	436,030
Noncurrent liabilities:				
Due within one year:				
Provision for property tax refunds	10,523	160,020	-	170,543
Current portion of long-term debt	-	6,308,032	-	6,308,032
Due in more than one year:				
Net OPEB liability	-	277,273	-	277,273
Long-term debt	-	40,517,150	-	40,517,150
Total liabilities	54,491	49,248,918	201,230	49,504,639
Net Position (Deficit) - Unrestricted	\$ 1,558,330	\$ (801,281)	\$ 507,774	\$ 1,264,823

City of Warren, Michigan

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Tax Increment Finance Authority - Community and economic development	\$ 78,272	\$ -	\$ -	\$ -
Downtown Development Authority:				
Community and economic development	5,510,222	-	-	-
Interest on long-term debt	1,090,732	-	-	-
Total Downtown Development Authority	6,600,954	-	-	-
Brownfield Redevelopment Authority - Community and economic development	1,358,932	-	-	-
Total component units	\$ 8,038,158	\$ -	\$ -	\$ -

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, 2023

Net (Expense) Revenue and Changes in Net Position			
Tax Increment Finance Authority	Downtown Development Authority	Brownfield Redevelopment Authority	Total
\$ (78,272)	\$ -	\$ -	\$ (78,272)
-	(5,510,222)	-	(5,510,222)
-	(1,090,732)	-	(1,090,732)
-	(6,600,954)	-	(6,600,954)
-	-	(1,358,932)	(1,358,932)
(78,272)	(6,600,954)	(1,358,932)	(8,038,158)
383,660	7,296,427	1,411,828	9,091,915
1,208	4,907,998	-	4,909,206
663	836,567	8,290	845,520
-	50	-	50
385,531	13,041,042	1,420,118	14,846,691
307,259	6,440,088	61,186	6,808,533
1,251,071	(7,241,369)	446,588	(5,543,710)
\$ 1,558,330	\$ (801,281)	\$ 507,774	\$ 1,264,823

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 \$16,128,768 set aside and classified as restricted assets related to unspent bond proceeds to be spent on capital projects.

The Water and Sewer Fund has \$29,045,332 set aside and classified as restricted assets. Of this amount, \$27,924,996 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 \$1,120,336 at June 30, 2023. Net position of \$10,091,328 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.

The Downtown Development Authority has \$22,321,529 set aside and classified as restricted assets related to unspent bond proceeds to be spent on capital projects.

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

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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.

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the city controller to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally 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 2022 tax is levied and collectible on July 1, 2022 and is recognized as revenue in the year ended June 30, 2023 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, 2023

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

The 2022 taxable valuation of the City totaled \$4.05 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	8.3263 \$	32,257,000
Emergency medical service	0.2770	1,083,000
Library charter and operating	1.2687	4,905,000
Rubbish services	2.7750	10,740,000
Police/Fire pension and retiree health care	4.9848	19,397,000
Police operating	0.9289	3,598,000
Fire operating	0.9289	3,598,000
Recreation operating	0.9247	3,579,000
Police and fire operating	4.6741	18,076,000
Road repairs	2.0029	7,763,000
Total		<u>\$ 104,996,000</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.

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

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

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

Proprietary Funds Operating Classification

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

Use of Estimates

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

Upcoming Accounting Pronouncements

In 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, 2022	\$ (7,926,844)
Current year permit revenue	2,510,951
Related expenses - Estimated indirect costs	<u>3,474,530</u>
Current year shortfall	<u>(963,579)</u>
Cumulative shortfall - June 30, 2023	<u>\$ (8,890,423)</u>

Fund Deficits

At June 30, 2023, the Downtown Development Authority reported a deficit in net position of \$801,281. 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, 2023, 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

Note 3 - Deposits and Investments (Continued)

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

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

The City has designated 12 banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs but not the remainder of state statutory authority, as listed above. The City's deposits and investments are in accordance with statutory authority.

As permitted by state statutes and under the provisions of a securities lending authorization agreement, the City of Warren Employees' Retirement System and the Police and Fire Retirement System (collectively, the "Retirement Systems") lend securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The Retirement Systems' custodial bank manages the securities lending program and receives cash, government securities, or irrevocable bank letters of credit as collateral. Borrowers are required to deliver collateral for each loan equal to no less than 100 percent of the fair value of the loaned securities. During the year ended December 31, 2022, only United States currency was received as collateral.

Note 3 - Deposits and Investments (Continued)

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, 2022 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, 2022, 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, 2022 were \$1,621,608 and \$1,594,207, 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 \$202,594,636 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City's component units had bank deposits of \$47,694,972 that were uninsured and uncollateralized. Additionally, the fiduciary funds, at their year end of December 31, 2022, had bank deposits of \$981,273 (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.

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, 2023 (December 31, 2022 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	\$ 8,784,157	\$ 977,990	\$ 7,806,167
Municipal bonds	6,534,518	6,534,518	-
Total	<u>\$ 15,318,675</u>	<u>\$ 7,512,508</u>	<u>\$ 7,806,167</u>

June 30, 2023

Note 3 - Deposits and Investments (Continued)

Fiduciary Funds	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
U.S. government	\$ 36,980,346	\$ 21,854,830	\$ 8,135,851	\$ 6,989,665
U.S. government agency	404,830	-	404,830	-
Mortgage-backed securities	8,855,396	32,371	574,359	8,248,666
Collateralized mortgage obligations	880,516	279,542	439,302	161,672
Asset-backed securities	2,830,183	1,621,904	389,176	819,103
Corporate and convertible bonds	39,471,058	18,304,588	15,706,974	5,459,496
Foreign bonds and notes	651,521	303,875	242,955	104,691
Municipal bonds	179,696	61,369	92,485	25,842
Bond index funds	9,645,060	-	-	9,645,060
Total	<u>\$ 99,898,606</u>	<u>\$ 42,458,479</u>	<u>\$ 25,985,932</u>	<u>\$ 31,454,195</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, 2023, 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	\$ 14,111,701	Not rated	N/A
Fifth Third - Federated Hermes Government Obligations Fund	815,073	AAA-mf	Moody's
Municipal bonds	<u>6,534,518</u>	Aa1, Aa2, NR	Moody's
Total	<u>\$ 21,461,292</u>		

Investment	Fair Value	Rating	Rating Organization
Fiduciary Funds			
Goldman Sachs FS Prime Obligations Fund	\$ 2,789,738	AAAm	S&P
Repurchase agreement	947,749	A1/P1/F1	Moody's
Comerica Short-term Fund Series C	3,608,076	Not rated	N/a
Index funds	9,645,060	AA1 - AA2	Moody's
Bank investment pool	3,676,319	AAA - AA	Moody's
Debt securities	13,616,044	AAA	S&P
Debt securities	29,214	AA1	S&P
Debt securities	2,573,231	AA2	S&P
Debt securities	2,942,925	AA3	S&P
Debt securities	6,918,516	A1	S&P
Debt securities	10,679,493	A2	S&P
Debt securities	3,780,284	A3	S&P
Debt securities	19,831	BBB	S&P
Debt securities	9,444,780	BAA1 and below	S&P
Debt securities	<u>40,249,227</u>	Not rated	N/A
Total	<u>\$ 110,920,487</u>		

Note 3 - Deposits and Investments (Continued)

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 pension systems reported the following securities subject to this risk for the year end December 31, 2022.

Security	Fair Value
Foreign bonds	\$ 1,973,428
Foreign stock	470,459

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 \$14,111,701 in such funds at Comerica Bank (J Fund), which is recorded at amortized cost in accordance with GASB Statement No. 79. There are no limitations or restrictions on participant withdrawals for that investment pool.

Note 4 - Receivables

Receivables as of June 30, 2023 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	\$ 773,276	\$ -	\$ -	\$ 256,396	\$ 1,029,672	\$ -	\$ -
Special assessments receivable	-	-	926,282	-	926,282	-	-
Receivables from sales to customers on account	-	-	-	-	-	8,551,938	-
Accrued interest receivable	600,688	-	-	6,696	607,384	11,418	57,327
Other receivables	226,511	-	85,844	591,608	903,963	16,652	9,488
Due from other governmental units	3,607,617	509,880	-	3,042,369	7,159,866	174,596	-
Due from pension and VEBA funds	11,862,293	-	-	-	11,862,293	-	-
Notes receivable	-	8,493,841	-	-	8,493,841	-	-
Net receivables	\$ 17,070,385	\$ 9,003,721	\$ 1,012,126	\$ 3,897,069	\$ 30,983,301	\$ 8,754,604	\$ 66,815

June 30, 2023

Note 5 - Capital Assets

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

Governmental Activities

	Balance July 1, 2022	Reclassifications	Additions	Disposals	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 15,255,269	\$ -	\$ 635,957	\$ -	\$ 15,891,226
Construction in progress	3,243,130	(2,831,070)	4,014,992	-	4,427,052
Subtotal	18,498,399	(2,831,070)	4,650,949	-	20,318,278
Capital assets being depreciated:					
Infrastructure	227,133,960	2,554,604	15,491,154	-	245,179,718
Buildings and improvements	102,078,491	-	468,313	-	102,546,804
Machinery and equipment	83,096,101	-	6,755,651	(2,270,466)	87,581,286
Land improvements	10,385,811	276,466	507,366	-	11,169,643
Subtotal	422,694,363	2,831,070	23,222,484	(2,270,466)	446,477,451
Accumulated depreciation:					
Infrastructure	134,986,911	-	6,063,650	-	141,050,561
Buildings and improvements	61,443,932	-	2,849,904	-	64,293,836
Machinery and equipment	63,452,980	-	6,686,082	(2,204,812)	67,934,250
Land improvements	9,124,147	-	223,955	-	9,348,102
Subtotal	269,007,970	-	15,823,591	(2,204,812)	282,626,749
Net capital assets being depreciated	153,686,393	2,831,070	7,398,893	(65,654)	163,850,702
Net governmental activities capital assets	\$ 172,184,792	\$ -	\$ 12,049,842	\$ (65,654)	\$ 184,168,980

June 30, 2023

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2022	Reclassifications	Additions	Disposals	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 1,598,648	\$ -	\$ -	\$ -	\$ 1,598,648
Construction in progress	43,349,997	(10,736,489)	17,768,978	-	50,382,486
Subtotal	44,948,645	(10,736,489)	17,768,978	-	51,981,134
Capital assets being depreciated:					
Buildings and improvements	134,904,310	9,547,865	810,566	(33,869)	145,228,872
Machinery and equipment	19,668,426	-	526,323	(84,919)	20,109,830
Utility systems	169,863,106	1,188,624	4,726,740	(189,826)	175,588,644
Subtotal	324,435,842	10,736,489	6,063,629	(308,614)	340,927,346
Accumulated depreciation:					
Buildings and improvements	54,199,418	-	3,693,052	(33,869)	57,858,601
Machinery and equipment	15,779,822	-	642,373	(84,919)	16,337,276
Utility systems	80,307,798	-	3,049,255	(189,826)	83,167,227
Subtotal	150,287,038	-	7,384,680	(308,614)	157,363,104
Net capital assets being depreciated	174,148,804	10,736,489	(1,321,051)	-	183,564,242
Net business-type activities capital assets	\$ 219,097,449	\$ -	\$ 16,447,927	\$ -	\$ 235,545,376

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

Governmental activities:	
General government	\$ 2,098,877
Public safety	3,222,926
City development	357,340
Highway and streets	5,776,955
Sanitation	2,497,925
Recreation and culture	1,869,568
Total governmental activities	<u>\$ 15,823,591</u>
Business-type activities:	
Water and Sewer Fund	\$ 7,022,500
Senior Citizen Housing Funds	362,180
Total business-type activities	<u>\$ 7,384,680</u>

June 30, 2023

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	\$ 53,245,522	\$ 18,773,214
Water and sewer projects	78,744,281	14,166,621
Total	<u>\$ 131,989,803</u>	<u>\$ 32,939,835</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	\$ -	\$ 263,272	\$ -	\$ 616,167	\$ -	\$ 251,321	\$ 1,130,760
Capital Projects Fund	213,900	-	-	-	-	-	213,900
Nonmajor governmental funds	607,573	-	-	7,224	370	-	615,167
Water and Sewer Fund	1,408,790	-	-	242,137	-	-	1,650,927
Nonmajor enterprise funds	-	-	-	-	-	1,967	1,967

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

Receivable	Payable	Amount
General Fund	Tax Increment Finance Authority	\$ 12,276
	Downtown Development Authority	383,037
	Brownfield Redevelopment Authority	1,127
	Total General Fund	396,440
Nonmajor governmental funds	Downtown Development Authority	15,704
Total		<u>\$ 412,144</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, 2023.

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	\$ 123,769
	Capital Projects Fund	500,000
Nonmajor governmental funds	Nonmajor governmental funds	7,001,579
Capital Projects Fund	Nonmajor governmental funds	102
Total		<u>\$ 7,625,450</u>

June 30, 2023

Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

The transfers from the General Fund to the Capital Projects Fund and the nonmajor governmental funds represent 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. The transfer from the Capital Projects Fund to the nonmajor governmental funds represents costs related to roads.

June 30, 2023

Note 7 - Long-term Debt

Long-term debt activity for the year ended June 30, 2023 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%	\$ 4,634,427	\$ -	\$ (1,146,510)	\$ 3,487,917	\$ 1,186,028
Other debt:						
Sidewalk Construction - Capital Improvement Refunding: Series 2015	2.00%- 3.25%	1,095,000	-	(200,000)	895,000	195,000
Maturing through 2029						
Road Construction - MTF, Series 2018 - Maturing through 2033	3.00%- 3.35%	10,125,000	-	(790,000)	9,335,000	810,000
Road Construction - MTF, Series 2021 - Maturing through 2041	2.00%- 5.00%	18,285,000	-	(640,000)	17,645,000	670,000
Road Construction - MTF, Series 2022 - Maturing through 2042	2.00%- 5.00%	-	11,670,000	(505,000)	11,165,000	365,000
Road Construction - Capital Improvement Refunding: Series 2021A	1.30%	1,418,775	-	(305,306)	1,113,469	298,122
Maturing through 2026						
General Obligation Bonds - Capital Improvement Refunding: Series 2021C	5.00%	3,150,763	-	(558,206)	2,592,557	600,382
Maturing through 2026						
Total other debt principal outstanding		34,074,538	11,670,000	(2,998,512)	42,746,026	2,938,504
Unamortized bond premiums		2,720,665	1,639,215	(300,396)	4,059,484	300,396
Total bonds and contracts payable		41,429,630	13,309,215	(4,445,418)	50,293,427	4,424,928
Compensated absences		11,626,465	3,272,103	(2,751,096)	12,147,472	2,818,431
Total governmental activities long-term debt		<u>\$ 53,056,095</u>	<u>\$ 16,581,318</u>	<u>\$ (7,196,514)</u>	<u>\$ 62,440,899</u>	<u>\$ 7,243,359</u>

June 30, 2023

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%	\$ 875,000	\$ -	\$ (285,000)	\$ 590,000	\$ 290,000
SRF, Series 5134-02 - Maturing through 2026	2.125%	1,520,000	-	(370,000)	1,150,000	375,000
SRF, Series 5134-03 - Maturing through 2024	2.125%	202,091	-	(65,000)	137,091	65,000
SRF, Series 5134-04 - Maturing 2026	1.625%	1,860,000	-	(455,000)	1,405,000	460,000
SRF, Series 5401-01 - Maturing through 2030	2.50%	1,503,918	-	(150,000)	1,353,918	155,000
Other direct borrowings - Installment purchase agreements		3,738,738	-	(652,528)	3,086,210	697,832
Total direct borrowings and direct placements principal outstanding		9,699,747	-	(1,977,528)	7,722,219	2,042,832
Other debt:						
Capital Improvement Bonds - Series 2003	3.70%-4.125%	90,000	-	(90,000)	-	-
Capital Improvement Bonds - Series 2017	2.00%-3.25%	42,395,000	-	(2,305,000)	40,090,000	2,360,000
Capital Improvement Bonds - Refunding Series 2019	3.00%-3.25%	10,890,000	-	(570,000)	10,320,000	590,000
Capital Improvement Bonds - Refunding Series 2019A	2.00%-3.00%	5,240,000	-	(470,000)	4,770,000	495,000
Senior Housing Bonds - Refunding Series 2012 - Maturing 2023	2.00%	150,000	-	(150,000)	-	-
Capital Improvement Bonds - Series 2019 - Maturing 2037	3.00%	24,585,000	-	(1,050,000)	23,535,000	1,080,000
Revenue Bonds - Series 2020	2.00%-5.00%	8,305,000	-	(235,000)	8,070,000	-
Capital Improvement Bonds - Refunding Series 2021A	1.30%	556,225	-	(119,694)	436,531	116,878
Capital Improvement Bonds - Refunding Series 2021B	2.00%-5.00%	11,075,000	-	(710,000)	10,365,000	755,000
Capital Improvement Bonds - Refunding Series 2021C	5.00%	3,199,237	-	(566,794)	2,632,443	609,618
Capital Improvement Bonds - Series 2022	5.00%	-	15,040,000	(590,000)	14,450,000	-
Total other debt principal outstanding		106,485,462	15,040,000	(6,856,488)	114,668,974	6,006,496
Unamortized bond premiums		4,907,848	1,448,340	(448,060)	5,908,128	484,269
Unamortized bond discounts		(317)	-	211	(106)	(106)
Total bonds and contracts payable		121,092,740	16,488,340	(9,281,865)	128,299,215	8,533,491
Compensated absences		944,205	501,204	(469,537)	975,872	496,406
Total business-type activities long-term debt		\$ 122,036,945	\$ 16,989,544	\$ (9,751,402)	\$ 129,275,087	\$ 9,029,897

June 30, 2023

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%	\$ 8,125,000	\$ -	\$ (1,010,000)	\$ 7,115,000	\$ 1,235,000
Series 2014 Refunding	2.00%- 3.00%	15,530,000	-	(2,920,000)	12,610,000	2,885,000
Series 2021 Refunding General obligation, Series 2023	0.68% 5.0%	5,550,000 -	- 20,620,000	(1,515,000) -	4,035,000 20,620,000	1,435,000 585,000
Total other debt principal outstanding		29,205,000	20,620,000	(5,445,000)	44,380,000	6,140,000
Unamortized bond premiums		224,986	2,301,908	(81,712)	2,445,182	168,032
Total component units long-term debt		<u>\$ 29,429,986</u>	<u>\$ 22,921,908</u>	<u>\$ (5,526,712)</u>	<u>\$ 46,825,182</u>	<u>\$ 6,308,032</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, 2023 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 \$880,000 to \$3,160,607 a year and are due serially through fiscal year 2042, 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 \$450,000 to \$8,329,927 a year and are due serially through fiscal year 2046, with annual interest rates ranging from 1.30 percent to 5.00 percent. The total liability for SRF, Series 5401-01 at June 30, 2023 is \$1,353,918; 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 \$835,000 to \$6,070,000 a year and are due serially through fiscal year 2043, with annual interest rates ranging from 0.68 to 5.0 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 \$3,487,917 was outstanding as of June 30, 2023.

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 \$3,086,210 was outstanding as of June 30, 2023.

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	
2024	\$ 1,186,028	\$ 117,162	\$ 2,938,504	\$ 1,585,392	\$ 5,827,086
2025	1,132,191	76,258	3,002,164	1,470,277	5,680,890
2026	1,169,698	38,750	3,099,751	1,350,625	5,658,824
2027	-	-	3,160,607	1,226,107	4,386,714
2028	-	-	2,310,000	1,116,152	3,426,152
2029-2033	-	-	11,390,000	4,070,292	15,460,292
2034-2038	-	-	8,865,000	2,041,350	10,906,350
2039-2043	-	-	7,980,000	601,463	8,581,463
2044-2048	-	-	-	-	-
Total	\$ 3,487,917	\$ 232,170	\$ 42,746,026	\$ 13,461,658	\$ 59,927,771

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2024	\$ 2,042,832	\$ 176,780	\$ 6,006,496	\$ 2,864,041	\$ 11,090,149
2025	2,132,482	129,517	6,942,836	3,554,393	12,759,228
2026	1,825,306	84,770	7,185,249	3,064,123	12,159,448
2027	1,012,679	42,927	7,424,393	3,064,123	11,544,122
2028	170,000	15,598	6,865,000	2,817,906	9,868,504
2029-2033	538,920	20,432	36,700,000	10,462,956	47,722,308
2034-2038	-	-	31,525,000	4,655,394	36,180,394
2039-2043	-	-	10,630,000	979,569	11,609,569
2044-2048	-	-	1,390,000	52,750	1,442,750
Total	\$ 7,722,219	\$ 470,024	\$ 114,668,974	\$ 31,515,255	\$ 154,376,472

Years Ending June 30	Component Units Activities		
	Other Debt		
	Principal	Interest	Total
2024	\$ 6,140,000	\$ 1,626,467	\$ 7,766,467
2025	6,070,000	1,421,957	7,491,957
2026	5,950,000	1,259,242	7,209,242
2027	4,655,000	1,101,450	5,756,450
2028	3,225,000	969,275	4,194,275
2029-2033	5,540,000	3,899,775	9,439,775
2034-2038	5,620,000	2,665,500	8,285,500
2039-2043	7,180,000	1,112,000	8,292,000
2044-2048	-	-	-
Total	\$ 44,380,000	\$ 14,055,666	\$ 58,435,666

Note 7 - Long-term Debt (Continued)

Assets Pledged as Collateral

Direct Borrowings and Direct Placements

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

Note 8 - Other Postemployment Benefit Plan

Plan Description

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

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

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

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

Police and Fire Retirement Health, Life and Disability 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.

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.

Note 8 - Other Postemployment Benefit Plan (Continued)

Benefits Provided

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

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust
Date of member count	December 31, 2020	December 31, 2021
Inactive plan members or beneficiaries currently receiving benefits	587	563
Inactive plan members entitled to but not yet receiving benefits	38	7
Active plan members	132	91
Total plan members	<u>757</u>	<u>661</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, 2023, the City contributed \$5,549,255. There were no provisions in the collective bargaining agreements for additional contributions and no required employee contributions.

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

According to Section 25-401 of the Code of Ordinances, the City shall pay to the trust an amount consistent with actuarial valuations and calculations and shall adhere to any funding provisions contained in the collective bargaining agreements. The board of trustees shall adopt rules and procedures for all payments made to the trust and shall conform with all tax provisions of the City Charter and state law. For the year ended June 30, 2023, the City contributed \$9,453,072. There were no required employee contributions.

Note 8 - Other Postemployment Benefit Plan (Continued)

Net OPEB Liability

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

	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust
Measurement date used for the City's net OPEB liability	December 31, 2022	December 31, 2022
Based on a comprehensive actuarial valuation as of	December 31, 2020	December 31, 2021

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, 2021	\$ 144,820,760	\$ 94,952,078	\$ 49,868,682
Changes for the year:			
Service cost	690,057	-	690,057
Interest	10,077,744	-	10,077,744
Changes in actuarial assumptions	730,114	-	730,114
Contributions - Employer	-	7,179,120	(7,179,120)
Net investment loss	-	(13,054,074)	13,054,074
Benefit payments, including refunds	(9,287,015)	(9,287,015)	-
Administrative expenses	-	(134,721)	134,721
Net changes	2,210,900	(15,296,690)	17,507,590
Balance at December 31, 2022	\$ 147,031,660	\$ 79,655,388	\$ 67,376,272

The plan's fiduciary net position represents 54.2 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, 2021	\$ 174,772,723	\$ 79,428,354	\$ 95,344,369
Changes for the year:			
Service cost	986,418	-	986,418
Interest	12,241,334	-	12,241,334
Differences between expected and actual experience	(3,294,643)	-	(3,294,643)
Changes in assumptions	(9,852,251)	-	(9,852,251)
Contributions - Employer	-	9,671,541	(9,671,541)
Net investment loss	-	(10,973,694)	10,973,694
Benefit payments, including refunds	(9,721,197)	(9,721,197)	-
Administrative expenses	-	(32,502)	32,502
Net changes	(9,640,339)	(11,055,852)	1,415,513
Balance at December 31, 2022	\$ 165,132,384	\$ 68,372,502	\$ 96,759,882

The plan's fiduciary net position represents 41.4 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, 2023, the City recognized OPEB expense of \$6,435,485 for the city employees' plan and OPEB recovery of \$4,954,784 for the police and fire plan.

At June 30, 2023, 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	\$ 8,062,310	\$ -	\$ 6,139,352	\$ -
Employer contributions to the plan subsequent to the measurement date	2,774,645	-	4,726,530	-
Total	\$ 10,836,955	\$ -	\$ 10,865,882	\$ -

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 in the subsequent period and, therefore, will not be included in future OPEB expense):

Years Ending June 30	City Employees'	Police and Fire
2024	\$ (38,686)	\$ (328,402)
2025	1,697,796	1,073,539
2026	2,450,606	2,040,422
2027	3,952,594	3,353,793
Total	\$ 8,062,310	\$ 6,139,352

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	\$ 10,792,358	\$ 44,597	\$ 10,865,882	\$ -
Net OPEB liability	67,098,999	277,273	96,759,882	-

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%	7.75% 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)	7.10%	7.25%
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 7.10 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 7.10 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 7.25 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 7.25 percent discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values.

Investment Rate of Return

The following were the asset allocation policies as of December 31, 2022 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 %	5.41 %
International equity	17.00	6.13
Fixed income	23.00	1.80
Real estate	5.00	3.25

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00 %	5.26 %
International equity	15.00	6.30
Domestic bonds	19.00	2.90
Real estate	10.00	4.09
Alternative assets	11.00	4.35

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 7.10 percent for the city employees' plan and 7.25 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	\$ 83,423,006	\$ 67,376,272	\$ 53,897,837
Net OPEB liability of the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	116,719,852	96,759,882	80,236,533

June 30, 2023

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 7.75 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	\$ 51,109,157	\$ 67,376,272	\$ 86,758,273
Net OPEB liability of the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	78,593,134	96,759,882	118,583,912

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 7.15 percent to 7.10 percent, and the rate of return for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust was changed from 7.30 percent to 7.25 percent. Also, the initial retiree health trend rates for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust changed from 8.00 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 8.00 percent to 7.75 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, 2023. Detailed information for each OPEB plan can be found in Note 8.

	Total OPEB Liability	Plan Net Position	Net OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense (Recovery)
City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	\$ 147,031,660	\$ 79,655,388	\$ 67,376,272	\$ 10,836,955	\$ -	\$ 6,435,485
Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	165,132,384	68,372,502	96,759,882	10,865,882	-	(4,954,784)
Total	\$ 312,164,044	\$ 148,027,890	\$ 164,136,154	\$ 21,702,837	\$ -	\$ 1,480,701

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	\$ 53,512,699	\$ 13,586,300	\$ 277,273	\$ 67,376,272
OPEB expense	5,111,297	1,297,704	26,484	6,435,485
Deferred outflows of resources representing contributions subsequent to the measurement date	2,203,725	559,502	11,418	2,774,645
Deferred outflows of resources representing the net difference between projected and actual earnings on OPEB plan investments	6,403,381	1,625,750	33,179	8,062,310
Amortization of deferred amounts:				
2024	(30,726)	(7,801)	(159)	(38,686)
2025	1,348,452	342,357	6,987	1,697,796
2026	1,946,361	494,160	10,085	2,450,606
2027	3,139,294	797,034	16,266	3,952,594
Total	\$ 6,403,381	\$ 1,625,750	\$ 33,179	\$ 8,062,310
Sensitivity analysis:				
Net OPEB liability at 6.15 percent discount rate	\$ 66,257,602	\$ 16,822,094	\$ 343,310	\$ 83,423,006
Net OPEB liability at 8.15 percent discount rate	42,807,633	10,868,399	221,805	53,897,837
Net OPEB liability at 6.50 percent health care cost trend rate	40,592,762	10,306,066	210,329	51,109,157
Net OPEB liability at 8.50 percent health care cost trend rate	68,906,593	17,494,644	357,036	86,758,273

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.

Note 11 - Pension Plans (Continued)

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

Police and Fire Retirement System

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

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

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

Benefits Provided

Employees' Retirement System

The pension plan provides retirement, disability, and death benefits. Regular retirement benefits are payable upon retirement at any age with 30 years of service, attainment of age 50 with 25 years of service, or attainment of age 60 with 8 years of service. Before reaching the age of 62, benefits are computed as credited years of service times 2.50 percent of final average compensation (FAC). FAC is computed as the average of the highest 2 years of service. At age 62, benefits are computed as credited years of service times the sum of (a) 1.1 percent of the first \$4,200 of FAC plus (b) 2.50 percent of FAC in excess of \$4,200.

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

Police and Fire Retirement System

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

Note 11 - Pension Plans (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	City of Warren Employees' Retirement System Defined Benefit Pension Plan	Police and Fire Retirement System Defined Benefit Pension Plan
Date of member count	December 31, 2021	December 31, 2021
Retirees and beneficiaries	481	585
Inactive plan members entitled to but not yet receiving benefits	13	12
Active plan members	42	328
Total employees covered by the plan	<u>536</u>	<u>925</u>

Contributions

Employees' Retirement System

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the board of trustees in accordance with the City Charter, union contracts, and plan provisions. The normal cost and actuarial accrued liability were determined using an aggregate actuarial funding method. For the year ended June 30, 2023, the City contributed \$8,400,554, 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, 2023, the City contributed \$13,885,653, 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, 2022 as its measurement date for the net pension liability. The December 31, 2022 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2022. The December 31, 2022 total pension liability was determined by an actuarial valuation performed as of December 31, 2021, which used update procedures to roll forward the estimated liability to December 31, 2022.

Note 11 - Pension Plans (Continued)

Police and Fire Retirement System

The City has chosen to use December 31, 2022 as its measurement date for the net pension liability. The December 31, 2022 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2022. The December 31, 2022 total pension liability was determined by an actuarial valuation performed as of December 31, 2021, which used update procedures to roll forward the estimated liability to December 31, 2022.

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, 2021	\$ 186,145,863	\$ 156,706,227	\$ 29,439,636
Changes for the year:			
Service cost	675,905	-	675,905
Interest	12,753,505	-	12,753,505
Differences between expected and actual experience	263,930	-	263,930
Changes in assumptions	5,962,165	-	5,962,165
Contributions - Employer	-	8,751,264	(8,751,264)
Net investment loss	-	(18,928,618)	18,928,618
Benefit payments, including refunds	(16,902,143)	(16,902,143)	-
Administrative expenses	-	(270,092)	270,092
Net changes	2,753,362	(27,349,589)	30,102,951
Balance at December 31, 2022	\$ 188,899,225	\$ 129,356,638	\$ 59,542,587

The plan's fiduciary net position represents 68.5 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, 2021	\$ 437,154,983	\$ 343,475,691	\$ 93,679,292
Changes for the year:			
Service cost	4,940,720	-	4,940,720
Interest	30,980,395	-	30,980,395
Differences between expected and actual experience	6,438,714	-	6,438,714
Changes in assumptions	2,033,008	-	2,033,008
Contributions - Employer	-	12,808,785	(12,808,785)
Contributions - Employee	-	2,134,819	(2,134,819)
Net investment loss	-	(46,473,204)	46,473,204
Benefit payments, including refunds	(35,413,455)	(35,413,455)	-
Administrative expenses	-	(528,023)	528,023
Net changes	8,979,382	(67,471,078)	76,450,460
Balance at December 31, 2022	\$ 446,134,365	\$ 276,004,613	\$ 170,129,752

The plan's fiduciary net position represents 61.9 percent of the total pension liability.

Note 11 - Pension Plans (Continued)

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

For the year ended June 30, 2023, the City recognized pension expense of \$12,187,755 for the Employees' Retirement System and \$23,984,891 for the Police and Fire Retirement System.

At June 30, 2023, 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	\$ -	\$ -	\$ 13,508,188	\$ -
Changes in assumptions	-	-	9,974,315	-
Net difference between projected and actual earnings on pension plan investments	12,023,474	-	25,210,567	-
Employer contributions to the plan subsequent to the measurement date	4,075,264	-	6,942,831	-
Total	<u>\$ 16,098,738</u>	<u>\$ -</u>	<u>\$ 55,635,901</u>	<u>\$ -</u>

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

Years Ending June 30	Employees' Retirement System	Police and Fire Retirement System
2024	\$ (189,188)	\$ 5,912,523
2025	2,668,156	11,622,493
2026	3,578,093	15,307,607
2027	5,966,413	15,850,447
Total	<u>\$ 12,023,474</u>	<u>\$ 48,693,070</u>

Actuarial Assumptions

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

	City of Warren Employees' Retirement System Defined Benefit Pension Plan	Police and Fire Retirement System Defined Benefit Pension Plan
Inflation	2.5%	2.5%
Salary increases (including inflation)	4.0% - 5.3%	3.5% - 6.5%
Investment rate of return (net of investment expenses, including inflation)	7.10%	7.25%
Mortality rates	PubS-2010 and MP-2021	Pub-2010 Public Safety

Note 11 - Pension Plans (Continued)

Discount Rate

Employees' Retirement System

The discount rate used to measure the total pension liability was 7.09 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.

Based on those assumptions, the pension plans' fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate, which was 4.31 percent. The source of that bond rate was the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2022. The long-term expected rate of return was applied to projected benefit payments for the periods in which the plan maintains a positive fiduciary net position: from December 31, 2022 through December 31, 2067.

Police and Fire Retirement System

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that 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, 2022 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, 2022 for each major asset class included in the Plan's target asset allocation.

June 30, 2023

Note 11 - Pension Plans (Continued)

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.

The following were the asset allocation policies as of December 31, 2022 for each plan:

Employees' Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	55.00 %	5.41 %
International equity	17.00	6.13
Fixed income	23.00	1.80
Real estate	5.00	3.25

Police and Fire Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00 %	5.26 %
International equity	15.00	6.30
Domestic bonds	19.00	2.90
Alternative assets	11.00	4.09
Real estate	10.00	4.35

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 (6.09 percent and 6.25 percent for the Employees' Retirement System and Police and Fire Retirement System, respectively) or 1 percentage point higher (8.09 percent and 8.25 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	\$ 75,697,945	\$ 59,542,587	\$ 45,568,004
Net pension liability of the Police and Fire Retirement System Defined Benefit Pension Plan	214,439,164	170,129,752	132,341,434

Note 11 - Pension Plans (Continued)

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 7.15 percent to 7.10 percent. Mortality tables were updated to PubS-2010 tables with MP-2021. Inflation rate was updated from 3.5 percent to 2.5 percent. Rates of salary increases were updated to a maximum of 5.3 percent.

Police and Fire Retirement System

For the Police and Fire Retirement System, in the current year, the investment rate of return was changed from 7.30 percent to 7.25 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.

Note 11 - Pension Plans (Continued)

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, 2022 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	\$ 129,339,176	\$ 129,339,176	\$ 265,284,813	\$ 257,004,971
Employee reserve	17,461	17,461	18,999,642	18,999,642

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, 2023. 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 Expense
City of Warren Employees' Retirement System Defined Benefit Pension Plan	\$ 188,899,225	\$ 129,356,638	\$ 59,542,587	\$ 16,098,738	\$ -	\$ 12,187,755
Police and Fire Retirement System Defined Benefit Pension Plan	446,134,365	276,004,613	170,129,752	55,635,901	-	23,984,891
Total	<u>\$ 635,033,590</u>	<u>\$ 405,361,251</u>	<u>\$ 229,672,339</u>	<u>\$ 71,734,639</u>	<u>\$ -</u>	<u>\$ 36,172,646</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 405 active participants in the plan as of June 30, 2023. The City contributed approximately \$3.1 million for the year ended June 30, 2023.

Funding Policy

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

Note 14 - Fund Balance Constraints

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

	Primary Government				
	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Funds	Total
Nonspendable:					
Inventory	\$ 392,539	\$ -	\$ -	\$ 25,638	\$ 418,177
Prepays	208,397	26,287	-	13,850	248,534
Total nonspendable	600,936	26,287	-	39,488	666,711
Restricted:					
Roads	-	-	17,239,062	32,290,519	49,529,581
Grants	-	879,242	-	-	879,242
Capital projects	-	-	306,932	-	306,932
Sanitation	-	-	-	7,196,538	7,196,538
Recreation	-	-	-	2,371,034	2,371,034
Library	-	-	-	5,868,058	5,868,058
Cable franchise fees	-	-	-	2,499,725	2,499,725
Police enforcement	-	-	-	2,121,266	2,121,266
Special assessments	-	-	680,148	-	680,148
Vice crime	-	-	-	417,397	417,397
Total restricted	-	879,242	18,226,142	52,764,537	71,869,921
Committed:					
Road ordinance	-	-	-	2,460,767	2,460,767
Special assessments	-	-	517,266	-	517,266
Total committed	-	-	517,266	2,460,767	2,978,033
Assigned:					
Subsequent year's budget	23,697,380	-	-	-	23,697,380
Compensated absences	11,202,525	-	-	-	11,202,525
Claims and insurance	6,794,668	-	-	-	6,794,668
Fire equipment	2,055,745	-	-	-	2,055,745
Capital projects	-	-	10,714,342	-	10,714,342
Debt service	-	-	-	76,936	76,936
Capital equipment	5,000,000	-	-	-	5,000,000
Retiree health care	6,002,996	-	-	-	6,002,996
General employee retirement	5,575,000	-	-	-	5,575,000
Police and fire employee retirement	5,575,000	-	-	-	5,575,000
Roads	163,738	-	-	-	163,738
Total assigned	66,067,052	-	10,714,342	76,936	76,858,330
Unassigned	22,496,175	-	-	-	22,496,175
Total fund balances	\$ 89,164,163	\$ 905,529	\$ 29,457,750	\$ 55,341,728	\$ 174,869,170

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 \$3,794,668 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, 2023, as provided by the City's insurance carrier. The General Fund balance sheet reports assigned fund balance - claims and insurance in the amount of \$3,794,668.

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:

	2021	Est. Claims Incurred/ Reserved	Payments and Adjustments	2022	Est. Claims Incurred/ Reserved	Payments and Adjustments	2023	Due in One Year
Workers' compensation, automobile, and public entity liability	\$ 4,795,256	\$ 1,153,607	\$ (2,553,687)	\$ 3,395,176	\$ 2,794,625	\$ (2,395,133)	\$ 3,794,668	\$ 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, 2022.

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, 2023

Note 16 - Fair Value Measurements (Continued)

The City has the following recurring fair value measurements as of June 30, 2023:

	Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2023
Debt securities:				
U.S. Treasury securities*	\$ -	\$ 32,916,182	\$ -	\$ 32,916,182
Domestic fixed income*	-	9,645,060	-	9,645,060
International fixed income*	-	651,521	-	651,521
Commercial mortgage-backed securities*	-	15,935,319	-	15,935,319
Asset-backed securities*	-	2,830,183	-	2,830,183
Asset-backed securities	-	8,784,157	-	8,784,157
Open-end MF - Fixed income*	4,592,546	-	-	4,592,546
Corporate bonds*	-	37,584,066	-	37,584,066
Private placement*	-	-	156,579	156,579
Municipal obligations*	-	179,696	-	179,696
Municipal obligations	-	6,354,518	-	6,354,518
Total debt securities	4,592,546	114,880,702	156,579	119,629,827
Equity securities:				
Domestic stock*	164,654,008	-	-	164,654,008
Foreign stock*	6,720,767	-	-	6,720,767
Real estate investment trusts*	3,900,921	-	-	3,900,921
ADR*	12,614,730	-	-	12,614,730
CTF - Equity*	-	62,672,789	-	62,672,789
Closed-end MF - Equity*	25,283,365	59,259,129	-	84,542,494
Partnerships publicly traded*	307,988	-	-	307,988
Short-term investment funds*	11,583,748	-	-	11,583,748
Total equity securities	225,065,527	121,931,918	-	346,997,445
Total investments by fair value level	\$ 229,658,073	\$ 236,812,620	\$ 156,579	466,627,272
Investments measured at NAV:				
Fifth Third Fund - DDA				815,073
Invesco STIT Treasury Portfolio				13,030,342
Closely held equities*				73,245,999
Collective investment fund equities*				33,929,759
Total investments measured at NAV				121,021,173
Total investments measured at fair value				\$ 587,648,445

*These represent fiduciary fund investments, which are stated as of December 31, 2022.

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, 2022 and June 30, 2023 was determined using prices quoted in active markets for those securities.

The fair value of debt securities at December 31, 2022 and June 30, 2023 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.

Note 16 - Fair Value Measurements (Continued)

The fair value of private equity funds at December 31, 2022 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, 2023, 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	\$ 815,073	\$ -	N/A	N/A
Invesco STIT Treasury Portfolio	13,030,342	-	N/A	N/A
Closely held equities*	73,245,999	6,311,874	Ongoing	Until maturity
Collective investment fund equities*	33,929,759	-	Ongoing	Until maturity
Total investments measured at NAV	<u>\$ 121,021,173</u>	<u>\$ 6,311,874</u>		

*These represent fiduciary fund investments, which are stated as of December 31, 2022.

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 Invesco STIT Treasury Portfolio invests primarily in short-term, high-credit-quality money market instruments that are direct obligations of the U.S. Treasury and repurchase agreements backed by Treasury obligations.

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 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 \$4,700,000. Complete financial statements for the South Macomb Disposal Authority can be obtained from the administrative offices at 20001 Pleasant Avenue, Box 286, St. Clair Shores, MI 48080.

Note 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, 2023, the City abated \$2,061,626 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

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

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

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

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

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

June 30, 2023

Note 19 - Tax Abatements (Continued)

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

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

Information relevant to the disclosure of those programs for the fiscal year ended June 30, 2023 is as follows:

Tax Abatement Program	Amount of Taxes Abated During the Year Ended June 30, 2023
Brownfield Redevelopment Authority Sites	\$ 1,404,984
Industrial and Commercial Facilities (Act 198)	2,061,626
Other commercial and industrial tax abatements	192,423

Note 20 - Subsequent Events

Subsequent to year end, the City issued Michigan Transportation Fund Bonds, Series 2023, for \$20,955,000, with \$2,579,655 in premium.

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 79,701,001	\$ 79,701,001	\$ 79,937,737	\$ 236,736
Intergovernmental:				
Federal grants	-	481,446	605,581	124,135
State sources - State-shared revenue	23,635,552	24,156,378	24,441,672	285,294
Charges for services	5,225,124	5,257,682	5,492,804	235,122
Fines and forfeitures	4,548,982	4,548,982	3,775,688	(773,294)
Licenses and permits	5,405,000	5,405,000	4,617,957	(787,043)
Interest and rentals - Investment earnings	400,000	400,000	1,890,430	1,490,430
Other revenue	9,116,326	9,116,326	8,661,831	(454,495)
Total revenue	128,031,985	129,066,815	129,423,700	356,885
Expenditures				
Current services:				
General government:				
Council	1,427,859	1,427,862	1,204,626	223,236
Mayor	769,163	769,163	530,783	238,380
Controller	1,937,352	1,937,352	1,714,627	222,725
Information technology/Data proc.	1,112,874	1,128,324	905,521	222,803
Treasurer	1,497,370	1,497,370	1,302,453	194,917
Assessing	2,149,891	2,208,391	1,948,063	260,328
Clerk	2,068,274	2,068,274	1,342,086	726,188
Buildings maintenance	2,539,816	2,540,141	2,188,407	351,734
Legal	1,770,998	1,782,998	1,705,927	77,071
Human resources	1,696,739	1,696,739	1,313,905	382,834
Administration unallocated expense	5,446,819	6,278,111	4,478,898	1,799,213
Other commissions	99,438	99,438	53,916	45,522
District court	7,435,391	8,414,203	7,208,066	1,206,137
Public safety:				
Police department	52,327,293	54,377,844	50,884,509	3,493,335
Fire department	35,028,500	37,054,586	29,723,433	7,331,153
Civil defense	250,987	277,111	252,580	24,531
Animal control	542,006	542,006	436,765	105,241
Crime commission	14,800	14,800	14,350	450
Building inspections	4,341,317	4,469,434	3,474,530	994,904
Public works:				
Property maintenance	3,488,443	3,626,443	2,261,998	1,364,445
Stormwater drainage	159,530	159,530	159,530	-
Highway street lighting	3,000,000	3,000,000	2,967,447	32,553
DPW garage	8,516,081	10,370,551	6,759,696	3,610,855
Public service director	569,989	569,989	433,355	136,634
Engineering and inspections	1,940,723	1,940,723	1,282,672	658,051
Community and economic development:				
Planning	1,194,058	1,244,058	656,947	587,111
Zoning	27,440	27,440	15,756	11,684
Economic development opportunities	168,210	181,168	107,156	74,012
Recreation and culture:				
Historical commission	18,363	18,363	3,634	14,729
Cultural commission	29,100	29,100	28,749	351
Village historical commission	51,100	51,100	15,860	35,240
Total expenditures	141,619,924	149,802,612	125,376,245	24,426,367
Excess of Revenue (Under) Over Expenditures	(13,587,939)	(20,735,797)	4,047,455	24,783,252
Other Financing Uses - Transfers out	(308,466)	(802,266)	(623,769)	178,497
Net Change in Fund Balance	(13,896,405)	(21,538,063)	3,423,686	24,961,749
Fund Balance - Beginning of year	85,740,477	85,740,477	85,740,477	-
Fund Balance - End of year	\$ 71,844,072	\$ 64,202,414	\$ 89,164,163	\$ 24,961,749

City of Warren, Michigan

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

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue - Federal grants	\$ 11,089,947	\$ 11,096,026	\$ 3,157,288	\$ (7,938,738)
Expenditures - Community and economic development	<u>11,086,869</u>	<u>11,072,962</u>	<u>3,418,925</u>	<u>7,654,037</u>
Net Change in Fund Balance	3,078	23,064	(261,637)	(284,701)
Fund Balance - Beginning of year	<u>1,167,166</u>	<u>1,167,166</u>	<u>1,167,166</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 1,170,244</u>	<u>\$ 1,190,230</u>	<u>\$ 905,529</u>	<u>\$ (284,701)</u>

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

	Last Six Plan Years Years Ended December 31					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Service cost	\$ 690,057	\$ 727,149	\$ 1,393,370	\$ 1,860,535	\$ 1,852,338	\$ 1,920,562
Interest	10,077,744	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	730,114	(20,477,561)	3,977,930	(5,033,563)	6,436,284	-
Benefit payments, including refunds	(9,287,015)	(7,871,388)	(7,704,095)	(7,346,347)	(7,327,343)	(7,254,730)
Net Change in Total OPEB Liability	2,210,900	(10,371,891)	8,154,130	(15,337,855)	12,523,274	(561,057)
Total OPEB Liability - Beginning of year	144,820,760	155,192,651	147,038,521	162,376,376	149,853,102	150,414,159
Total OPEB Liability - End of year	\$ 147,031,660	\$ 144,820,760	\$ 155,192,651	\$ 147,038,521	\$ 162,376,376	\$ 149,853,102
Plan Fiduciary Net Position						
Contributions - Employer	\$ 7,179,120	\$ 9,059,108	\$ 8,654,612	\$ 8,768,498	\$ 10,631,555	\$ 14,900,078
Net investment (loss) income	(13,054,074)	13,348,262	8,928,872	12,840,448	(3,474,216)	6,909,968
Administrative expenses	(134,721)	(155,561)	(142,878)	(137,215)	(140,508)	(61,216)
Benefit payments, including refunds	(9,287,015)	(7,871,388)	(7,704,095)	(7,346,347)	(7,327,343)	(7,254,730)
Net Change in Plan Fiduciary Net Position	(15,296,690)	14,380,421	9,736,511	14,125,384	(310,512)	14,494,100
Plan Fiduciary Net Position - Beginning of year	94,952,078	80,571,657	70,835,146	56,709,762	57,020,274	42,526,174
Plan Fiduciary Net Position - End of year	\$ 79,655,388	\$ 94,952,078	\$ 80,571,657	\$ 70,835,146	\$ 56,709,762	\$ 57,020,274
Net OPEB Liability - Ending	\$ 67,376,272	\$ 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	54.18 %	65.57 %	51.92 %	48.17 %	34.92 %	38.05 %
Covered-employee Payroll	\$ 11,715,848	\$ 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	575.09 %	442.68 %	719.61 %	680.30 %	781.65 %	662.68 %

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

Required Supplementary 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 Six Plan Years Years Ended December 31					
	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 986,418	\$ 1,045,245	\$ 1,173,699	\$ 1,424,167	\$ 1,516,273	\$ 1,539,652
Interest	12,241,334	12,426,542	12,718,529	12,665,563	13,045,589	13,250,035
Differences between expected and actual experience	(3,294,643)	3,707,903	1,681,689	(2,349,801)	(10,623,910)	(8,704,524)
Changes in assumptions	(9,852,251)	(1,711,060)	(11,540,029)	(2,346,037)	-	-
Benefit payments, including refunds	(9,721,197)	(9,848,098)	(9,958,488)	(9,522,588)	(8,532,131)	(9,140,410)
Net Change in Total OPEB Liability	(9,640,339)	5,620,532	(5,924,600)	(128,696)	(4,594,179)	(3,055,247)
Total OPEB Liability - Beginning of year	174,772,723	169,152,191	175,076,791	175,205,487	179,799,666	182,854,913
Total OPEB Liability - End of year	\$ 165,132,384	\$ 174,772,723	\$ 169,152,191	\$ 175,076,791	\$ 175,205,487	\$ 179,799,666
Plan Fiduciary Net Position						
Contributions - Employer	\$ 9,671,541	\$ 10,390,011	\$ 10,445,000	\$ 10,500,000	\$ 11,810,718	\$ 20,903,170
Net investment (loss) income	(10,973,694)	11,538,309	9,101,392	10,477,904	(1,829,637)	5,389,014
Administrative expenses	(32,502)	(39,530)	(22,129)	(24,529)	(26,665)	(8,600)
Benefit payments, including refunds	(9,721,197)	(9,848,098)	(9,958,488)	(9,522,588)	(8,532,131)	(9,140,410)
Net Change in Plan Fiduciary Net Position	(11,055,852)	12,040,692	9,565,775	11,430,787	1,422,285	17,143,174
Plan Fiduciary Net Position - Beginning of year	79,428,354	67,387,662	57,821,887	46,391,100	44,968,815	27,825,641
Plan Fiduciary Net Position - End of year	\$ 68,372,502	\$ 79,428,354	\$ 67,387,662	\$ 57,821,887	\$ 46,391,100	\$ 44,968,815
Net OPEB Liability - Ending	\$ 96,759,882	\$ 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	41.40 %	45.45 %	39.84 %	33.00 %	26.48 %	25.01 %
Covered-employee Payroll	\$ 11,299,586	\$ 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	856.31 %	709.16 %	796.48 %	851.30 %	852.56 %	910.66 %

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

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

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

	2022	2021	2020	2019	2018*	2017*
City Employees' Retirement Health, Life and Disability Benefits Plan and Trust - VEBA - Annual money-weighted rate of return - Net of investment expense	(13.14)%	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	(12.99)%	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 Supplementary Information
 Schedule of Changes in the Net Pension Liability and Related Ratios
 Employees' Retirement System Defined Benefit Pension Plan

**Last Nine Plan Years
 Years Ended December 31**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 675,905	\$ 668,898	\$ 931,363	\$ 887,102	\$ 1,012,891	\$ 1,128,729	\$ 1,248,269	\$ 1,182,428	\$ 1,227,820
Interest	12,753,505	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	263,930	(513,022)	1,678,023	2,040,186	2,626,423	292,886	(3,319,419)	747,834	(963)
Changes in assumptions	5,962,165	748,018	766,546	-	5,403,963	-	-	3,842,234	3,134,370
Benefit payments, including refunds	(16,902,143)	(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	2,753,362	(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	186,145,863	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	\$ 188,899,225	\$ 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	\$ 8,751,264	\$ 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 (loss) income	(18,928,618)	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	(270,092)	(273,296)	(244,278)	(241,814)	(251,092)	(255,718)	(259,188)	(295,700)	(307,881)
Benefit payments, including refunds	(16,902,143)	(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	(27,349,589)	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	156,706,227	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	\$ 129,356,638	\$ 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	\$ 59,542,587	\$ 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	68.48 %	84.18 %	75.31 %	72.12 %	64.20 %	74.13 %	63.36 %	59.35 %	65.30 %
Covered Payroll	\$ 3,719,041	\$ 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	1,601.02 %	664.00 %	1,058.97 %	951.00 %	1,262.60 %	786.20 %	1,107.30 %	1,049.40 %	893.60 %

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

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

**Last Nine Plan Years
 Years Ended December 31**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 4,940,720	\$ 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	30,980,395	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	6,438,714	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	2,033,008	13,046,123	-	5,722,581	-	(61,092,666)	(27,905,225)	42,956,365	-
Benefit payments, including refunds	(35,413,455)	(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	8,979,382	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	437,154,983	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	\$ 446,134,365	\$ 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	\$ 12,808,785	\$ 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	2,134,819	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 (loss) income	(46,473,204)	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	(528,023)	(492,212)	(472,081)	(480,236)	(514,140)	(456,239)	(426,933)	(454,638)	(397,298)
Benefit payments, including refunds	(35,413,455)	(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	(67,471,078)	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	343,475,691	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	\$ 276,004,613	\$ 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	\$ 170,129,752	\$ 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	61.87 %	78.57 %	76.25 %	71.83 %	65.91 %	75.03 %	61.37 %	58.15 %	67.73 %
Covered Payroll	\$ 30,551,685	\$ 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	556.86 %	293.27 %	347.61 %	415.78 %	496.03 %	373.77 %	714.40 %	824.06 %	547.07 %

The required supplementary 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 Supplementary Information Schedule of Pension Investment Returns

**Last Nine Plan Years
Years Ended December 31**

	2022	2021	2020	2018*	2017*	2016	2015*	2014*	2013
Employees' Retirement System Defined Benefit Pension Plan - Annual money-weighted rate of return - Net of investment expense	(12.66)%	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	(14.26)%	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	\$ 123,803,059	\$ 119,755,604
Nonreciprocal interfund activity budgeted as revenue	<u>5,620,641</u>	<u>5,620,641</u>
Amounts per budget statement	<u>\$ 129,423,700</u>	<u>\$ 125,376,245</u>

June 30, 2023

During the year, 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:				
101-1220-72501 Fees & Per Diem	\$ 3,000	\$ 4,000	\$ 4,450	\$ 450
101-1237-70600 Permanent Employees	156,911	156,911	156,946	35
101-1294-82602 Professional Services	398,904	541,404	639,985	98,581
101-1294-91304 401(A) Board Operating Ex	55,000	55,000	55,413	413
101-1301-92000 Public Utilities	200,000	200,000	212,220	12,220
101-1311-80100 Contractual Services	1,800	1,800	2,100	300
101-1311-92000 Public Utilities	2,000	2,000	2,171	171
101-1336-92000 Public Utilities	135,000	135,000	141,845	6,845
101-1400-71303 Clean/Clothing Allowance	900	900	1,350	450
101-1421-71303 Clean/Clothing Allowance	300	300	1,000	700
101-1430-71905 H.S.A. Expense	2,586	2,586	2,896	310
101-1796-92000 Public Utilities	3,300	3,300	7,903	4,603
Major Streets Fund:				
202-2463-80207 Bridge Repairs	900,000	960,000	1,019,682	59,682
202-2474-80121 Traffic Signal Upkeep	300,000	300,000	350,882	50,882
Local Streets Fund -				
203-3474-80121 Traffic Signal Upkeep	60,000	60,000	71,867	11,867
Recreation Fund:				
208-9208-70713 Temporary - Recreation	950,000	750,000	756,225	6,225
208-9208-92000 Public Utilities	450,000	450,000	480,064	30,064
Rental Ordinance Fund -				
230-9230-80200 Postage	11,600	12,300	12,402	102
Communications Fund -				
250-9250-92000 Public Utilities	100,000	100,000	104,090	4,090
Library Fund:				
271-9271-80130 Library Coop Indirect Aid	65,000	65,000	70,674	5,674
271-9271-92000 Public Utilities	215,000	215,000	215,901	901

Pension Information

Changes in Assumptions

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

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

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

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

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

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

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

June 30, 2023

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.

For the 2022 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan was changed to 7.10 percent. Mortality tables were updated to PubS-2010 tables with MP-2021. Inflation rate was updated from 3.5 percent to 2.5 percent.

For the 2022 plan year, the discount rate for the Police and Fire System Defined Benefit Pension Plan was changed to 7.25 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.

For the 2022 plan year, the discount rate for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust was changed to 7.10 percent. Also, the initial retiree health trend rates for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust changed from 8.00 percent to 7.50 percent.

For the 2022 plan year, the discount rate for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust was changed to 7.25 percent. Also, the initial retiree health trend rates for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust changed from 8.00 percent to 7.75 percent.

Other Supplementary Information

City of Warren, Michigan

	Special Revenue Funds					
	Major Streets	Local Streets	Recreation	Sanitation	Library	Communications
Assets						
Cash and investments	\$ 15,507,749	\$ 6,754,267	\$ 2,612,527	\$ 7,655,800	\$ 6,019,104	\$ 2,106,777
Receivables:						
Property taxes receivable	-	-	34,730	102,736	44,753	-
Accrued interest receivable	4,552	2,144	-	-	-	-
Other receivables	-	-	58,556	27,632	93,361	412,059
Due from other governments	2,231,137	739,808	34	101	71,216	-
Due from component units	-	-	2,327	6,011	2,531	-
Due from other funds	24,442	546,828	164	-	70	235
Inventory	-	-	8,836	16,802	-	-
Prepaid items and other assets	500	-	125	-	725	12,500
Deposits	348,950	-	-	-	-	-
Total assets	\$ 18,117,330	\$ 8,043,047	\$ 2,717,299	\$ 7,809,082	\$ 6,231,760	\$ 2,531,571
Liabilities						
Accounts payable	\$ 1,074,553	\$ 987,970	\$ 200,958	\$ 432,558	\$ 188,917	\$ 15,686
Due to other governmental units	-	-	-	-	19	-
Due to other funds	255,350	378,737	-	-	-	-
Refundable deposits, bonds, etc.	223,004	143,634	18,877	-	107,016	-
Accrued liabilities and other	7,406	26,511	25,474	53,418	13,858	3,660
Unearned revenue	-	-	-	-	5,199	-
Provision for property tax refunds	-	-	6,991	20,981	9,592	-
Total liabilities	1,560,313	1,536,852	252,300	506,957	324,601	19,346
Deferred Inflows of Resources -						
Unavailable revenue	-	-	85,004	88,785	38,376	-
Total liabilities and deferred inflows of resources	1,560,313	1,536,852	337,304	595,742	362,977	19,346
Fund Balances						
Nonspendable:						
Inventory/Assets held for resale	-	-	8,836	16,802	-	-
Prepays	500	-	125	-	725	12,500
Restricted:						
Roads	16,556,517	6,506,195	-	-	-	-
Sanitation	-	-	-	7,196,538	-	-
Recreation	-	-	2,371,034	-	-	-
Library	-	-	-	-	5,868,058	-
Cable franchise fees	-	-	-	-	-	2,499,725
Police enforcement	-	-	-	-	-	-
Vice crime	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	16,557,017	6,506,195	2,379,995	7,213,340	5,868,783	2,512,225
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,117,330	\$ 8,043,047	\$ 2,717,299	\$ 7,809,082	\$ 6,231,760	\$ 2,531,571

Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

Special Revenue Funds								
Rental Ordinance	Vice Crime Confiscations	Drug Forfeiture	Police Training	Local Road Millage	Indigent Defense	Debt Service Funds	Total	
\$ 2,457,857	\$ 419,418	\$ 2,103,407	\$ 54,671	\$ 10,654,923	\$ 405,059	\$ 76,936	\$ 56,828,495	
-	-	-	-	74,177	-	-	256,396	
-	-	-	-	-	-	-	6,696	
-	-	-	-	-	-	-	591,608	
-	-	-	-	73	-	-	3,042,369	
-	-	-	-	4,835	-	-	15,704	
7,035	-	36,393	-	-	-	-	615,167	
-	-	-	-	-	-	-	25,638	
-	-	-	-	-	-	-	13,850	
-	-	-	-	-	-	-	348,950	
\$ 2,464,892	\$ 419,418	\$ 2,139,800	\$ 54,671	\$ 10,734,008	\$ 405,059	\$ 76,936	\$ 61,744,873	
\$ 75	\$ 2,021	\$ 67,322	\$ 5,883	\$ 967,191	\$ 84,052	\$ -	\$ 4,027,186	
-	-	-	-	-	-	-	19	
-	-	-	-	231,441	-	-	865,528	
-	-	-	-	228,319	-	-	720,850	
4,050	-	-	-	-	256	-	134,633	
-	-	-	-	-	320,751	-	325,950	
-	-	-	-	15,144	-	-	52,708	
4,125	2,021	67,322	5,883	1,442,095	405,059	-	6,126,874	
-	-	-	-	64,106	-	-	276,271	
4,125	2,021	67,322	5,883	1,506,201	405,059	-	6,403,145	
-	-	-	-	-	-	-	25,638	
-	-	-	-	-	-	-	13,850	
-	-	-	-	9,227,807	-	-	32,290,519	
-	-	-	-	-	-	-	7,196,538	
-	-	-	-	-	-	-	2,371,034	
-	-	-	-	-	-	-	5,868,058	
-	-	-	-	-	-	-	2,499,725	
-	-	2,072,478	48,788	-	-	-	2,121,266	
-	417,397	-	-	-	-	-	417,397	
2,460,767	-	-	-	-	-	-	2,460,767	
-	-	-	-	-	-	76,936	76,936	
2,460,767	417,397	2,072,478	48,788	9,227,807	-	76,936	55,341,728	
\$ 2,464,892	\$ 419,418	\$ 2,139,800	\$ 54,671	\$ 10,734,008	\$ 405,059	\$ 76,936	\$ 61,744,873	

City of Warren, Michigan

	Special Revenue Funds					
	Major Streets	Local Streets	Recreation	Sanitation	Library	Communications
Revenue						
Property taxes	\$ -	\$ -	\$ 3,580,031	\$ 10,742,190	\$ 4,905,645	\$ -
Intergovernmental:						
Federal grants	-	-	-	-	16,309	-
State sources:						
Local Community Stabilization Authority	-	-	464,941	1,395,218	530,018	-
Act 51 gas and weight tax	13,081,123	4,359,521	-	-	-	-
Other	-	582,991	265,897	-	232,595	-
Charges for services	-	-	731,188	-	-	-
Fines and forfeitures	-	-	-	-	51,456	-
Licenses and permits	-	-	-	-	-	1,707,103
Interest and rentals	223,931	103,603	169,036	214,060	205,101	81,020
Other revenue	57,538	-	8,800	440,133	24,985	17,783
Total revenue	13,362,592	5,046,115	5,219,893	12,791,601	5,966,109	1,805,906
Expenditures						
Current services:						
District court	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	8,013,128	6,533,557	-	8,918,453	-	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	5,624,804	-	4,732,602	1,630,864
Debt service:						
Principal	-	-	-	1,060,745	-	-
Interest and fiscal charges	-	-	-	147,703	-	-
Total expenditures	8,013,128	6,533,557	5,624,804	10,126,901	4,732,602	1,630,864
Excess of Revenue Over (Under) Expenditures	5,349,464	(1,487,442)	(404,911)	2,664,700	1,233,507	175,042
Other Financing Sources (Uses)						
Transfers in	102	2,500,000	-	-	-	-
Transfers out	(6,299,541)	-	(245,713)	-	(105,306)	(351,019)
Total other financing (uses) sources	(6,299,439)	2,500,000	(245,713)	-	(105,306)	(351,019)
Net Change in Fund Balances	(949,975)	1,012,558	(650,624)	2,664,700	1,128,201	(175,977)
Fund Balances - Beginning of year	17,506,992	5,493,637	3,030,619	4,548,640	4,740,582	2,688,202
Fund Balances - End of year	\$ 16,557,017	\$ 6,506,195	\$ 2,379,995	\$ 7,213,340	\$ 5,868,783	\$ 2,512,225

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

Year Ended June 30, 2023

		Special Revenue Funds							
Rental Ordinance	Vice Crime Confiscations	Drug Forfeiture	Police Training	Local Road Millage	Indigent Defense	Debt Service Funds	Total		
\$ -	\$ -	\$ -	\$ -	\$ 7,764,344	\$ -	\$ -	\$ 26,992,210		
-	-	426,698	-	-	-	-	443,007		
-	-	-	-	1,007,033	-	-	3,397,210		
-	-	-	-	-	-	-	17,440,644		
-	-	535,227	47,452	-	662,191	-	2,326,353		
-	-	-	-	-	-	-	731,188		
1,148,510	28,290	-	-	-	-	-	1,228,256		
-	-	-	-	-	-	-	1,707,103		
87,812	15,823	72,181	1,390	368,543	20,210	2,925	1,565,635		
-	-	-	-	-	-	-	549,239		
1,236,322	44,113	1,034,106	48,842	9,139,920	682,401	2,925	56,380,845		
-	-	-	-	-	806,170	-	806,170		
-	21,960	1,096,107	19,235	-	-	-	1,137,302		
-	-	-	-	9,563,940	-	-	33,029,078		
922,411	-	-	-	-	-	-	922,411		
-	-	-	-	-	-	-	11,988,270		
-	-	-	-	-	-	2,963,322	4,024,067		
-	-	-	-	-	-	1,546,420	1,694,123		
922,411	21,960	1,096,107	19,235	9,563,940	806,170	4,509,742	53,601,421		
313,911	22,153	(62,001)	29,607	(424,020)	(123,769)	(4,506,817)	2,779,424		
-	-	-	-	-	123,769	4,501,579	7,125,450		
-	-	-	-	-	-	-	(7,001,579)		
-	-	-	-	-	123,769	4,501,579	123,871		
313,911	22,153	(62,001)	29,607	(424,020)	-	(5,238)	2,903,295		
2,146,856	395,244	2,134,479	19,181	9,651,827	-	82,174	52,438,433		
\$ 2,460,767	\$ 417,397	\$ 2,072,478	\$ 48,788	\$ 9,227,807	\$ -	\$ 76,936	\$ 55,341,728		

Other Supplementary Information
Combining Statement of Net Position
Nonmajor Enterprise Funds

June 30, 2023

	Senior Citizen Housing Funds - Stilwell Manor	Senior Citizen Housing Funds - Jos. Coach Manor	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and investments	\$ 347,455	\$ 2,860,605	\$ 3,208,060
Receivables	1,614	2,229	3,843
Due from other funds	1,217	750	1,967
Total current assets	350,286	2,863,584	3,213,870
Noncurrent assets - Capital assets:			
Assets not subject to depreciation	221,644	-	221,644
Assets subject to depreciation - Net	1,436,104	5,286,049	6,722,153
Total assets	2,008,034	8,149,633	10,157,667
Deferred Outflows of Resources - Deferred outflows related to OPEB	44,597	-	44,597
Liabilities			
Current liabilities:			
Accounts payable	25,401	23,186	48,587
Due to other funds	147,849	105,439	253,288
Refundable deposits, bonds, etc.	71,346	187,174	258,520
Accrued liabilities and other	1,659	927	2,586
Unearned revenue	328	4,520	4,848
Compensated absences	804	-	804
Total current liabilities	247,387	321,246	568,633
Noncurrent liabilities:			
Compensated absences	40,697	6,727	47,424
Net OPEB liability	277,275	-	277,275
Total noncurrent liabilities	317,972	6,727	324,699
Total liabilities	565,359	327,973	893,332
Net Position			
Net investment in capital assets	1,657,748	5,286,049	6,943,797
Unrestricted	(170,476)	2,535,611	2,365,135
Total net position	\$ 1,487,272	\$ 7,821,660	\$ 9,308,932

Other Supplementary 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	\$ 571,490	\$ 1,653,371	\$ 2,224,861
Other operating revenue	480,912	20,647	501,559
Total operating revenue	1,052,402	1,674,018	2,726,420
Operating Expenses			
Billing and administrative costs	84,000	559,381	643,381
Wages and fringes	564,781	247,509	812,290
Materials and supplies	14,829	115,217	130,046
Other operating expenses	395,564	286,544	682,108
Depreciation	139,277	222,903	362,180
Total operating expenses	1,198,451	1,431,554	2,630,005
Operating (Loss) Income	(146,049)	242,464	96,415
Nonoperating Expense - Interest expense	-	(1,125)	(1,125)
Change in Net Position	(146,049)	241,339	95,290
Net Position - Beginning of year	1,633,321	7,580,321	9,213,642
Net Position - End of year	<u>\$ 1,487,272</u>	<u>\$ 7,821,660</u>	<u>\$ 9,308,932</u>

Other Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds

Year Ended June 30, 2023

	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	\$ 1,052,402	\$ 1,674,018	\$ 2,726,420
Receipts from interfund services and reimbursements	(4,739)	11,164	6,425
Payments to suppliers	(547,175)	(962,596)	(1,509,771)
Payments to employees and fringes	(557,601)	(246,181)	(803,782)
Net cash and cash equivalents (used in) provided by operating activities	(57,113)	476,405	419,292
Cash Flows from Capital and Related Financing Activities			
Purchase of capital assets	(58,875)	(18,010)	(76,885)
Principal and interest paid on capital debt	-	(151,125)	(151,125)
Net cash and cash equivalents used in capital and related financing activities	(58,875)	(169,135)	(228,010)
Net (Decrease) Increase in Cash and Cash Equivalents	(115,988)	307,270	191,282
Cash and Cash Equivalents - Beginning of year	463,443	2,553,335	3,016,778
Cash and Cash Equivalents - End of year	\$ 347,455	\$ 2,860,605	\$ 3,208,060
Classification of Cash and Cash Equivalents - Cash and investments	\$ 347,455	\$ 2,860,605	\$ 3,208,060
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities			
Operating (loss) income	\$ (146,049)	\$ 242,464	\$ 96,415
Adjustments to reconcile operating (loss) income to net cash from operating activities:			
Depreciation	139,277	222,903	362,180
Changes in assets and liabilities:			
Receivables	(1,264)	2,932	1,668
Due to and from other funds	(4,739)	11,164	6,425
Prepaid and other assets	-	21	21
Net pension or OPEB liability	7,180	4,344	11,524
Accounts payable	(51,518)	(7,423)	(58,941)
Total adjustments	88,936	233,941	322,877
Net cash and cash equivalents (used in) provided by operating activities	\$ (57,113)	\$ 476,405	\$ 419,292

Other Supplementary Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2023

	Pension and Other Employee Benefits Trust Funds - December 31, 2022				
	Police and Fire Retirement System	City Employees' Retirement System	Police and Fire VEBA Trust	City Employees' VEBA Trust	Total Pension Trust Funds
Assets					
Cash and investments	\$ 1,231,729	\$ 25,545	\$ 21,945	\$ -	\$ 1,279,219
Investments:					
U.S. government securities	30,059,181	12,407,401	-	8,497,375	50,963,957
Mortgage-backed securities	-	2,428	-	-	2,428
Asset-backed securities	-	231,149	-	4,660	235,809
Mutual funds	10,843,305	49,371,140	37,945,269	42,235,572	140,395,286
Short-term cash management funds	7,907,430	4,555,825	3,676,318	2,789,738	18,929,311
Stocks	70,170,134	41,920,230	11,143,380	18,504,541	141,738,285
Bonds	19,280,002	11,045,983	11,019,435	7,194,413	48,539,833
Real estate	39,209,504	905,492	8,719,118	-	48,834,114
Other	96,854,718	9,016,393	1,300,553	5,251,711	112,423,375
Securities lending	1,249,120	372,488	-	-	1,621,608
Hedge funds	3,947,520	-	-	-	3,947,520
Receivables:					
Accrued interest receivable	346,458	225,417	28,723	343,848	944,446
Other receivables	-	427	-	-	427
Due from primary government	-	-	37,581	-	37,581
Prepaid items and other assets	-	2,390	-	208,680	211,070
Total assets	281,099,101	130,082,308	73,892,322	85,030,538	570,104,269
Liabilities					
Accounts payable	3,624,248	263,623	138,657	42,511	4,069,039
Due to other governmental units	-	-	-	50,991	50,991
Due to primary government	212,975	89,561	5,074,640	4,991,130	10,368,306
Accrued liabilities and other	-	-	306,525	290,515	597,040
Obligations under securities lending agreements	1,257,265	372,488	-	-	1,629,753
Total liabilities	5,094,488	725,672	5,519,822	5,375,147	16,715,129
Net Position					
Restricted for pension	276,004,613	129,356,636	-	-	405,361,249
Restricted for postemployment benefits other than pension	-	-	68,372,500	79,655,391	148,027,891
Total net position	<u>\$ 276,004,613</u>	<u>\$ 129,356,636</u>	<u>\$ 68,372,500</u>	<u>\$ 79,655,391</u>	<u>\$ 553,389,140</u>

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

Year Ended June 30, 2023

	Pension and Other Employee Benefits Trust Funds - Year Ended December 31, 2022				
	Police and Fire Retirement System	City Employees' Retirement System	Police and Fire VEBA Trust	City Employees' VEBA Trust	Total Pension Trust Funds
Additions					
Investment income (loss):					
Interest and dividends	\$ 7,293,498	\$ 2,405,040	\$ 1,237,319	\$ 3,898,649	\$ 14,834,506
Net decrease in fair value of investments	(52,914,662)	(20,839,022)	(12,052,899)	(16,784,534)	(102,591,117)
Investment-related expenses	(862,848)	(510,623)	(157,735)	(168,190)	(1,699,396)
Net investment loss	(46,484,012)	(18,944,605)	(10,973,315)	(13,054,075)	(89,456,007)
Securities lending income (loss):					
Interest and dividends	13,906	7,156	-	-	21,062
Securities lending - Investment (expense) income	(3,098)	8,831	-	-	5,733
Total securities lending income	10,808	15,987	-	-	26,795
Contributions:					
Employer contributions	12,808,785	8,751,264	9,671,541	7,179,120	38,410,710
Employee contributions	2,134,819	-	-	-	2,134,819
Total contributions	14,943,604	8,751,264	9,671,541	7,179,120	40,545,529
Total additions - Net	(31,529,600)	(10,177,354)	(1,301,774)	(5,874,955)	(48,883,683)
Deductions					
Benefit payments	33,525,683	16,902,143	9,721,197	9,287,015	69,436,038
Refunds of contributions	1,887,772	-	-	-	1,887,772
Administrative expenses	528,023	270,094	32,882	134,717	965,716
Total deductions	35,941,478	17,172,237	9,754,079	9,421,732	72,289,526
Net Decrease in Fiduciary Net Position	(67,471,078)	(27,349,591)	(11,055,853)	(15,296,687)	(121,173,209)
Net Position - Beginning of year	343,475,691	156,706,227	79,428,353	94,952,078	674,562,349
Net Position - End of year	\$ 276,004,613	\$ 129,356,636	\$ 68,372,500	\$ 79,655,391	\$ 553,389,140

Other Supplementary Information
 Budgetary Comparison Schedules
 Major Streets

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental - State sources	\$ 12,947,000	\$ 12,947,000	\$ 13,081,123	\$ 134,123
Interest and rentals	5,000	5,000	223,931	218,931
Other revenue	23,801	23,801	57,538	33,737
Total revenue	12,975,801	12,975,801	13,362,592	386,791
Expenditures - Current services - Public works				
Streets	14,721,774	16,791,425	7,976,306	8,815,119
Stormwater drainage	36,822	36,822	36,822	-
Total expenditures	14,758,596	16,828,247	8,013,128	8,815,119
Excess of Revenue (Under) Over Expenditures	(1,782,795)	(3,852,446)	5,349,464	9,201,910
Other Financing Sources (Uses)				
Transfers in	74,233	74,233	102	(74,131)
Transfers out	(5,377,630)	(6,299,685)	(6,299,541)	144
Total other financing uses	(5,303,397)	(6,225,452)	(6,299,439)	(73,987)
Net Change in Fund Balance	(7,086,192)	(10,077,898)	(949,975)	9,127,923
Fund Balance - Beginning of year	17,506,992	17,506,992	17,506,992	-
Fund Balance - End of year	<u>\$ 10,420,800</u>	<u>\$ 7,429,094</u>	<u>\$ 16,557,017</u>	<u>\$ 9,127,923</u>

Other Supplementary Information
 Budgetary Comparison Schedules (Continued)
 Local Streets

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental - State sources	\$ 4,834,000	\$ 4,834,000	\$ 4,942,512	\$ 108,512
Interest and rentals	2,500	2,500	103,603	101,103
Total revenue	4,836,500	4,836,500	5,046,115	209,615
Expenditures - Current services - Public works				
Streets	7,592,876	9,936,024	6,496,735	3,439,289
Stormwater drainage	36,822	36,822	36,822	-
Total expenditures	7,629,698	9,972,846	6,533,557	3,439,289
Excess of Expenditures Over Revenue	(2,793,198)	(5,136,346)	(1,487,442)	3,648,904
Other Financing Sources - Transfers in	2,604,233	2,604,233	2,500,000	(104,233)
Net Change in Fund Balance	(188,965)	(2,532,113)	1,012,558	3,544,671
Fund Balance - Beginning of year	5,493,637	5,493,637	5,493,637	-
Fund Balance - End of year	<u>\$ 5,304,672</u>	<u>\$ 2,961,524</u>	<u>\$ 6,506,195</u>	<u>\$ 3,544,671</u>

Other Supplementary Information
 Budgetary Comparison Schedules (Continued)
 Recreation

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 3,587,944	\$ 3,587,944	\$ 3,580,031	\$ (7,913)
Intergovernmental	417,285	417,285	730,838	313,553
Charges for services	1,180,350	1,213,299	731,188	(482,111)
Interest and rentals	56,250	56,250	169,036	112,786
Other revenue	-	-	8,800	8,800
Total revenue	5,241,829	5,274,778	5,219,893	(54,885)
Expenditures - Current - Recreation and culture				
- Parks and recreation	5,210,618	6,381,518	5,624,804	756,714
Excess of Revenue Over (Under)				
Expenditures	31,211	(1,106,740)	(404,911)	701,829
Other Financing Uses - Transfers out	(245,716)	(245,716)	(245,713)	3
Net Change in Fund Balance	(214,505)	(1,352,456)	(650,624)	701,832
Fund Balance - Beginning of year	3,030,619	3,030,619	3,030,619	-
Fund Balance - End of year	<u>\$ 2,816,114</u>	<u>\$ 1,678,163</u>	<u>\$ 2,379,995</u>	<u>\$ 701,832</u>

Other Supplementary Information
 Budgetary Comparison Schedules (Continued)
 Sanitation

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 10,767,333	\$ 10,767,333	\$ 10,742,190	\$ (25,143)
Intergovernmental - State sources	440,000	440,000	1,395,218	955,218
Investment income	5,000	5,000	214,060	209,060
Other revenue	312,305	312,305	440,133	127,828
Total revenue	11,524,638	11,524,638	12,791,601	1,266,963
Expenditures - Public works	12,337,745	12,523,879	10,126,901	2,396,978
Net Change in Fund Balance	(813,107)	(999,241)	2,664,700	3,663,941
Fund Balance - Beginning of year	4,548,640	4,548,640	4,548,640	-
Fund Balance - End of year	<u>\$ 3,735,533</u>	<u>\$ 3,549,399</u>	<u>\$ 7,213,340</u>	<u>\$ 3,663,941</u>

Other Supplementary Information
 Budgetary Comparison Schedules (Continued)
 Library

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 4,922,704	\$ 4,922,704	\$ 4,905,645	\$ (17,059)
Intergovernmental	2,474,000	2,474,000	778,922	(1,695,078)
Fines and forfeitures	76,000	76,000	51,456	(24,544)
Interest and rentals	15,000	15,000	205,101	190,101
Other revenue	10,500	10,500	24,985	14,485
Total revenue	7,498,204	7,498,204	5,966,109	(1,532,095)
Expenditures - Current - Recreation and culture - Library	7,364,683	7,405,751	4,732,602	2,673,149
Excess of Revenue Over Expenditures	133,521	92,453	1,233,507	1,141,054
Other Financing Uses - Transfers out	(105,308)	(105,308)	(105,306)	2
Net Change in Fund Balance	28,213	(12,855)	1,128,201	1,141,056
Fund Balance - Beginning of year	4,740,582	4,740,582	4,740,582	-
Fund Balance - End of year	<u>\$ 4,768,795</u>	<u>\$ 4,727,727</u>	<u>\$ 5,868,783</u>	<u>\$ 1,141,056</u>

Other Supplementary Information
Budgetary Comparison Schedules (Continued)
Communications

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Licenses and permits	\$ 1,975,000	\$ 1,975,000	\$ 1,707,103	\$ (267,897)
Interest and rentals	1,500	1,500	81,020	79,520
Other revenue	200	200	17,783	17,583
Total revenue	1,976,700	1,976,700	1,805,906	(170,794)
Expenditures - Current - Recreation and culture	2,132,718	2,194,453	1,630,864	563,589
Excess of Revenue (Under) Over Expenditures	(156,018)	(217,753)	175,042	392,795
Other Financing Uses - Transfers out	(351,021)	(351,021)	(351,019)	2
Net Change in Fund Balance	(507,039)	(568,774)	(175,977)	392,797
Fund Balance - Beginning of year	2,688,202	2,688,202	2,688,202	-
Fund Balance - End of year	<u><u>\$ 2,181,163</u></u>	<u><u>\$ 2,119,428</u></u>	<u><u>\$ 2,512,225</u></u>	<u><u>\$ 392,797</u></u>

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

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Fines and forfeitures	\$ 862,000	\$ 862,000	\$ 1,148,510	\$ 286,510
Interest and rentals	1,200	1,200	87,812	86,612
Total revenue	863,200	863,200	1,236,322	373,122
Expenditures - Current - Community and economic development	1,158,125	1,177,075	922,411	254,664
Net Change in Fund Balance	(294,925)	(313,875)	313,911	627,786
Fund Balance - Beginning of year	2,146,856	2,146,856	2,146,856	-
Fund Balance - End of year	<u><u>\$ 1,851,931</u></u>	<u><u>\$ 1,832,981</u></u>	<u><u>\$ 2,460,767</u></u>	<u><u>\$ 627,786</u></u>

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

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 28,290	\$ 8,290
Interest and rentals	150	150	15,823	15,673
Total revenue	20,150	20,150	44,113	23,963
Expenditures - Current - Public safety - Crime Commission	60,000	60,000	21,960	38,040
Net Change in Fund Balance	(39,850)	(39,850)	22,153	62,003
Fund Balance - Beginning of year	395,244	395,244	395,244	-
Fund Balance - End of year	<u>\$ 355,394</u>	<u>\$ 355,394</u>	<u>\$ 417,397</u>	<u>\$ 62,003</u>

Other Supplementary Information
 Budgetary Comparison Schedules (Continued)
 Drug Forfeiture

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 961,925	\$ 461,925
Interest and rentals	5,000	5,000	72,181	67,181
Total revenue	505,000	505,000	1,034,106	529,106
Expenditures - Current - Public safety - Crime commission	675,000	1,482,225	1,096,107	386,118
Net Change in Fund Balance	(170,000)	(977,225)	(62,001)	915,224
Fund Balance - Beginning of year	2,134,479	2,134,479	2,134,479	-
Fund Balance - End of year	<u>\$ 1,964,479</u>	<u>\$ 1,157,254</u>	<u>\$ 2,072,478</u>	<u>\$ 915,224</u>

**Other Supplementary Information
Budgetary Comparison Schedules (Continued)
Police Training**

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental	\$ 22,000	\$ 22,000	\$ 47,452	\$ 25,452
Interest and rentals	10	10	1,390	1,380
Total revenue	22,010	22,010	48,842	26,832
Expenditures - Current - Public safety - Crime commission	26,000	26,000	19,235	6,765
Net Change in Fund Balance	(3,990)	(3,990)	29,607	33,597
Fund Balance - Beginning of year	19,181	19,181	19,181	-
Fund Balance - End of year	<u>\$ 15,191</u>	<u>\$ 15,191</u>	<u>\$ 48,788</u>	<u>\$ 33,597</u>

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

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 7,771,489	\$ 7,771,489	\$ 7,764,344	\$ (7,145)
Intergovernmental	200,000	200,000	1,007,033	807,033
Interest and rentals	5,000	5,000	368,543	363,543
Total revenue	7,976,489	7,976,489	9,139,920	1,163,431
Expenditures - Current - Public works - Streets	8,887,460	14,628,655	9,563,940	5,064,715
Net Change in Fund Balance	(910,971)	(6,652,166)	(424,020)	6,228,146
Fund Balance - Beginning of year	9,651,827	9,651,827	9,651,827	-
Fund Balance - End of year	<u><u>\$ 8,740,856</u></u>	<u><u>\$ 2,999,661</u></u>	<u><u>\$ 9,227,807</u></u>	<u><u>\$ 6,228,146</u></u>

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

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental	\$ -	\$ 322,962	\$ 662,191	\$ 339,229
Interest and rentals	-	-	20,210	20,210
Total revenue	-	322,962	682,401	359,439
Expenditures - Current services - District court	-	446,730	806,170	(359,440)
Excess of Expenditures Over Revenue	-	(123,768)	(123,769)	(1)
Other Financing Sources - Transfers in	-	123,769	123,769	-
Net Change in Fund Balance	-	1	-	(1)
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

**Other Supplementary Information
Budgetary Comparison Schedules (Continued)
Debt Service Funds**

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Investment income	\$ -	\$ -	\$ 2,925	\$ 2,925
Expenditures - Debt service				
Principal	1,900,117	2,405,117	2,963,322	(558,205)
Interest and fiscal charges	977,513	1,394,568	1,546,420	(151,852)
Total expenditures	<u>2,877,630</u>	<u>3,799,685</u>	<u>4,509,742</u>	<u>(710,057)</u>
Excess of Expenditures Over Revenue	(2,877,630)	(3,799,685)	(4,506,817)	(707,132)
Other Financing Sources - Transfers in	<u>2,877,630</u>	<u>3,799,685</u>	<u>4,501,579</u>	<u>701,894</u>
Net Change in Fund Balance	-	-	(5,238)	(5,238)
Fund Balance - Beginning of year	<u>82,174</u>	<u>82,174</u>	<u>82,174</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 82,174</u></u>	<u><u>\$ 82,174</u></u>	<u><u>\$ 76,936</u></u>	<u><u>\$ (5,238)</u></u>

City of Warren, Michigan

**Other Supplementary Information
Budgetary Comparison Schedules (Continued)
Capital Projects Fund**

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Special assessments	\$ -	\$ -	\$ 389,074	\$ 389,074
Fines and forfeitures	500,000	500,000	546,292	46,292
Interest and rentals	5,000	5,000	574,504	569,504
Total revenue	505,000	505,000	1,509,870	1,004,870
Expenditures				
Current services:				
General government	500,000	900,000	240,334	659,666
Public works	-	-	13,714,925	(13,714,925)
Debt service	-	-	36,562	(36,562)
Total expenditures	500,000	900,000	13,991,821	(13,091,821)
Excess of Revenue Over (Under) Expenditures	5,000	(395,000)	(12,481,951)	(12,086,951)
Other Financing Sources - Bond proceeds	-	-	13,809,113	13,809,113
Net Change in Fund Balance	5,000	(395,000)	1,327,162	1,722,162
Fund Balance - Beginning of year	28,130,588	28,130,588	28,130,588	-
Fund Balance - End of year	<u>\$ 28,135,588</u>	<u>\$ 27,735,588</u>	<u>\$ 29,457,750</u>	<u>\$ 1,722,162</u>

Statistical Section

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

The statistical section is organized into the following main categories:

Financial trends

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

Revenue capacity

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

Debt capacity

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

Demographic and economic information

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

Operating information

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

City of Warren, Michigan

	Fiscal Year			
	2014	2015 (1)	2016	2017
Governmental activities:				
Net investment in capital assets	\$ 109,841,350	\$ 115,090,168	\$ 117,332,131	\$ 123,302,796
Restricted	44,730,230	41,673,841	44,077,625	45,423,260
Unrestricted	42,214,308	(132,087,443)	(148,581,462)	(152,409,503)
Total net position	\$ 196,785,888	\$ 24,676,566	\$ 12,828,294	\$ 16,316,553
Business-type activities:				
Net investment in capital assets	\$ 61,917,558	\$ 66,690,180	\$ 73,329,416	\$ 74,111,047
Restricted	11,418,448	11,195,095	12,215,367	9,907,889
Unrestricted	26,783,108	1,609,583	(5,756,509)	831,598
Total net position	\$ 100,119,114	\$ 79,494,858	\$ 79,788,274	\$ 84,850,534
Primary government in total:				
Net investment in capital assets	\$ 171,758,908	\$ 181,780,348	\$ 190,661,547	\$ 197,413,843
Restricted	56,148,678	52,868,936	56,292,992	55,331,149
Unrestricted	68,997,416	(130,477,860)	(154,337,971)	(151,577,905)
Total net position	\$ 296,905,002	\$ 104,171,424	\$ 92,616,568	\$ 101,167,087

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

Net Position by Component

Last Ten Fiscal Years

June 30, 2023

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 113,821,101	\$ 137,591,150	\$ 148,821,662	\$ 147,713,494	\$ 147,004,950	\$ 149,128,949
62,562,871	51,381,660	56,657,895	60,813,301	62,672,438	66,772,250
<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>(190,519,602)</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>	<u>\$ 25,381,597</u>
\$ 78,416,923	\$ 88,586,233	\$ 97,426,077	\$ 107,137,005	\$ 119,294,810	\$ 130,599,205
10,604,481	11,758,477	12,864,828	11,701,581	9,814,138	10,091,328
<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>(6,592,965)</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>	<u>\$ 134,097,568</u>
\$ 192,238,024	\$ 226,177,383	\$ 246,247,739	\$ 254,850,499	\$ 266,299,760	\$ 279,728,154
73,167,352	63,140,137	69,522,723	72,514,882	72,486,576	76,863,578
<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>(197,112,567)</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>	<u>\$ 159,479,165</u>

	Fiscal Year			
	2014	2015 (1)	2016	2017
Expenses:				
Governmental activities:				
General government	\$ 12,963,834	\$ 25,310,012	\$ 24,104,939	\$ 11,213,283
District Court	6,501,550	7,138,274	7,289,471	7,044,306
Public safety	63,792,208	66,512,308	82,746,267	82,752,844
Public works	27,934,896	31,261,848	29,080,210	36,116,970
Recreation and culture	11,815,426	11,749,078	11,812,918	13,945,510
Community and economic development	4,331,962	3,750,923	4,292,710	3,588,945
Interest on long-term debt	937,659	645,177	472,567	386,248
Total governmental activities expenses	<u>128,277,535</u>	<u>146,367,620</u>	<u>159,799,082</u>	<u>155,048,106</u>
Business-type activities:				
Water and Sewer System	34,986,469	58,331,386	40,773,173	39,590,168
Senior citizen housing	2,121,185	2,083,881	2,094,997	2,069,939
Total business-type activities expenses	<u>37,107,654</u>	<u>60,415,267</u>	<u>42,868,170</u>	<u>41,660,107</u>
Total primary government expenses	<u>\$ 165,385,189</u>	<u>\$ 206,782,887</u>	<u>\$ 202,667,252</u>	<u>\$ 196,708,213</u>
Program revenues:				
Governmental activities:				
Charges for services	\$ 16,511,721	\$ 16,317,219	\$ 23,645,696	\$ 22,409,974
Operating grants and contributions	16,769,695	17,431,409	17,390,917	15,536,736
Capital grants and contributions	821,463	504,251	844,295	2,190,092
Total governmental activities program revenue	<u>34,102,879</u>	<u>34,252,879</u>	<u>41,880,908</u>	<u>40,136,802</u>
Business-type activities:				
Water and Sewer System	38,541,038	55,669,322	40,682,519	44,240,520
Senior citizen housing	2,219,578	2,359,466	2,371,020	2,380,731
Total business-type activities program revenue	<u>40,760,616</u>	<u>58,028,788</u>	<u>43,053,539</u>	<u>46,621,251</u>
Total primary government program revenue	<u>\$ 74,863,495</u>	<u>\$ 92,281,667</u>	<u>\$ 84,934,447</u>	<u>\$ 86,758,053</u>
Net (expense) revenue:				
Governmental activities	\$ (94,174,656)	\$ (112,114,741)	\$ (117,918,174)	\$ (114,911,304)
Business-type activities	3,652,962	(2,386,479)	185,369	4,961,144
Total primary government net expense	<u>\$ (90,521,694)</u>	<u>\$ (114,501,220)</u>	<u>\$ (117,732,805)</u>	<u>\$ (109,950,160)</u>
General Revenue and Other Changes in Net Position				
Governmental activities:				
Property taxes	\$ 89,157,917	\$ 89,085,885	\$ 90,658,051	\$ 87,521,449
State-shared revenue	12,604,122	15,470,027	12,830,042	28,184,436
Franchise fees	2,009,117	2,209,191	2,263,382	2,266,273
Investment earnings	151,370	214,871	318,427	427,405
Gain (loss) on sale of capital assets	19,489	-	-	-
Other revenue	3,177,189	8,240,399	-	-
Reduction in long-term debt obligation	-	-	-	-
Settlement agreements	-	-	-	-
Transfers	-	-	-	-
Total governmental activities	<u>107,119,204</u>	<u>115,220,373</u>	<u>106,069,902</u>	<u>118,399,563</u>
Business-type activities:				
Investment earnings	65,970	187,828	108,047	101,116
Gain (loss) on sale of capital assets	37,339	14,466	-	-
Other general revenue	-	-	-	-
Total business-type activities	<u>103,309</u>	<u>202,294</u>	<u>108,047</u>	<u>101,116</u>
Total primary government	<u>\$ 107,222,513</u>	<u>\$ 115,422,667</u>	<u>\$ 106,177,949</u>	<u>\$ 118,500,679</u>
Changes in Net Position				
Governmental activities	\$ 12,944,548	\$ 3,105,632	\$ (11,848,272)	\$ 3,488,259
Business-type activities	3,756,271	(2,184,185)	293,416	5,062,260
Total primary government	<u>\$ 16,700,819</u>	<u>\$ 921,447</u>	<u>\$ (11,554,856)</u>	<u>\$ 8,550,519</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, 2023

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	16,097,711	\$	13,009,185	\$	8,555,463	\$	14,130,689	\$	8,021,513	\$	15,499,656
	6,464,165		7,840,727		5,663,508		6,645,015		5,330,732		8,342,545
	62,391,916		60,857,353		55,271,480		46,455,172		56,272,504		81,720,834
	26,695,024		34,995,669		35,020,927		35,368,130		42,145,948		56,854,000
	11,398,091		9,492,031		5,211,844		10,100,720		9,509,946		10,801,563
	3,966,082		7,438,567		6,513,838		4,001,355		4,769,563		5,165,585
	359,449		541,808		675,970		800,814		1,383,726		1,707,887
	<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>		<u>180,092,070</u>
	31,872,979		52,185,596		41,501,782		44,287,599		43,238,821		51,508,087
	1,797,443		2,126,731		1,944,925		2,291,810		2,186,408		2,631,130
	<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>54,139,217</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>	\$	<u>234,231,287</u>
\$	21,808,137	\$	23,004,408	\$	20,085,980	\$	19,061,826	\$	20,532,170	\$	21,236,051
	19,154,256		20,534,246		20,086,577		29,283,510		23,328,385		26,628,137
	326,759		193,543		9,286,649		1,345,524		2,351,816		4,516,294
	<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>		<u>52,380,482</u>
	47,890,812		52,340,914		50,383,639		54,868,133		57,124,402		62,281,110
	2,379,554		2,482,676		2,455,909		2,484,655		2,598,771		2,726,420
	<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>65,007,530</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>	\$	<u>117,388,012</u>
\$	(86,083,286)	\$	(90,443,143)	\$	(67,453,824)	\$	(67,811,035)	\$	(81,221,561)	\$	(127,711,588)
	16,599,944		511,263		9,392,841		10,773,379		14,297,944		10,868,313
\$	<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>	\$	<u>(116,843,275)</u>
\$	88,206,104	\$	90,212,955	\$	93,420,380	\$	96,020,738	\$	100,786,741	\$	106,929,947
	18,394,692		26,158,925		22,967,832		25,046,426		25,954,903		25,666,501
	2,175,819		2,095,219		2,015,541		2,018,162		1,896,974		1,707,103
	870,709		2,371,630		1,816,753		217,319		(494,724)		3,997,331
	-		-		-		-		-		-
	37,982		3,469,650		1,559,717		326,204		475,344		61,658
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	<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>		<u>138,362,540</u>
	636,200		1,760,106		908,523		87,838		38,622		1,028,336
	-		(79,651)		-		-		-		10,800
	-		-		-		-		-		-
	<u>636,200</u>		<u>1,680,455</u>		<u>908,523</u>		<u>87,838</u>		<u>38,622</u>		<u>1,039,136</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>	\$	<u>139,401,676</u>
\$	23,602,020	\$	33,865,236	\$	54,326,399	\$	55,817,814	\$	47,397,677	\$	10,650,952
	17,236,144		2,191,718		10,301,364		10,861,217		14,336,566		11,907,449
\$	<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>	\$	<u>22,558,401</u>

City of Warren, Michigan

	Fiscal Year			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	184,408	363,734	579,045	488,137
Restricted	78,199	-	-	-
Assigned	24,044,726	44,489,417	45,342,612	54,304,851
Unassigned	32,659,940	19,010,250	17,896,751	16,620,736
Unreserved	-	-	-	-
Total General Fund	<u>\$ 56,967,273</u>	<u>\$ 63,863,401</u>	<u>\$ 63,818,408</u>	<u>\$ 71,413,724</u>
All other governmental funds:				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	53,178	36,258	38,165	29,679
Restricted	35,495,128	32,997,440	35,138,179	35,541,188
Committed	1,053,463	1,285,591	1,243,997	1,272,625
Assigned	6,223,114	6,453,982	7,072,981	7,458,170
Unassigned	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Total all other governmental funds	<u>\$ 42,824,883</u>	<u>\$ 40,773,271</u>	<u>\$ 43,493,322</u>	<u>\$ 44,301,662</u>
Total of all governmental funds				

City of Warren, Michigan

	Fiscal Year			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenue				
Property taxes	\$ 89,360,407	\$ 89,168,842	\$ 90,615,975	\$ 87,521,449
Special assessments	642,545	542,016	268,564	320,742
Licenses and permits	2,700,351	3,253,426	4,265,251	4,018,513
Intergovernmental:				
Federal revenue	5,986,783	5,611,462	3,681,679	3,913,933
State-shared revenue and grants	24,793,129	26,163,042	27,103,065	41,747,464
Charges for services	6,046,079	5,652,636	6,213,357	6,503,468
Fines and fees	7,229,026	6,909,278	7,326,390	6,392,742
Interest	131,813	177,106	269,262	402,702
Other	4,461,539	9,750,547	6,927,801	6,392,356
Total revenue	<u>141,351,672</u>	<u>147,228,355</u>	<u>146,671,344</u>	<u>157,213,369</u>
Expenditures				
General government	11,858,091	16,275,040	16,524,940	16,785,509
District court	6,756,822	7,128,439	7,423,740	7,514,872
Public safety	59,763,179	64,014,960	68,062,083	69,691,662
Public works	28,397,991	36,843,249	33,294,649	35,771,364
Recreation and culture	10,757,141	11,439,118	11,136,185	12,841,100
Community and economic development	4,334,700	3,711,712	4,342,649	3,522,057
Debt service:				
Principal	3,346,848	3,523,678	2,683,113	2,287,475
Interest	975,952	663,414	528,927	395,674
Total expenditures	<u>126,190,724</u>	<u>143,599,610</u>	<u>143,996,286</u>	<u>148,809,713</u>
Excess of Revenue Over Expenditures	15,160,948	3,628,745	2,675,058	8,403,656
Other Financing Sources (Uses)				
Transfers in (out)	3,833,755	4,116,088	3,067,228	4,387,854
Transfers to fiduciary funds	-	-	-	-
Transfers to Water and Sewer System	(3,833,755)	(4,116,088)	(3,067,228)	(4,387,854)
Proceeds from sale of property	763	-	-	-
Proceeds from issuance of debt	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>113,865</u>	<u>1,215,771</u>	<u>-</u>	<u>-</u>
Net change in fund balances	15,274,813	4,844,516	2,675,058	8,403,656
Debt service as a percentage of noncapital expenditures (1)	3.63%	3.02%	2.55%	1.97%

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

June 30, 2023

		Fiscal Year					
		2018	2019	2020	2021	2022	2023
\$	88,206,104	\$ 90,212,955	\$ 93,420,380	\$ 96,020,738	\$ 100,786,741	\$ 106,929,947	
	337,461	216,085	294,158	189,444	324,001	389,074	
	3,841,077	7,054,475	6,184,488	7,631,277	6,919,340	6,325,060	
	3,577,958	3,210,255	3,591,773	11,566,905	4,783,533	4,169,618	
	34,921,047	45,333,707	40,815,671	43,918,419	46,272,828	47,605,879	
	6,807,317	6,794,015	6,148,689	4,454,264	5,373,652	6,223,992	
	6,706,617	7,016,632	5,726,850	5,472,330	5,844,551	5,550,236	
	860,007	2,452,406	1,914,947	253,385	(417,006)	4,038,731	
	5,564,304	6,008,780	4,180,883	2,862,779	3,135,702	3,618,525	
	<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>	<u>184,851,062</u>	
	24,627,533	14,048,925	11,724,444	12,069,470	12,687,262	13,308,905	
	7,802,982	7,522,817	7,457,866	7,817,129	8,460,990	8,014,236	
	84,110,962	71,718,485	72,677,218	76,410,290	81,547,206	85,828,728	
	33,345,393	51,698,511	47,252,283	36,220,296	49,415,439	60,608,701	
	11,500,198	11,877,714	10,921,674	9,865,713	11,083,002	12,036,513	
	4,019,759	7,458,288	5,467,507	4,068,628	5,070,047	5,121,195	
	2,345,582	2,061,021	2,109,755	3,216,978	3,951,188	4,145,022	
	335,522	677,966	620,101	796,376	1,414,532	1,704,471	
	<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>	<u>190,767,771</u>	
	(17,266,039)	1,235,583	4,046,991	21,904,661	(606,324)	(5,916,709)	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	13,236,720	7,870,889	-	21,281,826	4,569,538	11,670,000	
	-	-	-	-	(4,975,816)	-	
	-	-	-	-	463,249	1,639,215	
	-	-	-	-	-	-	
	<u>13,236,720</u>	<u>7,870,889</u>	<u>-</u>	<u>21,281,826</u>	<u>56,971</u>	<u>13,309,215</u>	
	(4,029,319)	9,106,472	4,046,991	43,186,487	(549,353)	7,392,506	
	1.71%	2.03%	2.16%	3.38%	3.78%	3.59%	

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
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
2021	2023	743,050,000	602,455,253	854,247,970	692,467,946	3,369,574,471	2,315,119,902

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, 2023

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
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
450,372,625	450,372,625	216,925,844	213,101,084	5,634,170,910	4,273,516,810	27.0913

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	
2014	8.7724	1.3373	0.2923	0.9746	4.9848	2.5550	0.9746	0.9746	2.1000	4.9000
2015	8.7724	1.3373	0.2923	0.9746	4.9848	2.5550	0.9746	0.9746	2.1000	4.9000
2016	8.7302	1.3308	0.2908	0.9699	4.9848	2.5550	0.9699	0.9699	2.0899	4.8764
2017	8.7285	1.3305	0.2908	0.9697	4.9848	2.5550	0.9697	0.9697	2.0961	4.8755
2018	8.7101	1.3276	0.2901	0.9676	4.9848	2.5550	0.9676	0.9676	2.0955	4.9000
2019	8.6709	1.3216	0.2887	0.9632	4.9848	2.5550	0.9632	0.9632	2.0860	4.8573
2020	8.6249	1.3145	0.2871	0.9580	4.9848	2.5550	0.9624	0.9624	2.0749	4.8418
2021	8.5421	1.0757	0.2843	0.9488	4.9848	2.5550	0.9531	0.9531	2.0549	4.7953
2022	8.4592	1.0710	0.2815	0.9395	4.9848	2.8193	0.9438	0.9438	2.0349	4.7487
2023	8.3263	1.2687	0.2770	0.9247	4.9848	2.7750	0.9289	0.9289	2.0029	4.6741

(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	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
School District Rate	14.9847	32.2588	15.4846	33.4846	12.3249	29.2228
Combined City & County Rate	38.9613	38.9613	38.9613	38.9613	38.9613	38.9613
2023 Total Direct & Overlapping Rate	53.9460	71.2201	54.4459	72.4459	51.2862	68.1841

Direct and Overlapping Property Tax Rates

**Last Ten Fiscal Years
June 30, 2023**

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	1.5312	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
27.0913	0.1956	4.6300	1.4077	0.3667	0.9500	4.3200	-	11.8700

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	25.5854	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
School District Rate	24.5550	30.0410	14.1000	30.2889	13.4624	28.3920
Combined City & County Rate	38.9613	38.9613	38.9613	38.9613	38.9613	38.9613
2023 Total Direct & Overlapping Rate	63.5163	69.0023	53.0613	69.2502	52.4237	67.3533

Principal Property Taxpayers

Current and Ten Years Ago
June 30, 2023

	Fiscal Year Ended June 30, 2023			Fiscal Year Ended June 30, 2013		
	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	\$ 343,104,577	1	8.03%	\$ 438,392,440	1	12.21%
DTE Electric Co	60,651,045	2	1.42%	38,591,007	3	1.07%
Consumers Energy	58,356,394	3	1.37%	155,302,692	8	4.32%
FCA US LLC-Chrysler	58,141,958	4	1.36%	13,680,418	2	0.38%
International Transmission	43,690,320	5	1.02%	25,417,520	4	0.71%
14 Mack LP	24,218,601	6	0.57%			0.00%
Stag Industrial Holdings LLC	20,474,981	7	0.48%			0.00%
Lex Warren LP	20,023,148	8	0.47%			0.00%
Livwell Michigan LLC	15,875,000	9	0.37%			0.00%
Signature Financial LLC	14,694,657	10	0.34%			0.00%
US Manufacturing Corp				24,013,807	5	0.67%
Flex-N-Gate				20,424,799	6	0.57%
Art Van Furniture				17,978,153	7	0.50%
Iroquois Industries				12,924,627	9	0.36%
Noble 12B LLC				12,235,490	10	0.34%
Ten largest taxpayers	659,230,681		15.43%	758,960,953		21.13%
Other taxpayers	3,614,286,129		84.57%	2,832,257,528		78.87%
Total taxable value	\$ 4,273,516,810		100.00%	\$ 3,591,218,481		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			
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
2022	2023	111,958,903	(3,539,230)	(794,340)	107,625,333	96.13%	3,539,230

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, 2023**

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				
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%	
-	111,164,563	99.29%	-	-	794,340	111,164,563	99.29%	

Governmental Activities - General Bonded Debt

	Installment Purchase Agreements	Land Contract	Michigan Strategic Fund Loan	Capital Improvement Bonds	Building Authority Bonds	Bonds	Bonds
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	-	-	-
2023	3,487,917	-	-	2,901,390	-	-	-

	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
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	-
2023	43,869,372	34,747	-	50,293,426	3,086,209	-	-

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, 2023

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
-	-	11,767,808	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
-	-	6,389,307	4,273,516,810	0.15%	137,253	46.55

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
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
125,213,006	128,299,215	178,592,641	30,611	4.25%	1,301.19

City of Warren, Michigan

Direct and Overlapping Governmental Activities Debt

June 30, 2023

Net Direct Debt

Capital Improvement Bonds				
Refunding Series 2014	Warren Community Center	\$	2,901,390	\$ 2,901,390

Road Construction Bonds:

Series 2013A Capital Improvement Bonds	Road improvements		1,113,469	
Series 2015 Capital Improvement Bonds	Road improvements		856,418	
Series 2018 Michigan Transportation Bonds	Road improvements		9,425,387	
Series 2021 Michigan Transportation Bonds	Road improvements		19,751,844	
Series 2022 Michigan Transportation Bonds	Road improvements		<u>12,722,254</u>	43,869,372

Special Assessment Bonds:

Series 2015	Sidewalk replacement program		34,746	
Less amounts available in debt service funds			<u>-</u>	34,746

Capital Leases:

Sanitation			3,397,775	
Police			<u>90,142</u>	<u>3,487,917</u>

Direct debt 50,293,425

Less:

Road Construction Bonds			(43,869,372)	
Special Assessment Bonds			<u>(34,746.00)</u>	
				<u>(43,904,118)</u>

Net direct debt to be repaid with property taxes 6,389,307

Overlapping Debt

Macomb County:				
County at large	12.46%		235,209,938	29,307,158
Intermediate School District			-	-
Macomb Community College			-	-
Local School Districts:				
Center Line	66.77%		54,970,000	36,703,469
East Detroit	19.98%		8,317,833	1,661,903
Fitzgerald	100.00%		41,765,000	41,765,000
Van Dyke	98.09%		42,385,705	41,576,139
Warren Consolidated	47.53%		221,900,000	105,469,070
Warren Woods	100.00%		<u>39,465,000</u>	<u>39,465,000</u>

Total Overlapping Debt 295,947,739

Net direct debt outstanding and overlapping debt \$ 302,337,046

Source: Municipal Advisory Council of Michigan

	Fiscal Year				
	2014	2015	2016	2017	2018
Assessed value	<u>\$ 3,537,933,048</u>	<u>\$ 3,689,472,137</u>	<u>\$ 4,006,975,440</u>	<u>\$ 3,926,697,488</u>	<u>\$ 4,065,604,921</u>
Debt limit (10% of assessed value)	\$ 353,793,305	\$ 368,947,214	\$ 400,697,544	\$ 392,669,749	\$ 406,560,492
Total debt applicable	-	-	-	-	-
Legal debt margin	<u>\$ 353,793,305</u>	<u>\$ 368,947,214</u>	<u>\$ 400,697,544</u>	<u>\$ 392,669,749</u>	<u>\$ 406,560,492</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				
	2019	2020	2021	2022	2023
Assessed value	<u>\$ 4,216,515,132</u>	<u>\$ 4,530,119,109</u>	<u>\$ 4,878,750,818</u>	<u>\$ 5,216,088,951</u>	<u>\$ 5,634,170,910</u>
Debt limit (10% of assessed value)	\$ 421,651,513	\$ 453,011,911	\$ 487,875,082	\$ 521,608,895	\$ 563,417,091
Total debt applicable	-	123,570,000	115,015,000	103,695,000	126,830,000
Legal debt margin	<u>\$ 421,651,513</u>	<u>\$ 329,441,911</u>	<u>\$ 372,860,082</u>	<u>\$ 417,913,895</u>	<u>\$ 436,587,091</u>

Total debt applicable to the debt limit as a percentage of debt limit	0.00%	27.28%	23.57%	19.88%	22.51%
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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	
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
2023	1,674,018	1,208,652	465,366	150,000	1,688	151,688	3.07

(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		
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
2023	16,720,844	8,360,422	1,935,000	1,349,272	3,284,272	2.55	512,997

(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 \$512,997 of principal and interest was paid on the Capital Improvements Bonds during the fiscal year ended June 30, 2023 and is reflected in the schedule above.

Pledged-Revenue Coverage

June 30, 2023

Fiscal Year	Special Assessment Bonds (3)						Coverage
	S/A Collections (4)	Interest	Transferred to Debt Funds	Debt Service			
				Principal	Interest	Total	
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
2023	36,474	-	36,474	35,190	1,284	36,474	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 Operating Expense	Net Revenue Available for Debt Service	Debt Service (7)			
				Principal	Interest	Total	
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
2023	55,339,024	40,667,671	14,671,353	8,684,016	4,031,257	12,715,273	1.15

(6) 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 FY23 the principal for the 2020 Public Utility bonds was \$235,000 and the interest was \$251,063.

Demographic and Economic Statistics

Last Ten Fiscal Years
June 30, 2023

Fiscal Year	Population (1)	Number of Households (1)	Income		Unemployment Rate (3)		
			Per Capita (2)	Total	City of Warren	Macomb County	State of Michigan
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%
2023	137,253	53,881	30,611	4,201,451,583	4.30%	3.60%	4.10%

Sources:

- (1) Southeast Michigan Council of Governments - est population through July 2022
2021 U.S. Census Bureau 2019 American Community Survey
- (2) 2010 U.S. Census Bureau, 2014-2020
2020 U.S. Census Bureau, 2022
2021, 2023 U.S. Census Bureau- American Community Survey, updated yearly
- (3) Michigan Department of Technology, Management & Budget
- *Not Seasonally Adjusted.*

Principal Employers

Current Fiscal and Six Years Ago
June 30, 2023

		Year Ended June 30, 2023			Year Ended June 30, 2017		
		Employees	Percentage of Total	Rank	Employees	Percentage of Total	Rank
General Motors Corporation	Automotive	23,844	(1)	1	22,000	(1)	1
Government of The United States	Government	7,800	(1)	2	8,400	(1)	2
Stelantis - Chrysler Corp.	Automotive	5,523	(1)	3	5,700	(1)	3
Ascension Health	Health care	2,411	(1)	4	3,250	(1)	4
Lipari Foods	Wholesaler	1,300	(1)	5			
		-			850	(1)	5
Total		<u>40,878</u>			<u>40,200</u>		

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 (1)
General government:										
<u>37th District Court</u>										
Small claims	597	574	487	609	633	580	334	304	549	700
Landlord & tenant	4,136	4,804	4,610	4,617	4,333	4,667	2,573	2,712	5,171	5,000
Parking tickets	1,868	1,538	1,670	1,518	2,159	1,652	958	1,287	1,533	2,500
Traffic misdemeanor & civil	46,529	46,337	45,944	39,965	50,971	44,701	24,667	34,990	36,737	45,000
Non-traffic felony	2,252	2,251	1,944	2,018	1,918	1,785	1,382	1,677	3,029	2,500
Non-traffic misdemeanor	1,772	1,686	1,846	1,563	1,583	1,422	1,138	1,129	3,410	2,500
Traffic OUIL/OWI	298	644	236	198	212	198	102	134	298	300
General civil	4,164	4,581	4,795	5,792	6,496	6,159	5,294	6,029	7,513	6,000
Probation - Active cases	892	1,121	853	821	716	643	1,024	1,437	1,647	1,600
Pre-sentence investigations	429	406	319	334	325	256	160	260	251	300
<u>City Clerk</u>										
Business licenses	660	616	570	720	568	647	479	705	626	800
Public hearings	49	47	39	19	38	27	27	18	38	60
Changes in voter registrations	40,559	41,182	65,295	39,333	45,136	45,584	108,471	136,572	110,209	150,000
Dog licenses issued	4,831	4,597	4,569	6,489	5,621	3,795	1,677	2,486	2,608	4,000
Garage sale permits	1,285	996	1,124	940	749	717	260	637	638	700
Death certificates	1,523	1,571	1,721	1,575	1,497	1,499	1,974	4,399	3,933	5,000
Birth certificates	902	754	797	633	694	715	738	2,170	2,069	3,000
Lawsuits issued	27	35	27	16	11	11	23	25	32	32
Contracts signed, catalogued	100	87	121	88	85	109	70	106	100	100
Internet requests processed	6,750	6,100	6,050	4,020	5,122	5,114	5,832	5,473	5,558	5,750
<u>Treasurer</u>										
Tax bills processed:										
Manually	96,021	82,777	84,829	78,402	74,663	75,140	64,331	56,443	60,679	60,767
CD-ROM	48,550	51,380	51,904	51,853	53,584	54,658	55,209	55,405	55,024	56,000
Checks processed	42,457	43,397	41,903	38,881	41,586	42,343	38,747	32,164	39,861	40,700
Water bills processed	427,242	340,536	342,794	323,072	311,233	362,565	278,502	248,162	238,087	236,507
Status changes	708	696	732	751	762	771	763	757	767	770
Personal property	3,950	2,664	2,849	2,615	2,539	2,539	2,650	2,575	2,494	2,505
Delinquent tax accounts	40	40	-	-	-	-	-	-	-	-
<u>Assessing</u>										
Personal property audits	55	75	93	106	106	106	106	100	100	100
Small claim MTT appeals	54	32	34	29	35	35	32	40	8	30
Full tax tribunal appeals	155	120	37	38	40	40	20	50	16	30
Board of Review appeals	920	819	753	721	689	690	677	750	557	750
Principal residence exemption	6,950	3,750	4,091	4,231	2,175	4,450	2,646	3,000	3,000	3,000
Deeds and transfer affidavits	11,066	8,091	7,368	7,381	3,675	3,600	6,412	4,000	5,000	5,000
Special assessment rolls	30	30	30	30	30	30	30	5	4	25
Review / appraise										
taxable properties	63,559	63,625	59,279	59,820	62,823	63,000	62,823	63,000	64,000	64,000
Verify sales & transfers										
of sold properties	1,633	2,470	7,368	7,358	6,326	8,600	6,326	7,500	8,000	8,000
building permit activity										
	13,198	13,274	11,310	9,350	18,604	19,500	20,610	25,000	25,000	25,000

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

(1) Fiscal year 2023 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 (1)
Recreation and Culture:										
<u>Library</u>										
Annual attendance	347,214	339,789	409,595	274,235	288,043	273,641	70,515	52,872	153,239	200,000
Circulation:										
Annual total	568,805	482,397	412,723	404,300	853,047	751,571	389,223	498,697	606,688	650,000
Children's material	239,449	256,746	176,454	142,222	150,905	172,185	71,245	76,224	132,595	145,000
Reference requests	53,776	43,304	36,989	34,943	41,987	47,143	33,782	41,270	38,813	40,000
Registered borrowers	62,475	53,988	56,501	54,616	72,578	73,869	56,345	64,591	66,274	72,000
Materials:										
Loaned to other libraries	70,602	63,062	57,354	52,237	26,749	51,901	36,267	55,724	36,035	50,000
Received from other libraries	49,408	38,869	36,237	35,253	36,033	87,156	22,032	29,524	36,849	45,000
Added to collection	46,225	39,956	22,695	18,496	23,310	19,466	18,434	28,871	29,733	29,000
Deleted from collection	18,741	24,740	30,098	19,615	18,163	21,761	6,951	12,907	16,688	20,000
Home Page hits	357,531	333,915	291,638	231,977	224,885	195,304	102,031	91,888	168,372	200,000
<u>Recreation</u>										
Pavilion rentals	424	424	467	518	518	518	318	197	357	400
Bus transportation	15,309	15,309	14,565	14,376	14,376	14,376	8,001	1,200	1,300	1,500
Adult & youth sports:										
Registrants	4,436	4,436	4,401	4,470	4,470	4,288	4,359	1,060	5,000	5,000
Participants	107,000	107,000	107,250	107,500	107,500	107,500	50,000	40	5,000	5,000
Senior programs	86,000	86,000	86,125	86,200	86,200	86,200	86,200	-	500	500
Senior sports programs	23,000	23,000	23,000	22,750	22,750	22,750	10,000	200	500	500
Trees removed	-	-	-	-	-	-	-	-	-	-
Trees trimmed	-	-	-	-	-	-	-	-	-	-
Pool attendance	350,000	350,000	386,500	360,000	360,000	260,000	260,000	40,000	40,000	40,000
Yearly pass registrations	4,142	4,142	4,280	4,129	4,129	4,129	3,300	485	1,450	1,500
<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	45,207	63,236	59,773	52,888	50,931	51,000	58,470	59,500	55,107	56,000
Curbside recycling	4,816	4,661	4,635	4,555	4,447	5,900	6,230	6,100	5,518	5,700
Curbside compost	12,684	3,048	965	9,100	12,490	14,000	14,720	15,300	11,487	13,000
Drop-off center:										
Car batteries (each)	138	255	221	343	2,566	4,511	3,750	444	397	400
Non-ferrous metal (tons)	1	2	2	17	3	4	3	2	3	5
Concrete (tons)	208	261	299	299	222	124	53	48	73	100
Motor oil (gallons)	6,145	7,120	5,650	8,790	4,935	447	7,670	4,550	7,775	5,000
Collected / dropped off (tons):										
Cardboard	58	67	68	73	83	69	71	65	64	70
White goods / scrap metal	82	134	165	181	133	102	243	135	149	170

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, 2023

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 (1)
Public Safety:										
<u>Fire Department</u>										
Incident responses	16,547	16,718	17,818	18,343	18,503	18,199	19,502	20,407	19,877	20,500
Equipment responses	30,530	31,520	33,524	32,827	34,104	26,455	37,532	38,763	41,937	41,000
Fire training (hours)	3,062	2,000	2,340	2,880	3,409	6,172	4,203	8,894	11,902	10,000
Medical training (hours)	4,401	3,474	3,120	5,760	3,567	2,605	2,038	4,379	3,435	5,000
<u>Police Department</u>										
Calls for police service	95,000	95,000	95,000	95,000	95,000	92,756	80,436	62,925	96,497	105,000
Part A crimes	3,550	3,470	3,800	9,257	8,325	7,253	6,019	1,279	1,354	1,675
Burglary incidents	750	715	910	823	567	607	502	332	302	425
Auto theft incidents	590	530	632	560	543	432	327	365	536	500
Narcotic and drug incidents	1,575	1,165	1,450	1,725	1,086	1,103	722	390	1,222	1,300
Liquor license investigations	6,200	5,980	6,326	191	158	225	207	208	209	250
Traffic citations	20,500	24,155	40,000	17,279	27,580	28,539	17,081	27,483	28,237	31,000
OUIL charges	355	330	325	200	284	255	105	98	129	150
Traffic accidents	4,320	3,980	4,300	4,155	4,827	4,565	3,111	3,321	3,744	4,200
Juveniles charged	205	200	180	200	157	110	66	244	130	155
Total arrests	6,200	5,440	5,500	4,973	4,596	4,632	3,032	3,643	4,063	4,500
Abandoned autos processed	1,100	240	500	500	1,055	1,100	859	1,049	840	1,100
Guns registered	6,300	3,370	7,800	4,661	4,504	4,569	4,569	4,658	4,658	5,300
<u>Animal Control</u>										
Calls for service	3,500	8,860	9,951	9,951	1,873	2,195	2,164	2,164	3,500	3,800
Stray animals picked up	-	890	1,621	1,621	738	815	614	614	1,100	1,400
Spay, Neuter, Release Cats	-	-	-	-	-	-	-	-	350	350
Dead animals handled	-	350	60	60	458	600	476	476	750	900
Animals given up by owners	-	60	88	88	285	110	105	105	65	65
<u>Civil Defense</u>										
Disaster/emergency incidents	6	12	10	10	14	14	12	12	7	20
Functional / full-scale exercise	3	3	4	4	4	4	1	1	3	5
City Development:										
<u>Engineering</u>										
Service requests processed	877	1,355	836	894	816	783	692	629	619	650
Planning reviews	66	100	125	129	154	123	138	93	103	100
Site plan reviews	426	386	386	367	364	461	477	392	395	400
Projects inspected	258	121	131	117	134	170	160	125	99	105
Sidewalk inspections / repairs	501	254	193	687	687	435	479	-	446	512
<u>Property Maintenance Inspection</u>										
Weed enforcement	4,045	5,508	2,752	5,071	2,977	5,304	2,875	5,797	7,019	8,000
Complaints investigated	4,022	4,373	5,071	2,446	5,205	1,929	1,753	2,058	2,965	5,070
Complaints in tracking system	21,016	30,637	17,946	26,153	28,371	28,259	10,640	13,915	27,231	29,500
Vacant/foreclosed clean-ups	524	1,332	1,408	1,234	1,323	1,252	459	469	569	1,500
<u>Building Inspections</u>										
Certificates of Occupancy	420	327	500	252	298	311	401	531	677	700
Building permits	2,053	2,160	2,100	2,820	2,388	2,406	1,928	2,180	2,090	2,200
Plumbing permits	1,152	1,054	1,200	4,133	1,117	1,152	1,115	1,069	1,082	1,200
Electrical permits	3,402	3,161	3,400	6,807	2,157	2,155	2,252	2,247	1,509	2,678
Mechanical permits	2,095	2,107	2,200	3,331	1,860	1,871	1,927	2,171	2,407	2,500
Miscellaneous permits	944	634	800	761	882	4,019	2,815	1,772	1,128	1,100
Building inspections	15,296	11,134	14,000	8,518	8,058	7,642	7,316	5,654	5,872	6,600
Plumbing inspections	10,529	9,814	9,000	7,135	5,814	5,939	4,880	4,842	4,614	5,450
Electrical inspections	14,276	13,727	12,500	9,128	8,303	7,790	5,960	5,118	6,898	7,500
Mechanical inspections	10,004	10,041	9,800	6,265	4,898	5,115	4,659	4,358	5,131	5,600
Zoning inspections	6,320	926	900	8,293	9,475	9,025	6,543	3,157	5,696	6,000
Plan reviews	2,165	716	800	881	560	630	658	694	126	625

Operating Indicators

Last Ten Fiscal Years
June 30, 2023

	Fiscal Year									
	2014	2015 (2)	2016	2017	2018	2019	2020	2021	2022	2023 (1)
Senior Citizens Housing:										
<u>Stilwell Manor</u>										
Carpet replacements	15	22	12	23	25	24	32	29	12	15
Linoleum replacements	7	10	7	14	12	23	10	16	13	10
Stove replacements	15	6	4	6	5	4	4	9	10	10
Apartments painted	20	23	21	18	25	26	25	27	19	18
Air conditioner replacements	10	10	8	7	12	7	10	11	10	10
Maintenance work orders	575	450	375	275	325	337	375	423	435	500
<u>Jos. Coach Manor</u>										
Carpet replacements	27	35	26	50	40	27	27	41	35	35
Linoleum replacements	14	17	12	16	20	13	13	18	18	20
Hot water tank replacements	53	70	-	-	-	-	-	-	-	-
Apartments painted	34	63	28	850	45	40	40	39	38	40
Countertop replacements	18	16	18	18	14	16	16	28	18	15
Maintenance work orders	955	760	936	850	755	825	825	920	850	1,000
Water and Sewer System (2)										
<u>Water Department:</u>										
Water utility accounts	49,171	49,137	49,639	49,076	49,685	49,529	49,656	49,229	49,458	49,500
Sewer utility accounts	48,650	48,588	49,089	48,618	48,899	48,711	48,820	49,045	49,229	49,229
Second meter accounts	680	684	712	744	799	775	765	683	767	780
Water sold (thousand cu. ft.)	699,581	656,511	914,804	648,699	622,872	645,348	590,888	575,955	579,129	619,163
Water purchased	784,929	744,182	1,081,125	670,703	669,744	713,248	634,010	642,032	633,791	666,731
Broken water main repairs	184	271	393	101	177	175	170	191	229	200
Sewer jetting (in footage)	273,816	343,647	454,716	753,000	674,656	678,716	702,124	685,165	688,668	690,000
<u>Waste Water Treatment Plant:</u>										
Sewage treated	7.4	8.2	11.7	7.6	7.8	8.2	8.4	8.6	7.3	8.1
Sludge solids removed	31.1	29.9	42.3	27.5	30.0	32.0	28.4	31.2	32.1	30
Power consumption	14.1	12.7	19.1	12.2	12.0	12.0	13.6	13.8	13.8	13
Natural gas for incinerator	102	94	130	61	85	75	68	72	74	72
Laboratory samples taken	6,694	5,963	8,886	8,031	6,800	7,900	7,908	7,905	7,862	7,900
Analytical lab tests run	38,044	35,577	54,944	36,975	36,750	35,000	39,184	38,669	37,828	38,000
Dye tests performed to locate	13	12	8	4	10	10	7	12	22	15
Storm water samples collected	396	296	245	119	245	220	666	462	257	350
Illicit discharges identified	4	6	3	2	3	3	1	3	4	3
Illicit discharges removed	2	6	3	2	3	3	4	4	7	4

Value of New Construction

Last Ten Fiscal Years
June 30, 2023

<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>
2015	3,640,000	975,000	5,194,000	-	9,809,000
2016	4,681,895	3,340,000	4,068,500	-	12,090,395
2017	1,055,800	4,621,500	56,015,270	-	61,692,570
2018	900,000	3,742,000	7,822,000	-	12,464,000
2019	9,303,950	965,600	176,514,000	-	186,783,550
2020	7,145,000	12,540,000	27,862,278	-	47,547,278
2021	6,067,000	556,800	4,000,000	-	10,623,800
2022	2,539,000	-	43,692,400	-	46,231,400
2023	3,577,100	-	59,395,000	-	62,972,100

(1) Estimated Cost of Construction

Source:
City of Warren Building Department

Full-Time Equivalent Government Employees

Last Ten Fiscal Years

June 30, 2023

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>General Government:</u>										
Council	10	11	11	11	11	11	11	11	11	11
37th District Court	46	46	49	49	49	50	50	50	50	50
Mayor	6	6	6	6	6	6	6	5	4	6
Clerk	7	8	7	7	7	7	8	8	8	8
Treasurer	9	9	9	9	9	9	9	9	9	9
Controller	10	10	10	11	12	12	12	11	12	12
Information Systems	4	4	4	4	4	4	4	4	4	5
Legal	10	10	10	10	10	10	10	10	10	10
Assessing	11	11	12	12	12	13	13	12	12	12
Labor Relations	-	-	-	-	-	-	-	-	-	-
Personnel	-	-	-	-	-	-	-	-	-	-
Human Resources	9	9	9	9	9	9	10	9	9	9
D.P.W. Garage	8	8	14	14	14	14	14	13	13	14
Building Maintenance	8	8	17	17	17	17	17	17	18	19
Police & Fire Retirement	2	2	2	2	2	2	2	2	2	3
City Retirement	2	2	2	2	2	2	2	2	2	2
	<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>170</u>
<u>Public Safety:</u>										
Fire Department	132	132	132	132	132	133	134	134	134	139
Police Department	233	235	235	239	239	243	253	253	265	274
Animal Control	2	2	2	2	2	3	3	3	3	3
Civil Defense	1	1	1	1	1	1	1	1	1	1
	<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>417</u>
<u>City Development:</u>										
Public Service Director	3	3	3	2	3	4	4	4	4	4
Engineering	5	5	5	5	5	5	6	6	6	6
Property Maintenance	-	-	1	1	2	4	5	5	11	12
Building Inspections	14	16	21	22	22	22	24	22	23	25
Planning	4	4	4	4	4	4	4	5	5	7
Rental Ordinance	4	4	5	5	5	5	6	6	6	6
	<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>60</u>
<u>Highways and Streets</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>27</u>
<u>Recreation and Culture:</u>										
Library	22	22	24	24	24	24	24	23	24	24
Recreation	12	12	9	9	9	9	9	9	9	11
Communications	5	5	5	5	5	6	6	6	6	6
	<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>41</u>
<u>Sanitation</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>39</u>
<u>Economic Development:</u>										
Community & Economic D.D.A.	2	2	2	2	2	2	2	2	2	1
	1	2	2	2	2	2	2	2	2	2
	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>3</u>
<u>Community Development:</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>4</u>
<u>Senior Housing</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>8</u>	<u>8</u>
<u>Water and Sewer System</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>	<u>98</u>
Total full-time city employees	<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>	<u>867</u>

Source: Adopted fiscal year budget