
City of Westland, Michigan

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

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Independent Auditor's Report

To the City Council
City of Westland, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Westland, Michigan as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the City of Westland, Michigan's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Westland, Michigan as of June 30, 2021 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 1 to the financial statements, the City adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, during fiscal year 2021. Our opinion is not modified with respect to this matter.

As also described in Note 1, the City made a reporting change to present the Westland Public Library as a discretely presented component unit. Our opinion is not modified with respect to this matter.

To the City Council
City of Westland, Michigan

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021 on our consideration of the City of Westland, 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 the City of Westland, 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 the City of Westland, Michigan's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Plante & Moran, PLLC". The signature is cursive and fluid, with "Plante & Moran" on the top line and "PLLC" on the bottom line.

December 15, 2021

Our discussion and analysis of the City of Westland, Michigan's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2021 and should be read in conjunction with the City's financial statements.

Financial Highlights

- The City again complied with the requirements from the State of Michigan for the City, Village, and Township Revenue Sharing (CVTRS) program and received \$1.5 million for the fiscal year.
- The City continued the Neighborhood Makeover Program throughout the year to provide safe and clean neighborhoods.
- The City continues to comply with the corrective action plans (CAP) approved by the City Council regarding pensions and other postemployment benefits (OPEB), as required by the State of Michigan. The City issued pension obligation bonds to partially fund the MERS plan and reduce future annual required contributions. The additional contribution made subsequent to the plan's year end as a result of the bond issuance was \$81,626,836 and has been allocated between governmental activities and business-type activities.
- Many capital outlay items were purchased throughout the year, including many improvements throughout the City's parks. Also purchased were new vehicles for the highway maintenance department, new police department vehicles, and safety equipment for the Fire Department, including a new ambulance. In addition, improvements were made to the City's recycling center.
- Many road projects were started and/or completed during the fiscal year, including various projects that had pavement milled and were resurfaced, along with some roads getting joint and crack sealing to extend the life of the road. Hix Road between Ford and Warren was resurfaced and replaced. The Brandon Street water main between Palmer and Glenwood was replaced along with the road. Wildwood between Warren and Marquette was replaced. Farmington between Hunter and Warren was resurfaced. Schuman between Cherry Hill and Palmer was resurfaced. Over 12,000 feet of sanitary sewer lining was performed. Carlson between Ford Road and Marquette was resurfaced. Palmer between Schuman and Venoy was resurfaced. Venoy between Warren and Cowan was resurfaced.

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 long-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

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

City of Westland, Michigan

Management's Discussion and Analysis (Continued)

The City of Westland, Michigan as a Whole

The following table shows, in a condensed format, the net position as of the current date compared to the previous year:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current assets	\$ 42,924,496	\$ 30,151,165	\$ 32,028,452	\$ 32,862,431	\$ 74,952,948	\$ 63,013,596
Noncurrent assets	<u>167,825,104</u>	<u>176,248,032</u>	<u>83,712,112</u>	<u>85,167,688</u>	<u>251,537,216</u>	<u>261,415,720</u>
Total assets	210,749,600	206,399,197	115,740,564	118,030,119	326,490,164	324,429,316
Deferred Outflows of Resources	70,723,781	10,818,056	20,427,177	1,180,793	91,150,958	11,998,849
Liabilities						
Current liabilities	18,397,797	3,828,050	3,101,682	4,062,034	21,499,479	7,890,084
Noncurrent liabilities	<u>309,829,101</u>	<u>286,018,225</u>	<u>73,896,989</u>	<u>54,524,753</u>	<u>383,726,090</u>	<u>340,542,978</u>
Total liabilities	328,226,898	289,846,275	76,998,671	58,586,787	405,225,569	348,433,062
Deferred Inflows of Resources	57,848,137	47,301,974	3,996,586	6,417,626	61,844,723	53,719,600
Net Position (Deficit)						
Net investment in capital assets	164,577,140	172,583,555	70,482,916	71,122,300	235,060,056	243,705,855
Restricted	13,608,784	16,643,849	-	-	13,608,784	16,643,849
Unrestricted	<u>(282,787,578)</u>	<u>(309,158,400)</u>	<u>(15,310,432)</u>	<u>(16,915,801)</u>	<u>(298,098,010)</u>	<u>(326,074,201)</u>
Total net position (deficit)	\$ (104,601,654)	\$ (119,930,996)	\$ 55,172,484	\$ 54,206,499	\$ (49,429,170)	\$ (65,724,497)

Unrestricted net position in governmental activities and business-type activities, the part of net position that can be used to finance operations, are currently at a deficit of \$282,787,578 and \$15,310,432, respectively. This is generally a result of the accrual for pension, debt, compensated absences, provisions for claims, and other postemployment benefits liabilities, which will be paid from future revenue sources. These accruals in the governmental activities and business-type activities are \$309,829,101 and \$73,896,989, respectively.

City of Westland, Michigan

Management's Discussion and Analysis (Continued)

The City's Changes in Net Position

The following table shows the changes in net position during the current year from the previous year:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
Program revenue:						
Charges for services	\$ 17,639,557	\$ 18,638,343	\$ 32,097,020	\$ 30,797,905	\$ 49,736,577	\$ 49,436,248
Operating grants	16,187,780	12,976,403	-	-	16,187,780	12,976,403
Capital grants and contributions	1,074,195	1,204,567	138,722	422,462	1,212,917	1,627,029
General revenue:						
Taxes - Property taxes	30,660,064	32,490,083	-	-	30,660,064	32,490,083
State-shared revenue	9,809,869	8,525,091	-	-	9,809,869	8,525,091
Interest	34,892	229,509	29,066	382,295	63,958	611,804
Other revenue:						
Cable franchise fees	1,506,628	-	-	-	1,506,628	-
Gain on sale of fixed assets	847,867	-	-	2,053	847,867	2,053
Other miscellaneous income	537,634	1,441,697	-	-	537,634	1,441,697
Total revenue	78,298,486	75,505,693	32,264,808	31,604,715	110,563,294	107,110,408
Expenses						
General government	14,530,285	13,103,017	-	-	14,530,285	13,103,017
Public safety	17,988,342	29,303,931	-	-	17,988,342	29,303,931
Public works	16,562,953	16,075,783	-	-	16,562,953	16,075,783
Community and economic development	5,013,715	4,337,465	-	-	5,013,715	4,337,465
Recreation and culture	2,127,047	4,813,951	-	-	2,127,047	4,813,951
Interest on long-term debt	471,882	66,505	-	-	471,882	66,505
Water and sewer	-	-	31,298,823	29,603,217	31,298,823	29,603,217
Total expenses	56,694,224	67,700,652	31,298,823	29,603,217	87,993,047	97,303,869
Change in Net Position						
Net Position (Deficit) - Beginning of year, as restated (Note 1)	(126,205,916)	(127,736,037)	54,206,499	52,205,001	(71,999,417)	(75,531,036)
Net Position (Deficit) - End of year	\$ (104,601,654)	\$ (119,930,996)	\$ 55,172,484	\$ 54,206,499	\$ (49,429,170)	\$ (65,724,497)

Governmental Activities

As referenced in Note 1, in 2021, the City determined the Westland Public Library should be presented as a discretely presented component unit as opposed to a special revenue fund as it had previously been reported. As a result, governmental activities beginning net position for 2021 was reduced by \$6,274,920. The 2020 amounts above have not been restated.

The City's total governmental revenue increased by approximately \$2.8 million. The increase was primarily due to additional grant revenue and state-shared revenue received offset by reduced property tax revenue due to the aforementioned library presentation change.

Expenses decreased by approximately \$11 million during the year. The decrease was primarily due to an increase in funding percentage in the Police and Fire Retirement System, which results in a current year full-accrual credit to expenditures.

City of Westland, Michigan

Management's Discussion and Analysis (Continued)

Business-type Activities

The City's business-type activities consist of the Water and Sewer Fund. The City provides water to residents from the Great Lakes Water Authority. The City also provides sewage treatment through Wayne County, Michigan. Total operating revenue increased by approximately \$1.3 million compared to the previous year. This increase primarily relates to increased usage from the prior year along with an increase in water and sewer rates from the water and sewer rate study completed in fiscal year 2019. Total operating expenditures increased by approximately \$1.7 million. The increase primarily relates to water produced and sewage treatment cost increases.

The City of Westland'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 Westland City Council creates funds to help manage money for specific purposes and to show accountability for certain activities, such as community development block grant and debt service. The City's major fund for 2021 is the General Fund.

General Fund Budgetary Highlights

The General Fund's total revenue increased by approximately \$4.5 million. The increase was primarily due to increased grant revenue relief due to the COVID-19 pandemic, state-shared revenue, and additional property tax revenue due to the approved sanitation millage.

The General Fund pays for most of the City's governmental services. The General Fund's total expenditures are approximately \$65.8 million (excluding the additional contribution to the MERS pension system described in Notes 7 and 13). The most significant expenditures are public safety, which incurred expenditures of approximately \$38 million in 2021. Other government services accounted for in the General Fund include general government (finance, city clerk, city assessor, economic development, community development, personnel, and the mayor's office), sanitation, and recreation.

The net change in fund balance for the General Fund was an increase of approximately \$1.2 million.

The fund balance of the General Fund increased from approximately \$9,088,000 to approximately \$10,291,000.

Capital Assets and Debt Administration

As of June 30, 2021, the City had a total of approximately \$251,537,000 million invested in a broad range of capital assets, including roads, buildings, police and fire equipment, and water and sewer lines.

- Various road projects mentioned above were completed during the fiscal year.
- Various park improvements mentioned above were completed during the fiscal year.
- Various water main and sewer mains were replaced or relined during the fiscal year.
- Various vehicle and other equipment, as stated above

Debt service makes up approximately 0.59 percent of the total expenditures of the governmental funds (excluding the additional contribution for the MERS pension bonds).

More detailed information concerning capital assets and long-term debt can be found in Notes 5 and 7, respectively, to the financial statements.

City of Westland, Michigan

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets and Rates

The City's budget for the fiscal year ended June 30, 2022 takes into consideration a conservative economic climate. The taxable values increased for the 2021 tax year (2021-2022 fiscal year) by approximately 3.3 percent and are projected to increase by approximately 2.75 percent for the 2022 tax year (2022-2023 fiscal year). The City will continue to comply with the requirements outlined by the State regarding the CVTRS program. The City is working on a plan for the recently awarded \$25.9 million in American Rescue Plan Act relief. The City is required to obligate these funds by December 31, 2024 and to spend them by December 31, 2026. All city employees are contributing toward their health care under the hard cap option in accordance with Public Act 152. Contractual changes have been made for defined benefit pensions, and all employees must contribute toward their pension. The City continues to evaluate more efficient and cost-effective solutions for all services provided. The City will implement a voluntary retiree health care settlement program to further reduce the City's OPEB obligation. In addition, the recently issued pension obligation bonds to fund the MERS pension plan will provide significant savings each year by reducing the annual required contribution into the pension system. This will continue to help with the budget; however, throughout the year, the City will monitor the budget very closely and continue to make adjustments as necessary.

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 money it receives. For additional questions about this report or additional information, requests should be directed to the finance department.

City of Westland, Michigan

Statement of Net Position

June 30, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents (Note 3)	\$ 33,155,355	\$ 21,173,518	\$ 54,328,873	\$ 10,862,207
Receivables - Net (Note 4)	7,077,438	10,641,146	17,718,584	176,071
Due from component units	45,942	-	45,942	47,119
Due from primary government	-	-	-	12,500
Internal balances	29,070	(29,070)	-	-
Inventory	182,499	107,239	289,738	-
Prepaid expenses	641,975	106,004	747,979	81,961
Other current assets	-	-	-	8,194
Deposits held by third parties	88,845	29,615	118,460	-
Land held for resale	1,703,372	-	1,703,372	48,998
Capital assets: (Note 5)				
Not being depreciated	3,369,229	-	3,369,229	497,601
Depreciable - Net	164,455,875	83,712,112	248,167,987	7,482,553
Total assets	210,749,600	115,740,564	326,490,164	19,217,204
Deferred Outflows of Resources				
Deferred charges on bond refunding	-	-	-	1,106,007
Deferred pension costs (Note 13)	67,102,956	19,907,734	87,010,690	-
Deferred OPEB costs (Note 14)	3,620,825	519,443	4,140,268	-
Total deferred outflows of resources	70,723,781	20,427,177	91,150,958	1,106,007
Liabilities				
Accounts payable	2,709,626	2,567,112	5,276,738	257,592
Due to other governmental units	-	1,631	1,631	-
Due to component units	12,500	-	12,500	47,119
Due to primary government	-	-	-	45,942
Deposits and bonds	-	57,587	57,587	-
Accrued liabilities and other	2,613,110	475,352	3,088,462	244,656
Unearned revenue (Note 4)	13,062,561	-	13,062,561	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 7)	4,855,249	265,505	5,120,754	15,557
Provision for claims (Note 8)	1,082,865	213,402	1,296,267	-
Current portion of long-term debt (Note 7)	2,234,193	1,435,759	3,669,952	1,300,000
Due in more than one year:				
Compensated absences (Note 7)	4,802,795	4,324	4,807,119	-
Provision for claims (Note 8)	791,973	246,261	1,038,234	-
Net pension liability (Note 13)	95,186,203	20,559,275	115,745,478	-
Net OPEB liability (Note 14)	137,102,382	19,668,696	156,771,078	-
Long-term debt - Net of current portion (Note 7)	63,773,441	31,503,767	95,277,208	13,930,000
Total liabilities	328,226,898	76,998,671	405,225,569	15,840,866
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 13)	34,090,867	588,370	34,679,237	-
Deferred OPEB cost reductions (Note 14)	23,757,270	3,408,216	27,165,486	-
Total deferred inflows of resources	57,848,137	3,996,586	61,844,723	-
Net Position (Deficit)				
Net investment in capital assets	164,577,140	70,482,916	235,060,056	6,690,154
Restricted:				
Retirement systems	2,836,000	-	2,836,000	-
Road improvements	7,504,280	-	7,504,280	-
Library operations	70,688	-	70,688	-
Other (Note 11)	3,197,816	-	3,197,816	-
Unrestricted	(282,787,578)	(15,310,432)	(298,098,010)	(2,207,809)
Total net position (deficit)	\$ (104,601,654)	\$ 55,172,484	\$ (49,429,170)	\$ 4,482,345

City of Westland, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 14,530,285	\$ 6,533,453	\$ 1,426,294	\$ -
Public safety	17,988,342	8,556,508	3,466,594	928,844
Public works	16,562,953	1,885,078	8,643,873	145,351
Community and economic development	5,013,715	-	2,502,176	-
Recreation and culture	2,127,047	664,518	148,843	-
Interest on long-term debt	471,882	-	-	-
Total governmental activities	56,694,224	17,639,557	16,187,780	1,074,195
Business-type activities - Water and sewer	31,298,823	32,097,020	-	138,722
Total primary government	\$ 87,993,047	\$ 49,736,577	\$ 16,187,780	\$ 1,212,917
Component units	\$ 5,455,004	\$ 13,024	\$ 767,670	\$ -

General revenue:

Property taxes
 State-shared revenue
 Interest and sundry
 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, as restated (Note 1)

Net Position (Deficit) - End of year

Statement of Activities

Year Ended June 30, 2021

Primary Government

Governmental Activities	Business-type Activities	Total	Component Units
\$ (6,570,538)	-	\$ (6,570,538)	-
(5,036,396)	-	(5,036,396)	-
(5,888,651)	-	(5,888,651)	-
(2,511,539)	-	(2,511,539)	-
(1,313,686)	-	(1,313,686)	-
<u>(471,882)</u>	<u>-</u>	<u>(471,882)</u>	<u>-</u>
(21,792,692)	-	(21,792,692)	-
<u>-</u>	<u>936,919</u>	<u>936,919</u>	<u>-</u>
(21,792,692)	936,919	(20,855,773)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,674,310)</u>
30,660,064	-	30,660,064	9,109,364
9,809,869	-	9,809,869	-
34,892	29,066	63,958	10,765
1,506,628	-	1,506,628	-
847,867	-	847,867	-
<u>537,634</u>	<u>-</u>	<u>537,634</u>	<u>79,619</u>
<u>43,396,954</u>	<u>29,066</u>	<u>43,426,020</u>	<u>9,199,748</u>
21,604,262	965,985	22,570,247	4,525,438
<u>(126,205,916)</u>	<u>54,206,499</u>	<u>(71,999,417)</u>	<u>(43,093)</u>
<u>\$ (104,601,654)</u>	<u>\$ 55,172,484</u>	<u>\$ (49,429,170)</u>	<u>\$ 4,482,345</u>

City of Westland, Michigan

Governmental Funds Balance Sheet

June 30, 2021

	General Fund	Nonmajor Funds	Total Governmental Funds
Assets			
Cash and cash equivalents (Note 3)	\$ 21,211,348	\$ 11,944,007	\$ 33,155,355
Receivables - Net (Note 4)	5,269,891	1,807,547	7,077,438
Due from component units (Note 6)	45,942	-	45,942
Due from other funds (Note 6)	805,131	302,959	1,108,090
Inventory	182,499	-	182,499
Prepaid expenses	575,269	66,706	641,975
Deposits held by third parties	88,845	-	88,845
Land held for resale	24,696	1,678,676	1,703,372
Total assets	\$ 28,203,621	\$ 15,799,895	\$ 44,003,516
Liabilities			
Accounts payable	\$ 1,780,556	\$ 929,070	\$ 2,709,626
Due to component units (Note 6)	12,500	-	12,500
Due to other funds (Note 6)	42,778	1,036,242	1,079,020
Accrued liabilities and other	2,162,527	-	2,162,527
Unearned revenue (Note 4)	13,062,561	-	13,062,561
Total liabilities	17,060,922	1,965,312	19,026,234
Deferred Inflows of Resources - Unavailable revenue (Note 4)	851,369	8,772	860,141
Total liabilities and deferred inflows of resources	17,912,291	1,974,084	19,886,375
Fund Balances (Note 12)			
Nonspendable	782,464	66,706	849,170
Restricted	3,103,802	10,422,497	13,526,299
Committed	53,056	146,607	199,663
Assigned	101,056	3,190,001	3,291,057
Unassigned	6,250,952	-	6,250,952
Total fund balances	10,291,330	13,825,811	24,117,141
Total liabilities, deferred inflows of resources, and fund balances	\$ 28,203,621	\$ 15,799,895	\$ 44,003,516

City of Westland, Michigan

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2021

Fund Balances Reported in Governmental Funds	\$ 24,117,141
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	167,825,104
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	860,141
Deferred outflows and inflows of resources related to pension and OPEB are reported in the government-wide statements but not in the governmental funds	12,875,644
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(66,007,634)
Accrued interest is not due and payable in the current period and is not reported in the funds	(450,583)
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	(9,658,044)
Pension benefits	(95,186,203)
Retiree health care benefits	(137,102,382)
Other long-term liabilities, such as claims and judgments, do not present a claim on current financial resources and are not reported as fund liabilities	<u>(1,874,838)</u>
Net Position (Deficit) of Governmental Activities	<u>\$ (104,601,654)</u>

City of Westland, Michigan

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

Year Ended June 30, 2021

	General Fund	Nonmajor Funds	Total Governmental Funds
Revenue			
Property taxes	\$ 30,660,064	\$ -	\$ 30,660,064
Special assessments	-	1,547,344	1,547,344
Intergovernmental:			
Federal grants	3,587,468	2,336,642	5,924,110
State sources	11,123,470	9,172,023	20,295,493
Charges for services	8,992,079	-	8,992,079
Court fines and fees	4,820,231	127,480	4,947,711
Licenses and permits	1,811,017	-	1,811,017
Interest income	32,670	2,222	34,892
Other revenue:			
Local sources	1,485,787	-	1,485,787
Other income	3,229,658	1,332	3,230,990
Cable franchise fees	1,506,628	-	1,506,628
Total revenue	67,249,072	13,187,043	80,436,115
Expenditures			
Current:			
General government	78,327,082	-	78,327,082
Street lighting	-	1,232,263	1,232,263
Public safety	38,040,671	598,208	38,638,879
Highway, streets, and drains	-	8,360,288	8,360,288
Sanitation	4,803,206	-	4,803,206
Community and economic development	4,311,208	2,242,904	6,554,112
Recreation and culture	2,191,789	-	2,191,789
Capital outlay	-	913,687	913,687
Debt service	252,537	217,210	469,747
Total expenditures	127,926,493	13,564,560	141,491,053
Excess of Expenditures Over Revenue	(60,677,421)	(377,517)	(61,054,938)
Other Financing Sources (Uses)			
Transfers in (Note 6)	30,626	4,137,810	4,168,436
Transfers out (Note 6)	(2,548,812)	(1,619,624)	(4,168,436)
Face value of debt issue	62,759,670	-	62,759,670
Proceeds from sale of capital assets	1,638,839	-	1,638,839
Total other financing sources	61,880,323	2,518,186	64,398,509
Net Change in Fund Balances	1,202,902	2,140,669	3,343,571
Fund Balances - Beginning of year, as restated (Note 1)	9,088,428	11,685,142	20,773,570
Fund Balances - End of year	\$ 10,291,330	\$ 13,825,811	\$ 24,117,141

City of Westland, Michigan

Governmental Funds

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

Year Ended June 30, 2021

Net Change in Fund Balances Reported in Governmental Funds	\$	3,343,571
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		7,180,280
Depreciation expense		(13,323,816)
Net book value of assets disposed of		(790,972)
Revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end		65,158
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position		(62,759,670)
Repayment of debt principal is an expenditure in the governmental funds but not in the government-wide statements (where it reduces long-term debt)		412,990
Change in accrued interest and premiums on long-term debt is not recorded in the governmental funds		(415,125)
Changes in liabilities for claims and judgments incurred but not reported are not recorded in the governmental funds		20,080
Change in accumulated employee sick and vacation pay is recorded when earned in the statement of activities		259,566
Change in other postemployment benefit liability is not recorded in the governmental funds		21,677,190
Change in pension benefit liability is not recorded in the governmental funds		65,935,010
Change in Net Position of Governmental Activities	\$	<u>21,604,262</u>

City of Westland, Michigan

Proprietary Fund Statement of Net Position

June 30, 2021

Water and Sewer
Fund

Assets

Current assets:	
Cash and cash equivalents	\$ 21,173,518
Receivables - Net (Note 4)	10,641,146
Inventory	107,239
Prepaid expenses	106,004
Deposits held by third parties	<u>29,615</u>
Total current assets	32,057,522
Noncurrent assets - Capital assets - Net (Note 5)	<u>83,712,112</u>
Total assets	115,769,634
Deferred Outflows of Resources	
Deferred pension costs (Note 13)	19,907,734
Deferred OPEB costs (Note 14)	<u>519,443</u>
Total deferred outflows of resources	20,427,177

Liabilities

Current liabilities:	
Accounts payable	2,567,112
Due to other governmental units	1,631
Due to other funds (Note 6)	29,070
Deposits and bonds	57,587
Accrued liabilities and other	475,352
Compensated absences (Note 7)	265,505
Provision for claims (Note 8)	213,402
Current portion of long-term debt (Note 7)	<u>1,435,759</u>
Total current liabilities	5,045,418
Noncurrent liabilities:	
Compensated absences (Note 7)	4,324
Provision for claims (Note 8)	246,261
Net pension liability (Note 13)	20,559,275
Net OPEB liability (Note 14)	19,668,696
Long-term debt - Net of current portion (Note 7)	<u>31,503,767</u>
Total noncurrent liabilities	71,982,323
Total liabilities	77,027,741

Deferred Inflows of Resources

Deferred pension cost reductions (Note 13)	588,370
Deferred OPEB cost reductions (Note 14)	<u>3,408,216</u>
Total deferred inflows of resources	3,996,586

Net Position

Net investment in capital assets	70,482,916
Unrestricted	<u>(15,310,432)</u>
Total net position	<u>\$ 55,172,484</u>

City of Westland, Michigan

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

Year Ended June 30, 2021

	Water and Sewer Fund
Operating Revenue	
Water and sewer	\$ 30,677,657
Penalties	1,340,291
Other	<u>79,072</u>
Total operating revenue	32,097,020
Operating Expenses	
Cost of water	6,459,935
Cost of sewage disposal	11,152,110
Wage and fringe benefits	2,833,745
Contracted services	5,242,780
Operating supplies and other	184,216
Repairs and maintenance	876,619
Depreciation	<u>3,937,368</u>
Total operating expenses	<u>30,686,773</u>
Operating Income	1,410,247
Nonoperating Revenue (Expense)	
Investment income	29,066
Interest expense	<u>(612,050)</u>
Total nonoperating expense	<u>(582,984)</u>
Income - Before capital contributions	827,263
Capital Contributions - Lines donated by developers	<u>138,722</u>
Change in Net Position	965,985
Net Position - Beginning of year	<u>54,206,499</u>
Net Position - End of year	<u>\$ 55,172,484</u>

City of Westland, Michigan

Proprietary Fund Statement of Cash Flows

Year Ended June 30, 2021

	Water and Sewer Fund
Cash Flows from Operating Activities	
Receipts from customers	\$ 32,420,222
Internal activity - Payments to other funds	(3,857,405)
Payments to suppliers	(20,568,867)
Payments to employees and fringes	<u>(23,951,268)</u>
Net cash and cash equivalents used in operating activities	(15,957,318)
Cash Flows from Noncapital Financing Activities - Issuance of pension bonds	19,710,330
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(2,343,070)
Principal and interest paid on capital debt	<u>(1,304,197)</u>
Net cash and cash equivalents used in capital and related financing activities	(3,647,267)
Cash Flows Provided by Investing Activities - Interest received on investments and other assets	<u>29,066</u>
Net Increase in Cash and Cash Equivalents	134,811
Cash and Cash Equivalents - Beginning of year	<u>21,038,707</u>
Cash and Cash Equivalents - End of year	<u>\$ 21,173,518</u>
Reconciliation of Operating Income to Net Cash and Cash Equivalents from Operating Activities	
Operating income	\$ 1,410,247
Adjustments to reconcile operating income to net cash and cash equivalents from operating activities:	
Depreciation	3,937,368
Changes in assets and liabilities:	
Receivables	323,202
Due to and from other funds	587,494
Inventories	8,158
Prepaid and other assets	(17,168)
Net pension and OPEB liability	(21,226,352)
Accounts payable	(1,128,422)
Accrued and other liabilities	<u>148,155</u>
Total adjustments	<u>(17,367,565)</u>
Net cash and cash equivalents used in operating activities	<u>\$ (15,957,318)</u>
Significant Noncash Transactions - Donated water and sewer lines	\$ 138,722

City of Westland, Michigan

Fiduciary Funds Statement of Fiduciary Net Position

June 30, 2021

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents (Note 3)	\$ 17,970	\$ 413,392
Investments: (Note 3)		
Municipal obligations	3,511,650	-
CIF - Fixed income	23,690,943	-
U.S. government securities	15,204,469	-
Pooled investments	1,819,393	-
Common stocks	67,443,518	-
Corporate bonds	4,735,702	-
Real estate	2,246,620	-
Mutual funds	66,399,633	-
Securities lending - Mutual funds	5,148,360	-
Closely held - Equity	27,310,602	-
Receivables - Net	215,093	-
 Total assets	 217,743,953	 413,392
Liabilities		
Due to other governmental units	-	350,220
Deposits and bonds	-	63,172
Obligations under securities lending agreements	5,194,409	-
Due to brokers	9,019	-
 Total liabilities	 5,203,428	 413,392
Net Position - Restricted		
Pension	210,721,132	-
Postemployment benefits other than pension	1,819,393	-
 Total net position	 \$ 212,540,525	 \$ -

City of Westland, Michigan

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2021

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
Additions		
Investment income (expenses):		
Interest and dividends	\$ 2,576,841	\$ -
Net increase in fair value of investments	51,082,630	-
Investment costs	<u>(883,025)</u>	<u>-</u>
Net investment income	52,776,446	-
Contributions:		
Employer contributions	15,407,244	-
Employee contributions	<u>902,404</u>	<u>-</u>
Total contributions	16,309,648	-
Fines, fees, and bonds	-	2,109,233
Property tax collections	<u>-</u>	<u>61,340,759</u>
Total additions	69,086,094	63,449,992
Deductions		
Benefit payments	24,985,216	-
Administrative expenses	403,267	-
District court distributions	-	2,109,233
Property tax distributions to other governments	<u>-</u>	<u>61,340,759</u>
Total deductions	25,388,483	63,449,992
Net Increase in Fiduciary Net Position	43,697,611	-
Net Position - Beginning of year, as restated (Note 1)	<u>168,842,914</u>	<u>-</u>
Net Position - End of year	\$ 212,540,525	\$ -

City of Westland, Michigan

Component Units Statement of Net Position

June 30, 2021

	Downtown Development Authority	Local Development Finance Authority	Tax Increment Finance Authority	Brownfield Redevelopment Authority	Westland Public Library	Total
Assets						
Cash and cash equivalents (Note 3)	\$ 1,472,145	\$ 166,488	\$ 2,287,331	\$ 1,658,008	\$ 5,278,235	\$ 10,862,207
Receivables - Net (Note 4)	12,500	-	30,562	-	133,009	176,071
Due from component units	45,000	2,119	-	-	-	47,119
Due from primary government	6,250	-	6,250	-	-	12,500
Prepaid expenses	10,000	-	1,273	-	70,688	81,961
Other current assets	-	-	-	-	8,194	8,194
Land held for resale	6,030	42,968	-	-	-	48,998
Capital assets: (Note 5)						
Not being depreciated	497,601	-	-	-	-	497,601
Depreciable - Net	5,426,464	-	594,029	-	1,462,060	7,482,553
Total assets	7,475,990	211,575	2,919,445	1,658,008	6,952,186	19,217,204
Deferred Outflows of Resources -						
Deferred charges on bond refunding	-	-	1,106,007	-	-	1,106,007
Total assets and deferred outflows of resources	7,475,990	211,575	4,025,452	1,658,008	6,952,186	20,323,211
Liabilities						
Accounts payable	68,834	2,599	68,340	-	117,819	257,592
Due to component units	2,119	-	45,000	-	-	47,119
Due to primary government (Note 6)	15,120	-	3,930	19,000	7,892	45,942
Accrued liabilities and other	25,239	-	72,000	71,002	76,415	244,656
Noncurrent liabilities:						
Due within one year:						
Compensated absences (Note 7)	-	-	-	-	15,557	15,557
Current portion of long-term debt (Note 7)	310,000	-	990,000	-	-	1,300,000
Due in more than one year (Note 7)	980,000	-	12,950,000	-	-	13,930,000
Total liabilities	1,401,312	2,599	14,129,270	90,002	217,683	15,840,866
Net Position (Deficit)						
Net investment in capital assets	4,634,065	-	594,029	-	1,462,060	6,690,154
Unrestricted	1,440,613	208,976	(10,697,847)	1,568,006	5,272,443	(2,207,809)
Total net position (deficit)	\$ 6,074,678	\$ 208,976	\$ (10,103,818)	\$ 1,568,006	\$ 6,734,503	\$ 4,482,345

City of Westland, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Downtown Development Authority	\$ 1,004,246	\$ -	\$ 421,675	\$ -
Local Development Finance Authority	48,622	-	64,560	-
Tax Increment Finance Authority	1,481,603	-	72,737	-
Brownfield Redevelopment Authority	20,647	-	4,775	-
Library	2,899,886	13,024	203,923	-
Total component units	\$ 5,455,004	\$ 13,024	\$ 767,670	\$ -
General revenue:				
Property taxes				
Interest income				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position (Deficit) - Beginning of year, as restated (Note 1)				
Net Position (Deficit) - End of year				

**Component Units
Statement of Activities**

Year Ended June 30, 2021

Net (Expense) Revenue and Changes in Net Position						
Downtown Development Authority	Local Development Finance Authority	Tax Increment Finance Authority	Brownfield Redevelopment Authority	Westland Public Library	Total	
\$ (582,571)	\$ -	\$ -	\$ -	\$ -	\$ (582,571)	
- 15,938	- 15,938	- 15,938	- 15,938	- 15,938	- 15,938	
- (1,408,866)	- (1,408,866)	- (1,408,866)	- (1,408,866)	- (1,408,866)	- (1,408,866)	
- (15,872)	- (15,872)	- (15,872)	- (15,872)	- (15,872)	- (15,872)	
- (2,682,939)	- (2,682,939)	- (2,682,939)	- (2,682,939)	- (2,682,939)	- (2,682,939)	
(582,571)	15,938	(1,408,866)	(15,872)	(2,682,939)	(4,674,310)	
1,708,742	82,464	3,680,555	504,153	3,133,450	9,109,364	
953	140	1,469	1,228	6,975	10,765	
46,272	-	31,250	-	2,097	79,619	
1,755,967	82,604	3,713,274	505,381	3,142,522	9,199,748	
1,173,396	98,542	2,304,408	489,509	459,583	4,525,438	
4,901,282	110,434	(12,408,226)	1,078,497	6,274,920	(43,093)	
\$ 6,074,678	\$ 208,976	\$ (10,103,818)	\$ 1,568,006	\$ 6,734,503	\$ 4,482,345	

June 30, 2021

Note 1 - Significant Accounting Policies

Accounting and Reporting Principles

The City of Westland, Michigan (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:

Reporting Entity

The City is governed by an elected mayor and an elected seven-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Except for the fiduciary component units, the discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City, and separate financial statements are not issued.

Blended Component Units

The City of Westland Building Authority is governed by a three-member board that is appointed by the mayor and approved by the City Council. Although it is legally separate from the City, it is reported as if it were part of the primary government because its primary purpose is to finance and construct the City's public buildings.

Discretely Presented Component Units

Local Development Finance Authority

The Local Development Finance Authority was created to promote economic growth and business development within the community. The Local Development Finance Authority's governing body consists of 11 individuals. The mayor appoints 7 of these individuals, and the other 4 individuals are made up of 1 member appointed by the County Board of Commissioners, 1 representative of the local community college, and 2 members appointed by the local school district. In addition, the Authority's budget is subject to approval by the City Council. The Local Development Finance Authority does not issue its own financial statements.

Economic Development Corporation

The Economic Development Corporation (EDC) was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the City so as to provide needed services and facilities of such enterprises to residents of the City. The EDC's governing body consists of 9 individuals appointed by the mayor and confirmed by the City Council. The Economic Development Corporation does not issue its own financial statements. The EDC had no financial activity in the current year.

Downtown Development Authority

The Downtown Development Authority (DDA) was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within the downtown district. The DDA's governing body, which consists of 11 individuals, is appointed by the mayor and confirmed by the City Council. In addition, the DDA's budget is subject to approval by the City Council. The Downtown Development Authority does not issue its own financial statements.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

Brownfield Redevelopment Authority

The Brownfield Redevelopment Authority (the "Authority") was created to remediate contaminated properties located within the City and to promote economic growth for these properties through the use of a state-approved revolving loan fund. The properties included are listed as contaminated by the Environmental Protection Agency. The Authority's governing body, which consists of 9 individuals, is appointed by the mayor and confirmed by the City Council. In addition, the Authority's budget is subject to approval by the City Council. The Brownfield Redevelopment Authority does not issue its own financial statements.

Tax Increment Finance Authority

The Tax Increment Finance Authority (TIFA) was created to implement infrastructure improvement within the specified district. The TIFA's governing body, which consists of 9 individuals, is appointed by the mayor and confirmed by the City Council. In addition, the TIFA's budget is subject to approval by the City Council. The Tax Increment Finance Authority does not issue its own financial statements.

Westland Public Library

The Westland Public Library (the "Library") accounts for the dedicated property tax millages and the provision of library services to residents. The Library's governing body consists of 5 individuals appointed by the mayor and confirmed by the City Council. The City provides services to the Library without charging for the full value of the services. The City has also assumed the obligation to finance any deficits of the Library. The Library does not issue its own financial statements.

Fiduciary Component Units

Pension and OPEB Plans

The Police and Fire Retirement System is governed by the pension board, which consists of five members - two elected by plan members; two appointed by the City; and the city treasurer, who serves as an ex officio member. The other postemployment benefits plan is governed by the City Council. Although they are legally separate from the City, they are reported as fiduciary component units because the City governs the plans or appoints a voting majority to the board and the plans impose a financial burden on the City.

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. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

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

For the most part, the effect of interfund activity has been removed from these statements.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

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

Fund Accounting

The City accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures for which specific revenue was 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. This includes the General Fund, special revenue funds, debt service funds, and capital project funds. The City reports the following fund as a major governmental fund:

- 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.

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 will not be used to operate our government's programs. Activities that are reported as fiduciary include the following:

- The Police and Fire Retirement System Fund accounts for the activities of the Police and Fire Retirement System, which accumulates resources for pension and benefit payments to qualified police and fire employees.
- The Other Postemployment Benefits Fund accounts for the activities of the OPEB plan, which accumulates resources for retiree health care benefits to qualified employees.
- The fiduciary custodial funds consist of the District Court Fund and Tax Collection Fund. These funds account for assets held by the City in a fiduciary for individuals and other governments.

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.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

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 government 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, some property taxes, special assessments, and grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow of resources.

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.

Specific Balances and Transactions

Cash and Cash Equivalents

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

Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sale price at current exchange rates. The fair value of real estate investments is based on periodic appraisals and the judgment of independent real estate advisors and management. Investments that do not have an established market value are reported at estimated fair value, as determined by the plan's management.

Receivables and Payables

In general, outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances. No allowance for uncollectible accounts has been recorded, as the City believes all receivables will be collected.

June 30, 2021**Note 1 - Significant Accounting Policies (Continued)****Inventories and Prepaid Items**

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

Land Held for Sale

Land held for sale includes land and predevelopment costs and is stated at the lower of cost or market value.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the 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.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Capital Asset Class	Depreciable Life - Years
Roads and sidewalks	30-40
Buildings and improvements	20-40
Water and sewer distribution systems	5-50
Tools and equipment	2-40

Unearned Revenue

Unearned revenue represents money received that does not yet meet the criteria for revenue recognition. As of June 30, 2021, the General Fund balance of unearned revenue includes \$12,966,016 of American Rescue Plan Act cash received in advance of eligibility criteria being met. Unearned amounts are reported as liabilities.

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 as other financing sources, as well as bond premiums and discounts. The General Fund and debt service funds generally are used to liquidate governmental long-term debt.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

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

The City reports the following deferred outflows of resources and deferred inflows of resources:

	Inflows	Outflows
Unavailable revenue (revenue not collected within the period of availability) - Reported only at the modified accrual level	✓	
Deferred pension costs (or cost reductions)	✓	✓
Deferred OPEB costs (or cost reductions)	✓	✓

Net Position Flow Assumption

Sometimes, the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) 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, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes, the City will 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 City 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.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. 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 either to remove or revise a commitment. The City Council has by resolution authorized the finance director, budget director, deputy mayor, and mayor to assign fund balance.

Property Tax Revenue

Property taxes are levied and become a lien on each July 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on August 15, with the final collection date of February 28 before they are added to the delinquent county tax rolls.

The 2020 taxable valuation of the City totaled \$1.82 billion (a portion of which is abated and a portion of which is captured by the TIFA and DDA), on which taxes levied consisted of 6.3851 mills for operating purposes, 1.9082 mills for operations of the library, 8.0000 mills for the Police and Fire Retirement System, 0.0272 for City promotion, and 3.3936 mills for sanitation. The ad valorem taxes levied raised approximately \$11.7 million for city operations, approximately \$3.5 million for operation of the Library, approximately \$14.6 million for the Police and Fire Retirement System, \$50 thousand for city promotion, and approximately \$6.2 million for sanitation. Portions of the amounts levied have been captured by the tax increment financing authorities reported in the component units. These amounts, net of the amounts reported by the component units, are recognized in the respective General Fund and special revenue fund financial statements as taxes receivable or as tax revenue.

Pension

The City offers pension benefits to its employees. 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 purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. 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 some retirees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about fiduciary net position of the City of Westland's Retiree Health Care Plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported in the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation (primarily the General Fund and Water and Sewer Fund) are used to liquidate this obligation.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

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 the Water and Sewer Fund is charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

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

Upcoming Accounting Pronouncements

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

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

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

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

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

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

Reporting Change

In 2021, the City determined the Westland Public Library should be presented as a discretely presented component unit as opposed to a special revenue fund as it had previously been reported. As a result, governmental activities net position as of June 30, 2020 was reduced by \$6,274,920, and component unit net position was increased by the same amount. Nonmajor governmental funds fund balance was reduced by \$4,701,686 as of June 30, 2020.

Adoption of New Accounting Pronouncements

During the current year, the City adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the following activities not previously reported in the financial statements now meet the definition of a fiduciary activity and are reported as such: the Other Postemployment Benefits Fund and the additions and deductions of the Tax Collection Fund.

This was also the first year GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was applicable to the City's financial statements. This was a result of the Other Postemployment Benefits Fund now being reported as a fiduciary fund under GASB Statement No. 84. As a result, some of the disclosures within the OPEB plan footnotes have changed, along with the related schedules in the required supplemental information.

Additionally, the Trust and Agency Fund no longer meets the definition of a fiduciary activity. That activity is now recorded within the General Fund.

The effect of this new standard on net position in the fiduciary fund was as follows:

Net position - June 30, 2020 - As previously reported	\$ 167,850,726
Adjustment for GASB Statement No. 84 - To report OPEB fund	<u>992,188</u>
Net position - June 30, 2020 - As restated	<u><u>\$ 168,842,914</u></u>

June 30, 2021

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 January 1, 2000 is as follows:

Cumulative shortfall at July 1, 2020	\$ (3,266,042)
Current year permit revenue	2,105,022
Estimated indirect costs	<u>2,109,646</u>
Current year shortfall	<u>(4,624)</u>
Cumulative shortfall at June 30, 2021	<u>\$ (3,270,666)</u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 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.

The pension and OPEB trust funds 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 three 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 investment policies are in accordance with statutory authority.

As permitted by state statutes and under the provisions of a securities lending authorization agreement, the City of Westland, Michigan's Police and Fire Retirement System (the "System") lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives cash as collateral. Borrowers are required to deliver collateral for each loan equal to no less than 100 percent of the market value of the loaned securities. During the year ended June 30, 2021, only United States currency was received as collateral. The City then converts that cash received as collateral into other investments.

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

June 30, 2021**Note 3 - Deposits and Investments (Continued)**

The City of Westland, Michigan's Police and Fire Retirement System 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 pools as of June 30, 2021 was one day because the loans are terminable on demand; their duration did not generally match the duration of the investments made with cash collateral. On June 30, 2021, the System had no credit risk exposure to borrowers. The collateral held (at cost) and the fair market value of the underlying securities on loan for the System as of June 30, 2021 totaled \$5,194,409 and \$5,031,481, 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 \$60,100,391 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. At year end, the component units had bank deposits of \$4,418,384 that were uninsured and uncollateralized.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At year end, no investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

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 only be purchased with a 270-day maturity.

At year end, the City had the following investments:

Investment	Fair Value	Weighted-average Maturity (Years)
Pension funds:		
U.S. Treasury	\$ 11,043,984	5.24
U.S. government agency securities	4,160,485	15.85
Corporate securities	4,735,702	6.00
Municipal bonds	3,511,650	5.17

June 30, 2021

Note 3 - Deposits and Investments (Continued)

Credit Risk

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

Investment	Fair Value	Rating	Rating Organization
Fiduciary funds:			
Corporate securities	\$ 101,657	Aa3	Moody's
Corporate securities	864,271	A1	Moody's
Corporate securities	1,840,742	A2	Moody's
Corporate securities	652,357	A3	Moody's
Corporate securities	1,172,885	Baa1	Moody's
Corporate securities	103,790	NR	N/A
Municipal bonds	252,127	Aaa	Moody's
Municipal bonds	557,217	Aa1	Moody's
Municipal bonds	932,654	Aa2	Moody's
Municipal bonds	100,544	Aa3	Moody's
Municipal bonds	1,669,108	NR	N/A
U.S. government securities	11,309,219	Aaa	Moody's
U.S. government securities	3,895,250	NR	N/A

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. For the year ended June 30, 2021, the City was invested in United States Treasury bonds, Vanguard Midcap Index Fund I, HGK Trinity Street International Equity Fund, WTC-CIF II Small Cap Opportunities Portfolio, and various fixed-income funds, comprising 5.2 percent, 17 percent, 6.2 percent, 5.5 percent, and 8.5 percent respectively, of total investments.

Note 4 - Receivables

The City's receivables are as follows:

	General Fund	Nonmajor Funds	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
Receivables:						
Property taxes receivable	\$ 307,642	\$ -	\$ 307,642	\$ -	\$ 307,642	\$ 35,153
Customer receivables	-	-	-	10,641,146	10,641,146	-
Other receivables	762,808	66,769	829,577	-	829,577	104,143
Due from other governments	4,199,441	1,740,778	5,940,219	-	5,940,219	36,775
Net receivables	\$ 5,269,891	\$ 1,807,547	\$ 7,077,438	\$ 10,641,146	\$ 17,718,584	\$ 176,071

The delinquent real property taxes of the City are purchased by the County of Wayne, Michigan (the "County"). The County issues tax notes, the proceeds of which were used to pay the City for these property taxes. These taxes have been recorded as revenue for the current year.

City of Westland, Michigan

Notes to Financial Statements

June 30, 2021

Note 4 - Receivables (Continued)

Governmental funds report deferred inflows of resources in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also recognize unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue are as follows:

	Revenue Not Available	Revenue Not Earned
General Fund - Personal property tax	\$ 300,761	\$ -
General Fund - E-911 wireless revenue	274,192	-
General Fund - Engineering fees	-	96,545
General Fund - General revenue	22,590	-
General Fund - Towing revenue	11,355	-
General Fund - Cable franchise fees	64,018	-
General Fund - Grant revenue	173,483	12,966,016
General Fund - State revenue	4,970	-
Other nonmajor - Grant revenue	8,772	-
 Total	 \$ 860,141	 \$ 13,062,561

Note 5 - Capital Assets

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

Governmental Activities

	Balance July 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 3,335,379	\$ -	\$ -	\$ -	\$ 3,335,379
Construction in progress	-	-	33,850	-	33,850
 Subtotal	 3,335,379	 -	33,850	-	3,369,229
Capital assets being depreciated:					
Roads and sidewalks	603,231,848	-	5,453,151	-	608,684,999
Buildings and improvements	42,473,431	-	506,929	(154,472)	42,825,888
Other tools and equipment	21,485,110	-	1,186,345	(2,497,943)	20,173,512
 Subtotal	 667,190,389	 -	7,146,425	(2,652,415)	671,684,399
Accumulated depreciation:					
Roads and sidewalks	466,698,059	-	10,754,359	-	477,452,418
Buildings and improvements	14,647,303	-	1,078,105	(154,472)	15,570,936
Other tools and equipment	14,420,796	-	1,491,352	(1,706,978)	14,205,170
 Subtotal	 495,766,158	 -	13,323,816	(1,861,450)	507,228,524
Net capital assets being depreciated	171,424,231	-	(6,177,391)	(790,965)	164,455,875
Net governmental activities capital assets	\$ 174,759,610	\$ -	\$ (6,143,541)	\$ (790,965)	\$ 167,825,104

City of Westland, Michigan

Notes to Financial Statements

June 30, 2021

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2021
Water and Sewer Fund					
Capital assets being depreciated:					
Water and sewer lines	\$ 120,243,708	\$ -	\$ 1,996,220	\$ -	\$ 122,239,928
Buildings and improvements	2,190,379	-	12,999	(313,494)	1,889,884
Other tools and equipment	2,185,096	-	28,953	(465,611)	1,748,438
Vehicles	3,476,977	-	443,620	(235,319)	3,685,278
Subtotal	128,096,160	-	2,481,792	(1,014,424)	129,563,528
Accumulated depreciation:					
Water and sewer lines	37,866,573	-	3,449,467	-	41,316,040
Buildings and improvements	1,672,048	-	30,924	(313,494)	1,389,478
Other tools and equipment	1,565,178	-	134,026	(465,611)	1,233,593
Vehicles	1,824,673	-	322,951	(235,319)	1,912,305
Subtotal	42,928,472	-	3,937,368	(1,014,424)	45,851,416
Net business-type activities capital assets	\$ 85,167,688	\$ -	\$ (1,455,576)	\$ -	\$ 83,712,112

Component Units

	Balance July 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated - Land					
\$ 497,601	\$ -	\$ -	\$ -	\$ -	\$ 497,601
Capital assets being depreciated:					
Library buildings and improvements	1,220,245	-	16,797	-	1,237,042
Library other tools and equipment	6,349,306	-	307,546	-	6,656,852
DDA improvements	7,691,958	-	59,958	-	7,751,916
TIFA improvements	1,002,116	-	1,325	-	1,003,441
Subtotal	16,263,625	-	385,626	-	16,649,251
Accumulated depreciation:					
Library buildings and improvements	430,598	-	57,669	-	488,267
Library other tools and equipment	5,650,531	-	293,036	-	5,943,567
DDA improvements	2,073,680	-	251,772	-	2,325,452
TIFA improvements	341,096	-	68,316	-	409,412
Subtotal	8,495,905	-	670,793	-	9,166,698
Net capital assets being depreciated	7,767,720	-	(285,167)	-	7,482,553
Net component units capital assets	\$ 8,265,321	\$ -	\$ (285,167)	\$ -	\$ 7,980,154

June 30, 2021**Note 5 - Capital Assets (Continued)**

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

Governmental activities:		
General government	\$	1,851,745
Police		309,980
Fire		234,128
Major roads		5,263,216
Local roads		5,416,501
Parks and recreation		<u>248,246</u>
Total governmental activities	\$	<u>13,323,816</u>
Business-type activities - Enterprise fund - Water and Sewer Fund	\$	3,937,368
Component unit activities:		
Downtown Development Authority	\$	251,772
Tax Increment Finance Authority		68,316
Westland Public Library		<u>350,705</u>
Total component unit activities	\$	<u>670,793</u>

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Other nonmajor governmental funds Water and Sewer Fund	\$ 776,061 <u>29,070</u>
	Total General Fund	805,131
Other nonmajor governmental funds	General Fund Other nonmajor governmental funds	42,778 <u>260,181</u>
	Other nonmajor governmental funds	<u>302,959</u>
	Total	\$ 1,108,090

City of Westland, Michigan

Notes to Financial Statements

June 30, 2021

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

The balance of due to and due from amounts between the primary government and discretely presented component units is as follows:

Receivable	Payable	Amount
Primary government - General Fund	Component unit - Brownfield Redevelopment Authority	\$ 19,000
	Component unit - Tax Increment Finance Authority	3,930
	Component unit - Downtown Development Authority	15,120
	Component unit - Westland Public Library	<u>7,892</u>
	Total primary government - General Fund	45,942
Component unit - Tax Increment Finance Authority	Primary government - General Fund	6,250
Component unit - Downtown Development Authority	Primary government - General Fund	<u>6,250</u>
	Total	\$ <u>58,442</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.

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Other nonmajor governmental funds (1)(4)	\$ 2,548,812
Other nonmajor governmental funds	General Fund (3)	30,626
	Other nonmajor governmental funds (2)	<u>1,588,998</u>
	Total other nonmajor governmental funds	<u>1,619,624</u>
	Total	\$ <u>4,168,436</u>

(1) Transfers for debt service and capital improvements

(2) Transfer for local road construction and maintenance

(3) Transfer for operating contributions

(4) Transfer of local match for Michigan Indigent Defense Commission

City of Westland, Michigan

Notes to Financial Statements

June 30, 2021

Note 7 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities and to fund their pension obligation. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the government. Long-term debt activity for the year ended June 30, 2021 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -							
Other debt:							
2015 Capital Improvement Bond	3.25% - 5%	\$72,325 - \$123,333	\$ 1,364,784	\$ -	\$ (72,325)	\$ 1,292,459	\$ 76,799
2021 Pension Obligation Bonds	0.185% - 2.775%	\$1,795,960 - \$3,180,980	-	62,759,670	-	62,759,670	1,795,960
Unamortized bond premium	N/A	\$3,523	52,839	-	(3,523)	49,316	3,523
Total other debt principal outstanding			1,417,623	62,759,670	(75,848)	64,101,445	1,876,282
Direct borrowings and direct placements:							
2013 New City Hall	2.6%	\$100,000- \$145,000	985,000	-	(100,000)	885,000	115,000
HUD Section 108 Loan	2.35%	\$47,000- \$48,000	383,000	-	(48,000)	335,000	48,000
2018 Fire Truck	3.43%	\$93,709- \$107,242	501,804	-	(93,708)	408,096	96,922
2020 Self-Contained Breathing Apparatus	2.232%	\$59,407- \$62,224	244,171	-	(61,742)	182,429	59,407
2020 Lenovo Computer Capital Lease	3.5%	\$17,085- \$39,997	132,879	-	(37,215)	95,664	38,582
Total direct borrowings and direct placements principal outstanding			2,246,854	-	(340,665)	1,906,189	357,911
Total bonds and contracts payable			3,664,477	62,759,670	(416,513)	66,007,634	2,234,193
Compensated absences			9,917,610	4,150,708	(4,410,274)	9,658,044	4,855,249
Total governmental activities long-term debt			<u>\$ 13,582,087</u>	<u>\$ 66,910,378</u>	<u>\$ (4,826,787)</u>	<u>\$ 75,665,678</u>	<u>\$ 7,089,442</u>

City of Westland, Michigan

Notes to Financial Statements

June 30, 2021

Note 7 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -							
Other debt:							
2015 Capital Improvement Bond	3.25%-5%	\$72,325-\$123,333	\$ 7,790,220	\$ -	\$ (412,675)	\$ 7,377,545	\$ 438,202
2014 Capital Improvement Bond	3%-4%	\$225,000-\$400,000	4,025,000	-	(225,000)	3,800,000	250,000
2021 Pension Obligation Bonds	0.185%-2.775%	\$564,040-\$999,020	-	19,710,330	-	19,710,330	564,040
Unamortized bond premium	N/A	\$20,955-\$23,517	350,191	-	(23,517)	326,674	23,517
Total other debt principal outstanding			12,165,411	19,710,330	(661,192)	31,214,549	1,275,759
Direct borrowings and direct placements:							
2010 State Revolving Fund Loan	2.5%	\$30,000-\$35,000	312,794	-	(30,000)	282,794	30,000
2010 Strategic Water Quality Initiatives Loan	2.5%	\$125,000-\$162,183	1,567,183	-	(125,000)	1,442,183	130,000
Total direct borrowings and direct placements principal outstanding			1,879,977	-	(155,000)	1,724,977	160,000
Total bonds and contracts payable			14,045,388	19,710,330	(816,192)	32,939,526	1,435,759
Compensated absences			313,640	172,145	(215,956)	269,829	265,505
Total business-type activities long-term debt			<u>\$ 14,359,028</u>	<u>\$ 19,882,475</u>	<u>\$ (1,032,148)</u>	<u>\$ 33,209,355</u>	<u>\$ 1,701,264</u>

City of Westland, Michigan

Notes to Financial Statements

June 30, 2021

Note 7 - Long-term Debt (Continued)

Component Units

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -							
Other debt:							
2013 Tax Increment							
Financing Bonds - City Hall and Fire Station	3.5%-4%	\$725,000 - \$755,000	\$ 13,340,000	\$ -	\$ (11,860,000)	\$ 1,480,000	\$ 725,000
2014 Downtown							
Development Bonds -		\$305,000-					
Farmer's Market	2.5%-3.125%	\$335,000	1,595,000	-	(305,000)	1,290,000	310,000
2021 Tax Increment		\$230,000-					
Refunding Bonds	0.25%-2.41%	\$1,195,000	-	12,460,000	-	12,460,000	265,000
Total bonds and contracts payable			14,935,000	12,460,000	(12,165,000)	15,230,000	1,300,000
Compensated absences			-	15,557	-	15,557	15,557
Total component unit long-term debt			\$ 14,935,000	\$ 12,475,557	\$ (12,165,000)	\$ 15,245,557	\$ 1,315,557

City of Westland, Michigan

Notes to Financial Statements

June 30, 2021

Note 7 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Total interest incurred related to governmental and business-type activities and component units for the year approximated \$530,000, \$611,000, and \$565,000, respectively. 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		
	Principal	Interest	Principal	Interest	Total	
2022	\$ 357,911	\$ 52,226	\$ 1,876,282	\$ 1,477,770	\$ 3,764,189	
2023	364,043	41,876	2,107,563	1,242,284	3,755,766	
2024	350,993	30,766	2,119,647	1,232,616	3,734,022	
2025	280,242	20,640	2,130,985	1,221,164	3,653,031	
2026	178,000	12,349	2,147,619	1,205,099	3,543,067	
2027-2031	375,000	10,120	11,128,267	5,634,789	17,148,176	
2032-2036	-	-	11,888,536	4,614,737	16,503,273	
2037-2041	-	-	12,872,315	3,241,589	16,113,904	
Thereafter	-	-	17,830,231	1,508,285	19,338,516	
Total	\$ 1,906,189	\$ 167,977	\$ 64,101,445	\$ 21,378,333	\$ 87,553,944	
Business-type Activities						
Years Ending June 30	Direct Borrowings and Direct Placements			Other Debt		
	Principal	Interest	Principal	Interest	Total	
	2022	\$ 160,000	\$ 43,124	\$ 1,275,759	\$ 861,241	\$ 2,340,124
2023	160,000	39,124	1,364,476	759,080	2,322,680	
2024	165,000	35,124	1,392,393	727,036	2,319,553	
2025	170,000	30,999	1,441,054	693,225	2,335,278	
2026	170,000	26,749	1,474,420	653,460	2,324,629	
2027-2031	899,977	66,927	8,076,931	2,711,944	11,755,779	
2032-2036	-	-	6,547,060	1,563,371	8,110,431	
2037-2041	-	-	4,042,685	1,018,055	5,060,740	
Thereafter	-	-	5,599,771	473,693	6,073,464	
Total	\$ 1,724,977	\$ 242,047	\$ 31,214,549	\$ 9,461,105	\$ 42,642,678	
Component Units						
Years Ending June 30	Other Debt					
	Principal	Interest	Total			
	2022	\$ 1,300,000	\$ 268,761	\$ 1,568,761		
2023	1,305,000	265,480	1,570,480			
2024	1,340,000	225,675	1,565,675			
2025	1,360,000	209,835	1,569,835			
2026	1,035,000	189,629	1,224,629			
2027-2031	5,390,000	717,834	6,107,834			
2032-2036	3,500,000	165,416	3,665,416			
2037-2041	-	-	-			
Thereafter	-	-	-			
Total	\$ 15,230,000	\$ 2,042,630	\$ 17,272,630			

June 30, 2021

Note 7 - Long-term Debt (Continued)

Advance Bond Refunding

During the year, the City issued \$12,460,000 in tax increment refunding bonds with an average interest rate of 1.93 percent. The proceeds of these bonds were used to advance refund \$11,155,000 of outstanding tax increment bonds with an average interest rate of 5.12 percent. The net proceeds of \$12,261,006 (after payment of \$197,721 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased, and the liability for the bonds has been removed from long-term debt. The advance refunding reduced total debt service payments over the next 13 years by \$1,681,564, which represents an economic gain of approximately \$1,490,318.

Pension Obligation Bonds

During the year, the City issued the 2021 Pension Obligation Bonds in an amount of \$82,470,000 to partially fund the MERS pension plan (the "plan") and reduce future annual required contribution payments into the plan. The bonds were allocated between governmental activities and business-type activities in the amounts of \$62,759,670 and \$19,710,330, respectively. The General Fund reports this activity at face value of the debt issued in the amount of \$62,759,670 as an other financing source, whereas the \$62,759,670 will be reported as debt on the governmental activities basis of reporting. Likewise, the Water and Sewer Fund will report the \$19,710,330 as debt. Both the General Fund and Water and Sewer Fund reported an additional contribution to the MERS pension plan of \$62,118,022 and \$19,508,814, respectively. The additional contributions were made subsequent to the MERS pension plan's year end of December 31, 2020 and, therefore, is recorded as a deferred outflow of resources as of June 30, 2021. This will reduce the net pension liability for the MERS pension plan's December 31, 2021 measurement date and is expected to achieve significant cash savings for the City over the life of the bonds.

Note 8 - 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. The City is self-insured for medical claims and participates in the Michigan Municipal Risk Management Authority (the "Authority") risk pool for claims relating to property loss, torts, and errors and omissions; the City is uninsured for workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

June 30, 2021**Note 8 - Risk Management (Continued)**

The City estimates the liability for general liability claims, workers' compensation claims, and health insurance claims that have been incurred through the end of the fiscal year, including claims that have been reported, as well as those that have not yet been reported. The estimates for the general liability, workers' compensation, and health claims are all included in the government-wide statement of net position allocated between governmental and business-type activities. Changes in the estimated liability for the past two fiscal years were as follows:

	General Liability		Workers' Compensation		Medical Claims		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Estimated liability - Beginning of year	\$ 1,131,705	\$ 2,139,554	\$ 401,829	\$ 284,594	\$ 740,207	\$ 745,804	\$ 2,273,741	\$ 3,169,952
Estimated claims incurred, including changes in estimates	1,922,911	347,618	125,114	336,572	8,523,668	8,674,031	10,571,693	9,358,221
Claim payments	(1,482,769)	(1,355,467)	(191,588)	(219,337)	(8,836,576)	(8,679,628)	(10,510,933)	(10,254,432)
Estimated liability - End of year	<u>\$ 1,571,847</u>	<u>\$ 1,131,705</u>	<u>\$ 335,355</u>	<u>\$ 401,829</u>	<u>\$ 427,299</u>	<u>\$ 740,207</u>	<u>\$ 2,334,501</u>	<u>\$ 2,273,741</u>

Of the total provision for claims liability, \$1,874,838 has been allocated to governmental activities and \$459,663 has been allocated to the Water and Sewer Fund.

Note 9 - Joint Ventures

The City participates in the Nankin Transit Commission with the Charter Township of Canton; the City of Garden City, Michigan; the City of Inkster, Michigan; and the City of Wayne, Michigan. The City appoints two members to the Nankin Transit Commission's governing board, which then approves the annual budget.

The City also participates in the Central Wayne County Sanitation Authority with the City of Dearborn Heights, Michigan; the City of Garden City, Michigan; the City of Inkster, Michigan; and the City of Wayne, Michigan. The City appoints one member to the Central Wayne County Sanitation Authority's board, which then approves the annual budget.

The City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for the Nankin Transit Commission and the Central Wayne County Sanitation Authority can be obtained from their administrative offices at the Jefferson Barnes Community Center, 32150 Dorsey St., Westland, MI 48186 and 3579 Commerce Court, Wayne, MI 48184, respectively.

Note 10 - Contingent Liabilities***Open Litigation***

In the normal course of operations, claims and appeals have been filed against the City that may affect the General and Water and Sewer funds. The City is vigorously defending its position and does not believe any of these cases will result in a material liability. No liability has been recorded related to this litigation at this time.

June 30, 2021

Note 11 - Restricted Net Position

In addition to net position restricted for retirement system, sanitation, and road improvements, governmental activities net position has been restricted for the following purposes:

	<u>Governmental Activities</u>
Public safety - Drug forfeiture	\$ 316,232
Metroact broadband	267,802
Street lighting	880,705
Community development	<u>1,733,077</u>
 Total restricted net position	 <u>\$ 3,197,816</u>

Note 12 - Fund Balance Constraints

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

	<u>General Fund</u>	<u>Nonmajor Funds</u>
 Nonspendable:		
Inventory/Assets held for resale	\$ 207,195	\$ -
Prepays	<u>575,269</u>	<u>66,706</u>
 Total nonspendable	 782,464	 66,706
 Restricted:		
Roads	-	7,501,255
Police and fire retirement	2,836,000	-
Community development	-	1,724,305
Drug forfeiture	-	316,232
Street lighting	-	880,705
Metroact broadband	<u>267,802</u>	<u>-</u>
 Total restricted	 3,103,802	 10,422,497
 Committed:		
Court capital projects	-	146,607
Tree Planting Program	<u>53,056</u>	<u>-</u>
 Total committed	 53,056	 146,607
 Assigned:		
Youth assistance	22,683	-
Capital projects	-	3,190,001
Police property room	19,050	-
Cable TV	1,115	-
Community promotion	12,666	-
Senior resources	26,252	-
Ice arena	<u>19,290</u>	<u>-</u>
 Total assigned	 101,056	 3,190,001
 Unassigned	 6,250,952	 -
 Total fund balances	 <u>\$ 10,291,330</u>	 <u>\$ 13,825,811</u>

June 30, 2021

Note 13 - Pension Plans

Plan Description

The City of Westland, Michigan provides a monthly retirement benefit (with alternative lump-sum payment options) to employees who meet the eligibility requirements, including age and years of service. The benefits are provided through a defined benefit, multiagency employer plan through MERS of Michigan, a defined contribution plan through MERS of Michigan, and the Police and Fire Retirement System.

The MERS plan issues a publicly available financial report that can be obtained at 1134 Municipal Way, Lansing, MI 48197; the Police and Fire Retirement System's public financial report is included within these financial statements.

Management of the Police and Fire Retirement System is vested in the pension board, which consists of five members - two elected by plan members; two appointed by the City; and the city treasurer, who serves as an ex officio member.

The City of Westland, Michigan also contributes to the Defined Contribution Plan, a defined contribution pension plan for certain employees who meet the eligibility requirements. The benefits are administered by MERS of Michigan.

The Library provides a 401(a) deferred compensation plan for certain employees who meet the eligibility requirements.

Benefits Provided

The Police and Fire Retirement System and the MERS plan provide retirement, disability, and death benefits to all full-time police and fire employees; all dispatchers, court union, and supervisory employees; and certain other employee groups who were hired prior to various plan closing dates. Retirement benefits are calculated as various percentages (ranging from 1.5 to 2.8 percent) of the employee's final 3-year or 5-year average compensation times the employee's years of service. To be eligible, employees must have a minimum number of years of service (ranging from 25 to 30) and must meet minimum retirement age in most circumstances. The benefits also include nonduty disability benefits and disability retirement benefits, in limited situations. An employee who leaves city service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to some employees' retirement allowance subsequent to the employee's retirement date. The annual adjustments are 2.5 percent noncompounded after age 55 or 50 and limited to 15-25 years.

Benefit terms are generally established and amended by authority of the City Council, generally after negotiations of these terms with the affected unions. Police and fire employees' benefit terms may be subject to binding arbitration in certain circumstances.

Benefit terms, including contribution requirements, for the Defined Contribution Plan are established and may be amended by the City Council. For each employee in the pension plan, the City is required to contribute 10 to 15 percent of annual salary, exclusive of overtime pay, to an individual employee account. Employees are permitted to make contributions to the pension plan up to applicable Internal Revenue Code limits.

Benefit terms for the Library 401(a) deferred compensation plan require an employer contribution of 10 percent of annual salary.

June 30, 2021

Note 13 - Pension Plans (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	Police and Fire Retirement System	MERS Plan
Date of member count	July 1, 2020	December 31, 2020
Inactive plan members or beneficiaries currently receiving benefits	289	317
Inactive plan members entitled to but not yet receiving benefits	2	44
Active plan members	<u>136</u>	<u>62</u>
Total employees covered by the plan	<u>427</u>	<u>423</u>

Contributions

State law requires public employers to make pension contributions in accordance with an actuarial valuation. MERS and the City hire independent actuaries for this purpose and annually contribute the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees are required to make pension contributions based on the amounts agreed upon in union contracts. The City's required contribution is determined after consideration of the required contribution rate of employees.

During the year ended June 30, 2021, the City issued pension obligation bonds to partially fund the MERS plan and reduce future annual required contributions. The additional contribution made subsequent to the plan's year end as a result of the bond issuance was \$81,626,836 and has been allocated between governmental activities and business-type activities.

Net Pension Liability

The City chooses a date for each pension plan to measure its net pension liability. This is based on the measurement date of each pension 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.

	Police and Fire Retirement System	MERS Plan
Measurement date used for the City's net pension liability	June 30, 2021	December 31, 2020
Based on a comprehensive actuarial valuation as of	June 30, 2020	December 31, 2020

The components of the net pension liability of the City at June 30, 2021 were as follows:

	Police and Fire Retirement System	MERS Plan	Total
Total pension liability	\$ 240,491,457	\$ 149,569,650	\$ 390,061,107
Plan fiduciary net position	<u>(210,721,132)</u>	<u>(63,594,497)</u>	<u>(274,315,629)</u>
City's net pension liability	<u>\$ 29,770,325</u>	<u>\$ 85,975,153</u>	<u>\$ 115,745,478</u>

June 30, 2021

Note 13 - Pension Plans (Continued)

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

Police and Fire Retirement System

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at June 30, 2020	\$ 237,762,188	\$ 167,850,726	\$ 69,911,462
Changes for the year:			
Service cost	2,940,861	-	2,940,861
Interest	16,810,308	-	16,810,308
Changes in benefits	62,988	-	62,988
Differences between expected and actual experience	1,138,907	-	1,138,907
Changes in assumptions	(550,383)	-	(550,383)
Contributions - Employer	-	7,595,440	(7,595,440)
Contributions - Employee	-	902,404	(902,404)
Net investment income	-	52,446,605	(52,446,605)
Benefit payments, including refunds	(17,673,412)	(17,673,412)	-
Administrative expenses	-	(400,631)	400,631
Net changes	2,729,269	42,870,406	(40,141,137)
Balance at June 30, 2021	\$ 240,491,457	\$ 210,721,132	\$ 29,770,325

The entire police and fire pension liability is allocated to governmental activities.

The plan's fiduciary net position represents 88 percent of the total pension liability.

MERS Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 142,672,169	\$ 58,006,090	\$ 84,666,079
Changes for the year:			
Service cost	690,398	-	690,398
Interest	10,489,618	-	10,489,618
Differences between expected and actual experience	220,372	-	220,372
Changes in assumptions	5,489,286	-	5,489,286
Contributions - Employer	-	7,531,477	(7,531,477)
Contributions - Employee	-	254,324	(254,324)
Net investment income	-	7,909,068	(7,909,068)
Benefit payments, including refunds	(9,990,167)	(9,990,167)	-
Administrative expenses	-	(114,271)	114,271
Miscellaneous other charges	(2,026)	(2,024)	(2)
Net changes	6,897,481	5,588,407	1,309,074
Balance at December 31, 2020	\$ 149,569,650	\$ 63,594,497	\$ 85,975,153

Of the total pension liability, \$65,415,878 has been allocated to governmental activities and \$20,559,275 has been allocated to the Water and Sewer Fund.

The plan's fiduciary net position represents 43 percent of the total pension liability.

June 30, 2021**Note 13 - Pension Plans (Continued)*****Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended June 30, 2021, the City recognized pension expense of \$11,406,926 from all plans, which includes defined contribution plan expense of \$501,163 (employee contributions to defined contribution plans totaled \$219,273).

For the year ended June 30, 2021, the Library recognized deferred compensation expense of \$117,338.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,321,634	\$ 1,283,674
Changes in assumptions	2,442,324	412,787
Net difference between projected and actual earnings on pension plan investments	-	32,982,776
Employer contributions to the plan subsequent to the measurement date	<u>83,246,732</u>	-
Total	<u>\$ 87,010,690</u>	<u>\$ 34,679,237</u>

Of the net deferred outflows of resources, \$67,102,956 has been allocated to governmental activities and \$19,907,734 has been allocated to the Water and Sewer Fund. Of the net deferred inflows of resources, \$34,090,867 has been allocated to governmental activities and \$588,370 has been allocated to the Water and Sewer Fund.

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 \$83,246,732 of employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending June 30	Amount
2022	\$ (7,985,525)
2023	(5,485,182)
2024	(8,605,689)
2025	(8,838,883)
Total	<u>\$ (30,915,279)</u>

June 30, 2021**Note 13 - Pension Plans (Continued)*****Actuarial Assumptions***

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

	<u>Police and Fire Retirement System</u>	<u>MERS Plan</u>
Inflation	2.75%	2.5%
Salary increases (including inflation)	3.25%	3.0%
Investment rate of return (net of investment expenses)	7.25%	7.60%
Mortality rates	PubS-2010 Mortality Tables	Pub-2010

The actuarial assumptions used in the December 31, 2020 MERS plan valuation were based on the results of the most recent actuarial experience study conducted for the period from January 1, 2014 through December 31, 2018.

Discount Rate

As shown below, the discount rate used to measure the total pension liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the pension plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees.

	<u>Police and Fire Retirement System</u>	<u>MERS Plan</u>
Assumed investment rate of return	7.25%	7.60%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes
Discount rate used to measure total pension liability	7.25%	7.60%

Investment Rate of Return

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

June 30, 2021

Note 13 - Pension Plans (Continued)

The following tables represent best estimates of arithmetic real rates of return as of the measurement date for each major asset class included in the pension plans' target asset allocations, as well as the pension board's adopted asset allocation policy as of June 30, 2021:

Police and Fire Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	20.00 %	2.40 %
Equities	60.00	5.32
Real estate	7.50	6.00
Other	12.50	7.44

MERS Plan

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	5.25 %
Global fixed income	20.00	1.25
Private investments	20.00	7.25

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

The following presents the net pension liability of the City, calculated using the current discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net pension liability of the Police and Fire Retirement System	\$ 56,658,993	\$ 29,770,325	\$ 7,053,199
Net pension liability of the MERS plan	102,539,794	85,975,153	72,096,692

Pension Plan Fiduciary Net Position

Detailed information about the MERS plan's fiduciary net position is available in the separately issued financial report, whereas the Police and Fire Retirement System is included as a pension trust fund in these financial statements. 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 plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses 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

Significant assumption changes for the MERS plan are as follows: mortality tables used in determining the total pension liability were changed from the RP-2014 tables to the Pub-2010 tables.

In the Police and Fire Retirement System valuation, the mortality generational improvement scale was updated from MP-2019 to MP-2020 to reflect anticipated plan experience.

June 30, 2021**Note 13 - Pension Plans (Continued)*****Rate of Return***

For the year ended June 30, 2021, the annual money-weighted rate of return on Police and Fire Retirement System investments, net of pension plan investment expense, was 31.52 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Plan Reserves

In accordance with plan provisions, the following reserves are required to be set aside within the 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 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 7.25 percent. For any employees who terminate before vesting in the pension plan, their balances are returned to them; for those who stay until retirement, the balance is transferred into the retiree reserve.

The employer reserve account is used to account for the residual net position balance in the pension plan after funding the above two reserves.

The balances of the reserve accounts at June 30, 2021 are as follows:

	<u>Required Reserve</u>	<u>Amount Funded</u>
Retiree reserve	\$ 189,490,232	\$ 189,490,232
Employee reserve	4,863,074	4,863,074
Employer reserve	-	16,367,826
Total	\$ 194,353,306	\$ 210,721,132

Note 14 - Other Postemployment Benefit Plan***Plan Description***

The City provides OPEB for all employees who meet eligibility requirements. The benefits are provided through the City of Westland Retiree Health Care Plan, a single-employer plan administered by the City of Westland Retiree Health Care Plan board. All plan investments are held in the MERS of Michigan Retiree Health Funding Vehicle. The financial statements of the OPEB plan are included in these financial statements as a pension and other employee benefit trust fund (fiduciary fund).

Management of the plan is vested in the City Council.

Benefits Provided

The City of Westland Retiree Health Care Plan provides health care benefits for eligible employees upon retirement in accordance with labor contracts and city council resolution. Benefits are provided through the City's self-insurance program, and the full cost of benefits is covered by the plan.

June 30, 2021

Note 14 - Other Postemployment Benefit Plan (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	City of Westland Retiree Health Care Plan
Date of member count	June 30, 2021
Inactive plan members or beneficiaries currently receiving benefits	471
Inactive plan members entitled to but not yet receiving benefits	62
Active plan members	<u>158</u>
Total plan members	<u>691</u>

Contributions

Retiree health care costs are paid by the City on a pay-as-you-go basis. Additionally, the City contributes additional contributions, as determined by the City Council. For the fiscal year ended June 30, 2021, the City made payments for postemployment health benefit premiums of \$7,311,804 plus prefunded contributions of \$500,000.

Net OPEB Liability

The City has chosen to use the June 30 measurement date as its measurement date for the net OPEB liability. The June 30, 2021 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2021 measurement date. The June 30, 2021 measurement date total OPEB liability was determined by an actuarial valuation performed as of June 30, 2021.

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 156,742,769	\$ 992,188	\$ 155,750,581
Changes for the year:			
Service cost	860,271	-	860,271
Interest	8,053,872	-	8,053,872
Changes in benefits	(8,323)	-	(8,323)
Differences between expected and actual experience	3,497,912	-	3,497,912
Changes in assumptions	(3,244,226)	-	(3,244,226)
Contributions - Employer	-	7,811,804	(7,811,804)
Net investment income	-	329,841	(329,841)
Benefit payments, including refunds	(7,311,804)	(7,311,804)	-
Administrative expenses	-	(2,636)	2,636
Net changes	1,847,702	827,205	1,020,497
Balance at June 30, 2021	\$ 158,590,471	\$ 1,819,393	\$ 156,771,078

Of the net OPEB liability, \$137,102,382 has been allocated to governmental activities and \$19,668,696 has been allocated to the Water and Sewer Fund.

The plan's fiduciary net position represents 1 percent of the total OPEB liability.

June 30, 2021**Note 14 - Other Postemployment Benefit Plan (Continued)*****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended June 30, 2021, the City recognized an OPEB cost reduction of \$16,975,193.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,623,434	\$ 14,971,932
Changes in assumptions	1,516,834	12,022,692
Net difference between projected and actual earnings on OPEB plan investments	-	170,862
Total	\$ 4,140,268	\$ 27,165,486

Of the net deferred outflows of resources, \$3,620,825 has been allocated to governmental activities and \$519,443 has been allocated to the Water and Sewer Fund.

Of the net deferred inflows of resources, \$23,757,270 has been allocated to governmental activities and \$3,408,216 has been allocated to the Water and Sewer Fund.

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

Years Ending June 30	Amount
2022	\$ (20,384,046)
2023	(2,612,965)
2024	22,746
2025	<u>(50,953)</u>
Total	<u>\$ (23,025,218)</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2021 was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 3.00 percent; an assumed investment rate of return of 7.18 percent; a health care cost trend rate of 8.00 percent for 2022, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2029 and later years; and the Pub-2010 mortality tables using Scale MP-2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.85 percent. The projection of cash flows used to determine the discount rate assumed that the City will continue making annual \$500,000 pre-funding contributions to the trust and that pay-go costs will be fully paid by the City.

Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees through the year ending in 2032. Therefore, the discount rate was determined by blending the long-term expected rate of return on OPEB plan investments of 7.18 percent with the current yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, which was taken from a range of three indices as of June 30, 2021.

June 30, 2021**Note 14 - Other Postemployment Benefit Plan (Continued)*****Investment Rate of Return***

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2021 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Global equity	5.25 %
Global fixed income	1.25
Private investments	7.25

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 5.85 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (4.85%)	Current Discount Rate (5.85%)	1 Percentage Point Increase (6.85%)
Net OPEB liability of the City of Westland Retiree Health Care Plan	\$ 177,978,412	\$ 156,771,078	\$ 139,507,155

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

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 8.00 percent, as well as what the City's net OPEB liability would be if it 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 (7%)	Current Health Care Cost Trend Rate (8%)	1 Percentage Point Increase (9%)
Net OPEB liability of the City of Westland Retiree Health Care Plan	\$ 139,774,297	\$ 156,771,078	\$ 177,571,665

Assumption Changes

The City of Westland Retiree Health Care Plan changed its actuarial assumptions from the previous actuarial valuation as follows: mortality tables used in determining the total OPEB liability were changed from RPH-2018 tables using Scale MP-2018 to Pub-2010 tables using Scale MP-2020, the discount rate was increased from 5.23 to 5.85 percent, health care cost trend rates have been adjusted for actual premium charge rates, and payroll growth rates have been updated.

June 30, 2021**Note 14 - Other Postemployment Benefit Plan (Continued)*****Investment Policy***

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB board by a majority vote of its members. It is the policy of the OPEB board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the OPEB board's adopted asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation
Global equity	54.40 %
Global fixed income	24.70
Private investments	20.90

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 28.19 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 15 - Fair Value Measurements

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

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

June 30, 2021

Note 15 - Fair Value Measurements (Continued)

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

	Assets Measured at Fair Value on a Recurring Basis				
	Balance at June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments by Fair Value Level					
ADR	\$ 10,358,754	\$ 10,358,754	\$ -	\$ -	\$ -
Closed-end MF - Equity	10,222,663	10,222,663	-	-	-
Open-end MF - Equity	35,628,016	35,628,016	-	-	-
Common stock	55,007,643	55,007,643	-	-	-
Corporate bonds	4,528,052	-	4,528,052	-	-
Foreign stock	2,077,121	2,077,121	-	-	-
Mortgage-backed securities	3,895,250	-	3,895,250	-	-
Municipal obligations	3,511,650	-	3,511,650	-	-
Private placements	207,650	-	207,650	-	-
Real estate investment trusts	2,244,774	2,244,774	-	-	-
U.S. federal agencies	265,234	265,234	-	-	-
U.S. government obligations	11,043,984	11,043,984	-	-	-
Mutual funds under securities lending agreements	5,148,360	-	-	-	5,148,360
 Total investments measured at fair value	 \$ 144,139,151	 \$ 126,848,189	 \$ 12,142,602	 \$ -	 5,148,360

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of mortgage-backed securities, municipal obligations, corporate bonds, and private placements at June 30, 2021 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

The fair value of mutual funds under securities lending agreements at June 30, 2021 was determined primarily based on Level 3 inputs. The City estimates the fair value of these investments using the City's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

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

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.

June 30, 2021**Note 15 - Fair Value Measurements (Continued)**

As of June 30, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Collective investment funds (CIF) -				
Equity	\$ 11,541,884	\$ -	None	None
Real estate investment trusts	1,846	-	None	None
MERS Total Market Portfolio	1,819,393	-	None	None
CIF - Fixed income	23,690,943	-	None	None
Partnership alternative investment	3,934,946	-	None	None
Closely held equity	27,310,603	-	None	None
Total investments measured at NAV	<u>\$ 68,299,615</u>	<u>\$ -</u>		

The collective investment funds - equity and collective investment funds - fixed income are global investment funds that invest exclusively in high-quality, short-term securities. The fair values of the investments of this type have been determined using NAV per share of the investments.

The MERS Total Market Portfolio is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. MERS manages the asset allocation and monitors the underlying investment managers of the MERS Total Market Portfolio.

The real estate investment trusts class includes several real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this class have been estimated using net asset value of the City's ownership interest in partners' capital.

The closely held equity funds and partnership alternative investment includes several private equity funds with diversified portfolios. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

Note 16 - Tax Abatements

The City receives reduced property tax revenue as a result of industrial facilities tax exemptions (PA 198 of 1974), brownfield redevelopment agreements, Michigan Renaissance Zone Program, Senior and Disabled Non-Profit Housing Exemption, and landbank agreements. Industrial facility exemptions are intended to promote construction of new industrial facilities or to rehabilitate historical facilities. Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. The Michigan Renaissance Zone Program is intended to promote economic activity and maintain or increase the number of jobs available. The Senior and Disabled Non-Profit Housing Exemption is intended to incentivize the provisions of senior citizen and disabled housing. The landbank agreements are intended to reimburse taxpayers for new construction or total rehabilitation projects.

For the fiscal year ended June 30, 2021, the City's property tax revenue was reduced by \$142,211 under these programs. There are no provisions to recapture taxes; however, the industrial facilities tax exemptions may be eliminated if taxes are not paid timely.

Required Supplemental Information

City of Westland, Michigan

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance with Amended Budget
Revenue				
Property taxes	\$ 30,643,892	\$ 30,643,892	\$ 30,660,064	\$ 16,172
Intergovernmental:				
Federal grants	1,141,029	3,549,925	3,587,468	37,543
State sources	10,947,976	10,976,997	11,123,470	146,473
Charges for services	8,903,996	8,647,654	8,985,827	338,173
Court fines and fees	5,500,000	4,750,000	4,820,231	70,231
Licenses and permits	1,562,902	1,859,272	1,811,017	(48,255)
Interest income	300,000	50,000	32,377	(17,623)
Other revenue:				
Local sources	891,496	802,730	804,846	2,116
Other income	3,928,087	3,140,833	3,229,658	88,825
Refund of captured property taxes	1,325,000	1,286,920	-	(1,286,920)
Cable franchise fees	1,600,000	1,600,000	1,506,628	(93,372)
Total revenue	66,744,378	67,308,223	66,561,586	(746,637)
Expenditures				
Current:				
General government:				
Legislative	132,992	132,992	132,987	5
Executive	548,284	603,553	603,553	-
Computer information systems	930,708	943,842	869,049	74,793
Law	850,000	850,000	827,979	22,021
Finance	1,243,627	1,295,793	1,260,746	35,047
Assessing	528,625	454,047	451,580	2,467
City clerk	791,867	1,028,024	994,355	33,669
Buildings and grounds	648,285	648,285	631,162	17,123
Insurance	1,800,000	1,800,000	2,045,677	(245,677)
Personnel	365,566	394,568	377,527	17,041
General government	84,684,993	69,834,717	69,263,227	571,490
Motorpool	678,116	744,959	697,302	47,657
Public safety:				
Police	19,540,870	19,751,593	19,694,849	56,744
Fire	15,923,788	15,983,497	15,246,121	737,376
Police and fire retirement board	25,000	25,000	21,600	3,400
District court	3,397,627	3,206,491	3,073,665	132,826
Sanitation	5,047,078	5,047,562	4,803,206	244,356
Community and economic development:				
Building and planning	1,552,277	1,407,575	1,530,953	(123,378)
Neighborhood services	462,213	462,213	442,818	19,395
Economic development	223,245	409,678	402,883	6,795
Community development	626,219	704,347	675,406	28,941
Youth assistance program	954,705	554,160	492,486	61,674
Housing	463,575	768,471	766,662	1,809
Recreation and culture:				
Parks and recreation	577,435	642,181	641,521	660
Cable	482,812	482,812	465,948	16,864
Ice arena	345,478	345,478	284,008	61,470
Senior resources	490,734	474,450	456,129	18,321
Golf course	372,644	372,644	344,183	28,461
Debt service	5,482,242	252,537	252,537	-
Total expenditures	149,171,005	129,621,469	127,750,119	1,871,350
Excess of Expenditures Over Revenue	(82,426,627)	(62,313,246)	(61,188,533)	1,124,713

City of Westland, Michigan

Required Supplemental Information Budgetary Comparison Schedule General Fund (Continued)

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance with Amended Budget
Other Financing Sources (Uses)				
Transfers in	\$ 2,633,306	\$ 548,441	\$ 424,131	\$ (124,310)
Transfers out	(399,213)	(2,548,873)	(2,548,812)	61
Face value of debt issue	80,000,000	62,759,670	62,759,670	-
Proceeds from sale of capital assets	510,000	1,629,185	1,638,839	9,654
	<hr/> 82,744,093	<hr/> 62,388,423	<hr/> 62,273,828	<hr/> (114,595)
Total other financing sources				
Net Change in Fund Balance	317,466	75,177	1,085,295	1,010,118
Fund Balance - Beginning of year	<hr/> 9,337,154	<hr/> 9,337,154	<hr/> 9,337,154	<hr/> -
Fund Balance - End of year	\$ 9,654,620	\$ 9,412,331	\$ 10,422,449	\$ 1,010,118

City of Westland, Michigan

Required Supplemental Information Schedule of Changes in the Police and Fire Net Pension Liability and Related Ratios

	Last Eight Fiscal Years							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 2,940,861	\$ 2,965,918	\$ 2,963,129	\$ 3,559,247	\$ 3,265,490	\$ 3,028,268	\$ 2,860,595	\$ 3,222,792
Interest	16,810,308	16,272,784	16,406,184	15,922,405	15,754,069	15,096,874	14,268,302	14,057,789
Changes in benefit terms	62,988	-	-	-	-	(724,126)	-	-
Differences between expected and actual experience	1,138,907	436,644	(5,134,694)	1,477,290	1,224,995	6,992,130	8,888,109	-
Changes in assumptions	(550,383)	4,884,647	-	-	5,107,777	-	-	-
Benefit payments, including refunds	(17,673,412)	(16,568,113)	(15,586,750)	(15,352,545)	(16,515,591)	(14,982,738)	(15,123,670)	(13,461,635)
Net Change in Total Pension Liability	2,729,269	7,991,880	(1,352,131)	5,606,397	8,836,740	9,410,408	10,893,336	3,818,946
Total Pension Liability - Beginning of year	237,762,188	229,770,308	231,122,439	225,516,042	216,679,302	207,268,894	196,375,558	192,556,612
Total Pension Liability - End of year	\$ 240,491,457	\$ 237,762,188	\$ 229,770,308	\$ 231,122,439	\$ 225,516,042	\$ 216,679,302	\$ 207,268,894	\$ 196,375,558
Plan Fiduciary Net Position								
Contributions - Employer	\$ 7,595,440	\$ 6,930,726	\$ 7,597,694	\$ 7,398,670	\$ 6,879,391	\$ 6,717,939	\$ 6,693,504	\$ 5,813,007
Contributions - Employee	902,404	748,341	670,772	640,248	714,843	537,081	326,793	116,709
Net investment income (loss)	52,446,605	8,516,296	9,618,386	15,774,255	20,499,672	(2,646,242)	3,318,245	27,003,133
Administrative expenses	(400,631)	(384,887)	(141,692)	(28,252)	(73,345)	-	-	-
Benefit payments, including refunds	(17,673,412)	(16,568,113)	(15,586,750)	(15,352,545)	(16,515,591)	(14,982,738)	(15,123,670)	(13,461,635)
Miscellaneous other charges	-	-	-	47,432	753,079	(9,938)	-	-
Net Change in Plan Fiduciary Net Position	42,870,406	(757,637)	2,158,410	8,479,808	12,258,049	(10,383,898)	(4,785,128)	19,471,214
Plan Fiduciary Net Position - Beginning of year	167,850,726	168,608,363	166,449,953	157,970,145	145,712,096	156,095,994	160,881,122	141,409,908
Plan Fiduciary Net Position - End of year	\$ 210,721,132	\$ 167,850,726	\$ 168,608,363	\$ 166,449,953	\$ 157,970,145	\$ 145,712,096	\$ 156,095,994	\$ 160,881,122
City's Net Pension Liability - Ending	\$ 29,770,325	\$ 69,911,462	\$ 61,161,945	\$ 64,672,486	\$ 67,545,897	\$ 70,967,206	\$ 51,172,900	\$ 35,494,436
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.62 %	70.60 %	73.38 %	72.02 %	70.05 %	67.25 %	75.31 %	81.93 %
Covered Payroll	\$ 11,693,061	\$ 11,946,038	\$ 11,859,736	\$ 11,624,174	\$ 11,976,270	\$ 11,103,002	\$ 9,126,696	\$ 10,198,898
City's Net Pension Liability as a Percentage of Covered Payroll	254.60 %	585.23 %	515.71 %	556.36 %	564.00 %	639.17 %	560.69 %	348.02 %

This statement is being built prospectively from the date of adoption of GASB 68.

City of Westland, Michigan

Required Supplemental Information Schedule of Changes in the MERS Net Pension Liability and Related Ratios

	Last Seven Plan Years Years Ended December 31						
	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 690,398	\$ 803,087	\$ 965,487	\$ 1,068,106	\$ 1,220,236	\$ 1,301,083	\$ 1,373,374
Interest	10,489,618	10,607,899	10,477,607	10,288,849	10,118,570	9,708,550	9,483,985
Changes in benefit terms	-	-	4,677	-	(6,338)	-	-
Differences between expected and actual experience	220,372	(1,198,986)	(257,191)	132,393	-	(109,173)	-
Changes in assumptions	5,489,286	5,078,924	-	-	(465,111)	6,359,502	-
Benefit payments, including refunds	(9,990,167)	(9,573,429)	(9,308,562)	(8,818,642)	(8,498,066)	(8,334,206)	(7,865,543)
Miscellaneous other charges	(2,026)	(58,443)	(21,038)	(8,903)	-	-	-
Net Change in Total Pension Liability	6,897,481	5,659,052	1,860,980	2,661,803	2,369,291	8,925,756	2,991,816
Total Pension Liability - Beginning of year	142,672,169	137,013,117	135,152,137	132,490,334	130,121,043	121,195,287	118,203,471
Total Pension Liability - End of year	\$ 149,569,650	\$ 142,672,169	\$ 137,013,117	\$ 135,152,137	\$ 132,490,334	\$ 130,121,043	\$ 121,195,287
Plan Fiduciary Net Position							
Contributions - Employer	\$ 7,531,477	\$ 6,768,950	\$ 6,715,660	\$ 6,005,409	\$ 5,316,066	\$ 5,168,527	\$ 5,699,179
Contributions - Member	254,324	280,952	323,168	336,048	343,428	362,187	299,758
Net investment income (loss)	7,909,068	7,102,808	(2,210,597)	6,931,136	5,651,194	(788,058)	3,253,267
Administrative expenses	(114,271)	(122,280)	(110,848)	(109,763)	(111,691)	(117,289)	(120,757)
Benefit payments, including refunds	(9,990,167)	(9,573,429)	(9,308,562)	(8,818,642)	(8,498,066)	(8,332,862)	(7,865,543)
Miscellaneous other charges	(2,024)	(58,443)	(21,038)	(8,902)	-	-	-
Net Change in Plan Fiduciary Net Position	5,588,407	4,398,558	(4,612,217)	4,335,286	2,700,931	(3,707,495)	1,265,904
Plan Fiduciary Net Position - Beginning of year	58,006,090	53,607,532	58,219,749	53,884,463	51,183,532	54,891,027	53,625,123
Plan Fiduciary Net Position - End of year	\$ 63,594,497	\$ 58,006,090	\$ 53,607,532	\$ 58,219,749	\$ 53,884,463	\$ 51,183,532	\$ 54,891,027
City's Net Pension Liability - Ending	\$ 85,975,153	\$ 84,666,079	\$ 83,405,585	\$ 76,932,388	\$ 78,605,871	\$ 78,937,511	\$ 66,304,260
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	42.52 %	40.66 %	39.13 %	43.08 %	40.67 %	39.34 %	45.29 %
Covered Payroll	\$ 3,943,683	\$ 4,635,244	\$ 5,901,535	\$ 6,603,572	\$ 7,243,293	\$ 7,451,135	\$ 7,555,355
City's Net Pension Liability as a Percentage of Covered Payroll	2,180.07 %	1,826.57 %	1,413.29 %	1,165.01 %	1,085.22 %	1,059.40 %	877.58 %

This statement is being built prospectively from the date of adoption of GASB 68.

City of Westland, Michigan

Required Supplemental Information Schedule of MERS Contributions

	Last Ten Fiscal Years Years Ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 5,735,043	\$ 6,914,328	\$ 6,308,208	\$ 6,673,116	\$ 5,249,635	\$ 4,959,882	\$ 4,840,206	\$ 4,366,557	\$ 4,124,906	\$ 3,115,379
Contributions in relation to the actuarially determined contribution	87,361,879	6,914,328	6,308,208	6,973,118	5,387,425	5,130,452	6,060,338	4,366,557	4,124,906	3,115,379
Contribution Excess	\$ 81,626,836	\$ -	\$ -	\$ 300,002	\$ 137,790	\$ 170,570	\$ 1,220,132	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,255,116	\$ 4,701,794	\$ 5,901,535	\$ 6,603,572	\$ 7,243,293	\$ 7,399,002	\$ 6,939,596	\$ 7,555,355	\$ 7,076,423	\$ 7,377,631
Contributions as a Percentage of Covered Payroll	2,053.10 %	147.06 %	106.89 %	105.60 %	74.38 %	69.34 %	87.33 %	57.79 %	58.29 %	42.23 %
Notes to Schedule of Contributions										
Actuarial valuation information relative to the determination of contributions:										
Valuation date	Actuarially determined contribution rates are calculated as of December 31 of each year, which is 18 months prior to the beginning of the fiscal year in which the contributions are reported.									
Methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal									
Amortization method	Level percentage of payroll, closed									
Remaining amortization period	20 years									
Asset valuation method	5-year smoothed market									
Inflation	2.5 percent									
Salary increase	3.75 percent base wage inflation									
Investment rate of return	7.75 percent, net of expenses									
Retirement age	60									
Mortality	50 percent male - 50 percent female blend of the following tables: 1. The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent 2. The RP-2014 Employee Mortality Tables 3. The RP-2014 Juvenile Mortality Tables									
Other information	None									

City of Westland, Michigan

Required Supplemental Information Schedule of Police and Fire Pension Contributions

	Last Ten Fiscal Years Years Ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 7,595,440	\$ 6,930,726	\$ 7,597,694	\$ 7,398,670	\$ 6,841,964	\$ 6,717,939	\$ 6,693,504	\$ 5,813,007	\$ 4,990,887	\$ 4,494,952
Contributions in relation to the actuarially determined contribution	<u>7,595,440</u>	<u>6,930,726</u>	<u>7,597,694</u>	<u>7,398,670</u>	<u>6,879,391</u>	<u>6,717,939</u>	<u>6,693,504</u>	<u>5,813,007</u>	<u>4,990,887</u>	<u>4,494,952</u>
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ 37,427	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 11,693,061	\$ 11,946,038	\$ 11,859,736	\$ 11,624,174	\$ 11,976,270	\$ 11,103,002	\$ 9,126,696	\$ 10,198,898	\$ 10,609,537	\$ 10,840,217
Contributions as a Percentage of Covered Payroll	64.96 %	58.02 %	64.06 %	63.65 %	57.44 %	60.51 %	73.34 %	57.00 %	47.04 %	41.47 %

Notes to Schedule of Police and Fire Pension Contributions

Actuarial valuation information relative to the determination of contributions.

Valuation date Actuarily determined contribution rates are calculated as of June 30 each year, which is one year prior to the beginning of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	20 years
Asset valuation method	5-year adjusted market
Inflation	2.75 percent
Salary increase	3.25 percent base wage inflation
Investment rate of return	7.25 percent, net of expenses
Mortality	PubS-2010 Mortality with generational improvements projected beginning in 2010 based on Scale MP-2020 and PubS-2010 Disabled Mortality with generational improvements projected beginning in 2010 based on Scale MP-2020

City of Westland, Michigan

Required Supplemental Information Schedule of Police and Fire Pension Investment Returns

	Last Seven Fiscal Years Years Ended June 30						
	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return - Net of investment expense	31.52 %	5.35 %	5.67 %	8.89 %	15.10 %	(1.02)%	2.51 %

City of Westland, Michigan

Required Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios

	Last Four Fiscal Years			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 860,271	\$ 857,027	\$ 1,586,539	\$ 1,655,744
Interest	8,053,872	8,749,405	8,975,503	8,886,490
Changes in benefit terms	(8,323)	(2,497)	1,594,300	-
Differences between expected and actual experience	3,497,912	(13,580,746)	(32,726,237)	(10,807,734)
Changes in assumptions	(3,244,226)	3,033,667	(38,358,088)	(10,890,391)
Benefit payments, including refunds	<u>(7,311,804)</u>	<u>(8,065,144)</u>	<u>(8,070,396)</u>	<u>(8,048,550)</u>
Net Change in Total OPEB Liability	1,847,702	(9,008,288)	(66,998,379)	(19,204,441)
Total OPEB Liability - Beginning of year	<u>156,742,769</u>	<u>165,751,057</u>	<u>232,749,436</u>	<u>251,953,877</u>
Total OPEB Liability - End of year	<u>\$ 158,590,471</u>	<u>\$ 156,742,769</u>	<u>\$ 165,751,057</u>	<u>\$ 232,749,436</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 7,811,804	\$ 8,565,144	\$ 8,570,396	\$ -
Net investment income (loss)	329,841	(10,846)	4,234	-
Administrative expenses	(2,636)	(1,200)	-	-
Benefit payments, including refunds	<u>(7,311,804)</u>	<u>(8,065,144)</u>	<u>(8,070,396)</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	827,205	487,954	504,234	-
Plan Fiduciary Net Position - Beginning of year	<u>992,188</u>	<u>504,234</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - End of year	<u>\$ 1,819,393</u>	<u>\$ 992,188</u>	<u>\$ 504,234</u>	<u>\$ -</u>
Net OPEB Liability - Ending	<u>\$ 156,771,078</u>	<u>\$ 155,750,581</u>	<u>\$ 165,246,823</u>	<u>\$ 232,749,436</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	1.15 %	0.63 %	0.30 %	- %
Covered-employee Payroll	\$ 17,902,680	\$ 17,516,549	\$ 17,055,664	\$ 15,083,255
Total OPEB Liability as a Percentage of Covered-employee Payroll	875.68 %	889.16 %	968.87 %	1,543.10 %

This statement is being built prospectively from the date of adoption of GASB 74.

City of Westland, Michigan

Required Supplemental Information Schedule of OPEB Contributions

	Last Ten Fiscal Years Years Ended June 30									
	2021	2020	2019	2018*	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 11,304,394	\$ 11,987,116	\$ 13,467,910	\$ -	\$ 14,532,590	\$ 14,532,590	\$ 14,532,590	\$ 13,821,250	\$ 13,821,250	\$ 12,714,042
Contributions in relation to the actuarially determined contribution	7,811,804	8,565,144	8,570,396	-	7,943,997	7,822,651	7,223,809	6,203,861	6,550,255	5,327,727
Contribution Deficiency	\$ (3,492,590)	\$ (3,421,972)	\$ (4,897,514)	\$ -	\$ (6,588,593)	\$ (6,709,939)	\$ (7,308,781)	\$ (7,617,389)	\$ (7,270,995)	\$ (7,386,315)
Covered-employee Payroll	\$ 17,902,680	\$ 17,516,549	\$ 17,055,664	\$ 15,083,255	\$ 15,247,849	\$ 15,247,849	\$ 15,247,849	\$ 15,531,926	\$ 15,531,926	\$ 15,986,830
Contributions as a Percentage of Covered-employee Payroll	43.63 %	48.90 %	50.25 %	- %	52.10 %	51.30 %	47.38 %	39.94 %	42.17 %	33.33 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date

Actuarially determined contributions are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Entry age normal, based on level percentage of salary

Amortization method

Level dollar

Remaining amortization period

28 years

Asset valuation method

Fair market value

Salary increase

3.75 percent

Investment rate of return

6.05 percent

Mortality

RPH-2018 Total Dataset Mortality Table

Other information*

In 2018, no contributions in relation to the actuarially determined contribution are shown, as there was no actuarial determined contribution.

City of Westland, Michigan

Required Supplemental Information Schedule of OPEB Investment Returns

	Last Four Fiscal Years Year Ended June 30			
	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	28.19 %	2.36 %	2.97 %	7.78 %

This statement is being built prospectively from the date of adoption of GASB 74.

City of Westland, Michigan

Notes to Required Supplemental Information

June 30, 2021

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all special revenue funds. The City adopts each fund's budget individually, so budgeted amounts in the General Fund include only General Fund activity, not including the funds rolled into the Combining General Fund as a result of GASB Statement No. 54. As a result, the revenue and expenditures of these funds are not included in the General Fund budget.

The annual budget is prepared by the City's management and submitted to the City Council by April 1 of each year. The budget is adopted by the City Council before the start of the new fiscal year. Subsequent amendments are approved by the City Council. Amendments may be made by the City Council up until the last day of the fiscal year. The General Fund budget has been adopted on a departmental basis. The other funds' budgets have been adopted at the fund level; expenditures at this level in excess of amounts budgeted are a violation of Michigan law.

Unexpended appropriations lapse at year end. The amount of encumbrances outstanding at June 30, 2021 has not been calculated. During the current year, the budget was amended in a legally permissible manner.

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

	Total Revenue	Total Expenditures	Other Financing Sources
Amounts per operating statement	\$ 67,249,072	\$ 127,926,493	\$ 61,880,323
E-911 Fund	(391,989)	(4,436)	393,505
Metro Act - Broadband Fund	(295,497)	(171,938)	-
Amounts per budget statement	<u>\$ 66,561,586</u>	<u>\$ 127,750,119</u>	<u>\$ 62,273,828</u>

Excess of Expenditures Over Appropriations in General Fund

	Budget	Actual	Variance
Insurance	\$ 1,800,000	\$ 2,045,677	\$ (245,677)
Building and planning	1,407,575	1,530,953	(123,378)

Pension Information

Changes in Assumptions

For the MERS plan, during the year ended June 30, 2021, the mortality tables used in determining the total pension liability were changed from the RP-2014 tables to the Pub-2010 tables.

For the MERS plan, during the year ended June 30, 2020, the investment rate of return was reduced from 8.00 to 7.60 percent. Additionally, the salary inflation assumption was changed from 3.75 to 3.0 percent.

During the year ended June 30, 2016, the MERS plan adjusted the assumed annual rate of return down from 8.25 to 8.00 percent. The mortality tables were updated from the 1994 Group Mortality Table to a blend of the RP-2014 tables.

For the Police and Fire Retirement System, during the year ended June 30, 2021, the mortality generational improvement scale was updated from MP-2019 to MP-2020 to reflect anticipated plan experience.

During the year ended June 30, 2020, the mortality assumption was changed from the RP-2006 Blue Collar Mortality with generational improvements projected beginning in 2006 based on Scale MP-2016 to the PubS-2010 Mortality with generational improvements projected beginning in 2010 based on Scale MP-2019.

During the year ended June 30, 2017, the Police and Fire Retirement System adjusted the mortality tables from the RP-2000 tables to the RP-2014.

City of Westland, Michigan

Notes to Required Supplemental Information

June 30, 2021

OPEB Information

Changes in Assumptions

During the current year, the City of Westland Retiree Health Care Plan changed its actuarial assumptions from the previous actuarial valuation as follows: mortality tables used in determining the total OPEB liability were changed from RPH-2018 tables using Scale MP-2018 to Pub-2010 tables using Scale MP-2020, the discount rate was increased from 5.23 to 5.85 percent, health care cost trend rates have been adjusted for actual premium charge rates, and payroll growth rates have been updated.

During the year ended June 30, 2020, the City of Westland Retiree Health Care Plan discount rate was decreased from 5.38 to 5.23 percent, and health care cost trend rates were adjusted for actual premium charge rates.

During the year ended June 30, 2019, the discount rate was decreased from 3.84 to 5.38 percent, rates of mortality were updated to RPH-2018 tables, and health care cost trend rates were updated.

During the year ended June 30, 2018, the discount rate was increased from 3.56 to 3.84 percent, rates of mortality were updated to RPH-2017 tables, the actuarial cost method was updated from projected unit credit to entry age normal level percent of salary, and health care cost trend rates were updated.

Other Supplemental Information

City of Westland, Michigan

Special Revenue Funds						
	Major Road	Local Road	Community Development Block Grant	Street Lighting	Drug Forfeiture	
Assets						
Cash and cash equivalents	\$ 6,376,762	\$ 723,154	\$ 169,985	\$ 981,698	\$ 323,279	
Receivables - Net	1,107,494	374,620	311,077	-	-	
Due from other funds	-	260,181	231	-	-	
Prepaid expenses	605	2,420	-	-	-	
Land held for resale	-	-	1,678,676	-	-	
Total assets	\$ 7,484,861	\$ 1,360,375	\$ 2,159,969	\$ 981,698	\$ 323,279	
Liabilities						
Accounts payable	\$ 301,473	\$ 393,659	\$ 43,042	\$ 100,993	\$ 479	
Due to other funds	593,480	52,344	383,850	-	6,568	
Total liabilities	894,953	446,003	426,892	100,993	7,047	
Deferred Inflows of Resources -						
Unavailable revenue	-	-	8,772	-	-	
Total liabilities and deferred inflows of resources	894,953	446,003	435,664	100,993	7,047	
Fund Balances						
Nonspendable - Prepays	605	2,420	-	-	-	
Restricted:						
Roads	6,589,303	911,952	-	-	-	
Community development	-	-	1,724,305	-	-	
Drug forfeiture	-	-	-	-	316,232	
Street lighting	-	-	-	880,705	-	
Committed - Court capital projects	-	-	-	-	-	
Assigned	-	-	-	-	-	
Total fund balances	6,589,908	914,372	1,724,305	880,705	316,232	
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,484,861	\$ 1,360,375	\$ 2,159,969	\$ 981,698	\$ 323,279	

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds**

June 30, 2021

Special Revenue Funds	<u>Capital Project Funds</u>		
Michigan Indigent Defense Commission	<u>Capital Project</u>	<u>Court Building</u>	<u>Total</u>
\$ 17,408	\$ 3,245,600	\$ 106,121	\$ 11,944,007
14,356	-	-	1,807,547
2,061	-	40,486	302,959
-	63,681	-	66,706
-	-	-	1,678,676
<u>\$ 33,825</u>	<u>\$ 3,309,281</u>	<u>\$ 146,607</u>	<u>\$ 15,799,895</u>
 \$ 33,825	 \$ 55,599	 -	 \$ 929,070
 -	 -	 -	 1,036,242
 33,825	 55,599	 -	 1,965,312
 -	 -	 -	 8,772
 33,825	 55,599	 -	 1,974,084
 -	 63,681	 -	 66,706
 -	 -	 -	 7,501,255
 -	 -	 -	 1,724,305
 -	 -	 -	 316,232
 -	 -	 -	 880,705
 -	 -	 146,607	 146,607
 -	 3,190,001	 -	 3,190,001
 -	 3,253,682	 146,607	 13,825,811
 <u>\$ 33,825</u>	 <u>\$ 3,309,281</u>	 <u>\$ 146,607</u>	 <u>\$ 15,799,895</u>

City of Westland, Michigan

Special Revenue Funds					
	Major Road	Local Road	Community Development Block Grant	Street Lighting	Drug Forfeiture
Revenue					
Special assessments	\$ -	\$ -	\$ -	\$ 1,547,344	\$ -
Intergovernmental:					
Federal grants	145,351	-	2,191,291	-	-
State sources	6,355,992	2,287,881	-	-	80,296
Court fines and fees	-	-	-	-	-
Interest income	-	-	174	744	-
Other revenue - Other income	-	-	-	-	1,332
Total revenue	6,501,343	2,287,881	2,191,465	1,548,088	81,628
Expenditures					
Current:					
Street lighting	-	-	-	1,232,263	-
Public safety	-	-	-	-	87,458
Highway, streets, and drains	3,552,276	4,808,012	-	-	-
Community and economic development	-	-	2,242,904	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	3,552,276	4,808,012	2,242,904	1,232,263	87,458
Excess of Revenue Over (Under) Expenditures	2,949,067	(2,520,131)	(51,439)	315,825	(5,830)
Other Financing Sources (Uses)					
Transfers in	-	1,588,998	-	-	-
Transfers out	(1,588,998)	-	-	(30,626)	-
Total other financing (uses) sources	(1,588,998)	1,588,998	-	(30,626)	-
Net Change in Fund Balances	1,360,069	(931,133)	(51,439)	285,199	(5,830)
Fund Balances - Beginning of year	5,229,839	1,845,505	1,775,744	595,506	322,062
Fund Balances - End of year	<u>\$ 6,589,908</u>	<u>\$ 914,372</u>	<u>\$ 1,724,305</u>	<u>\$ 880,705</u>	<u>\$ 316,232</u>

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

Year Ended June 30, 2021

Michigan Indigent Defense Commission	Special Revenue Funds			Capital Project Funds		
	Capital Project	Court Building	Total			
	\$ -	\$ -	\$ -	\$ 1,547,344		
	-	-	-	2,336,642		
447,854	-	-	-	9,172,023		
	-	127,480	127,480			
	-	1,184	120	2,222		
	-	-	-	1,332		
447,854	1,184	127,600	13,187,043			
	-	-	-	1,232,263		
510,750	-	-	-	598,208		
	-	-	-	8,360,288		
	-	-	-	2,242,904		
	-	736,459	177,228	913,687		
	-	217,210	-	217,210		
510,750	953,669	177,228	13,564,560			
	(62,896)	(952,485)	(49,628)	(377,517)		
	62,896	2,485,916	-	4,137,810		
	-	-	-	(1,619,624)		
62,896	2,485,916	-	2,518,186			
	-	1,533,431	(49,628)	2,140,669		
	-	1,720,251	196,235	11,685,142		
\$ -	\$ 3,253,682	\$ 146,607	\$ 13,825,811			

City of Westland, Michigan

Other Supplemental Information Combining Statement of Fiduciary Net Position Fiduciary Funds

June 30, 2021

	Pension and Other Employee Benefit Trust Funds				Custodial Funds		
	Police and Fire Retirement System	Other Postemployment Benefits	Total	Tax Collection	District Court		Total
					District Court	Total	
Assets							
Cash and cash equivalents	\$ 17,970	\$ -	\$ 17,970	\$ 204,705	\$ 208,687	\$ 413,392	
Investments:							
Municipal obligations	3,511,650	-	3,511,650	-	-	-	
CIF - Fixed income	23,690,943	-	23,690,943	-	-	-	
U.S. government securities	15,204,469	-	15,204,469	-	-	-	
Pooled investments	-	1,819,393	1,819,393	-	-	-	
Common stocks	67,443,518	-	67,443,518	-	-	-	
Corporate bonds	4,735,702	-	4,735,702	-	-	-	
Real estate	2,246,620	-	2,246,620	-	-	-	
Mutual funds	66,399,633	-	66,399,633	-	-	-	
Securities lending - Mutual funds	5,148,360	-	5,148,360	-	-	-	
Closely held - Equity	27,310,602	-	27,310,602	-	-	-	
Receivables:							
Accrued interest receivable	162,897	-	162,897	-	-	-	
Pension system contributions receivable	52,196	-	52,196	-	-	-	
Total assets	215,924,560	1,819,393	217,743,953	204,705	208,687	413,392	
Liabilities							
Due to other governmental units	-	-	-	204,705	145,515	350,220	
Deposits and bonds	-	-	-	-	63,172	63,172	
Obligations under securities lending agreements	5,194,409	-	5,194,409	-	-	-	
Due to brokers	9,019	-	9,019	-	-	-	
Total liabilities	5,203,428	-	5,203,428	204,705	208,687	413,392	
Net Position - Restricted							
Pension	210,721,132	-	210,721,132	-	-	-	
Postemployment benefits other than pension	-	1,819,393	1,819,393	-	-	-	
Total net position	\$ 210,721,132	\$ 1,819,393	\$ 212,540,525	\$ -	\$ -	\$ -	

City of Westland, Michigan

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

Year Ended June 30, 2021

	Pension and Other Employee Benefit Trust Funds			Custodial Funds			
	Police and Fire Retirement System	Other Postemployment Benefits	Total	Tax Collection		District Court	Total
Additions							
Investment income (expenses):							
Interest and dividends	\$ 2,247,000	\$ 329,841	\$ 2,576,841	-	\$ -	\$ -	\$ -
Net increase in fair value of investments	51,082,630	-	51,082,630	-	-	-	-
Investment costs	(883,025)	-	(883,025)	-	-	-	-
Net investment income	52,446,605	329,841	52,776,446	-	-	-	-
Contributions:							
Employer contributions	7,595,440	7,811,804	15,407,244	-	-	-	-
Employee contributions	902,404	-	902,404	-	-	-	-
Total contributions	8,497,844	7,811,804	16,309,648	-	-	-	-
Fines, fees, and bonds	-	-	-	-	2,109,233	2,109,233	
Property tax collections	-	-	-	61,340,759	-	61,340,759	
Total additions	60,944,449	8,141,645	69,086,094	61,340,759	2,109,233	63,449,992	
Deductions							
Benefit payments	17,673,412	7,311,804	24,985,216	-	-	-	-
Administrative expenses	400,631	2,636	403,267	-	-	-	-
District court distributions	-	-	-	-	2,109,233	2,109,233	
Property tax distributions to other governments	-	-	-	61,340,759	-	61,340,759	
Total deductions	18,074,043	7,314,440	25,388,483	61,340,759	2,109,233	63,449,992	
Net Increase in Fiduciary Net Position							
Net Position - Beginning of year, as restated	42,870,406	827,205	43,697,611	-	-	-	-
Net Position - End of year	\$ 210,721,132	\$ 1,819,393	\$ 212,540,525	\$ -	\$ -	\$ -	\$ -

City of Westland, Michigan

Other Supplemental Information Statement of Net Position/Governmental Fund Balance Sheet Library

June 30, 2021

	Library	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 5,278,235	\$ -	\$ 5,278,235
Receivables - Net	133,009	-	133,009
Prepaid expenses	70,688	-	70,688
Other current assets	8,194	-	8,194
Capital assets - Depreciable - Net	-	1,462,060	1,462,060
Total assets	\$ 5,490,126	1,462,060	6,952,186
Liabilities			
Accounts payable	\$ 117,819	-	117,819
Due to primary government	7,892	-	7,892
Accrued liabilities and other	76,415	-	76,415
Noncurrent liabilities - Compensated absences due within one year	-	15,557	15,557
Total liabilities	202,126	15,557	217,683
Deferred Inflows of Resources - Unavailable revenue			
	86,548	(86,548)	-
Total liabilities and deferred inflows of resources	288,674	(70,991)	217,683
Equity			
Fund balance:			
Nonspendable - Prepaid expenses	70,688	(70,688)	-
Unassigned	5,130,764	(5,130,764)	-
Total fund balance	5,201,452	(5,201,452)	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 5,490,126		
Net position:			
Net investment in capital assets		1,462,060	1,462,060
Unrestricted		5,272,443	5,272,443
Total	\$ 6,734,503	\$ 6,734,503	

City of Westland, Michigan

Other Supplemental Information Statement of Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities Library

Year Ended June 30, 2021

	Library	Adjustments	Statement of Activities
Revenue			
Property taxes	\$ 3,133,450	\$ -	\$ 3,133,450
Intergovernmental	201,511	-	201,511
Interest income	6,975	-	6,975
Other revenue	15,797	1,736	17,533
Total revenue	3,357,733	1,736	3,359,469
Expenditures			
Recreation and culture, including depreciation	2,451,168	366,261	2,817,429
Capital outlay	406,799	(324,342)	82,457
Total expenditures	2,857,967	41,919	2,899,886
Net Change in Fund Balance/Net Position	499,766	(40,183)	459,583
Fund Balance/Net Position - Beginning of year	4,701,686	1,573,234	6,274,920
Fund Balance/Net Position - End of year	\$ 5,201,452	\$ 1,533,051	\$ 6,734,503