
City of Westland, Michigan

**Financial Report
with Supplementary Information
June 30, 2023**

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Independent Auditor's Report

To the City Council
City of Westland, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Westland, Michigan (the "City") as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the City Council
City of Westland, Michigan

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

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

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

Required Supplementary Information

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

Other Supplementary Information

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

To the City Council
City of Westland, Michigan

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the City'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'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's internal control over financial reporting and compliance.

Plante & Moreau, PLLC

December 20, 2023

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, 2023 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 \$1.6 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 in fiscal year ended June 30, 2021. The additional contribution has resulted in an 82 percent funding level.
- Many capital outlay items were purchased throughout the year, including many improvements throughout the City's parks. Additionally, new vehicles for the highway maintenance department, new police department vehicles, and vehicles and safety equipment for the fire department were purchased.
- Approximately \$6.7 million was spent on many road projects that 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.

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	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 45,878,774	\$ 52,906,386	\$ 29,269,733	\$ 28,706,266	\$ 75,148,507	\$ 81,612,652
Capital assets	168,207,249	163,939,657	84,433,168	84,153,534	252,640,417	248,093,191
Total assets	214,086,023	216,846,043	113,702,901	112,859,800	327,788,924	329,705,843
Deferred Outflows of Resources	29,922,898	24,161,019	3,947,214	429,773	33,870,112	24,590,792
Liabilities						
Current liabilities	23,010,477	28,487,531	3,601,423	2,645,406	26,611,900	31,132,937
Noncurrent liabilities	261,590,631	258,763,526	49,570,885	46,888,541	311,161,516	305,652,067
Total liabilities	284,601,108	287,251,057	53,172,308	49,533,947	337,773,416	336,785,004
Deferred Inflows of Resources	18,860,998	26,907,010	2,686,058	5,213,673	21,547,056	32,120,683
Net Position (Deficit)						
Net investment in capital assets	165,844,865	161,129,926	72,964,427	71,796,057	238,809,292	232,925,983
Restricted	12,592,331	12,538,450	-	-	12,592,331	12,538,450
Unrestricted	(237,890,381)	(246,819,381)	(11,172,678)	(13,254,104)	(249,063,059)	(260,073,485)
Total net position (deficit)	\$ (59,453,185)	\$ (73,151,005)	\$ 61,791,749	\$ 58,541,953	\$ 2,338,564	\$ (14,609,052)

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 \$237,890,381 and \$11,172,678, 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 \$261,590,631 and \$49,570,885, 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	
	2023	2022	2023	2022	2023	2022
Revenue						
Program revenue:						
Charges for services	\$ 20,560,791	\$ 20,679,403	\$ 32,973,750	\$ 32,137,105	\$ 53,534,541	\$ 52,816,508
Operating grants	23,362,115	16,608,646	537,111	-	23,899,226	16,608,646
Capital grants and contributions	4,592,595	920,619	480,091	31,986	5,072,686	952,605
General revenue:						
Taxes - Property taxes	33,641,260	31,673,020	-	-	33,641,260	31,673,020
State-shared revenue	10,760,281	10,542,371	-	-	10,760,281	10,542,371
Interest	905,303	40,172	390,585	19,115	1,295,888	59,287
Other revenue:						
Cable franchise fees	1,337,635	1,533,272	-	-	1,337,635	1,533,272
Other miscellaneous income	1,401,973	743,974	-	-	1,401,973	743,974
Total revenue	96,561,953	82,741,477	34,381,537	32,188,206	130,943,490	114,929,683
Expenses						
General government	11,361,781	11,009,572	-	-	11,361,781	11,009,572
Public safety	40,815,491	27,443,094	-	-	40,815,491	27,443,094
Public works	19,723,325	18,999,106	-	-	19,723,325	18,999,106
Community and economic development	5,684,582	4,295,102	-	-	5,684,582	4,295,102
Recreation and culture	4,055,637	2,246,496	-	-	4,055,637	2,246,496
Interest on long-term debt	1,223,317	1,245,153	-	-	1,223,317	1,245,153
Water and sewer	-	-	31,131,741	30,819,672	31,131,741	30,819,672
Total expenses	82,864,133	65,238,523	31,131,741	30,819,672	113,995,874	96,058,195
Change in Net Position	13,697,820	17,502,954	3,249,796	1,368,534	16,947,616	18,871,488
Net Position (Deficit) - Beginning of year	(73,151,005)	(90,653,959)	58,541,953	57,173,419	(14,609,052)	(33,480,540)
Net Position (Deficit) - End of year	<u><u>\$ (59,453,185)</u></u>	<u><u>\$ (73,151,005)</u></u>	<u><u>\$ 61,791,749</u></u>	<u><u>\$ 58,541,953</u></u>	<u><u>\$ 2,338,564</u></u>	<u><u>\$ (14,609,052)</u></u>

Governmental Activities

The City's total governmental revenue increased by approximately \$13.8 million. The increase was primarily due to additional operating and capital grants and additional property tax revenue.

Expenses increased by approximately \$17.6 million during the year. The increase was primarily due to an increase in the public safety expense category from additional Police and Fire Retirement System pension and OPEB liability expensed in the current fiscal year. In addition, additional grant expenditures were incurred throughout the fiscal year in the public works, community and economic development, and recreation and culture categories.

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 expenditures remained consistent compared to the previous year, while total operating revenue increased by approximately \$2.2 million compared to the previous year. The increase in revenue primarily relates to additional water and sewer sales plus grant reimbursement revenue received.

The City of Westland, Michigan's Funds

Our analysis of the City's major funds begins on page 11, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The 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 2023 is the General Fund.

General Fund Budgetary Highlights

The General Fund's total revenue increased by approximately \$8.5 million. The increase was primarily due to increased property tax revenue, state-shared revenue, and federal and state grants.

The General Fund pays for most of the City's governmental services. The General Fund's total expenditures are approximately \$78.6 million. The most significant expenditures are public safety, which incurred expenditures of approximately \$45.6 million in 2023. 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 \$648,000.

The fund balance of the General Fund increased from approximately \$11,858,000 to approximately \$12,506,000.

Capital Assets and Debt Administration

As of June 30, 2023, the City had a total of approximately \$252,640,000 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 water and sewer mains were replaced or relined during the fiscal year.
- Various vehicle and other equipment, as stated above

Debt service makes up approximately 3.86 percent of the total expenditures of the governmental funds.

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

Economic Factors and Next Year's Budgets and Rates

The City's budget for the fiscal year ending June 30, 2024 takes into consideration a conservative economic climate. The taxable values increased for the 2023 tax year (2023-2024 fiscal year) by approximately 7.28 percent and are projected to increase by approximately 6.00 percent for the 2024 tax year (2024-2025 fiscal year). The City will continue to comply with the requirements outlined by the State regarding the CVTRS program. All city employees are contributing toward their health care under the hard cap option in accordance with Public Act 152. 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 continue a voluntary retiree health care settlement program to further reduce the City's OPEB liability. 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.

Statement of Net Position

June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents (Note 3)	\$ 30,861,170	\$ 17,704,216	\$ 48,565,386	\$ 12,148,505
Receivables - Net (Note 4)	7,243,467	10,992,860	18,236,327	140,053
Due from component units (Note 6)	293,516	48	293,564	-
Due from primary government (Note 6)	-	-	-	1,334
Internal balances	(218,389)	218,389	-	-
Inventory	173,759	95,281	269,040	-
Prepaid expenses	2,240,105	213,555	2,453,660	184,342
Other current assets	-	-	-	8,194
Deposits held by third parties	3,617,424	45,384	3,662,808	25,214
Land held for resale	1,667,722	-	1,667,722	48,998
Capital assets: (Note 5)				
Not being depreciated	7,276,081	-	7,276,081	321,237
Depreciable - Net	160,931,168	84,433,168	245,364,336	10,176,377
Total assets	214,086,023	113,702,901	327,788,924	23,054,254
Deferred Outflows of Resources				
Deferred charges on bond refunding	-	-	-	925,915
Deferred pension costs (Note 13)	27,519,348	3,602,400	31,121,748	-
Deferred OPEB costs (Note 14)	2,403,550	344,814	2,748,364	-
Total deferred outflows of resources	29,922,898	3,947,214	33,870,112	925,915
Liabilities				
Accounts payable	5,537,347	3,156,960	8,694,307	2,421,360
Due to other governmental units	-	1,338	1,338	1,039
Due to component units (Note 6)	1,334	-	1,334	-
Due to primary government (Note 6)	-	-	-	293,564
Deposits and bonds	-	77,289	77,289	-
Accrued liabilities and other	1,815,905	365,836	2,181,741	296,968
Unearned revenue	15,655,891	-	15,655,891	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 7)	3,966,351	305,136	4,271,487	13,925
Provision for claims (Note 8)	893,480	96,036	989,516	48,903
Current portion of long-term debt (Note 7)	2,470,641	1,557,393	4,028,034	1,340,000
Due in more than one year:				
Compensated absences (Note 7)	6,102,192	59,366	6,161,558	2,905
Provision for claims (Note 8)	769,802	78,411	848,213	51,564
Net pension liability (Note 13)	101,545,548	6,569,993	108,115,541	-
Net OPEB liability (Note 14)	87,011,424	12,482,652	99,494,076	-
Long-term debt - Net of current portion (Note 7)	58,831,193	28,421,898	87,253,091	11,285,000
Total liabilities	284,601,108	53,172,308	337,773,416	15,755,228
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 13)	137,596	-	137,596	-
Deferred OPEB cost reductions (Note 14)	18,723,402	2,686,058	21,409,460	-
Total deferred inflows of resources	18,860,998	2,686,058	21,547,056	-
Net Position (Deficit)				
Net investment in capital assets	165,844,865	72,964,427	238,809,292	9,837,614
Restricted:				
Retirement systems	2,597,000	-	2,597,000	-
Road improvements	4,694,254	-	4,694,254	-
Other (Note 11)	5,301,077	-	5,301,077	-
Unrestricted	(237,890,381)	(11,172,678)	(249,063,059)	(1,612,673)
Total net position (deficit)	\$ (59,453,185)	\$ 61,791,749	\$ 2,338,564	\$ 8,224,941

City of Westland, Michigan

	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 11,361,781	\$ 9,326,113	\$ 1,341,578	\$ -
Public safety	40,815,491	8,027,563	8,048,107	30,906
Public works	19,723,325	2,301,441	9,779,732	58,993
Community and economic development	5,684,582	-	3,542,993	-
Recreation and culture	4,055,637	905,674	649,705	4,502,696
Interest on long-term debt	1,223,317	-	-	-
Total governmental activities	82,864,133	20,560,791	23,362,115	4,592,595
Business-type activities - Water and sewer	31,131,741	32,973,750	537,111	480,091
Total primary government	<u>\$ 113,995,874</u>	<u>\$ 53,534,541</u>	<u>\$ 23,899,226</u>	<u>\$ 5,072,686</u>
Component units	<u>\$ 10,980,308</u>	<u>\$ 52,718</u>	<u>\$ 902,737</u>	<u>\$ -</u>
General revenue:				
Property taxes				
State-shared revenue				
Interest and sundry				
Cable franchise fees				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position (Deficit) - Beginning of year				
Net Position (Deficit) - End of year				

Statement of Activities

Year Ended June 30, 2023

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (694,090)	\$ -	\$ (694,090)	\$ -
(24,708,915)	-	(24,708,915)	-
(7,583,159)	-	(7,583,159)	-
(2,141,589)	-	(2,141,589)	-
2,002,438	-	2,002,438	-
(1,223,317)	-	(1,223,317)	-
(34,348,632)	-	(34,348,632)	-
-	2,859,211	2,859,211	-
(34,348,632)	2,859,211	(31,489,421)	-
-	-	-	(10,024,853)
33,641,260	-	33,641,260	9,322,856
10,760,281	-	10,760,281	-
905,303	390,585	1,295,888	310,281
1,337,635	-	1,337,635	-
1,401,973	-	1,401,973	10,784
48,046,452	390,585	48,437,037	9,643,921
13,697,820	3,249,796	16,947,616	(380,932)
(73,151,005)	58,541,953	(14,609,052)	8,605,873
\$ (59,453,185)	\$ 61,791,749	\$ 2,338,564	\$ 8,224,941

Governmental Funds
Balance Sheet

June 30, 2023

	General Fund	Nonmajor Funds	Total Governmental Funds
Assets			
Cash and cash equivalents (Note 3)	\$ 23,218,700	\$ 7,642,470	\$ 30,861,170
Receivables - Net (Note 4)	5,089,954	2,153,513	7,243,467
Due from component units (Note 6)	293,516	-	293,516
Due from other funds (Note 6)	1,440,335	2,638,652	4,078,987
Inventory	56,242	117,517	173,759
Prepaid expenses	1,545,719	694,386	2,240,105
Deposits held by third parties	3,617,424	-	3,617,424
Land held for resale	164,000	1,503,722	1,667,722
Total assets	<u>\$ 35,425,890</u>	<u>\$ 14,750,260</u>	<u>\$ 50,176,150</u>
Liabilities			
Accounts payable	\$ 3,967,057	\$ 1,570,290	\$ 5,537,347
Due to component units (Note 6)	1,334	-	1,334
Due to other funds (Note 6)	226,940	4,070,436	4,297,376
Accrued liabilities and other	1,585,471	14,086	1,599,557
Unearned revenue	15,655,891	-	15,655,891
Total liabilities	21,436,693	5,654,812	27,091,505
Deferred Inflows of Resources - Unavailable revenue	1,483,573	150,439	1,634,012
Total liabilities and deferred inflows of resources	22,920,266	5,805,251	28,725,517
Fund Balances (Note 12)			
Nonspendable	1,765,961	811,903	2,577,864
Restricted	4,031,189	6,997,347	11,028,536
Committed	42,945	346,164	389,109
Assigned	25,770	789,595	815,365
Unassigned	6,639,759	-	6,639,759
Total fund balances	<u>12,505,624</u>	<u>8,945,009</u>	<u>21,450,633</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 35,425,890</u>	<u>\$ 14,750,260</u>	<u>\$ 50,176,150</u>

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2023

Fund Balances Reported in Governmental Funds	\$ 21,450,633
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	168,207,249
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	1,634,012
Deferred outflows and inflows of resources related to pension and OPEB are reported in the government-wide statements but not in the governmental funds	11,061,900
Bonds payable and installment purchases are not due and payable in the current period and are not reported in the funds	(61,301,834)
Accrued interest is not due and payable in the current period and is not reported in the funds	(216,348)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(10,068,543)
Pension benefits	(101,545,548)
Retiree health care benefits	(87,011,424)
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	(1,663,282)
Net Position (Deficit) of Governmental Activities	<u><u>\$ (59,453,185)</u></u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2023

	General Fund	Nonmajor Funds	Total Governmental Funds
Revenue			
Property taxes	\$ 33,641,260	\$ -	\$ 33,641,260
Special assessments	-	1,653,887	1,653,887
Intergovernmental:			
Federal grants	8,245,506	2,433,095	10,678,601
State sources	13,600,139	10,214,094	23,814,233
Charges for services	9,830,272	-	9,830,272
Court fines and fees	4,340,338	104,780	4,445,118
Licenses and permits	1,293,082	-	1,293,082
Interest income	818,871	86,432	905,303
Other revenue:			
Local sources	1,505,855	-	1,505,855
Other income	4,675,866	94,302	4,770,168
Cable franchise fees	1,337,635	-	1,337,635
Total revenue	79,288,824	14,586,590	93,875,414
Expenditures			
Current:			
General government	15,340,775	-	15,340,775
Street lighting	-	1,420,392	1,420,392
Public safety	45,645,996	624,964	46,270,960
Highway, streets, and drains	540,483	11,451,165	11,991,648
Sanitation	4,860,783	-	4,860,783
Community and economic development	4,184,514	2,283,325	6,467,839
Recreation and culture	4,557,444	-	4,557,444
Capital outlay	-	1,253,472	1,253,472
Debt service	3,483,448	217,211	3,700,659
Total expenditures	78,613,443	17,250,529	95,863,972
Excess of Revenue Over (Under) Expenditures	675,381	(2,663,939)	(1,988,558)
Other Financing Sources (Uses)			
Transfers in (Note 6)	30,833	5,588,599	5,619,432
Transfers out (Note 6)	(63,450)	(5,555,982)	(5,619,432)
Proceeds from sale of capital assets	4,996	-	4,996
Total other financing (uses) sources	(27,621)	32,617	4,996
Net Change in Fund Balances	647,760	(2,631,322)	(1,983,562)
Fund Balances - Beginning of year	11,857,864	11,576,331	23,434,195
Fund Balances - End of year	<u><u>\$ 12,505,624</u></u>	<u><u>\$ 8,945,009</u></u>	<u><u>\$ 21,450,633</u></u>

Governmental Funds

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

Year Ended June 30, 2023

Net Change in Fund Balances Reported in Governmental Funds **\$ (1,983,562)**

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	13,182,449
Depreciation expense	(13,317,809)
Contributed capital	4,502,696
Net book value of assets disposed of	(99,744)

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	427,269
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Repayment of debt principal is an expenditure in the governmental funds but not in the government-wide statements (where it reduces long-term debt). Amortization of premiums also reduces long-term debt in the government-wide statements	2,471,607
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Change in accrued interest on long-term debt is not recorded in the governmental funds	5,735
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Changes in liabilities for claims and judgments incurred but not reported are not recorded in the governmental funds	697,210
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Change in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	(224,523)
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Change in other postemployment benefit liability and related deferrals is not recorded in the governmental funds	15,469,334
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Change in pension liability and related deferrals is not recorded in the governmental funds	(7,432,842)
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Change in Net Position of Governmental Activities **\$ 13,697,820**

Proprietary Fund
Statement of Net Position

June 30, 2023

Water and Sewer
Fund

Assets

Current assets:

Cash and cash equivalents	\$ 17,704,216
Receivables - Net (Note 4)	10,992,860
Due from component units (Note 6)	48
Due from other funds (Note 6)	218,389
Inventory	95,281
Prepaid expenses	213,555
Deposits held by third parties	45,384

Total current assets 29,269,733

Noncurrent assets - Capital assets - Net (Note 5) 84,433,168

Total assets 113,702,901

Deferred Outflows of Resources

Deferred pension costs (Note 13)	3,602,400
Deferred OPEB costs (Note 14)	344,814

Total deferred outflows of resources 3,947,214

Liabilities

Current liabilities:

Accounts payable	3,156,960
Due to other governmental units	1,338
Deposits and bonds	77,289
Accrued liabilities and other	365,836
Compensated absences (Note 7)	305,136
Provision for claims (Note 8)	96,036
Current portion of long-term debt (Note 7)	1,557,393

Total current liabilities 5,559,988

Noncurrent liabilities:

Compensated absences (Note 7)	59,366
Provision for claims (Note 8)	78,411
Net pension liability (Note 13)	6,569,993
Net OPEB liability (Note 14)	12,482,652
Long-term debt - Net of current portion (Note 7)	28,421,898

Total noncurrent liabilities 47,612,320

Total liabilities 53,172,308

Deferred Inflows of Resources - Deferred OPEB cost reductions (Note 14) 2,686,058

Net Position

Net investment in capital assets	72,964,427
Unrestricted	(11,172,678)

Total net position \$ 61,791,749

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

Year Ended June 30, 2023

	<u>Water and Sewer Fund</u>
Operating Revenue	
Water and sewer	\$ 31,500,877
Penalties	1,411,836
Other	<u>61,037</u>
Total operating revenue	32,973,750
Operating Expenses	
Cost of water	6,715,722
Cost of sewage disposal	10,672,798
Wage and fringe benefits	2,152,719
Contracted services	5,612,950
Operating supplies and other	139,266
Repairs and maintenance	808,973
Depreciation	<u>4,094,483</u>
Total operating expenses	<u>30,196,911</u>
Operating Income	2,776,839
Nonoperating Revenue (Expense)	
Investment income	390,585
Interest expense	(790,716)
Loss on sale of assets	(144,114)
Operating grants	<u>537,111</u>
Total nonoperating expense	<u>(7,134)</u>
Income - Before capital contributions	2,769,705
Capital Contributions - Lines donated by developers	<u>480,091</u>
Change in Net Position	3,249,796
Net Position - Beginning of year	<u>58,541,953</u>
Net Position - End of year	<u><u>\$ 61,791,749</u></u>

Proprietary Fund
Statement of Cash Flows

Year Ended June 30, 2023

	Water and Sewer Fund
Cash Flows from Operating Activities	
Receipts from customers	\$ 32,881,140
Internal activity - Payments to other funds	(5,224,116)
Payments to suppliers	(18,141,851)
Payments to employees and fringes	(3,979,753)
Net cash and cash equivalents provided by operating activities	5,535,420
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of capital assets	8,309
Purchase of capital assets	(4,046,449)
Principal and interest paid on capital debt	(2,323,892)
Net cash and cash equivalents used in capital and related financing activities	(6,362,032)
Cash Flows Provided by Investing Activities - Interest received on investments and other assets	390,585
Net Decrease in Cash and Cash Equivalents	(436,027)
Cash and Cash Equivalents - Beginning of year	18,140,243
Cash and Cash Equivalents - End of year	\$ 17,704,216
Reconciliation of Operating Income to Net Cash and Cash Equivalents from Operating Activities	
Operating income	\$ 2,776,839
Adjustments to reconcile operating income to net cash and cash equivalents from operating activities:	
Depreciation	4,094,483
Changes in assets and liabilities:	
Receivables	(92,610)
Due to and from other funds	(215,559)
Inventories	11,652
Prepaid and other assets	(148,775)
Net pension and OPEB liability	(1,831,300)
Accounts payable	936,424
Accrued and other liabilities	4,266
Total adjustments	2,758,581
Net cash and cash equivalents provided by operating activities	\$ 5,535,420
Significant Noncash Transactions - Donated water and sewer lines	\$ 480,091

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2023

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents (Note 3)	\$ 317,623	\$ 375,583
Investments: (Note 3)		
Municipal obligations	5,619,250	-
CIF - Fixed income	18,191,380	-
U.S. government securities	13,625,075	-
Pooled investments	3,491,341	-
Common stocks	53,795,588	-
Corporate bonds	2,309,952	-
Real estate	719,518	-
Mutual funds	55,232,358	-
Securities lending - Mutual funds	703,962	-
Closely held - Equity	29,035,331	-
Receivables - Net	296,504	-
Total assets	183,337,882	375,583
Liabilities		
Due to other governmental units	-	324,479
Deposits and bonds	-	51,104
Obligations under securities lending agreements	703,962	-
Total liabilities	703,962	375,583
Net Position - Restricted		
Pension	179,142,579	-
Postemployment benefits other than pension	3,491,341	-
Total net position	<u>\$ 182,633,920</u>	<u>\$ -</u>

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2023

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
Additions		
Investment income (loss):		
Interest and dividends	\$ 3,480,763	\$ -
Net change in fair value of investments	11,338,339	-
Investment costs	(793,182)	-
Net investment income	14,025,920	-
Contributions:		
Employer contributions	17,529,688	-
Employee contributions	730,776	-
Total contributions	18,260,464	-
Fines, fees, and bonds	-	1,915,191
Property tax collections	-	66,878,838
Total additions	32,286,384	68,794,029
Deductions		
Benefit payments	27,121,878	-
Administrative expenses	377,574	-
District court distributions	-	1,915,191
Property tax distributions to other governments	-	66,878,838
Total deductions	27,499,452	68,794,029
Net Change in Fiduciary Net Position	4,786,932	-
Net Position - Beginning of year	177,846,988	-
Net Position - End of year	\$ 182,633,920	\$ -

Component Units
Statement of Net Position

June 30, 2023

	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)	\$ 1,791,904	\$ 303,438	\$ 5,425,327	\$ 1,990,608	\$ 2,637,228	\$ 12,148,505
Receivables - Net (Note 4)	-	-	-	229	139,824	140,053
Due from primary government (Note 6)	-	-	756	578	-	1,334
Prepaid expenses	37,500	-	-	27,207	119,635	184,342
Other current assets	-	-	-	-	8,194	8,194
Deposits held by third parties	-	-	-	-	25,214	25,214
Land held for resale	6,030	42,968	-	-	-	48,998
Capital assets: (Note 5)						
Not being depreciated	321,237	-	-	-	-	321,237
Depreciable - Net	7,965,802	-	876,814	-	1,333,761	10,176,377
Total assets	10,122,473	346,406	6,302,897	2,018,622	4,263,856	23,054,254
Deferred Outflows of Resources -						
Deferred charges on bond refunding	-	-	925,915	-	-	925,915
Total assets and deferred outflows of resources	10,122,473	346,406	7,228,812	2,018,622	4,263,856	23,980,169
Liabilities						
Accounts payable	1,264,580	-	106,950	204,352	845,478	2,421,360
Due to other governmental units	-	-	1,039	-	-	1,039
Due to primary government (Note 6)	9,889	129	48	-	283,498	293,564
Accrued liabilities and other	14,514	-	150,414	-	132,040	296,968
Noncurrent liabilities:						
Due within one year:						
Compensated absences (Note 7)	-	-	-	-	13,925	13,925
Provision for claims (Note 8)	-	-	-	-	48,903	48,903
Current portion of long-term debt (Note 7)	325,000	-	1,015,000	-	-	1,340,000
Due in more than one year:						
Compensated absences (Note 7)	-	-	-	-	2,905	2,905
Provision for claims (Note 8)	-	-	-	-	51,564	51,564
Long-term debt - Net of current portion (Note 7)	335,000	-	10,950,000	-	-	11,285,000
Total liabilities	1,948,983	129	12,223,451	204,352	1,378,313	15,755,228
Net Position (Deficit)						
Net investment in capital assets	7,627,039	-	876,814	-	1,333,761	9,837,614
Unrestricted	546,451	346,277	(5,871,453)	1,814,270	1,551,782	(1,612,673)
Total net position (deficit)	<u>\$ 8,173,490</u>	<u>\$ 346,277</u>	<u>\$ (4,994,639)</u>	<u>\$ 1,814,270</u>	<u>\$ 2,885,543</u>	<u>\$ 8,224,941</u>

City of Westland, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Downtown Development Authority	\$ 1,299,313	\$ -	\$ 490,175	\$ -
Local Development Finance Authority	114,579	-	70,421	-
Tax Increment Finance Authority	1,344,183	-	105,030	-
Brownfield Redevelopment Authority	606,537	-	19,614	-
Library	7,615,696	52,718	217,497	-
Total component units	\$ 10,980,308	\$ 52,718	\$ 902,737	\$ -

General revenue:

Property taxes

Unrestricted investment income

Other miscellaneous income

Total general revenue

Change in Net Position

Net Position (Deficit) - Beginning of year

Net Position (Deficit) - End of year

Component Units
Statement of Activities

Year Ended June 30, 2023

Net (Expense) Revenue and Changes in Net Position					
Downtown Development Authority	Local Development Finance Authority	Tax Increment Finance Authority	Brownfield Redevelopment Authority	Westland Public Library	Total
\$ (809,138)	\$ -	\$ -	\$ -	\$ -	\$ (809,138)
-	(44,158)	-	-	-	(44,158)
-	-	(1,239,153)	-	-	(1,239,153)
-	-	-	(586,923)	-	(586,923)
-	-	-	-	(7,345,481)	(7,345,481)
(809,138)	(44,158)	(1,239,153)	(586,923)	(7,345,481)	(10,024,853)
1,819,796	115,460	3,892,836	311,303	3,183,461	9,322,856
5,390	3,347	112,799	56,035	132,710	310,281
-	-	-	-	10,784	10,784
1,825,186	118,807	4,005,635	367,338	3,326,955	9,643,921
1,016,048	74,649	2,766,482	(219,585)	(4,018,526)	(380,932)
7,157,442	271,628	(7,761,121)	2,033,855	6,904,069	8,605,873
\$ 8,173,490	\$ 346,277	\$ (4,994,639)	\$ 1,814,270	\$ 2,885,543	\$ 8,224,941

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, 2023

Note 1 - Significant Accounting Policies (Continued)

Brownfield Redevelopment Authority

The Brownfield Redevelopment 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.

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, 2023

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. Receivables are presented net of the allowance for uncollectible accounts related to rescue runs and personal property taxes.

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.

Deposits Held by Third Parties

The City has deposits with the Michigan Municipal Risk Management Authority in excess of the required balance in order to reduce the need for future contributions.

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.

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, 2023, the majority of the balance in the General Fund relates to \$15,480,833 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.

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 charge on bond refunding		✓
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, 2023**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 2022 taxable valuation of the City totaled \$1.99 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 6.2232 mills for operating purposes, 1.7474 mills for operations of the library, 8.0000 mills for the Police and Fire Retirement System, 0.0249 for public relations, and 3.3280 mills for sanitation. The ad valorem taxes levied raised approximately \$11.3 million for city operations, approximately \$3.2 million for operation of the Library, approximately \$14.5 million for the Police and Fire Retirement System, \$45 thousand for city promotion, and approximately \$6.1 million for sanitation, net of the amounts captured by the tax increment financing authorities reported in the component units. These amounts 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 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.

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 Pronouncement

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

Subsequent Event

Subsequent to June 30, 2023, the City received \$26.1 million from the Protecting MI Pension Grant Program and the amount was contributed to the MERS pension plan. The activity will be reporting in the fiscal year 2024 financial statements.

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, 2022	\$ (3,399,373)
Current year permit revenue	1,551,869
Estimated indirect costs	<u>1,858,463</u>
Current year shortfall	<u>(306,594)</u>
Cumulative shortfall at June 30, 2023	<u><u>\$ (3,705,967)</u></u>

June 30, 2023

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, 2023, 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.

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, 2023 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, 2023, 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, 2023 totaled \$703,962 and \$686,174, 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 \$43,979,089 (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. At year end, the component units had bank deposits of \$4,660,668 that were uninsured and uncollateralized.

June 30, 2023

Note 3 - Deposits and Investments (Continued)***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	\$ 8,174,615	8.95
U.S. government agency securities	344,460	6.71
Corporate securities	2,309,952	5.54
Municipal bonds	5,619,249	3.59
Mortgage-backed securities	8,174,615	8.95

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	\$ 825,339	A1	Moody's
Corporate securities	228,796	A2	Moody's
Corporate securities	681,559	A3	Moody's
Corporate securities	574,258	Baa1 and below	Moody's
Municipal bonds	637,441	Aaa	Moody's
Municipal bonds	988,824	Aa1	Moody's
Municipal bonds	789,539	Aa2	Moody's
Municipal bonds	334,036	Aa3	Moody's
Municipal bonds	85,130	A1	Moody's
Municipal bonds	2,774,280	Not rated	N/A
Mortgage-backed securities	5,106,000	Not rated	N/A
U.S. federal agencies	344,460	Aaa	Moody's
U.S. government securities	8,174,615	Aaa	Moody's

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, 2023, the City was invested in Vanguard Midcap Index Fund I, HGK Trinity Street International Equity Fund, TA Realty Core Property Fund, WTC-CIF II Small Cap Opportunities Portfolio, and Loomis Sayles Core Plus Fixed and various fixed-income funds, comprising 16.2 percent, 5.1 percent, 5.4 percent, 6.1 percent, and 5.5 percent, respectively, of total investments.

June 30, 2023

Note 4 - Receivables

The City's receivables are as follows:

	General Fund	Nonmajor Funds	Total Governmental Activities	Business-type Activities	Total Primary Government	Component Units
Receivables:						
Property taxes receivable	\$ 324,710	\$ -	\$ 324,710	\$ -	\$ 324,710	\$ 36,048
Customer receivables	-	-	-	10,442,726	10,442,726	-
Other receivables	1,052,471	23,913	1,076,384	13,023	1,089,407	59,351
Due from other governments	3,053,849	2,129,600	5,183,449	537,111	5,720,560	44,654
Opioid settlement	658,924	-	658,924	-	658,924	-
Net receivables	<u>\$ 5,089,954</u>	<u>\$ 2,153,513</u>	<u>\$ 7,243,467</u>	<u>\$ 10,992,860</u>	<u>\$ 18,236,327</u>	<u>\$ 140,053</u>

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.

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, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 3,335,379	\$ -	\$ -	\$ -	\$ 3,335,379
Construction in progress	-	-	3,940,702	-	3,940,702
Subtotal	3,335,379	-	3,940,702	-	7,276,081
Capital assets being depreciated:					
Roads and sidewalks	613,013,644	-	6,725,784	-	619,739,428
Buildings and improvements	43,548,119	-	2,261,720	-	45,809,839
Other tools and equipment	19,344,787	-	4,756,939	(1,063,193)	23,038,533
Subtotal	675,906,550	-	13,744,443	(1,063,193)	688,587,800
Accumulated depreciation:					
Roads and sidewalks	485,165,263	-	10,370,841	-	495,536,104
Buildings and improvements	16,651,096	-	1,134,541	-	17,785,637
Other tools and equipment	13,485,913	-	1,812,427	(963,449)	14,334,891
Subtotal	515,302,272	-	13,317,809	(963,449)	527,656,632
Net capital assets being depreciated	<u>160,604,278</u>	<u>-</u>	<u>426,634</u>	<u>(99,744)</u>	<u>160,931,168</u>
Net governmental activities capital assets	<u>\$163,939,657</u>	<u>\$ -</u>	<u>\$ 4,367,336</u>	<u>\$ (99,744)</u>	<u>\$ 168,207,249</u>

June 30, 2023

Note 5 - Capital Assets (Continued)***Business-type Activities***

	Balance July 1, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2023
Water and Sewer Fund					
Capital assets being depreciated:					
Water and sewer lines	\$ 125,491,797	\$ -	\$ 3,917,569	\$ -	\$ 129,409,366
Buildings and improvements	1,907,304	-	53,270	-	1,960,574
Other tools and equipment	1,439,452	-	271,208	-	1,710,660
Vehicles	4,473,661	-	284,493	(330,755)	4,427,399
Subtotal	133,312,214	-	4,526,540	(330,755)	137,507,999
Accumulated depreciation:					
Water and sewer lines	44,278,570	-	3,489,560	-	47,768,130
Buildings and improvements	1,421,158	-	33,452	-	1,454,610
Other tools and equipment	1,136,470	-	91,114	-	1,227,584
Vehicles	2,322,482	-	480,357	(178,332)	2,624,507
Subtotal	49,158,680	-	4,094,483	(178,332)	53,074,831
Net business-type activities capital assets	\$ 84,153,534	\$ -	\$ 432,057	\$ (152,423)	\$ 84,433,168

Component Units

	Balance July 1, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital assets not being depreciated - Land	\$ 321,237	\$ -	\$ -	\$ -	\$ 321,237
Capital assets being depreciated:					
Library buildings and improvements	1,286,447	-	-	-	1,286,447
Library other tools and equipment	6,990,048	-	170,086	-	7,160,134
DDA improvements	8,179,524	-	2,726,789	-	10,906,313
TIFA improvements	1,119,962	-	325,364	-	1,445,326
Subtotal	17,575,981	-	3,222,239	-	20,798,220
Accumulated depreciation:					
Library buildings and improvements	547,376	-	60,129	-	607,505
Library other tools and equipment	6,237,146	-	268,169	-	6,505,315
DDA improvements	2,591,475	-	349,036	-	2,940,511
TIFA improvements	482,515	-	85,997	-	568,512
Subtotal	9,858,512	-	763,331	-	10,621,843
Net capital assets being depreciated	7,717,469	-	2,458,908	-	10,176,377
Net component units capital assets	\$ 8,038,706	\$ -	\$ 2,458,908	\$ -	\$ 10,497,614

June 30, 2023

Note 5 - Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 1,402,537
Police (public safety)	597,558
Fire (public safety)	756,529
Major roads (public works)	5,076,559
Local roads (public works)	5,221,026
Parks and recreation	263,600
	<u> </u>
Total governmental activities	\$ 13,317,809
	<u> </u>
Business-type activities - Enterprise fund - Water and Sewer Fund	\$ 4,094,483
Component unit activities:	
Downtown Development Authority	\$ 349,036
Tax Increment Finance Authority	85,997
Westland Public Library	328,298
	<u> </u>
Total component unit activities	\$ 763,331
	<u> </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	\$ 1,440,335
Other nonmajor governmental funds	General Fund	8,551
	Other nonmajor governmental funds	<u>2,630,101</u>
	Total other nonmajor governmental funds	2,638,652
Water and Sewer Fund	General Fund	<u>218,389</u>
	Total	<u>\$ 4,297,376</u>

June 30, 2023

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

The balances due between the primary government and the discretely presented component units consist of the following:

Receivable	Payable	Amount
Component unit - Tax Increment Finance Authority	Primary government - General Fund	\$ 756
Primary government - General Fund	Component unit - Local Development Finance Authority	129
	Component unit - Downtown Development Authority	9,889
	Component unit - Westland Public Library	283,498
	Total primary government - General Fund	293,516
Primary government - Water and Sewer Fund	Component unit - Tax Increment Finance Authority	48
Component unit - Brownfield Redevelopment Authority	Primary government - General Fund	578
	Total	\$ 294,898

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/component units 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)	\$ 63,450
Other nonmajor governmental funds	General Fund (3)	30,833
	Other nonmajor governmental funds (2)	5,525,149
	Total other nonmajor governmental funds	5,555,982
	Total	\$ 5,619,432

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

(2) Transfer for local road construction and maintenance

(3) Transfer for operating contributions

June 30, 2023

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, 2023 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		\$79,781 -					
Improvement Bond	3.25% - 5%	\$123,333	\$ 1,215,661	\$ -	\$ (79,781)	\$ 1,135,880	\$ 84,254
2021 Pension Obligation	0.265% -	\$2,024,260 -					
Bond	2.775%	\$3,180,980	60,963,710	-	(2,024,260)	58,939,450	2,031,870
Unamortized bond premium		\$3,523	46,793	-	(4,523)	42,270	3,523
Total other debt principal outstanding			62,226,164	-	(2,108,564)	60,117,600	2,119,647
Direct borrowings and direct placements:							
2013 New City Hall	2.60%	\$115,000 -					
		\$145,000	770,000	-	(115,000)	655,000	120,000
HUD Section 108 Loan	2.358%	\$47,000 -					
		\$48,000	287,000	-	(48,000)	239,000	48,000
2018 Fire Truck	3.430%	\$100,247 -					
		\$107,242	311,174	-	(100,247)	210,927	103,687
2020 Self-Contained Breathing Apparatus	2.232%	\$60,799 -					
		\$62,224	123,022	-	(60,799)	62,223	62,223
2020 Lenovo Computer	3.50%	\$17,085 -					
		\$39,997	57,081	-	(39,997)	17,084	17,084
Total direct borrowings and direct placements principal outstanding			1,548,277	-	(364,043)	1,184,234	350,994
Total bonds and contracts payable			63,774,441	-	(2,472,607)	61,301,834	2,470,641
Compensated absences			9,844,020	5,085,261	(4,860,738)	10,068,543	3,966,351
Total governmental activities long-term debt			\$ 73,618,461	\$ 5,085,261	\$ (7,333,345)	\$ 71,370,377	\$ 6,436,992

June 30, 2023

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%	\$455,220 - \$706,667	\$ 6,939,343	\$ -	\$ (455,220)	\$ 6,484,123	\$ 480,746
2014 Capital Improvement Bond	3.50% - 4%	\$250,000 - \$400,000	3,550,000	-	(250,000)	3,300,000	250,000
2021 Pension Obligation Bonds	0.185% - 2.775%	\$635,740 - \$999,020	19,146,290	-	(635,740)	18,510,550	638,130
Unamortized bond premium		\$20,955 - \$23,517	303,157	-	(23,516)	279,641	23,517
Total other debt principal outstanding			29,938,790	-	(1,364,476)	28,574,314	1,392,393
Direct borrowings and direct placements:							
2010 State Revolving Fund Loan	2.50%	\$30,000 - \$35,000	252,794	-	(30,000)	222,794	30,000
2010 Strategic Water Quality Initiatives Loan	2.50%	\$130,000 - \$162,183	1,312,183	-	(130,000)	1,182,183	135,000
Total direct borrowings and direct placements principal outstanding			1,564,977	-	(160,000)	1,404,977	165,000
Total bonds and contracts payable			31,503,767	-	(1,524,476)	29,979,291	1,557,393
Compensated absences			299,885	304,768	(240,151)	364,502	305,136
Total business-type activities long-term debt			<u>\$ 31,803,652</u>	<u>\$ 304,768</u>	<u>\$ (1,764,627)</u>	<u>\$ 30,343,793</u>	<u>\$ 1,862,529</u>

June 30, 2023

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	4%	\$755,000	\$ 755,000	\$ -	\$ (755,000)	\$ -	\$ -
2014 Downtown Development Bonds - Farmer's Market	2.75% - 3.125%	\$320,000 - \$355,000	980,000	-	(320,000)	660,000	325,000
2021 Tax Increment Refunding Bonds	0.35% - 2.41%	\$230,000 - \$1,195,000	12,195,000	-	(230,000)	11,965,000	1,015,000
Total bonds and contracts payable			13,930,000	-	(1,305,000)	12,625,000	1,340,000
Compensated absences			14,384	2,446	-	16,830	13,925
Total component unit long-term debt			<u>\$ 13,944,384</u>	<u>\$ 2,446</u>	<u>\$ (1,305,000)</u>	<u>\$ 12,641,830</u>	<u>\$ 1,353,925</u>

June 30, 2023

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 \$1,279,000, \$790,000, and \$342,000, 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		Total
	Principal	Interest	Principal	Interest	
2024	\$ 350,994	\$ 30,766	\$ 2,119,647	\$ 1,232,616	\$ 3,734,023
2025	280,240	20,640	2,130,985	1,221,164	3,653,029
2026	178,000	12,349	2,147,619	1,205,099	3,543,067
2027	183,000	7,560	2,165,076	1,185,410	3,541,046
2028	192,000	2,559	2,191,634	1,160,931	3,547,124
2029-2033	-	-	11,486,659	5,278,701	16,765,360
2034-2038	-	-	12,131,349	4,111,767	16,243,116
2039-2043	-	-	13,690,390	2,423,732	16,114,122
Thereafter	-	-	12,054,241	838,859	12,893,100
Total	\$ 1,184,234	\$ 73,874	\$ 60,117,600	\$ 18,658,279	\$ 80,033,987

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
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	175,000	22,499	1,516,963	619,945	2,334,407
2028	185,000	18,124	1,545,405	585,515	2,334,044
2029-2033	539,977	26,303	8,598,539	2,261,175	11,425,994
2034-2038	-	-	4,520,168	1,275,778	5,795,946
2039-2043	-	-	4,299,610	761,198	5,060,808
Thereafter	-	-	3,785,762	263,453	4,049,215
Total	\$ 1,404,977	\$ 159,798	\$ 28,574,314	\$ 7,840,785	\$ 37,979,874

Years Ending June 30	Component Units		
	Other Debt		
	Principal	Interest	Total
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	1,040,000	178,244	1,218,244
2028	1,060,000	163,060	1,223,060
2029-2033	5,595,000	513,146	6,108,146
2034-2038	1,195,000	28,800	1,223,800
2039-2043	-	-	-
Thereafter	-	-	-
Total	\$ 12,625,000	\$ 1,508,389	\$ 14,133,389

June 30, 2023

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. As of June 30, 2023, the City has a combined \$3,688,022 on deposit with the Authority.

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	
	2023	2022	2023	2022	2023	2022	2023	2022
Estimated liability - Beginning of year	\$ 2,112,581	\$ 1,571,847	\$ 266,878	\$ 335,355	\$ 365,348	\$ 427,299	\$ 2,744,807	\$ 2,334,501
Estimated claims incurred, including changes in estimates	366,689	1,909,013	289,508	55,550	9,297,882	7,976,063	9,954,079	9,940,626
Claim payments	(1,409,949)	(1,368,279)	(208,854)	(124,027)	(9,141,887)	(8,038,014)	(10,760,690)	(9,530,320)
Estimated liability - End of year	<u>\$ 1,069,321</u>	<u>\$ 2,112,581</u>	<u>\$ 347,532</u>	<u>\$ 266,878</u>	<u>\$ 521,343</u>	<u>\$ 365,348</u>	<u>\$ 1,938,196</u>	<u>\$ 2,744,807</u>

Of the total provision for claims liability, \$1,663,282 has been allocated to governmental activities, \$174,447 has been allocated to the Water and Sewer Fund, and \$100,467 has been allocated to the Westland Public Library.

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.

Note 11 - Restricted Net Position

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

	Governmental Activities
Public safety - Drug forfeiture	\$ 284,879
Opioid remediation	877,405
Metroact broadband	533,918
Street lighting	1,413,154
Community development	1,503,721
Sanitation	688,000
Total restricted net position	\$ 5,301,077

June 30, 2023

Note 12 - Fund Balance Constraints

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

	General Fund	Nonmajor Funds
Nonspendable:		
Inventory/Assets held for resale	\$ 220,242	\$ 117,517
Prepays	1,545,719	694,386
Total nonspendable	1,765,961	811,903
Restricted:		
Roads	-	4,555,104
Police and fire retirement	2,597,000	-
Community development	-	1,352,672
Opioid remediation	247,206	-
Drug forfeiture	-	280,683
Street lighting	-	808,888
Metroact broadband	498,983	-
Sanitation	688,000	-
Total restricted	4,031,189	6,997,347
Committed:		
Court capital projects	-	346,164
Tree planting program	42,945	-
Total committed	42,945	346,164
Assigned:		
Capital projects	-	789,595
Community promotion	25,770	-
Total assigned	25,770	789,595
Unassigned	6,639,759	-
Total fund balances	\$ 12,505,624	\$ 8,945,009

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, a defined benefit single employer plan.

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.

June 30, 2023

Note 13 - Pension Plans (Continued)

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 24 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's 401(a) deferred compensation plan require an employer contribution of 10 percent of annual salary.

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, 2022	December 31, 2022
Inactive plan members or beneficiaries currently receiving benefits	306	318
Inactive plan members entitled to but not yet receiving benefits	3	39
Active plan members	148	45
Total employees covered by the plan	457	402

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.

June 30, 2023

Note 13 - Pension Plans (Continued)

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, 2023	December 31, 2022
Based on a comprehensive actuarial valuation as of	June 30, 2022	December 31, 2022

The components of the net pension liability of the City at June 30, 2023 were as follows:

	Police and Fire Retirement System	MERS Plan	Total
Total pension liability	\$ 259,783,601	\$ 156,539,491	\$ 416,323,092
Plan fiduciary net position	(179,142,579)	(129,064,972)	(308,207,551)
City's net pension liability	<u>\$ 80,641,022</u>	<u>\$ 27,474,519</u>	<u>\$ 108,115,541</u>

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, 2022	\$ 255,513,480	\$ 175,735,941	\$ 79,777,539
Changes for the year:			
Service cost	2,853,210	-	2,853,210
Interest	17,428,602	-	17,428,602
Differences between expected and actual experience	2,761,577	-	2,761,577
Contributions - Employer	-	7,994,945	(7,994,945)
Contributions - Employee	-	730,776	(730,776)
Net investment income	-	13,826,658	(13,826,658)
Benefit payments, including refunds	(18,773,268)	(18,773,268)	-
Administrative expenses	-	(372,473)	372,473
Net changes	<u>4,270,121</u>	<u>3,406,638</u>	<u>863,483</u>
Balance at June 30, 2023	<u>\$ 259,783,601</u>	<u>\$ 179,142,579</u>	<u>\$ 80,641,022</u>

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

The plan's fiduciary net position represents 69 percent of the total pension liability.

June 30, 2023

Note 13 - Pension Plans (Continued)**MERS Plan**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2021	\$ 155,906,991	\$ 155,434,861	\$ 472,130
Changes for the year:			
Service cost	584,752	-	584,752
Interest	10,937,694	-	10,937,694
Changes in benefits	929	-	929
Differences between expected and actual experience	(221,623)	-	(221,623)
Contributions - Employer	-	1,414,752	(1,414,752)
Contributions - Employee	-	230,638	(230,638)
Net investment loss	-	(17,067,915)	17,067,915
Benefit payments, including refunds	(10,669,252)	(10,669,252)	-
Administrative expenses	-	(278,112)	278,112
Net changes	632,500	(26,369,889)	27,002,389
Balance at December 31, 2022	<u>\$ 156,539,491</u>	<u>\$ 129,064,972</u>	<u>\$ 27,474,519</u>

Of the total pension liability, \$20,904,526 has been allocated to governmental activities and \$6,569,993 has been allocated to the Water and Sewer Fund.

The plan's fiduciary net position represents 82 percent of the total pension liability.

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

For the year ended June 30, 2023, the City recognized pension expense of \$18,913,275 from all plans, which includes defined contribution plan expense of \$837,807 (employee contributions to defined contribution plans totaled \$386,278).

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,589,950	\$ -
Changes in assumptions	4,416,407	137,596
Net difference between projected and actual earnings on pension plan investments	20,871,816	-
Employer contributions to the plan subsequent to the measurement date	1,243,575	-
Total	<u>\$ 31,121,748</u>	<u>\$ 137,596</u>

Of the net deferred outflows of resources, \$27,519,348 has been allocated to governmental activities and \$3,602,400 has been allocated to the Water and Sewer Fund. Of the net deferred inflows of resources, all \$137,596 has been allocated to governmental activities.

June 30, 2023

Note 13 - Pension Plans (Continued)

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 \$1,243,575 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
2024	\$ 6,494,217
2025	6,257,236
2026	11,774,684
2027	5,214,440
Total	<u>\$ 29,740,577</u>

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:

	Police and Fire Retirement System	MERS Plan
Inflation	3.00%	3.00%
Salary increases (including inflation)	3.25% - 8.00%	3.25% - 9.70%
Investment rate of return (net of investment expenses)	7.00%	7.25%
Mortality rates	PubS-2010 Mortality Tables	PubS-2010 Mortality Tables

The actuarial assumptions used in the December 31, 2022 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.

	Police and Fire Retirement System	MERS Plan
Assumed investment rate of return	7.00%	7.25%
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	7.00%	7.25%

June 30, 2023

Note 13 - Pension Plans (Continued)***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.

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, 2023:

Police and Fire Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	20.00 %	0.70 %
Equities	60.00	5.80
Real estate	7.50	0.70
Other	12.50	3.82

MERS Plan

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

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	\$ 110,053,698	\$ 80,641,022	\$ 55,597,469
Net pension liability of the MERS plan	44,670,376	27,474,519	13,056,865

June 30, 2023

Note 13 - Pension Plans (Continued)***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.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on Police and Fire Retirement System investments, net of pension plan investment expense, was 7.90 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 7.0 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, 2023 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 212,849,396	\$ 172,117,496
Employee reserve	7,025,083	7,025,083
Total	<u>\$ 219,874,479</u>	<u>\$ 179,142,579</u>

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.

June 30, 2023

Note 14 - Other Postemployment Benefit Plan (Continued)

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.

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, 2023
Inactive plan members or beneficiaries currently receiving benefits	467
Inactive plan members entitled to but not yet receiving benefits	77
Active plan members	219
Total plan members	763

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, 2023, the City made payments for postemployment health benefit premiums of \$8,348,610 plus prefunded contributions of \$1,186,133.

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, 2023 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, 2023 measurement date. The June 30, 2023 measurement date total OPEB liability was determined by an actuarial valuation performed as of that date.

June 30, 2023

Note 14 - Other Postemployment Benefit Plan (Continued)

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, 2022	\$ 119,485,840	\$ 2,111,047	\$ 117,374,793
Changes for the year:			
Service cost	429,986	-	429,986
Interest	7,782,391	-	7,782,391
Changes in benefits	(184,152)	-	(184,152)
Differences between expected and actual experience	(18,814,903)	-	(18,814,903)
Changes in assumptions	2,634,865	-	2,634,865
Contributions - Employer	-	9,534,743	(9,534,743)
Net investment income	-	199,262	(199,262)
Benefit payments, including refunds	(8,348,610)	(8,348,610)	-
Administrative expenses	-	(5,101)	5,101
Net changes	(16,500,423)	1,380,294	(17,880,717)
Balance at June 30, 2023	<u>\$ 102,985,417</u>	<u>\$ 3,491,341</u>	<u>\$ 99,494,076</u>

Of the net OPEB liability, \$87,011,424 has been allocated to governmental activities and \$12,482,652 has been allocated to the Water and Sewer Fund.

The plan's fiduciary net position represents 3 percent of the total OPEB liability.

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

For the year ended June 30, 2023, the City recognized an OPEB cost recovery of \$8,153,821.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 874,478	\$ 16,128,940
Changes in assumptions	1,756,576	5,280,520
Net difference between projected and actual earnings on OPEB plan investments	117,310	-
Total	<u>\$ 2,748,364</u>	<u>\$ 21,409,460</u>

June 30, 2023

Note 14 - Other Postemployment Benefit Plan (Continued)

Of the net deferred outflows of resources, \$2,403,550 has been allocated to governmental activities and \$344,814 has been allocated to the Water and Sewer Fund.

Of the net deferred inflows of resources, \$18,723,402 has been allocated to governmental activities and \$2,686,058 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
2024	\$ (13,355,843)
2025	(5,374,409)
2026	69,891
2027	(735)
Total	<u>\$ (18,661,096)</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2023 was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 3.00 percent to 6.70 percent; an assumed investment rate of return of 6.80 percent; a health care cost trend rate of 7.50 percent for 2024, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2032 and later years; and the Pub-2010 Mortality Tables using Scale MP-2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.59 percent. The projection of cash flows used to determine the discount rate assumed that the City will continue making annual \$500,000 prefunding contributions to the trust, increasing to \$3 million annually starting in 2035 and \$6 million annually starting in 2040. It is also assumed that pay-as-you-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. Therefore, the discount rate was determined by blending the long-term expected rate of return on OPEB plan investments of 6.80 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, 2023.

June 30, 2023

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, 2023 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	4.50 %
Global fixed income	2.00
Private investments	7.00

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 6.59 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 (5.59%)	Current Discount Rate (6.59%)	1 Percentage Point Increase (7.59%)
Net OPEB liability of the City of Westland Retiree Health Care Plan	\$ 112,032,383	\$ 99,494,076	\$ 89,144,121

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 7.50 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 (6.5%)	Current Health Care Cost Trend Rate (7.5%)	1 Percentage Point Increase (8.5%)
Net OPEB liability of the City of Westland Retiree Health Care Plan	\$ 89,301,261	\$ 99,494,076	\$ 111,796,558

Assumption Changes

The City of Westland Retiree Health Care Plan changed its actuarial assumptions from the previous actuarial valuation as follows: the discount rate was decreased from 6.72 to 6.59 percent, the mortality improvement scale was updated from MP-2020 to MP-2021, and the health care cost trend rates were reset.

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, 2023:

Asset Class	Target Allocation
Global equity	60.00 %
Global fixed income	20.00
Private investments	20.00

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 7.46 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, 2023

Note 15 - Fair Value Measurements (Continued)

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

	Assets Measured at Fair Value on a Recurring Basis			
	Balance at June 30, 2023	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	\$ 7,539,122	\$ 7,539,122	\$ -	\$ -
Closed-end MF - Equity	7,657,115	7,657,115	-	-
Open-end MF - Equity	28,991,995	28,991,995	-	-
Common stock	44,168,444	44,168,444	-	-
Corporate bonds	2,211,399	-	2,211,399	-
Foreign bonds	3,978,344	3,978,344	-	-
Mortgage-backed securities	5,106,000	-	5,106,000	-
Municipal obligations	5,619,250	-	5,619,250	-
Private placements	98,553	-	98,553	-
Real estate investment trusts	719,518	719,518	-	-
U.S. federal agencies	344,460	344,460	-	-
U.S. government obligations	8,174,615	8,174,615	-	-
Mutual funds under securities lending agreements	703,962	-	-	703,962
Total investments measured at fair value	\$ 115,312,777	\$ 101,573,613	\$ 13,035,202	\$ 703,962

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, 2023 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, 2023 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, 2023

Note 15 - Fair Value Measurements (Continued)

As of June 30, 2023, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Collective investment funds (CIF) -				
Equity	\$ 11,008,073	\$ -	None	None
MERS Total Market Portfolio	3,491,341	-	None	None
CIF - Fixed income	18,191,380	-	None	None
Partnership alternative investment	2,561,213	-	None	None
Closely held equity	29,035,331	-	None	None
Total investments measured at NAV	<u>\$ 64,287,338</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 partnership alternative investment 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, 2023, the City's property tax revenue was reduced by \$173,486 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.

June 30, 2023

Note 17 - Pension and Other Employee Benefit Trust Funds

The following are condensed financial statements for the individual pension plans and postemployment health care plans:

	Police and Fire Retirement System	Other Postemployment Benefits	Total
Statement of Net Position			
Cash and investments	\$ 179,550,037	\$ 3,491,341	\$ 183,041,378
Other assets	296,504	-	296,504
Liabilities	(703,962)	-	(703,962)
Net position	<u>\$ 179,142,579</u>	<u>\$ 3,491,341</u>	<u>\$ 182,633,920</u>
Statement of Changes in Net Position			
Investment income	\$ 13,826,658	\$ 199,262	\$ 14,025,920
Contributions	8,725,721	9,534,743	18,260,464
Benefit payments	(18,773,268)	(8,348,610)	(27,121,878)
Other deductions	(372,473)	(5,101)	(377,574)
Net change in net position	<u>\$ 3,406,638</u>	<u>\$ 1,380,294</u>	<u>\$ 4,786,932</u>

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance with Amended Budget
Revenue				
Property taxes	\$ 33,209,753	\$ 33,252,660	\$ 33,641,260	\$ 388,600
Intergovernmental:				
Federal grants	2,476,165	2,035,554	2,031,957	(3,597)
State sources	11,329,431	13,513,969	13,279,758	(234,211)
Charges for services	10,019,160	10,716,699	9,756,136	(960,563)
Court fines and fees	5,000,000	4,327,143	4,340,338	13,195
Licenses and permits	1,519,280	1,396,278	1,293,082	(103,196)
Interest income	50,000	672,379	814,172	141,793
Other revenue:				
Local sources	1,080,010	920,215	1,031,721	111,506
Other income	4,008,507	4,485,430	4,675,866	190,436
Cable franchise fees	1,500,000	1,500,000	1,337,635	(162,365)
Total revenue	70,192,306	72,820,327	72,201,925	(618,402)
Expenditures				
Current:				
General government:				
Legislative	153,067	153,067	141,865	11,202
Executive	647,779	686,094	686,091	3
Computer information systems	1,126,309	1,052,858	945,247	107,611
Law	900,000	900,000	957,446	(57,446)
Finance	1,361,888	1,361,888	1,333,695	28,193
Assessing	565,513	565,513	564,916	597
City clerk	1,032,597	1,054,616	1,031,056	23,560
Buildings and grounds	669,035	1,167,464	1,229,862	(62,398)
Insurance	1,900,000	1,807,265	1,601,210	206,055
Personnel	603,621	631,275	623,292	7,983
General government	5,150,672	5,452,546	5,034,010	418,536
Motorpool	658,934	983,804	883,687	100,117
Public safety:				
Police	20,672,605	21,322,201	21,232,424	89,777
Fire	16,596,194	17,409,963	17,481,532	(71,569)
Police and fire retirement board	25,000	25,000	25,000	-
District court	3,427,826	3,380,041	3,326,142	53,899
Sanitation	6,024,185	5,028,964	4,860,783	168,181
Community and economic development:				
Building and planning	1,514,625	1,388,251	1,394,444	(6,193)
Neighborhood services	471,226	544,662	477,102	67,560
Economic development	369,047	288,909	277,209	11,700
Community development	708,212	708,212	651,117	57,095
Youth assistance program	664,144	883,514	943,752	(60,238)
Housing	442,530	442,530	440,890	1,640
Recreation and culture:				
Parks and recreation	677,228	686,363	748,059	(61,696)
Cable	537,183	537,183	520,731	16,452
Ice arena	354,128	354,128	350,124	4,004
Senior resources	479,091	490,818	467,248	23,570
Golf course	374,605	403,021	393,348	9,673
Debt service	3,483,372	3,483,427	3,483,448	(21)
Total expenditures	71,590,616	73,193,577	72,105,730	1,087,847
Excess of Revenue (Under) Over Expenditures	(1,398,310)	(373,250)	96,195	469,445

Required Supplementary Information
Budgetary Comparison Schedule
General Fund (Continued)

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance with Amended Budget
Other Financing Sources (Uses)				
Transfers in	\$ 627,429	\$ 490,914	\$ 490,914	\$ -
Transfers out	(62,957)	(63,450)	(63,450)	-
Proceeds from sale of capital assets	850,000	151,100	4,996	(146,104)
Total other financing sources	1,414,472	578,564	432,460	(146,104)
Net Change in Fund Balance	16,162	205,314	528,655	323,341
Fund Balance - Beginning of year	11,700,278	11,700,278	11,700,278	-
Fund Balance - End of year	<u><u>\$ 11,716,440</u></u>	<u><u>\$ 11,905,592</u></u>	<u><u>\$ 12,228,933</u></u>	<u><u>\$ 323,341</u></u>

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

	Last Ten Fiscal Years									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 2,853,210	\$ 2,923,792	\$ 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	17,428,602	16,988,188	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	2,761,577	4,468,080	1,138,907	436,644	(5,134,694)	1,477,290	1,224,995	6,992,130	8,888,109	-
Changes in assumptions	-	8,832,814	(550,383)	4,884,647	-	-	5,107,777	-	-	-
Benefit payments, including refunds	(18,773,268)	(18,190,851)	(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	4,270,121	15,022,023	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	255,513,480	240,491,457	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	\$ 259,783,601	\$ 255,513,480	\$ 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	\$ 7,994,945	\$ 8,273,045	\$ 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	730,776	703,488	902,404	748,341	670,772	640,248	714,843	537,081	326,793	116,709
Net investment income (loss)	13,826,658	(25,376,871)	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	(372,473)	(394,002)	(400,631)	(384,887)	(141,692)	(28,252)	(73,345)	-	-	-
Benefit payments, including refunds	(18,773,268)	(18,190,851)	(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	3,406,638	(34,985,191)	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	175,735,941	210,721,132	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	\$ 179,142,579	\$ 175,735,941	\$ 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	\$ 80,641,022	\$ 79,777,539	\$ 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	68.96 %	68.94 %	87.62 %	70.60 %	73.38 %	72.02 %	70.05 %	67.25 %	75.31 %	81.93 %
Covered Payroll	\$ 12,368,135	\$ 11,842,895	\$ 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	652.01 %	670.20 %	254.60 %	585.23 %	515.71 %	556.36 %	564.00 %	639.17 %	560.69 %	348.02 %

Required Supplementary Information

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 584,752	\$ 644,037	\$ 690,398	\$ 803,087	\$ 965,487	\$ 1,068,106	\$ 1,220,236	\$ 1,301,083	\$ 1,373,374
Interest	10,937,694	10,997,755	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	929	-	-	-	4,677	-	(6,338)	-	-
Differences between expected and actual experience	(221,623)	(361,176)	220,372	(1,198,986)	(257,191)	132,393	-	(109,173)	-
Changes in assumptions	-	5,425,479	5,489,286	5,078,924	-	-	(465,111)	6,359,502	-
Benefit payments, including refunds	(10,669,252)	(10,356,163)	(9,990,167)	(9,573,429)	(9,308,562)	(8,818,642)	(8,498,066)	(8,334,206)	(7,865,543)
Miscellaneous other charges	-	(12,591)	(2,026)	(58,443)	(21,038)	(8,903)	-	-	-
Net Change in Total Pension Liability	632,500	6,337,341	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	155,906,991	149,569,650	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	\$ 156,539,491	\$ 155,906,991	\$ 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	\$ 1,414,752	\$ 83,645,306	\$ 7,531,477	\$ 6,768,950	\$ 6,715,660	\$ 6,005,409	\$ 5,316,066	\$ 5,168,527	\$ 5,699,179
Contributions - Member	230,638	217,117	254,324	280,952	323,168	336,048	343,428	362,187	299,758
Net investment (loss) income	(17,067,915)	18,555,651	7,909,068	7,102,808	(2,210,597)	6,931,136	5,651,194	(788,058)	3,253,267
Administrative expenses	(278,112)	(208,956)	(114,271)	(122,280)	(110,848)	(109,763)	(111,691)	(117,289)	(120,757)
Benefit payments, including refunds	(10,669,252)	(10,356,163)	(9,990,167)	(9,573,429)	(9,308,562)	(8,818,642)	(8,498,066)	(8,332,862)	(7,865,543)
Miscellaneous other charges	-	(12,591)	(2,024)	(58,443)	(21,038)	(8,902)	-	-	-
Net Change in Plan Fiduciary Net Position	(26,369,889)	91,840,364	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	155,434,861	63,594,497	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	\$ 129,064,972	\$ 155,434,861	\$ 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	\$ 27,474,519	\$ 472,130	\$ 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	82.45 %	99.70 %	42.52 %	40.66 %	39.13 %	43.08 %	40.67 %	39.34 %	45.29 %
Covered Payroll	\$ 3,234,320	\$ 3,870,250	\$ 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	849.47 %	12.20 %	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.

Required Supplementary Information
Schedule of MERS Contributions

Last Ten Fiscal Years Years Ended June 30										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,259,753	\$ 797,148	\$ 5,735,043	\$ 6,914,328	\$ 6,308,208	\$ 6,673,116	\$ 5,249,635	\$ 4,959,882	\$ 4,840,206	\$ 4,366,557
Contributions in relation to the actuarially determined contribution	2,259,753	797,148	87,361,879	6,914,328	6,308,208	6,973,118	5,387,425	5,130,452	6,060,338	4,366,557
Contribution Excess	\$ -	\$ -	\$ 81,626,836	\$ -	\$ -	\$ 300,002	\$ 137,790	\$ 170,570	\$ 1,220,132	\$ -
Covered Payroll	\$ 3,624,242	\$ 3,956,516	\$ 4,255,116	\$ 4,701,794	\$ 5,901,535	\$ 6,603,572	\$ 7,243,293	\$ 7,399,002	\$ 6,939,596	\$ 7,555,355
Contributions as a Percentage of Covered Payroll	62.35 %	20.15 %	2,053.10 %	147.06 %	106.89 %	105.60 %	74.38 %	69.34 %	87.33 %	57.79 %

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 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 actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	10 years
Asset valuation method	5-year adjusted market
Inflation	2.50 percent
Salary increase	3.00 percent base wage inflation
Investment rate of return	7.00 percent, net of expenses
Mortality	Pub-2010 tables

Required Supplementary Information
Schedule of Police and Fire Pension Contributions

	Last Ten Fiscal Years Years Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 7,994,945	\$ 8,267,693	\$ 7,595,440	\$ 6,930,726	\$ 7,597,694	\$ 7,398,670	\$ 6,841,964	\$ 6,717,939	\$ 6,693,504	\$ 5,813,007
Contributions in relation to the actuarially determined contribution	7,994,945	8,273,045	7,595,440	6,930,726	7,597,694	7,398,670	6,879,391	6,717,939	6,693,504	5,813,007
Contribution Excess	\$ -	\$ 5,352	\$ -	\$ -	\$ -	\$ -	\$ 37,427	\$ -	\$ -	\$ -
Covered Payroll	\$ 12,368,135	\$ 11,842,895	\$ 11,693,061	\$ 11,946,038	\$ 11,859,736	\$ 11,624,174	\$ 11,976,270	\$ 11,103,002	\$ 9,126,696	\$ 10,198,898
Contributions as a Percentage of Covered Payroll	64.64 %	69.86 %	64.96 %	58.02 %	64.06 %	63.65 %	57.44 %	60.51 %	73.34 %	57.00 %

Notes to Schedule of Police and Fire Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially 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	16 years
Asset valuation method	5-year adjusted market
Inflation	3.00 percent
Salary increase	3.00 percent to 8.00 percent
Investment rate of return	7.00 percent, net of expenses
Mortality	PubS-2010 Mortality with generational improvements projected beginning in 2010 based on Scale MP-2021

City of Westland, Michigan

Required Supplementary Information Schedule of Police and Fire Pension Investment Returns

	Last Nine Fiscal Years Years Ended June 30								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return - Net of investment expense	7.90 %	(12.16)%	31.52 %	5.35 %	5.67 %	8.89 %	15.10 %	(1.02)%	2.51 %

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

	Last Six Fiscal Years					
	2023	2022*	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 429,986	\$ 650,596	\$ 860,271	\$ 857,027	\$ 1,586,539	\$ 1,655,744
Interest	7,782,391	8,136,092	8,053,872	8,749,405	8,975,503	8,886,490
Changes in benefit terms	(184,152)	-	(8,323)	(2,497)	1,594,300	-
Differences between expected and actual experience	(18,814,903)	(10,757,015)	3,497,912	(13,580,746)	(32,726,237)	(10,807,734)
Changes in assumptions	2,634,865	(13,408,388)	(3,244,226)	3,033,667	(38,358,088)	(10,890,391)
Benefit payments, including refunds	(8,348,610)	(7,777,286)	(7,311,804)	(8,065,144)	(8,070,396)	(8,048,550)
Net Change in Total OPEB Liability	(16,500,423)	(23,156,001)	1,847,702	(9,008,288)	(66,998,379)	(19,204,441)
Total OPEB Liability - Beginning of year*	119,485,840	142,641,841	156,742,769	165,751,057	232,749,436	251,953,877
Total OPEB Liability - End of year	<u><u>\$ 102,985,417</u></u>	<u><u>\$ 119,485,840</u></u>	<u><u>\$ 158,590,471</u></u>	<u><u>\$ 156,742,769</u></u>	<u><u>\$ 165,751,057</u></u>	<u><u>\$ 232,749,436</u></u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 9,534,743	\$ 8,277,286	\$ 7,811,804	\$ 8,565,144	\$ 8,570,396	\$ -
Net investment income (loss)	199,262	(204,674)	329,841	(10,846)	4,234	-
Administrative expenses	(5,101)	(3,672)	(2,636)	(1,200)	-	-
Benefit payments, including refunds	(8,348,610)	(7,777,286)	(7,311,804)	(8,065,144)	(8,070,396)	-
Net Change in Plan Fiduciary Net Position	1,380,294	291,654	827,205	487,954	504,234	-
Plan Fiduciary Net Position - Beginning of year	2,111,047	1,819,393	992,188	504,234	-	-
Plan Fiduciary Net Position - End of year	<u><u>\$ 3,491,341</u></u>	<u><u>\$ 2,111,047</u></u>	<u><u>\$ 1,819,393</u></u>	<u><u>\$ 992,188</u></u>	<u><u>\$ 504,234</u></u>	<u><u>\$ -</u></u>
Net OPEB Liability - Ending	<u><u>\$ 99,494,076</u></u>	<u><u>\$ 117,374,793</u></u>	<u><u>\$ 156,771,078</u></u>	<u><u>\$ 155,750,581</u></u>	<u><u>\$ 165,246,823</u></u>	<u><u>\$ 232,749,436</u></u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	3.39 %	1.77 %	1.15 %	0.63 %	0.30 %	- %
Covered-employee Payroll	\$ 15,015,030	\$ 15,496,826	\$ 17,902,680	\$ 17,516,549	\$ 17,055,664	\$ 15,083,255
Total OPEB Liability as a Percentage of Covered-employee Payroll	662.63 %	757.41 %	875.68 %	889.16 %	968.87 %	1,543.10 %

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

*2022 beginning of year total OPEB liability was restated to correct an error in previous measurements.

See notes to required supplementary information.

Required Supplementary Information
Schedule of OPEB Contributions

Last Ten Fiscal Years Years Ended June 30										
	2023	2022	2021	2020	2019	2018*	2017	2016	2015	2014
Actuarially determined contribution	\$ 9,967,213	\$ 11,900,952	\$ 11,304,394	\$ 11,987,116	\$ 13,467,910	\$ -	\$ 14,532,590	\$ 14,532,590	\$ 14,532,590	\$ 13,821,250
Contributions in relation to the actuarially determined contribution	9,534,743	8,277,286	7,811,804	8,565,144	8,570,396	-	7,943,997	7,822,651	7,223,809	6,203,861
Contribution Deficiency	\$ (432,470)	\$ (3,623,666)	\$ (3,492,590)	\$ (3,421,972)	\$ (4,897,514)	\$ -	\$ (6,588,593)	\$ (6,709,939)	\$ (7,308,781)	\$ (7,617,389)
Covered-employee Payroll	\$ 15,015,030	\$ 15,496,826	\$ 17,902,680	\$ 17,516,549	\$ 17,055,664	\$ 15,083,255	\$ 15,247,849	\$ 15,247,849	\$ 15,247,849	\$ 15,531,926
Contributions as a Percentage of Covered-employee Payroll	63.50 %	53.41 %	43.63 %	48.90 %	50.25 %	- %	52.10 %	51.30 %	47.38 %	39.94 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2023

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	26 years
Asset valuation method	Fair market value
Salary increase	3.00 percent
Investment rate of return	6.80 percent
Mortality	Pub-2010 tables with Scale MP-2021
Other information*	In 2018, no contributions in relation to the actuarially determined contribution are shown, as there was no actuarially determined contribution.

Required Supplementary Information
Schedule of OPEB Investment Returns

	Last Six Fiscal Years Years Ended June 30					
	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return - Net of investment expense	7.46 %	(8.24)%	28.19 %	2.36 %	2.97 %	7.78 %

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

June 30, 2023

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, 2023 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 (Uses) Sources
Amounts per operating statement	\$ 79,288,824	\$ 78,613,443	\$ (27,621)
E-911 Fund	(475,364)	(3,499)	450,000
Metro Act - Broadband Fund	(397,986)	(290,665)	10,081
ARPA Fund	(6,213,549)	(6,213,549)	-
Amounts per budget statement	<u>\$ 72,201,925</u>	<u>\$ 72,105,730</u>	<u>\$ 432,460</u>

Excess of Expenditures Over Appropriations in General Fund

	Budget	Actual	Variance
Law	\$ 900,000	\$ 957,446	\$ (57,446)
Building and grounds	1,167,464	1,229,862	(62,398)
Fire	17,409,963	17,481,532	(71,569)
Building and planning	1,388,251	1,394,444	(6,193)
Youth assistance program	883,514	943,752	(60,238)
Parks and recreation	686,363	748,059	(61,696)
Debt service	3,483,427	3,483,448	(21)

Pension Information

Changes in Assumptions

MERS Plan

During the year ended June 30, 2022, the investment rate of return was reduced from 7.60 percent to 7.25 percent.

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.

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.

June 30, 2023

During the year ended June 30, 2016, the 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.

Police and Fire Retirement System

During the year ended June 30, 2022, the assumed rate of return was decreased from 7.25 percent to 7.00 percent and assumed inflation was increased from 2.75 percent to 3.00 percent.

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 mortality tables were updated from the RP-2000 tables to the RP-2014 tables.

OPEB Information

Changes in Assumptions

During the year ended June 30, 2023, the discount rate was decreased from 6.72 to 6.59 percent, the mortality improvement scale was updated from MP-2020 to MP-2021, and the health care cost trend rates were reset.

During the year ended June 30, 2022, the discount rate was increased from 5.85 to 6.72 percent and the health care cost trend rate starting point was decreased from 8.00 percent to 7.50 percent.

During the year ended June 30, 2021, 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 the RPH-2018 tables using Scale MP-2018 to the 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 the 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 the 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 Supplementary 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	\$ 4,967,333	\$ -	\$ 197,094	\$ 939,378	\$ 281,597
Receivables - Net	1,201,314	448,630	488,331	-	-
Due from other funds	-	2,630,101	-	-	-
Inventory	26,371	91,146	-	-	-
Prepaid expenses	6,345	15,288	610	604,266	4,196
Land held for resale	-	-	1,503,722	-	-
Total assets	<u><u>\$ 6,201,363</u></u>	<u><u>\$ 3,185,165</u></u>	<u><u>\$ 2,189,757</u></u>	<u><u>\$ 1,543,644</u></u>	<u><u>\$ 285,793</u></u>
Liabilities					
Accounts payable	\$ 162,984	\$ 1,121,709	\$ 106,579	\$ 116,404	\$ 914
Due to other funds	2,805,017	602,564	579,457	-	-
Accrued liabilities and other	-	-	-	14,086	-
Total liabilities	2,968,001	1,724,273	686,036	130,490	914
Deferred Inflows of Resources -					
Unavailable revenue	-	-	150,439	-	-
Total liabilities and deferred inflows of resources	2,968,001	1,724,273	836,475	130,490	914
Fund Balances					
Nonspendable - Prepaids and inventory	32,716	106,434	610	604,266	4,196
Restricted:					
Roads	3,200,646	1,354,458	-	-	-
Community development	-	-	1,352,672	-	-
Drug forfeiture	-	-	-	-	280,683
Street lighting	-	-	-	808,888	-
Committed - Court capital projects	-	-	-	-	-
Assigned - Capital projects	-	-	-	-	-
Total fund balances	<u>3,233,362</u>	<u>1,460,892</u>	<u>1,353,282</u>	<u>1,413,154</u>	<u>284,879</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 6,201,363</u></u>	<u><u>\$ 3,185,165</u></u>	<u><u>\$ 2,189,757</u></u>	<u><u>\$ 1,543,644</u></u>	<u><u>\$ 285,793</u></u>

Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

Special Revenue Funds	Capital Project Funds		
Michigan Indigent Defense Commission	Capital Project	Court Building	Total
\$ 64,923	\$ 854,532	\$ 337,613	\$ 7,642,470
15,238	-	-	2,153,513
-	-	8,551	2,638,652
-	-	-	117,517
-	63,681	-	694,386
-	-	-	1,503,722
\$ 80,161	\$ 918,213	\$ 346,164	\$ 14,750,260
\$ 43,275	\$ 18,425	\$ -	\$ 1,570,290
36,886	46,512	-	4,070,436
-	-	-	14,086
80,161	64,937	-	5,654,812
-	-	-	150,439
80,161	64,937	-	5,805,251
-	63,681	-	811,903
-	-	-	4,555,104
-	-	-	1,352,672
-	-	-	280,683
-	-	-	808,888
-	-	346,164	346,164
-	789,595	-	789,595
-	853,276	346,164	8,945,009
\$ 80,161	\$ 918,213	\$ 346,164	\$ 14,750,260

City of Westland, Michigan

	Special Revenue Funds				
	Major Road	Local Road	Community Development Block Grant	Street Lighting	Drug Forfeiture
Revenue					
Special assessments	\$ -	\$ -	\$ -	\$ 1,653,887	\$ -
Intergovernmental:					
Federal grants	58,993	-	2,374,102	-	-
State sources	7,050,299	2,534,382	-	-	140,548
Court fines and fees	-	-	-	-	-
Interest income	43,617	-	-	10,282	2,393
Other revenue - Other income	94,302	-	-	-	-
Total revenue	7,247,211	2,534,382	2,374,102	1,664,169	142,941
Expenditures					
Current:					
Street lighting	-	-	-	1,420,392	-
Public safety	-	-	-	-	72,649
Highway, streets, and drains	3,737,003	7,714,162	-	-	-
Community and economic development	-	-	2,283,325	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	3,737,003	7,714,162	2,283,325	1,420,392	72,649
Excess of Revenue Over (Under) Expenditures	3,510,208	(5,179,780)	90,777	243,777	70,292
Other Financing Sources (Uses)					
Transfers in	-	5,525,149	-	-	-
Transfers out	(5,525,149)	-	-	(30,833)	-
Total other financing (uses) sources	(5,525,149)	5,525,149	-	(30,833)	-
Net Change in Fund Balances	(2,014,941)	345,369	90,777	212,944	70,292
Fund Balances - Beginning of year	5,248,303	1,115,523	1,262,505	1,200,210	214,587
Fund Balances - End of year	<u>\$ 3,233,362</u>	<u>\$ 1,460,892</u>	<u>\$ 1,353,282</u>	<u>\$ 1,413,154</u>	<u>\$ 284,879</u>

Other Supplementary Information

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2023

Special Revenue Funds	Capital Project Funds		
Michigan Indigent Defense Commission	Capital Project	Court Building	Total
\$ -	\$ -	\$ -	\$ 1,653,887
-	-	-	2,433,095
488,865	-	-	10,214,094
-	-	104,780	104,780
-	26,797	3,343	86,432
-	-	-	94,302
488,865	26,797	108,123	14,586,590
-	-	-	1,420,392
552,315	-	-	624,964
-	-	-	11,451,165
-	-	-	2,283,325
-	1,253,472	-	1,253,472
-	217,211	-	217,211
552,315	1,470,683	-	17,250,529
(63,450)	(1,443,886)	108,123	(2,663,939)
63,450	-	-	5,588,599
-	-	-	(5,555,982)
63,450	-	-	32,617
-	(1,443,886)	108,123	(2,631,322)
-	2,297,162	238,041	11,576,331
\$ -	\$ 853,276	\$ 346,164	\$ 8,945,009

Other Supplementary Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2023

	Pension and Other Employee Benefit Trust Funds			Custodial Funds		
	Police and Fire Retirement System	Other Postemployment Benefits	Total	Tax Collection	District Court	Total
Assets						
Cash and cash equivalents	\$ 317,623	\$ -	\$ 317,623	\$ 210,112	\$ 165,471	\$ 375,583
Investments:						
Municipal obligations	5,619,250	-	5,619,250	-	-	-
CIF - Fixed income	18,191,380	-	18,191,380	-	-	-
U.S. government securities	13,625,075	-	13,625,075	-	-	-
Pooled investments	-	3,491,341	3,491,341	-	-	-
Common stocks	53,795,588	-	53,795,588	-	-	-
Corporate bonds	2,309,952	-	2,309,952	-	-	-
Real estate	719,518	-	719,518	-	-	-
Mutual funds	55,232,358	-	55,232,358	-	-	-
Securities lending - Mutual funds	703,962	-	703,962	-	-	-
Closely held - Equity	29,035,331	-	29,035,331	-	-	-
Receivables:						
Accrued interest receivable	243,122	-	243,122	-	-	-
Pension system contributions receivable	53,382	-	53,382	-	-	-
Total assets	179,846,541	3,491,341	183,337,882	210,112	165,471	375,583
Liabilities						
Due to other governmental units	-	-	-	210,112	114,367	324,479
Deposits and bonds	-	-	-	-	51,104	51,104
Obligations under securities lending agreements	703,962	-	703,962	-	-	-
Total liabilities	703,962	-	703,962	210,112	165,471	375,583
Net Position - Restricted						
Pension	179,142,579	-	179,142,579	-	-	-
Postemployment benefits other than pension	-	3,491,341	3,491,341	-	-	-
Total net position	\$ 179,142,579	\$ 3,491,341	\$ 182,633,920	\$ -	\$ -	\$ -

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

Year Ended June 30, 2023

	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 (loss):						
Interest and dividends	\$ 3,281,501	\$ 199,262	\$ 3,480,763	\$ -	\$ -	\$ -
Net change in fair value of investments	11,338,339	-	11,338,339	-	-	-
Investment costs	(793,182)	-	(793,182)	-	-	-
Net investment income	13,826,658	199,262	14,025,920	-	-	-
Contributions:						
Employer contributions	7,994,945	9,534,743	17,529,688	-	-	-
Employee contributions	730,776	-	730,776	-	-	-
Total contributions	8,725,721	9,534,743	18,260,464	-	-	-
Fines, fees, and bonds	-	-	-	-	1,915,191	1,915,191
Property tax collections	-	-	-	66,878,838	-	66,878,838
Total additions	22,552,379	9,734,005	32,286,384	66,878,838	1,915,191	68,794,029
Deductions						
Benefit payments	18,773,268	8,348,610	27,121,878	-	-	-
Administrative expenses	372,473	5,101	377,574	-	-	-
District court distributions	-	-	-	-	1,915,191	1,915,191
Property tax distributions to other governments	-	-	-	66,878,838	-	66,878,838
Total deductions	19,145,741	8,353,711	27,499,452	66,878,838	1,915,191	68,794,029
Net Change in Fiduciary Net Position	3,406,638	1,380,294	4,786,932	-	-	-
Net Position - Beginning of year	175,735,941	2,111,047	177,846,988	-	-	-
Net Position - End of year	\$ 179,142,579	\$ 3,491,341	\$ 182,633,920	\$ -	\$ -	\$ -

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

June 30, 2023

	Library	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 2,637,228	\$ -	\$ 2,637,228
Receivables - Net	139,824	-	139,824
Prepaid expenses	119,635	-	119,635
Other current assets	8,194	-	8,194
Deposits held by third parties	25,214	-	25,214
Capital assets - Depreciable - Net	-	1,333,761	1,333,761
Total assets	\$ 2,930,095	1,333,761	4,263,856
Liabilities			
Accounts payable	\$ 845,478	-	845,478
Due to primary government	283,498	-	283,498
Accrued liabilities and other	132,040	-	132,040
Noncurrent liabilities:			
Due within one year:			
Compensated absences	-	13,925	13,925
Provision for claims	-	48,903	48,903
Due in more than one year:			
Compensated absences	-	2,905	2,905
Provision for claims	-	51,564	51,564
Total liabilities	1,261,016	117,297	1,378,313
Deferred Inflows of Resources - Unavailable revenue	84,429	(84,429)	-
Total liabilities and deferred inflows of resources	1,345,445	32,868	1,378,313
Equity			
Fund balance:			
Nonspendable - Prepaid expenses	119,635	(119,635)	-
Unassigned	1,465,015	(1,465,015)	-
Total fund balance	1,584,650	(1,584,650)	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,930,095		
Net position:			
Net investment in capital assets		1,333,761	1,333,761
Unrestricted		1,551,782	1,551,782
Total net position		\$ 2,885,543	\$ 2,885,543

City of Westland, Michigan

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

Year Ended June 30, 2023

	Library	Adjustments	Statement of Activities
Revenue			
Property taxes	\$ 3,183,461	\$ -	\$ 3,183,461
Intergovernmental	248,647	(9,123)	239,524
Interest income	132,710	-	132,710
Other revenue	41,475	-	41,475
Total revenue	3,606,293	(9,123)	3,597,170
Expenditures			
Recreation and culture, including depreciation	3,111,715	292,896	3,404,611
Capital outlay	4,381,172	(170,087)	4,211,085
Total expenditures	7,492,887	122,809	7,615,696
Net Change in Fund Balance/Net Position	(3,886,594)	(131,932)	(4,018,526)
Fund Balance/Net Position - Beginning of year	5,471,244	1,432,825	6,904,069
Fund Balance/Net Position - End of year	\$ 1,584,650	\$ 1,300,893	\$ 2,885,543