
City of Westland, Michigan

**Financial Report
with Supplemental Information
June 30, 2022**

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Independent Auditor's Report

To the City Council
City of Westland, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Westland, Michigan (the "City") as of and for the year ended June 30, 2022 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, 2022 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the July 1, 2021 net position of the governmental activities and business-type activities/Water and Sewer Fund have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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.

To the City Council
City of Westland, Michigan

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplemental Information

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

To the City Council
City of Westland, Michigan

Supplemental Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022 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.



December 13, 2022

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, 2022 and should be read in conjunction with the City's financial statements.

Financial Highlights

- The City again complied with the requirements from the State of Michigan for the City, Village, and Township Revenue Sharing (CVTRS) program and received \$1.5 million for the fiscal year.
- The City continued the Neighborhood Makeover Program throughout the year to provide safe and clean neighborhoods.
- The City continues to comply with the corrective action plans (CAP) approved by the City Council regarding pensions and other postemployment benefits (OPEB), as required by the State of Michigan. The City issued pension obligation bonds to partially fund the MERS plan and reduce future annual required contributions in fiscal year ended June 30, 2021. The additional contribution was made subsequent to the plan's measurement date. As a result, proceeds related to the bond issuance of \$81,626,836 are recorded as employer contributions for the plan's year ended December 31, 2021. This has resulted in a 99.7 percent funding level.
- As referenced in Note 1, the City identified an error in previous actuarial measurements that caused an overstatement of the net OPEB liability. This resulted in an overall reduction in the OPEB liability by approximately \$16 million as of June 30, 2022.
- Many capital outlay items were purchased throughout the year, including many improvements throughout the City's parks. Additionally, new vehicles for the highway maintenance department, new police department vehicles, and safety equipment for the fire department were purchased.
- Approximately \$6.9 million was spent on many road projects that were started and/or completed during the fiscal year, including various projects that had pavement milled and were resurfaced, along with some roads getting joint and crack sealing to extend the life of the road.

Using This Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. This long-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

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

City of Westland, Michigan

Management's Discussion and Analysis (Continued)

The City of Westland, Michigan as a Whole

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current assets	\$ 52,906,386	\$ 42,924,496	\$ 28,706,266	\$ 32,028,452	\$ 81,612,652	\$ 74,952,948
Noncurrent assets	163,939,657	167,825,104	84,153,534	83,712,112	248,093,191	251,537,216
Total assets	216,846,043	210,749,600	112,859,800	115,740,564	329,705,843	326,490,164
Deferred Outflows of Resources	24,161,019	70,723,781	429,773	20,427,177	24,590,792	91,150,958
Liabilities						
Current liabilities	28,487,531	18,397,797	2,645,406	3,101,682	31,132,937	21,499,479
Noncurrent liabilities	258,763,526	309,829,101	46,888,541	73,896,989	305,652,067	383,726,090
Total liabilities	287,251,057	328,226,898	49,533,947	76,998,671	336,785,004	405,225,569
Deferred Inflows of Resources	26,907,010	57,848,137	5,213,673	3,996,586	32,120,683	61,844,723
Net Position (Deficit)						
Net investment in capital assets	161,129,926	164,577,140	71,796,057	70,482,916	232,925,983	235,060,056
Restricted	12,538,450	13,608,784	-	-	12,538,450	13,608,784
Unrestricted	(246,819,381)	(282,787,578)	(13,254,104)	(15,310,432)	(260,073,485)	(298,098,010)
Total net position (deficit)	\$ (73,151,005)	\$ (104,601,654)	\$ 58,541,953	\$ 55,172,484	\$ (14,609,052)	\$ (49,429,170)

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 \$246,819,381 and \$13,254,104, 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 \$258,763,526 and \$46,888,541, respectively.

City of Westland, Michigan

Management's Discussion and Analysis (Continued)

The City's Changes in Net Position

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue						
Program revenue:						
Charges for services	\$ 20,679,403	\$ 17,639,557	\$ 32,137,105	\$ 32,097,020	\$ 52,816,508	\$ 49,736,577
Operating grants	16,608,646	16,325,100	-	-	16,608,646	16,325,100
Capital grants and contributions	920,619	1,074,195	31,986	138,722	952,605	1,212,917
General revenue:						
Taxes - Property taxes	31,673,020	30,660,064	-	-	31,673,020	30,660,064
State-shared revenue	10,542,371	9,672,549	-	-	10,542,371	9,672,549
Interest	40,172	34,892	19,115	29,066	59,287	63,958
Other revenue:						
Cable franchise fees	1,533,272	1,506,628	-	-	1,533,272	1,506,628
Gain on sale of fixed assets	-	847,867	-	-	-	847,867
Other miscellaneous income	743,974	537,634	-	-	743,974	537,634
Total revenue	82,741,477	78,298,486	32,188,206	32,264,808	114,929,683	110,563,294
Expenses						
General government	12,085,774	14,530,285	-	-	12,085,774	14,530,285
Public safety	26,366,892	17,988,342	-	-	26,366,892	17,988,342
Public works	18,999,106	16,562,953	-	-	18,999,106	16,562,953
Community and economic development	4,295,102	5,013,715	-	-	4,295,102	5,013,715
Recreation and culture	2,246,496	2,127,047	-	-	2,246,496	2,127,047
Interest on long-term debt	1,245,153	471,882	-	-	1,245,153	471,882
Water and sewer	-	-	30,819,672	31,298,823	30,819,672	31,298,823
Total expenses	65,238,523	56,694,224	30,819,672	31,298,823	96,058,195	87,993,047
Change in Net Position	17,502,954	21,604,262	1,368,534	965,985	18,871,488	22,570,247
Net Position (Deficit) - Beginning of year, as restated (Note 1)	(90,653,959)	(126,205,916)	57,173,419	54,206,499	(33,480,540)	(71,999,417)
Net Position (Deficit) - End of year	\$ (73,151,005)	\$ (104,601,654)	\$ 58,541,953	\$ 55,172,484	\$ (14,609,052)	\$ (49,429,170)

Governmental Activities

As referenced in Note 1, the City identified an error in previous actuarial measurements that caused an overstatement of the net OPEB liability. To correct the error, the City increased beginning net position by \$13,947,695 for governmental activities and \$2,000,935 for business-type activities. The 2021 amounts above have not been restated.

The City's total governmental revenue increased by approximately \$4.4 million. The increase was primarily due to additional state-shared revenue, property tax revenue, and additional charges for services.

Expenses increased by approximately \$8.5 million during the year. The increase was primarily due to an increase in the public safety expense category from a decreased funding percentage in the Police and Fire Retirement System, which results in a current year full accrual increase to expenditures. This increase is offset by the decrease in the general government expense category, but interest on long-term debt increased. This results in a net decrease in expenditures between these two expense categories of approximately \$1.7 million. The decreased expenditures were as a result of the City issuing pension obligation bonds to partially fund the MERS plan and reduce the overall annual required contributions.

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 decreased by approximately \$1.0 million, while total operating revenue remained consistent compared to the previous year. The decrease in expenditures primarily relates to decreases in annual required contributions as a result from the City issuing pension obligation bonds to partially fund the MERS plan.

The City of Westland, Michigan's Funds

Our analysis of the City's major funds begins on page 12, 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 2022 is the General Fund.

General Fund Budgetary Highlights

The General Fund's total revenue increased by approximately \$3.5 million. The increase was primarily due to increased state-shared revenue, additional property tax revenue, and additional charges for services.

The General Fund pays for most of the City's governmental services. The General Fund's total expenditures are approximately \$69.2 million. The most significant expenditures are public safety, which incurred expenditures of approximately \$40.8 million in 2022. 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 \$1.6 million.

The fund balance of the General Fund increased from approximately \$10,291,000 to approximately \$11,858,000.

Capital Assets and Debt Administration

As of June 30, 2022, the City had a total of approximately \$248,093,000 invested in a broad range of capital assets, including roads, buildings, police and fire equipment, and water and sewer lines.

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

Debt service makes up approximately 0.44 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, 2023 takes into consideration a conservative economic climate. The taxable values increased for the 2022 tax year (2022-2023 fiscal year) by approximately 6.15 percent and are projected to increase by approximately 5.00 percent for the 2023 tax year (2023-2024 fiscal year). In addition, the City approved for the first time a three-year budget for fiscal years ending 2023 through 2025. The City will continue to comply with the requirements outlined by the State regarding the CVTRS program. The City is continuing to work on a plan for the awarded \$25.9 million in American Rescue Plan Act relief. The City is required to obligate these funds by December 31, 2024 and to spend them by December 31, 2026. All city employees are contributing toward their health care under the hard cap option in accordance with Public Act 152. Contractual changes have been made for defined benefit pensions, and all employees must contribute toward their pension. The City continues to evaluate more efficient and cost-effective solutions for all services provided. The City will continue a voluntary retiree health care settlement program to further reduce the City's OPEB obligation. This will continue to help with the budget; however, throughout the year, the City will monitor the budget very closely and continue to make adjustments as necessary.

Contacting the City's Management

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

June 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents (Note 3)	\$ 34,774,034	\$ 18,140,243	\$ 52,914,277	\$ 13,747,237
Receivables - Net (Note 4)	6,498,296	10,363,139	16,861,435	144,954
Due from primary government (Note 6)	-	-	-	6,964
Internal balances	(2,878)	2,878	-	-
Inventory	205,843	106,933	312,776	-
Prepaid expenses	1,709,926	64,780	1,774,706	126,438
Other current assets	-	-	-	8,194
Deposits held by third parties	8,279,514	28,293	8,307,807	15,719
Land held for resale	1,441,651	-	1,441,651	48,998
Capital assets: (Note 5)				
Not being depreciated	3,335,379	-	3,335,379	321,237
Depreciable - Net	160,604,278	84,153,534	244,757,812	7,717,469
Total assets	216,846,043	112,859,800	329,705,843	22,137,210
Deferred Outflows of Resources				
Deferred charges on bond refunding	-	-	-	1,011,953
Deferred pension costs (Note 13)	21,835,948	96,218	21,932,166	-
Deferred OPEB costs (Note 14)	2,325,071	333,555	2,658,626	-
Total deferred outflows of resources	24,161,019	429,773	24,590,792	1,011,953
Liabilities				
Accounts payable	3,291,484	2,214,882	5,506,366	159,444
Due to other governmental units	-	1,338	1,338	-
Due to component units (Note 6)	6,964	-	6,964	-
Deposits and bonds	-	65,868	65,868	-
Accrued liabilities and other	2,001,668	363,318	2,364,986	301,147
Unearned revenue	23,187,415	-	23,187,415	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 7)	5,181,593	238,457	5,420,050	14,384
Provision for claims (Note 8)	1,011,821	96,271	1,108,092	57,532
Current portion of long-term debt (Note 7)	2,471,607	1,524,476	3,996,083	1,305,000
Due in more than one year:				
Compensated absences (Note 7)	4,662,427	61,428	4,723,855	-
Provision for claims (Note 8)	1,348,671	149,729	1,498,400	80,783
Net pension liability (Note 13)	80,136,769	112,900	80,249,669	-
Net OPEB liability (Note 14)	102,648,804	14,725,989	117,374,793	-
Long-term debt - Net of current portion (Note 7)	61,301,834	29,979,291	91,281,125	12,625,000
Total liabilities	287,251,057	49,533,947	336,785,004	14,543,290
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 13)	8,430,133	2,562,982	10,993,115	-
Deferred OPEB cost reductions (Note 14)	18,476,877	2,650,691	21,127,568	-
Total deferred inflows of resources	26,907,010	5,213,673	32,120,683	-
Net Position (Deficit)				
Net investment in capital assets	161,129,926	71,796,057	232,925,983	7,058,706
Restricted:				
Retirement systems	3,018,000	-	3,018,000	-
Road improvements	6,435,901	-	6,435,901	-
Other (Note 11)	3,084,549	-	3,084,549	-
Unrestricted	(246,819,381)	(13,254,104)	(260,073,485)	1,547,167
Total net position (deficit)	\$ (73,151,005)	\$ 58,541,953	\$ (14,609,052)	\$ 8,605,873

City of Westland, Michigan

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 12,085,774	\$ 8,401,534	\$ 1,257,080	\$ -
Public safety	26,366,892	9,350,645	2,761,160	920,619
Public works	18,999,106	2,161,945	9,414,223	-
Community and economic development	4,295,102	-	3,032,907	-
Recreation and culture	2,246,496	765,279	143,276	-
Interest on long-term debt	1,245,153	-	-	-
Total governmental activities	65,238,523	20,679,403	16,608,646	920,619
Business-type activities - Water and sewer	30,819,672	32,137,105	-	31,986
Total primary government	\$ 96,058,195	\$ 52,816,508	\$ 16,608,646	\$ 952,605
Component units	\$ 6,039,172	\$ 51,143	\$ 857,416	\$ -

General revenue:

- Property taxes
- State-shared revenue
- Interest and sundry
- Cable franchise fees
- Other miscellaneous income

Total general revenue

Change in Net Position

Net Position (Deficit) - Beginning of year, as restated (Note 1)

Net Position (Deficit) - End of year

Statement of Activities

Year Ended June 30, 2022

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (2,427,160)	\$ -	\$ (2,427,160)	\$ -
(13,334,468)	-	(13,334,468)	-
(7,422,938)	-	(7,422,938)	-
(1,262,195)	-	(1,262,195)	-
(1,337,941)	-	(1,337,941)	-
(1,245,153)	-	(1,245,153)	-
(27,029,855)	-	(27,029,855)	-
-	1,349,419	1,349,419	-
(27,029,855)	1,349,419	(25,680,436)	-
-	-	-	(5,130,613)
31,673,020	-	31,673,020	9,235,344
10,542,371	-	10,542,371	-
40,172	19,115	59,287	4,717
1,533,272	-	1,533,272	-
743,974	-	743,974	14,080
44,532,809	19,115	44,551,924	9,254,141
17,502,954	1,368,534	18,871,488	4,123,528
(90,653,959)	57,173,419	(33,480,540)	4,482,345
<u>\$ (73,151,005)</u>	<u>\$ 58,541,953</u>	<u>\$ (14,609,052)</u>	<u>\$ 8,605,873</u>

Governmental Funds
Balance Sheet

June 30, 2022

	General Fund	Nonmajor Funds	Total Governmental Funds
Assets			
Cash and cash equivalents (Note 3)	\$ 23,956,275	\$ 10,817,759	\$ 34,774,034
Receivables - Net (Note 4)	4,901,818	1,596,478	6,498,296
Due from other funds (Note 6)	294,909	535,352	830,261
Inventory	91,740	114,103	205,843
Prepaid expenses	1,704,701	5,225	1,709,926
Deposits held by third parties	8,279,514	-	8,279,514
Land held for resale	173,854	1,267,797	1,441,651
	<u>\$ 39,402,811</u>	<u>\$ 14,336,714</u>	<u>\$ 53,739,525</u>
Total assets			
Liabilities			
Accounts payable	\$ 1,501,536	\$ 1,789,948	\$ 3,291,484
Due to component units (Note 6)	6,964	-	6,964
Due to other funds (Note 6)	12,729	820,410	833,139
Accrued liabilities and other	1,762,440	17,145	1,779,585
Unearned revenue	23,132,114	55,301	23,187,415
	<u>26,415,783</u>	<u>2,682,804</u>	<u>29,098,587</u>
Total liabilities			
Deferred Inflows of Resources - Unavailable revenue	1,129,164	77,579	1,206,743
	<u>27,544,947</u>	<u>2,760,383</u>	<u>30,305,330</u>
Total liabilities and deferred inflows of resources			
Fund Balances (Note 12)			
Nonspendable	1,970,295	119,328	2,089,623
Restricted	3,419,743	8,921,800	12,341,543
Committed	47,196	238,041	285,237
Assigned	57,612	2,297,162	2,354,774
Unassigned	6,363,018	-	6,363,018
	<u>11,857,864</u>	<u>11,576,331</u>	<u>23,434,195</u>
Total fund balances			
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 39,402,811</u>	<u>\$ 14,336,714</u>	<u>\$ 53,739,525</u>

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2022

Fund Balances Reported in Governmental Funds	\$ 23,434,195
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	163,939,657
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	1,206,743
Deferred outflows and inflows of resources related to pension and OPEB are reported in the government-wide statements but not in the governmental funds	(2,745,991)
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(63,773,441)
Accrued interest is not due and payable in the current period and is not reported in the funds	(222,083)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(9,844,020)
Pension benefits	(80,136,769)
Retiree health care benefits	(102,648,804)
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	(2,360,492)
Net Position (Deficit) of Governmental Activities	<u>\$ (73,151,005)</u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2022

	General Fund	Nonmajor Funds	Total Governmental Funds
Revenue			
Property taxes	\$ 31,673,020	\$ -	\$ 31,673,020
Special assessments	-	1,588,852	1,588,852
Intergovernmental:			
Federal grants	3,683,040	1,320,388	5,003,428
State sources	12,469,821	9,766,574	22,236,395
Charges for services	10,517,694	-	10,517,694
Court fines and fees	4,423,152	113,581	4,536,733
Licenses and permits	1,307,497	-	1,307,497
Interest income	36,991	3,181	40,172
Other revenue:			
Local sources	1,439,838	-	1,439,838
Other income	3,688,004	85,192	3,773,196
Cable franchise fees	1,533,272	-	1,533,272
	70,772,329	12,877,768	83,650,097
Expenditures			
Current:			
General government	13,658,254	-	13,658,254
Street lighting	-	1,241,604	1,241,604
Public safety	40,768,932	706,769	41,475,701
Highway, streets, and drains	-	10,449,437	10,449,437
Sanitation	5,113,517	-	5,113,517
Community and economic development	3,752,941	1,782,188	5,535,129
Recreation and culture	2,429,976	-	2,429,976
Capital outlay	-	763,436	763,436
Debt service	3,490,636	217,210	3,707,846
	69,214,256	15,160,644	84,374,900
Excess of Revenue Over (Under) Expenditures	1,558,073	(2,282,876)	(724,803)
Other Financing Sources (Uses)			
Transfers in (Note 6)	28,945	3,454,499	3,483,444
Transfers out (Note 6)	(62,341)	(3,421,103)	(3,483,444)
Proceeds from sale of capital assets	41,857	-	41,857
	8,461	33,396	41,857
Net Change in Fund Balances	1,566,534	(2,249,480)	(682,946)
Fund Balances - Beginning of year	10,291,330	13,825,811	24,117,141
Fund Balances - End of year	\$ 11,857,864	\$ 11,576,331	\$ 23,434,195

Governmental Funds

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

Year Ended June 30, 2022

Net Change in Fund Balances Reported in Governmental Funds	\$ (682,946)
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	9,026,740
Depreciation expense	(12,820,819)
Net book value of assets disposed of	(91,368)
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	346,602
Repayment of debt principal is an expenditure in the governmental funds but not in the government-wide statements (where it reduces long-term debt)	2,230,670
Change in accrued interest and premiums on long-term debt is not recorded in the governmental funds	232,023
Changes in liabilities for claims and judgments incurred but not reported are not recorded in the governmental funds	(485,654)
Change in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	(185,976)
Change in other postemployment benefit liability and related deferrals is not recorded in the governmental funds	24,490,522
Change in pension liability and related deferrals is not recorded in the governmental funds	(4,556,840)
Change in Net Position of Governmental Activities	\$ 17,502,954

Proprietary Fund
Statement of Net Position

June 30, 2022

Water and Sewer
Fund

Assets

Current assets:

Cash and cash equivalents	\$ 18,140,243
Receivables - Net (Note 4)	10,363,139
Due from other funds (Note 6)	2,878
Inventory	106,933
Prepaid expenses	64,780
Deposits held by third parties	28,293

Total current assets 28,706,266

Noncurrent assets - Capital assets - Net (Note 5) 84,153,534

Total assets 112,859,800

Deferred Outflows of Resources

Deferred pension costs (Note 13)	96,218
Deferred OPEB costs (Note 14)	333,555

Total deferred outflows of resources 429,773

Liabilities

Current liabilities:

Accounts payable	2,214,882
Due to other governmental units	1,338
Deposits and bonds	65,868
Accrued liabilities and other	363,318
Compensated absences (Note 7)	238,457
Provision for claims (Note 8)	96,271
Current portion of long-term debt (Note 7)	1,524,476

Total current liabilities 4,504,610

Noncurrent liabilities:

Compensated absences (Note 7)	61,428
Provision for claims (Note 8)	149,729
Net pension liability (Note 13)	112,900
Net OPEB liability (Note 14)	14,725,989
Long-term debt - Net of current portion (Note 7)	29,979,291

Total noncurrent liabilities 45,029,337

Total liabilities 49,533,947

Deferred Inflows of Resources

Deferred pension cost reductions (Note 13)	2,562,982
Deferred OPEB cost reductions (Note 14)	2,650,691

Total deferred inflows of resources 5,213,673

Net Position

Net investment in capital assets	71,796,057
Unrestricted	(13,254,104)

Total net position \$ 58,541,953

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

Year Ended June 30, 2022

	Water and Sewer Fund
Operating Revenue	
Water and sewer	\$ 30,752,465
Penalties	1,301,791
Other	82,849
Total operating revenue	32,137,105
Operating Expenses	
Cost of water	6,578,977
Cost of sewage disposal	11,456,703
Wage and fringe benefits	1,294,069
Contracted services	5,615,257
Operating supplies and other	155,006
Repairs and maintenance	501,446
Depreciation	4,057,754
Total operating expenses	29,659,212
Operating Income	2,477,893
Nonoperating Revenue (Expense)	
Investment income	19,115
Interest expense	(826,855)
Loss on sale of assets	(333,605)
Total nonoperating expense	(1,141,345)
Income - Before capital contributions	1,336,548
Capital Contributions - Lines donated by developers	31,986
Change in Net Position	1,368,534
Net Position - Beginning of year, as restated (Note 1)	57,173,419
Net Position - End of year	\$ 58,541,953

Proprietary Fund
Statement of Cash Flows

Year Ended June 30, 2022

	<u>Water and Sewer Fund</u>
Cash Flows from Operating Activities	
Receipts from customers	\$ 32,415,112
Internal activity - Payments to other funds	(4,733,821)
Payments to suppliers	(19,916,188)
Payments to employees and fringes	<u>(3,675,586)</u>
Net cash and cash equivalents provided by operating activities	4,089,517
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of capital assets	74,998
Purchase of capital assets	(4,875,793)
Principal and interest paid on capital debt	<u>(2,341,112)</u>
Net cash and cash equivalents used in capital and related financing activities	(7,141,907)
Cash Flows Provided by Investing Activities - Interest received on investments and other assets	<u>19,115</u>
Net Decrease in Cash and Cash Equivalents	(3,033,275)
Cash and Cash Equivalents - Beginning of year	<u>21,173,518</u>
Cash and Cash Equivalents - End of year	<u><u>\$ 18,140,243</u></u>
Reconciliation of Operating Income to Net Cash and Cash Equivalents from Operating Activities	
Operating income	\$ 2,477,893
Adjustments to reconcile operating income to net cash and cash equivalents from operating activities:	
Depreciation	4,057,754
Changes in assets and liabilities:	
Receivables	278,007
Due to and from other funds	(31,948)
Inventories	306
Prepaid and other assets	42,351
Net pension and OPEB liability	(2,173,656)
Accounts payable	(351,921)
Accrued and other liabilities	<u>(209,269)</u>
Total adjustments	<u>1,611,624</u>
Net cash and cash equivalents provided by operating activities	<u><u>\$ 4,089,517</u></u>
Significant Noncash Transactions - Donated water and sewer lines	\$ 31,986

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2022

	Pension and Other Employee Benefit Trust Funds	<u>Custodial Funds</u>
Assets		
Cash and cash equivalents (Note 3)	\$ 26,414	\$ 785,881
Investments: (Note 3)		
Municipal obligations	5,190,470	-
CIF - Fixed income	18,971,148	-
U.S. government securities	12,031,845	-
Pooled investments	2,111,047	-
Common stocks	50,911,857	-
Corporate bonds	4,077,919	-
Real estate	832,457	-
Mutual funds	51,378,858	-
Securities lending - Mutual funds	1,578,168	-
Closely held - Equity	32,254,770	-
Receivables - Net	<u>206,436</u>	<u>-</u>
Total assets	179,571,389	785,881
Liabilities		
Due to other governmental units	-	712,204
Deposits and bonds	-	73,677
Obligations under securities lending agreements	1,597,904	-
Due to brokers	<u>126,497</u>	<u>-</u>
Total liabilities	<u>1,724,401</u>	<u>785,881</u>
Net Position - Restricted		
Pension	175,735,941	-
Postemployment benefits other than pension	<u>2,111,047</u>	<u>-</u>
Total net position	<u><u>\$ 177,846,988</u></u>	<u><u>\$ -</u></u>

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2022

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
Additions		
Investment income (loss):		
Interest and dividends	\$ 2,218,866	\$ -
Net decrease in fair value of investments	(26,986,043)	-
Investment costs	(814,368)	-
Net investment loss	(25,581,545)	-
Contributions:		
Employer contributions	16,550,331	-
Employee contributions	703,488	-
Total contributions	17,253,819	-
Fines, fees, and bonds	-	1,970,317
Property tax collections	-	63,426,095
Total additions	(8,327,726)	65,396,412
Deductions		
Benefit payments	25,968,137	-
Administrative expenses	397,674	-
District court distributions	-	1,970,317
Property tax distributions to other governments	-	63,426,095
Total deductions	26,365,811	65,396,412
Net Decrease in Fiduciary Net Position	(34,693,537)	-
Net Position - Beginning of year	212,540,525	-
Net Position - End of year	<u><u>\$ 177,846,988</u></u>	<u><u>\$ -</u></u>

Component Units
Statement of Net Position

June 30, 2022

	Downtown Development Authority	Local Development Finance Authority	Tax Increment Finance Authority	Brownfield Redevelopment Authority	Westland Public Library	Total
Assets						
Cash and cash equivalents (Note 3)	\$ 2,218,290	\$ 229,140	\$ 3,766,173	\$ 2,076,552	\$ 5,457,082	\$ 13,747,237
Receivables - Net (Note 4)	3,750	-	3,750	-	137,454	144,954
Due from primary government (Note 6)	-	-	-	-	6,964	6,964
Prepaid expenses	35,000	-	100	-	91,338	126,438
Other current assets	-	-	-	-	8,194	8,194
Deposits held by third parties	-	-	-	-	15,719	15,719
Land held for resale	6,030	42,968	-	-	-	48,998
Capital assets: (Note 5)						
Not being depreciated	321,237	-	-	-	-	321,237
Depreciable - Net	5,588,049	-	637,447	-	1,491,973	7,717,469
Total assets	8,172,356	272,108	4,407,470	2,076,552	7,208,724	22,137,210
Deferred Outflows of Resources -						
Deferred charges on bond refunding	-	-	1,011,953	-	-	1,011,953
Total assets and deferred outflows of resources	8,172,356	272,108	5,419,423	2,076,552	7,208,724	23,149,163
Liabilities						
Accounts payable	17,872	480	40,320	42,697	58,075	159,444
Accrued liabilities and other	17,042	-	190,224	-	93,881	301,147
Noncurrent liabilities:						
Due within one year:						
Compensated absences (Note 7)	-	-	-	-	14,384	14,384
Provision for claims	-	-	-	-	57,532	57,532
Current portion of long-term debt (Note 7)	320,000	-	985,000	-	-	1,305,000
Due in more than one year:						
Provision for claims (Note 8)	-	-	-	-	80,783	80,783
Long-term debt - Net of current portion (Note 7)	660,000	-	11,965,000	-	-	12,625,000
Total liabilities	1,014,914	480	13,180,544	42,697	304,655	14,543,290
Net Position (Deficit)						
Net investment in capital assets	4,929,286	-	637,447	-	1,491,973	7,058,706
Unrestricted	2,228,156	271,628	(8,398,568)	2,033,855	5,412,096	1,547,167
Total net position (deficit)	\$ 7,157,442	\$ 271,628	\$ (7,761,121)	\$ 2,033,855	\$ 6,904,069	\$ 8,605,873

City of Westland, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Downtown Development Authority	\$ 1,132,639	\$ -	\$ 448,266	\$ -
Local Development Finance Authority	107,465	-	67,795	-
Tax Increment Finance Authority	1,349,614	-	95,267	-
Brownfield Redevelopment Authority	121,685	-	10,739	-
Library	3,327,769	51,143	235,349	-
Total component units	\$ 6,039,172	\$ 51,143	\$ 857,416	\$ -

General revenue:

- Property taxes
- Interest income (loss)
- 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, 2022

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
\$ (684,373)	\$ -	\$ -	\$ -	\$ -	\$ (684,373)
-	(39,670)	-	-	-	(39,670)
-	-	(1,254,347)	-	-	(1,254,347)
-	-	-	(110,946)	-	(110,946)
-	-	-	-	(3,041,277)	(3,041,277)
(684,373)	(39,670)	(1,254,347)	(110,946)	(3,041,277)	(5,130,613)
1,758,925	102,050	3,591,475	575,377	3,207,517	9,235,344
1,962	272	(1,181)	1,418	2,246	4,717
6,250	-	6,750	-	1,080	14,080
1,767,137	102,322	3,597,044	576,795	3,210,843	9,254,141
1,082,764	62,652	2,342,697	465,849	169,566	4,123,528
6,074,678	208,976	(10,103,818)	1,568,006	6,734,503	4,482,345
\$ 7,157,442	\$ 271,628	\$ (7,761,121)	\$ 2,033,855	\$ 6,904,069	\$ 8,605,873

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.

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.

Note 1 - Significant Accounting Policies (Continued)

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, some property taxes, special assessments, and grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow of resources.

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments

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

Receivables and Payables

In general, outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances. Receivables are presented net of the allowance for uncollectible accounts related to rescue runs and personal property taxes.

Note 1 - Significant Accounting Policies (Continued)

Inventories and Prepaid Items

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

Deposits Held by Third Parties

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

Land Held for Sale

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

Capital Assets

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

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

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

Unearned Revenue

Unearned revenue represents money received that does not yet meet the criteria for revenue recognition. As of June 30, 2022, the majority of the balance in the General Fund relates to \$22,995,318 of American Rescue Plan Act cash received in advance of eligibility criteria being met. Unearned amounts are reported as liabilities.

Long-term Obligations

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

Note 1 - Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

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

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

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

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

Note 1 - Significant Accounting Policies (Continued)

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential either to remove or revise a commitment. The City Council has by resolution authorized the finance director, budget director, deputy mayor, and mayor to assign fund balance.

Property Tax Revenue

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

The 2021 taxable valuation of the City totaled \$1.89 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 6.3135 mills for operating purposes, 1.8867 mills for operations of the library, 8.0000 mills for the Police and Fire Retirement System, 0.0262 for public relations, and 3.3667 mills for sanitation. The ad valorem taxes levied raised approximately \$12 million for city operations, approximately \$3.6 million for operation of the Library, approximately \$15.1 million for the Police and Fire Retirement System, \$50 thousand for city promotion, and approximately \$6.4 million for sanitation. Portions of the amounts levied have been captured by the tax increment financing authorities reported in the component units. These amounts, net of the amounts reported by the component units, are recognized in the respective General Fund and special revenue fund financial statements as taxes receivable or as tax revenue.

Pension

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

Other Postemployment Benefit Costs

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

Compensated Absences (Vacation and Sick Leave)

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

Note 1 - Significant Accounting Policies (Continued)

Proprietary Funds Operating Classification

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

Use of Estimates

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

Upcoming Accounting Pronouncements

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

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

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

Note 1 - Significant Accounting Policies (Continued)

Prior Period Adjustment

During the year ended June 30, 2022, the City identified an error in previous actuarial measurements that caused an overstatement of the net OPEB liability. To correct the error, the City adjusted beginning net position (deficit) as follows:

	Governmental Activities	Business-type Activities/Water and Sewer Fund
Net position (deficit) - June 30, 2021 - As previously reported	\$ (104,601,654)	\$ 55,172,484
To correct the net OPEB liability	<u>13,947,695</u>	<u>2,000,935</u>
Net position (deficit) - June 30, 2021 - As restated	<u>\$ (90,653,959)</u>	<u>\$ 57,173,419</u>

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, 2021	\$ (3,270,666)
Current year permit revenue	1,658,358
Estimated indirect costs	<u>1,787,065</u>
Current year shortfall	<u>(128,707)</u>
Cumulative shortfall at June 30, 2022	<u>\$ (3,399,373)</u>

Note 3 - Deposits and Investments

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

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

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

Note 3 - Deposits and Investments (Continued)

As permitted by state statutes and under the provisions of a securities lending authorization agreement, the City of Westland, Michigan's Police and Fire Retirement System (the "System") lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives cash as collateral. Borrowers are required to deliver collateral for each loan equal to no less than 100 percent of the market value of the loaned securities. During the year ended June 30, 2022, only United States currency was received as collateral. The City then converts that cash received as collateral into other investments.

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

The City of Westland, Michigan's Police and Fire Retirement System and the borrower maintain the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in an investment pool. The average duration of such investment pools as of June 30, 2022 was one day because the loans are terminable on demand; their duration did not generally match the duration of the investments made with cash collateral. On June 30, 2022, the System had no credit risk exposure to borrowers. The collateral held (at cost) and the fair market value of the underlying securities on loan for the System as of June 30, 2022 totaled \$1,597,904 and \$1,542,629, respectively.

The City's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had bank deposits of \$38,535,310 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. At year end, the component units had bank deposits of \$3,607,641 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, 2022

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)
Pension funds:		
U.S. Treasury	\$ 10,192,240	9.27
U.S. government agency securities	1,839,605	15.92
Corporate securities	4,077,919	6.58
Municipal bonds	5,190,470	4.11

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	\$ 783,266	A1	Moody's
Corporate securities	1,685,108	A2	Moody's
Corporate securities	923,763	A3	Moody's
Corporate securities	685,782	Baa1 and below	Moody's
Municipal bonds	399,582	Aaa	Moody's
Municipal bonds	962,278	Aa1	Moody's
Municipal bonds	1,161,430	Aa2	Moody's
Municipal bonds	431,285	Aa3	Moody's
Municipal bonds	85,289	A1	Moody's
Municipal bonds	2,150,606	NR	N/A
U.S. government securities	10,424,233	Aaa	Moody's
U.S. government securities	1,607,612	NR	N/A

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. For the year ended June 30, 2022, the City was invested in Vanguard Midcap Index Fund I, HGK Trinity Street International Equity Fund, American Strategic Value Realty and TA Realty Core Property Fund, WTC-CIF II Small Cap Opportunities Portfolio, and various fixed-income funds, comprising 15.9 percent, 6.5 percent, 7.9 percent, 5.5 percent, and 7.6 percent, respectively, of total investments.

June 30, 2022

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	\$ 339,588	\$ -	\$ 339,588	\$ -	\$ 339,588	\$ 38,689
Customer receivables	-	-	-	10,363,139	10,363,139	-
Other receivables	1,110,911	1,393	1,112,304	-	1,112,304	63,995
Due from other governments	3,451,319	1,595,085	5,046,404	-	5,046,404	42,270
Net receivables	<u>\$ 4,901,818</u>	<u>\$ 1,596,478</u>	<u>\$ 6,498,296</u>	<u>\$ 10,363,139</u>	<u>\$ 16,861,435</u>	<u>\$ 144,954</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, 2021	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 3,335,379	\$ -	\$ -	\$ -	\$ 3,335,379
Construction in progress	33,850	(33,850)	-	-	-
Subtotal	3,369,229	(33,850)	-	-	3,335,379
Capital assets being depreciated:					
Roads and sidewalks	608,684,999	-	6,922,188	(2,593,543)	613,013,644
Buildings and improvements	42,825,888	33,850	688,381	-	43,548,119
Other tools and equipment	20,173,512	-	1,416,171	(2,244,896)	19,344,787
Subtotal	671,684,399	33,850	9,026,740	(4,838,439)	675,906,550
Accumulated depreciation:					
Roads and sidewalks	477,452,418	-	10,306,388	(2,593,543)	485,165,263
Buildings and improvements	15,570,936	-	1,080,160	-	16,651,096
Other tools and equipment	14,205,170	-	1,434,271	(2,153,528)	13,485,913
Subtotal	507,228,524	-	12,820,819	(4,747,071)	515,302,272
Net capital assets being depreciated	164,455,875	33,850	(3,794,079)	(91,368)	160,604,278
Net governmental activities capital assets	<u>\$ 167,825,104</u>	<u>\$ -</u>	<u>\$ (3,794,079)</u>	<u>\$ (91,368)</u>	<u>\$ 163,939,657</u>

June 30, 2022

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2021	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2022
Water and Sewer Fund					
Capital assets being depreciated:					
Water and sewer lines	\$ 122,239,928	\$ -	\$ 4,046,986	\$ (795,117)	\$ 125,491,797
Buildings and improvements	1,889,884	-	17,420	-	1,907,304
Other tools and equipment	1,748,438	-	54,990	(363,976)	1,439,452
Vehicles	3,685,278	-	788,383	-	4,473,661
Subtotal	129,563,528	-	4,907,779	(1,159,093)	133,312,214
Accumulated depreciation:					
Water and sewer lines	41,316,040	-	3,494,633	(532,103)	44,278,570
Buildings and improvements	1,389,478	-	31,680	-	1,421,158
Other tools and equipment	1,233,593	-	121,264	(218,387)	1,136,470
Vehicles	1,912,305	-	410,177	-	2,322,482
Subtotal	45,851,416	-	4,057,754	(750,490)	49,158,680
Net business-type activities capital assets	\$ 83,712,112	\$ -	\$ 850,025	\$ (408,603)	\$ 84,153,534

Component Units

	Balance July 1, 2021	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2022
Capital assets not being depreciated - Land	\$ 497,601	\$ -	\$ -	\$ (176,364)	\$ 321,237
Capital assets being depreciated:					
Library buildings and improvements	1,237,042	-	49,405	-	1,286,447
Library other tools and equipment	6,656,852	-	333,196	-	6,990,048
DDA improvements	7,751,916	-	427,608	-	8,179,524
TIFA improvements	1,003,441	-	116,521	-	1,119,962
Subtotal	16,649,251	-	926,730	-	17,575,981
Accumulated depreciation:					
Library buildings and improvements	488,267	-	59,109	-	547,376
Library other tools and equipment	5,943,567	-	293,579	-	6,237,146
DDA improvements	2,325,452	-	266,023	-	2,591,475
TIFA improvements	409,412	-	73,103	-	482,515
Subtotal	9,166,698	-	691,814	-	9,858,512
Net capital assets being depreciated	7,482,553	-	234,916	-	7,717,469
Net component units capital assets	\$ 7,980,154	\$ -	\$ 234,916	\$ (176,364)	\$ 8,038,706

June 30, 2022

Note 5 - Capital Assets (Continued)

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

Governmental activities:		
General government		\$ 1,707,704
Police		332,536
Fire		307,231
Major roads		5,105,376
Local roads		5,126,493
Parks and recreation		<u>241,479</u>
Total governmental activities		<u>\$ 12,820,819</u>
Business-type activities - Enterprise fund - Water and Sewer Fund		\$ 4,057,754
Component unit activities:		
Downtown Development Authority		\$ 266,023
Tax Increment Finance Authority		73,103
Westland Public Library		<u>352,688</u>
Total component unit activities		<u>\$ 691,814</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	\$ 294,909
Other nonmajor governmental funds	General Fund	10,141
	Other nonmajor governmental funds	<u>525,211</u>
	Total other nonmajor governmental funds	535,352
Water and Sewer Fund	General Fund	2,588
	Other nonmajor governmental funds	<u>290</u>
	Total Water and Sewer Fund	<u>2,878</u>
	Total	<u>\$ 833,139</u>

The balance due from the primary government to the discretely presented component units consisted of a \$6,964 amount owed from the General Fund to the Westland Public Library.

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

June 30, 2022

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

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)	\$ 62,341
Other nonmajor governmental funds	General Fund (3)	28,945
	Other nonmajor governmental funds (2)	<u>3,392,158</u>
	Total other nonmajor governmental funds	<u>3,421,103</u>
	Total	<u><u>\$ 3,483,444</u></u>

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

(2) Transfer for local road construction and maintenance

(3) Transfer for operating contributions

June 30, 2022

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, 2022 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Other debt :							
2015 Capital Improvement Bond	3.25% - 5%	\$76,798 - \$123,333	\$ 1,292,459	\$ -	\$ (76,798)	\$ 1,215,661	\$ 79,781
2021 Pension Obligation Bond	0.185% - 2.775%	\$1,795,960 - \$3,180,980	62,759,670	-	(1,795,960)	60,963,710	2,024,260
Unamortized bond premium		\$3,523	49,316	-	(3,523)	45,793	3,523
Total other debt principal outstanding			64,101,445	-	(1,876,281)	62,225,164	2,107,564
Direct borrowings and direct placements:							
2013 New City Hall	2.6%	\$115,000 - \$145,000	885,000	-	(115,000)	770,000	115,000
HUD Section 108 Loan	2.36%	\$47,000 - \$48,000	335,000	-	(48,000)	287,000	48,000
2018 Fire Truck	3.43%	\$96,922 - \$107,242	408,096	-	(96,922)	311,174	100,247
2020 Self-Contained Breathing Apparatus	2.232%	\$59,407 - \$17,085 - \$39,997	182,429	-	(59,407)	123,022	60,799
2020 Lenovo Computer	3.5%	\$39,997	95,664	-	(38,583)	57,081	39,997
Total direct borrowings and direct placements principal outstanding			1,906,189	-	(357,912)	1,548,277	364,043
Total bonds and contracts payable			66,007,634	-	(2,234,193)	63,773,441	2,471,607
Compensated absences			9,658,044	6,183,018	(5,997,042)	9,844,020	5,181,593
Total governmental activities long-term debt			<u>\$ 75,665,678</u>	<u>\$ 6,183,018</u>	<u>\$ (8,231,235)</u>	<u>\$ 73,617,461</u>	<u>\$ 7,653,200</u>

June 30, 2022

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%	\$76,798 - \$123,333	\$ 7,377,545	\$ -	\$ (438,202)	\$ 6,939,343	\$ 455,219
2014 Capital Improvement Bond	3% - 4%	\$250,000 - \$400,000	3,800,000	-	(250,000)	3,550,000	250,000
2021 Pension Obligation Bonds	0.185% - 2.775%	\$564,040 - \$999,020	19,710,330	-	(564,040)	19,146,290	635,740
Unamortized bond premium		\$20,955 - \$23,517	326,674	-	(23,517)	303,157	23,517
Total other debt principal outstanding			31,214,549	-	(1,275,759)	29,938,790	1,364,476
Direct borrowings and direct placements:							
2010 State Revolving Fund Loan	2.5%	\$30,000 - \$35,000	282,794	-	(30,000)	252,794	30,000
2010 Strategic Water Quality Initiatives Loan	2.5%	\$130,000 - \$162,183	1,442,183	-	(130,000)	1,312,183	130,000
Total direct borrowings and direct placements principal outstanding			1,724,977	-	(160,000)	1,564,977	160,000
Total bonds and contracts payable			32,939,526	-	(1,435,759)	31,503,767	1,524,476
Compensated absences			269,829	348,223	(318,167)	299,885	238,457
Total business-type activities long-term debt			<u>\$ 33,209,355</u>	<u>\$ 348,223</u>	<u>\$ (1,753,926)</u>	<u>\$ 31,803,652</u>	<u>\$ 1,762,933</u>

June 30, 2022

Note 7 - Long-term Debt (Continued)

Component Units

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Other debt::							
2013 Tax Increment Financing Bonds - City Hall and Fire Station	3.63% - 4%	\$725,000 - \$755,000	\$ 1,480,000	\$ -	\$ (725,000)	\$ 755,000	\$ 755,000
2014 Downtown Development Bonds - Farmer's Market	2.75% - 3.125%	\$310,000 - \$335,000	1,290,000	-	(310,000)	980,000	320,000
2021 Tax Increment Refunding Bonds	0.25% - 2.41%	\$230,000 - \$1,195,000	12,460,000	-	(265,000)	12,195,000	230,000
Total bonds and contracts payable			15,230,000	-	(1,300,000)	13,930,000	1,305,000
Compensated absences			15,557	-	(1,173)	14,384	14,384
Total component unit long-term debt			<u>\$ 15,245,557</u>	<u>\$ -</u>	<u>\$ (1,301,173)</u>	<u>\$ 13,944,384</u>	<u>\$ 1,319,384</u>

Debt Service Requirements to Maturity

Total interest incurred related to governmental and business-type activities and component units for the year approximated \$1,302,000, \$826,000, and \$378,000, 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	
2023	\$ 364,043	\$ 41,876	\$ 2,107,564	\$ 1,242,284	\$ 3,755,767
2024	350,993	30,766	2,119,647	1,232,616	3,734,022
2025	280,241	20,640	2,130,985	1,221,164	3,653,030
2026	178,000	12,349	2,147,619	1,205,099	3,543,067
2027	183,000	7,560	2,165,076	1,185,410	3,541,046
2028-2032	192,000	2,559	11,299,107	5,466,806	16,960,472
2033-2037	-	-	12,003,040	4,370,402	16,373,442
2038-2042	-	-	13,195,740	2,916,204	16,111,944
Thereafter	-	-	15,056,386	1,060,578	16,116,964
Total	<u>\$ 1,548,277</u>	<u>\$ 115,750</u>	<u>\$ 62,225,164</u>	<u>\$ 19,900,563</u>	<u>\$ 83,789,754</u>

Note 7 - Long-term Debt (Continued)

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2023	\$ 160,000	\$ 39,124	\$ 1,364,476	\$ 759,080	\$ 2,322,680
2024	165,000	35,124	1,392,393	727,036	2,319,553
2025	170,000	30,999	1,441,054	693,225	2,335,278
2026	170,000	26,749	1,474,420	653,460	2,324,629
2027	175,000	22,499	1,516,963	619,945	2,334,407
2028-2032	724,977	44,428	8,331,091	2,496,150	11,596,646
2033-2037	-	-	5,545,517	1,402,019	6,947,536
2038-2042	-	-	4,144,260	915,864	5,060,124
Thereafter	-	-	4,728,616	333,086	5,061,702
Total	\$ 1,564,977	\$ 198,923	\$ 29,938,790	\$ 8,599,865	\$ 40,302,555

Years Ending June 30	Component Units		
	Principal	Interest	Total
2023	\$ 1,305,000	\$ 265,480	\$ 1,570,480
2024	1,340,000	225,675	1,565,675
2025	1,360,000	209,835	1,569,835
2026	1,035,000	189,629	1,224,629
2027	1,040,000	178,244	1,218,244
2028-2032	5,490,000	620,495	6,110,495
2033-2037	2,360,000	84,511	2,444,511
2038-2042	-	-	-
Thereafter	-	-	-
Total	\$ 13,930,000	\$ 1,773,869	\$ 15,703,869

In previous years, the City defeased certain tax increment bonds by completing an advance refunding. As of June 30, 2022, there is still \$11,155,000 of bonds outstanding that are considered defeased and continue to be serviced with the related refunding proceeds that are held in trust.

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, 2022, the City has a combined \$8,323,526 on deposit with the Authority.

Note 8 - Risk Management (Continued)

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

	General Liability		Workers' Compensation		Medical Claims		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Estimated liability - Beginning of year	\$ 1,571,847	\$ 1,131,705	\$ 335,355	\$ 401,829	\$ 427,299	\$ 740,207	\$ 2,334,501	\$ 2,273,741
Estimated claims incurred, including changes in estimates	1,909,013	1,922,911	55,550	125,114	7,976,063	8,523,668	9,940,626	10,571,693
Claim payments	(1,368,279)	(1,482,769)	(124,027)	(191,588)	(8,038,014)	(8,836,576)	(9,530,320)	(10,510,933)
Estimated liability - End of year	<u>\$ 2,112,581</u>	<u>\$ 1,571,847</u>	<u>\$ 266,878</u>	<u>\$ 335,355</u>	<u>\$ 365,348</u>	<u>\$ 427,299</u>	<u>\$ 2,744,807</u>	<u>\$ 2,334,501</u>

Of the total provision for claims liability, \$2,360,492 has been allocated to governmental activities, \$246,000 has been allocated to the Water and Sewer Fund, and \$138,315 has been allocation to the Westland Public Library.

Note 9 - Joint Ventures

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

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

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

Note 10 - Contingent Liabilities

Open Litigation

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

June 30, 2022

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:

	<u>Governmental Activities</u>
Public safety - Drug forfeiture	\$ 214,587
Metroact broadband	401,743
Street lighting	1,200,210
Community development	<u>1,268,009</u>
Total restricted net position	<u>\$ 3,084,549</u>

Note 12 - Fund Balance Constraints

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

	<u>General Fund</u>	<u>Nonmajor Funds</u>
Nonspendable:		
Inventory/Assets held for resale	\$ 265,594	\$ 114,103
Prepays	<u>1,704,701</u>	<u>5,225</u>
Total nonspendable	1,970,295	119,328
Restricted:		
Roads	-	6,246,698
Police and fire retirement	3,018,000	-
Community development	-	1,262,505
Drug forfeiture	-	212,387
Street lighting	-	1,200,210
Metroact broadband	<u>401,743</u>	<u>-</u>
Total restricted	3,419,743	8,921,800
Committed:		
Court capital projects	-	238,041
Tree Planting Program	<u>47,196</u>	<u>-</u>
Total committed	47,196	238,041
Assigned:		
Youth assistance	18,301	-
Capital projects	-	2,297,162
Community promotion	24,548	-
Senior resources	<u>14,763</u>	<u>-</u>
Total assigned	57,612	2,297,162
Unassigned	<u>6,363,018</u>	<u>-</u>
Total fund balances	<u>\$ 11,857,864</u>	<u>\$ 11,576,331</u>

Note 13 - Pension Plans

Plan Description

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

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.

Note 13 - Pension Plans (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	Police and Fire Retirement System	MERS Plan
Date of member count	July 1, 2021	December 31, 2021
Inactive plan members or beneficiaries currently receiving benefits	296	311
Inactive plan members entitled to but not yet receiving benefits	3	42
Active plan members	153	56
Total employees covered by the plan	<u>452</u>	<u>409</u>

Contributions

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

During the year ended June 30, 2021, the City issued pension obligation bonds to partially fund the MERS plan and reduce future annual required contributions. The additional contribution made subsequent to the plan's measurement date. As a result, proceeds related to the bond issuance of \$81,626,836 are recorded as employer contributions for the plan's year ended December 31, 2021.

Net Pension Liability

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

	Police and Fire Retirement System	MERS Plan
Measurement date used for the City's net pension liability	June 30, 2022	December 31, 2021
Based on a comprehensive actuarial valuation as of	June 30, 2021	December 31, 2021

The components of the net pension liability of the City at June 30, 2022 were as follows:

	Police and Fire Retirement System	MERS Plan	Total
Total pension liability	\$ 255,513,480	\$ 155,906,991	\$ 411,420,471
Plan fiduciary net position	<u>(175,735,941)</u>	<u>(155,434,861)</u>	<u>(331,170,802)</u>
City's net pension liability	<u>\$ 79,777,539</u>	<u>\$ 472,130</u>	<u>\$ 80,249,669</u>

June 30, 2022

Note 13 - Pension Plans (Continued)

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

Police and Fire Retirement System

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at June 30, 2021	\$ 240,491,457	\$ 210,721,132	\$ 29,770,325
Changes for the year:			
Service cost	2,923,792	-	2,923,792
Interest	16,988,188	-	16,988,188
Differences between expected and actual experience	4,468,080	-	4,468,080
Changes in assumptions	8,832,814	-	8,832,814
Contributions - Employer	-	8,273,045	(8,273,045)
Contributions - Employee	-	703,488	(703,488)
Net investment loss	-	(25,376,871)	25,376,871
Benefit payments, including refunds	(18,190,851)	(18,190,851)	-
Administrative expenses	-	(394,002)	394,002
Net changes	15,022,023	(34,985,191)	50,007,214
Balance at June 30, 2022	\$ 255,513,480	\$ 175,735,941	\$ 79,777,539

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

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

MERS Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2020	\$ 149,569,650	\$ 63,594,497	\$ 85,975,153
Changes for the year:			
Service cost	644,037	-	644,037
Interest	10,997,755	-	10,997,755
Differences between expected and actual experience	(361,176)	-	(361,176)
Changes in assumptions	5,425,479	-	5,425,479
Contributions - Employer	-	83,645,306	(83,645,306)
Contributions - Employee	-	217,117	(217,117)
Net investment income	-	18,555,651	(18,555,651)
Benefit payments, including refunds	(10,356,163)	(10,356,163)	-
Administrative expenses	-	(208,956)	208,956
Miscellaneous other charges	(12,591)	(12,591)	-
Net changes	6,337,341	91,840,364	(85,503,023)
Balance at December 31, 2021	\$ 155,906,991	\$ 155,434,861	\$ 472,130

Of the total pension liability, \$359,230 has been allocated to governmental activities and \$112,900 has been allocated to the Water and Sewer Fund.

The plan's fiduciary net position represents 99.7 percent of the total pension liability.

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, 2022, the City recognized pension expense of \$15,539,165 from all plans, which includes defined contribution plan expense of \$653,657 (employee contributions to defined contribution plans totaled \$311,011).

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,029,675	\$ -
Changes in assumptions	7,845,772	275,192
Net difference between projected and actual earnings on pension plan investments	9,654,355	10,717,923
Employer contributions to the plan subsequent to the measurement date	402,364	-
Total	<u>\$ 21,932,166</u>	<u>\$ 10,993,115</u>

Of the net deferred outflows of resources, \$21,835,948 has been allocated to governmental activities and \$96,218 has been allocated to the Water and Sewer Fund. Of the net deferred inflows of resources, \$8,430,133 has been allocated to governmental activities and \$2,562,982 has been allocated to the Water and Sewer Fund.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that \$398,574 of employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending June 30	Amount
2023	\$ 3,713,681
2024	593,173
2025	356,192
2026	5,873,641
Total	<u>\$ 10,536,687</u>

Note 13 - Pension Plans (Continued)

Actuarial Assumptions

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

	Police and Fire Retirement System	MERS Plan
Inflation	3.00%	2.50%
Salary increases (including inflation)	3.25% - 8.00%	3.00% - 9.70%
Investment rate of return (net of investment expenses)	7.00%	7.25%
Mortality rates	PubS-2010 Mortality Tables	Pub-2010 Mortality Tables

The actuarial assumptions used in the December 31, 2021 MERS plan valuation were based on the results of the most recent actuarial experience study conducted for the period from January 1, 2014 through December 31, 2018.

Discount Rate

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

	Police and Fire Retirement System	MERS Plan
Assumed investment rate of return	7.00%	7.25%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes
Discount rate used to measure total pension liability	7.00%	7.25%

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

June 30, 2022

Note 13 - Pension Plans (Continued)

The following tables represent best estimates of arithmetic real rates of return as of the measurement date for each major asset class included in the pension plans' target asset allocations, as well as the pension board's adopted asset allocation policy as of June 30, 2022:

Police and Fire Retirement System

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

MERS Plan

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

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

The following presents the net pension liability of the City, calculated using the current discount rate, as well as what the City's net pension liability (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	\$ 109,048,020	\$ 79,777,539	\$ 55,054,484
Net pension liability (asset) of the MERS plan	18,011,200	472,130	(14,192,615)

Pension Plan Fiduciary Net Position

Detailed information about the MERS plan's fiduciary net position is available in the separately issued financial report, whereas the Police and Fire Retirement System is included as a pension trust fund in these financial statements. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Assumption Changes

The MERS plan decreased the assumed rate of return from 7.60 percent to 7.25 percent.

The Police and Fire Retirement System decreased the assumed rate of return from 7.25 percent to 7.00 percent and increased assumed inflation from 2.75 percent to 3.00 percent.

Note 13 - Pension Plans (Continued)

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on Police and Fire Retirement System investments, net of pension plan investment expense, was (12.16) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Plan Reserves

In accordance with plan provisions, the following reserves are required to be set aside within the Police and Fire Retirement System:

The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee and credits interest annually at a rate of 7.0 percent. For any employees who terminate before vesting in the pension plan, their balances are returned to them; for those who stay until retirement, the balance is transferred into the retiree reserve.

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

The balances of the reserve accounts at June 30, 2022 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 199,402,406	\$ 169,312,333
Employee reserve	6,423,608	6,423,608
Total	\$ 205,826,014	\$ 175,735,941

Note 14 - Other Postemployment Benefit Plan

Plan Description

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

Management of the plan is vested in the City Council.

Benefits Provided

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

June 30, 2022

Note 14 - Other Postemployment Benefit Plan (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

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

Contributions

Retiree health care costs are paid by the City on a pay-as-you-go basis. Additionally, the City contributes additional contributions, as determined by the City Council. For the fiscal year ended June 30, 2022, the City made payments for postemployment health benefit premiums of \$7,777,286 plus prefunded contributions of \$500,000.

Net OPEB Liability

The City has chosen to use the June 30 measurement date as its measurement date for the net OPEB liability. The June 30, 2022 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, 2022 measurement date. The June 30, 2022 measurement date total OPEB liability was determined by an actuarial valuation performed as of June 30, 2021.

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at June 30, 2021 (restated)	\$ 142,641,841	\$ 1,819,393	\$ 140,822,448
Changes for the year:			
Service cost	650,596	-	650,596
Interest	8,136,092	-	8,136,092
Differences between expected and actual experience	(10,757,015)	-	(10,757,015)
Changes in assumptions	(13,408,388)	-	(13,408,388)
Contributions - Employer	-	8,277,286	(8,277,286)
Net investment loss	-	(204,674)	204,674
Benefit payments, including refunds	(7,777,286)	(7,777,286)	-
Administrative expenses	-	(3,672)	3,672
Net changes	<u>(23,156,001)</u>	<u>291,654</u>	<u>(23,447,655)</u>
Balance at June 30, 2022	<u><u>\$ 119,485,840</u></u>	<u><u>\$ 2,111,047</u></u>	<u><u>\$ 117,374,793</u></u>

Of the net OPEB liability, \$102,648,804 has been allocated to governmental activities and \$14,725,989 has been allocated to the Water and Sewer Fund.

The plan's fiduciary net position represents 2 percent of the total OPEB liability.

Note 14 - Other Postemployment Benefit Plan (Continued)

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

For the year ended June 30, 2022, the City recognized an OPEB cost recovery of \$19,726,645.

At June 30, 2022, 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	\$ 1,748,956	\$ 10,566,530
Changes in assumptions	758,417	10,561,038
Net difference between projected and actual earnings on OPEB plan investments	151,253	-
Total	\$ 2,658,626	\$ 21,127,568

Of the net deferred outflows of resources, \$2,325,071 has been allocated to governmental activities and \$333,555 has been allocated to the Water and Sewer Fund.

Of the net deferred inflows of resources, \$18,476,877 has been allocated to governmental activities and \$2,650,691 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
2023	\$ (10,597,474)
2024	(7,961,764)
2025	19,671
2026	70,625
Total	\$ (18,468,942)

Actuarial Assumptions

The total OPEB liability as of June 30, 2022 was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 3.00 percent; an assumed investment rate of return of 7.24 percent; a health care cost trend rate of 7.50 percent for 2023, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2029 and later years; and the Pub-2010 Mortality Tables using Scale MP-2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.72 percent. The projection of cash flows used to determine the discount rate assumed that the City will continue making annual \$500,000 prefunding contributions to the trust, increasing to \$3 million annually starting in 2035 and \$6 million annually starting in 2040. It is also assumed that pay-as-you-go costs will be fully paid by the City.

Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate was determined by blending the long-term expected rate of return on OPEB plan investments of 7.24 percent with the current yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, which was taken from a range of three indices as of June 30, 2022.

Note 14 - Other Postemployment Benefit Plan (Continued)

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2022 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	2.50
Private investments	7.00

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 6.72 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 (5.72%)	Current Discount Rate (6.72%)	1 Percentage Point Increase (7.72%)
Net OPEB liability of the City of Westland Retiree Health Care Plan	\$ 132,366,704	\$ 117,374,793	\$ 105,060,160

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

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 7.5 percent, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.5%)	Current Health Care Cost Trend Rate (7.5%)	1 Percentage Point Increase (8.5%)
Net OPEB liability of the City of Westland Retiree Health Care Plan	\$ 104,380,836	\$ 117,374,793	\$ 133,187,542

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 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.

Note 14 - Other Postemployment Benefit Plan (Continued)

Investment Policy

The OPEB plan’s policy in regard to the allocation of invested assets is established and may be amended by the OPEB board by a majority vote of its members. It is the policy of the OPEB board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the OPEB board’s adopted asset allocation policy as of June 30, 2022:

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, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was (8.24) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 15 - Fair Value Measurements

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

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

Note 15 - Fair Value Measurements (Continued)

The City has the following recurring fair value measurements as of June 30, 2022:

	Assets Measured at Fair Value on a Recurring Basis			
	Balance at June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
ADR	\$ 8,456,172	\$ 8,456,172	\$ -	\$ -
Closed-end MF - Equity	7,839,696	7,839,696	-	-
Open-end MF - Equity	27,892,523	27,892,523	-	-
Common stock	40,677,793	40,677,793	-	-
Corporate bonds	3,978,344	-	3,978,344	-
Foreign stock	1,777,891	1,777,891	-	-
Mortgage-backed securities	1,607,612	-	1,607,612	-
Municipal obligations	5,190,469	-	5,190,469	-
Private placements	99,575	-	99,575	-
Real estate investment trusts	832,457	832,457	-	-
U.S. federal agencies	231,993	231,993	-	-
U.S. government obligations	10,192,241	10,192,241	-	-
Mutual funds under securities lending agreements	1,578,168	-	-	1,578,168
Total investments measured at fair value	<u>\$ 110,354,934</u>	<u>\$ 97,900,766</u>	<u>\$ 10,876,000</u>	<u>\$ 1,578,168</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, corporate bonds, and private placements at June 30, 2022 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

The fair value of mutual funds under securities lending agreements at June 30, 2022 was determined primarily based on Level 3 inputs. The City estimates the fair value of these investments using the City's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

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

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

Note 15 - Fair Value Measurements (Continued)

As of June 30, 2022, 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	\$ 9,708,555	\$ -	None	None
MERS Total Market Portfolio	2,111,047	-	None	None
CIF - Fixed income	18,971,148	-	None	None
Partnership alternative investment	2,960,215	-	None	None
Closely held equity	32,254,771	-	None	None
	<u>\$ 66,005,736</u>	<u>\$ -</u>		
Total investments measured at NAV				

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

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

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

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

Note 16 - Tax Abatements

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

For the fiscal year ended June 30, 2022, the City's property tax revenue was reduced by \$226,837 under these programs. There are no provisions to recapture taxes; however, the industrial facilities tax exemptions may be eliminated if taxes are not paid timely.

Note 17 - Pension and Other Employee Benefit Trust Funds

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

	Police and Fire Retirement System	Other Postemployment Benefits	Total
Statement of Net Position			
Cash and investments	\$ 177,253,906	\$ 2,111,047	\$ 179,364,953
Other assets	206,436	-	206,436
Liabilities	(1,724,401)	-	(1,724,401)
Net position	<u>\$ 175,735,941</u>	<u>\$ 2,111,047</u>	<u>\$ 177,846,988</u>
Statement of Changes in Net Position			
Investment loss	\$ (25,376,871)	\$ (204,674)	\$ (25,581,545)
Contributions	8,976,533	8,277,286	17,253,819
Benefit payments	(18,190,851)	(7,777,286)	(25,968,137)
Other deductions	(394,002)	(3,672)	(397,674)
Net change in net position	<u>\$ (34,985,191)</u>	<u>\$ 291,654</u>	<u>\$ (34,693,537)</u>

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance with Amended Budget
Revenue				
Property taxes	\$ 31,584,397	\$ 31,587,408	\$ 31,673,020	\$ 85,612
Intergovernmental:				
Federal grants	960,935	2,839,877	2,556,326	(283,551)
State sources	10,291,652	11,873,577	12,169,347	295,770
Charges for services	8,801,924	10,158,105	10,475,333	317,228
Court fines and fees	5,500,000	4,551,233	4,423,152	(128,081)
Licenses and permits	1,393,606	1,396,372	1,307,497	(88,875)
Interest income	50,000	40,425	36,586	(3,839)
Other revenue:				
Local sources	732,503	834,828	830,859	(3,969)
Other income	4,238,572	3,852,416	3,684,159	(168,257)
Refund of captured property taxes	1,286,920	-	-	-
Cable franchise fees	1,600,000	1,500,000	1,533,272	33,272
Total revenue	66,440,509	68,634,241	68,689,551	55,310
Expenditures				
Current:				
General government:				
Legislative	137,846	150,198	142,828	7,370
Executive	545,594	606,122	596,967	9,155
Computer information systems	955,188	955,189	956,348	(1,159)
Law	850,000	900,000	881,201	18,799
Finance	1,225,315	1,274,014	1,249,883	24,131
Assessing	546,619	546,619	536,235	10,384
City clerk	904,128	921,472	855,011	66,461
Buildings and grounds	630,565	704,921	667,581	37,340
Insurance	1,700,000	2,200,000	1,943,475	256,525
Personnel	493,726	435,873	434,209	1,664
General government	4,520,719	4,520,719	4,261,299	259,420
Motorpool	636,165	868,449	929,668	(61,219)
Public safety:				
Police	19,719,670	20,393,777	20,042,742	351,035
Fire	15,761,782	16,551,149	16,425,293	125,856
Police and fire retirement board	25,000	25,000	21,600	3,400
District court	3,357,343	3,257,342	3,198,747	58,595
Sanitation	5,757,287	5,126,339	5,113,517	12,822
Community and economic development:				
Building and planning	1,460,296	1,478,529	1,350,274	128,255
Neighborhood services	455,050	455,050	473,503	(18,453)
Economic development	219,129	226,949	222,820	4,129
Community development	663,336	663,336	625,600	37,736
Youth assistance program	697,693	595,726	650,837	(55,111)
Housing	416,760	430,801	429,907	894
Recreation and culture:				
Parks and recreation	521,801	667,124	739,490	(72,366)
Cable	495,350	495,350	502,085	(6,735)
Ice arena	328,878	361,304	340,164	21,140
Senior resources	432,629	448,138	442,638	5,500
Golf course	347,605	365,714	355,087	10,627
Debt service	3,490,565	3,490,636	3,490,636	-
Total expenditures	67,296,039	69,115,840	67,879,645	1,236,195
Excess of Revenue (Under) Over Expenditures	(855,530)	(481,599)	809,906	1,291,505

Required Supplemental Information
 Budgetary Comparison Schedule
 General Fund (Continued)

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance with Amended Budget
Other Financing Sources (Uses)				
Transfers in	\$ 564,086	\$ 490,155	\$ 488,409	\$ (1,746)
Transfers out	(62,957)	(62,957)	(62,341)	616
Proceeds from sale of capital assets	310,000	10,000	41,857	31,857
Total other financing sources	811,129	437,198	467,925	30,727
Net Change in Fund Balance	(44,401)	(44,401)	1,277,831	1,322,232
Fund Balance - Beginning of year	10,422,448	10,422,448	10,422,448	-
Fund Balance - End of year	<u>\$ 10,378,047</u>	<u>\$ 10,378,047</u>	<u>\$ 11,700,279</u>	<u>\$ 1,322,232</u>

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

Last Nine Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 2,923,792	\$ 2,940,861	\$ 2,965,918	\$ 2,963,129	\$ 3,559,247	\$ 3,265,490	\$ 3,028,268	\$ 2,860,595	\$ 3,222,792
Interest	16,988,188	16,810,308	16,272,784	16,406,184	15,922,405	15,754,069	15,096,874	14,268,302	14,057,789
Changes in benefit terms	-	62,988	-	-	-	-	(724,126)	-	-
Differences between expected and actual experience	4,468,080	1,138,907	436,644	(5,134,694)	1,477,290	1,224,995	6,992,130	8,888,109	-
Changes in assumptions	8,832,814	(550,383)	4,884,647	-	-	5,107,777	-	-	-
Benefit payments, including refunds	(18,190,851)	(17,673,412)	(16,568,113)	(15,586,750)	(15,352,545)	(16,515,591)	(14,982,738)	(15,123,670)	(13,461,635)
Net Change in Total Pension Liability	15,022,023	2,729,269	7,991,880	(1,352,131)	5,606,397	8,836,740	9,410,408	10,893,336	3,818,946
Total Pension Liability - Beginning of year	240,491,457	237,762,188	229,770,308	231,122,439	225,516,042	216,679,302	207,268,894	196,375,558	192,556,612
Total Pension Liability - End of year	\$ 255,513,480	\$ 240,491,457	\$ 237,762,188	\$ 229,770,308	\$ 231,122,439	\$ 225,516,042	\$ 216,679,302	\$ 207,268,894	\$ 196,375,558
Plan Fiduciary Net Position									
Contributions - Employer	\$ 8,273,045	\$ 7,595,440	\$ 6,930,726	\$ 7,597,694	\$ 7,398,670	\$ 6,879,391	\$ 6,717,939	\$ 6,693,504	\$ 5,813,007
Contributions - Employee	703,488	902,404	748,341	670,772	640,248	714,843	537,081	326,793	116,709
Net investment (loss) income	(25,376,871)	52,446,605	8,516,296	9,618,386	15,774,255	20,499,672	(2,646,242)	3,318,245	27,003,133
Administrative expenses	(394,002)	(400,631)	(384,887)	(141,692)	(28,252)	(73,345)	-	-	-
Benefit payments, including refunds	(18,190,851)	(17,673,412)	(16,568,113)	(15,586,750)	(15,352,545)	(16,515,591)	(14,982,738)	(15,123,670)	(13,461,635)
Miscellaneous other charges	-	-	-	-	47,432	753,079	(9,938)	-	-
Net Change in Plan Fiduciary Net Position	(34,985,191)	42,870,406	(757,637)	2,158,410	8,479,808	12,258,049	(10,383,898)	(4,785,128)	19,471,214
Plan Fiduciary Net Position - Beginning of year	210,721,132	167,850,726	168,608,363	166,449,953	157,970,145	145,712,096	156,095,994	160,881,122	141,409,908
Plan Fiduciary Net Position - End of year	\$ 175,735,941	\$ 210,721,132	\$ 167,850,726	\$ 168,608,363	\$ 166,449,953	\$ 157,970,145	\$ 145,712,096	\$ 156,095,994	\$ 160,881,122
City's Net Pension Liability - Ending	\$ 79,777,539	\$ 29,770,325	\$ 69,911,462	\$ 61,161,945	\$ 64,672,486	\$ 67,545,897	\$ 70,967,206	\$ 51,172,900	\$ 35,494,436
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	68.94 %	87.62 %	70.60 %	73.38 %	72.02 %	70.05 %	67.25 %	75.31 %	81.93 %
Covered Payroll	\$ 11,842,895	\$ 11,693,061	\$ 11,946,038	\$ 11,859,736	\$ 11,624,174	\$ 11,976,270	\$ 11,103,002	\$ 9,126,696	\$ 10,198,898
City's Net Pension Liability as a Percentage of Covered Payroll	670.20 %	254.60 %	585.23 %	515.71 %	556.36 %	564.00 %	639.17 %	560.69 %	348.02 %

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

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

**Last Eight Plan Years
Years Ended December 31**

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 644,037	\$ 690,398	\$ 803,087	\$ 965,487	\$ 1,068,106	\$ 1,220,236	\$ 1,301,083	\$ 1,373,374
Interest	10,997,755	10,489,618	10,607,899	10,477,607	10,288,849	10,118,570	9,708,550	9,483,985
Changes in benefit terms	-	-	-	4,677	-	(6,338)	-	-
Differences between expected and actual experience	(361,176)	220,372	(1,198,986)	(257,191)	132,393	-	(109,173)	-
Changes in assumptions	5,425,479	5,489,286	5,078,924	-	-	(465,111)	6,359,502	-
Benefit payments, including refunds	(10,356,163)	(9,990,167)	(9,573,429)	(9,308,562)	(8,818,642)	(8,498,066)	(8,334,206)	(7,865,543)
Miscellaneous other charges	(12,591)	(2,026)	(58,443)	(21,038)	(8,903)	-	-	-
Net Change in Total Pension Liability	6,337,341	6,897,481	5,659,052	1,860,980	2,661,803	2,369,291	8,925,756	2,991,816
Total Pension Liability - Beginning of year	149,569,650	142,672,169	137,013,117	135,152,137	132,490,334	130,121,043	121,195,287	118,203,471
Total Pension Liability - End of year	\$ 155,906,991	\$ 149,569,650	\$ 142,672,169	\$ 137,013,117	\$ 135,152,137	\$ 132,490,334	\$ 130,121,043	\$ 121,195,287
Plan Fiduciary Net Position								
Contributions - Employer	\$ 83,645,306	\$ 7,531,477	\$ 6,768,950	\$ 6,715,660	\$ 6,005,409	\$ 5,316,066	\$ 5,168,527	\$ 5,699,179
Contributions - Member	217,117	254,324	280,952	323,168	336,048	343,428	362,187	299,758
Net investment income (loss)	18,555,651	7,909,068	7,102,808	(2,210,597)	6,931,136	5,651,194	(788,058)	3,253,267
Administrative expenses	(208,956)	(114,271)	(122,280)	(110,848)	(109,763)	(111,691)	(117,289)	(120,757)
Benefit payments, including refunds	(10,356,163)	(9,990,167)	(9,573,429)	(9,308,562)	(8,818,642)	(8,498,066)	(8,332,862)	(7,865,543)
Miscellaneous other charges	(12,591)	(2,024)	(58,443)	(21,038)	(8,902)	-	-	-
Net Change in Plan Fiduciary Net Position	91,840,364	5,588,407	4,398,558	(4,612,217)	4,335,286	2,700,931	(3,707,495)	1,265,904
Plan Fiduciary Net Position - Beginning of year	63,594,497	58,006,090	53,607,532	58,219,749	53,884,463	51,183,532	54,891,027	53,625,123
Plan Fiduciary Net Position - End of year	\$ 155,434,861	\$ 63,594,497	\$ 58,006,090	\$ 53,607,532	\$ 58,219,749	\$ 53,884,463	\$ 51,183,532	\$ 54,891,027
City's Net Pension Liability - Ending	\$ 472,130	\$ 85,975,153	\$ 84,666,079	\$ 83,405,585	\$ 76,932,388	\$ 78,605,871	\$ 78,937,511	\$ 66,304,260
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.70 %	42.52 %	40.66 %	39.13 %	43.08 %	40.67 %	39.34 %	45.29 %
Covered Payroll	\$ 3,870,250	\$ 3,943,683	\$ 4,635,244	\$ 5,901,535	\$ 6,603,572	\$ 7,243,293	\$ 7,451,135	\$ 7,555,355
City's Net Pension Liability as a Percentage of Covered Payroll	12.20 %	2,180.07 %	1,826.57 %	1,413.29 %	1,165.01 %	1,085.22 %	1,059.40 %	877.58 %

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

Required Supplemental Information
Schedule of MERS Contributions

Last Ten Fiscal Years
Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 797,148	\$ 5,735,043	\$ 6,914,328	\$ 6,308,208	\$ 6,673,116	\$ 5,249,635	\$ 4,959,882	\$ 4,840,206	\$ 4,366,557	\$ 4,124,906
Contributions in relation to the actuarially determined contribution	797,148	87,361,879	6,914,328	6,308,208	6,973,118	5,387,425	5,130,452	6,060,338	4,366,557	4,124,906
Contribution Excess	\$ -	\$ 81,626,836	\$ -	\$ -	\$ 300,002	\$ 137,790	\$ 170,570	\$ 1,220,132	\$ -	\$ -
Covered Payroll	\$ 3,956,516	\$ 4,255,116	\$ 4,701,794	\$ 5,901,535	\$ 6,603,572	\$ 7,243,293	\$ 7,399,002	\$ 6,939,596	\$ 7,555,355	\$ 7,076,423
Contributions as a Percentage of Covered Payroll	20.15 %	2,053.10 %	147.06 %	106.89 %	105.60 %	74.38 %	69.34 %	87.33 %	57.79 %	58.29 %

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	5-28 years depending on division
Asset valuation method	5-year adjusted market
Inflation	2.50 percent
Salary increase	3.00 percent base wage inflation
Investment rate of return	7.35 percent, net of expenses
Mortality	Pub-2010 tables

Required Supplemental Information
Schedule of Police and Fire Pension Contributions

	Last Ten Fiscal Years Years Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 8,267,693	\$ 7,595,440	\$ 6,930,726	\$ 7,597,694	\$ 7,398,670	\$ 6,841,964	\$ 6,717,939	\$ 6,693,504	\$ 5,813,007	\$ 4,990,887
Contributions in relation to the actuarially determined contribution	8,273,045	7,595,440	6,930,726	7,597,694	7,398,670	6,879,391	6,717,939	6,693,504	5,813,007	4,990,887
Contribution Excess	\$ 5,352	\$ -	\$ -	\$ -	\$ -	\$ 37,427	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 11,842,895	\$ 11,693,061	\$ 11,946,038	\$ 11,859,736	\$ 11,624,174	\$ 11,976,270	\$ 11,103,002	\$ 9,126,696	\$ 10,198,898	\$ 10,609,537
Contributions as a Percentage of Covered Payroll	69.86 %	64.96 %	58.02 %	64.06 %	63.65 %	57.44 %	60.51 %	73.34 %	57.00 %	47.04 %

Notes to Schedule of Police and Fire Pension Contributions

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	19 years
Asset valuation method	5-year adjusted market
Inflation	3.00 percent
Salary increase	3.00 percent base wage inflation
Investment rate of return	7.00 percent, net of expenses
Mortality	PubS-2010 Mortality with generational improvements projected beginning in 2010 based on Scale MP-2021

City of Westland, Michigan

**Required Supplemental Information
Schedule of Police and Fire Pension Investment Returns**

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

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

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

Last Ten Fiscal Years
Years Ended June 30

	2022	2021	2020	2019	2018*	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 11,900,952	\$ 11,304,394	\$ 11,987,116	\$ 13,467,910	\$ -	\$ 14,532,590	\$ 14,532,590	\$ 14,532,590	\$ 13,821,250	\$ 13,821,250
Contributions in relation to the actuarially determined contribution	8,277,286	7,811,804	8,565,144	8,570,396	-	7,943,997	7,822,651	7,223,809	6,203,861	6,550,255
Contribution Deficiency	\$ (3,623,666)	\$ (3,492,590)	\$ (3,421,972)	\$ (4,897,514)	\$ -	\$ (6,588,593)	\$ (6,709,939)	\$ (7,308,781)	\$ (7,617,389)	\$ (7,270,995)
Covered-employee Payroll	\$ 15,496,826	\$ 17,902,680	\$ 17,516,549	\$ 17,055,664	\$ 15,083,255	\$ 15,247,849	\$ 15,247,849	\$ 15,247,849	\$ 15,531,926	\$ 15,531,926
Contributions as a Percentage of Covered-employee Payroll	53.41 %	43.63 %	48.90 %	50.25 %	- %	52.10 %	51.30 %	47.38 %	39.94 %	42.17 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2021

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	27 years
Asset valuation method	Fair market value
Salary increase	3.00 percent
Investment rate of return	7.24 percent
Mortality	Pub-2010 tables with Scale MP-2020
Other information*	In 2018, no contributions in relation to the actuarially determined contribution are shown, as there was no actuarially determined contribution.

City of Westland, Michigan

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

	Last Five Fiscal Years Years Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return - Net of investment expense	(8.24)%	28.19 %	2.36 %	2.97 %	7.78 %

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

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, 2022 has not been calculated. During the current year, the budget was amended in a legally permissible manner.

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

	Total Revenue	Total Expenditures	Other Financing Sources
Amounts per operating statement	\$ 70,772,329	\$ 69,214,256	\$ 8,461
E-911 Fund	(609,110)	(4,348)	450,000
Metro Act - Broadband Fund	(346,954)	(203,549)	9,464
ARPA Fund	(1,126,714)	(1,126,714)	-
Amounts per budget statement	<u>\$ 68,689,551</u>	<u>\$ 67,879,645</u>	<u>\$ 467,925</u>

Excess of Expenditures Over Appropriations in General Fund

	Budget	Actual	Variance
Computer information systems	\$ 955,189	\$ 956,348	\$ (1,159)
Motorpool	868,449	929,668	(61,219)
Neighborhood services	455,050	473,503	(18,453)
Youth assistance program	595,726	650,837	(55,111)
Parks and recreation	667,124	739,490	(72,366)
Cable	495,350	502,085	(6,735)

Pension Information

Changes in Assumptions

MERS Plan

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

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

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

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

Police and Fire Retirement System

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

During the year ended June 30, 2021, the mortality generational improvement scale was updated from MP-2019 to MP-2020 to reflect anticipated plan experience.

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

During the year ended June 30, 2017, the mortality tables were updated from the RP-2000 tables to the RP-2014 tables.

OPEB Information

Changes in Assumptions

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

During the year ended June 30, 2021, the City of Westland Retiree Health Care Plan changed its actuarial assumptions from the previous actuarial valuation as follows: mortality tables used in determining the total OPEB liability were changed from the RPH-2018 tables using Scale MP-2018 to the Pub-2010 tables using Scale MP-2020, the discount rate was increased from 5.23 to 5.85 percent, health care cost trend rates have been adjusted for actual premium charge rates, and payroll growth rates have been updated.

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

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

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

Other Supplemental Information

City of Westland, Michigan

Special Revenue Funds					
	Major Road	Local Road	Community Development Block Grant	Street Lighting	Drug Forfeiture
Assets					
Cash and cash equivalents	\$ 5,336,565	\$ 1,275,108	\$ 7,500	\$ 1,316,627	\$ 213,122
Receivables - Net	1,123,889	377,552	95,037	-	-
Due from other funds	-	525,211	-	-	-
Inventory	25,605	88,498	-	-	-
Prepaid expenses	605	2,420	-	-	2,200
Land held for resale	-	-	1,267,797	-	-
Total assets	<u>\$ 6,486,664</u>	<u>\$ 2,268,789</u>	<u>\$ 1,370,334</u>	<u>\$ 1,316,627</u>	<u>\$ 215,322</u>
Liabilities					
Accounts payable	\$ 535,759	\$ 1,013,250	\$ 52,458	\$ 99,272	\$ 735
Due to other funds	630,527	140,016	49,867	-	-
Accrued liabilities and other	-	-	-	17,145	-
Unearned revenue	-	-	-	-	-
Total liabilities	1,166,286	1,153,266	102,325	116,417	735
Deferred Inflows of Resources -					
Unavailable revenue	72,075	-	5,504	-	-
Total liabilities and deferred inflows of resources	1,238,361	1,153,266	107,829	116,417	735
Fund Balances					
Nonspendable - Prepays and inventory	26,210	90,918	-	-	2,200
Restricted:					
Roads	5,222,093	1,024,605	-	-	-
Community development	-	-	1,262,505	-	-
Drug forfeiture	-	-	-	-	212,387
Street lighting	-	-	-	1,200,210	-
Committed - Court capital projects	-	-	-	-	-
Assigned	-	-	-	-	-
Total fund balances	<u>5,248,303</u>	<u>1,115,523</u>	<u>1,262,505</u>	<u>1,200,210</u>	<u>214,587</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,486,664</u>	<u>\$ 2,268,789</u>	<u>\$ 1,370,334</u>	<u>\$ 1,316,627</u>	<u>\$ 215,322</u>

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2022

Special Revenue Funds	Capital Project Funds			
Michigan Indigent Defense Commission	Capital Project	Court Building	Total	
\$ 93,351	\$ 2,347,586	\$ 227,900	\$ 10,817,759	
-	-	-	1,596,478	
-	-	10,141	535,352	
-	-	-	114,103	
-	-	-	5,225	
-	-	-	1,267,797	
<u>\$ 93,351</u>	<u>\$ 2,347,586</u>	<u>\$ 238,041</u>	<u>\$ 14,336,714</u>	
\$ 38,050	\$ 50,424	\$ -	\$ 1,789,948	
-	-	-	820,410	
-	-	-	17,145	
55,301	-	-	55,301	
93,351	50,424	-	2,682,804	
-	-	-	77,579	
93,351	50,424	-	2,760,383	
-	-	-	119,328	
-	-	-	6,246,698	
-	-	-	1,262,505	
-	-	-	212,387	
-	-	-	1,200,210	
-	-	238,041	238,041	
-	2,297,162	-	2,297,162	
-	2,297,162	238,041	11,576,331	
<u>\$ 93,351</u>	<u>\$ 2,347,586</u>	<u>\$ 238,041</u>	<u>\$ 14,336,714</u>	

City of Westland, Michigan

	Special Revenue Funds				
	Major Road	Local Road	Community Development Block Grant	Street Lighting	Drug Forfeiture
Revenue					
Special assessments	\$ -	\$ -	\$ -	\$ 1,588,852	\$ -
Intergovernmental:					
Federal grants	-	-	1,320,388	-	-
State sources	6,784,317	2,439,474	-	-	111,084
Court fines and fees	-	-	-	-	-
Interest income	-	-	-	1,202	-
Other revenue - Other income	85,192	-	-	-	-
Total revenue	6,869,509	2,439,474	1,320,388	1,590,054	111,084
Expenditures					
Current:					
Street lighting	-	-	-	1,241,604	-
Public safety	-	-	-	-	212,729
Highway, streets, and drains	4,818,956	5,630,481	-	-	-
Community and economic development	-	-	1,782,188	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	4,818,956	5,630,481	1,782,188	1,241,604	212,729
Excess of Revenue Over (Under) Expenditures	2,050,553	(3,191,007)	(461,800)	348,450	(101,645)
Other Financing Sources (Uses)					
Transfers in	-	3,392,158	-	-	-
Transfers out	(3,392,158)	-	-	(28,945)	-
Total other financing (uses) sources	(3,392,158)	3,392,158	-	(28,945)	-
Net Change in Fund Balances	(1,341,605)	201,151	(461,800)	319,505	(101,645)
Fund Balances - Beginning of year	6,589,908	914,372	1,724,305	880,705	316,232
Fund Balances - End of year	\$ 5,248,303	\$ 1,115,523	\$ 1,262,505	\$ 1,200,210	\$ 214,587

Other Supplemental Information

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

Nonmajor Governmental Funds

Year Ended June 30, 2022

Special Revenue Funds	Capital Project Funds		Total
	Capital Project	Court Building	
Michigan Indigent Defense Commission	Capital Project	Court Building	Total
\$ -	\$ -	\$ -	\$ 1,588,852
-	-	-	1,320,388
431,699	-	-	9,766,574
-	-	113,581	113,581
-	1,818	161	3,181
-	-	-	85,192
<u>431,699</u>	<u>1,818</u>	<u>113,742</u>	<u>12,877,768</u>
-	-	-	1,241,604
494,040	-	-	706,769
-	-	-	10,449,437
-	-	-	1,782,188
-	741,128	22,308	763,436
-	217,210	-	217,210
<u>494,040</u>	<u>958,338</u>	<u>22,308</u>	<u>15,160,644</u>
(62,341)	(956,520)	91,434	(2,282,876)
62,341	-	-	3,454,499
-	-	-	(3,421,103)
<u>62,341</u>	<u>-</u>	<u>-</u>	<u>33,396</u>
-	(956,520)	91,434	(2,249,480)
-	3,253,682	146,607	13,825,811
<u>\$ -</u>	<u>\$ 2,297,162</u>	<u>\$ 238,041</u>	<u>\$ 11,576,331</u>

Other Supplemental Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2022

	Pension and Other Employee Benefit Trust Funds			Custodial Funds		
	Police and Fire Retirement System	Other Postemployment Benefits	Total	Tax Collection	District Court	Total
Assets						
Cash and cash equivalents	\$ 26,414	\$ -	\$ 26,414	\$ 588,383	\$ 197,498	\$ 785,881
Investments:						
Municipal obligations	5,190,470	-	5,190,470	-	-	-
CIF - Fixed income	18,971,148	-	18,971,148	-	-	-
U.S. government securities	12,031,845	-	12,031,845	-	-	-
Pooled investments	-	2,111,047	2,111,047	-	-	-
Common stocks	50,911,857	-	50,911,857	-	-	-
Corporate bonds	4,077,919	-	4,077,919	-	-	-
Real estate	832,457	-	832,457	-	-	-
Mutual funds	51,378,858	-	51,378,858	-	-	-
Securities lending - Mutual funds	1,578,168	-	1,578,168	-	-	-
Closely held - Equity	32,254,770	-	32,254,770	-	-	-
Receivables:						
Accrued interest receivable	163,429	-	163,429	-	-	-
Pension system contributions receivable	43,007	-	43,007	-	-	-
Total assets	177,460,342	2,111,047	179,571,389	588,383	197,498	785,881
Liabilities						
Due to other governmental units	-	-	-	588,383	123,821	712,204
Deposits and bonds	-	-	-	-	73,677	73,677
Obligations under securities lending agreements	1,597,904	-	1,597,904	-	-	-
Due to brokers	126,497	-	126,497	-	-	-
Total liabilities	1,724,401	-	1,724,401	588,383	197,498	785,881
Net Position - Restricted						
Pension	175,735,941	-	175,735,941	-	-	-
Postemployment benefits other than pension	-	2,111,047	2,111,047	-	-	-
Total net position	\$ 175,735,941	\$ 2,111,047	\$ 177,846,988	\$ -	\$ -	\$ -

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

Year Ended June 30, 2022

	Pension and Other Employee Benefit Trust Funds			Custodial Funds		
	Police and Fire Retirement System	Other Postemployment Benefits	Total	Tax Collection	District Court	Total
Additions						
Investment income (loss):						
Interest and dividends	\$ 2,423,540	\$ (204,674)	\$ 2,218,866	\$ -	\$ -	\$ -
Net decrease in fair value of investments	(26,986,043)	-	(26,986,043)	-	-	-
Investment costs	(814,368)	-	(814,368)	-	-	-
Net investment loss	(25,376,871)	(204,674)	(25,581,545)	-	-	-
Contributions:						
Employer contributions	8,273,045	8,277,286	16,550,331	-	-	-
Employee contributions	703,488	-	703,488	-	-	-
Total contributions	8,976,533	8,277,286	17,253,819	-	-	-
Fines, fees, and bonds	-	-	-	-	1,970,317	1,970,317
Property tax collections	-	-	-	63,426,095	-	63,426,095
Total additions	(16,400,338)	8,072,612	(8,327,726)	63,426,095	1,970,317	65,396,412
Deductions						
Benefit payments	18,190,851	7,777,286	25,968,137	-	-	-
Administrative expenses	394,002	3,672	397,674	-	-	-
District court distributions	-	-	-	-	1,970,317	1,970,317
Property tax distributions to other governments	-	-	-	63,426,095	-	63,426,095
Total deductions	18,584,853	7,780,958	26,365,811	63,426,095	1,970,317	65,396,412
Net (Decrease) Increase in Fiduciary Net Position	(34,985,191)	291,654	(34,693,537)	-	-	-
Net Position - Beginning of year	210,721,132	1,819,393	212,540,525	-	-	-
Net Position - End of year	\$ 175,735,941	\$ 2,111,047	\$ 177,846,988	\$ -	\$ -	\$ -

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

June 30, 2022

	Library	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 5,457,082	\$ -	\$ 5,457,082
Receivables - Net	137,454	-	137,454
Due from primary government	6,964	-	6,964
Prepaid expenses	91,338	-	91,338
Other current assets	8,194	-	8,194
Deposits held by third parties	15,719	-	15,719
Capital assets - Depreciable - Net	-	1,491,973	1,491,973
Total assets	\$ 5,716,751	1,491,973	7,208,724
Liabilities			
Accounts payable	\$ 58,075	-	58,075
Accrued liabilities and other	93,881	-	93,881
Noncurrent liabilities			
Due within one year:			
Compensated absences	-	14,384	14,384
Provision for claims	-	57,532	57,532
Due in more than one year - Provision for claims	-	80,783	80,783
Total liabilities	151,956	152,699	304,655
Deferred Inflows of Resources - Unavailable revenue	93,551	(93,551)	-
Total liabilities and deferred inflows of resources	245,507	59,148	304,655
Equity			
Fund balance:			
Nonspendable - Prepaid expenses	91,338	(91,338)	-
Unassigned	5,379,906	(5,379,906)	-
Total fund balance	5,471,244	(5,471,244)	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 5,716,751		
Net position:			
Net investment in capital assets		1,491,973	1,491,973
Unrestricted		5,412,096	5,412,096
Total net position		\$ 6,904,069	\$ 6,904,069

City of Westland, Michigan

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

Year Ended June 30, 2022

	Library	Adjustments	Statement of Activities
Revenue			
Property taxes	\$ 3,207,517	\$ -	\$ 3,207,517
Intergovernmental	242,175	7,003	249,178
Interest income	2,246	-	2,246
Other revenue	38,394	-	38,394
Total revenue	3,490,332	7,003	3,497,335
Expenditures			
Recreation and culture, including depreciation	2,764,407	489,830	3,254,237
Capital outlay	456,133	(382,601)	73,532
Total expenditures	3,220,540	107,229	3,327,769
Net Change in Fund Balance/Net Position	269,792	(100,226)	169,566
Fund Balance/Net Position - Beginning of year	5,201,452	1,533,051	6,734,503
Fund Balance/Net Position - End of year	\$ 5,471,244	\$ 1,432,825	\$ 6,904,069