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# City of Westland, Michigan

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**Financial Report  
with Supplementary Information  
June 30, 2025**

<b>Independent Auditor's Report</b>	1-3
<b>Management's Discussion and Analysis</b>	4-6
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8-9
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	10
Reconciliation of the Balance Sheet to the Statement of Net Position	11
Statement of Revenue, Expenditures, and Changes in Fund Balances	12
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	13
Proprietary Fund:	
Statement of Net Position	14
Statement of Revenue, Expenses, and Changes in Net Position	15
Statement of Cash Flows	16
Fiduciary Funds:	
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
Component Units:	
Statement of Net Position	19
Statement of Activities	20-21
Notes to Financial Statements	22-53
<b>Required Supplementary Information</b>	54
Budgetary Comparison Schedule - General Fund	55-56
Schedule of Changes in the Police and Fire Net Pension Liability and Related Ratios	57
Schedule of Changes in the MERS Net Pension (Asset) Liability and Related Ratios	58
Schedule of MERS Contributions	59
Schedule of Police and Fire Pension Contributions	60
Schedule of Police and Fire Pension Investment Returns	61
Schedule of Changes in the Net OPEB Liability and Related Ratios	62
Schedule of OPEB Contributions	63
Schedule of OPEB Investment Returns	64
Notes to Required Supplementary Information	65-67
<b>Supplementary Information</b>	68
Nonmajor Governmental Funds:	
Combining Balance Sheet	69-70
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	71-72
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position	73
Combining Statement of Changes in Fiduciary Net Position	74
Component Unit:	
Statement of Net Position/Governmental Fund Balance Sheet - Library	75
Statement of Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities - Library	76

## **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, 2025 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, 2025 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 17, 2025 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 17, 2025

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, 2025 and should be read in conjunction with the City's financial statements.

### Financial Highlights

- Many capital outlay items were purchased throughout the year, including equipment to enhance the public safety department and the department of public service, including new vehicles and highway maintenance equipment. Improvements were also made throughout the city parks to update equipment and increase safety. A new state of the art fire station was built to replace an older and outdated one. Improvements were also made to other city buildings.
- Approximately \$11.0 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.

### 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	
	2025	2024	2025	2024	2025	2024
<b>Assets</b>						
Current and other assets	\$ 44,029,419	\$ 44,421,523	\$ 30,364,994	\$ 30,300,530	\$ 74,394,413	\$ 74,722,053
Capital assets	174,331,292	166,097,384	84,314,325	83,585,028	258,645,617	249,682,412
Total assets	218,360,711	210,518,907	114,679,319	113,885,558	333,040,030	324,404,465
<b>Deferred Outflows of Resources</b>	11,483,311	15,206,002	1,809,797	1,931,631	13,293,108	17,137,633
<b>Liabilities</b>						
Current liabilities	8,854,629	15,942,997	5,083,630	3,372,773	13,938,259	19,315,770
Noncurrent liabilities	226,584,427	230,956,026	39,668,680	41,048,528	266,253,107	272,004,554
Total liabilities	235,439,056	246,899,023	44,752,310	44,421,301	280,191,366	291,320,324
<b>Deferred Inflows of Resources</b>	1,214,591	6,159,748	60,888	873,954	1,275,479	7,033,702
<b>Net Position (Deficit)</b>						
Net investment in capital assets	172,511,073	164,173,770	74,735,381	73,035,550	247,246,454	237,209,320
Restricted	11,178,316	13,270,551	-	-	11,178,316	13,270,551
Unrestricted	(190,499,014)	(204,778,183)	(3,059,463)	(2,513,616)	(193,558,477)	(207,291,799)
Total net position (deficit)	\$ (6,809,625)	\$ (27,333,862)	\$ 71,675,918	\$ 70,521,934	\$ 64,866,293	\$ 43,188,072

Management's Discussion and Analysis (Continued)

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 \$190,499,014 and \$3,059,463, 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 \$226,584,427 and \$39,668,680, respectively.

**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	
	2025	2024	2025	2024	2025	2024
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 23,424,302	\$ 23,219,964	\$ 35,436,432	\$ 33,571,176	\$ 58,860,734	\$ 56,791,140
Operating grants	35,174,172	42,734,222	296,339	6,261,777	35,470,511	48,995,999
Capital grants and contributions	8,521,059	2,892,394	46,673	710,610	8,567,732	3,603,004
General revenue:						
Taxes - Property taxes	38,071,816	35,851,354	-	-	38,071,816	35,851,354
State-shared revenue	11,145,331	11,021,988	-	-	11,145,331	11,021,988
Interest	1,781,712	1,748,968	793,064	695,795	2,574,776	2,444,763
Other revenue:						
Cable franchise fees	977,039	1,165,045	-	-	977,039	1,165,045
(Loss) gain on sale of fixed assets	(198,294)	-	(124,743)	1,425	(323,037)	1,425
Other miscellaneous income	1,214,405	1,219,710	-	-	1,214,405	1,219,710
Total revenue	120,111,542	119,853,645	36,447,765	41,240,783	156,559,307	161,094,428
<b>Expenses</b>						
General government	18,641,114	12,238,068	-	-	18,641,114	12,238,068
Public safety	47,074,243	43,014,472	-	-	47,074,243	43,014,472
Public works	23,351,734	21,888,654	-	-	23,351,734	21,888,654
Community and economic development	5,810,033	6,355,215	-	-	5,810,033	6,355,215
Recreation and culture	3,523,841	3,036,872	-	-	3,523,841	3,036,872
Interest on long-term debt	1,186,340	1,201,041	-	-	1,186,340	1,201,041
Water and sewer	-	-	35,293,781	32,510,598	35,293,781	32,510,598
Total expenses	99,587,305	87,734,322	35,293,781	32,510,598	134,881,086	120,244,920
<b>Change in Net Position</b>	20,524,237	32,119,323	1,153,984	8,730,185	21,678,221	40,849,508
<b>Net Position (Deficit) - Beginning of year</b>	(27,333,862)	(59,453,185)	70,521,934	61,791,749	43,188,072	2,338,564
<b>Net Position (Deficit) - End of year</b>	<u>\$ (6,809,625)</u>	<u>\$ (27,333,862)</u>	<u>\$ 71,675,918</u>	<u>\$ 70,521,934</u>	<u>\$ 64,866,293</u>	<u>\$ 43,188,072</u>

**Governmental Activities**

The City's total governmental activity revenue increased by approximately \$260,000. The increase was primarily due to additional property tax revenue and state shared revenue offset by less grant revenue and charges for services and cable franchise fees.

Expenses increased by approximately \$11.9 million during the year. The increase was primarily due to an increase in the public safety, general government, public works, and recreation and culture expense categories offset by decreased community and economic development 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 \$2.8 million, while total operating revenue increased by approximately \$1.9 million compared to the previous year. The increase in revenue primarily relates to additional water and sewer sales. The increase in expenditures primarily relates to increased rates from Great Lakes Water Authority and Wayne County, Michigan.

#### **The City of Westland, Michigan's Funds**

Our analysis of the City's major funds begins on page 10, 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 2025 is the General Fund.

#### **General Fund Budgetary Highlights**

The General Fund's total revenue decreased by approximately \$9.3 million. The decrease was primarily due to grant revenue recognized, for example the Protecting MI Pension Grant in the prior year, which was not a recurring revenue.

The General Fund pays for most of the City's governmental services. The General Fund's total expenditures are approximately \$83.4 million. The most significant expenditures are public safety, which incurred expenditures of approximately \$49.6 million in 2025. Other government services accounted for in the General Fund include general government (finance, city clerk, city assessor, economic development, community development, personnel, and the mayor's office), sanitation, and recreation.

The net change in fund balance for the General Fund was an increase of approximately \$1,350,000.

The fund balance of the General Fund increased from approximately \$13,283,000 to approximately \$14,633,000.

#### **Capital Assets and Debt Administration**

As of June 30, 2025, the City had a total of approximately \$258,646,000 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 \$27,900,000 was capitalized in the current fiscal year.

Debt service makes up approximately 3.35 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, 2026 reflects a conservative economic outlook. Taxable values increased by approximately 7.02 percent for the 2025 tax year (fiscal year 2025-2026) and are projected to grow by around 5.00 percent for the 2026 tax year (fiscal year 2026-2027). 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.



## Statement of Net Position

June 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents (Note 3)	\$ 23,137,575	\$ 17,015,285	\$ 40,152,860	\$ 12,666,051
Receivables - Net (Note 4)	11,107,158	12,140,364	23,247,522	1,433,928
Due from component units (Note 6)	11,480	-	11,480	-
Due from primary government (Note 6)	-	-	-	458,276
Internal balances	(131,431)	131,431	-	-
Inventory	169,628	380,013	549,641	-
Prepaid expenses	2,949,340	155,322	3,104,662	174,896
Other current assets	-	-	-	9,158
Deposits held by third parties	3,810,186	40,928	3,851,114	22,738
Land held for resale	1,379,324	-	1,379,324	13,283
Net pension asset (Note 13)	1,596,159	501,651	2,097,810	-
Capital assets: (Note 5)				
Not being depreciated	19,321,775	-	19,321,775	321,237
Depreciable - Net	155,009,517	84,314,325	239,323,842	9,018,654
Total assets	218,360,711	114,679,319	333,040,030	24,118,221
<b>Deferred Outflows of Resources</b>				
Deferred charges on bond refunding	-	-	-	753,602
Deferred pension costs (Note 13)	7,293,804	1,208,771	8,502,575	-
Deferred OPEB costs (Note 14)	4,189,507	601,026	4,790,533	-
Total deferred outflows of resources	11,483,311	1,809,797	13,293,108	753,602
<b>Liabilities</b>				
Accounts payable	5,819,325	4,393,526	10,212,851	3,295,385
Due to other governmental units	-	1,338	1,338	-
Due to component units (Note 6)	458,276	-	458,276	-
Due to primary government (Note 6)	-	-	-	11,480
Deposits and bonds	-	54,249	54,249	-
Accrued liabilities and other	2,231,815	634,517	2,866,332	249,703
Unearned revenue	345,213	-	345,213	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 7)	5,088,401	177,824	5,266,225	15,889
Provision for claims (Note 8)	1,268,874	130,689	1,399,563	67,819
Current portion of long-term debt (Note 7)	2,372,785	1,644,420	4,017,205	1,035,000
Due in more than one year:				
Compensated absences (Note 7)	6,775,876	193,662	6,969,538	2,035
Provision for claims (Note 8)	1,174,029	120,953	1,294,982	76,755
Net pension liability (Note 13)	70,305,814	-	70,305,814	-
Net OPEB liability (Note 14)	85,283,114	12,234,708	97,517,822	-
Long-term debt - Net of current portion (Note 7)	54,315,534	25,166,424	79,481,958	8,890,000
Total liabilities	235,439,056	44,752,310	280,191,366	13,644,066
<b>Deferred Inflows of Resources</b>				
Deferred pension cost reductions (Note 13)	790,160	-	790,160	-
Deferred OPEB cost reductions (Note 14)	424,431	60,888	485,319	-
Total deferred inflows of resources	1,214,591	60,888	1,275,479	-
<b>Net Position (Deficit)</b>				
Net investment in capital assets	172,511,073	74,735,381	247,246,454	9,339,891
Restricted:				
Retirement systems	1,911,000	-	1,911,000	-
Road improvements	3,943,434	-	3,943,434	-
Other (Note 11)	5,323,882	-	5,323,882	-
Unrestricted	(190,499,014)	(3,059,463)	(193,558,477)	1,887,866
Total net position (deficit)	\$ (6,809,625)	\$ 71,675,918	\$ 64,866,293	\$ 11,227,757

## City of Westland, Michigan

		Program Revenue		
		Charges for	Operating	Capital Grants
Expenses		Services	Grants and	and
			Contributions	Contributions
<b>Functions/Programs</b>				
Primary government:				
Governmental activities:				
General government	\$ 18,641,114	\$ 10,003,950	\$ 3,954,090	\$ -
Public safety	47,074,243	10,014,580	17,676,930	130,404
Public works	23,351,734	2,402,176	10,450,078	500,000
Community and economic development	5,810,033	-	2,896,627	-
Recreation and culture	3,523,841	1,003,596	196,447	7,890,655
Interest on long-term debt	1,186,340	-	-	-
Total governmental activities	99,587,305	23,424,302	35,174,172	8,521,059
Business-type activities - Water and sewer	35,293,781	35,436,432	296,339	46,673
Total primary government	<u><u>\$ 134,881,086</u></u>	<u><u>\$ 58,860,734</u></u>	<u><u>\$ 35,470,511</u></u>	<u><u>\$ 8,567,732</u></u>
Component units	<u><u>\$ 15,591,577</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,442,076</u></u>	<u><u>\$ -</u></u>
General revenue (expense):				
Property taxes				
State-shared revenue				
Interest and sundry				
Cable franchise fees				
Loss on disposal of capital assets				
Other miscellaneous income				
Total general revenue				
<b>Change in Net Position</b>				
<b>Net Position (Deficit) - Beginning of year</b>				
<b>Net Position (Deficit) - End of year</b>				

## Statement of Activities

Year Ended June 30, 2025

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (4,683,074)	\$ -	\$ (4,683,074)	\$ -
(19,252,329)	-	(19,252,329)	-
(9,999,480)	-	(9,999,480)	-
(2,913,406)	-	(2,913,406)	-
5,566,857	-	5,566,857	-
(1,186,340)	-	(1,186,340)	-
(32,467,772)	-	(32,467,772)	-
-	485,663	485,663	-
(32,467,772)	485,663	(31,982,109)	-
-	-	-	(10,149,501)
38,071,816	-	38,071,816	10,553,373
11,145,331	-	11,145,331	-
1,781,712	793,064	2,574,776	420,685
977,039	-	977,039	-
(198,294)	(124,743)	(323,037)	(96,600)
1,214,405	-	1,214,405	2,560
52,992,009	668,321	53,660,330	10,880,018
20,524,237	1,153,984	21,678,221	730,517
(27,333,862)	70,521,934	43,188,072	10,497,240
<b>\$ (6,809,625)</b>	<b>\$ 71,675,918</b>	<b>\$ 64,866,293</b>	<b>\$ 11,227,757</b>

Governmental Funds  
Balance Sheet

June 30, 2025

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents (Note 3)	\$ 8,710,627	\$ 14,426,948	\$ 23,137,575
Receivables - Net (Note 4)	6,629,030	4,478,128	11,107,158
Due from component units (Note 6)	11,480	-	11,480
Due from other funds (Note 6)	153,036	-	153,036
Inventory	42,352	127,276	169,628
Prepaid expenses	2,716,164	233,176	2,949,340
Deposits held by third parties	3,810,186	-	3,810,186
Land held for resale	-	1,379,324	1,379,324
Total assets	<u>\$ 22,072,875</u>	<u>\$ 20,644,852</u>	<u>\$ 42,717,727</u>
<b>Liabilities</b>			
Accounts payable	\$ 1,849,620	\$ 3,969,705	\$ 5,819,325
Due to component units (Note 6)	458,276	-	458,276
Due to other funds (Note 6)	131,431	153,036	284,467
Accrued liabilities and other	2,014,380	11,914	2,026,294
Unearned revenue	335,193	10,020	345,213
Total liabilities	4,788,900	4,144,675	8,933,575
<b>Deferred Inflows of Resources</b> - Unavailable revenue	2,651,094	292,940	2,944,034
Total liabilities and deferred inflows of resources	7,439,994	4,437,615	11,877,609
<b>Fund Balances</b> (Note 12)			
Nonspendable	2,758,516	360,452	3,118,968
Restricted	3,913,783	5,715,736	9,629,519
Committed	35,972	5,662,746	5,698,718
Assigned	-	4,468,303	4,468,303
Unassigned	7,924,610	-	7,924,610
Total fund balances	14,632,881	16,207,237	30,840,118
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,072,875</u>	<u>\$ 20,644,852</u>	<u>\$ 42,717,727</u>

**Governmental Funds**

**Reconciliation of the Balance Sheet to the Statement of Net Position**

**June 30, 2025**

<b>Fund Balances Reported in Governmental Funds</b>	<b>\$ 30,840,118</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are not financial resources and are not reported in the funds	174,331,292
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	2,944,034
Deferred outflows and inflows of resources related to pension and OPEB are reported in the government-wide statements but not in the governmental funds	10,268,720
Bonds payable and installment purchases are not due and payable in the current period and are not reported in the funds	(56,688,319)
Accrued interest is not due and payable in the current period and is not reported in the funds	(205,521)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(11,864,277)
Pension benefits	(68,709,655)
Retiree health care benefits	(85,283,114)
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	(2,442,903)
<b>Net Position (Deficit) of Governmental Activities</b>	<b><u>\$ (6,809,625)</u></b>

**Governmental Funds**

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

**Year Ended June 30, 2025**

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenue</b>			
Property taxes	\$ 38,071,816	\$ -	\$ 38,071,816
Special assessments	-	1,738,424	1,738,424
Intergovernmental:			
Federal grants	10,883,049	1,770,789	12,653,838
State sources	16,833,231	17,102,235	33,935,466
Charges for services	11,420,930	-	11,420,930
Court fines and fees	4,308,720	97,733	4,406,453
Licenses and permits	1,820,678	-	1,820,678
Interest income	1,781,712	-	1,781,712
Other revenue:			
Local sources	2,144,083	-	2,144,083
Other income	4,886,304	316,170	5,202,474
Cable franchise fees	977,039	-	977,039
Total revenue	93,127,562	21,025,351	114,152,913
<b>Expenditures</b>			
Current services:			
General government	16,595,252	-	16,595,252
Street lighting	-	2,378,270	2,378,270
Public safety	49,567,808	1,352,995	50,920,803
Highway, streets, and drains	-	10,964,402	10,964,402
Sanitation	6,213,884	-	6,213,884
Community and economic development	4,482,409	1,783,990	6,266,399
Recreation and culture	3,087,841	-	3,087,841
Capital outlay	-	7,528,545	7,528,545
Debt service	3,489,508	117,762	3,607,270
Total expenditures	83,436,702	24,125,964	107,562,666
<b>Excess of Revenue Over (Under) Expenditures</b>	9,690,860	(3,100,613)	6,590,247
<b>Other Financing Sources (Uses)</b>			
Transfers in (Note 6)	-	12,208,693	12,208,693
Transfers out (Note 6)	(8,426,362)	(3,782,331)	(12,208,693)
Lease proceeds (Note 7)	-	273,123	273,123
Proceeds from sale of capital assets	85,666	-	85,666
Total other financing (uses) sources	(8,340,696)	8,699,485	358,789
<b>Net Change in Fund Balances</b>	1,350,164	5,598,872	6,949,036
<b>Fund Balances - Beginning of year</b>	13,282,717	10,608,365	23,891,082
<b>Fund Balances - End of year</b>	<u><u>\$ 14,632,881</u></u>	<u><u>\$ 16,207,237</u></u>	<u><u>\$ 30,840,118</u></u>

**Governmental Funds**

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

**Year Ended June 30, 2025**

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	<b>\$ 6,949,036</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	14,847,014
Depreciation expense	(14,219,802)
Contributed capital	7,890,655
Net book value of assets disposed of	(283,960)
Total	8,233,907
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	388,423
Issuing debt and entering into leases provide current financial resources to governmental funds, but increase long-term liabilities in the statement of net position	(273,123)
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	2,415,999
Change in accrued interest on long-term debt is not recorded in the governmental funds	4,933
Change in pension liability and asset is not recorded in the governmental funds	4,094,634
Change in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	(1,152,760)
Changes in deferred outflows and inflows of resources related to pension and OPEB are not recorded in the governmental funds	1,222,466
Change in other postemployment benefit liability is not recorded in the governmental funds	(733,228)
Claims and similar costs that do not use current financial resources are not reported as expenditures in the governmental funds	(626,050)
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 20,524,237</u></b>

Proprietary Fund  
Statement of Net Position

June 30, 2025

Water and Sewer  
Fund

**Assets**

Current assets:

Cash and cash equivalents	\$ 17,015,285
Receivables - Net (Note 4)	12,140,364
Due from other funds (Note 6)	131,431
Inventory	380,013
Prepaid expenses	155,322
Deposits held by third parties	40,928

Total current assets 29,863,343

Noncurrent assets:

Net pension asset (Note 13)	501,651
Capital assets - Net (Note 5)	84,314,325

Total noncurrent assets 84,815,976

Total assets 114,679,319

**Deferred Outflows of Resources**

Deferred pension costs (Note 13)	1,208,771
Deferred OPEB costs (Note 14)	601,026

Total deferred outflows of resources 1,809,797

**Liabilities**

Current liabilities:

Accounts payable	4,393,526
Due to other governmental units	1,338
Deposits and bonds	54,249
Accrued liabilities and other	634,517
Compensated absences (Note 7)	177,824
Provision for claims (Note 8)	130,689
Current portion of long-term debt (Note 7)	1,644,420

Total current liabilities 7,036,563

Noncurrent liabilities:

Compensated absences (Note 7)	193,662
Provision for claims (Note 8)	120,953
Net OPEB liability (Note 14)	12,234,708
Long-term debt - Net of current portion (Note 7)	25,166,424

Total noncurrent liabilities 37,715,747

Total liabilities 44,752,310

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

60,888

**Net Position**

Net investment in capital assets	74,735,381
Unrestricted	(3,059,463)

Total net position \$ 71,675,918



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**Proprietary Fund**

**Statement of Revenue, Expenses, and Changes in Net Position**

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**Year Ended June 30, 2025**

	<u>Water and Sewer Fund</u>
<b>Operating Revenue</b>	
Water and sewer	\$ 33,846,610
Penalties	1,528,829
Other	<u>60,993</u>
Total operating revenue	35,436,432
<b>Operating Expenses</b>	
Cost of water	7,024,030
Cost of sewage disposal	10,874,085
Wage and fringe benefits	3,549,179
Contracted services	6,563,210
Operating supplies and other	349,239
Repairs and maintenance	1,908,150
Depreciation	<u>4,310,774</u>
Total operating expenses	<u>34,578,667</u>
<b>Operating Income</b>	857,765
<b>Nonoperating Revenue (Expense)</b>	
Investment income	793,064
Interest expense	(715,114)
Loss on sale of assets	(124,743)
Operating grants	<u>296,339</u>
Total nonoperating revenue	<u>249,546</u>
<b>Income - Before capital contributions</b>	1,107,311
<b>Capital Contributions - Lines donated by developers</b>	<u>46,673</u>
<b>Change in Net Position</b>	1,153,984
<b>Net Position - Beginning of year</b>	<u>70,521,934</u>
<b>Net Position - End of year</b>	<u><u>\$ 71,675,918</u></u>

Proprietary Fund  
Statement of Cash Flows

Year Ended June 30, 2025

	Water and Sewer Fund
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 34,468,925
Internal activity - Payments to other funds	(5,857,394)
Payments to suppliers	(20,014,984)
Payments to employees and fringes	(3,768,288)
Net cash and cash equivalents provided by operating activities	4,828,259
<b>Cash Flows from Noncapital Financing Activities</b>	
Operating grants and subsidies	296,339
Principal and interest paid on operating debt	(1,012,507)
Net cash and cash equivalents used in noncapital financing activities	(716,168)
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of capital assets	(5,118,141)
Principal and interest paid on capital debt	(1,324,018)
Net cash and cash equivalents used in capital and related financing activities	(6,442,159)
<b>Cash Flows Provided by Investing Activities</b> - Interest received on investments and other assets	793,064
<b>Net Decrease in Cash and Cash Equivalents</b>	(1,537,004)
<b>Cash and Cash Equivalents</b> - Beginning of year	18,552,289
<b>Cash and Cash Equivalents</b> - End of year	<b>\$ 17,015,285</b>
<b>Reconciliation of Operating Income to Net Cash and Cash Equivalents from Operating Activities</b>	
Operating income	\$ 857,765
Adjustments to reconcile operating income to net cash and cash equivalents from operating activities:	
Depreciation	4,310,774
Changes in assets and liabilities:	
Receivables	(967,507)
Due to and from other funds	(685,512)
Inventories	(125,820)
Prepaid and other assets	(29,503)
Net pension asset and OPEB liability	(382,975)
Accounts payable	1,691,141
Accrued and other liabilities	159,896
Total adjustments	3,970,494
Net cash and cash equivalents provided by operating activities	<b>\$ 4,828,259</b>
<b>Significant Noncash Transactions</b> - Donated water and sewer lines	\$ 46,673

**Fiduciary Funds**  
**Statement of Fiduciary Net Position**

**June 30, 2025**

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
<b>Assets</b>		
Cash and cash equivalents (Note 3)	\$ -	\$ 330,883
Investments: (Note 3)		
Municipal obligations	4,191,805	-
CIF - Fixed income	15,542,653	-
U.S. government securities	21,536,350	-
Pooled investments	9,289,373	-
Common stocks	35,078,862	-
Corporate bonds	1,701,051	-
Real estate	226,941	-
Mutual funds	84,653,114	-
Closely held - Equity	33,611,983	-
Receivables - Net	314,299	-
Total assets	206,146,431	330,883
<b>Liabilities</b>		
Due to other governmental units	-	287,860
Deposits and bonds	-	43,023
Due to brokers	6,731	-
Total liabilities	6,731	330,883
<b>Net Position - Restricted</b>		
Pension	196,850,327	-
Postemployment benefits other than pension	9,289,373	-
Total net position	<b>\$ 206,139,700</b>	<b>\$ -</b>

**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**

**Year Ended June 30, 2025**

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
<b>Additions</b>		
Investment income (loss):		
Interest and dividends	\$ 4,269,170	\$ -
Net change in fair value of investments	16,639,642	-
Investment costs	(592,113)	-
Net investment income	20,316,699	-
Contributions:		
Employer contributions	21,918,511	-
Employee contributions	848,268	-
Total contributions	22,766,779	-
Fines, fees, and bonds	-	1,946,834
Property tax collections	-	76,318,366
Total additions	43,083,478	78,265,200
<b>Deductions</b>		
Benefit payments	27,730,743	-
Administrative expenses	596,684	-
District court distributions	-	1,946,834
Property tax distributions to other governments	-	76,318,366
Total deductions	28,327,427	78,265,200
<b>Net Change in Fiduciary Net Position</b>	14,756,051	-
<b>Net Position - Beginning of year</b>	191,383,649	-
<b>Net Position - End of year</b>	<b>\$ 206,139,700</b>	<b>\$ -</b>

Component Units  
Statement of Net Position

June 30, 2025

	Downtown Development Authority	Local Development Finance Authority	Tax Increment Finance Authority	Brownfield Redevelopment Authority	Westland Public Library	Total
<b>Assets</b>						
Cash and cash equivalents (Note 3)	\$ 2,611,068	\$ 508,372	\$ 6,443,297	\$ 2,287,401	\$ 815,913	\$ 12,666,051
Receivables - Net (Note 4)	6,671	-	1,013,674	636	412,947	1,433,928
Due from primary government (Note 6)	33,750	-	-	424,526	-	458,276
Prepaid expenses	78,389	-	3,014	-	93,493	174,896
Other current assets	-	-	-	-	9,158	9,158
Deposits held by third parties	-	-	-	-	22,738	22,738
Land held for resale	6,030	7,253	-	-	-	13,283
Capital assets: (Note 5)						
Not being depreciated	321,237	-	-	-	-	321,237
Depreciable - Net	7,086,682	-	643,958	-	1,288,014	9,018,654
<b>Total assets</b>	<b>10,143,827</b>	<b>515,625</b>	<b>8,103,943</b>	<b>2,712,563</b>	<b>2,642,263</b>	<b>24,118,221</b>
<b>Deferred Outflows of Resources -</b>						
Deferred charges on bond refunding	-	-	753,602	-	-	753,602
<b>Total assets and deferred outflows of resources</b>	<b>10,143,827</b>	<b>515,625</b>	<b>8,857,545</b>	<b>2,712,563</b>	<b>2,642,263</b>	<b>24,871,823</b>
<b>Liabilities</b>						
Accounts payable	186,316	480	2,613,266	440,220	55,103	3,295,385
Due to primary government (Note 6)	-	-	34	-	11,446	11,480
Accrued liabilities and other	7,428	721	56,450	395	184,709	249,703
Noncurrent liabilities:						
Due within one year:						
Compensated absences (Note 7)	-	-	-	-	15,889	15,889
Provision for claims (Note 8)	-	-	-	-	67,819	67,819
Current portion of long-term debt (Note 7)	-	-	1,035,000	-	-	1,035,000
Due in more than one year:						
Compensated absences (Note 7)	-	-	-	-	2,035	2,035
Provision for claims (Note 8)	-	-	-	-	76,755	76,755
Long-term debt - Net of current portion (Note 7)	-	-	8,890,000	-	-	8,890,000
<b>Total liabilities</b>	<b>193,744</b>	<b>1,201</b>	<b>12,594,750</b>	<b>440,615</b>	<b>413,756</b>	<b>13,644,066</b>
<b>Net Position (Deficit)</b>						
Net investment in capital assets	7,407,919	-	643,958	-	1,288,014	9,339,891
Unrestricted	2,542,164	514,424	(4,381,163)	2,271,948	940,493	1,887,866
<b>Total net position (deficit)</b>	<b>\$ 9,950,083</b>	<b>\$ 514,424</b>	<b>\$ (3,737,205)</b>	<b>\$ 2,271,948</b>	<b>\$ 2,228,507</b>	<b>\$ 11,227,757</b>

## City of Westland, Michigan

		Program Revenue		
		Charges for	Operating	Capital Grants
	Expenses	Services	Grants and	and
			Contributions	Contributions
<b>Functions/Programs</b>				
Downtown Development Authority	\$ 2,033,770	\$ -	\$ 772,515	\$ -
Local Development Finance Authority	114,474	-	77,011	-
Tax Increment Finance Authority	9,010,561	-	3,537,194	-
Brownfield Redevelopment Authority	660,631	-	427,388	-
Library	3,772,141	-	627,968	-
Total component units	<b>\$ 15,591,577</b>	<b>\$ -</b>	<b>\$ 5,442,076</b>	<b>\$ -</b>

### General revenue:

Property taxes  
 Unrestricted investment income  
 Loss 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

Component Units  
Statement of Activities

Year Ended June 30, 2025

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
\$ (1,261,255)	\$ -	\$ -	\$ -	\$ -	\$ (1,261,255)
-	(37,463)	-	-	-	(37,463)
-	-	(5,473,367)	-	-	(5,473,367)
-	-	-	(233,243)	-	(233,243)
-	-	-	-	(3,144,173)	(3,144,173)
(1,261,255)	(37,463)	(5,473,367)	(233,243)	(3,144,173)	(10,149,501)
2,199,195	134,190	4,275,107	351,394	3,593,487	10,553,373
65,763	16,494	206,565	98,138	33,725	420,685
(41,277)	-	(55,323)	-	-	(96,600)
-	-	-	-	2,560	2,560
2,223,681	150,684	4,426,349	449,532	3,629,772	10,880,018
962,426	113,221	(1,047,018)	216,289	485,599	730,517
8,987,657	401,203	(2,690,187)	2,055,659	1,742,908	10,497,240
<b>\$ 9,950,083</b>	<b>\$ 514,424</b>	<b>\$ (3,737,205)</b>	<b>\$ 2,271,948</b>	<b>\$ 2,228,507</b>	<b>\$ 11,227,757</b>

## 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, 2025

**Note 1 - Significant Accounting Policies (Continued)**

*Brownfield Redevelopment Authority*

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

*Tax Increment Finance Authority*

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

*Westland Public Library*

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

**Fiduciary Component Units**

*Pension and OPEB Plans*

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

***Report Presentation***

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

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

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

## Note 1 - Significant Accounting Policies (Continued)

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

### ***Fund Accounting***

The City accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures for which specific revenue was used. The various funds are aggregated into three broad fund types:

#### **Governmental Funds**

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, and capital project funds. The City reports the following fund as a major governmental fund:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.

#### **Proprietary Funds**

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees). The City reports the following fund as a major enterprise fund:

- The Water and Sewer Fund provides water to customers and disposes of sanitary sewage in exchange for quarterly user charges.

#### **Fiduciary Funds**

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include the following:

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

#### **Interfund Activity**

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

June 30, 2025

## 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.

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

**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.

**Deferred Outflows/Inflows of Resources**

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

Note 1 - Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to 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.

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.

**June 30, 2025****Note 1 - Significant Accounting Policies (Continued)****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 2024 taxable valuation of the City totaled \$2.30 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 6.1802 mills for operating purposes, 1.7353 mills for operations of the Library, 8.0000 mills for the Police and Fire Retirement System, 0.0215 for public relations, and 3.3167 mills for sanitation. The ad valorem taxes levied raised approximately \$12.9 million for city operations, approximately \$3.6 million for operation of the Library, approximately \$16.7 million for the Police and Fire Retirement System, \$45 thousand for city promotion, and approximately \$6.9 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. The compensated absence liabilities are reported in the government-wide and proprietary fund financial statements. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

**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.



Note 1 - Significant Accounting Policies (Continued)

Use of Estimates

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

Upcoming Accounting Pronouncements

In April 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. This 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.

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, 2024	\$ (4,193,778)
Current year permit revenue	1,984,166
Estimated indirect costs	<u>2,003,939</u>
Current year shortfall	<u>(19,773)</u>
Cumulative shortfall at June 30, 2025	<u><u>\$ (4,213,551)</u></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.

June 30, 2025

### Note 3 - Deposits and Investments (Continued)

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") periodically 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.

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

The City of Westland, Michigan's Police and Fire Retirement System and the borrower maintain the right to terminate all securities lending transactions on demand. The System had no securities lending as of June 30, 2025.

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 \$21,946,452 (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 \$159,552 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.



June 30, 2025

### Note 3 - Deposits and Investments (Continued)

#### Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy does not restrict investment maturities other than commercial paper, which can 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	\$ 13,153,156	7.79
U.S. government agency securities	917,133	4.87
Corporate securities	1,701,051	4.60
Municipal bonds	4,191,805	2.57
Mortgage-backed securities	7,466,061	26.41
Primary government - Michigan CLASS investment pool	14,723,604	0.23
Component units - Michigan CLASS investment pool	12,102,547	0.23

#### 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	\$ 482,417	A1	Moody's
Corporate securities	99,790	A2	Moody's
Corporate securities	550,483	A3	Moody's
Corporate securities	296,441	Baa1 and below	Moody's
Corporate securities	271,920	Not rated	N/A
Municipal bonds	684,248	Aaa	Moody's
Municipal bonds	919,568	Aa1	Moody's
Municipal bonds	442,343	Aa2	Moody's
Municipal bonds	255,079	Aa3	Moody's
Municipal bonds	1,890,567	Not rated	N/A
Mortgage-backed securities	7,466,061	Not rated	N/A
U.S. government agency securities	358,160	Aaa	Moody's
U.S. government agency securities	558,973	Not rated	N/A
U.S. Treasury	13,153,156	Aa1	Moody's
Primary government - Michigan CLASS investment pool	14,723,604	AAAm	S&P
Component units - Michigan CLASS investment pool	12,102,547	AAAm	S&P

June 30, 2025

## Note 4 - Receivables

The City's receivables are as follows:

	General Fund	Nonmajor Funds	Total Governmental Activities	Business-type Activities	Total Primary Government	Component Units
Receivables:						
Property taxes receivable	\$ 349,905	\$ -	\$ 349,905	\$ -	\$ 349,905	\$ 36,629
Customer receivables	-	-	-	12,077,570	12,077,570	-
Other receivables	985,379	15,376	1,000,755	-	1,000,755	1,348,014
Due from other governments	4,023,898	4,462,752	8,486,650	62,794	8,549,444	49,285
Opioid settlement	1,269,848	-	1,269,848	-	1,269,848	-
Net receivables	<u>\$ 6,629,030</u>	<u>\$ 4,478,128</u>	<u>\$ 11,107,158</u>	<u>\$ 12,140,364</u>	<u>\$ 23,247,522</u>	<u>\$ 1,433,928</u>

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

## Note 5 - Capital Assets

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

### Governmental Activities

	Balance July 1, 2024	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2025
Capital assets not being depreciated:					
Land	\$ 3,335,379	\$ -	\$ -	\$ -	\$ 3,335,379
Construction in progress	1,541,625	-	14,444,771	-	15,986,396
Subtotal	4,877,004	-	14,444,771	-	19,321,775
Capital assets being depreciated:					
Roads and sidewalks	625,148,239	-	5,115,993	(535,575)	629,728,657
Buildings and improvements	53,130,424	-	991,151	(267,768)	53,853,807
Other tools and equipment	21,313,019	-	2,185,754	(4,396,538)	19,102,235
Subtotal	699,591,682	-	8,292,898	(5,199,881)	702,684,699
Accumulated depreciation:					
Roads and sidewalks	505,934,335	-	10,398,039	(455,239)	515,877,135
Buildings and improvements	19,241,660	-	1,664,714	(257,982)	20,648,392
Other tools and equipment	13,195,306	-	2,157,049	(4,202,700)	11,149,655
Subtotal	538,371,301	-	14,219,802	(4,915,921)	547,675,182
Net capital assets being depreciated	161,220,381	-	(5,926,904)	(283,960)	155,009,517
Net governmental activities capital assets	<u>\$ 166,097,385</u>	<u>\$ -</u>	<u>\$ 8,517,867</u>	<u>\$ (283,960)</u>	<u>\$ 174,331,292</u>

June 30, 2025

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

	Balance July 1, 2024	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2025
<b>Water and Sewer Fund</b>					
Capital assets being depreciated:					
Water and sewer lines	\$ 131,939,330	\$ -	\$ 3,502,519	\$ -	\$ 135,441,849
Buildings and improvements	2,239,554	-	32,320	(44,400)	2,227,474
Other tools and equipment	1,852,867	-	107,586	(206,820)	1,753,633
Vehicles	4,663,509	-	1,522,389	(673,848)	5,512,050
Subtotal	140,695,260	-	5,164,814	(925,068)	144,935,006
Accumulated depreciation:					
Water and sewer lines	51,324,408	-	3,621,840	-	54,946,248
Buildings and improvements	1,475,826	-	42,549	(41,370)	1,477,005
Other tools and equipment	1,312,057	-	105,908	(206,820)	1,211,145
Vehicles	2,997,941	-	540,477	(552,135)	2,986,283
Subtotal	57,110,232	-	4,310,774	(800,325)	60,620,681
Net business-type activities capital assets	<u>\$ 83,585,028</u>	<u>\$ -</u>	<u>\$ 854,040</u>	<u>\$ (124,743)</u>	<u>\$ 84,314,325</u>

***Component Units***

	Balance July 1, 2024	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2025
Capital assets not being depreciated - Land	\$ 321,237	\$ -	\$ -	\$ -	\$ 321,237
Capital assets being depreciated:					
Library buildings and improvements	1,330,757	-	2,500	-	1,333,257
Library other tools and equipment	4,089,284	-	221,462	-	4,310,746
DDA improvements	10,908,042	-	-	(421,579)	10,486,463
TIFA improvements	1,445,327	-	-	(405,337)	1,039,990
Subtotal	17,773,410	-	223,962	(826,916)	17,170,456
Accumulated depreciation:					
Library buildings and improvements	659,241	-	53,338	-	712,579
Library other tools and equipment	3,423,522	-	219,889	-	3,643,411
DDA improvements	3,360,211	-	419,872	(380,302)	3,399,781
TIFA improvements	659,066	-	86,979	(350,014)	396,031
Subtotal	8,102,040	-	780,078	(730,316)	8,151,802
Net capital assets being depreciated	<u>9,671,370</u>	<u>-</u>	<u>(556,116)</u>	<u>(96,600)</u>	<u>9,018,654</u>
Net component units capital assets	<u>\$ 9,992,607</u>	<u>\$ -</u>	<u>\$ (556,116)</u>	<u>\$ (96,600)</u>	<u>\$ 9,339,891</u>

June 30, 2025

## Note 5 - Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 2,997,607
Police (public safety)	261,202
Fire (public safety)	353,127
Major roads (public works)	4,904,572
Local roads (public works)	5,420,010
Parks and recreation	283,284
	<u>14,219,802</u>
Total governmental activities	\$ <u>14,219,802</u>
Business-type activities - Enterprise fund - Water and Sewer Fund	\$ 4,310,774
Component unit activities:	
Downtown Development Authority	\$ 419,872
Tax Increment Finance Authority	86,979
Westland Public Library	273,227
	<u>780,078</u>
Total component unit activities	\$ <u>780,078</u>

### Construction Commitments

The City has active construction projects at year end. At year end, the City's commitments for capital projects are as follows:

	Spent to Date	Remaining Commitment
Fire Station #2	\$ 4,716,849	\$ 1,843,931
Nankin Square Ampitheatre	<u>7,276,000</u>	<u>3,174,000</u>
Total	\$ <u>11,992,849</u>	\$ <u>5,017,931</u>

## Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Other nonmajor governmental funds	\$ 153,036
Water and Sewer Fund	General Fund	<u>131,431</u>
	Total	\$ <u>284,467</u>

June 30, 2025

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

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

Receivable	Payable	Amount
Primary government - General Fund	Component unit - Westland Public Library	\$ 11,446
	Component unit -Tax Increment Finance Authority	34
	Total primary government - General Fund	11,480
Component unit - Downtown Development Authority	Primary government - General Fund	33,750
Component unit - Brownfield Redevelopment Authority	Primary government - General Fund	424,526
	Total	<u>\$ 469,756</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)	\$ 8,426,362
Other nonmajor governmental funds	Other nonmajor governmental funds (2)	3,782,331
	Total	<u>\$ 12,208,693</u>

(1) Transfers for future capital projects as designated by the City Council and the Michigan Indigent Defense Commission

(2) Transfer for local road construction and maintenance

June 30, 2025

**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, 2025 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		\$87,982 -					
Improvement Bond	3.25% - 5%	\$123,333	\$ 1,051,624	\$ -	\$ (87,983)	\$ 963,641	\$ 93,202
2021 Pension Obligation	0.416% -	\$2,039,480 -					
Bond	2.775%	\$3,180,980	56,907,580	-	(2,039,480)	54,868,100	2,050,895
Unamortized bond premium		\$3,523	38,750	-	(3,523)	35,227	3,523
Total other debt principal outstanding			57,997,954	-	(2,130,986)	55,866,968	2,147,620
Direct borrowings and direct placements:							
2013 New City Hall	2.60%	\$125,000 -					
		\$145,000	535,000	-	(125,000)	410,000	130,000
HUD Section 108 Loan	2.358%	\$47,000 -					
		\$48,000	191,000	-	(48,000)	143,000	48,000
2018 Fire Truck	3.430%	\$107,240	107,240	-	(107,240)	-	-
Enterprise Fleet		\$2,070-					
Management - 2025	7.222%	\$17,838	-	273,123	(4,772)	268,351	47,165
Total direct borrowings and direct placements principal outstanding			833,240	273,123	(285,012)	821,351	225,165
Total bonds and contracts payable			58,831,194	273,123	(2,415,998)	56,688,319	2,372,785
Compensated absences			10,711,517	1,152,760	-	11,864,277	5,088,401
Total governmental activities long-term debt			<u>\$ 69,542,711</u>	<u>\$ 1,425,883</u>	<u>\$ (2,415,998)</u>	<u>\$ 68,552,596</u>	<u>\$ 7,461,186</u>

June 30, 2025

**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%	\$502,018 - \$706,667	\$ 6,003,377	\$ -	\$ (502,018)	\$ 5,501,359	\$ 531,798
2014 Capital Improvement Bond	3.125% - 4%	\$275,000 - \$400,000	3,050,000	-	(275,000)	2,775,000	275,000
2021 Pension Obligation Bonds	0.185% - 2.775%	\$640,520 - \$999,020	17,872,420	-	(640,520)	17,231,900	644,105
Unamortized bond premium		\$20,955 - \$23,517	256,124	-	(23,516)	232,608	23,517
Total other debt principal outstanding			27,181,921	-	(1,441,054)	25,740,867	1,474,420
Direct borrowings and direct placements:							
2010 State Revolving Fund Loan	2.50%	\$30,000 - \$35,000	192,794	-	(30,000)	162,794	30,000
2010 Strategic Water Quality Initiatives Loan	2.50%	\$140,000 - \$162,183	1,047,183	-	(140,000)	907,183	140,000
Total direct borrowings and direct placements principal outstanding			1,239,977	-	(170,000)	1,069,977	170,000
Total bonds and contracts payable			28,421,898	-	(1,611,054)	26,810,844	1,644,420
Compensated absences			306,210	65,276	-	371,486	177,824
Total business-type activities long-term debt			<u>\$ 28,728,108</u>	<u>\$ 65,276</u>	<u>\$ (1,611,054)</u>	<u>\$ 27,182,330</u>	<u>\$ 1,822,244</u>

***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	3.125%	\$335,000	\$ 335,000	\$ -	\$ (335,000)	\$ -	\$ -
2021 Tax Increment Refunding Bonds	0.950% - 2.410%	\$1,025,000 - \$1,195,000	10,950,000	-	(1,025,000)	9,925,000	1,035,000
Total bonds and contracts payable			11,285,000	-	(1,360,000)	9,925,000	1,035,000
Compensated absences			10,675	7,249	-	17,924	15,889
Total component unit long-term debt			<u>\$ 11,295,675</u>	<u>\$ 7,249</u>	<u>\$ (1,360,000)</u>	<u>\$ 9,942,924</u>	<u>\$ 1,050,889</u>

June 30, 2025

**Note 7 - Long-term Debt (Continued)**

The changes in the compensated absence liabilities presented in the tables above reflect net additions and reductions during the reporting period.

**Debt Service Requirements to Maturity**

Total interest incurred related to governmental and business-type activities and component units for the year approximated \$1,239,000, \$715,000, and \$291,000, respectively. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2026	\$ 225,165	\$ 30,187	\$ 2,147,620	\$ 1,205,099	\$ 3,608,071
2027	233,687	21,878	2,165,076	1,185,410	3,606,051
2028	246,471	13,093	2,191,634	1,160,931	3,612,129
2029	58,538	6,467	2,221,997	1,131,677	3,418,679
2030	57,490	2,097	2,255,420	1,097,725	3,412,732
2031-2035	-	-	11,785,525	4,847,261	16,632,786
2036-2040	-	-	12,564,110	3,549,698	16,113,808
2041-2045	-	-	14,261,140	1,851,368	16,112,508
Thereafter	-	-	6,274,446	175,330	6,449,776
Total	\$ 821,351	\$ 73,722	\$ 55,866,968	\$ 16,204,499	\$ 72,966,540

  

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2026	\$ 170,000	\$ 26,749	\$ 1,474,420	\$ 653,460	\$ 2,324,629
2027	175,000	22,499	1,516,963	619,945	2,334,407
2028	185,000	18,124	1,545,405	585,515	2,334,044
2029	190,000	13,499	1,625,042	547,863	2,376,404
2030	187,794	8,749	1,651,620	503,089	2,351,252
2031-2035	162,183	4,054	7,532,111	1,759,327	9,457,675
2036-2040	-	-	3,945,890	1,114,820	5,060,710
2041-2045	-	-	4,478,860	581,441	5,060,301
Thereafter	-	-	1,970,556	55,064	2,025,620
Total	\$ 1,069,977	\$ 93,674	\$ 25,740,867	\$ 6,420,524	\$ 33,325,042

  

Years Ending June 30	Component Units		
	Other Debt		
	Principal	Interest	Total
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	145,994	1,220,994
2030	1,095,000	125,999	1,220,999
2031-2035	4,620,000	269,953	4,889,953
2036-2040	-	-	-
2041-2045	-	-	-
Thereafter	-	-	-
Total	\$ 9,925,000	\$ 1,072,879	\$ 10,997,879



June 30, 2025

**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, 2025, the City has a combined \$3,873,852 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	
	2025	2024	2025	2024	2025	2024	2025	2024
Estimated liability - Beginning of year	\$ 1,052,097	\$ 1,069,321	\$ 383,509	\$ 347,532	\$ 682,320	\$ 521,343	\$ 2,117,926	\$ 1,938,196
Estimated claims incurred, including changes in estimates	2,172,925	1,481,653	271,766	226,671	9,662,408	10,305,405	12,107,099	12,013,729
Claim payments	(1,538,918)	(1,498,877)	(215,458)	(190,694)	(9,631,530)	(10,144,428)	(11,385,906)	(11,833,999)
Estimated liability - End of year	<u>\$ 1,686,104</u>	<u>\$ 1,052,097</u>	<u>\$ 439,817</u>	<u>\$ 383,509</u>	<u>\$ 713,198</u>	<u>\$ 682,320</u>	<u>\$ 2,839,119</u>	<u>\$ 2,117,926</u>

Of the total provision for claims liability, \$2,442,903 has been allocated to governmental activities, \$251,642 has been allocated to the Water and Sewer Fund, and \$144,574 has been allocated to the Westland Public Library.

**Note 9 - Joint Ventures**

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

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

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

June 30, 2025

## 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	\$ 280,184
Opioid remediation	1,269,847
Metroact broadband	1,189,718
Street lighting	382,808
Community development	1,379,325
Sanitation	822,000
Total restricted net position	<u>\$ 5,323,882</u>

## Note 12 - Fund Balance Constraints

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

	General Fund	Nonmajor Funds
Nonspendable:		
Inventory	\$ 42,352	\$ 127,276
Prepays	2,716,164	233,176
Total nonspendable	2,758,516	360,452
Restricted:		
Roads	-	3,788,307
Police and fire retirement	1,911,000	-
Community development	-	1,266,071
Drug forfeiture	-	278,550
Street lighting	-	382,808
Metroact broadband	1,180,783	-
Sanitation	822,000	-
Total restricted	3,913,783	5,715,736
Committed:		
Capital projects	-	5,662,746
Tree planting program	35,972	-
Total committed	35,972	5,662,746
Assigned - Capital projects	-	4,468,303
Unassigned	7,924,610	-
Total fund balances	<u>\$ 14,632,881</u>	<u>\$ 16,207,237</u>

June 30, 2025

## 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.

### *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.

June 30, 2025

# Note 13 - Pension Plans (Continued)

## Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	Police and Fire Retirement System	MERS Plan
	June 30, 2024	December 31, 2024
Date of member count		
Inactive plan members or beneficiaries currently receiving benefits	303	323
Inactive plan members entitled to but not yet receiving benefits	4	31
Active plan members	161	33
Total employees covered by the plan	468	387

## 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.

## 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, 2025	December 31, 2024
Based on a comprehensive actuarial valuation as of	June 30, 2024	December 31, 2024

The components of the net pension liability (asset) of the City at June 30, 2025 were as follows:

	Police and Fire Retirement System	MERS Plan	Total
Total pension liability	\$ 267,156,141	\$ 160,184,154	\$ 586,052,381
Plan fiduciary net position	(196,850,327)	(162,281,964)	(520,791,384)
City's net pension liability (asset)	\$ 70,305,814	\$ (2,097,810)	\$ 65,260,997

June 30, 2025

### Note 13 - Pension Plans (Continued)

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
<b>Balance at June 30, 2024</b>	\$ 261,471,633	\$ 186,425,057	\$ 75,046,576
Changes for the year:			
Service cost	3,181,480	-	3,181,480
Interest	17,852,337	-	17,852,337
Changes in benefits	213,647	-	213,647
Differences between expected and actual experience	3,676,429	-	3,676,429
Contributions - Employer	-	9,714,430	(9,714,430)
Contributions - Employee	-	848,268	(848,268)
Net investment income	-	19,682,831	(19,682,831)
Benefit payments, including refunds	(19,239,385)	(19,239,385)	-
Administrative expenses	-	(580,874)	580,874
Net changes	5,684,508	10,425,270	(4,740,762)
<b>Balance at June 30, 2025</b>	<u>\$ 267,156,141</u>	<u>\$ 196,850,327</u>	<u>\$ 70,305,814</u>

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

The plan's fiduciary net position represents 73.7 percent of the total pension liability.

#### MERS Plan

Changes in Net Pension Asset	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Asset
<b>Balance at December 31, 2023</b>	\$ 158,712,086	\$ 161,659,093	\$ (2,947,007)
Changes for the year:			
Service cost	521,908	-	521,908
Interest	11,001,115	-	11,001,115
Differences between expected and actual experience	1,999,790	-	1,999,790
Changes in assumptions	(542,412)	-	(542,412)
Contributions - Employer	-	400,518	(400,518)
Contributions - Employee	-	154,243	(154,243)
Net investment income	-	11,926,889	(11,926,889)
Benefit payments, including refunds	(11,508,060)	(11,508,060)	-
Administrative expenses	-	(350,448)	350,448
Miscellaneous other charges	(273)	(271)	(2)
Net changes	1,472,068	622,871	849,197
<b>Balance at December 31, 2024</b>	<u>\$ 160,184,154</u>	<u>\$ 162,281,964</u>	<u>\$ (2,097,810)</u>

Of the net pension asset, \$1,596,159 has been allocated to governmental activities and \$501,651 has been allocated to the Water and Sewer Fund.

The plan's fiduciary net position represents 101.3 percent of the total pension liability.

June 30, 2025

### Note 13 - Pension Plans (Continued)

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

For the year ended June 30, 2025, the City recognized pension expense of \$14,967,389 from all plans, which includes defined contribution plan expense of \$1,127,546 (employee contributions to defined contribution plans totaled \$494,218).

At June 30, 2025, 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	\$ 3,447,718	\$ 45,183
Net difference between projected and actual earnings on pension plan investments	4,876,562	744,977
Employer contributions to the plan subsequent to the measurement date	178,295	-
Total	<u>\$ 8,502,575</u>	<u>\$ 790,160</u>

Of the net deferred outflows of resources, \$7,293,804 has been allocated to governmental activities and \$1,208,771 has been allocated to the Water and Sewer Fund. Of the net deferred inflows of resources, all \$790,160 has been allocated to governmental activities.

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 \$178,295 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
2026	\$ 9,127,664
2027	2,563,630
2028	(2,624,428)
2029	(1,532,746)
Total	<u>\$ 7,534,120</u>

#### ***Actuarial Assumptions***

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

	Police and Fire Retirement System	MERS Plan
Inflation	2.50%	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, 2024 MERS plan valuation were based on the results of the most recent actuarial experience study conducted for the period from January 1, 2019 through December 31, 2023.

June 30, 2025

**Note 13 - Pension Plans (Continued)*****Discount Rate***

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

	Police and Fire Retirement System	MERS Plan
Assumed investment rate of return	7.00%	7.18%
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%

***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, 2025:

**Police and Fire Retirement System**

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	22.00 %	2.50 %
Equities	57.00	7.71
Real estate	8.00	4.50
Other	13.00	6.10

**MERS Plan**

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	4.50 %
Global fixed income	20.00	2.16
Private investments	20.00	6.50

Note 13 - Pension Plans (Continued)

**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	\$ 100,870,702	\$ 70,305,814	\$ 44,800,079
Net pension liability (asset) of the MERS plan	14,848,026	(2,097,810)	(16,381,740)

**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**

With the most recent valuation, the MERS plan updated the mortality improvement scale from MP-2019 to MP-2021.

**Benefit Changes**

With the most recent Police and Fire Retirement System valuation, the benefit formula for Police Command Tier 3 members was updated to 2.25 percent for all years of service as negotiated in the latest collective bargaining agreement.

**Rate of Return**

For the year ended June 30, 2025, the annual money-weighted rate of return on Police and Fire Retirement System investments, net of pension plan investment expense, was 10.89 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.



Note 13 - Pension Plans (Continued)

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, 2025 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 216,689,403	\$ 188,111,081
Employee reserve	8,739,246	8,739,246
Total	\$ 225,428,649	\$ 196,850,327

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, 2025
Inactive plan members or beneficiaries currently receiving benefits	547
Active plan members	214
Total plan members	761

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, 2025, the City made payments for postemployment health benefit premiums of \$8,491,358 plus prefunded contributions of \$3,712,723.

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, 2025 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, 2025 measurement date. The June 30, 2025 measurement date total OPEB liability was determined by an actuarial valuation performed as of that date.

June 30, 2025

# 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
<b>Balance at June 30, 2024</b>	\$ 101,637,998	\$ 4,958,592	\$ 96,679,406
Changes for the year:			
Service cost	413,948	-	413,948
Interest	6,675,163	-	6,675,163
Differences between expected and actual experience	5,762,524	-	5,762,524
Changes in assumptions	808,920	-	808,920
Contributions - Employer	-	10,565,915	(10,565,915)
Contribution - nonemployer contributing entity	-	1,638,166	(1,638,166)
Net investment income	-	633,868	(633,868)
Benefit payments, including refunds	(8,491,358)	(8,491,358)	-
Administrative expenses	-	(15,810)	15,810
Net changes	5,169,197	4,330,781	838,416
<b>Balance at June 30, 2025</b>	<u>\$ 106,807,195</u>	<u>\$ 9,289,373</u>	<u>\$ 97,517,822</u>

Of the net OPEB liability, \$85,283,114 has been allocated to governmental activities and \$12,234,708 has been allocated to the Water and Sewer Fund.

The plan's fiduciary net position represents 8.7 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, 2025, the City recognized an OPEB expense of \$3,474,775.

At June 30, 2025, 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	\$ 4,251,253	\$ -
Changes in assumptions	539,280	324,052
Net difference between projected and actual earnings on OPEB plan investments	-	161,267
Total	<u>\$ 4,790,533</u>	<u>\$ 485,319</u>

Note 14 - Other Postemployment Benefit Plan (Continued)

Of the net deferred outflows of resources, \$4,189,507 has been allocated to governmental activities and \$601,026 has been allocated to the Water and Sewer Fund.

Of the net deferred inflows of resources, \$424,431 has been allocated to governmental activities and \$60,888 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
2026	\$ 2,278,394
2027	2,122,251
2028	(67,496)
2029	(27,935)
Total	<u>\$ 4,305,214</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2025 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 2026, decreasing 0.25 percent per year to an ultimate rate of 4.5 percent for 2040 and later years; and the Pub-2016 Mortality Tables using Scale MP-2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.93 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 projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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, 2025 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	2.16
Private investments	6.50

Note 14 - Other Postemployment Benefit Plan (Continued)

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 6.93 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 (5.93%)	Current Discount Rate (6.93%)	1 Percentage Point Increase (7.93%)
Net OPEB liability of the City of Westland Retiree Health Care Plan	\$ 109,809,283	\$ 97,517,822	\$ 87,281,807

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	\$ 87,380,511	\$ 97,517,822	\$ 109,645,954

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 6.82 percent to 6.93 percent, the mortality tables were updated to Pub-2016 mortality table, and the health care cost trend rates were reset.

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, 2025:

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, 2025, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 9.75 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

June 30, 2025

**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.

The City has the following recurring fair value measurements as of June 30, 2025:

	Assets Measured at Fair Value on a Recurring Basis			
	Balance at June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
ADR	\$ 420,952	\$ 420,952	\$ -	\$ -
Closed-end MF - Equity	9,309,757	9,309,757	-	-
Open-end MF - Equity	59,260,744	59,260,744	-	-
Common stock	33,263,423	33,263,423	-	-
Corporate bonds	1,701,051	-	1,701,051	-
Foreign stock	1,394,488	1,394,488	-	-
Mortgage-backed securities	7,466,061	-	7,466,061	-
Municipal obligations	4,191,805	-	4,191,805	-
Real estate investment trusts	226,941	226,941	-	-
U.S. federal agencies	917,133	917,133	-	-
U.S. government obligations	13,153,156	13,153,156	-	-
Total investments measured at fair value	<u>\$ 131,305,511</u>	<u>\$ 117,946,594</u>	<u>\$ 13,358,917</u>	<u>\$ -</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, 2025 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 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, 2025

**Note 15 - Fair Value Measurements (Continued)**

As of June 30, 2025, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Collective investment funds (CIF) -				
Equity	\$ 10,264,700	\$ -	None	None
MERS Total Market Portfolio	9,289,373	-	None	None
Michigan CLASS investment pool	26,826,151	-	None	None
CIF - Fixed income	15,542,653	-	None	None
Partnership alternative investment	1,430,430	-	None	None
Closely held equity	33,611,984	-	None	None
Total investments measured at NAV	<u>\$ 96,965,291</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.

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

June 30, 2025

## 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.

For the fiscal year ended June 30, 2025, the City's property tax revenue was reduced by \$182,892 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
<b>Statement of Net Position</b>			
Cash and investments	\$ 196,542,759	\$ 9,289,373	\$ 205,832,132
Other assets	314,299	-	314,299
Liabilities	(6,731)	-	(6,731)
Net position	<u>\$ 196,850,327</u>	<u>\$ 9,289,373</u>	<u>\$ 206,139,700</u>
<b>Statement of Changes in Net Position</b>			
Investment income	\$ 19,682,831	\$ 633,868	\$ 20,316,699
Contributions	10,562,698	12,204,081	22,766,779
Benefit payments	(19,239,385)	(8,491,358)	(27,730,743)
Other deductions	(580,874)	(15,810)	(596,684)
Net change in net position	<u>\$ 10,425,270</u>	<u>\$ 4,330,781</u>	<u>\$ 14,756,051</u>

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## Required Supplementary Information

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Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	(Unfavorable) Favorable Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 37,956,020	\$ 38,111,781	\$ 38,071,816	\$ (39,965)
Intergovernmental:				
Federal grants	3,696,960	11,175,157	10,698,792	(476,365)
State sources	13,686,298	16,074,171	15,998,662	(75,509)
Charges for services	11,320,804	11,543,511	11,380,589	(162,922)
Court fines and fees	4,386,791	4,811,254	4,308,720	(502,534)
Licenses and permits	1,288,380	1,770,219	1,820,678	50,459
Interest income	877,500	1,765,231	1,781,712	16,481
Other revenue:				
Local sources	1,729,985	1,753,146	1,734,217	(18,929)
Other income	4,548,333	5,077,381	4,886,304	(191,077)
Cable franchise fees	1,311,016	944,192	977,039	32,847
Total revenue	80,802,087	93,026,043	91,658,529	(1,367,514)
<b>Expenditures</b>				
Current:				
General government:				
Legislative	163,159	163,159	157,807	5,352
Executive	672,063	672,064	671,173	891
Computer information systems	1,109,498	1,223,486	1,122,936	100,550
Law	978,500	978,500	900,677	77,823
Finance	1,509,059	1,526,728	1,516,753	9,975
Assessing	605,137	608,779	608,779	-
City clerk	1,099,295	1,236,070	1,231,157	4,913
Buildings and grounds	795,096	750,250	742,052	8,198
Insurance	1,890,000	2,076,792	2,051,042	25,750
Personnel	761,545	749,290	738,682	10,608
General government	4,591,250	6,372,137	5,820,476	551,661
Motorpool	971,857	773,566	773,396	170
Public safety:				
Police	23,867,361	24,890,813	24,385,255	505,558
Fire	20,900,872	21,719,251	21,406,842	312,409
Police and fire retirement board	25,000	25,000	25,000	-
District court	3,545,523	3,615,345	3,562,953	52,392
Sanitation - Other health and welfare (county)	6,973,452	6,747,304	6,213,884	533,420
Community and economic development:				
Building and planning	1,420,976	1,622,564	1,533,254	89,310
Neighborhood services	426,709	302,424	302,141	283
Economic development	446,144	389,650	386,130	3,520
Community development	898,819	979,819	943,147	36,672
Youth assistance program	812,509	830,116	861,344	(31,228)
Housing	458,150	455,290	456,393	(1,103)
Recreation and culture:				
Parks and recreation	1,118,086	953,105	968,027	(14,922)
Cable	609,959	609,959	608,805	1,154
Ice arena	418,689	395,377	401,795	(6,418)
Senior resources	579,492	678,937	693,558	(14,621)
Golf course	419,954	439,954	415,656	24,298
Debt service	3,489,434	3,489,434	3,489,508	(74)
Total expenditures	81,557,588	85,275,163	82,988,622	2,286,541
<b>Excess of Revenue (Under) Over Expenditures</b>	(755,501)	7,750,880	8,669,907	919,027

Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund (Continued)

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	(Unfavorable) Favorable Variance with Amended Budget
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 532,160	\$ 532,160	\$ 532,160	\$ -
Transfers out	(63,450)	(8,278,260)	(8,426,362)	(148,102)
Proceeds from sale of capital assets	25,000	51,546	85,666	34,120
Total other financing sources (uses)	493,710	(7,694,554)	(7,808,536)	(113,982)
<b>Net Change in Fund Balance</b>	(261,791)	56,326	861,371	805,045
<b>Fund Balance</b> - Beginning of year	12,736,659	12,736,659	12,736,659	-
<b>Fund Balance</b> - End of year	<u><u>\$ 12,474,868</u></u>	<u><u>\$ 12,792,985</u></u>	<u><u>\$ 13,598,030</u></u>	<u><u>\$ 805,045</u></u>

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

	Last Ten Fiscal Years									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>										
Service cost	\$ 3,181,480	\$ 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
Interest	17,852,337	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
Changes in benefit terms	213,647	-	-	-	62,988	-	-	-	-	(724,126)
Differences between expected and actual experience	3,676,429	(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
Changes in assumptions	-	-	-	8,832,814	(550,383)	4,884,647	-	-	5,107,777	-
Benefit payments, including refunds	(19,239,385)	(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)
<b>Net Change in Total Pension Liability</b>	5,684,508	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
<b>Total Pension Liability - Beginning of year</b>	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
<b>Total Pension Liability - End of year</b>	<u>\$ 267,156,141</u>	<u>\$ 261,471,633</u>	<u>\$ 259,783,601</u>	<u>\$ 255,513,480</u>	<u>\$ 240,491,457</u>	<u>\$ 237,762,188</u>	<u>\$ 229,770,308</u>	<u>\$ 231,122,439</u>	<u>\$ 225,516,042</u>	<u>\$ 216,679,302</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 9,714,430	\$ 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
Contributions - Employee	848,268	721,127	730,776	703,488	902,404	748,341	670,772	640,248	714,843	537,081
Net investment income (loss)	19,682,831	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)
Administrative expenses	(580,874)	(447,763)	(372,473)	(394,002)	(400,631)	(384,887)	(141,692)	(28,252)	(73,345)	-
Benefit payments, including refunds	(19,239,385)	(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)
Miscellaneous other charges	-	-	-	-	-	-	-	47,432	753,079	(9,938)
<b>Net Change in Plan Fiduciary Net Position</b>	10,425,270	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)
<b>Plan Fiduciary Net Position - Beginning of year</b>	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
<b>Plan Fiduciary Net Position - End of year</b>	<u>\$ 196,850,327</u>	<u>\$ 186,425,057</u>	<u>\$ 179,142,579</u>	<u>\$ 175,735,941</u>	<u>\$ 210,721,132</u>	<u>\$ 167,850,726</u>	<u>\$ 168,608,363</u>	<u>\$ 166,449,953</u>	<u>\$ 157,970,145</u>	<u>\$ 145,712,096</u>
<b>City's Net Pension Liability - Ending</b>	<u>\$ 70,305,814</u>	<u>\$ 75,046,576</u>	<u>\$ 80,641,022</u>	<u>\$ 79,777,539</u>	<u>\$ 29,770,325</u>	<u>\$ 69,911,462</u>	<u>\$ 61,161,945</u>	<u>\$ 64,672,486</u>	<u>\$ 67,545,897</u>	<u>\$ 70,967,206</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	73.68 %	71.30 %	68.96 %	68.94 %	87.62 %	70.60 %	73.38 %	72.02 %	70.05 %	67.25 %
<b>Covered Payroll</b>	\$ 15,365,961	\$ 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
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	457.54 %	593.11 %	652.01 %	670.20 %	254.60 %	585.23 %	515.71 %	556.36 %	564.00 %	639.17 %

See notes to required supplementary information.

Required Supplementary Information

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

	Last Ten Plan Years Years Ended December 31									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 521,908	\$ 547,342	\$ 584,752	\$ 644,037	\$ 690,398	\$ 803,087	\$ 965,487	\$ 1,068,106	\$ 1,220,236	\$ 1,301,083
Interest	11,001,115	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
Changes in benefit terms	-	-	929	-	-	-	4,677	-	(6,338)	-
Differences between expected and actual experience	1,999,790	610,415	(221,623)	(361,176)	220,372	(1,198,986)	(257,191)	132,393	-	(109,173)
Changes in assumptions	(542,412)	1,096,029	-	5,425,479	5,489,286	5,078,924	-	-	(465,111)	6,359,502
Benefit payments, including refunds	(11,508,060)	(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)
Miscellaneous other charges	(273)	(10,409)	-	(12,591)	(2,026)	(58,443)	(21,038)	(8,903)	-	-
<b>Net Change in Total Pension Liability</b>	<b>1,472,068</b>	<b>2,172,595</b>	<b>632,500</b>	<b>6,337,341</b>	<b>6,897,481</b>	<b>5,659,052</b>	<b>1,860,980</b>	<b>2,661,803</b>	<b>2,369,291</b>	<b>8,925,756</b>
<b>Total Pension Liability - Beginning of year</b>	<b>158,712,086</b>	<b>156,539,491</b>	<b>155,906,991</b>	<b>149,569,650</b>	<b>142,672,169</b>	<b>137,013,117</b>	<b>135,152,137</b>	<b>132,490,334</b>	<b>130,121,043</b>	<b>121,195,287</b>
<b>Total Pension Liability - End of year</b>	<b>\$ 160,184,154</b>	<b>\$ 158,712,086</b>	<b>\$ 156,539,491</b>	<b>\$ 155,906,991</b>	<b>\$ 149,569,650</b>	<b>\$ 142,672,169</b>	<b>\$ 137,013,117</b>	<b>\$ 135,152,137</b>	<b>\$ 132,490,334</b>	<b>\$ 130,121,043</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 400,518	\$ 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
Contributions - Member	154,243	255,795	230,638	217,117	254,324	280,952	323,168	336,048	343,428	362,187
Contributions - State pension grant	-	26,147,293	-	-	-	-	-	-	-	-
Net investment income (loss)	11,926,889	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)
Administrative expenses	(350,448)	(317,464)	(278,112)	(208,956)	(114,271)	(122,280)	(110,848)	(109,763)	(111,691)	(117,289)
Benefit payments, including refunds	(11,508,060)	(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)
Miscellaneous other charges	(271)	(10,409)	-	(12,591)	(2,024)	(58,443)	(21,038)	(8,902)	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>622,871</b>	<b>32,594,121</b>	<b>(26,369,889)</b>	<b>91,840,364</b>	<b>5,588,407</b>	<b>4,398,558</b>	<b>(4,612,217)</b>	<b>4,335,286</b>	<b>2,700,931</b>	<b>(3,707,495)</b>
<b>Plan Fiduciary Net Position - Beginning of year</b>	<b>161,659,093</b>	<b>129,064,972</b>	<b>155,434,861</b>	<b>63,594,497</b>	<b>58,006,090</b>	<b>53,607,532</b>	<b>58,219,749</b>	<b>53,884,463</b>	<b>51,183,532</b>	<b>54,891,027</b>
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 162,281,964</b>	<b>\$ 161,659,093</b>	<b>\$ 129,064,972</b>	<b>\$ 155,434,861</b>	<b>\$ 63,594,497</b>	<b>\$ 58,006,090</b>	<b>\$ 53,607,532</b>	<b>\$ 58,219,749</b>	<b>\$ 53,884,463</b>	<b>\$ 51,183,532</b>
<b>City's Net Pension (Asset) Liability - Ending</b>	<b>\$ (2,097,810)</b>	<b>\$ (2,947,007)</b>	<b>\$ 27,474,519</b>	<b>\$ 472,130</b>	<b>\$ 85,975,153</b>	<b>\$ 84,666,079</b>	<b>\$ 83,405,585</b>	<b>\$ 76,932,388</b>	<b>\$ 78,605,871</b>	<b>\$ 78,937,511</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>101.31 %</b>	<b>101.86 %</b>	<b>82.45 %</b>	<b>99.70 %</b>	<b>42.52 %</b>	<b>40.66 %</b>	<b>39.13 %</b>	<b>43.08 %</b>	<b>40.67 %</b>	<b>39.34 %</b>
<b>Covered Payroll</b>	<b>\$ 2,746,518</b>	<b>\$ 3,099,291</b>	<b>\$ 3,234,320</b>	<b>\$ 3,870,250</b>	<b>\$ 3,943,683</b>	<b>\$ 4,635,244</b>	<b>\$ 5,901,535</b>	<b>\$ 6,603,572</b>	<b>\$ 7,243,293</b>	<b>\$ 7,451,135</b>
<b>City's Net Pension (Asset) Liability as a Percentage of Covered Payroll</b>	<b>(76.38)%</b>	<b>(95.09)%</b>	<b>849.47 %</b>	<b>12.20 %</b>	<b>2,180.07 %</b>	<b>1,826.57 %</b>	<b>1,413.29 %</b>	<b>1,165.01 %</b>	<b>1,085.22 %</b>	<b>1,059.40 %</b>

Required Supplementary Information  
Schedule of MERS Contributions

Last Ten Fiscal Years Years Ended June 30										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 356,963	\$ 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
Contributions in relation to the actuarially determined contribution	356,963	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
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,626,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,002</u>	<u>\$ 137,790</u>	<u>\$ 170,570</u>
Covered Payroll	\$ 2,855,769	\$ 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
Contributions as a Percentage of Covered Payroll	12.50 %	19.69 %	62.35 %	20.15 %	2,053.10 %	147.06 %	106.89 %	105.60 %	74.38 %	69.34 %

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	9 years
Asset valuation method	5-year adjusted market
Inflation	2.50 percent
Salary increase	3.00 percent base wage inflation
Investment rate of return	7.00 percent, net of expenses
Mortality	Pub-2010 tables

Required Supplementary Information  
Schedule of Police and Fire Pension Contributions

Last Ten Fiscal Years  
Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 9,714,430	\$ 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
Contributions in relation to the actuarially determined contribution	9,714,430	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
<b>Contribution Excess</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,352</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,427</b>	<b>\$ -</b>
<b>Covered Payroll</b>	<b>\$ 15,365,961</b>	<b>\$ 12,653,052</b>	<b>\$ 12,368,135</b>	<b>\$ 11,842,895</b>	<b>\$ 11,693,061</b>	<b>\$ 11,946,038</b>	<b>\$ 11,859,736</b>	<b>\$ 11,624,174</b>	<b>\$ 11,976,270</b>	<b>\$ 11,103,002</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>63.22 %</b>	<b>74.60 %</b>	<b>64.64 %</b>	<b>69.86 %</b>	<b>64.96 %</b>	<b>58.02 %</b>	<b>64.06 %</b>	<b>63.65 %</b>	<b>57.44 %</b>	<b>60.51 %</b>

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 12 months prior to the beginning of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll
Remaining amortization period	14 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

Required Supplementary Information  
Schedule of Police and Fire Pension Investment Returns

	<b>Last Ten Fiscal Years Years Ended June 30</b>									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return - Net of investment expense	10.89 %	9.25 %	7.90 %	(12.16)%	31.52 %	5.35 %	5.67 %	8.89 %	15.10 %	(1.02)%

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

	Last Eight Fiscal Years							
	2025	2024	2023	2022*	2021	2020	2019	2018
<b>Total OPEB Liability</b>								
Service cost	\$ 413,948	\$ 412,473	\$ 429,986	\$ 650,596	\$ 860,271	\$ 857,027	\$ 1,586,539	\$ 1,655,744
Interest	6,675,163	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	5,762,524	1,228,710	(18,814,903)	(10,757,015)	3,497,912	(13,580,746)	(32,726,237)	(10,807,734)
Changes in assumptions	808,920	(972,157)	2,634,865	(13,408,388)	(3,244,226)	3,033,667	(38,358,088)	(10,890,391)
Benefit payments, including refunds	(8,491,358)	(8,553,039)	(8,348,610)	(7,777,286)	(7,311,804)	(8,065,144)	(8,070,396)	(8,048,550)
<b>Net Change in Total OPEB Liability</b>	5,169,197	(1,347,419)	(16,500,423)	(23,156,001)	1,847,702	(9,008,288)	(66,998,379)	(19,204,441)
<b>Total OPEB Liability - Beginning of year*</b>	101,637,998	102,985,417	119,485,840	142,641,841	156,742,769	165,751,057	232,749,436	251,953,877
<b>Total OPEB Liability - End of year</b>	<b>\$ 106,807,195</b>	<b>\$ 101,637,998</b>	<b>\$ 102,985,417</b>	<b>\$ 119,485,840</b>	<b>\$ 158,590,471</b>	<b>\$ 156,742,769</b>	<b>\$ 165,751,057</b>	<b>\$ 232,749,436</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 10,565,915	\$ 9,589,053	\$ 9,534,743	\$ 8,277,286	\$ 7,811,804	\$ 8,565,144	\$ 8,570,396	\$ -
Contribution from nonemployer contributing entity	1,638,166	-	-	-	-	-	-	-
Net investment income (loss)	633,868	440,186	199,262	(204,674)	329,841	(10,846)	4,234	-
Administrative expenses	(15,810)	(8,949)	(5,101)	(3,672)	(2,636)	(1,200)	-	-
Benefit payments, including refunds	(8,491,358)	(8,553,039)	(8,348,610)	(7,777,286)	(7,311,804)	(8,065,144)	(8,070,396)	-
<b>Net Change in Plan Fiduciary Net Position</b>	4,330,781	1,467,251	1,380,294	291,654	827,205	487,954	504,234	-
<b>Plan Fiduciary Net Position - Beginning of year</b>	4,958,592	3,491,341	2,111,047	1,819,393	992,188	504,234	-	-
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 9,289,373</b>	<b>\$ 4,958,592</b>	<b>\$ 3,491,341</b>	<b>\$ 2,111,047</b>	<b>\$ 1,819,393</b>	<b>\$ 992,188</b>	<b>\$ 504,234</b>	<b>\$ -</b>
<b>Net OPEB Liability - Ending</b>	<b>\$ 97,517,822</b>	<b>\$ 96,679,406</b>	<b>\$ 99,494,076</b>	<b>\$ 117,374,793</b>	<b>\$ 156,771,078</b>	<b>\$ 155,750,581</b>	<b>\$ 165,246,823</b>	<b>\$ 232,749,436</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	8.70 %	4.88 %	3.39 %	1.77 %	1.15 %	0.63 %	0.30 %	- %
<b>Covered-employee Payroll</b>	\$ 15,970,533	\$ 20,197,101	\$ 15,015,030	\$ 15,496,826	\$ 17,902,680	\$ 17,516,549	\$ 17,055,664	\$ 15,083,255
<b>Total OPEB Liability as a Percentage of Covered-employee Payroll</b>	610.61 %	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.



Required Supplementary Information  
Schedule of OPEB Contributions

	Last Ten Fiscal Years Years Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 8,706,000	\$ 8,603,629	\$ 9,967,213	\$ 11,900,952	\$ 11,304,394	\$ 11,987,116	\$ 13,467,910	\$ -	\$ 14,532,590	\$ 14,532,590
Contributions in relation to the actuarially determined contribution	10,565,915	9,589,053	9,534,743	8,277,286	7,811,804	8,565,144	8,570,396	-	7,943,997	7,822,651
<b>Contribution Excess (Deficiency)</b>	<b>\$ 1,859,915</b>	<b>\$ 985,424</b>	<b>\$ (432,470)</b>	<b>\$ (3,623,666)</b>	<b>\$ (3,492,590)</b>	<b>\$ (3,421,972)</b>	<b>\$ (4,897,514)</b>	<b>\$ -</b>	<b>\$ (6,588,593)</b>	<b>\$ (6,709,939)</b>
<b>Covered-employee Payroll</b>	<b>\$ 15,970,533</b>	<b>\$ 20,197,101</b>	<b>\$ 15,015,030</b>	<b>\$ 15,496,826</b>	<b>\$ 17,902,680</b>	<b>\$ 17,516,549</b>	<b>\$ 17,055,664</b>	<b>\$ 15,083,255</b>	<b>\$ 15,247,849</b>	<b>\$ 15,247,849</b>
<b>Contributions as a Percentage of Covered-employee Payroll</b>	<b>66.16 %</b>	<b>47.48 %</b>	<b>63.50 %</b>	<b>53.41 %</b>	<b>43.63 %</b>	<b>48.90 %</b>	<b>50.25 %</b>	<b>- %</b>	<b>52.10 %</b>	<b>51.30 %</b>

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2024

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	24 years
Asset valuation method	Fair market value
Salary increase	3.00 percent
Investment rate of return	7.00 percent
Mortality	Pub-2010 tables with Scale MP-2021
Other information	In 2018, no contributions in relation to the actuarially determined contribution are shown, as there was no actuarially determined contribution.

Required Supplementary Information  
Schedule of OPEB Investment Returns

	Last Eight Fiscal Years Years Ended June 30							
	2025	2024	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return - Net of investment expense	9.75 %	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.

June 30, 2025

**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, 2025 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	\$ 93,127,562	\$ 83,436,702	\$ (8,515,696)
E-911 Fund	(409,866)	(3,501)	521,752
Metro Act - Broadband Fund	(874,910)	(260,322)	10,408
ARPA Fund	(184,257)	(184,257)	-
Amounts per budget statement	<u>\$ 91,658,529</u>	<u>\$ 82,988,622</u>	<u>\$ (7,983,536)</u>

**Excess of Expenditures Over Appropriations in General Fund**

	Budget	Actual	Variance
Youth assistance program	\$ 830,116	\$ 861,344	\$ (31,228)
Housing	455,290	456,393	(1,103)
Parks and recreation	953,105	968,027	(14,922)
Ice arena	395,377	401,795	(6,418)
Senior resources	678,937	693,558	(14,621)
Debt service	3,489,434	3,489,508	(74)
Transfers out	8,278,260	8,426,362	(148,102)

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, 2025, the mortality improvement scale was updated from MP-2019 to MP-2021.

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.

**June 30, 2025**

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.

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.

**Changes in Assumptions**

*Police and Fire Retirement System*

During the year ended June 30, 2025, the benefit formula for Police Command Tier 3 members was updated to 2.25 percent for all years of service as negotiated in the latest collective bargaining agreement.

***OPEB Information***

**Changes in Assumptions**

During the year ended June 30, 2025, the discount rate was increased from 6.82 percent to 6.93 percent, the mortality tables were updated to Pub-2016 mortality table, and the health care cost trend rates were reset.

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.

**June 30, 2025**

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.

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## Supplementary Information

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## City of Westland, Michigan

Special Revenue Funds					
	Major Road	Local Road	Community Development Block Grant	Street Lighting	Drug Forfeiture
<b>Assets</b>					
Cash and cash equivalents	\$ 3,181,316	\$ 380,969	\$ -	\$ 1,121,364	\$ 346,431
Receivables - Net	1,209,135	437,001	299,132	-	-
Inventory	28,561	98,715	-	-	-
Prepaid expenses	5,692	19,672	-	-	1,634
Land held for resale	-	-	1,379,324	-	-
Total assets	<u><u>\$ 4,424,704</u></u>	<u><u>\$ 936,357</u></u>	<u><u>\$ 1,678,456</u></u>	<u><u>\$ 1,121,364</u></u>	<u><u>\$ 348,065</u></u>
<b>Liabilities</b>					
Accounts payable	\$ 707,326	\$ 672,616	\$ 192,840	\$ 726,642	\$ 67,881
Due to other funds	5,791	31,894	106,291	-	-
Accrued liabilities and other	-	-	-	11,914	-
Unearned revenue	-	-	-	-	-
Total liabilities	713,117	704,510	299,131	738,556	67,881
<b>Deferred Inflows of Resources -</b>					
Unavailable revenue	2,487	-	113,254	-	-
Total liabilities and deferred inflows of resources	715,604	704,510	412,385	738,556	67,881
<b>Fund Balances</b>					
Nonspendable - Prepaids and inventory	34,253	118,387	-	-	1,634
Restricted:					
Roads	3,674,847	113,460	-	-	-
Community development	-	-	1,266,071	-	-
Drug forfeiture	-	-	-	-	278,550
Street lighting	-	-	-	382,808	-
Committed - Capital projects	-	-	-	-	-
Assigned - Capital projects	-	-	-	-	-
Total fund balances	<u>3,709,100</u>	<u>231,847</u>	<u>1,266,071</u>	<u>382,808</u>	<u>280,184</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 4,424,704</u></u>	<u><u>\$ 936,357</u></u>	<u><u>\$ 1,678,456</u></u>	<u><u>\$ 1,121,364</u></u>	<u><u>\$ 348,065</u></u>

Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2025

Special Revenue Funds	Capital Project Funds				
Michigan Indigent Defense Commission	Capital Project	Court Building	Designated Capital Project	Fire Stations Building	Total
\$ 67,082	\$ 753,863	\$ -	\$ 7,748,150	\$ 827,773	\$ 14,426,948
-	-	9,060	-	2,523,800	4,478,128
-	-	-	-	-	127,276
-	-	-	206,178	-	233,176
-	-	-	-	-	1,379,324
<b>\$ 67,082</b>	<b>\$ 753,863</b>	<b>\$ 9,060</b>	<b>\$ 7,954,328</b>	<b>\$ 3,351,573</b>	<b>\$ 20,644,852</b>
\$ 57,062	\$ 42,301	\$ -	\$ 81,094	\$ 1,421,943	\$ 3,969,705
-	-	9,060	-	-	153,036
-	-	-	-	-	11,914
10,020	-	-	-	-	10,020
67,082	42,301	9,060	81,094	1,421,943	4,144,675
-	-	-	-	177,199	292,940
67,082	42,301	9,060	81,094	1,599,142	4,437,615
-	-	-	206,178	-	360,452
-	-	-	-	-	3,788,307
-	-	-	-	-	1,266,071
-	-	-	-	-	278,550
-	-	-	-	-	382,808
-	-	-	5,662,746	-	5,662,746
-	711,562	-	2,004,310	1,752,431	4,468,303
-	711,562	-	7,873,234	1,752,431	16,207,237
<b>\$ 67,082</b>	<b>\$ 753,863</b>	<b>\$ 9,060</b>	<b>\$ 7,954,328</b>	<b>\$ 3,351,573</b>	<b>\$ 20,644,852</b>



## City of Westland, Michigan

	Special Revenue Funds				
	Major Road	Local Road	Community Development Block Grant	Street Lighting	Drug Forfeiture
<b>Revenue</b>					
Special assessments	\$ -	\$ -	\$ -	\$ 1,738,424	\$ -
Intergovernmental:					
Federal grants	-	-	1,770,789	-	-
State sources	7,564,662	2,722,945	-	-	358,471
Court fines and fees	-	-	-	-	-
Other revenue - Other income	84,529	-	-	-	-
<b>Total revenue</b>	<b>7,649,191</b>	<b>2,722,945</b>	<b>1,770,789</b>	<b>1,738,424</b>	<b>358,471</b>
<b>Expenditures</b>					
Current:					
Street lighting	-	-	-	2,378,270	-
Public safety	-	-	-	-	713,932
Highway, streets, and drains	3,822,707	7,141,695	-	-	-
Community and economic development	-	-	1,783,990	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	6,841
<b>Total expenditures</b>	<b>3,822,707</b>	<b>7,141,695</b>	<b>1,783,990</b>	<b>2,378,270</b>	<b>720,773</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>3,826,484</b>	<b>(4,418,750)</b>	<b>(13,201)</b>	<b>(639,846)</b>	<b>(362,302)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	3,782,331	-	-	-
Transfers out	(3,782,331)	-	-	-	-
Lease proceeds	-	-	-	-	273,123
<b>Total other financing (uses) sources</b>	<b>(3,782,331)</b>	<b>3,782,331</b>	<b>-</b>	<b>-</b>	<b>273,123</b>
<b>Net Change in Fund Balances</b>	<b>44,153</b>	<b>(636,419)</b>	<b>(13,201)</b>	<b>(639,846)</b>	<b>(89,179)</b>
<b>Fund Balances - Beginning of year</b>	<b>3,664,947</b>	<b>868,266</b>	<b>1,279,272</b>	<b>1,022,654</b>	<b>369,363</b>
<b>Fund Balances - End of year</b>	<b>\$ 3,709,100</b>	<b>\$ 231,847</b>	<b>\$ 1,266,071</b>	<b>\$ 382,808</b>	<b>\$ 280,184</b>

Supplementary Information

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

Nonmajor Governmental Funds

Year Ended June 30, 2025

Special Revenue Funds	Capital Project Funds				
Michigan Indigent Defense Commission	Capital Project	Court Building	Designated Capital Project	Fire Stations Building	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,738,424
-	-	-	-	-	1,770,789
575,613	-	-	-	5,880,544	17,102,235
-	-	97,733	-	-	97,733
-	73,754	-	-	157,887	316,170
575,613	73,754	97,733	-	6,038,431	21,025,351
-	-	-	-	-	2,378,270
639,063	-	-	-	-	1,352,995
-	-	-	-	-	10,964,402
-	-	-	-	-	1,783,990
-	503,038	97,733	489,678	6,438,096	7,528,545
-	110,921	-	-	-	117,762
639,063	613,959	97,733	489,678	6,438,096	24,125,964
(63,450)	(540,205)	-	(489,678)	(399,665)	(3,100,613)
63,450	-	-	8,362,912	-	12,208,693
-	-	-	-	-	(3,782,331)
-	-	-	-	-	273,123
63,450	-	-	8,362,912	-	8,699,485
-	(540,205)	-	7,873,234	(399,665)	5,598,872
-	1,251,767	-	-	2,152,096	10,608,365
<b>\$ -</b>	<b>\$ 711,562</b>	<b>\$ -</b>	<b>\$ 7,873,234</b>	<b>\$ 1,752,431</b>	<b>\$ 16,207,237</b>

Supplementary Information  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds

June 30, 2025

	Pension and Other Employee Benefit Trust Funds			Custodial Funds		
	Police and Fire Retirement System	Other Postemployment Benefits	Total	Tax Collection	District Court	Total
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 171,917	\$ 158,966	\$ 330,883
Investments:						
Municipal obligations	4,191,805	-	4,191,805	-	-	-
CIF - Fixed income	15,542,653	-	15,542,653	-	-	-
U.S. government securities	21,536,350	-	21,536,350	-	-	-
Pooled investments	-	9,289,373	9,289,373	-	-	-
Common stocks	35,078,862	-	35,078,862	-	-	-
Corporate bonds	1,701,051	-	1,701,051	-	-	-
Real estate	226,941	-	226,941	-	-	-
Mutual funds	84,653,114	-	84,653,114	-	-	-
Closely held - Equity	33,611,983	-	33,611,983	-	-	-
Receivables:						
Accrued interest receivable	248,711	-	248,711	-	-	-
Pension system contributions receivable	65,588	-	65,588	-	-	-
Total assets	196,857,058	9,289,373	206,146,431	171,917	158,966	330,883
<b>Liabilities</b>						
Due to other governmental units	-	-	-	171,917	115,943	287,860
Deposits and bonds	-	-	-	-	43,023	43,023
Due to brokers	6,731	-	6,731	-	-	-
Total liabilities	6,731	-	6,731	171,917	158,966	330,883
<b>Net Position - Restricted</b>						
Pension	196,850,327	-	196,850,327	-	-	-
Postemployment benefits other than pension	-	9,289,373	9,289,373	-	-	-
Total net position	<u>\$ 196,850,327</u>	<u>\$ 9,289,373</u>	<u>\$ 206,139,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Year Ended June 30, 2025

	Pension and Other Employee Benefit Trust Funds			Custodial Funds		
	Police and Fire Retirement System	Other Postemployment Benefits	Total	Tax Collection	District Court	Total
<b>Additions</b>						
Investment income (loss):						
Interest and dividends	\$ 3,635,302	\$ 633,868	\$ 4,269,170	\$ -	\$ -	\$ -
Net change in fair value of investments	16,639,642	-	16,639,642	-	-	-
Investment costs	(592,113)	-	(592,113)	-	-	-
Net investment income	19,682,831	633,868	20,316,699	-	-	-
Contributions:						
Employer contributions	9,714,430	12,204,081	21,918,511	-	-	-
Employee contributions	848,268	-	848,268	-	-	-
Total contributions	10,562,698	12,204,081	22,766,779	-	-	-
Fines, fees, and bonds	-	-	-	-	1,946,834	1,946,834
Property tax collections	-	-	-	76,318,366	-	76,318,366
Total additions	30,245,529	12,837,949	43,083,478	76,318,366	1,946,834	78,265,200
<b>Deductions</b>						
Benefit payments	19,239,385	8,491,358	27,730,743	-	-	-
Administrative expenses	580,874	15,810	596,684	-	-	-
District court distributions	-	-	-	-	1,946,834	1,946,834
Property tax distributions to other governments	-	-	-	76,318,366	-	76,318,366
Total deductions	19,820,259	8,507,168	28,327,427	76,318,366	1,946,834	78,265,200
<b>Net Change in Fiduciary Net Position</b>	10,425,270	4,330,781	14,756,051	-	-	-
<b>Net Position - Beginning of year</b>	186,425,057	4,958,592	191,383,649	-	-	-
<b>Net Position - End of year</b>	<b>\$ 196,850,327</b>	<b>\$ 9,289,373</b>	<b>\$ 206,139,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

June 30, 2025

	Library	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 815,913	\$ -	\$ 815,913
Receivables - Net	412,947	-	412,947
Prepaid expenses	93,493	-	93,493
Other current assets	9,158	-	9,158
Deposits held by third parties	22,738	-	22,738
Capital assets - Depreciable - Net	-	1,288,014	1,288,014
Total assets	<u><u>\$ 1,354,249</u></u>	1,288,014	2,642,263
<b>Liabilities</b>			
Accounts payable	\$ 55,103	-	55,103
Due to primary government	11,446	-	11,446
Accrued liabilities and other	184,709	-	184,709
Noncurrent liabilities:			
Due within one year:			
Compensated absences	-	15,889	15,889
Provision for claims	-	67,819	67,819
Due in more than one year:			
Compensated absences	-	2,035	2,035
Provision for claims	-	76,755	76,755
Total liabilities	251,258	162,498	413,756
<b>Deferred Inflows of Resources</b> - Unavailable revenue	37,075	(37,075)	-
Total liabilities and deferred inflows of resources	288,333	125,423	413,756
<b>Equity</b>			
Fund balance:			
Nonspendable - Prepaid expenses	93,493	(93,493)	-
Unassigned	972,423	(972,423)	-
Total fund balance	1,065,916	(1,065,916)	-
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 1,354,249</u></u>		
Net position:			
Net investment in capital assets		1,288,014	1,288,014
Unrestricted		940,493	940,493
Total net position		<u><u>\$ 2,228,507</u></u>	<u><u>\$ 2,228,507</u></u>

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

**Year Ended June 30, 2025**

	Library	Adjustments	Statement of Activities
<b>Revenue</b>			
Property taxes	\$ 3,593,487	\$ -	\$ 3,593,487
Intergovernmental	579,564	3,716	583,280
Interest income	33,725	-	33,725
Other revenue	47,248	-	47,248
Total revenue	4,254,024	3,716	4,257,740
<b>Expenditures</b>			
Recreation and culture, including depreciation	3,259,606	314,876	3,574,482
Capital outlay	421,621	(223,962)	197,659
Total expenditures	3,681,227	90,914	3,772,141
<b>Net Change in Fund Balance/Net Position</b>	572,797	(87,198)	485,599
<b>Fund Balance/Net Position - Beginning of year</b>	493,119	1,249,789	1,742,908
<b>Fund Balance/Net Position - End of year</b>	<b>\$ 1,065,916</b>	<b>\$ 1,162,591</b>	<b>\$ 2,228,507</b>