
City of Westland, Michigan

Financial Report with Supplementary Information June 30, 2024

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-7
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9-10
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	11
Reconciliation of the Balance Sheet to the Statement of Net Position	12
Statement of Revenue, Expenditures, and Changes in Fund Balances	13
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	14
Proprietary Fund:	
Statement of Net Position	15
Statement of Revenue, Expenses, and Changes in Net Position	16
Statement of Cash Flows	17
Fiduciary Funds:	
Statement of Fiduciary Net Position	18
Statement of Changes in Fiduciary Net Position	19
Component Units:	
Statement of Net Position	20
Statement of Activities	21-22
Notes to Financial Statements	23-56
Required Supplementary Information	57
Budgetary Comparison Schedule - General Fund	58-59
Schedule of Changes in the Police and Fire Net Pension Liability and Related Ratios	60
Schedule of Changes in the MERS Net Pension (Asset) Liability and Related Ratios	61
Schedule of MERS Contributions	62
Schedule of Police and Fire Pension Contributions	63
Schedule of Police and Fire Pension Investment Returns	64
Schedule of Changes in the Net OPEB Liability and Related Ratios	65
Schedule of OPEB Contributions	66
Schedule of OPEB Investment Returns	67
Notes to Required Supplementary Information	68-69
Supplementary Information	70
Nonmajor Governmental Funds:	
Combining Balance Sheet	71-72
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	73-74
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position	75
Combining Statement of Changes in Fiduciary Net Position	76
Component Unit:	
Statement of Net Position/Governmental Fund Balance Sheet - Library	77
Statement of Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities - Library	78

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, 2024 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, 2024 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.

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 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 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 12, 2024 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 & Moran, PLLC

December 12, 2024

City of Westland, Michigan

Management's Discussion and Analysis

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, 2024 and should be read in conjunction with the City's financial statements.

Financial Highlights

- 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. To address pension obligations, the City issued pension obligation bonds to partially fund the MERS Pension Plan and reduce future annual required contributions during the fiscal year ended June 30, 2021. Additionally, in the current year, the City received approximately \$26.1 million through the Protecting MI Pension Grant from the State of Michigan, which provided further funding for the MERS Pension Plan. As a result of these contributions, the MERS Pension Plan is now 102 percent funded as of the fiscal year ended June 30, 2024.
- Many capital outlay items were purchased throughout the year, including many improvements throughout the City's parks, buildings, equipment, public safety equipment and vehicles, and highway maintenance equipment.
- Approximately \$10.1 million was invested in various road and sidewalk projects during the fiscal year. These projects included pavement milling and resurfacing, as well as joint and crack sealing on select roads to extend their lifespan.

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	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 44,414,559	\$ 46,012,389	\$ 30,300,530	\$ 29,269,733	\$ 74,715,089	\$ 75,282,122
Capital assets	<u>166,097,384</u>	<u>168,207,249</u>	<u>83,585,028</u>	<u>84,433,168</u>	<u>249,682,412</u>	<u>252,640,417</u>
Total assets	210,511,943	214,219,638	113,885,558	113,702,901	324,397,501	327,922,539
Deferred Outflows of Resources						
	15,206,002	29,922,898	1,931,631	3,947,214	17,137,633	33,870,112
Liabilities						
Current liabilities	15,936,033	23,144,092	3,372,773	3,601,423	19,308,806	26,745,515
Noncurrent liabilities	<u>230,956,026</u>	<u>261,590,631</u>	<u>41,048,528</u>	<u>49,570,885</u>	<u>272,004,554</u>	<u>311,161,516</u>
Total liabilities	246,892,059	284,734,723	44,421,301	53,172,308	291,313,360	337,907,031
Deferred Inflows of Resources						
	6,159,748	18,860,998	873,954	2,686,058	7,033,702	21,547,056
Net Position (Deficit)						
Net investment in capital assets	164,173,770	165,844,865	73,035,550	72,964,427	237,209,320	238,809,292
Restricted	13,270,551	12,592,331	-	-	13,270,551	12,592,331
Unrestricted	<u>(204,778,183)</u>	<u>(237,890,381)</u>	<u>(2,513,616)</u>	<u>(11,172,678)</u>	<u>(207,291,799)</u>	<u>(249,063,059)</u>
Total net position (deficit)	\$ (27,333,862)	\$ (59,453,185)	\$ 70,521,934	\$ 61,791,749	\$ 43,188,072	\$ 2,338,564

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 \$204,778,183 and \$2,513,616, 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 \$230,956,026 and \$41,048,528, 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	
	2024	2023	2024	2023	2024	2023
Revenue						
Program revenue:						
Charges for services	\$ 23,219,964	\$ 20,560,791	\$ 33,571,176	\$ 32,973,750	\$ 56,791,140	\$ 53,534,541
Operating grants	42,734,222	23,362,115	6,261,777	537,111	48,995,999	23,899,226
Capital grants and contributions	2,892,394	4,592,595	710,610	480,091	3,603,004	5,072,686
General revenue:						
Taxes - Property taxes	35,851,354	33,641,260	-	-	35,851,354	33,641,260
State-shared revenue	11,021,988	10,760,281	-	-	11,021,988	10,760,281
Interest	1,748,968	905,303	695,795	390,585	2,444,763	1,295,888
Other revenue:						
Cable franchise fees	1,165,045	1,337,635	-	-	1,165,045	1,337,635
Gain on sale of fixed assets	-	-	1,425	-	1,425	-
Other miscellaneous income	1,219,710	1,401,973	-	-	1,219,710	1,401,973
Total revenue	119,853,645	96,561,953	41,240,783	34,381,537	161,094,428	130,943,490
Expenses						
General government	12,238,068	11,361,781	-	-	12,238,068	11,361,781
Public safety	43,014,472	40,815,491	-	-	43,014,472	40,815,491
Public works	21,888,654	19,723,325	-	-	21,888,654	19,723,325
Community and economic development	6,355,215	5,684,582	-	-	6,355,215	5,684,582
Recreation and culture	3,036,872	4,055,637	-	-	3,036,872	4,055,637
Interest on long-term debt	1,201,041	1,223,317	-	-	1,201,041	1,223,317
Water and sewer	-	-	32,510,598	31,131,741	32,510,598	31,131,741
Total expenses	87,734,322	82,864,133	32,510,598	31,131,741	120,244,920	113,995,874
Change in Net Position						
Net Position (Deficit) - Beginning of year	(59,453,185)	(73,151,005)	61,791,749	58,541,953	2,338,564	(14,609,052)
Net Position (Deficit) - End of year	\$ (27,333,862)	\$ (59,453,185)	\$ 70,521,934	\$ 61,791,749	\$ 43,188,072	\$ 2,338,564

Governmental Activities

The City's total governmental activity revenue increased by approximately \$23.3 million. The increase was primarily due to additional operating grants from the Protecting MI Pension Grant and additional property tax revenue.

Expenses increased by approximately \$4.8 million during the year. The increase was primarily due to an increase in the public safety, general government, public works, and community and economic development expense categories offset by lower recreation and culture and interest on long-term debt 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 increased by approximately \$1.6 million, while total operating revenue increased by approximately \$600 thousand compared to the previous year. The increase in revenue primarily relates to additional water and sewer sales.

City of Westland, Michigan

Management's Discussion and Analysis (Continued)

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 2024 is the General Fund.

General Fund Budgetary Highlights

The General Fund's total revenue increased by approximately \$23.1 million. The increase was primarily due to increased property tax revenue, state-shared revenue, the Protecting MI Pension Grant, and other federal and state grants.

The General Fund pays for most of the City's governmental services. The General Fund's total expenditures are approximately \$98.1 million. The most significant expenditures are public safety, which incurred expenditures of approximately \$46.7 million in 2024. 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. Additionally, the General Fund includes expenditures related to the Protecting MI Pension Grant.

The net change in fund balance for the General Fund was an increase of approximately \$777,000.

The fund balance of the General Fund increased from approximately \$12,506,000 to approximately \$13,283,000.

Capital Assets and Debt Administration

As of June 30, 2024, the City had a total of approximately \$249,682,000 invested in a broad range of capital assets, including roads, buildings, police and fire equipment, highway maintenance equipment, and water and sewer lines. A total of approximately \$15,170,000 was capitalized in the current fiscal year.

Debt service makes up approximately 3.17 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, 2025 reflects a conservative economic outlook. Taxable values increased by approximately 7.02 percent for the 2024 tax year (fiscal year 2024-2025) and are projected to grow by around 5.00 percent for the 2025 tax year (fiscal year 2025-2026). Additionally, the City will maintain its voluntary retiree health care settlement program to further reduce its OPEB liability. The City will closely monitor its financial performance throughout the year and make necessary adjustments as needed.

Contacting the City's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. For additional questions about this report or additional information, requests should be directed to the finance department.

City of Westland, Michigan

Statement of Net Position

June 30, 2024

	Primary Government				Component Units
	Governmental Activities	Business-type Activities	Total		
Assets					
Cash and cash equivalents (Note 3)	\$ 26,249,029	\$ 18,552,289	\$ 44,801,318	\$ 11,062,278	
Receivables - Net (Note 4)	9,349,203	11,172,857	20,522,060	84,681	
Due from component units (Note 6)	891	-	891	-	
Due from primary government (Note 6)	-	-	-	95,900	
Internal balances	554,081	(554,081)	-	-	
Inventory	172,563	254,193	426,756	-	
Prepaid expenses	705,222	125,819	831,041	154,501	
Other current assets	-	-	-	11,305	
Deposits held by third parties	3,729,322	44,733	3,774,055	24,851	
Land held for resale	1,411,961	-	1,411,961	13,283	
Net pension asset (Note 13)	2,242,287	704,720	2,947,007	-	
Capital assets: (Note 5)					
Not being depreciated	4,877,004	-	4,877,004	321,237	
Depreciable - Net	161,220,380	83,585,028	244,805,408	9,671,370	
Total assets	210,511,943	113,885,558	324,397,501	21,439,406	
Deferred Outflows of Resources					
Deferred charges on bond refunding	-	-	-	839,641	
Deferred pension costs (Note 13)	13,721,535	1,718,670	15,440,205	-	
Deferred OPEB costs (Note 14)	1,484,467	212,961	1,697,428	-	
Total deferred outflows of resources	15,206,002	1,931,631	17,137,633	839,641	
Liabilities					
Accounts payable	3,852,727	2,977,219	6,829,946	136,435	
Due to other governmental units	-	1,338	1,338	-	
Due to component units (Note 6)	95,900	-	95,900	-	
Due to primary government (Note 6)	-	-	-	891	
Deposits and bonds	-	56,283	56,283	-	
Accrued liabilities and other	1,904,336	337,933	2,242,269	238,633	
Unearned revenue	10,083,070	-	10,083,070	-	
Noncurrent liabilities:					
Due within one year:					
Compensated absences (Note 7)	6,224,591	267,341	6,491,932	7,323	
Provision for claims (Note 8)	1,118,885	117,360	1,236,245	58,843	
Current portion of long-term debt (Note 7)	2,411,227	1,611,055	4,022,282	1,360,000	
Due in more than one year:					
Compensated absences (Note 7)	4,486,926	38,869	4,525,795	3,352	
Provision for claims (Note 8)	697,968	73,540	771,508	51,330	
Net pension liability (Note 13)	75,046,576	-	75,046,576	-	
Net OPEB liability (Note 14)	84,549,886	12,129,520	96,679,406	-	
Long-term debt - Net of current portion (Note 7)	56,419,967	26,810,843	83,230,810	9,925,000	
Total liabilities	246,892,059	44,421,301	291,313,360	11,781,807	
Deferred Inflows of Resources					
Deferred pension cost reductions (Note 13)	67,774	-	67,774	-	
Deferred OPEB cost reductions (Note 14)	6,091,974	873,954	6,965,928	-	
Total deferred inflows of resources	6,159,748	873,954	7,033,702	-	
Net Position (Deficit)					
Net investment in capital assets	164,173,770	73,035,550	237,209,320	9,657,607	
Restricted:					
Retirement systems	2,400,000	-	2,400,000	-	
Road improvements	4,533,213	-	4,533,213	-	
Other (Note 11)	6,337,338	-	6,337,338	-	
Unrestricted	(204,778,183)	(2,513,616)	(207,291,799)	839,633	
Total net position (deficit)	\$ (27,333,862)	\$ 70,521,934	\$ 43,188,072	\$ 10,497,240	

City of Westland, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 12,238,068	\$ 9,781,920	\$ 21,197,742	\$ -
Public safety	43,014,472	10,096,015	7,616,037	44,319
Public works	21,888,654	2,328,631	10,001,876	120
Community and economic development	6,355,215	-	3,758,155	-
Recreation and culture	3,036,872	1,013,398	160,412	2,847,955
Interest on long-term debt	1,201,041	-	-	-
Total governmental activities	87,734,322	23,219,964	42,734,222	2,892,394
Business-type activities - Water and sewer	32,510,598	33,571,176	6,261,777	710,610
Total primary government	\$ 120,244,920	\$ 56,791,140	\$ 48,995,999	\$ 3,603,004
Component units	\$ 9,321,360	\$ 52,893	\$ 1,382,393	\$ -

General revenue:

Property taxes
 State-shared revenue
 Interest and sundry
 Cable franchise fees
 Gain on sale of capital assets
 Other miscellaneous income

Total general revenue

Change in Net Position

Net Position (Deficit) - Beginning of year

Net Position (Deficit) - End of year

Statement of Activities

Year Ended June 30, 2024

<u>Primary Government</u>			
Governmental Activities	Business-type Activities	Total	Component Units
\$ 18,741,594	-	\$ 18,741,594	-
(25,258,101)	-	(25,258,101)	-
(9,558,027)	-	(9,558,027)	-
(2,597,060)	-	(2,597,060)	-
984,893	-	984,893	-
<u>(1,201,041)</u>	<u>-</u>	<u>(1,201,041)</u>	<u>-</u>
(18,887,742)	-	(18,887,742)	-
 -	 8,032,965	 8,032,965	 -
(18,887,742)	8,032,965	(10,854,777)	-
 -	 -	 -	 (7,886,074)
 35,851,354	 -	 35,851,354	 9,800,629
11,021,988	-	11,021,988	-
1,748,968	695,795	2,444,763	355,858
1,165,045	-	1,165,045	-
-	1,425	1,425	-
<u>1,219,710</u>	<u>-</u>	<u>1,219,710</u>	<u>1,886</u>
<u>51,007,065</u>	<u>697,220</u>	<u>51,704,285</u>	<u>10,158,373</u>
32,119,323	8,730,185	40,849,508	2,272,299
(59,453,185)	61,791,749	2,338,564	8,224,941
\$ (27,333,862)	\$ 70,521,934	\$ 43,188,072	\$ 10,497,240

City of Westland, Michigan

Governmental Funds Balance Sheet

June 30, 2024

	General Fund	Nonmajor Funds	Total Governmental Funds
Assets			
Cash and cash equivalents (Note 3)	\$ 18,584,226	\$ 7,664,803	\$ 26,249,029
Receivables - Net (Note 4)	6,373,445	2,975,758	9,349,203
Due from component units (Note 6)	891	-	891
Due from other funds (Note 6)	503,584	781,844	1,285,428
Inventory	48,993	123,570	172,563
Prepaid expenses	687,011	18,211	705,222
Deposits held by third parties	3,729,322	-	3,729,322
Land held for resale	-	1,411,961	1,411,961
Total assets	\$ 29,927,472	\$ 12,976,147	\$ 42,903,619
Liabilities			
Accounts payable	\$ 2,434,684	\$ 1,418,043	\$ 3,852,727
Due to component units (Note 6)	95,900	-	95,900
Due to other funds (Note 6)	227,763	503,584	731,347
Accrued liabilities and other	1,681,629	12,253	1,693,882
Unearned revenue	10,083,070	-	10,083,070
Total liabilities	14,523,046	1,933,880	16,456,926
Deferred Inflows of Resources - Unavailable revenue	2,121,709	433,902	2,555,611
Total liabilities and deferred inflows of resources	16,644,755	2,367,782	19,012,537
Fund Balances (Note 12)			
Nonspendable	736,004	141,781	877,785
Restricted	4,814,598	7,062,721	11,877,319
Committed	31,542	-	31,542
Assigned	-	3,403,863	3,403,863
Unassigned	7,700,573	-	7,700,573
Total fund balances	13,282,717	10,608,365	23,891,082
Total liabilities, deferred inflows of resources, and fund balances	\$ 29,927,472	\$ 12,976,147	\$ 42,903,619

City of Westland, Michigan

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2024

Fund Balances Reported in Governmental Funds	\$ 23,891,082
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	166,097,384
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	2,555,611
Deferred outflows and inflows of resources related to pension and OPEB are reported in the government-wide statements but not in the governmental funds	9,046,254
Bonds payable and installment purchases are not due and payable in the current period and are not reported in the funds	(58,831,194)
Accrued interest is not due and payable in the current period and is not reported in the funds	(210,454)
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	(10,711,517)
Pension benefits	(72,804,289)
Retiree health care benefits	(84,549,886)
Other long-term liabilities, such as claims and judgments, do not present a claim on current financial resources and are not reported as fund liabilities	<u>(1,816,853)</u>
Net Position (Deficit) of Governmental Activities	<u>\$ (27,333,862)</u>

City of Westland, Michigan

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2024

	General Fund	Nonmajor Funds	Total Governmental Funds
Revenue			
Property taxes	\$ 35,851,354	\$ -	\$ 35,851,354
Special assessments	-	1,692,521	1,692,521
Intergovernmental:			
Federal grants	6,052,505	2,485,051	8,537,556
State sources	33,539,397	11,550,640	45,090,037
Charges for services	11,206,126	-	11,206,126
Court fines and fees	4,949,144	102,948	5,052,092
Licenses and permits	1,305,367	-	1,305,367
Interest income	1,748,726	242	1,748,968
Other revenue:			
Local sources	2,093,892	-	2,093,892
Other income	4,510,147	85,441	4,595,588
Cable franchise fees	1,165,045	-	1,165,045
Total revenue	102,421,703	15,916,843	118,338,546
Expenditures			
Current:			
General government	34,992,724	-	34,992,724
Street lighting	-	2,083,026	2,083,026
Public safety	46,677,539	759,281	47,436,820
Highway, streets, and drains	-	10,072,597	10,072,597
Sanitation	5,545,431	-	5,545,431
Community and economic development	4,513,939	2,558,941	7,072,880
Recreation and culture	2,884,379	-	2,884,379
Capital outlay	-	2,153,324	2,153,324
Debt service	3,487,808	189,768	3,677,576
Total expenditures	98,101,820	17,816,937	115,918,757
Excess of Revenue Over (Under) Expenditures	4,319,883	(1,900,094)	2,419,789
Other Financing Sources (Uses)			
Transfers in (Note 6)	-	7,176,480	7,176,480
Transfers out (Note 6)	(3,563,450)	(3,613,030)	(7,176,480)
Proceeds from sale of capital assets	20,660	-	20,660
Total other financing (uses) sources	(3,542,790)	3,563,450	20,660
Net Change in Fund Balances	777,093	1,663,356	2,440,449
Fund Balances - Beginning of year	12,505,624	8,945,009	21,450,633
Fund Balances - End of year	\$ 13,282,717	\$ 10,608,365	\$ 23,891,082

City of Westland, Michigan

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

Year Ended June 30, 2024

Net Change in Fund Balances Reported in Governmental Funds	\$	2,440,449
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
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	8,995,489	
Depreciation expense	(13,881,638)	
Contributed capital	2,847,955	
Net book value of assets disposed of	(71,671)	
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	921,598	
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	2,470,640	
Change in accrued interest on long-term debt is not recorded in the governmental funds	5,895	
Changes in liabilities for claims and judgments incurred but not reported are not recorded in the governmental funds	(153,571)	
Change in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	(642,974)	
Changes in deferred outflows and inflows of resources related to pension and OPEB are not recorded in the governmental funds	(2,015,646)	
Change in other postemployment benefit liability is not recorded in the governmental funds	2,461,538	
Change in pension liability is not recorded in the governmental funds	28,741,259	
Change in Net Position of Governmental Activities	\$	32,119,323

City of Westland, Michigan

Proprietary Fund Statement of Net Position

June 30, 2024

Water and Sewer
Fund

Assets

Current assets:	
Cash and cash equivalents	\$ 18,552,289
Receivables - Net (Note 4)	11,172,857
Due from other funds (Note 6)	227,763
Inventory	254,193
Prepaid expenses	125,819
Deposits held by third parties	<u>44,733</u>
Total current assets	30,377,654

Noncurrent assets:	
Net pension asset (Note 13)	704,720
Capital assets - Net (Note 5)	<u>83,585,028</u>
Total noncurrent assets	84,289,748

Deferred Outflows of Resources

Deferred pension costs (Note 13)	1,718,670
Deferred OPEB costs (Note 14)	<u>212,961</u>

 Total deferred outflows of resources

1,931,631

Liabilities

Current liabilities:	
Accounts payable	2,977,219
Due to other governmental units	1,338
Due to other funds (Note 6)	781,844
Deposits and bonds	56,283
Accrued liabilities and other	337,933
Compensated absences (Note 7)	267,341
Provision for claims (Note 8)	117,360
Current portion of long-term debt (Note 7)	<u>1,611,055</u>
Total current liabilities	6,150,373

Noncurrent liabilities:	
Compensated absences (Note 7)	38,869
Provision for claims (Note 8)	73,540
Net OPEB liability (Note 14)	12,129,520
Long-term debt - Net of current portion (Note 7)	<u>26,810,843</u>

 Total noncurrent liabilities

39,052,772

 Total liabilities

45,203,145

Deferred Inflows of Resources - Deferred OPEB cost reductions (Note 14)

873,954

Net Position

Net investment in capital assets	73,035,550
Unrestricted	<u>(2,513,616)</u>
Total net position	<u>\$ 70,521,934</u>

City of Westland, Michigan

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

Year Ended June 30, 2024

	Water and Sewer Fund
Operating Revenue	
Water and sewer	\$ 32,178,384
Penalties	1,370,036
Other	<u>22,756</u>
Total operating revenue	33,571,176
Operating Expenses	
Cost of water	6,642,961
Cost of sewage disposal	10,936,976
Wage and fringe benefits	2,872,796
Contracted services	5,924,596
Operating supplies and other	241,844
Repairs and maintenance	962,288
Depreciation	<u>4,174,893</u>
Total operating expenses	<u>31,756,354</u>
Operating Income	1,814,822
Nonoperating Revenue (Expense)	
Investment income	695,795
Interest expense	(754,244)
Gain on sale of assets	1,425
Operating grants	<u>6,261,777</u>
Total nonoperating revenue	<u>6,204,753</u>
Income - Before capital contributions	8,019,575
Capital Contributions - Lines donated by developers	<u>710,610</u>
Change in Net Position	8,730,185
Net Position - Beginning of year	<u>61,791,749</u>
Net Position - End of year	<u><u>\$ 70,521,934</u></u>

City of Westland, Michigan

Proprietary Fund Statement of Cash Flows

Year Ended June 30, 2024

	Water and Sewer Fund
Cash Flows from Operating Activities	
Receipts from customers	\$ 33,391,179
Internal activity - Payments to other funds	(4,305,657)
Payments to suppliers	(19,920,337)
Payments to employees and fringes	<u>(4,077,476)</u>
Net cash and cash equivalents provided by operating activities	5,087,709
Cash Flows Used in Noncapital Financing Activities - Principal and interest paid on operating debt	(1,012,390)
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of capital assets	1,425
Purchase of capital assets	(2,616,143)
Principal and interest paid on capital debt	<u>(1,308,323)</u>
Net cash and cash equivalents used in capital and related financing activities	(3,923,041)
Cash Flows Provided by Investing Activities - Interest received on investments and other assets	<u>695,795</u>
Net Increase in Cash and Cash Equivalents	848,073
Cash and Cash Equivalents - Beginning of year	<u>17,704,216</u>
Cash and Cash Equivalents - End of year	<u>\$ 18,552,289</u>
Reconciliation of Operating Income to Net Cash and Cash Equivalents from Operating Activities	
Operating income	\$ 1,814,822
Adjustments to reconcile operating income to net cash and cash equivalents from operating activities:	
Depreciation	4,174,893
Changes in assets and liabilities:	
Receivables	(179,997)
Due to and from other funds	772,518
Inventories	(158,912)
Prepaid and other assets	87,736
Net pension asset and OPEB liability	(1,162,589)
Accounts payable	(179,741)
Accrued and other liabilities	<u>(81,021)</u>
Total adjustments	3,272,887
Net cash and cash equivalents provided by operating activities	<u>\$ 5,087,709</u>
Significant Noncash Transactions	
Donated water and sewer lines	\$ 710,610
Pension grant deposited directly into trust	6,261,777

City of Westland, Michigan

Fiduciary Funds Statement of Fiduciary Net Position

June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents (Note 3)	\$ -	\$ 4,050,067
Investments: (Note 3)		
Municipal obligations	4,955,470	-
CIF - Fixed income	15,123,229	-
U.S. government securities	18,622,794	-
Pooled investments	4,958,592	-
Common stocks	55,545,624	-
Corporate bonds	2,102,870	-
Mutual funds	58,329,776	-
Securities lending - Mutual funds	1,430,867	-
Closely held - Equity	31,380,200	-
Receivables - Net	370,263	-
Total assets	192,819,685	4,050,067
Liabilities		
Due to other governmental units	- 4,005,537	
Deposits and bonds	- 44,530	
Obligations under securities lending agreements	1,430,867	-
Due to brokers	5,169	-
Total liabilities	1,436,036	4,050,067
Net Position - Restricted		
Pension	186,425,057	-
Postemployment benefits other than pension	4,958,592	-
Total net position	<u><u>\$ 191,383,649</u></u>	<u><u>\$ -</u></u>

City of Westland, Michigan

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
Additions		
Investment income (loss):		
Interest and dividends	\$ 3,822,263	-
Net change in fair value of investments	13,763,609	-
Investment costs	<u>(819,125)</u>	-
Net investment income	16,766,747	-
Contributions:		
Employer contributions	19,027,999	-
Employee contributions	<u>721,127</u>	-
Total contributions	19,749,126	-
Fines, fees, and bonds	-	2,113,605
Property tax collections	<u>-</u>	71,781,652
Total additions	36,515,873	73,895,257
Deductions		
Benefit payments	27,309,432	-
Administrative expenses	456,712	-
District court distributions	-	2,113,605
Property tax distributions to other governments	<u>-</u>	71,781,652
Total deductions	27,766,144	73,895,257
Net Change in Fiduciary Net Position	8,749,729	-
Net Position - Beginning of year	<u>182,633,920</u>	-
Net Position - End of year	\$ 191,383,649	\$ -

City of Westland, Michigan

Component Units Statement of Net Position

June 30, 2024

	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)	\$ 1,349,850	\$ 394,559	\$ 6,718,238	\$ 2,081,909	\$ 517,722	\$ 11,062,278
Receivables - Net (Note 4)	-	-	-	1,617	83,064	84,681
Due from primary government (Note 6)	95,900	-	-	-	-	95,900
Prepaid expenses	51,415	-	416	-	102,670	154,501
Other current assets	-	-	-	-	11,305	11,305
Deposits held by third parties	-	-	-	-	24,851	24,851
Land held for resale	6,030	7,253	-	-	-	13,283
Capital assets: (Note 5)						
Not being depreciated	321,237	-	-	-	-	321,237
Depreciable - Net	7,547,831	-	786,261	-	1,337,278	9,671,370
Total assets	9,372,263	401,812	7,504,915	2,083,526	2,076,890	21,439,406
Deferred Outflows of Resources -						
Deferred charges on bond refunding	-	-	839,641	-	-	839,641
Total assets and deferred outflows of resources	9,372,263	401,812	8,344,556	2,083,526	2,076,890	22,279,047
Liabilities						
Accounts payable	39,491	-	24,597	17,111	55,236	136,435
Due to primary government (Note 6)	-	-	-	-	891	891
Accrued liabilities and other	10,115	609	60,146	10,756	157,007	238,633
Noncurrent liabilities:						
Due within one year:						
Compensated absences (Note 7)	-	-	-	-	7,323	7,323
Provision for claims (Note 8)	-	-	-	-	58,843	58,843
Current portion of long-term debt (Note 7)	335,000	-	1,025,000	-	-	1,360,000
Due in more than one year:						
Compensated absences (Note 7)	-	-	-	-	3,352	3,352
Provision for claims (Note 8)	-	-	-	-	51,330	51,330
Long-term debt - Net of current portion (Note 7)	-	-	9,925,000	-	-	9,925,000
Total liabilities	384,606	609	11,034,743	27,867	333,982	11,781,807
Net Position (Deficit)						
Net investment in capital assets	7,534,068	-	786,261	-	1,337,278	9,657,607
Unrestricted	1,453,589	401,203	(3,476,448)	2,055,659	405,630	839,633
Total net position (deficit)	\$ 8,987,657	\$ 401,203	\$ (2,690,187)	\$ 2,055,659	\$ 1,742,908	\$ 10,497,240

City of Westland, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Downtown Development Authority	\$ 1,819,761	\$ -	\$ 606,243	\$ -
Local Development Finance Authority	146,421	-	77,229	-
Tax Increment Finance Authority	2,074,253	-	184,291	-
Brownfield Redevelopment Authority	443,402	-	298,662	-
Library	<u>4,837,523</u>	<u>52,893</u>	<u>215,968</u>	<u>-</u>
Total component units	<u>\$ 9,321,360</u>	<u>\$ 52,893</u>	<u>\$ 1,382,393</u>	<u>\$ -</u>
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, 2024

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	
\$ (1,213,518)	\$ -	\$ -	\$ -	\$ -	\$ (1,213,518)	
- -	(69,192)	- -	- -	- -	(69,192)	
- -	- -	(1,889,962)	- -	- -	(1,889,962)	
- -	- -	- -	(144,740)	- -	(144,740)	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
(1,213,518)	(69,192)	(1,889,962)	(144,740)	(4,568,662)	(4,568,662)	(7,886,074)
2,004,137	119,375	3,966,156	314,947	3,396,014	9,800,629	
23,548	4,743	228,258	71,182	28,127	355,858	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
2,027,685	124,118	4,194,414	386,129	3,426,027	10,158,373	
814,167	54,926	2,304,452	241,389	(1,142,635)	2,272,299	
8,173,490	346,277	(4,994,639)	1,814,270	2,885,543	8,224,941	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
\$ 8,987,657	\$ 401,203	\$ (2,690,187)	\$ 2,055,659	\$ 1,742,908	\$ 10,497,240	

June 30, 2024

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, 2024

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.

June 30, 2024

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, 2024

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 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.

June 30, 2024

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, 2024, the majority of the balance in the General Fund relates to \$9,836,080 of American Rescue Plan Act cash received in advance of eligibility criteria being met. Unearned amounts are reported as liabilities.

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method; bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as other financing sources, as well as bond premiums and discounts. The General Fund and debt service funds generally are used to liquidate governmental long-term debt.

June 30, 2024

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, 2024

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 2023 taxable valuation of the City totaled \$2.15 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, 0.0232 for public relations, and 3.3328 mills for sanitation. The ad valorem taxes levied raised approximately \$12.1 million for city operations, approximately \$3.4 million for operation of the Library, approximately \$15.6 million for the Police and Fire Retirement System, \$45 thousand for city promotion, and approximately \$6.5 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 asset/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 asset/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.

June 30, 2024

Note 1 - Significant Accounting Policies (Continued)

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water and Sewer Fund is charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

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

Upcoming Accounting Pronouncements

In June 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.

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2025.

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2026.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-of-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. The statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2026.

June 30, 2024

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, 2023	\$ (3,705,967)
Current year permit revenue	1,654,635
Estimated indirect costs	<u>2,142,446</u>
Current year shortfall	<u>(487,811)</u>
Cumulative shortfall at June 30, 2024	\$ <u>(4,193,778)</u>

Note 3 - Deposits and Investments

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

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

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

As permitted by state statutes and under the provisions of a securities lending authorization agreement, the City of Westland, Michigan's Police and Fire Retirement System (the "System") lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives cash as collateral. Borrowers are required to deliver collateral for each loan equal to no less than 100 percent of the market value of the loaned securities. During the year ended June 30, 2024, only United States currency was received as collateral. The City then converts that cash received as collateral into other investments.

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

June 30, 2024**Note 3 - Deposits and Investments (Continued)**

The City of Westland, Michigan's Police and Fire Retirement System and the borrower maintain the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in an investment pool. The average duration of such investment pools as of June 30, 2024 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, 2024, 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, 2024 totaled \$1,430,867 and \$1,385,898, 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 \$26,516,632 (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 \$138,635 that were uninsured and uncollateralized.

Custodial Credit Risk of Investments

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

Interest Rate Risk

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

At year end, the City had the following investments:

Investment	Fair Value	Weighted-average Maturity (Years)
Fiduciary funds:		
U.S. Treasury	\$ 9,975,729	9.24
U.S. government agency securities	345,691	5.71
Corporate securities	2,102,870	4.78
Municipal bonds	4,955,470	3.00
Mortgage-backed securities	8,301,374	25.97

June 30, 2024

Note 3 - Deposits and Investments (Continued)

Credit Risk

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

Investment	Fair Value	Rating	Rating Organization
Fiduciary funds:			
Corporate securities	\$ 463,187	A1	Moody's
Corporate securities	560,108	A2	Moody's
Corporate securities	693,077	A3	Moody's
Corporate securities	386,498	Baa1 and below	Moody's
Municipal bonds	657,057	Aaa	Moody's
Municipal bonds	1,015,771	Aa1	Moody's
Municipal bonds	629,625	Aa2	Moody's
Municipal bonds	244,512	Aa3	Moody's
Municipal bonds	89,480	A1	Moody's
Municipal bonds	2,319,025	Not rated	N/A
Mortgage-backed securities	8,301,374	Not rated	N/A
U.S. government agency securities	345,691	Aaa	Moody's
U.S. Treasury	9,675,777	Aaa	Moody's
U.S. Treasury	299,952	Not rated	N/A

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. For the year ended June 30, 2024, the City was invested in Vanguard Midcap Index Fund I, HGK Trinity Street International Equity Fund, WTC-CIF II Small Cap Opportunities Portfolio, and Loomis Sayles Core Plus Fixed and various fixed-income funds, comprising 16.2 percent, 5.7 percent, 5.3 percent, and 5.5 percent, respectively, of total investments.

Note 4 - Receivables

The City's receivables are as follows:

	General Fund	Nonmajor Funds	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
Receivables:						
Property taxes receivable	\$ 314,267	\$ -	\$ 314,267	\$ -	\$ 314,267	\$ 34,044
Customer receivables	-	-	-	11,110,063	11,110,063	-
Other receivables	1,018,924	15,788	1,034,712	-	1,034,712	6,468
Due from other governments	3,820,900	2,959,970	6,780,870	62,794	6,843,664	44,169
Opioid settlement	1,219,354	-	1,219,354	-	1,219,354	-
Net receivables	<u>\$ 6,373,445</u>	<u>\$ 2,975,758</u>	<u>\$ 9,349,203</u>	<u>\$ 11,172,857</u>	<u>\$ 20,522,060</u>	<u>\$ 84,681</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.

City of Westland, Michigan

Notes to Financial Statements

June 30, 2024

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, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 3,335,379	\$ -	\$ -	\$ -	\$ 3,335,379
Construction in progress	3,940,702	(3,940,702)	1,541,625	-	1,541,625
Subtotal	7,276,081	(3,940,702)	1,541,625	-	4,877,004
Capital assets being depreciated:					
Roads and sidewalks	619,739,428	-	5,408,811	-	625,148,239
Buildings and improvements	45,809,839	3,940,702	3,379,883	-	53,130,424
Other tools and equipment	23,038,533	-	1,513,125	(3,238,639)	21,313,019
Subtotal	688,587,800	3,940,702	10,301,819	(3,238,639)	699,591,682
Accumulated depreciation:					
Roads and sidewalks	495,536,103	-	10,398,232	-	505,934,335
Buildings and improvements	17,785,637	-	1,456,024	-	19,241,661
Other tools and equipment	14,334,892	-	2,027,382	(3,166,968)	13,195,306
Subtotal	527,656,632	-	13,881,638	(3,166,968)	538,371,302
Net capital assets being depreciated	160,931,168	3,940,702	(3,579,819)	(71,671)	161,220,380
Net governmental activities capital assets	\$ 168,207,249	\$ -	\$ (2,038,194)	\$ (71,671)	\$ 166,097,384

Business-type Activities

	Balance July 1, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2024
Water and Sewer Fund					
Capital assets being depreciated:					
Water and sewer lines	\$ 129,409,366	\$ -	\$ 2,529,964	\$ -	\$ 131,939,330
Buildings and improvements	1,960,574	-	296,753	(17,773)	2,239,554
Other tools and equipment	1,710,660	-	172,783	(30,576)	1,852,867
Vehicles	4,427,399	-	327,253	(91,143)	4,663,509
Subtotal	137,507,999	-	3,326,753	(139,492)	140,695,260
Accumulated depreciation:					
Water and sewer lines	47,768,130	-	3,556,278	-	51,324,408
Buildings and improvements	1,454,610	-	38,989	(17,773)	1,475,826
Other tools and equipment	1,227,584	-	115,049	(30,576)	1,312,057
Vehicles	2,624,507	-	464,577	(91,143)	2,997,941
Subtotal	53,074,831	-	4,174,893	(139,492)	57,110,232
Net business-type activities capital assets	\$ 84,433,168	\$ -	\$ (848,140)	\$ -	\$ 83,585,028

City of Westland, Michigan

Notes to Financial Statements

June 30, 2024

Note 5 - Capital Assets (Continued)

Component Units

	Balance July 1, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2024
Capital assets not being depreciated - Land	\$ 321,237	\$ -	\$ -	\$ -	\$ 321,237
Capital assets being depreciated:					
Library buildings and improvements	1,286,447	-	44,310	-	1,330,757
Library other tools and equipment	7,160,134	-	246,502	(3,317,352)	4,089,284
DDA improvements	10,906,313	-	1,729	-	10,908,042
TIFA improvements	1,445,327	-	-	-	1,445,327
Subtotal	20,798,221	-	292,541	(3,317,352)	17,773,410
Accumulated depreciation:					
Library buildings and improvements	607,505	-	51,736	-	659,241
Library other tools and equipment	6,505,315	-	235,559	(3,317,352)	3,423,522
DDA improvements	2,940,512	-	419,699	-	3,360,211
TIFA improvements	568,512	-	90,554	-	659,066
Subtotal	10,621,844	-	797,548	(3,317,352)	8,102,040
Net capital assets being depreciated	10,176,377	-	(505,007)	-	9,671,370
Net component units capital assets	\$ 10,497,614	\$ -	\$ (505,007)	\$ -	\$ 9,992,607

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

Governmental activities:		
General government		\$ 2,650,795
Police (public safety)		285,553
Fire (public safety)		337,521
Major roads (public works)		5,004,843
Local roads (public works)		5,319,662
Parks and recreation		283,264
Total governmental activities		\$ 13,881,638
Business-type activities - Enterprise fund - Water and Sewer Fund		\$ 4,174,893
Component unit activities:		
Downtown Development Authority		\$ 419,699
Tax Increment Finance Authority		90,554
Westland Public Library		287,295
Total component unit activities		\$ 797,548

June 30, 2024

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	\$ 503,584
Other nonmajor governmental funds	Water and Sewer Fund	781,844
Water and Sewer Fund	General Fund	227,763
	Total	<u>\$ 1,513,191</u>

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

Receivable	Payable	Amount
Primary government - General Fund	Component unit - Westland Public Library	\$ 891
Component unit - Downtown Development Authority	Primary government - General Fund	95,900
	Total	<u>\$ 96,791</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds/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)	\$ 3,563,450
Other nonmajor governmental funds	Other nonmajor governmental funds (2)	3,613,030
	Total	<u>\$ 7,176,480</u>

(1) Transfers for future capital expenditures and transfer of local match for Michigan Indigent Defense Commission
 (2) Transfer for local road construction and maintenance

City of Westland, Michigan

Notes to Financial Statements

June 30, 2024

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, 2024 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable							
Other debt:							
2015 Capital Improvement Bond	3.25% - 5%	\$84,256 - \$123,333	\$ 1,135,880	\$ -	\$ (84,256)	\$ 1,051,624	\$ 87,984
2021 Pension Obligation Bond	0.265% - 2.775%	\$2,031,870 - \$3,180,980	58,939,450	\$ -	(2,031,870)	56,907,580	2,039,480
Unamortized bond premium		\$3,523	42,270	\$ -	(3,520)	38,750	3,523
Total other debt principal outstanding			60,117,600	\$ -	(2,119,646)	57,997,954	2,130,987
Direct borrowings and direct placements:							
2013 New City Hall	2.60%	\$120,000 - \$145,000	655,000	\$ -	(120,000)	535,000	125,000
HUD Section 108 Loan	2.358%	\$47,000 - \$48,000	239,000	\$ -	(48,000)	191,000	48,000
2018 Fire Truck	3.430%	\$103,687 - \$107,242	210,927	\$ -	(103,687)	107,240	107,240
2020 Self-Contained Breathing Apparatus	2.232%	\$62,223	62,223	\$ -	(62,223)	-	-
2020 Lenovo Computer	3.50%	\$17,084	17,084	\$ -	(17,084)	-	-
Total direct borrowings and direct placements principal outstanding			1,184,234	\$ -	(350,994)	833,240	280,240
Total bonds and contracts payable			61,301,834	\$ -	(2,470,640)	58,831,194	2,411,227
Compensated absences			10,068,543	6,940,255	(6,297,281)	10,711,517	6,224,591
Total governmental activities long-term debt			\$ 71,370,377	\$ 6,940,255	\$ (8,767,921)	\$ 69,542,711	\$ 8,635,818

City of Westland, Michigan

Notes to Financial Statements

June 30, 2024

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%	\$480,746 - \$706,667	\$ 6,484,123	\$ -	\$ (480,746)	\$ 6,003,377	\$ 502,018
2014 Capital Improvement Bond	3.50% - 4%	\$250,000 - \$400,000	3,300,000	-	(250,000)	3,050,000	275,000
2021 Pension Obligation Bonds	0.185% - 2.775%	\$638,130 - \$999,020	18,510,550	-	(638,130)	17,872,420	640,520
Unamortized bond premium		\$20,955 - \$23,517	279,641	-	(23,517)	256,124	23,517
Total other debt principal outstanding			28,574,314	-	(1,392,393)	27,181,921	1,441,055
Direct borrowings and direct placements:							
2010 State Revolving Fund Loan	2.50%	\$30,000 - \$35,000	222,794	-	(30,000)	192,794	30,000
2010 Strategic Water Quality Initiatives Loan	2.50%	\$135,000 - \$162,183	1,182,183	-	(135,000)	1,047,183	140,000
Total direct borrowings and direct placements principal outstanding			1,404,977	-	(165,000)	1,239,977	170,000
Total bonds and contracts payable:			29,979,291	-	(1,557,393)	28,421,898	1,611,055
Compensated absences			364,502	314,644	(372,936)	306,210	267,341
Total business-type activities long-term debt			\$ 30,343,793	\$ 314,644	\$ (1,930,329)	\$ 28,728,108	\$ 1,878,396

Component Units

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -							
Other debt:							
2014 Downtown Development Bonds - Farmer's Market	2.75% - 3.125%	\$325,000 - \$355,000	\$ 660,000	\$ -	\$ (325,000)	\$ 335,000	\$ 335,000
2021 Tax Increment Refunding Bonds	0.35% - 2.41%	\$230,000 - \$1,195,000	11,965,000	-	(1,015,000)	10,950,000	1,025,000
Total bonds and contracts payable -			12,625,000	-	(1,340,000)	11,285,000	1,360,000
Compensated absences			16,830	-	(6,155)	10,675	7,323
Total component unit long-term debt			\$ 12,641,830	\$ -	\$ (1,346,155)	\$ 11,295,675	\$ 1,367,323

City of Westland, Michigan

Notes to Financial Statements

June 30, 2024

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 \$1,249,000, \$754,000, and \$308,000, respectively. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities					
	Direct Borrowings and Direct Placements			Other Debt		
	Principal	Interest	Principal	Interest	Total	
2025	\$ 280,240	\$ 20,640	\$ 2,130,987	\$ 1,221,164	\$ 3,653,031	
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	-	-	2,221,997	1,131,677	3,353,674	
2030-2034	-	-	11,689,737	5,071,821	16,761,558	
2035-2039	-	-	12,278,454	3,837,538	16,115,992	
2040-2044	-	-	13,892,055	2,220,870	16,112,925	
Thereafter	-	-	9,280,395	391,154	9,671,549	
Total	\$ 833,240	\$ 43,108	\$ 57,997,954	\$ 17,425,664	\$ 76,299,966	
Business-type Activities						
Years Ending June 30	Direct Borrowings and Direct Placements			Other Debt		
	Principal	Interest	Principal	Interest	Total	
	\$ 170,000	\$ 30,999	\$ 1,441,055	\$ 693,225	\$ 2,335,279	
2025	170,000	26,749	1,474,420	653,460	2,324,629	
2026	175,000	22,499	1,516,963	619,945	2,334,407	
2027	185,000	18,124	1,545,405	585,515	2,334,044	
2028	190,000	13,499	1,625,042	547,863	2,376,404	
2029	349,977	12,804	8,425,461	2,008,038	10,796,280	
2030-2034	-	-	3,876,025	1,185,370	5,061,395	
2035-2039	-	-	4,362,945	697,487	5,060,432	
2040-2044	-	-	2,914,605	122,846	3,037,451	
Total	\$ 1,239,977	\$ 124,674	\$ 27,181,921	\$ 7,113,749	\$ 35,660,321	

City of Westland, Michigan

Notes to Financial Statements

June 30, 2024

Years Ending June 30	Component Units				
	Other Debt				
	Principal	Interest	Total		
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	1,075,000	232,032	1,307,032		
2030-2034	5,715,000	805,164	6,520,164		
2035-2039	-	-	-		
2040-2044	-	-	-		
Thereafter	-	-	-		
Total	<u>\$ 11,285,000</u>	<u>\$ 1,777,964</u>	<u>\$ 13,062,964</u>		

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, 2024, the City has a combined \$3,798,906 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	
	2024	2023	2024	2023	2024	2023	2024	2023
Estimated liability - Beginning of year	\$ 1,069,321	\$ 2,112,581	\$ 347,532	\$ 266,878	\$ 521,343	\$ 365,348	\$ 1,938,196	\$ 2,744,807
Estimated claims incurred, including changes in estimates	1,481,653	366,689	226,671	289,508	10,305,405	9,297,882	12,013,729	9,954,079
Claim payments	(1,498,877)	(1,409,949)	(190,694)	(208,854)	(10,144,428)	(9,141,887)	(11,833,999)	(10,760,690)
Estimated liability - End of year	<u>\$ 1,052,097</u>	<u>\$ 1,069,321</u>	<u>\$ 383,509</u>	<u>\$ 347,532</u>	<u>\$ 682,320</u>	<u>\$ 521,343</u>	<u>\$ 2,117,926</u>	<u>\$ 1,938,196</u>

Of the total provision for claims liability, \$1,816,853 has been allocated to governmental activities, \$190,900 has been allocated to the Water and Sewer Fund, and \$110,173 has been allocated to the Westland Public Library.

June 30, 2024

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

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	\$ 369,363
Opioid remediation	1,225,758
Metroact broadband	576,603
Street lighting	1,022,654
Community development	1,411,960
Sanitation	<u>1,731,000</u>
 Total restricted net position	 <u>\$ 6,337,338</u>

June 30, 2024**Note 12 - Fund Balance Constraints**

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

	<u>General Fund</u>	<u>Nonmajor Funds</u>
Nonspendable:		
Inventory/Assets held for resale	\$ 48,993	\$ 123,570
Prepays	<u>687,011</u>	<u>18,211</u>
Total nonspendable	736,004	141,781
Restricted:		
Roads	-	4,404,368
Police and fire retirement	2,400,000	-
Community development	-	1,279,272
Opioid remediation	106,995	-
Drug forfeiture	-	356,427
Street lighting	-	1,022,654
Metroact broadband	576,603	-
Sanitation	<u>1,731,000</u>	<u>-</u>
Total restricted	4,814,598	7,062,721
Committed - Tree planting program	31,542	-
Assigned - Capital projects	-	3,403,863
Unassigned	<u>7,700,573</u>	<u>-</u>
Total fund balances	<u>\$ 13,282,717</u>	<u>\$ 10,608,365</u>

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.

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

June 30, 2024

Note 13 - Pension Plans (Continued)

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	June 30, 2023	December 31, 2023
Inactive plan members or beneficiaries currently receiving benefits	303	320
Inactive plan members entitled to but not yet receiving benefits	4	34
Active plan members	144	42
Total employees covered by the plan	451	396

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, 2024

Note 13 - Pension Plans (Continued)

Net Pension Asset/Liability

The City chooses a date for each pension plan to measure its net pension asset/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 asset/liability	June 30, 2024	December 31, 2023
Based on a comprehensive actuarial valuation as of	June 30, 2023	December 31, 2023

The components of the net pension liability (asset) of the City at June 30, 2024 were as follows:

	Police and Fire Retirement System	MERS Plan	Total
Total pension liability	\$ 261,471,633	\$ 158,712,086	\$ 420,183,719
Plan fiduciary net position	(186,425,057)	(161,659,093)	(348,084,150)
City's net pension liability (asset)	<u>\$ 75,046,576</u>	<u>\$ (2,947,007)</u>	<u>\$ 72,099,569</u>

Changes in the net pension liability (asset) 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, 2023	\$ 259,783,601	\$ 179,142,579	\$ 80,641,022
Changes for the year:			
Service cost	2,809,729	-	2,809,729
Interest	17,725,061	-	17,725,061
Differences between expected and actual experience	(90,365)	-	(90,365)
Contributions - Employer	-	9,438,946	(9,438,946)
Contributions - Employee	-	721,127	(721,127)
Net investment income	-	16,326,561	(16,326,561)
Benefit payments, including refunds	(18,756,393)	(18,756,393)	-
Administrative expenses	-	(447,763)	447,763
Net changes	<u>1,688,032</u>	<u>7,282,478</u>	<u>(5,594,446)</u>
Balance at June 30, 2024	<u>\$ 261,471,633</u>	<u>\$ 186,425,057</u>	<u>\$ 75,046,576</u>

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

The plan's fiduciary net position represents 71 percent of the total pension liability.

June 30, 2024

Note 13 - Pension Plans (Continued)

MERS Plan

Changes in Net Pension Liability (Asset)	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)
Balance at December 31, 2022	\$ 156,539,491	\$ 129,064,972	\$ 27,474,519
Changes for the year:			
Service cost	547,342	-	547,342
Interest	10,968,406	-	10,968,406
Differences between expected and actual experience	610,415	-	610,415
Changes in assumptions	1,096,029	-	1,096,029
Contributions - Employer	-	1,663,640	(1,663,640)
Contributions - Employee	-	255,795	(255,795)
Contributions - State pension grant	-	26,147,293	(26,147,293)
Net investment income	-	15,894,454	(15,894,454)
Benefit payments, including refunds	(11,039,188)	(11,039,188)	-
Administrative expenses	-	(317,464)	317,464
Miscellaneous other charges	(10,409)	(10,409)	-
Net changes	2,172,595	32,594,121	(30,421,526)
Balance at December 31, 2023	\$ 158,712,086	\$ 161,659,093	\$ (2,947,007)

Of the net pension asset, \$2,242,287 has been allocated to governmental activities and \$704,720 has been allocated to the Water and Sewer Fund.

The plan's fiduciary net position represents 102 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, 2024, the City recognized pension expense of \$16,784,087 from all plans, which includes defined contribution plan expense of \$960,184 (employee contributions to defined contribution plans totaled \$374,462).

At June 30, 2024, 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	\$ 2,497,809	\$ 67,774
Changes in assumptions	2,208,204	-
Net difference between projected and actual earnings on pension plan investments	10,512,342	-
Employer contributions to the plan subsequent to the measurement date	221,850	-
Total	\$ 15,440,205	\$ 67,774

Of the net deferred outflows of resources, \$13,721,535 has been allocated to governmental activities and \$1,718,670 has been allocated to the Water and Sewer Fund. Of the net deferred inflows of resources, all \$67,774 has been allocated to governmental activities.

June 30, 2024**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 \$221,850 of employer contributions subsequent to the measurement date will increase the net pension asset and, therefore, will not be included in future pension expense):

Years Ending June 30	Amount
2025	\$ 4,227,643
2026	9,745,092
2027	3,181,058
2028	(2,003,212)
Total	<u>\$ 15,150,581</u>

Actuarial Assumptions

The total pension asset/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%	2.50%
Salary increases (including inflation)	3.25% - 8.00%	3.00 - 9.70%
Investment rate of return (net of investment expenses)	7.00%	7.18%
Mortality rates	PubS-2010 Mortality Tables	PubS-2010 Mortality Tables

The actuarial assumptions used in the December 31, 2023 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 asset/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%	7.18%
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%	7.18%

June 30, 2024

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, 2024:

Police and Fire Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	20.00 %	2.50 %
Equities	60.00	7.75
Real estate	7.50	4.50
Other	12.50	6.27

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 (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the current discount rate, as well as what the City's net pension liability (asset) 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	\$ 104,879,488	\$ 75,046,576	\$ 50,162,499
Net pension liability (asset) of the MERS plan	14,293,197	(2,947,007)	(17,423,801)

June 30, 2024

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 asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Assumption Changes

The MERS plan decreased the assumed rate of return from 7.25 percent to 7.18 percent.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on Police and Fire Retirement System investments, net of pension plan investment expense, was 9.25 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, 2024 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 215,888,593	\$ 178,413,560
Employee reserve	8,011,497	8,011,497
Total	\$ 223,900,090	\$ 186,425,057

June 30, 2024

Note 14 - Other Postemployment Benefit Plan

Plan Description

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

Management of the plan is vested in the City Council.

Benefits Provided

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

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, 2024
Inactive plan members or beneficiaries currently receiving benefits	547
Active plan members	217
Total plan members	<u><u>764</u></u>

Contributions

Retiree health care costs are paid by the City on a pay-as-you-go basis. Additionally, the City contributes additional contributions, as determined by the City Council. For the fiscal year ended June 30, 2024, the City made payments for postemployment health benefit premiums of \$8,553,039 plus prefunded contributions of \$1,036,014.

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, 2024 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, 2024 measurement date. The June 30, 2024 measurement date total OPEB liability was determined by an actuarial valuation performed as of that date.

June 30, 2024

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, 2023	\$ 102,985,417	\$ 3,491,341	\$ 99,494,076
Changes for the year:			
Service cost	412,473	-	412,473
Interest	6,536,594	-	6,536,594
Differences between expected and actual experience	1,228,710	-	1,228,710
Changes in assumptions	(972,157)	-	(972,157)
Contributions - Employer	-	9,589,053	(9,589,053)
Net investment income	-	440,186	(440,186)
Benefit payments, including refunds	(8,553,039)	(8,553,039)	-
Administrative expenses	-	(8,949)	8,949
Net changes	(1,347,419)	1,467,251	(2,814,670)
Balance at June 30, 2024	\$ 101,637,998	\$ 4,958,592	\$ 96,679,406

Of the net OPEB liability, \$84,549,886 has been allocated to governmental activities and \$12,129,520 has been allocated to the Water and Sewer Fund.

The plan's fiduciary net position represents 5 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, 2024, the City recognized an OPEB cost recovery of \$6,618,213.

At June 30, 2024, 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	\$ 819,140	\$ 6,271,634
Changes in assumptions	878,288	648,105
Net difference between projected and actual earnings on OPEB plan investments	-	46,189
Total	\$ 1,697,428	\$ 6,965,928

June 30, 2024**Note 14 - Other Postemployment Benefit Plan (Continued)**

Of the net deferred outflows of resources, \$1,484,467 has been allocated to governmental activities and \$212,961 has been allocated to the Water and Sewer Fund.

Of the net deferred inflows of resources, \$6,091,974 has been allocated to governmental activities and \$873,954 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
2025	\$ (5,322,462)
2026	121,838
2027	(34,305)
2028	(33,571)
Total	\$ (5,268,500)

Actuarial Assumptions

The total OPEB liability as of June 30, 2024 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 6.93 percent; a health care cost trend rate of 8.00 percent for 2025, 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 6.82 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 6.93 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, 2024.

June 30, 2024**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, 2024 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 6.82 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 (5.82%)	Current Discount Rate (6.82%)	1 Percentage Point Increase (7.82%)
Net OPEB liability of the City of Westland Retiree Health Care Plan	\$ 108,519,068	\$ 96,679,406	\$ 86,848,773

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

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 8.0 percent, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (7%)	Current Health Care Cost Trend Rate (8%)	1 Percentage Point Increase (9%)
Net OPEB liability of the City of Westland Retiree Health Care Plan	\$ 86,130,109	\$ 96,679,406	\$ 109,383,402

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 increased from 6.59 to 6.82 percent, the assumed rate of return increased to 6.93 percent, and the health care cost trend rates were reset.

June 30, 2024**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, 2024:

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, 2024, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 10.28 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, 2024

Note 15 - Fair Value Measurements (Continued)

The City has the following recurring fair value measurements as of June 30, 2024:

	Assets Measured at Fair Value on a Recurring Basis				
	Balance at June 30, 2024	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	\$ 7,711,255	\$ 7,711,255	\$ -	\$ -	
Closed-end MF - Equity	8,236,857	8,236,857	-	-	
Open-end MF - Equity	30,244,507	30,244,507	-	-	
Common stock	44,743,636	44,743,636	-	-	
Corporate bonds	2,102,870	-	2,102,870	-	
Foreign stock	3,090,733	3,090,733	-	-	
Mortgage-backed securities	8,301,374	-	8,301,374	-	
Municipal obligations	4,955,470	-	4,955,470	-	
U.S. federal agencies	345,691	345,691	-	-	
U.S. government obligations	9,975,729	9,975,729	-	-	
Mutual funds under securities lending agreements	-	-	-	-	1,430,867
Total investments measured at fair value	<u>\$ 119,708,122</u>	<u>\$ 104,348,408</u>	<u>\$ 15,359,714</u>	<u>\$ 1,430,867</u>	

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, and corporate bonds at June 30, 2024 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, 2024 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, 2024**Note 15 - Fair Value Measurements (Continued)**

As of June 30, 2024, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Collective investment funds (CIF) -				
Equity	\$ 9,850,960	\$ -	None	None
MERS Total Market Portfolio	4,958,592	-	None	None
CIF - Fixed income	15,123,229	-	None	None
Partnership alternative investment	1,766,305	-	None	None
Closely held equity	31,380,200	-	None	None
 Total investments measured at NAV	 <u>\$ 63,079,286</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), commercial rehabilitation act tax exemptions (PA 210 of 2005), commercial facilities tax exemption (PA 255 of 1978), 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. The commercial rehabilitation act exemptions are intended to provide tax incentives for the rehabilitation of commercial properties, including multifamily residential facilities, within designated districts. It offers property tax exemptions to encourage the revitalization of underutilized commercial areas. The commercial facilities tax exemption allows local governments to establish commercial facilities tax districts, providing tax incentives to encourage the development and rehabilitation of commercial 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.

June 30, 2024**Note 16 - Tax Abatements (Continued)**

For the fiscal year ended June 30, 2024, the City's property tax revenue was reduced by \$181,628 under these programs. There are no provisions to recapture taxes; however, the industrial facilities tax exemptions, commercial rehabilitation act tax exemptions, and commercial facilities tax exemption may be eliminated if taxes are not paid timely.

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	\$ 187,490,830	\$ 4,958,592	\$ 192,449,422
Other assets	370,263	-	370,263
Liabilities	(1,436,036)	-	(1,436,036)
Net position	<u>\$ 186,425,057</u>	<u>\$ 4,958,592</u>	<u>\$ 191,383,649</u>
Statement of Changes in Net Position			
Investment income	\$ 16,326,561	\$ 440,186	\$ 16,766,747
Contributions	10,160,073	9,589,053	19,749,126
Benefit payments	(18,756,393)	(8,553,039)	(27,309,432)
Other deductions	(447,763)	(8,949)	(456,712)
Net change in net position	<u>\$ 7,282,478</u>	<u>\$ 1,467,251</u>	<u>\$ 8,749,729</u>

Required Supplementary Information

City of Westland, Michigan

Required Supplementary Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance with Amended Budget
Revenue				
Property taxes	\$ 35,710,880	\$ 35,718,313	\$ 35,851,354	\$ 133,041
Intergovernmental:				
Federal grants	3,498,080	3,420,344	4,397,538	977,194
State sources	13,839,181	39,180,074	33,233,706	(5,946,368)
Charges for services	11,222,996	11,000,703	11,179,023	178,320
Court fines and fees	4,850,000	4,681,056	4,949,144	268,088
Licenses and permits	1,355,511	1,356,922	1,305,367	(51,555)
Interest income	350,000	1,046,152	1,748,723	702,571
Other revenue:				
Local sources	1,015,308	1,587,251	1,608,924	21,673
Other income	4,362,079	4,549,168	4,510,147	(39,021)
Cable franchise fees	1,500,000	1,360,390	1,165,045	(195,345)
Total revenue	77,704,035	103,900,373	99,948,971	(3,951,402)
Expenditures				
Current:				
General government:				
Legislative	160,687	160,687	143,360	17,327
Executive	724,651	755,450	697,655	57,795
Computer information systems	1,181,583	1,116,601	963,387	153,214
Law	950,000	1,007,947	957,390	50,557
Finance	1,460,038	1,436,625	1,436,387	238
Assessing	585,000	585,000	583,444	1,556
City clerk	1,255,200	1,502,382	1,432,574	69,808
Buildings and grounds	730,347	719,768	656,043	63,725
Insurance	2,100,000	2,000,000	1,835,960	164,040
Personnel	685,062	695,252	686,813	8,439
General government	4,722,220	30,550,084	24,551,519	5,998,565
Motorpool	948,329	948,328	803,930	144,398
Public safety:				
Police	23,692,751	23,728,423	23,263,763	464,660
Fire	17,621,584	18,307,434	18,274,730	32,704
Police and fire retirement board	25,000	26,643	26,565	78
District court	3,535,478	3,497,182	3,453,540	43,642
Sanitation - Other health and welfare (county)	6,401,616	6,097,238	5,545,431	551,807
Community and economic development:				
Building and planning	1,521,457	1,561,955	1,671,839	(109,884)
Neighborhood services	425,746	425,746	344,185	81,561
Economic development	411,274	438,309	386,543	51,766
Community development	884,862	835,941	769,477	66,464
Youth assistance program	970,286	872,956	883,039	(10,083)
Housing	478,555	466,384	458,856	7,528
Recreation and culture:				
Parks and recreation	1,085,281	1,144,214	971,899	172,315
Cable	581,033	581,033	576,876	4,157
Ice arena	369,770	397,389	380,161	17,228
Senior resources	516,003	550,820	557,781	(6,961)
Golf course	411,080	411,080	397,662	13,418
Debt service	3,487,733	3,487,730	3,487,808	(78)
Total expenditures	77,922,626	104,308,601	96,198,617	8,109,984
Excess of Revenue (Under) Over Expenditures	(218,591)	(408,228)	3,750,354	4,158,582

City of Westland, Michigan

Required Supplementary Information Budgetary Comparison Schedule General Fund (Continued)

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance with Amended Budget
Other Financing Sources (Uses)				
Transfers in	\$ 300,162	\$ 300,162	\$ 300,162	\$ -
Transfers out	(63,450)	(63,450)	(3,563,450)	(3,500,000)
Proceeds from sale of capital assets	-	189,635	20,660	(168,975)
Total other financing sources (uses)	236,712	426,347	(3,242,628)	(3,668,975)
Net Change in Fund Balance	18,121	18,119	507,726	489,607
Fund Balance - Beginning of year	12,228,933	12,228,933	12,228,933	-
Fund Balance - End of year	\$ 12,247,054	\$ 12,247,052	\$ 12,736,659	\$ 489,607

City of Westland, Michigan

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

	Last Ten Fiscal Years									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 2,809,729	\$ 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
Interest	17,725,061	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
Changes in benefit terms	-	-	-	62,988	-	-	-	-	(724,126)	-
Differences between expected and actual experience	(90,365)	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	(18,756,393)	(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)
Net Change in Total Pension Liability	1,688,032	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
Total Pension Liability - Beginning 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
Total Pension Liability - End of year	\$ 261,471,633	\$ 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
Plan Fiduciary Net Position										
Contributions - Employer	\$ 9,438,946	\$ 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
Contributions - Employee	721,127	730,776	703,488	902,404	748,341	670,772	640,248	714,843	537,081	326,793
Net investment income (loss)	16,326,561	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
Administrative expenses	(447,763)	(372,473)	(394,002)	(400,631)	(384,887)	(141,692)	(28,252)	(73,345)	-	-
Benefit payments, including refunds	(18,756,393)	(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)
Miscellaneous other charges	-	-	-	-	-	-	47,432	753,079	(9,938)	-
Net Change in Plan Fiduciary Net Position	7,282,478	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)
Plan Fiduciary Net Position - Beginning 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
Plan Fiduciary Net Position - End of year	\$ 186,425,057	\$ 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
City's Net Pension Liability - Ending	\$ 75,046,576	\$ 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
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	71.30 %	68.96 %	68.94 %	87.62 %	70.60 %	73.38 %	72.02 %	70.05 %	67.25 %	75.31 %
Covered Payroll	\$ 12,653,052	\$ 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
City's Net Pension Liability as a Percentage of Covered Payroll	593.11 %	652.01 %	670.20 %	254.60 %	585.23 %	515.71 %	556.36 %	564.00 %	639.17 %	560.69 %

See notes to required supplementary information.

City of Westland, Michigan

Required Supplementary Information Schedule of Changes in the MERS Net Pension (Asset) Liability and Related Ratios

	Last Ten Plan Years Years Ended December 31									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 547,342	\$ 584,752	\$ 644,037	\$ 690,398	\$ 803,087	\$ 965,487	\$ 1,068,106	\$ 1,220,236	\$ 1,301,083	\$ 1,373,374
Interest	10,968,406	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	610,415	(221,623)	(361,176)	220,372	(1,198,986)	(257,191)	132,393	-	(109,173)	-
Changes in assumptions	1,096,029	-	5,425,479	5,489,286	5,078,924	-	-	(465,111)	6,359,502	-
Benefit payments, including refunds	(11,039,188)	(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	(10,409)	-	(12,591)	(2,026)	(58,443)	(21,038)	(8,903)	-	-	-
Net Change in Total Pension Liability	2,172,595	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	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	118,203,471
Total Pension Liability - End of year	\$ 158,712,086	\$ 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	\$ 1,663,640	\$ 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	255,795	230,638	217,117	254,324	280,952	323,168	336,048	343,428	362,187	299,758
Contributions - State pension grant	26,147,293	-	-	-	-	-	-	-	-	-
Net investment income (loss)	15,894,454	(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	(317,464)	(278,112)	(208,956)	(114,271)	(122,280)	(110,848)	(109,763)	(111,691)	(117,289)	(120,757)
Benefit payments, including refunds	(11,039,188)	(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	(10,409)	-	(12,591)	(2,024)	(58,443)	(21,038)	(8,902)	-	-	-
Net Change in Plan Fiduciary Net Position	32,594,121	(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	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	53,625,123
Plan Fiduciary Net Position - End of year	\$ 161,659,093	\$ 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 (Asset) Liability - Ending	\$ (2,947,007)	\$ 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	101.86 %	82.45 %	99.70 %	42.52 %	40.66 %	39.13 %	43.08 %	40.67 %	39.34 %	45.29 %
Covered Payroll	\$ 3,099,291	\$ 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 (Asset) Liability as a Percentage of Covered Payroll	(95.09)%	849.47 %	12.20 %	2,180.07 %	1,826.57 %	1,413.29 %	1,165.01 %	1,085.22 %	1,059.40 %	877.58 %

See notes to required supplementary information.

City of Westland, Michigan

Required Supplementary Information Schedule of MERS Contributions

	Last Ten Fiscal Years Years Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 641,915	\$ 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
Contributions in relation to the actuarially determined contribution	641,915	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
Contribution Excess	\$ -	\$ -	\$ -	\$ 81,626,836	\$ -	\$ -	\$ 300,002	\$ 137,790	\$ 170,570	\$ 1,220,132
Covered Payroll	\$ 3,260,105	\$ 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
Contributions as a Percentage of Covered Payroll	19.69 %	62.35 %	20.15 %	2,053.10 %	147.06 %	106.89 %	105.60 %	74.38 %	69.34 %	87.33 %

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

City of Westland, Michigan

Required Supplementary Information Schedule of Police and Fire Pension Contributions

	Last Ten Fiscal Years Years Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 9,438,946	\$ 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
Contributions in relation to the actuarially determined contribution	<u>9,438,946</u>	<u>7,994,945</u>	<u>8,273,045</u>	<u>7,595,440</u>	<u>6,930,726</u>	<u>7,597,694</u>	<u>7,398,670</u>	<u>6,879,391</u>	<u>6,717,939</u>	<u>6,693,504</u>
Contribution Excess	\$ -	\$ -	\$ 5,352	\$ -	\$ -	\$ -	\$ -	\$ 37,427	\$ -	\$ -
Covered Payroll	\$ 12,653,052	\$ 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
Contributions as a Percentage of Covered Payroll	74.60 %	64.64 %	69.86 %	64.96 %	58.02 %	64.06 %	63.65 %	57.44 %	60.51 %	73.34 %

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	15 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 Ten Fiscal Years Years Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return - Net of investment expense	9.25 %	7.90 %	(12.16)%	31.52 %	5.35 %	5.67 %	8.89 %	15.10 %	(1.02)%	2.51 %

City of Westland, Michigan

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

Last Seven Fiscal Years

	2024	2023	2022*	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 412,473	\$ 429,986	\$ 650,596	\$ 860,271	\$ 857,027	\$ 1,586,539	\$ 1,655,744
Interest	6,536,594	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	1,228,710	(18,814,903)	(10,757,015)	3,497,912	(13,580,746)	(32,726,237)	(10,807,734)
Changes in assumptions	(972,157)	2,634,865	(13,408,388)	(3,244,226)	3,033,667	(38,358,088)	(10,890,391)
Benefit payments, including refunds	(8,553,039)	(8,348,610)	(7,777,286)	(7,311,804)	(8,065,144)	(8,070,396)	(8,048,550)
Net Change in Total OPEB Liability	(1,347,419)	(16,500,423)	(23,156,001)	1,847,702	(9,008,288)	(66,998,379)	(19,204,441)
Total OPEB Liability - Beginning of year*	<u>102,985,417</u>	<u>119,485,840</u>	<u>142,641,841</u>	<u>156,742,769</u>	<u>165,751,057</u>	<u>232,749,436</u>	<u>251,953,877</u>
Total OPEB Liability - End of year	<u>\$ 101,637,998</u>	<u>\$ 102,985,417</u>	<u>\$ 119,485,840</u>	<u>\$ 158,590,471</u>	<u>\$ 156,742,769</u>	<u>\$ 165,751,057</u>	<u>\$ 232,749,436</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 9,589,053	\$ 9,534,743	\$ 8,277,286	\$ 7,811,804	\$ 8,565,144	\$ 8,570,396	\$ -
Net investment income (loss)	440,186	199,262	(204,674)	329,841	(10,846)	4,234	-
Administrative expenses	(8,949)	(5,101)	(3,672)	(2,636)	(1,200)	-	-
Benefit payments, including refunds	(8,553,039)	(8,348,610)	(7,777,286)	(7,311,804)	(8,065,144)	(8,070,396)	-
Net Change in Plan Fiduciary Net Position	1,467,251	1,380,294	291,654	827,205	487,954	504,234	-
Plan Fiduciary Net Position - Beginning of year	<u>3,491,341</u>	<u>2,111,047</u>	<u>1,819,393</u>	<u>992,188</u>	<u>504,234</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - End of year	<u>\$ 4,958,592</u>	<u>\$ 3,491,341</u>	<u>\$ 2,111,047</u>	<u>\$ 1,819,393</u>	<u>\$ 992,188</u>	<u>\$ 504,234</u>	<u>\$ -</u>
Net OPEB Liability - Ending	<u>\$ 96,679,406</u>	<u>\$ 99,494,076</u>	<u>\$ 117,374,793</u>	<u>\$ 156,771,078</u>	<u>\$ 155,750,581</u>	<u>\$ 165,246,823</u>	<u>\$ 232,749,436</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	4.88 %	3.39 %	1.77 %	1.15 %	0.63 %	0.30 %	- %
Covered-employee Payroll	\$ 20,197,101	\$ 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	478.68 %	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.

City of Westland, Michigan

Required Supplementary Information Schedule of OPEB Contributions

	Last Ten Fiscal Years Years Ended June 30									
	2024	2023	2022	2021	2020	2019	2018*	2017	2016	2015
Actuarially determined contribution	\$ 8,603,629	\$ 9,967,213	\$ 11,900,952	\$ 11,304,394	\$ 11,987,116	\$ 13,467,910	\$ -	\$ 14,532,590	\$ 14,532,590	\$ 14,532,590
Contributions in relation to the actuarially determined contribution	9,589,053	9,534,743	8,277,286	7,811,804	8,565,144	8,570,396	-	7,943,997	7,822,651	7,223,809
Contribution Excess (Deficiency)	\$ 985,424	\$ (432,470)	\$ (3,623,666)	\$ (3,492,590)	\$ (3,421,972)	\$ (4,897,514)	\$ -	\$ (6,588,593)	\$ (6,709,939)	\$ (7,308,781)
Covered-employee Payroll	\$ 20,197,101	\$ 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
Contributions as a Percentage of Covered-employee Payroll	47.48 %	63.50 %	53.41 %	43.63 %	48.90 %	50.25 %	- %	52.10 %	51.30 %	47.38 %

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	25 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.

City of Westland, Michigan

Required Supplementary Information Schedule of OPEB Investment Returns

	Last Seven Fiscal Years Years Ended June 30						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return - Net of investment expense	10.28 %	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.

City of Westland, Michigan

Notes to Required Supplementary Information

June 30, 2024

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, 2024 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			
E-911 Fund	\$ 102,388,324	\$ 98,101,820	\$ (3,509,411)
Metro Act - Broadband Fund	(484,969)	(3,974)	289,248
ARPA Fund	(332,796)	(244,262)	10,914
	<u>(1,654,967)</u>	<u>(1,654,967)</u>	<u>-</u>
Amounts per budget statement	<u>\$ 99,915,592</u>	<u>\$ 96,198,617</u>	<u>\$ (3,209,249)</u>

Excess of Expenditures Over Appropriations in General Fund

	Budget	Actual	Variance
Building and planning	\$ 1,561,955	\$ 1,671,839	\$ (109,884)
Youth assistance program	872,956	883,039	(10,083)
Ice arena	550,820	557,781	(6,961)
Debt service	3,487,730	3,487,808	(78)
Transfers out	63,450	3,563,450	(3,500,000)

Expenditure overages were a result of actual spending exceeding anticipated amounts. Transfers out overage was a result of the City determining to make transfers to capital project funds after the end of the fiscal year.

Pension Information

Changes in Assumptions

MERS Plan

During the year ended June 30, 2023, the investment rate of return was reduced from 7.25 percent to 7.18 percent.

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.

City of Westland, Michigan

Notes to Required Supplementary Information

June 30, 2024

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, 2024, the discount rate was increased from 6.59 to 6.82 percent, the assumed rate of return increased to 6.93 percent, and the health care cost trend rates were reset.

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 increased 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.

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	\$ 2,064,771	\$ 692,412	\$ 17,931	\$ 1,247,861	\$ 360,826	
Receivables - Net	1,162,078	429,097	632,408	-	-	
Due from other funds	574,965	206,879	-	-	-	
Inventory	27,729	95,841	-	-	-	
Prepaid expenses	2,674	2,601	-	-	12,936	
Land held for resale	-	-	1,411,961	-	-	
Total assets	\$ 3,832,217	\$ 1,426,830	\$ 2,062,300	\$ 1,247,861	\$ 373,762	
Liabilities						
Accounts payable	\$ 167,270	\$ 558,564	\$ 147,814	\$ 212,954	\$ 4,399	
Due to other funds	-	-	502,526	-	-	
Accrued liabilities and other	-	-	-	12,253	-	
Total liabilities	167,270	558,564	650,340	225,207	4,399	
Deferred Inflows of Resources -						
Unavailable revenue	-	-	132,688	-	-	
Total liabilities and deferred inflows of resources	167,270	558,564	783,028	225,207	4,399	
Fund Balances						
Nonspendable - Prepays and inventory	30,403	98,442	-	-	-	12,936
Restricted:						
Roads	3,634,544	769,824	-	-	-	-
Community development	-	-	1,279,272	-	-	-
Drug forfeiture	-	-	-	-	356,427	-
Street lighting	-	-	-	1,022,654	-	-
Assigned - Capital projects	-	-	-	-	-	-
Total fund balances	3,664,947	868,266	1,279,272	1,022,654	369,363	
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,832,217	\$ 1,426,830	\$ 2,062,300	\$ 1,247,861	\$ 373,762	

**Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds**

June 30, 2024

Special Revenue Funds	Capital Project Funds				Total
	Michigan Indigent Defense Commission	Capital Project	Court Building	Fire Stations Building	
\$ 26,700	\$ 1,303,537	\$ -	\$ 1,950,765	\$ 7,664,803	
25,688	-	-	726,487	2,975,758	
-	-	-	-	781,844	
-	-	-	-	123,570	
-	-	-	-	18,211	
-	-	-	-	1,411,961	
\$ 52,388	\$ 1,303,537	\$ -	\$ 2,677,252	\$ 12,976,147	
\$ 51,330	\$ 51,770	\$ -	\$ 223,942	\$ 1,418,043	
1,058	-	-	-	503,584	
-	-	-	-	12,253	
52,388	51,770	-	223,942	1,933,880	
-	-	-	301,214	433,902	
52,388	51,770	-	525,156	2,367,782	
-	-	-	-	141,781	
-	-	-	-	4,404,368	
-	-	-	-	1,279,272	
-	-	-	-	356,427	
-	-	-	-	1,022,654	
-	1,251,767	-	2,152,096	3,403,863	
-	1,251,767	-	2,152,096	10,608,365	
\$ 52,388	\$ 1,303,537	\$ -	\$ 2,677,252	\$ 12,976,147	

City of Westland, Michigan

Special Revenue Funds						
	Major Road	Local Road	Community Development Block Grant	Street Lighting	Drug Forfeiture	
Revenue						
Special assessments	\$ -	\$ -	\$ -	\$ 1,692,521	\$ -	
Intergovernmental:						
Federal grants	120	-	2,484,931	-	-	
State sources	7,226,060	2,599,935	-	-	231,270	
Court fines and fees	-	-	-	-	-	
Interest income	-	-	-	5	232	
Other revenue - Other income	85,441	-	-	-	-	
Total revenue	7,311,621	2,599,935	2,484,931	1,692,526	231,502	
Expenditures						
Current:						
Street lighting	-	-	-	2,083,026	-	
Public safety	-	-	-	-	147,018	
Highway, streets, and drains	3,267,006	6,805,591	-	-	-	
Community and economic development	-	-	2,558,941	-	-	
Capital outlay	-	-	-	-	-	
Debt service	-	-	-	-	-	
Total expenditures	3,267,006	6,805,591	2,558,941	2,083,026	147,018	
Excess of Revenue Over (Under) Expenditures	4,044,615	(4,205,656)	(74,010)	(390,500)	84,484	
Other Financing Sources (Uses)						
Transfers in	-	3,613,030	-	-	-	
Transfers out	(3,613,030)	-	-	-	-	
Total other financing (uses) sources	(3,613,030)	3,613,030	-	-	-	
Net Change in Fund Balances	431,585	(592,626)	(74,010)	(390,500)	84,484	
Fund Balances - Beginning of year	3,233,362	1,460,892	1,353,282	1,413,154	284,879	
Fund Balances - End of year	<u>\$ 3,664,947</u>	<u>\$ 868,266</u>	<u>\$ 1,279,272</u>	<u>\$ 1,022,654</u>	<u>\$ 369,363</u>	

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

Year Ended June 30, 2024

Michigan Indigent Defense Commission	Capital Project Funds				Total
	Capital Project	Court Building	Fire Stations Building		
\$ -	\$ -	\$ -	\$ -	\$ 1,692,521	
548,813	-	-	944,562	2,485,051	
-	-	102,948	-	11,550,640	
-	3	2	-	102,948	
-	-	-	-	242	
				85,441	
548,813	3	102,950	944,562	15,916,843	
612,263	-	-	-	2,083,026	
-	-	-	-	759,281	
-	-	-	-	10,072,597	
-	-	-	-	2,558,941	
-	411,744	449,114	1,292,466	2,153,324	
-	189,768	-	-	189,768	
612,263	601,512	449,114	1,292,466	17,816,937	
(63,450)	(601,509)	(346,164)	(347,904)	(1,900,094)	
63,450	1,000,000	-	2,500,000	7,176,480	
-	-	-	-	(3,613,030)	
63,450	1,000,000	-	2,500,000	3,563,450	
-	398,491	(346,164)	2,152,096	1,663,356	
-	853,276	346,164	-	8,945,009	
\$ -	\$ 1,251,767	\$ -	\$ 2,152,096	\$ 10,608,365	

City of Westland, Michigan

Supplementary Information Combining Statement of Fiduciary Net Position Fiduciary Funds

June 30, 2024

	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	\$ -	\$ -	\$ -	\$ 3,860,699	\$ 189,368	\$ -	\$ 4,050,067
Investments:							
Municipal obligations	4,955,470	-	4,955,470	-	-	-	-
CIF - Fixed income	15,123,229	-	15,123,229	-	-	-	-
U.S. government securities	18,622,794	-	18,622,794	-	-	-	-
Pooled investments	-	4,958,592	4,958,592	-	-	-	-
Common stocks	55,545,624	-	55,545,624	-	-	-	-
Corporate bonds	2,102,870	-	2,102,870	-	-	-	-
Mutual funds	58,329,776	-	58,329,776	-	-	-	-
Securities lending - Mutual funds	1,430,867	-	1,430,867	-	-	-	-
Closely held - Equity	31,380,200	-	31,380,200	-	-	-	-
Receivables:							
Accrued interest receivable	306,859	-	306,859	-	-	-	-
Pension system contributions receivable	63,404	-	63,404	-	-	-	-
Total assets	187,861,093	4,958,592	192,819,685	3,860,699	189,368		4,050,067
Liabilities							
Due to other governmental units	-	-	-	3,860,699	144,838		4,005,537
Deposits and bonds	-	-	-	-	44,530		44,530
Obligations under securities lending agreements	1,430,867	-	1,430,867	-	-		-
Due to brokers	5,169	-	5,169	-	-		-
Total liabilities	1,436,036	-	1,436,036	3,860,699	189,368		4,050,067
Net Position - Restricted							
Pension	186,425,057	-	186,425,057	-	-		-
Postemployment benefits other than pension	-	4,958,592	4,958,592	-	-		-
Total net position	\$ 186,425,057	\$ 4,958,592	\$ 191,383,649	\$ -	\$ -	\$ -	\$ -

City of Westland, Michigan

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

Year Ended June 30, 2024

	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	\$ 3,382,077	\$ 440,186	\$ 3,822,263	-	\$ -	\$ -	\$ -
Net change in fair value of investments	13,763,609	-	13,763,609	-	-	-	-
Investment costs	(819,125)	-	(819,125)	-	-	-	-
Net investment income	16,326,561	440,186	16,766,747	-	-	-	-
Contributions:							
Employer contributions	9,438,946	9,589,053	19,027,999	-	-	-	-
Employee contributions	721,127	-	721,127	-	-	-	-
Total contributions	10,160,073	9,589,053	19,749,126	-	-	-	-
Fines, fees, and bonds	-	-	-	-	2,113,605	2,113,605	2,113,605
Property tax collections	-	-	-	71,781,652	-	-	71,781,652
Total additions	26,486,634	10,029,239	36,515,873	71,781,652	2,113,605	2,113,605	73,895,257
Deductions							
Benefit payments	18,756,393	8,553,039	27,309,432	-	-	-	-
Administrative expenses	447,763	8,949	456,712	-	-	-	-
District court distributions	-	-	-	-	2,113,605	2,113,605	2,113,605
Property tax distributions to other governments	-	-	-	71,781,652	-	-	71,781,652
Total deductions	19,204,156	8,561,988	27,766,144	71,781,652	2,113,605	2,113,605	73,895,257
Net Change in Fiduciary Net Position	7,282,478	1,467,251	8,749,729	-	-	-	-
Net Position - Beginning of year	179,142,579	3,491,341	182,633,920	-	-	-	-
Net Position - End of year	\$ 186,425,057	\$ 4,958,592	\$ 191,383,649	\$ -	\$ -	\$ -	\$ -

City of Westland, Michigan

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

June 30, 2024

	Library	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 517,722	\$ -	\$ 517,722
Receivables - Net	83,064	-	83,064
Prepaid expenses	102,670	-	102,670
Other current assets	11,305	-	11,305
Deposits held by third parties	24,851	-	24,851
Capital assets - Depreciable - Net	-	1,337,278	1,337,278
Total assets	\$ 739,612	1,337,278	2,076,890
Liabilities			
Accounts payable	\$ 55,236	-	55,236
Due to primary government	891	-	891
Accrued liabilities and other	157,007	-	157,007
Noncurrent liabilities:			
Due within one year:			
Compensated absences	-	7,323	7,323
Provision for claims	-	58,843	58,843
Due in more than one year:			
Compensated absences	-	3,352	3,352
Provision for claims	-	51,330	51,330
Total liabilities	213,134	120,848	333,982
Deferred Inflows of Resources - Unavailable revenue	33,359	(33,359)	-
Total liabilities and deferred inflows of resources	246,493	87,489	333,982
Equity			
Fund balance:			
Nonspendable - Prepaid expenses	102,670	(102,670)	-
Unassigned	390,449	(390,449)	-
Total fund balance	493,119	(493,119)	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 739,612		
Net position:			
Net investment in capital assets	1,337,278	1,337,278	
Unrestricted	405,630	405,630	
Total net position	\$ 1,742,908	\$ 1,742,908	

City of Westland, Michigan

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

Year Ended June 30, 2024

	Library	Adjustments	Statement of Activities
Revenue			
Property taxes	\$ 3,396,014	\$ -	\$ 3,396,014
Intergovernmental	232,285	(51,071)	181,214
Interest income	28,127	-	28,127
Other revenue	89,533	-	89,533
Total revenue	3,745,959	(51,071)	3,694,888
Expenditures			
Recreation and culture, including depreciation	3,360,082	290,845	3,650,927
Capital outlay	1,477,408	(290,812)	1,186,596
Total expenditures	4,837,490	33	4,837,523
Net Change in Fund Balance/Net Position	(1,091,531)	(51,104)	(1,142,635)
Fund Balance/Net Position - Beginning of year	1,584,650	1,300,893	2,885,543
Fund Balance/Net Position - End of year	\$ 493,119	\$ 1,249,789	\$ 1,742,908