



CITY OF WARREN, MICHIGAN

**Fiscal Year Ended June 30, 2025
Annual Comprehensive Financial Report
Prepared by the Controller's Office**

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December 19, 2025

To the Honorable Mayor, Members of City Council
and Citizens of the City of Warren

In accordance with City Charter and State Statute, the City of Warren is required to publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited by a licensed certified public accounting firm in accordance with generally accepted auditing standards. Pursuant to those requirements, the City Controller's Office hereby submits the Annual Comprehensive Financial Report of the City of Warren for the fiscal year ended June 30, 2025.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a framework of internal controls that is designed to both protect the City's assets and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by the certified public accounting firm of Plante & Moran, PLLC. The purpose of an independent audit is to provide reasonable assurance that the City's financial statements for the fiscal year ended June 30, 2025 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used; and evaluating the overall financial statement presentation. The City's financial statements have received an "unmodified opinion" from the independent auditor. An unmodified opinion is the best opinion an organization can receive. It indicates that the auditor's examination has disclosed no conditions that cause them to believe that the financial statements are not fairly stated in all material respects. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

General Information

The City of Warren was incorporated as a home rule City on January 1, 1957. The City is governed by a seven-member Council, Mayor, Treasurer and City Clerk, all of whom are elected to a maximum of three four-year terms. The City encompasses 34.5 square miles (22,080 acres) of the southwestern section of Macomb County where it is adjacent to the City of Detroit. The City's boundaries are Eight Mile Road on the south, Fourteen Mile Road on the north, Dequindre Road on the west and a parallel line running due north from the Gratiot- Eight Mile Road intersection on the east. With a population of 139,387 (2020 census figure), Warren remains the third largest city in the State of Michigan.

General Information (continued)

With over 4,000 businesses, Warren has a diverse business climate. Unquestionably contributing to the economic vitality of the City is the presence of General Motors Corporation and Fiat Chrysler Automobiles (FCA) automotive facilities. Warren is proud to be the home of General Motors Technical Center, a 330-acre complex housing General Motors Corporation staff operations; research laboratories, engineering, and design. FCA has three major facilities in Warren. Occupying a 224-acre site, this complex includes an assembly plant, a stamping plant and a paint plant.

The South Campus of Macomb Community College is a public college located on a 100-acre site on Twelve Mile Road. Macomb Community College is one of the nation's leading community colleges, providing learning experiences to better our community. Macomb Community College ranks high in Michigan and nationally in the number of associate's degrees. The college's comprehensive educational programming includes pre-collegiate experiences, university transfer and career preparation programs, bachelor's degree completion and graduate degree programs, workforce training, professional and continuing education and enrichment opportunities. Wayne State University has opened an Extension Center right across from Macomb's South Campus on 12 Mile and is named the Advanced Technology Education Center.

Protecting the lives and property of Warren's citizens is the mission of our public safety departments. The Fire Department strives to ensure that the best fire extinguishment and emergency medical service is available to service the community. The Police Department operates an Emergency 911 system, in-vehicle wireless communications and a high tech mobile command center to afford residents the quickest possible response to any emergency situation. In addition, Police body cameras have been purchased during this fiscal year to help protect our officers and residents during police work. This continual investment in equipment, facilities and personnel has resulted in Warren having one of the lowest crime rates in the nation for a city of over 100,000 people.

The mission of the Warren Public Library is to improve the quality of life for the citizens of Warren by providing services and resources that promote educational, cultural, social and economic well-being. The library strives to be a source of information for lifetime learning and enjoyment. One of its primary goals is to stimulate young children's interest in reading and learning and to encourage literacy among all age groups. The Warren Public Library operates a Civic Center Library and occupies 35,000 square feet on the main floor of the City Hall building. The Library features a computer lab, self-check-out units, private study rooms and an inviting reading room with fireplace. Services such as after-hours book pick-up and a drive-up book drop are also available. This centrally located library benefits all citizens of Warren. Warren also has branch libraries, each providing internet access and adaptive devices for the visually impaired. The Maybelle Burnette library has been constructed in the City's south end and opened in October 2019 for our residents. As a member of the Suburban Library Cooperative, the Warren Libraries provide access for patrons to all library materials in the State of Michigan.

The City of Warren has developed several city parks. Halmich Park, the largest of the city parks sits on approximately 80 acres and has four-lighted baseball diamonds, soccer fields, a concession stand and picnic pavilions. The City operates three indoor recreational facilities: The Warren Community Center, Owen Jax Recreation Center, and Stilwell Manor Senior Drop-In Center. The Warren Community Center facility houses the Parks and Recreation, Communications Department and City Council offices as well as the Miller Branch of the Warren Public Library. The facility operates a year round aquatics center which includes a 150-foot water slide, a lazy river, play structure and lap pool. In addition there are three gymnasiums, multi-purpose meeting rooms, an auditorium and a fitness center. The exterior grounds include a lighted football stadium, walking paths and irrigated soccer fields. With grant assistance from the Michigan Department of Transportation, the Recreation Department continues to offer specialized transportation for seniors and special populations. The Parks and Recreation Department offers many year-round recreational programs, including baseball, softball, basketball, volleyball, swimming, bowling, arts and crafts, music, theater, and dancing. Programs service pre-school children to senior citizens. Summer concerts are conducted by the City's Cultural Commission and the Parks and Recreation Department.

The City's Public Service Department provides a variety of services to the City's residents. Amongst these are weekly garbage collection; street maintenance, including snow and ice removal; building inspections; operation of the Waste Water Treatment Plant and the Water and Sewer System.

Affordable and safe housing is provided to Warren seniors through the operation of its 366-unit Senior Citizen Housing Complex.

Reporting Entity

In conformance with criteria established by the Governmental Accounting Standards Board (GASB), the financial statements report all the funds of the City and its component units. Component units are separate legal entities for which the primary government is financially accountable. The component units of the City include the Tax Increment Finance Authority, Downtown Development Authority, Building Authority, and Brownfield Redevelopment Authority. Due to the degree of control exercised by the primary government, its financial relationship with each component unit and the component unit's benefit to the primary government, each component is reported in the accompanying financial statements discretely except for the Building Authority which is considered a blended component unit.

Accounting Systems, Budgetary and Internal Controls

The City's accounting system is organized and operated on a "fund basis". Each fund is a distinct, self-balancing entity created to account for all assets, liabilities, financial resources and uses associated with its intended purpose.

Annual balanced budgets are adopted for all the primary government's General, Special Revenue and Debt Service Funds as required by the Michigan Public Act 621 of 178, the Uniform Budgeting and Accounting Act. Although not required, budgets were formally adopted for the proprietary funds and the 37th District Court Building Renovation Fund to assist management in monitoring operations.

The City Council, by resolution, adopted a budget on a line item basis for all city departments, divisions, boards, commissions and other activities. A budget amendment would be needed to overspend the adopted budget. Budgets for the General, Special Revenue and Debt Service Funds were adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal controls. Internal control represents the organization's plan of procedures associated with safeguarding assets and maintaining the integrity of financial records and consequently is designed to provide reasonable assurance that:

- transactions are executed in accordance with management's general or specific authorization.
- transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles, or any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability for assets.
- access to assets is permitted only in accordance with management's authorization.
- the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Economic Outlook

The auto industry is the lifeblood of the economy of Southeast Michigan. The City of Warren is no exception to this with the presence of the General Motors Technical Center and GM and FCA manufacturing facilities as well as numerous third-party suppliers to the auto industry. Its role in the City's financial future is increasingly optimistic as both GM and FCA have made considerable investments in their facilities within the City. General Motors is in the process of an expansion at the Technical Center of over \$1 billion dollars to modernize the campus. This expansion will include an additional 3,000 jobs. The General Motors Wallace Battery Cell Innovation Center, a 300,000 square foot battery facility for electric cars, is in development.

The 2025 budget has committed to continue to invest in the City's infrastructure with over \$21 million in General Fund and Special Revenue Fund Equipment and Capital Improvements. The Enterprise Funds have capital outlay of over \$94 million, including over \$75 million for the replacement of the Waste Water Treatment Plant Incinerator, utilizing favorable State Revolving Fund financing. The long-awaited upgrade will allow for the disposal of waste byproduct in the interest of the health and safety for Warren residents and business community. Labor contracts are either settled or being finalized with the focus on continuing to deliver excellent services and maintain financial stability for the upcoming years. The City continues to scrutinize expenditures and look for ways maximize revenues, including seeking out cost-effective grant support.

The City strives to maintain high quality essential services. Management is proactive in reviewing processes to reduce costs and produce efficient outcomes. The pursuit of grants from Federal, State and County sources are priorities. The City needs to be vigilant and responsive to economic changes to avoid impacting essential services provided to our citizens and businesses.

Long-term Financial Planning

Financial planning requires the ability to respond to changing and challenging economic factors. An uncertain economy, downturns in real estate property values, fluctuating personal property tax reimbursements and changes in state revenue sharing distributions can require the City to cut future expenditures through staffing levels reductions and labor contract savings. The City has refinanced bonds in the past several years and will continue to look for those opportunities in the future.

Major Initiatives

There is an ongoing commitment to improve conditions of road surfaces and traffic flows throughout the City. Road projects are either funded directly by the City utilizing state shared gas and weight taxes, through cooperative efforts with the Michigan Department of Transportation or Macomb County Road Commission, or through road millages. Road widening and resurfacing projects, as well as water main and sewer line replacements, are currently underway at various locations. On August 6, 2024, the citizens of Warren passed an extension of the current road millage that, starting in July of 2026, will be dedicated for the use of local streets for twenty years. The last two years of the current millage will be dedicated to the upgrade of publicly owned parking lots around the City. The extended period of the local road millage will allow the city to bond for sufficient funds to make a major impact on the upgrade the local roads in the City of Warren.

The Water and Sewer System, because of its aging infrastructure, has an unprecedented amount of capital projects occurring. This includes water main and sewer improvements and replacements, capital equipment upgrades, energy efficiency projects at the Waste Water Treatment Plant, and the ongoing plans to construct a detention basin for State mandated environmental requirements.

The general fund made multiple contributions since Fiscal Year 2020 to help fund improvements in parks throughout the City. Those funds have been allocated to various capital projects and operating costs. With the completion of a master plan the Parks and Recreation department has defined needed capital improvements in parks throughout the city. With limited local monies for the Recreation Fund, the City is actively seeking grants to accomplish master plan objectives.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Warren for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Controller's Office. A significant investment in time and resources has been expended to submit this report in compliance with all financial requirements. I would like to express my sincere appreciation to all members of the Department who assisted and contributed so greatly to its preparation. I would also like to thank your office and members of the Warren City Council for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully,



Richard Fox
City Controller



Government Finance Officers Association

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for Excellence
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**City of Warren
Michigan**

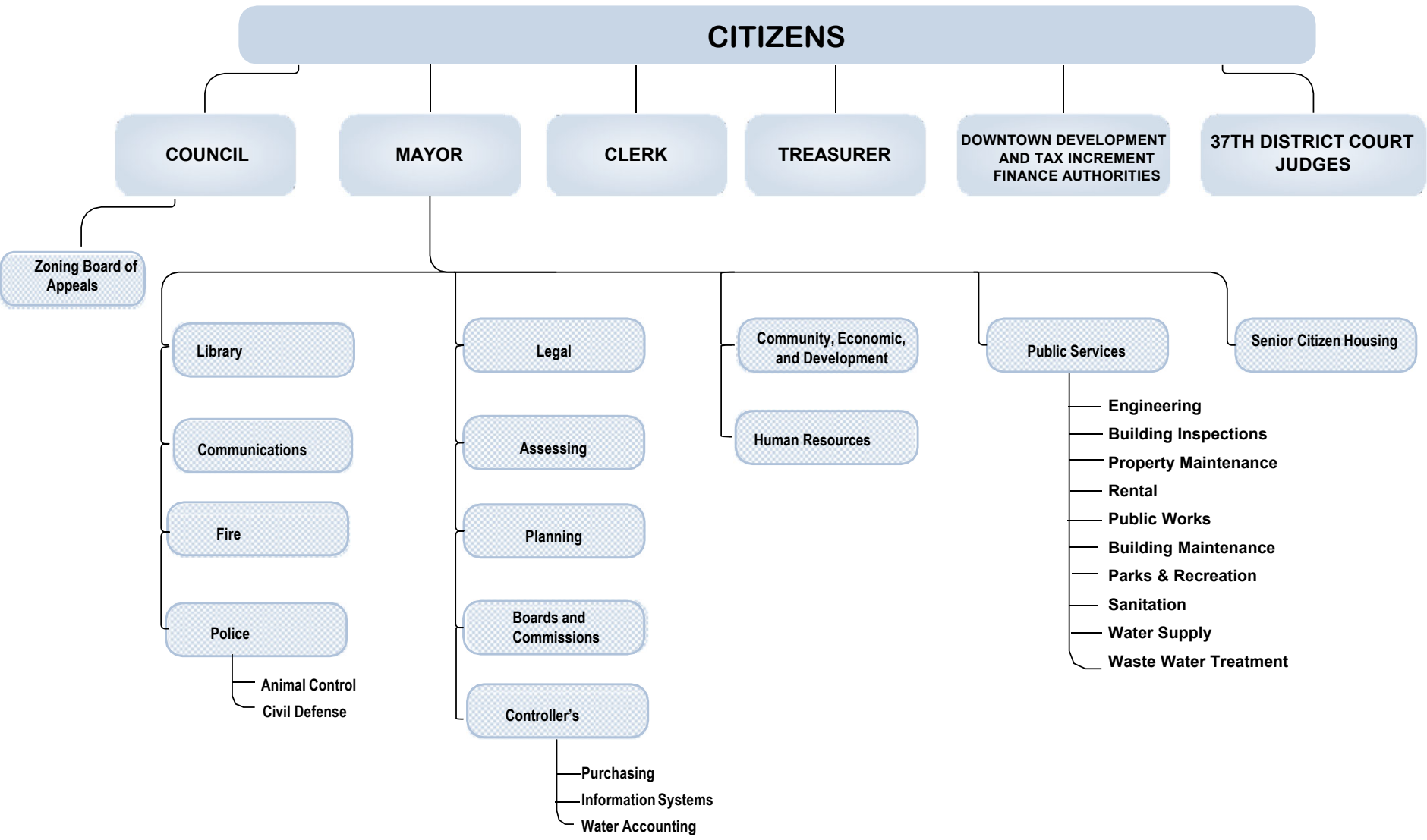
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

City of Warren, Michigan Organization Chart



City of Warren



LORI M. STONE
MAYOR

ONE CITY SQUARE
WARREN, MICHIGAN 48093

ADMINISTRATION

City of Warren was incorporated January 1, 1957, under Act 279, P.A. 1909, as amended (Home Rule Act). The 2020 population per Federal Census, 139,387

City is administered by a Mayor, a Council of seven members, Treasurer and Clerk, all of whom are elected for four-year terms.

PRESENT ELECTIVE OFFICERS (Terms expire November 12, 2027)

MAYOR

LORI M. STONE

COUNCIL

ANGELA ROGENSUES, President
JONATHAN LAFFERTY

MINDY MOORE, Secretary
DAVE DWYER, Asst. Secretary – Mayor Pro Tem
MELODY MAGEE, Vice President

HENRY NEWNAN
GARY BOIKE

TREASURER
LORIE BARNWELL

CITY CLERK
SONJA BUFFA

DEPARTMENT HEADS (Appointed Officials)

DAVID MUZZARELLI, Public Services Director
CLARISSA CAYTON, Communications Director
WILBURT MCADAMS, Fire Commissioner
RICHARD FOX, City Controller

CHARLES RUSHTON, Acting Police Commissioner
JACQUELINE DAMRON, Acting HR Director
ANTHONY CASASANTA, Acting Recreation Director
THOMAS BOMMARITO, DDA Director

RONALD F. WUERTH, Planning Director
F. SCOTT MILLER, City Assessor
MARY MICHAELS, Acting City Attorney
OKSANA URBAN, Library Director

Prepared By:
KRISTINA BATTLE, Budget Director



Independent Auditor's Report

To the City Council
City of Warren, 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 Warren, Michigan (the "City") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City of Warren Employees' Retirement System Defined Benefit Pension Plan and the City of Warren City Employees' Retirement Health, Life and Disability Benefits Plan and Trust, which represent \$245 million of \$727 million of the assets and \$39 million of \$317 million of the revenue or additions (including investment income/loss) of the aggregate remaining fund information as of December 31, 2024 and the respective changes in financial position for the year then ended. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Warren Employees' Retirement System Defined Benefit Pension Plan and the City of Warren City Employees' Retirement Health, Life and Disability Benefits Plan and Trust, is based solely on the report of the other auditors.

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. The financial statements of the City of Warren Police and Fire Retirement System Defined Benefit Pension Plan; the City of Warren Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust; the City of Warren Employees' Retirement System Defined Benefit Pension Plan; and the City of Warren City Employees' Retirement Health, Life and Disability Benefits Plan and Trust were not audited under *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2025, the City adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

To the City Council
City of Warren, Michigan

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

To the City Council
City of Warren, Michigan

Supplementary Information

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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025 on our consideration of the City of Warren, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Warren, Michigan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Warren, Michigan's internal control over financial reporting and compliance.



December 19, 2025

Our discussion and analysis of the City of Warren, Michigan's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2025. This narrative should be considered in conjunction with the additional information presented in the letter of transmittal and the City's financial statements.

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2025:

Financial Highlights

- As a result of this year's operations, governmental activities net position increased by \$43.2 million, or 86.9 percent, from the prior year. This is primarily due to an increase in tax, state-shared, and federal grant revenue and recognition of capital assets acquired by the Downtown Development Authority.
- As a result of this year's operations, business-type activities net position increased by almost \$14.9 million, or 10.4 percent, from the prior year. The increase is primarily due to the positive operating activity in the water and sewer system.
- The General Fund reported a \$21.9 million increase in fund balance from the prior year. This increase is primarily due to federal grant revenue and a favorable budget expenditures variance for the year.

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

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

The following tables show, in a condensed format, the current year's net position and changes in net position as of and for the year ended June 30, 2025 compared to the prior year:

The City's Net Position

	Governmental Activities			
	2024	2025	Change	Percent Change
Assets				
Other assets	\$ 253,210,208	\$ 277,714,603	\$ 24,504,395	9.7
Capital assets	205,379,883	241,009,318	35,629,435	17.3
Total assets	458,590,091	518,723,921	60,133,830	13.1
Deferred Outflows of Resources	62,901,928	53,764,336	(9,137,592)	(14.5)
Liabilities	471,817,973	480,317,846	8,499,873	1.8
Deferred Inflows of Resources	-	2,331,695	2,331,695	-
Net Position				
Net investment in capital assets	162,547,369	183,545,380	20,998,011	12.9
Restricted	103,757,316	91,612,218	(12,145,098)	(11.7)
Unrestricted	(216,630,639)	(185,318,882)	31,311,757	(14.5)
Total net position	\$ 49,674,046	\$ 89,838,716	\$ 40,164,670	80.9

Management's Discussion and Analysis (Continued)

	Business-type Activities			
	2024	2025	Change	Percent Change
Assets				
Other assets	\$ 54,070,328	\$ 62,983,480	\$ 8,913,152	16.5
Capital assets	245,246,461	261,709,991	16,463,530	6.7
Total assets	299,316,789	324,693,471	25,376,682	8.5
Deferred Outflows of Resources	3,858,897	1,841,125	(2,017,772)	(52.3)
Liabilities				
Current liabilities	5,864,877	9,252,168	3,387,291	57.8
Long-term liabilities:				
Due within one year	15,292,602	13,098,762	(2,193,840)	(14.3)
Due in more than one year	138,410,602	145,324,076	6,913,474	5.0
Total liabilities	159,568,081	167,675,006	8,106,925	5.1
Deferred Inflows of Resources	245,044	522,479	277,435	113.2
Net Position				
Net investment in capital assets	142,575,788	155,604,546	13,028,758	9.1
Restricted	6,843,365	5,539,109	(1,304,256)	(19.1)
Unrestricted	(6,056,592)	(2,806,544)	3,250,048	(53.7)
Total net position	\$ 143,362,561	\$ 158,337,111	\$ 14,974,550	10.4

The City's Changes in Net Position

	Governmental Activities			
	2024	2025	Change	Percent Change
Revenue				
Program revenue:				
Charges for services	\$ 22,747,115	\$ 24,904,561	\$ 2,157,446	9.5
Operating grants	28,649,748	40,916,243	12,266,495	42.8
Capital grants	10,926,399	21,020,867	10,094,468	92.4
General revenue:				
Taxes - Property taxes	112,639,687	123,228,073	10,588,386	9.4
State-shared revenue	28,210,918	29,061,629	850,711	3.0
Investment earnings	10,137,856	10,124,875	(12,981)	(0.1)
Other revenue	1,740,131	1,415,677	(324,454)	(18.6)
Total revenue	215,051,854	250,671,925	35,620,071	16.6
Program Expenses				
General government	16,038,821	21,003,386	4,964,565	31.0
District court	8,719,566	8,505,616	(213,950)	(2.5)
Public safety	95,446,188	105,194,833	9,748,645	10.2
Public works	51,188,477	46,159,046	(5,029,431)	(9.8)
Community and economic development	5,234,204	12,939,259	7,705,055	147.2
Recreation and culture	11,458,752	13,605,309	2,146,557	18.7
Interest on long-term debt	2,673,397	3,099,806	426,409	16.0
Total program expenses	190,759,405	210,507,255	19,747,850	10.4
Change in Net Position	24,292,449	40,164,670	15,872,221	65.3
Net Position - Beginning of year	25,381,597	49,674,046	24,292,449	95.7
Net Position - End of year	\$ 49,674,046	\$ 89,838,716	\$ 40,164,670	80.9

Management's Discussion and Analysis (Continued)

	Business-type Activities			
	2024	2025	Change	Percent Change
Revenue				
Water and Sewer Fund:				
Charges for services	\$ 54,312,407	\$ 56,409,782	\$ 2,097,375	3.9
Operating grants	998,640	5,055,176	4,056,536	406.2
Senior housing - Charges for services:				
Investment earnings	2,846,162	2,880,389	34,227	1.2
Other revenue:				
Sale of capital assets	-	13,700	13,700	-
Total revenue	58,157,209	64,359,047	6,201,838	10.7
Expenses				
Water and Sewer Fund	47,537,452	48,181,621	644,169	1.4
Senior housing	2,991,738	2,962,754	(28,984)	(1.0)
Total expenses	50,529,190	51,144,375	615,185	1.2
Investment Income	1,636,974	1,759,878	122,904	7.5
Change in Net Position	9,264,993	14,974,550	5,709,557	61.6
Net Position - Beginning of year, as adjusted	134,097,568	143,362,561	9,264,993	6.9
Net Position - End of year	<u>\$ 143,362,561</u>	<u>\$ 158,337,111</u>	<u>\$ 14,974,550</u>	10.4

The governmental activities net position is \$89.8 million. This is an increase of \$40.2 million from a year ago. The increase is due to an increase in tax, state-shared, and federal grant revenue and a favorable budget variance. Significant among those was use of \$10 million in American Rescue Plan Act (ARPA) funds to offset police and fire salaries. The increase is also due to fixed asset acquisitions from Downtown Development Authority (DDA) funds and reflected in the financials as contributed capital grants. Principal among those acquisitions is a \$12.1 million cost at year end for the construction of two new fire stations and \$1.5 million for development of a skate park.

The City's total governmental revenue increased by approximately \$35.6 million, or 16.6 percent. This increase was primarily due to the increase in property tax revenue and grant revenue. Tax revenue increased due to an average increase of approximately 5 percent in the taxable property values. Grant revenue increased due to the aforementioned ARPA revenue and capital grant revenue from the DDA.

Governmental expenses increased by approximately \$19.7 million, or 10.4 percent, due to increases in public safety personnel and capital equipment purchases.

The City's business-type activities consist of the Water and Sewer Fund and Senior Citizen Housing Funds. We provide water to residents from the Great Lakes Water Authority. We also provide sewage treatment through a sewage treatment plant owned and operated by the City. Affordable and safe housing is provided to the City's seniors through operation of a 366-unit complex.

The net position of business-type activities increased by almost \$14.9 million, or 10.4 percent, from a year ago.

The increase in charges for services (water & waste water treatment) is primarily attributable to a rate increase principally on waste water treatment rates to fund the debt service cost for replacement of the incinerator. The increase in operating grants is due to the recognition of American Rescue Plan Act (ARPA) funding in the amount of \$4,970,910 for infrastructure replacement projects compared to the prior year total of \$914,434.

Business-type activities unrestricted net position, the part of net position that can be used to finance day-to-day operations, increased approximately \$3.3 million.

City of Warren, Michigan's Funds

Our analysis of the City's major funds begins on page 11, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Council creates funds to help manage money for specific purposes and to show accountability for certain activities, such as special property tax millages. The City's major funds for 2025 include the General Fund, Grant Fund, and Capital Projects Fund.

The General Fund pays for most of the City's governmental services. The most significant are classified as public safety, which includes police and fire. Public safety incurred expenses of approximately \$104.0 million in 2025. Revenue was greater than expenditures (excluding transfers) in the General Fund by \$15.1 million. This was primarily due to an increase in property tax and interest revenue. Unassigned fund balance of \$24.3 million is approximately 17.1 percent of expenditures.

The Grant Fund consists of various federal grants awarded by the U.S. Department of Housing and Urban Development. The largest grant in this fund is the Community Development Block Grant. Revenue was less than expenditures in the Grant Fund by \$215 thousand. This revenue is generated from payment and payoffs on residential loans provided by the Community Development Block Grant.

The Capital Projects Fund pays for various road and sidewalk replacement projects. Revenue was more than expenditures (including transfers) in the Capital Projects Fund by \$4.2 million due to issuance of new debt.

Budgetary Highlights

Over the course of the year, the City amended the budget to take into account events during the year. The most significant budget adjustments were for capital equipment purchases in public safety and public works, public safety personnel, and grant awards. At year end, General Fund expenditures were \$17.8 million under budget. This was due to careful spending by department leaders and delayed capital equipment purchases.

Capital Assets and Debt Administration

At the end of fiscal year 2025, the City had \$502.7 million invested in a broad range of capital assets, including land, buildings, police and fire equipment, computer equipment, infrastructure assets (roads, bridges, sidewalks, and storm drains), and water and sewer lines. The value of the City's governmental net capital assets is \$241.0 million, and business-type net capital assets are \$261.7 million (see Note 5 to the basic financial statements for additional information).

The City's general obligation bonds maintained their rating from Standard & Poor's (AA) during the fiscal year. This rating was affirmed in 2025 when the City issued MTF bonds of \$13.475 million in governmental activities. Please see Note 7 to the basic financial statements for additional information.

Economic Factors and Next Year's Budgets

Inflation and supply chain issues will continue to have major impacts on the City's ability to function efficiently in the near future. City management must remain responsive to changes that impact the cost of local services. The City negotiated some substantial adjustments to the compensation packages of police and fire personnel to competitively attract and keep qualified candidates. Aside from those changes, the City has negotiated conservative compensation increases with all city unions through June 30, 2024. The city administration and City Council must work together to maintain a fiscally responsible financial strategy that protects the integrity of core services.

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 resources it receives. If you have questions about this report or need additional information, we welcome you to contact the controller's office at city hall.

June 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 202,839,011	\$ 24,154,517	\$ 226,993,528	\$ 34,545,130
Receivables (Note 4)	31,580,964	9,443,237	41,024,201	29,664
Due from component units	2,065,254	-	2,065,254	-
Internal balances	(228,871)	228,871	-	-
Inventory	348,985	626,074	975,059	211,375
Prepaid items and other assets	230,447	99,775	330,222	250,000
Deposits	4,306,327	354,968	4,661,295	-
Restricted assets (Note 1)	32,168,679	28,076,038	60,244,717	4,770,873
Capital assets:				
Assets not subject to depreciation (Note 5)	45,456,397	9,638,818	55,095,215	-
Assets subject to depreciation - Net (Note 5)	195,552,921	252,071,173	447,624,094	-
Other noncurrent receivable	4,403,807	-	4,403,807	-
Total assets	518,723,921	324,693,471	843,417,392	39,807,042
Deferred Outflows of Resources				
Bond refunding loss being amortized (Note 7)	66,052	152,265	218,317	37,527
Deferred outflows related to pensions (Note 11)	47,283,407	1,150,562	48,433,969	-
Deferred outflows related to OPEB (Note 8)	6,414,877	538,298	6,953,175	10,984
Total deferred outflows of resources	53,764,336	1,841,125	55,605,461	48,511
Liabilities				
Accounts payable	10,641,009	8,220,371	18,861,380	3,383,149
Due to other governmental units	-	-	-	161,867
Due to primary government	-	-	-	2,065,254
Refundable deposits, bonds, etc.	3,545,752	288,665	3,834,417	2,000
Accrued liabilities and other	1,518,114	740,631	2,258,745	333,610
Unearned revenue	4,245,250	2,501	4,247,751	-
Noncurrent liabilities:				
Due within one year:				
Payable from restricted assets	3,749,564	2,697,961	6,447,525	1,361,601
Compensated absences (Note 7)	3,975,649	906,498	4,882,147	-
Provision for claims (Note 15)	7,108,372	-	7,108,372	-
Lease and subscription liability (Notes 7, 20 and 21)	669,996	69,956	739,952	-
Provision for property tax refunds	135,699	-	135,699	643,487
Current portion of long-term debt (Note 7)	6,765,960	9,424,347	16,190,307	6,118,032
Due in more than one year:				
Compensated absences (Note 7)	13,960,067	414,686	14,374,753	-
Provision for claims (Note 15)	3,917,815	-	3,917,815	-
Lease and subscription liability - Net of current portion (Notes 7, 20 and 21)	6,760,962	234,035	6,994,997	-
Net pension liability (Notes 11 and 12)	202,833,403	10,424,922	213,258,325	-
Net OPEB liability (Notes 8 and 9)	133,676,743	12,939,500	146,616,243	264,061
Long-term debt (Note 7)	71,524,205	121,310,933	192,835,138	28,161,085
Landfill postclosure liability (Note 18)	5,289,286	-	5,289,286	-
Total liabilities	480,317,846	167,675,006	647,992,852	42,494,146
Deferred Inflows of Resources				
Deferred benefit on bond refunding	-	177,320	177,320	-
Deferred inflows related to pension (Note 11)	451,237	205,563	656,800	-
Deferred inflows related to OPEB (Note 8)	1,880,458	139,596	2,020,054	2,849
Total deferred inflows of resources	2,331,695	522,479	2,854,174	2,849
Net Position (Deficit)				
Net investment in capital assets	183,545,380	155,604,546	339,149,926	-
Restricted:				
Streets and highways	37,158,791	-	37,158,791	-
Public safety	1,875,065	-	1,875,065	-
Recreation and culture	13,410,600	-	13,410,600	-
Sanitation	10,889,648	-	10,889,648	-
Community development	9,233,375	-	9,233,375	-
Capital projects	11,743,474	-	11,743,474	-
Debt service	-	5,539,109	5,539,109	-
Opioids	7,301,265	-	7,301,265	-
Unrestricted	(185,318,882)	(2,806,544)	(188,125,426)	(2,641,442)
Total net position (deficit)	\$ 89,838,716	\$ 158,337,111	\$ 248,175,827	\$ (2,641,442)

City of Warren, Michigan

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 21,003,386	\$ 8,252,321	\$ 1,733,805	\$ 182,925
District court	8,505,616	7,317,222	1,221,378	-
Public safety	105,194,833	6,920,701	12,290,692	-
Public works	46,159,046	155,088	19,778,650	20,837,942
Community and economic development	12,939,259	1,141,620	4,264,599	-
Recreation and culture	13,605,309	1,117,609	1,627,119	-
Interest on long-term debt	3,099,806	-	-	-
Total governmental activities	210,507,255	24,904,561	40,916,243	21,020,867
Business-type activities:				
Water and Sewer Fund	48,181,621	56,409,782	5,055,176	-
Senior housing	2,962,754	2,880,389	-	-
Total business-type activities	51,144,375	59,290,171	5,055,176	-
Total primary government	\$ 261,651,630	\$ 84,194,732	\$ 45,971,419	\$ 21,020,867
Component units:				
Tax Increment Finance Authority	\$ 203,040	\$ -	\$ -	\$ -
Downtown Development Authority	24,329,592	-	-	-
Brownfield Redevelopment Authority	1,333,896	-	-	-
Total component units	\$ 25,866,528	\$ -	\$ -	\$ -
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Gain on sale of capital assets				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year				
Net Position (Deficit) - End of year				

Statement of Activities

Year Ended June 30, 2025

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
Governmental Activities	Business-type Activities	Total	Component Units	
\$ (10,834,335)	\$ -	\$ (10,834,335)	\$ -	
32,984	-	32,984	-	
(85,983,440)	-	(85,983,440)	-	
(5,387,366)	-	(5,387,366)	-	
(7,533,040)	-	(7,533,040)	-	
(10,860,581)	-	(10,860,581)	-	
(3,099,806)	-	(3,099,806)	-	
(123,665,584)	-	(123,665,584)	-	
-	13,283,337	13,283,337	-	
-	(82,365)	(82,365)	-	
-	13,200,972	13,200,972	-	
(123,665,584)	13,200,972	(110,464,612)	-	
-	-	-	(203,040)	
-	-	-	(24,329,592)	
-	-	-	(1,333,896)	
-	-	-	(25,866,528)	
123,228,073	-	123,228,073	10,225,474	
29,061,629	-	29,061,629	5,025,383	
10,124,875	1,759,878	11,884,753	1,646,479	
1,256,313	-	1,256,313	-	
-	13,700	13,700	-	
159,364	-	159,364	124,151	
163,830,254	1,773,578	165,603,832	17,021,487	
40,164,670	14,974,550	55,139,220	(8,845,041)	
49,674,046	143,362,561	193,036,607	6,203,599	
\$ 89,838,716	\$ 158,337,111	\$ 248,175,827	\$ (2,641,442)	

Governmental Funds
Balance Sheet

June 30, 2025

	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 107,750,555	\$ 895,499	\$ 14,313,694	\$ 79,879,263	\$ 202,839,011
Receivables (Note 4)	17,146,073	9,531,691	624,709	4,278,491	31,580,964
Due from component units (Note 6)	2,064,804	-	-	450	2,065,254
Due from other funds (Note 6)	3,655,842	-	376,584	16,786	4,049,212
Inventory	330,932	-	-	18,053	348,985
Prepaid items and other assets	225,145	-	-	5,302	230,447
Deposits	767,522	-	3,473,178	65,627	4,306,327
Restricted assets	371,932	-	31,796,747	-	32,168,679
Other noncurrent receivable	-	-	-	4,403,807	4,403,807
Total assets	\$ 132,312,805	\$ 10,427,190	\$ 50,584,912	\$ 88,667,779	\$ 281,992,686
Liabilities					
Accounts payable	\$ 5,555,845	\$ 947,981	\$ 34,433	\$ 4,102,750	\$ 10,641,009
Due to other funds (Note 6)	1,437,891	202,008	-	2,638,184	4,278,083
Refundable deposits, bonds, etc.	3,344,696	39,629	-	161,427	3,545,752
Accrued liabilities and other	927,052	2,453	-	240,048	1,169,553
Unearned revenue	2,123,362	1,744	-	2,120,144	4,245,250
Payable from restricted assets	-	-	3,749,564	-	3,749,564
Provision for property tax refunds	101,999	-	-	33,700	135,699
Total liabilities	13,490,845	1,193,815	3,783,997	9,296,253	27,764,910
Deferred Inflows of Resources - Unavailable revenue	1,778,853	8,492,696	548,472	4,721,775	15,541,796
Total liabilities and deferred inflows of resources	15,269,698	9,686,511	4,332,469	14,018,028	43,306,706
Fund Balances (Note 14)					
Nonspendable	556,077	-	-	23,355	579,432
Restricted	-	740,679	34,157,279	71,347,077	106,245,035
Committed	-	-	345,276	3,194,642	3,539,918
Assigned	92,160,132	-	11,749,888	84,677	103,994,697
Unassigned	24,326,898	-	-	-	24,326,898
Total fund balances	117,043,107	740,679	46,252,443	74,649,751	238,685,980
Total liabilities, deferred inflows of resources, and fund balances	\$ 132,312,805	\$ 10,427,190	\$ 50,584,912	\$ 88,667,779	\$ 281,992,686

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2025

Fund Balances Reported in Governmental Funds	\$ 238,685,980
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets (including right-to-use assets) are not financial resources and are not reported in the funds	241,009,318
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	15,541,796
Deferred charges on refunding are deferred outflows and are not reported in the funds	66,052
Bonds payable, installment purchase obligations, and landfill postclosure liability are not due and payable in the current period and are not reported in the funds	(83,579,451)
Accrued interest is not due and payable in the current period and is not reported in the funds	(348,561)
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	(17,935,716)
Pension benefits	(156,001,233)
Retiree health care benefits	(129,142,324)
Other long-term liabilities, such as claims, judgments, and lease and subscription liabilities, do not present a claim on current financial resources and are not reported in the funds	(18,457,145)
Net Position of Governmental Activities	<u><u>\$ 89,838,716</u></u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2025

	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Property taxes	\$ 93,151,939	\$ -	\$ -	\$ 30,076,134	\$ 123,228,073
Special assessments	-	-	235,505	-	235,505
Intergovernmental:					
Federal grants	10,463,015	4,146,788	-	1,318,756	15,928,559
State sources	28,355,943	-	-	26,429,536	54,785,479
Charges for services	5,773,212	-	-	885,289	6,658,501
Fines and forfeitures	6,297,305	-	837,021	1,312,489	8,446,815
Licenses and permits:					
Cable franchise fees	-	-	-	1,256,313	1,256,313
Other licenses and permits	4,924,090	-	-	-	4,924,090
Interest and rentals	5,297,000	5,233	1,705,236	3,171,884	10,179,353
Other revenue	2,660,273	-	-	792,569	3,452,842
Total revenue	<u>156,922,777</u>	<u>4,152,021</u>	<u>2,777,762</u>	<u>65,242,970</u>	<u>229,095,530</u>
Expenditures					
Current services:					
General government	15,052,101	-	267,512	-	15,319,613
District court	7,636,888	-	-	1,444,097	9,080,985
Public safety	103,699,223	-	1,050,678	1,257,018	106,006,919
Public works	13,453,907	-	7,052,017	30,330,511	50,836,435
Community and economic development	1,308,239	4,367,035	6,004,763	958,336	12,638,373
Recreation and culture	51,945	-	-	14,353,995	14,405,940
Debt service	660,884	-	375,883	7,697,744	8,734,511
Total expenditures	<u>141,863,187</u>	<u>4,367,035</u>	<u>14,750,853</u>	<u>56,041,701</u>	<u>217,022,776</u>
Excess of Revenue Over (Under) Expenditures	15,059,590	(215,014)	(11,973,091)	9,201,269	12,072,754
Other Financing Sources (Uses)					
Transfers in	-	-	-	7,617,460	7,617,460
Transfers out	(466,912)	-	-	(7,150,548)	(7,617,460)
Face value of debt issued	-	-	15,093,054	-	15,093,054
New leases and subscriptions entered into	7,282,543	-	1,050,678	-	8,333,221
Total other financing sources	<u>6,815,631</u>	<u>-</u>	<u>16,143,732</u>	<u>466,912</u>	<u>23,426,275</u>
Net Change in Fund Balances	21,875,221	(215,014)	4,170,641	9,668,181	35,499,029
Fund Balances - Beginning of year	<u>95,167,886</u>	<u>955,693</u>	<u>42,081,802</u>	<u>64,981,570</u>	<u>203,186,951</u>
Fund Balances - End of year	<u><u>\$ 117,043,107</u></u>	<u><u>\$ 740,679</u></u>	<u><u>\$ 46,252,443</u></u>	<u><u>\$ 74,649,751</u></u>	<u><u>\$ 238,685,980</u></u>

Governmental Funds

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

Year Ended June 30, 2025

Net Change in Fund Balances Reported in Governmental Funds	\$ 35,499,029
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 and donated assets	54,524,881
Depreciation expense	(18,564,308)
Net book value of assets disposed of	(331,138)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	607,756
Obtaining leases and software-based intangible assets provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(8,333,221)
Expenses and expense recoveries related to the landfill postclosure liability are not reported in the funds	190,706
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(15,093,054)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	5,701,618
Interest expense is recognized in the government-wide statements as it accrues	(66,913)
Some employee costs (pension, OPEB, compensated absences, and insurance claims) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(14,456,566)
Amortization of deferred charges on refunding and bond discounts are expensed in the statement of net position but does not affect financial resources for the governmental funds	485,880
Change in Net Position of Governmental Activities	\$ 40,164,670

Proprietary Funds
Statement of Net Position

June 30, 2025

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Assets			
Current assets:			
Cash and investments	\$ 20,183,347	\$ 3,971,170	\$ 24,154,517
Receivables	9,425,292	17,945	9,443,237
Due from other funds	1,065,959	750	1,066,709
Inventory	626,074	-	626,074
Prepaid items and other assets	99,775	-	99,775
Deposits	354,968	-	354,968
Total current assets	31,755,415	3,989,865	35,745,280
Noncurrent assets:			
Restricted assets (Note 1)	28,076,038	-	28,076,038
Capital assets:			
Assets not subject to depreciation (Note 5)	9,417,174	221,644	9,638,818
Assets subject to depreciation - Net (Note 5)	245,597,490	6,473,683	252,071,173
Total noncurrent assets	283,090,702	6,695,327	289,786,029
Total assets	314,846,117	10,685,192	325,531,309
Deferred Outflows of Resources			
Bond refunding loss being amortized	152,265	-	152,265
Deferred outflows related to pensions (Note 11)	1,150,562	-	1,150,562
Deferred outflows related to OPEB (Note 8)	527,314	10,984	538,298
Total deferred outflows of resources	1,830,141	10,984	1,841,125
Liabilities			
Current liabilities:			
Accounts payable	8,116,116	104,255	8,220,371
Due to other funds	16,786	821,052	837,838
Refundable deposits, bonds, etc.	18,664	270,001	288,665
Accrued liabilities and other	735,621	5,010	740,631
Unearned revenue	-	2,501	2,501
Compensated absences (Note 7)	885,566	20,932	906,498
Lease and subscription liability (Notes 7 and 21)	69,956	-	69,956
Current portion of long-term debt (Note 7)	9,424,347	-	9,424,347
Total current liabilities	19,267,056	1,223,751	20,490,807
Noncurrent liabilities:			
Payable from restricted assets	2,697,961	-	2,697,961
Compensated absences (Note 7)	339,396	75,290	414,686
Lease and subscription liability - Net of current portion (Notes 7 and 21)	234,035	-	234,035
Net pension liability (Note 11)	10,424,922	-	10,424,922
Net OPEB liability (Note 8)	12,675,438	264,062	12,939,500
Long-term debt (Note 7)	121,310,933	-	121,310,933
Total noncurrent liabilities	147,682,685	339,352	148,022,037
Total liabilities	166,949,741	1,563,103	168,512,844

Proprietary Funds
Statement of Net Position (Continued)

June 30, 2025

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Deferred Inflows of Resources			
Deferred benefit on bond refunding	\$ 177,320	\$ -	\$ 177,320
Deferred inflows related to pension (Note 11)	205,563	-	205,563
Deferred inflows related to OPEB (Note 8)	136,747	2,849	139,596
Total deferred inflows of resources	<u>519,630</u>	<u>2,849</u>	<u>522,479</u>
Net Position			
Net investment in capital assets	148,909,219	6,695,327	155,604,546
Restricted - Debt service	5,539,109	-	5,539,109
Unrestricted	(5,241,441)	2,434,897	(2,806,544)
Total net position	<u><u>\$ 149,206,887</u></u>	<u><u>\$ 9,130,224</u></u>	<u><u>\$ 158,337,111</u></u>

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

Year Ended June 30, 2025

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Operating Revenue			
Sale of water	\$ 25,838,036	\$ -	\$ 25,838,036
Sewage disposal charges	29,081,895	-	29,081,895
Other sales to customers	453,205	-	453,205
Interest and penalty charges	1,036,646	-	1,036,646
Rental revenue	-	2,400,588	2,400,588
Other operating revenue	-	479,801	479,801
Total operating revenue	<u>56,409,782</u>	<u>2,880,389</u>	<u>59,290,171</u>
Operating Expenses			
Cost of water	11,078,669	-	11,078,669
Other operating and maintenance costs	6,740,550	-	6,740,550
Billing and administrative costs	3,101,786	501,658	3,603,444
Wages and fringes	12,065,394	934,273	12,999,667
Materials and supplies	1,293,208	310,943	1,604,151
Other operating expenses	-	747,249	747,249
Professional services	1,722,271	-	1,722,271
Depreciation	8,390,648	468,631	8,859,279
Total operating expenses	<u>44,392,526</u>	<u>2,962,754</u>	<u>47,355,280</u>
Operating Income (Loss)	12,017,256	(82,365)	11,934,891
Nonoperating Revenue (Expense)			
Investment income	1,710,645	49,233	1,759,878
Interest expense	(3,789,095)	-	(3,789,095)
Gain on sale of assets	13,700	-	13,700
Operating grants	5,055,176	-	5,055,176
Total nonoperating revenue	<u>2,990,426</u>	<u>49,233</u>	<u>3,039,659</u>
Change in Net Position	15,007,682	(33,132)	14,974,550
Net Position - Beginning of year	<u>134,199,205</u>	<u>9,163,356</u>	<u>143,362,561</u>
Net Position - End of year	<u><u>\$ 149,206,887</u></u>	<u><u>\$ 9,130,224</u></u>	<u><u>\$ 158,337,111</u></u>

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2025

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 55,673,999	\$ 2,880,389	\$ 58,554,388
(Payments of) receipts from interfund services and reimbursements	(4,446,197)	286,574	(4,159,623)
Payments to suppliers	(21,575,383)	(1,553,199)	(23,128,582)
Payments to employees and fringes	(15,281,364)	(898,570)	(16,179,934)
Net cash and cash equivalents provided by operating activities	14,371,055	715,194	15,086,249
Cash Flows Provided by Noncapital Financing Activities			
- Operating grants and subsidies	5,055,176	-	5,055,176
Cash Flows from Capital and Related Financing Activities			
Issuance of bonds	21,365,492	-	21,365,492
Proceeds from sale of capital assets	13,700	-	13,700
Purchase of capital assets	(25,262,379)	(60,430)	(25,322,809)
Principal and interest paid on capital debt	(13,338,210)	-	(13,338,210)
Net cash and cash equivalents used in capital and related financing activities	(17,221,397)	(60,430)	(17,281,827)
Cash Flows Provided by Investing Activities - Interest received on investments	1,728,820	34,883	1,763,703
Net Increase in Cash and Cash Equivalents	3,933,654	689,647	4,623,301
Cash and Cash Equivalents - Beginning of year	44,325,731	3,281,523	47,607,254
Cash and Cash Equivalents - End of year	\$ 48,259,385	\$ 3,971,170	\$ 52,230,555
Classification of Cash and Cash Equivalents			
Cash and investments	\$ 20,183,347	\$ 3,971,170	\$ 24,154,517
Restricted cash	28,076,038	-	28,076,038
Total cash and cash equivalents	\$ 48,259,385	\$ 3,971,170	\$ 52,230,555

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended June 30, 2025

	Enterprise Funds		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities			
Operating income (loss)	\$ 12,017,256	\$ (82,365)	\$ 11,934,891
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation	8,390,648	468,631	8,859,279
Changes in assets and liabilities:			
Receivables	(728,387)	(4,188)	(732,575)
Due to and from other funds	(4,446,197)	286,574	(4,159,623)
Inventories	(132,590)	-	(132,590)
Prepaid and other assets	723,381	1,432	724,813
Net pension or OPEB liability	(1,311,562)	38,428	(1,273,134)
Accounts payable	(142,637)	6,682	(135,955)
Deferred refunding charges	1,143	-	1,143
Total adjustments	<u>2,353,799</u>	<u>797,559</u>	<u>3,151,358</u>
Net cash and cash equivalents provided by operating activities	<u><u>\$ 14,371,055</u></u>	<u><u>\$ 715,194</u></u>	<u><u>\$ 15,086,249</u></u>

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2025

	Pension and Other Employee Benefits - December 31, 2024	<u>Custodial Fund</u> Tax Collection Fund
Assets		
Cash and investments	\$ 2,541,895	\$ 382,610
Investments:		
U.S. government securities	48,639,406	-
Mortgage-backed securities	15,068,251	-
Asset-backed securities	2,151,878	-
Collective investment fund equity	15,290,766	-
Mutual funds	167,894,947	-
Short-term cash management funds	10,212,607	-
Stocks	259,544,118	-
Bonds	36,626,078	-
Real estate	1,903,729	-
Other	64,663,905	-
Securities lending	1,188,558	-
Receivables:		
Accrued interest receivable	1,055,304	-
Other receivables	97	-
Miscellaneous accounts receivable	-	1,192
Prepaid items and other assets	244,771	-
Total assets	627,026,310	383,802
Liabilities		
Accounts payable	938,304	-
Due to primary government	10,469,934	-
Accrued liabilities and other	620,672	383,802
Obligations under securities lending agreements	1,188,558	-
Total liabilities	13,217,468	383,802
Net Position		
Restricted for pension	435,094,661	-
Restricted for postemployment benefits other than pension	178,714,181	-
Total net position	\$ 613,808,842	\$ -

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2025

	Pension and Other Employee Benefits - Year Ended December 31, 2024	Custodial Fund Tax Collection Fund
Additions		
Investment income (loss):		
Interest and dividends	\$ 15,450,633	\$ -
Net increase in fair value of investments	42,660,478	-
Investment-related expenses	(1,816,231)	-
Net investment income	56,294,880	-
Securities lending income (loss):		
Interest and dividends	46,223	-
Securities lending - Investment loss	(3,659)	-
Total securities lending income	42,564	-
Contributions:		
Employer contributions	36,736,869	-
Employee contributions	2,378,795	-
Total contributions	39,115,664	-
Property tax collections	-	153,171,818
Total additions	95,453,108	153,171,818
Deductions		
Benefit payments	71,996,944	-
Refunds of contributions	2,098,383	-
Administrative expenses	1,042,518	-
Tax distributions to other governments	-	153,171,818
Total deductions	75,137,845	153,171,818
Net Increase in Fiduciary Net Position	20,315,263	-
Net Position - Beginning of year	593,493,579	-
Net Position - End of year	\$ 613,808,842	\$ -

Component Units
Statement of Net Position

June 30, 2025

	Tax Increment Finance Authority	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Assets				
Cash and investments	\$ 2,153,886	\$ 30,223,927	\$ 2,167,317	\$ 34,545,130
Receivables - Other	-	19,320	10,344	29,664
Inventory	75,079	136,296	-	211,375
Prepaid items and other assets	-	250,000	-	250,000
Restricted assets (Note 1)	-	4,770,873	-	4,770,873
Total assets	2,228,965	35,400,416	2,177,661	39,807,042
Deferred Outflows of Resources				
Bond refunding loss being amortized (Note 1)	-	37,527	-	37,527
Deferred outflows related to OPEB	-	10,984	-	10,984
Total deferred outflows of resources	-	48,511	-	48,511
Liabilities				
Accounts payable	1,942	2,038,001	1,343,206	3,383,149
Due to other governmental units	-	-	161,867	161,867
Due to primary government	7,526	2,056,302	1,426	2,065,254
Refundable deposits, bonds, etc.	-	2,000	-	2,000
Accrued liabilities and other	-	333,610	-	333,610
Noncurrent liabilities:				
Due within one year:				
Payable from restricted assets	-	1,361,601	-	1,361,601
Provision for property tax refunds	10,523	632,964	-	643,487
Current portion of long-term debt	-	6,118,032	-	6,118,032
Due in more than one year:				
Net OPEB liability	-	264,061	-	264,061
Long-term debt	-	28,161,085	-	28,161,085
Total liabilities	19,991	40,967,656	1,506,499	42,494,146
Deferred Inflows of Resources - Deferred inflows related to OPEB	-	2,849	-	2,849
Net Position - Unrestricted	\$ 2,208,974	\$ (5,521,578)	\$ 671,162	\$ (2,641,442)

City of Warren, Michigan

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Tax Increment Finance Authority - Community and economic development	\$ 203,040	\$ -	\$ -	\$ -
Downtown Development Authority:				
Community and economic development	23,094,570	-	-	-
Interest on long-term debt	1,235,022	-	-	-
Total Downtown Development Authority	24,329,592	-	-	-
Brownfield Redevelopment Authority - Community and economic development	1,333,896	-	-	-
Total component units	\$ 25,866,528	\$ -	\$ -	\$ -
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year				
Net Position (Deficit) - End of year				

Component Units
Statement of Activities

Year Ended June 30, 2025

Net (Expense) Revenue and Changes in Net Position			
Tax Increment Finance Authority	Downtown Development Authority	Brownfield Redevelopment Authority	Total
\$ (203,040)	\$ -	\$ -	\$ (203,040)
-	(23,094,570)	-	(23,094,570)
-	(1,235,022)	-	(1,235,022)
-	(24,329,592)	-	(24,329,592)
-	-	(1,333,896)	(1,333,896)
(203,040)	(24,329,592)	(1,333,896)	(25,866,528)
499,488	8,310,521	1,415,465	10,225,474
-	5,025,383	-	5,025,383
1,118	1,633,919	11,442	1,646,479
50	124,101	-	124,151
500,656	15,093,924	1,426,907	17,021,487
297,616	(9,235,668)	93,011	(8,845,041)
1,911,358	3,714,090	578,151	6,203,599
\$ 2,208,974	\$ (5,521,578)	\$ 671,162	\$ (2,641,442)

Note 1 - Nature of Business and Significant Accounting Policies

The City of Warren, Michigan (the "City"), formerly Warren Township, was incorporated on January 1, 1957 under provisions of Act 279, P.A. 1909, as amended (Home Rule Act). The City is administered by a mayor, a council of seven members, a treasurer, and a clerk, all of whom are elected for four-year terms. The City provides the following services, as authorized by its charter: public safety (police and fire), highways and streets, sanitation, recreation, library, planning and zoning, and general administrative services.

Reporting Entity

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The component units do not issue their own financial statements. Although blended component units are legally separate entities, in substance, they are part of the City's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City (see discussion below for description).

Blended Component Units

City of Warren Building Authority

The City of Warren Building Authority was incorporated, pursuant to the provisions of Act 31, Public Acts of Michigan, 1948, as amended, and approved by the Warren City Council for the purpose of acquiring, furnishing, and equipping and maintaining buildings, structures, and sites for use by the City. The authority is governed by a commission consisting of three members who are appointed by the mayor and the City Council. All contracts entered into by the authority must be approved by the City Council. The City has pledged its full faith and credit for payment of annual lease payments to the authority in order to satisfy principal and interest requirements from issuance of Building Authority Bonds. The City of Warren Building Authority is considered a blended component unit of the City due to the authority existing for the exclusive benefit of the City itself: The City of Warren Building Authority is reported within the enterprise and Capital Projects funds. Additional information can be obtained from the council office at 5460 Arden, Warren, MI 48092.

Land Bank Authority

The Land Bank Authority was established under the Michigan Land Bank Fast Track Act (Public Act 258 of 2003) to address issues of vacant, abandoned, and tax-foreclosed properties. Its purpose is to eliminate blight, stabilize neighborhoods, and return distressed properties to productive use through redevelopment for housing, commercial projects, and community spaces. The authority is governed by a board consisting of the city controller, the City Council Secretary, the City Council Treasurer, a City Council member, and an appointed citizen of the City of Warren, Michigan. The Land Bank Authority is considered a blended component unit of the City due to the board powers and management of the authority resting with the City. The Land Bank Authority has specialized powers, including expedited title clearance and flexible property disposition, enabling it to prioritize community development goals rather than solely market-driven sales. By acquiring and managing properties strategically, the Land Bank Authority supports local economic growth, affordable housing initiatives, and long-term revitalization efforts. The Land Bank Authority is reported within the special revenue funds. Additional information can be obtained from the City at One City Square, Suite 315, Warren, MI 48093-5283.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Discretely Presented Component Units

Tax Increment Finance Authority

The Tax Increment Finance Authority (TIFA) of the City of Warren, Michigan was established pursuant to Act 450 of the Michigan Public Acts of 1980 and approved by the Warren City Council to prevent urban deterioration and to encourage economic development and historic preservation within a defined geographic area of the City of Warren, Michigan. The authority is governed by a board of directors consisting of eight members who are appointed by the mayor subject to the approval of the City Council. The City has pledged its full faith and credit for payment of principal and interest requirements from issuance of Tax Increment Finance Authority bonds. Additional information can be obtained from the mayor's office at One City Square, Suite 215, Warren, MI 48093-6726.

Downtown Development Authority

The Downtown Development Authority (DDA) of the City of Warren, Michigan was established pursuant to Act 197 of the Public Acts of Michigan, 1975, as amended, and approved by the Warren City Council to prevent property value deterioration, eliminate the causes of that deterioration, increase property tax valuation where possible, and improve economic growth in the business district of the City. The authority is governed by a board of directors, which consists of the mayor plus eight members appointed by the mayor subject to the approval of the City Council. The City has pledged its full faith and credit for payment of principal and interest requirements from issuance of Downtown Development Authority bonds. Additional information can be obtained from the mayor's office at One City Square, Suite 215, Warren, MI 48093-6726.

Brownfield Redevelopment Authority

The Brownfield Redevelopment Authority (the "Brownfield Authority") was established pursuant to Act 381 of the Public Acts of Michigan, 1996, as amended. The act allows municipalities to establish the authority, adopt brownfield redevelopment financing plans, and capture incremental local and school property taxes from redeveloped properties to pay for the environmental costs associated with those properties. The act, as amended in 2000, expanded the definition of brownfield properties to include not only contaminated properties but also blighted or functionally obsolete properties and also expanded eligible activities to include infrastructure improvements, demolition, lead and asbestos abatement, and site preparation. The authority is governed by a board of directors consisting of five members who are appointed by the mayor subject to the approval of the City Council. The City is also responsible for any cost overruns. Additional information can be obtained from the planning department at One City Square, Suite 315, Warren, MI 48093-5283.

Fiduciary Component Units

City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

The City Employees' Retirement Health, Life and Disability Benefits Plan and Trust is governed by a five-member pension board that includes the mayor, a trustee appointment by the mayor, one member of the City Council, and two trustees who are members of and elected by the City Employees' Retirement System membership at large. Although it is legally separate from the City, it is reported as a fiduciary component unit because the City appoints a voting majority to the retiree health care plan board and the plan imposes a financial burden on the City.

Employees' Retirement System

The Employees' Retirement System is governed by a five-member pension board that includes the mayor, a trustee appointment by the mayor, one member of the City Council, and two trustees elected by the City Employees' Retirement System membership at large. Although it is legally separate from the City, it is reported as a fiduciary component unit because the City appoints a voting majority to the pension board and the plan imposes a financial burden on the City.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust

The Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust is governed by a six-member pension board: two elected by plan members, two appointed by the city mayor, the city treasurer by default, and an ex officio city council member. Although it is legally separate from the City, it is reported as a fiduciary component unit because the City appoints a voting majority to the retiree health care plan board and the plan imposes a financial burden on the City.

Police and Fire Retirement System

The Police and Fire Retirement System is governed by a six-member pension board: two elected by plan members, two appointed by the mayor, the city treasurer by default, and an ex officio city council member. Although it is legally separate from the City, it is reported as a fiduciary component unit because the City appoints a voting majority to the retirement system board and the plan imposes a financial burden on the City.

Accounting and Reporting Principles

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:

Fund Accounting

The City accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the City to show the particular expenditures for which specific revenue is 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. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The City reports the following funds as major governmental funds:

- 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.
- The Grant Fund is used to account for the proceeds of specific grant revenue that is restricted to expenditures for specified purposes.
- The Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designed for acquiring new buildings, equipment, and technology upgrades and for remodeling and repairs. The funds operate until the purpose for which they were created is accomplished.

Proprietary Fund

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.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Fiduciary Funds

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

- The pension and other employee benefits trust funds account for the activities of the police and fire employees' health and retirement system and general employees' health and retirement system, which accumulate resources for pension benefit payments to qualified employees.
- The Tax Collection Fund collects taxes on behalf of all the taxing authorities (state, county, school district, and the various smaller authorities).

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.

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 City 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, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

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.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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, as applicable. 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, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between the City's water and sewer function and various other functions. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

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, if any, are reported as separate columns in the fund financial statements.

The City does not allocate indirect expenses. An administrative service fee is charged by the General Fund to other funds to recover direct costs, such as finance, personnel, purchasing, legal costs, etc., incurred by the General Fund. This reimbursement is eliminated by reducing corresponding revenue and expenses in the General Fund.

Specific Balances and Transactions

Cash, Cash Equivalents, and Investments

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 are stated at fair value.

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Inventories and prepaid items 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.

Restricted Assets

The Capital Projects Fund has \$31,796,747 and the General Fund has \$371,932 set aside and classified as restricted assets related to unspent bond proceeds to be spent on capital projects.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

The Water and Sewer Fund has \$28,076,038 set aside and classified as restricted assets. Of this amount, \$27,341,731 relates to unspent bond proceeds to be spent on water main replacements and the detention basin. In addition, the Water and Sewer Fund's revenue bonds have a covenant that requires the fund to maintain certain reserve levels, which amounted to \$734,307 at June 30, 2025. Net position of \$5,539,109 has been restricted for future debt service payments, which include the required reserve levels as discussed, and is made up of the remaining excess of revenue over expenditures.

The Downtown Development Authority has \$4,770,873 set aside and classified as restricted assets related to unspent bond proceeds to be spent on capital projects.

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

<u>Capital Asset Class</u>	<u>Depreciable Life - Years</u>
Buildings and improvements	40 to 60
Utility systems	50
Machinery and equipment	5 to 25
Land improvements	20
Infrastructure	12 to 50

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred outflows of resources related to the OPEB and defined benefit pension plans, as indicated in Notes 8 and 11, respectively.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The first is the deferred inflows of resources related to unavailable revenue. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from many sources: property taxes, circuit court revenue, grants, special assessments, and various other sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second is the deferred benefit on refunding, as discussed above. The third is deferred inflows of resources related to the OPEB and pension plans, as indicated in Note 8 and 9.

Net Position Flow Assumption

The City will sometimes fund outlays for a particular purpose from both restricted 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 (as applicable), 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 net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The City will sometimes 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 government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the city controller to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. 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 to either remove or revise a commitment.

June 30, 2025

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Property Tax Revenue

Property taxes are levied on each July 1 and December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The City's 2024 tax was levied and collectible on July 1, 2024 and is recognized as revenue in the year ended June 30, 2025 when the proceeds of the levy are budgeted and available for the financing of operations.

The City's 2024 tax is levied and collectible on July 1, 2024 and is recognized as revenue in the year ended June 30, 2025 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2024 taxable valuation of the City totaled \$4.60 billion (a portion of which is abated and a portion of which is captured by the TIFA, the DDA, and the Brownfield Authority). Taxes were levied as follows:

Purpose	Millage Rate	Revenue
General operating	8.2555 \$	35,889,000
Emergency medical service	0.2746	1,193,000
Library charter and operating	1.2578	5,462,000
Rubbish services	2.7514	11,954,000
Police/Fire pension and retiree health care	5.4848	23,943,000
Police operating	0.9210	4,004,000
Fire operating	0.9210	4,004,000
Recreation operating	0.9168	3,986,000
Police and fire operating	4.6343	20,112,000
Road repairs	1.9858	8,619,000
Total		<u>\$ 119,166,000</u>

Pension

The City offers defined benefit pension plans to its employees through the City of Warren Employees' Retirement System and Police and Fire Retirement System. For each plan, 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 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 fiduciary net position of the plans and additions to/deductions from the pension plans' fiduciary net positions have been determined on the same basis as they are reported by the pension plans. 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 retirees through the City of Warren City Employees' Retirement Health, Life and Disability Benefits Plan and Trust and the City of Warren Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust. For each plan, the City receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, other postemployment benefit (OPEB) costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the City reports the full accrual cost equal to the current year required contribution, adjusted for interest and adjustment to the ARC on the beginning of year underpaid amount, if any.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave)

The compensated absence liabilities are reported in the government-wide and proprietary fund financial statements. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

All full-time employees of the City earn 1 sick leave day for each month of service rendered, not to exceed 12 days in any calendar year. Employees are allowed to accumulate anywhere from 27 days to 225 days depending upon their hire date, union affiliation, and pension plan participation. Upon retirement, most employees are paid 80 percent of their accumulated sick bank.

Each year, employees earn a number of vacation days based on total years of service. Vacation days are not allowed to accumulate and must be used in the year in which they are earned.

Employees are allowed to accumulate compensatory time in lieu of receiving overtime pay. Compensatory time is allowed to accumulate to a maximum of 80 hours. Compensated absences and compensatory time, inclusive of associated payroll taxes and benefits, are accrued in the government-wide financial statements.

The governmental fund financial statements report an assignment of fund balance for compensated absences and compensatory time to the extent that budget appropriations have been approved by the City Council to fund this noncurrent liability.

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 proprietary funds are charges to customers for sales or services. Operating expenses for these funds include the cost of sales or services and administrative expenses and may include 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.

Leases

The City is a lessee for noncancelable leases of police equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental or business-type activities column in the government-wide financial statements. The City recognizes lease assets and liabilities with an initial value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscriptions

The City obtains the right to use vendors' information technology software through various long-term contracts. The City recognizes a subscription liability and an intangible right-to-use subscription asset (the "subscription asset") in the applicable governmental or business-type activities column in the government-wide financial statements. The City recognizes subscription assets and liabilities with an initial value of \$5,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the City determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancelable period of the subscription.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

Adoption of New Accounting Pronouncement

During the current year, the City adopted GASB Statement No. 101, *Compensated Absences*. As a result, the liability for compensated absences in the statements of net position throughout have been calculated to comply with this new pronouncement. The impact was not material, and, therefore, the net position as of July 1, 2024 has not changed.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

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

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

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees

The City oversees building construction in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since July 1, 2000 is as follows:

Cumulative shortfall - July 1, 2024	\$ (10,468,783)
Current year permit revenue	2,740,756
Related expenses - Estimated indirect costs	<u>3,662,279</u>
Current year shortfall	<u>(921,523)</u>
Cumulative shortfall - June 30, 2025	<u><u>\$ (11,390,306)</u></u>

Budgetary Information

At June 30, 2025, the City had no outstanding encumbrances.

The City budgeted a deficit in its Local Road Millage Fund.

Fund Deficits

The City had a net position deficit in the Downtown Development Authority Fund of \$5,521,578 at June 30, 2025. Management believes the deficit will be eliminated as future tax captures are used to pay down the debt.

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act (PA) 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. In accordance with the provisions of the act, the City, by separate ordinance, has adopted the following policies relative to its investments:

1. The city treasurer is authorized to invest surplus funds as follows:
 - a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States
 - b. Certificates of deposit, savings accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection (2) below
 - c. Commercial paper rated at the time of purchase within the two highest classifications established by no fewer than two standard rating services that matures no more than 270 days after the date of purchase
 - d. Repurchase agreements consisting of instruments listed in subdivision (a) above
 - e. Bankers' acceptances of United States banks
 - f. Obligations of the State of Michigan or any of its political subdivisions that, at the time of purchase, are rated as investment grade by no fewer than one standard rating service
 - g. Mutual funds registered under the Investment Company Act of 1940 with authority to purchase only investment vehicles that are legal for direct investment by public corporation
 - h. Obligations described in the above subdivisions (a) through (g) if purchased through an interlocal agreement under the Urban Cooperation Act of 1967
 - i. Investment pools organized under the Surplus Funds Investment Pool Act of 1982
 - j. Investment pools organized under the Local Government Investment Pool Act of 1985
2. The city treasurer shall not deposit or invest funds in a financial institution that is not eligible to be a depository of funds belonging to the State of Michigan under a law or rule of the State of Michigan of the United States.
3. Assets acceptable for pledging to secure deposits of public funds are limited to assets authorized for direct investments under subsection (1) above.
4. The securities, which serve as collateral, shall be held by the issuing financial institution provided that a written trust agreement has been executed. Institutions without safekeeping departments or abilities must deliver said securities to a third-party custodian with which the City has executed an agreement. Said agreement must be approved by the City Council pursuant to resolution.
5. The city treasurer shall invest the surplus funds of the City only in institutions eligible under subsection (2) above and with concurrence by resolution of the City Council.
6. The city treasurer shall not deposit or invest in excess of \$50 million at or within any one financial institution.

Note 3 - Deposits and Investments (Continued)

- 7. The city treasurer shall not exceed 60 percent of the investable funds of the City in any one form of investment.
- 8. The city treasurer shall not have in excess of 50 percent of the City's total amount of surplus funds in any one financial institution.

The City of Warren Employees' Retirement System, general employees' VEBA, Police and Fire Retirement System, and police and fire VEBA 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 13 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 investments are in accordance with statutory authority.

As permitted by state statutes and under the provisions of a securities lending authorization agreement, the City of Warren Employees' Retirement System and the Police and Fire Retirement System (collectively, the "Retirement Systems") lend securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The Retirement Systems' custodial bank manages the securities lending program and receives cash, government securities, or irrevocable bank letters of credit as collateral. Borrowers are required to deliver collateral for each loan equal to no less than 100 percent of the fair value of the loaned securities. During the year ended December 31, 2024, only United States currency was received as collateral.

The Retirement Systems did not impose any restrictions during the fiscal year on the amount of loans made on their 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 Retirement Systems 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 pool as of December 31, 2024 was one day. Because the loans are terminable on demand, their duration generally did not match the duration of the investments made with cash collateral. On December 31, 2024, the Retirement Systems had no credit risk exposure to borrowers. The collateral held and the fair value of the underlying securities on loan for the retirement systems as of December 31, 2024 were \$2,350,238 and \$2,323,056, 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 \$262,821,655 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City's component units had bank deposits of \$35,017,621 that were uninsured and uncollateralized. Additionally, the fiduciary funds, at their year end of December 31, 2024, had bank deposits of \$2,266,201 (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.

June 30, 2025

Note 3 - Deposits and Investments (Continued)

Interest Rate Risk

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

At June 30, 2025 (December 31, 2024 for the City's fiduciary funds), the City had the following investments and maturities:

Primary Government		Carrying Value	0-5 Years	More Than 10 Years
U.S. government agency securities		\$ 14,023,247	\$ 7,542,192	\$ 6,481,055
Municipal bonds		6,357,347	6,357,347	-
Total		\$ 20,380,594	\$ 13,899,539	\$ 6,481,055

Fiduciary Funds	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
U.S. government	\$ 34,928,737	\$ 30,290,792	\$ 4,010,503	\$ 627,442
Mortgage-backed securities	15,210,524	9,285	643,738	14,557,501
Collateralized mortgage obligations	4,713,328	102,054	277,908	4,333,366
Asset-backed securities	2,089,824	1,251,173	329,773	508,878
Corporate and convertible bonds	27,896,482	15,085,196	9,847,059	2,964,227
Foreign bonds and notes	874,006	427,254	352,879	93,873
Municipal bonds	151,581	94,391	29,752	27,438
Corporate structured notes	6,976,019	1,785,740	4,446,990	743,289
U.S. Treasury bonds and notes	14,587,660	7,114,580	4,237,029	3,236,051
U.S. Treasury strip and bills	419,655	-	-	419,655
U.S. federal agencies notes/bonds	578,834	436,590	142,244	-
Bond index funds	9,477,680	-	-	9,477,680
Total	\$ 117,904,330	\$ 56,597,055	\$ 24,317,875	\$ 36,989,400

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 June 30, 2025, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary Government			
Comerica - Government Cash Investment Fund	\$ 17,634,455	Not rated	N/A
Fifth Third - Federated Hermes Government Obligations Fund	901,652	Not rated	N/A
Municipal bonds	6,357,347	AA+,AA,NR,Aa2	Moody's
Total	\$ 24,893,454		

Note 3 - Deposits and Investments (Continued)

Investment	Fair Value	Rating	Rating Organization
Fiduciary Funds			
Index funds	\$ 9,477,680	AA1/AA2	Moody's
Debt securities	17,337,893	AAAM	S&P
Debt securities	6,738,865	AAA	Moody's
Debt securities	55,745	AA2	Moody's
Debt securities	9,956,183	AA3	Moody's
Debt securities	1,629,376	A1	Moody's
Debt securities	2,050,268	A2	Moody's
Debt securities	3,167,311	A3	Moody's
Debt securities	6,153,274	BAA1	Moody's
Debt securities	38,264,095	Not rated	Moody's
Total	<u>\$ 94,830,690</u>		

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. The pension system restricts the amount of investments in foreign currency-denominated investments to 5 percent of total pension system investments. The pension systems reported the following securities subject to this risk for the year ended December 31, 2024:

Security	Fair Value
Foreign bonds	\$ 3,738,158
Foreign stock	5,523,385

Pool and Sweep Accounts That are Recorded at Amortized Cost

At year end, the City had investments in a government investment fund that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. These funds are fully liquid for withdrawal at any time, and the price per unit does not fluctuate with interest earned according to the amount and duration of investment. These pools are not rated, and the GASB Statement No. 40 disclosures do not otherwise apply, but the pools do fully comply with Michigan's Public Act 20 of 1943, as amended.

At year end, the City had \$17,634,455 in such funds at Comerica Bank (J Fund), which is recorded at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. There are no limitations or restrictions on participant withdrawals for that investment pool.

June 30, 2025

Note 4 - Receivables

Receivables as of June 30, 2025 for the City's individual major funds and the nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				Total	Business-type Activities	Component Units
	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Funds			
Receivables:							
Property taxes receivable	\$ 611,334	\$ -	\$ -	\$ 198,888	\$ 810,222	\$ -	\$ -
Special assessments receivable	-	-	548,476	-	548,476	-	-
Receivables from sales to customers on account	-	-	-	-	-	9,373,569	-
Accrued interest receivable	516,571	-	-	9,408	525,979	33,206	20,176
Other receivables	1,351,651	-	76,233	998,191	2,426,075	16,971	9,488
Due from other governmental units	4,728,976	1,063,129	-	3,072,004	8,864,109	19,491	-
Due from pension and VEBA funds	9,937,541	-	-	-	9,937,541	-	-
Notes receivable	-	8,468,562	-	-	8,468,562	-	-
Net receivables	<u>\$ 17,146,073</u>	<u>\$ 9,531,691</u>	<u>\$ 624,709</u>	<u>\$ 4,278,491</u>	<u>\$ 31,580,964</u>	<u>\$ 9,443,237</u>	<u>\$ 29,664</u>

Note 5 - Capital Assets

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

Governmental Activities

	Balance July 1, 2024	Reclassifications	Additions	Disposals	Balance June 30, 2025
Capital assets not being depreciated:					
Land	\$ 16,099,219	\$ -	\$ 2,108,850	\$ -	\$ 18,208,069
Construction in progress	13,453,662	(6,241,972)	20,036,638	-	27,248,328
Subtotal	29,552,881	(6,241,972)	22,145,488	-	45,456,397
Capital assets being depreciated:					
Infrastructure	258,807,842	3,666,616	7,211,575	-	269,686,033
Buildings and improvements	104,276,020	308,923	1,870,248	-	106,455,191
Machinery and equipment	95,235,131	480,796	14,249,026	(1,547,829)	108,417,124
Land improvements	11,202,317	1,785,637	715,323	-	13,703,277
Software-based IT arrangements	-	-	770,678	-	770,678
Lease right-to-use asset - Equipment	-	-	7,562,543	-	7,562,543
Subtotal	469,521,310	6,241,972	32,379,393	(1,547,829)	506,594,846

June 30, 2025

Note 5 - Capital Assets (Continued)

Governmental Activities (Continued)

	Balance July 1, 2024	Reclassifications	Additions	Disposals	Balance June 30, 2025
Accumulated depreciation:					
Infrastructure	\$ 147,606,598	\$ -	\$ 7,049,147	\$ -	\$ 154,655,745
Buildings and improvements	66,791,687	-	2,670,497	-	69,462,184
Machinery and equipment	69,726,903	-	8,285,068	(1,216,691)	76,795,280
Land improvements	9,569,120	-	282,081	-	9,851,201
Software-based IT arrangements	-	-	25,689	-	25,689
Lease right-to-use asset - Equipment	-	-	251,826	-	251,826
Subtotal	<u>293,694,308</u>	<u>-</u>	<u>18,564,308</u>	<u>(1,216,691)</u>	<u>311,041,925</u>
Net capital assets being depreciated	<u>175,827,002</u>	<u>6,241,972</u>	<u>13,815,085</u>	<u>(331,138)</u>	<u>195,552,921</u>
Net governmental activities capital assets	<u>\$ 205,379,883</u>	<u>\$ -</u>	<u>\$ 35,960,573</u>	<u>\$ (331,138)</u>	<u>\$ 241,009,318</u>

Business-type Activities

	Balance July 1, 2024	Reclassifications	Additions	Disposals	Balance June 30, 2025
Capital assets not being depreciated:					
Land	\$ 1,598,648	\$ -	\$ -	\$ -	\$ 1,598,648
Construction in progress	48,177,254	(45,802,150)	5,665,066	-	8,040,170
Subtotal	49,775,902	(45,802,150)	5,665,066	-	9,638,818
Capital assets being depreciated:					
Buildings and improvements	146,954,576	42,586,755	4,197,162	(483,937)	193,254,556
Machinery and equipment	21,735,536	103,685	1,743,923	(73,605)	23,509,539
Utility systems	190,986,028	3,111,710	13,337,181	(527,851)	206,907,068
Software-based IT arrangements	-	-	379,477	-	379,477
Subtotal	<u>359,676,140</u>	<u>45,802,150</u>	<u>19,657,743</u>	<u>(1,085,393)</u>	<u>424,050,640</u>
Accumulated depreciation:					
Buildings and improvements	61,393,506	-	4,305,086	(483,937)	65,214,655
Machinery and equipment	16,887,851	-	925,260	(73,605)	17,739,506
Utility systems	85,924,224	-	3,591,055	(527,851)	88,987,428
Software-based IT arrangements	-	-	37,878	-	37,878
Subtotal	<u>164,205,581</u>	<u>-</u>	<u>8,859,279</u>	<u>(1,085,393)</u>	<u>171,979,467</u>
Net capital assets being depreciated	<u>195,470,559</u>	<u>45,802,150</u>	<u>10,798,464</u>	<u>-</u>	<u>252,071,173</u>
Net business-type activities capital assets	<u>\$ 245,246,461</u>	<u>\$ -</u>	<u>\$ 16,463,530</u>	<u>\$ -</u>	<u>\$ 261,709,991</u>

June 30, 2025

Note 5 - Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 2,605,754
Public safety	4,480,459
City development	574,265
Highway and streets	8,793,572
Public works	488,775
Recreation and culture	1,621,483
	<u>18,564,308</u>
Total governmental activities	<u>\$ 18,564,308</u>
Business-type activities:	
Water and Sewer Fund	\$ 8,390,648
Senior Citizen Housing Funds	468,631
	<u>8,859,279</u>
Total business-type activities	<u>\$ 8,859,279</u>

Donated Assets

The governmental activities additions include donated assets of \$20,036,638.

Construction Commitments

The City has active construction projects at year end. The City's significant active construction projects related to various road and sanitary relief sewer and water main replacement. At year end, the City's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
City projects	\$ 61,815,926	\$ 20,521,920
Water and sewer projects	75,005,709	12,998,690
	<u>136,821,635</u>	<u>33,520,610</u>
Total	<u>\$ 136,821,635</u>	<u>\$ 33,520,610</u>

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From						Total
	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Governmental Funds	Water and Sewer Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 202,008	\$ -	\$ 2,633,532	\$ -	\$ 820,302	\$ 3,655,842
Capital Projects Fund	371,932	-	-	4,652	-	-	376,584
Nonmajor governmental funds	-	-	-	-	16,786	-	16,786
Water and Sewer Fund	1,065,959	-	-	-	-	-	1,065,959
Nonmajor enterprise funds	-	-	-	-	-	750	750

June 30, 2025

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

The balance of amounts loaned to (borrowed from) discretely presented component units is as follows:

Receivable	Payable	Amount
General Fund	Tax Increment Finance Authority	\$ 7,526
	Downtown Development Authority	2,056,302
	Brownfield Redevelopment Authority	976
	Total General Fund	2,064,804
Nonmajor governmental funds	Brownfield Redevelopment Authority	450
	Total	<u>\$ 2,065,254</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. The balances for the fiduciary funds are included amounts due to primary government at June 30, 2025.

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	\$ 466,912
Nonmajor governmental funds	Nonmajor governmental funds	7,150,548
	Total	<u>\$ 7,617,460</u>

The transfers from the General Fund to the nonmajor governmental funds represent the use of unrestricted resources to finance costs related to roads and the indigent defense commission. The transfers within the nonmajor governmental funds represent the sharing of gas and weight tax revenue in accordance with Act 51 and the movement of resources to be used for debt service.

June 30, 2025

Note 7 - Long-term Debt

Long-term debt activity for the year ended June 30, 2025 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:						
Direct borrowings and direct placements - Installment purchase agreements	1.39% - 3.42%	\$ 2,301,889	\$ -	\$ (1,132,191)	\$ 1,169,698	\$ 1,169,698
Other debt:						
Sidewalk Construction - Capital Improvement Refunding: Series 2015 Maturing through 2029	2.50%-3.25%	700,000	-	(150,000)	550,000	145,000
Road Construction - MTF, Series 2018 - Maturing through 2033	3.00%-3.35%	8,525,000	-	(835,000)	7,690,000	860,000
Road Construction - MTF, Series 2021 - Maturing through 2041	2.00%-5.00%	16,975,000	-	(705,000)	16,270,000	740,000
Road Construction - MTF, Series 2022 - Maturing through 2042	5.00%	10,800,000	-	(385,000)	10,415,000	405,000
Road Construction - Capital Improvement Refunding: Series 2021A Maturing through 2026	1.30%	815,347	-	(294,530)	520,817	287,347
General Obligation Bonds - Capital Improvement Refunding: Series 2021C Maturing through 2026	5.00%	1,992,175	-	(632,634)	1,359,541	662,405
Road Construction - MTF, Series 2023 - Maturing through 2043	5.00%	20,210,000	-	(665,000)	19,545,000	690,000
Road Construction - Capital Improvement Series 2024 Maturing through 2044	5.00%	-	13,475,000	-	13,475,000	1,200,000
Total other debt principal outstanding		60,017,522	13,475,000	(3,667,164)	69,825,358	4,989,752
Unamortized bond premiums and discounts		6,209,761	1,618,054	(532,706)	7,295,109	606,510
Total bonds and contracts payable		68,529,172	15,093,054	(5,332,061)	78,290,165	6,765,960
Lease liability		-	7,562,543	(818,102)	6,744,441	608,033
Subscription liability		-	770,678	(84,161)	686,517	61,963
Compensated absences		12,358,550	5,577,166	-	17,935,716	3,975,649
Total governmental activities long-term debt		\$ 80,887,722	\$ 29,003,441	\$ (6,234,324)	\$ 103,656,839	\$ 11,411,605

June 30, 2025

Note 7 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:						
Direct borrowings and direct placements - State Revolving Fund:						
SRF, Series 5134-01 - Maturing through 2024	2.50%	\$ 300,000	\$ -	\$ (300,000)	\$ -	\$ -
SRF, Series 5134-02 - Maturing through 2026	2.125%	775,000	-	(385,000)	390,000	390,000
SRF, Series 5134-03 - Maturing through 2024	2.125%	72,091	-	(72,091)	-	-
SRF, Series 5134-04 - Maturing 2026	1.625%	945,000	-	(470,000)	475,000	475,000
SRF, Series 5401-01 - Maturing through 2030	2.50%	1,198,918	-	(160,000)	1,038,918	165,000
Other direct borrowings - Installment purchase agreements		2,388,377	-	(745,391)	1,642,986	795,306
Total direct borrowings and direct placements principal outstanding		5,679,386	-	(2,132,482)	3,546,904	1,825,306
Other debt:						
Capital Improvement Bonds - Series 2017	3.00%-3.25%	37,730,000	-	(2,420,000)	35,310,000	2,480,000
Capital Improvement Bonds - Refunding Series 2019	3.00%-3.25%	9,730,000	-	(610,000)	9,120,000	635,000
Capital Improvement Bonds - Refunding Series 2019A	2.00%-3.00%	4,275,000	-	(525,000)	3,750,000	545,000
Capital Improvement Bonds - Series 2019 - Maturing 2037	3.00%	22,455,000	-	(1,115,000)	21,340,000	1,150,000
Revenue Bonds - Series 2020	2.00%-5.00%	7,820,000	-	(260,000)	7,560,000	-
Capital Improvement Bonds - Refunding Series 2021A	1.30%	319,653	-	(115,470)	204,183	112,653
Capital Improvement Bonds - Refunding Series 2021B	2.00%-5.00%	9,610,000	-	(790,000)	8,820,000	830,000
Capital Improvement Bonds - Refunding Series 2021C	5.00%	2,022,825	-	(642,366)	1,380,459	672,595
Capital Improvement Bonds - Series 2022	5.00%	13,975,000	-	(500,000)	13,475,000	-
Capital Improvement Bonds - Series 2024	5.00%	-	19,075,000	-	19,075,000	575,000
Total other debt principal outstanding		107,937,478	19,075,000	(6,977,836)	120,034,642	7,000,248
Unamortized bond premiums		5,423,860	2,290,492	(560,618)	7,153,734	598,793
Total bonds and contracts payable		119,040,724	21,365,492	(9,670,936)	130,735,280	9,424,347
Subscription liability		-	379,477	(75,486)	303,991	69,956
Compensated absences		850,634	470,550	-	1,321,184	906,498
Total business-type activities long-term debt		<u>\$ 119,891,358</u>	<u>\$ 22,215,519</u>	<u>\$ (9,746,422)</u>	<u>\$ 132,360,455</u>	<u>\$ 10,400,801</u>

June 30, 2025

Note 7 - Long-term Debt (Continued)

Component Units

	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:						
Other debt:						
Series 2015 Refunding	3.00%	\$ 5,880,000	\$ -	\$ (1,220,000)	\$ 4,660,000	\$ 1,195,000
Series 2014 Refunding	3.00%	9,725,000	-	(2,850,000)	6,875,000	2,810,000
Series 2021 Refunding	0.68%	2,600,000	-	(1,345,000)	1,255,000	1,255,000
General obligation, Series 2023	5.00%	20,035,000	-	(655,000)	19,380,000	690,000
Total other debt principal outstanding		38,240,000	-	(6,070,000)	32,170,000	5,950,000
Unamortized bond premiums		2,277,150	-	(168,033)	2,109,117	168,032
Total component units long-term debt		<u>\$ 40,517,150</u>	<u>\$ -</u>	<u>\$ (6,238,033)</u>	<u>\$ 34,279,117</u>	<u>\$ 6,118,032</u>

The change in compensated absences are disclosed in the above tables as net changes.

General Obligation Bonds and Contracts

The City issues general obligation bonds to provide for the acquisition and construction of major capital facilities and infrastructure. General obligations have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City's qualified bonds are fully guaranteed by the State of Michigan. County contractual agreements and installment purchase agreements are also general obligations of the City. Special assessment bonds provide for capital improvements that benefit specific properties and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a reassessment of the City) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service. General obligations outstanding at June 30, 2025 are as follows:

Sidewalk and Road Construction Bonds

Sidewalk and road construction bonds are composed of various bond issues that pledge state-collected gas and weight tax receipts returned to the City. The full faith and credit of the City are pledged as additional security. These bond issues have aggregate principal maturities ranging from \$70,000 to \$5,225,000 a year and are due serially through fiscal year 2045, with annual interest rates ranging from 1.30 percent to 5.00 percent.

Water and Sewer Bonds

Water and sewer bonds, including the Capital Improvement Bonds, Revenue Bonds, and the State Revolving Fund Bonds, are composed of bonds issued to fund major infrastructure replacement projects and are payable solely from the net revenue of the water and sewer system. The bond issues have aggregate principal maturities ranging from \$475,000 to \$8,500,000 a year and are due serially through fiscal year 2046, with annual interest rates ranging from 1.30 percent to 5.00 percent. The total liability for SRF, Series 5401-01 at June 30, 2025 is \$1,038,918; however, this issue is subject to 40 percent principal forgiveness at close-out of construction and is reflected in the balances stated above.

Note 7 - Long-term Debt (Continued)

Downtown Development Authority Bonds

DDA bonds are composed of bonds issued pursuant to Act 197, Public Acts of Michigan, 1975, as amended, in anticipation of the collection of certain tax increment revenue payments for the purpose of paying costs of development and redevelopment of all or a portion of the downtown district, as specified in the authority's development and tax increment financing plan. In addition, the City has pledged its full faith and credit as additional security for payment of the principal and interest when due. In order to achieve the desired development and redevelopment objectives, as described in the plan, the City has authorized the issuance of Downtown Development Authority bonds in four series, not to exceed \$75,000,000 in total. The bonds have aggregate maturities ranging from \$835,000 to \$5,950,000 a year and are due serially through fiscal year 2043, with annual interest rates ranging from 0.68 to 5.0 percent.

Installment Purchases

In fiscal year 2019, the City entered into agreements to finance the purchase of garbage bins, recycling trucks, and police vehicles. The total amount of the financing is \$7,870,899, and \$1,169,698 was outstanding as of June 30, 2025.

In 2011, the Water and Sewer Fund entered into an agreement to finance the purchase of energy performance improvements for the wastewater treatment plant. The total amount of financing is \$8,021,303, with \$54,693 of issuance costs included in the total. A total of \$1,642,986 was outstanding as of June 30, 2025.

Other Long-term Liabilities

Pension and OPEB liabilities attributable to the governmental activities will be liquidated primarily by the General Fund and nonmajor governmental funds. Those attributable to the business-type activities will be liquidated primarily by the Water and Sewer Fund.

Note 7 - Long-term Debt (Continued)

Annual Debt Service

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2026	\$ 1,169,698	\$ 38,750	\$ 4,989,752	\$ 2,971,625	\$ 9,169,825
2027	-	-	5,155,606	2,750,982	7,906,588
2028	-	-	4,400,000	2,539,777	6,939,777
2029	-	-	4,490,000	2,341,480	6,831,480
2030	-	-	4,560,000	2,137,603	6,697,603
2031-2035	-	-	22,475,000	7,489,523	29,964,523
2036-2040	-	-	15,945,000	3,683,925	19,628,925
2041-2045	-	-	7,810,000	657,200	8,467,200
2046-2048	-	-	-	-	-
Total	\$ 1,169,698	\$ 38,750	\$ 69,825,358	\$ 24,572,115	\$ 95,605,921

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2026	\$ 1,825,306	\$ 84,770	\$ 7,000,248	\$ 4,251,086	\$ 13,161,410
2027	1,012,679	42,927	8,029,394	3,973,998	13,058,998
2028	170,000	15,598	7,500,000	3,696,781	11,382,379
2029	175,000	11,285	7,785,000	3,429,106	11,400,391
2030	180,000	6,848	8,080,000	3,155,631	11,422,479
2031-2035	183,919	2,299	40,665,000	11,561,706	52,412,924
2036-2040	-	-	28,485,000	5,081,681	33,566,681
2041-2045	-	-	12,015,000	1,251,356	13,266,356
2046-2048	-	-	475,000	5,938	480,938
Total	\$ 3,546,904	\$ 163,727	\$ 120,034,642	\$ 36,407,283	\$ 160,152,556

Years Ending June 30	Component Units Activities		
	Other Debt		
	Principal	Interest	Total
2026	\$ 5,950,000	\$ 1,259,242	\$ 7,209,242
2027	4,655,000	1,101,450	5,756,450
2028	3,225,000	969,275	4,194,275
2029	1,930,000	877,275	2,807,275
2030	835,000	820,500	1,655,500
2031-2035	4,860,000	3,431,250	8,291,250
2036-2040	6,200,000	2,089,250	8,289,250
2041-2045	4,515,000	459,000	4,974,000
2046-2048	-	-	-
Total	\$ 32,170,000	\$ 11,007,242	\$ 43,177,242

Note 7 - Long-term Debt (Continued)

Assets Pledged as Collateral

Direct Borrowings and Direct Placements

The City's outstanding installment purchase agreements are secured with collateral of the financed equipment.

Note 8 - Other Postemployment Benefit Plan

Plan Description

City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

Established by city ordinance and collective bargaining agreements, the City of Warren City Employees' Retirement Health, Life and Disability Benefits Plan and Trust (the "Trust") is a single-employer public employee voluntary employee benefit association (VEBA) trust administered by the City of Warren Employees' Retirement System board of trustees.

The Trust is created for the exclusive purpose of funding health, life, and disability benefits for those retirees and beneficiaries eligible to receive such retirement benefits under the City of Warren Employees' Retirement System and the defined contribution plan.

The plan issues a publicly available financial report that may be obtained by writing to the City of Warren Employees' Retirement System at One City Square, Suite 415, Warren, MI 48093-5287.

Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust

The City of Warren Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust is a single-employer public employee voluntary employee benefit association trust administered by the City of Warren Police and Fire Retirement System.

This trust is created for the exclusive purpose of funding health, life, and disability benefits for substantially all police and fire retirees of the City.

The plan issues a separate stand-alone financial statement, which can be obtained by writing to the City of Warren Police and Fire Retirement System at One City Square, Suite 415, Warren, MI 48093-5287.

The financial statements of each OPEB plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the plan is vested in the pension board, which consists of five members - two trustees appointed by the mayor; the city treasurer, who is required by city ordinance; one member elected by the police employees; and one member elected by the fire employees.

Note 8 - Other Postemployment Benefit Plan (Continued)

Benefits Provided

The City's postemployment health and dental benefits are administered under a combination of premium-based, self-insurance, and/or Medicare coverage plans. In general, if a retiree or members of his or her immediate family are entitled to retirement benefits under the City of Warren Employees' Retirement System or Police and Fire Retirement System, then they are entitled to the postretirement health and dental insurance benefits. Currently, the City provides 100 percent of the cost of health insurance and either 50 percent or 100 percent of dental coverage dependent upon the coverage selected. Some collective bargaining agreements include language that employees will pay either 50 percent or 25 percent of their health insurance upon retirement dependent on age and years of service. There are currently no retirees under the provisions of these contracts. Recent collective bargaining agreements have included retirement health savings account provisions for new hires. During employment, the City will contribute 2 percent of the employee's wages, and the employee will contribute 2 percent to 5 percent of wages into the plans. At retirement, the employee will not be provided retiree health insurance under any of the City's existing plans.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust
Date of member count	December 31, 2022	December 31, 2023
Inactive plan members or beneficiaries currently receiving benefits	590	568
Inactive plan members entitled to but not yet receiving benefits	32	2
Active plan members	105	61
Total plan members	727	631

Contributions

City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

According to Section 25-401 of the Code of Ordinances, the City shall pay to the Trust an amount consistent with actuarial valuations and calculations and shall adhere to any funding provisions contained in the collective bargaining agreements. The board of trustees shall adopt rules and procedures for all payments made to the Trust and shall conform with all tax provisions of the City Charter and state law. For the year ended June 30, 2025, the City contributed \$5,338,978. There were no provisions in the collective bargaining agreements for additional contributions and no required employee contributions.

Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust

According to Section 25-401 of the Code of Ordinances, the City shall pay to the trust an amount consistent with actuarial valuations and calculations and shall adhere to any funding provisions contained in the collective bargaining agreements. The board of trustees shall adopt rules and procedures for all payments made to the trust and shall conform with all tax provisions of the City Charter and state law. For the year ended June 30, 2025, the City contributed \$8,589,391. There were no required employee contributions.

Note 8 - Other Postemployment Benefit Plan (Continued)

Net OPEB Liability

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

	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust
Measurement date used for the City's net OPEB liability	December 31, 2024	December 31, 2024
Based on a comprehensive actuarial valuation as of	December 31, 2022	December 31, 2023

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

City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at December 31, 2023	\$ 156,572,608	\$ 88,189,799	\$ 68,382,809
Changes for the year:			
Service cost	676,359	-	676,359
Interest	10,869,320	-	10,869,320
Contributions - Employer	-	5,444,121	(5,444,121)
Net investment income	-	10,460,530	(10,460,530)
Benefit payments, including refunds	(8,464,979)	(8,464,979)	-
Administrative expenses	-	(144,329)	144,329
Net changes	<u>3,080,700</u>	<u>7,295,343</u>	<u>(4,214,643)</u>
Balance at December 31, 2024	<u>\$ 159,653,308</u>	<u>\$ 95,485,142</u>	<u>\$ 64,168,166</u>

The plan's fiduciary net position represents 59.8 percent of the total OPEB liability.

Note 8 - Other Postemployment Benefit Plan (Continued)

Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at December 31, 2023	\$ 167,891,323	\$ 76,937,346	\$ 90,953,977
Changes for the year:			
Service cost	657,356	-	657,356
Interest	11,729,035	-	11,729,035
Differences between expected and actual experience	(200,121)	-	(200,121)
Changes in assumptions	(3,053,212)	-	(3,053,212)
Contributions - Employer	-	8,076,970	(8,076,970)
Net investment income	-	9,332,304	(9,332,304)
Benefit payments, including refunds	(11,083,204)	(11,083,204)	-
Administrative expenses	-	(34,377)	34,377
Net changes	(1,950,146)	6,291,693	(8,241,839)
Balance at December 31, 2024	\$ 165,941,177	\$ 83,229,039	\$ 82,712,138

The plan's fiduciary net position represents 50.2 percent of the total OPEB liability.

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$5,160,967 for the city employees' plan and OPEB expense of \$2,829,482 for the police and fire plan.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources - City Employees'	Deferred Inflows of Resources - City Employees'	Deferred Outflows of Resources - Police and Fire	Deferred Inflows of Resources - Police and Fire
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ (692,270)	\$ -	\$ (1,330,633)
Employer contributions to the plan subsequent to the measurement date	2,669,470	-	4,294,689	-
Total	\$ 2,669,470	\$ (692,270)	\$ 4,294,689	\$ (1,330,633)

Note 8 - Other Postemployment Benefit Plan (Continued)

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

Years Ending June 30	City Employees'	Police and Fire
2026	\$ 372,877	\$ 58,958
2027	1,874,866	1,372,329
2028	(2,077,729)	(1,981,464)
2029	(862,284)	(780,456)
Total	\$ (692,270)	\$ (1,330,633)

The balances related to the OPEB plans are recorded within the primary government and discretely presented component units as follows:

	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust		Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	
	Primary Government	Component Units	Primary Government	Component Units
Deferred outflows related to OPEB	\$ 2,658,486	\$ 10,984	\$ 4,294,689	\$ -
Net OPEB liability	63,904,105	264,061	82,712,138	-
Deferred inflows related to OPEB	689,421	2,849	1,330,633	-

Actuarial Assumptions

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

	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust
Medical inflation	7.25% for the first year, decreasing by 0.25% per year to 4.5%	7.25% for the first year, decreasing by 0.25% per year to 4.5%
Salary increases (including inflation)	4.00%	Varies with service
Investment rate of return (net of investment expenses)	7.10%	7.15%
Health care cost trend rate	7.00%, reducing to 4.5% over 12 years	7.25%, reducing to 4.5% over 12 years
Mortality rates	Pub-2010 Mortality Table, projected with mortality improvement scale MP-2021	PubS-2010 Mortality Table, projected to 2028 with MP-2021

Note 8 - Other Postemployment Benefit Plan (Continued)

Discount Rate

City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

The discount rate used to measure the total OPEB liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made equal to the benefit payout. Based on these assumptions, the 7.10 percent discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values.

Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust

The discount rate used to measure the total OPEB liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that plan contributions would be made equal to the benefit payout. Based on these assumptions, the 7.15 percent discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values.

Investment Rate of Return

The following were the asset allocation policies as of December 31, 2024 for each plan:

City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	55.00 %	5.42 %
International equity	17.00	6.14
Fixed income	23.00	1.81
Real estate	5.00	3.25

Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00 %	5.03 %
International equity	15.00	5.76
Domestic bonds	19.00	3.90
Real estate	10.00	3.71
Alternative assets	11.00	3.74

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

The following presents the net OPEB liabilities of the city employees' and the police and fire plans, calculated using the discount rate of 7.10 percent for the city employees' plan and 7.15 percent for the police and fire plan, as well as what the net OPEB liabilities would be if they were calculated using discount rates that are 1 percentage point lower or 1 percentage point higher than the current rates:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net OPEB liability of the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	\$ 80,207,878	\$ 64,168,166	\$ 50,637,148
Net OPEB liability of the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	102,286,890	82,712,138	66,487,135

Note 8 - Other Postemployment Benefit Plan (Continued)

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

The following presents the net OPEB liabilities of the City employees' and the police and fire plans, calculated using the health care cost trend rate of 7.00 percent for the city employees' plan and 7.25 percent for the police and fire plan, as well as what the net OPEB liabilities would be if they 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	Current Health Care Cost Trend Rate	1 Percentage Point Increase
Net OPEB liability of the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	\$ 47,695,625	\$ 64,168,166	\$ 83,656,166
Net OPEB liability of the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	65,003,650	82,712,138	103,898,462

Assumption Changes

For the current year, the rate of return for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust was changed from 7.20 percent to 7.15 percent. Also, the initial retiree health trend rates for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust changed from 7.50 percent to 7.25 percent.

Note 9 - Aggregate OPEB-related Balances

The following table presents the aggregate balances for the net OPEB liability, deferred inflows related to the OPEB plans, deferred outflows related to the OPEB plans, and the OPEB expense for the year ended June 30, 2025. Detailed information for each OPEB plan can be found in Note 8.

	Total OPEB Liability	Plan Net Position	Net OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	\$ 159,653,308	\$ 95,485,142	\$ 64,168,166	\$ 2,669,470	\$ 692,270	\$ 5,160,967
Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	165,941,177	83,229,039	82,712,138	4,294,689	1,330,633	2,829,482
Total	\$ 325,594,485	\$ 178,714,181	\$ 146,880,304	\$ 6,964,159	\$ 2,022,903	\$ 7,990,449

Note 10 - OPEB Allocations

The schedule below provides a summary of all the amounts allocated to various funds within the City's financial statements for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust:

	Primary Government		Component Units	Total
	Governmental Activities			
	Governmental Activities	Business-type Activities		
Net OPEB liability	\$ 50,964,605	\$ 12,939,500	\$ 264,061	\$ 64,168,166
OPEB expense	4,099,021	1,040,708	21,238	5,160,967
Deferred outflows of resources representing contributions subsequent to the measurement date	2,120,188	538,298	10,984	2,669,470
Deferred outflows of resources representing the net difference between projected and actual earnings on OPEB plan investments	(549,825)	(139,596)	(2,849)	(692,270)
Amortization of deferred amounts:				
2026	296,152	75,191	1,534	372,877
2027	1,489,084	378,066	7,715	1,874,865
2028	(1,650,205)	(418,974)	(8,550)	(2,077,729)
2029	(684,856)	(173,879)	(3,548)	(862,283)
Total	\$ (549,825)	\$ (139,596)	\$ (2,849)	\$ (692,270)
Sensitivity analysis:				
Net OPEB liability at 6.10 percent discount rate	\$ 63,703,906	\$ 16,173,905	\$ 330,067	\$ 80,207,878
Net OPEB liability at 8.10 percent discount rate	40,217,797	10,210,972	208,379	50,637,148
Net OPEB liability at 6.00 percent health care cost trend rate	37,881,536	9,617,815	196,274	47,695,625
Net OPEB liability at 8.00 percent health care cost trend rate	66,442,657	16,869,252	344,257	83,656,166

Note 11 - Pension Plans

Plan Description

Employees' Retirement System

The City of Warren Employees' Retirement System Defined Benefit Pension Plan is the administrator of a single-employer public employees' retirement system that covered all full-time employees, except police and fire personnel, hired prior to the close of the plan. Benefit terms have been established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process.

Effective upon the ratification of collective bargaining agreements in February 2000, the plan was closed to new members. Current members at that time were given the option of remaining in the plan or transferring to the defined contribution plan.

The plan issues a publicly available financial report that may be obtained by writing to the City of Warren Employees' Retirement System at One City Square, Suite 415, Warren, MI 48093-5287.

Note 11 - Pension Plans (Continued)

Management of the plan is vested in the pension board, which consists of six total members - two elected by plan members, the city mayor, one appointed by the city mayor, the city treasurer by default, and an ex officio city council member. All members except the ex officio city council member have voting privileges.

Police and Fire Retirement System

The system's pension board administers the Police and Fire Retirement System Defined Benefit Pension Plan (the "Plan"), a single-employer defined benefit pension plan that provides pensions for substantially all permanent full-time police and fire employees of the City. Benefit terms have been established based on the Fire Fighters and Police Officers Retirement Act 345 of 1937 and subsequent amendments by contractual agreements between the City and the various employee union representation; amendments are subject to the same process.

The Plan issues a publicly available financial report that may be obtained by writing to the City of Warren Police and Fire Retirement System at One City Square, Suite 415, Warren, MI 48093-5287.

Management of the Plan is vested in the pension board, which consists of six total members - two elected by plan members, two appointed by the city mayor, the city treasurer by default, and an ex officio city council member. All members except the ex officio member have voting privileges.

Benefits Provided

Employees' Retirement System

The pension plan provides retirement, disability, and death benefits. Regular retirement benefits are payable upon retirement at any age with 30 years of service, attainment of age 50 with 25 years of service, or attainment of age 60 with 8 years of service. Before reaching the age of 62, benefits are computed as credited years of service times 2.50 percent of final average compensation (FAC). FAC is computed as the average of the highest 2 years of service. At age 62, benefits are computed as credited years of service times the sum of (a) 1.1 percent of the first \$4,200 of FAC plus (b) 2.50 percent of FAC in excess of \$4,200.

Deferred retirement benefits vest after 8 years of credited service. For UAW Local 412 - Unit 59 members, GELC (formerly AFSCME) Local 1917 members, GELC 227 (formerly AFSCME Local 1250) members, 37th Judicial District Court employees, and nonunion employees, deferred retirement benefits are payable beginning at age 55. For members of UAW Local 412 - Unit 35, deferred retirement benefits are payable at age 45. Benefits are based on years of credited service and FAC at the time employment is terminated.

Police and Fire Retirement System

The Plan provides retirement, disability, and death benefits. Employees may receive cost of living adjustments as a percentage of their base amounts, pursuant to the collective bargaining agreement or employment agreement in effect at their date of retirement.

Note 11 - Pension Plans (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	Employees' Retirement System Defined Benefit Pension Plan	Police and Fire Retirement System Defined Benefit Pension Plan
Date of member count	December 31, 2023	December 31, 2023
Retirees and beneficiaries	462	598
Inactive plan members entitled to but not yet receiving benefits	8	27
Active plan members	25	353
Total employees covered by the plan	<u>495</u>	<u>978</u>

Contributions

Employees' Retirement System

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the board of trustees in accordance with the City Charter, union contracts, and plan provisions. The normal cost and actuarial accrued liability were determined using an aggregate actuarial funding method. For the year ended June 30, 2025, the City contributed \$7,602,372, which is \$250,000 more than the actuarial determined calculation. Employees are not required to contribute to the system. Any amounts shown as employee contributions represent purchase of prior service credit. Administrative costs are financed through investment earnings.

Police and Fire Retirement System

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the board of trustees in accordance with the City Charter, union contracts, and plan provisions. For the year ended June 30, 2025, the City contributed \$15,888,005, which equals the actuarial determined calculation, and the average active member contribution rate was 3.0 to 5.0 percent of annual pay determined by date of hire. The City is required to contribute at an actuarially determined rate.

Net Pension Liability

Employees' Retirement System

The City has chosen to use December 31, 2024 as its measurement date for the net pension liability. The December 31, 2024 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2024. The December 31, 2024 total pension liability was determined by an actuarial valuation performed as of December 31, 2023, which used update procedures to roll forward the estimated liability to December 31, 2024.

Note 11 - Pension Plans (Continued)

Police and Fire Retirement System

The City has chosen to use December 31, 2024 as its measurement date for the net pension liability. The December 31, 2024 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2024. The December 31, 2024 total pension liability was determined by an actuarial valuation performed as of December 31, 2023, which used update procedures to roll forward the estimated liability to December 31, 2024.

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

Employees' Retirement System

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2023	\$ 184,019,208	\$ 139,204,077	\$ 44,815,131
Changes for the year:			
Service cost	519,398	-	519,398
Interest	12,485,107	-	12,485,107
Differences between expected and actual experience	(1,944,727)	-	(1,944,727)
Changes in assumptions	(145,516)	-	(145,516)
Contributions - Employer	-	7,888,668	(7,888,668)
Net investment income	-	14,764,311	(14,764,311)
Benefit payments, including refunds	(16,888,004)	(16,888,004)	-
Administrative expenses	-	(262,175)	262,175
Miscellaneous other charges	-	29,661	(29,661)
Net changes	(5,973,742)	5,532,461	(11,506,203)
Balance at December 31, 2024	\$ 178,045,466	\$ 144,736,538	\$ 33,308,928

The plan's fiduciary net position represents 81.3 percent of the total pension liability.

Police and Fire Retirement System

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2023	\$ 458,304,507	\$ 289,162,357	\$ 169,142,150
Changes for the year:			
Service cost	6,175,026	-	6,175,026
Interest	32,086,798	-	32,086,798
Differences between expected and actual experience	9,217,956	-	9,217,956
Changes in assumptions	2,182,374	-	2,182,374
Contributions - Employer	-	15,307,890	(15,307,890)
Contributions - Employee	-	2,378,795	(2,378,795)
Net investment income	-	21,777,694	(21,777,694)
Benefit payments, including refunds	(37,659,141)	(37,659,141)	-
Administrative expenses	-	(622,374)	622,374
Miscellaneous other charges	-	12,902	(12,902)
Net changes	12,003,013	1,195,766	10,807,247
Balance at December 31, 2024	\$ 470,307,520	\$ 290,358,123	\$ 179,949,397

Note 11 - Pension Plans (Continued)

The plan's fiduciary net position represents 61.7 percent of the total pension liability.

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

For the year ended June 30, 2025, the City recognized pension expense of \$1,205,976 for the Employees' Retirement System and \$29,274,736 for the Police and Fire Retirement System.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources - Employees' Retirement	Deferred Inflows of Resources - Employees' Retirement	Deferred Outflows of Resources - Police and Fire Retirement	Deferred Inflows of Resources - Police and Fire Retirement
Difference between expected and actual experience	\$ -	\$ -	\$ 18,633,962	\$ -
Changes in assumptions	-	-	6,436,983	-
Net difference between projected and actual earnings on pension plan investments	-	(656,800)	11,742,829	-
Employer contributions to the plan subsequent to the measurement date	3,676,190	-	7,944,005	-
Total	<u>\$ 3,676,190</u>	<u>\$ (656,800)</u>	<u>\$ 44,757,779</u>	<u>\$ -</u>

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 employer contributions subsequent to the measurement date will reduce the net pension liability in the subsequent period and, therefore, will not be included in future pension expense):

Years Ending June 30	Employees' Retirement System	Police and Fire Retirement System
2026	\$ 524,895	\$ 16,546,089
2027	2,913,214	17,088,928
2028	(3,053,198)	1,238,482
2029	(1,041,711)	1,940,275
Total	<u>\$ (656,800)</u>	<u>\$ 36,813,774</u>

Note 11 - Pension Plans (Continued)

Actuarial Assumptions

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

	Employees' Retirement System Defined Benefit Pension Plan	Police and Fire Retirement System Defined Benefit Pension Plan
Inflation	2.5%	2.5%
Salary increases (including inflation)	4.0% - 5.3%	3.5% - 6.5%
Investment rate of return (net of investment expenses, including inflation)	7.10%	7.15%
Mortality rates	PubS-2010 with scale MP-2021	PubS-2010 with scale MP-2021

Discount Rate

Employees' Retirement System

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension 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 incorporates a municipal bond rate, which was 4.28 percent. The source of that bond rate was the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2024. The long-term expected rate of return was applied to projected benefit payments for the periods in which the plan maintains a positive fiduciary net position from December 31, 2024 through December 31, 2070.

Police and Fire Retirement System

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that system contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Employees' Retirement System

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 table below outlines the board's adopted asset allocation policy and the best estimates of geometric real rates of return as of December 31, 2024 for each major asset class included in the plan's target asset allocation.

Note 11 - Pension Plans (Continued)

Police and Fire Retirement System

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 table below outlines the board's adopted asset allocation policy and the best estimates of geometric real rates of return as of December 31, 2024 for each major asset class included in the Plan's target asset allocation.

Pension Plan Investments - Policy and Rate of Return

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of their members. It is the policy of the pension boards 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 plans' 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 were the asset allocation policies as of December 31, 2024 for each plan:

Employees' Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	55.00 %	5.42 %
International equity	17.00	6.14
Fixed income	23.00	1.81
Real estate	5.00	3.25

Police and Fire Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00 %	5.03 %
International equity	15.00	5.76
Domestic bonds	19.00	3.90
Alternative assets	11.00	3.71
Real estate	10.00	3.74

Note 11 - Pension Plans (Continued)

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

The following presents the net pension liabilities of the City, calculated using the current discount rates, as well as what the City's net pension liabilities would be if they were calculated using discount rates that are 1 percentage point lower (6.10 percent and 6.15 percent for the Employees' Retirement System and Police and Fire Retirement System, respectively) or 1 percentage point higher (8.10 percent and 8.15 percent for the Employees' Retirement System and Police and Fire Retirement System, respectively) than the current rates:

	<u>1 Percentage Point Decrease</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Increase</u>
Net pension liability of the City Employees' Retirement System Defined Benefit Pension Plan	\$ 48,079,747	\$ 33,308,928	\$ 20,503,976
Net pension liability of the Police and Fire Retirement System Defined Benefit Pension Plan	227,567,180	179,949,397	139,422,278

Pension Plan Fiduciary Net Position

Detailed information about the plans' fiduciary net position is available in the separately issued financial reports. For the purpose of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plans' fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plans. The plans use 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

Employees' Retirement System

For the Employees' Retirement System, in the current year, the discount rate was changed from 7.09 percent to 7.10 percent.

Police and Fire Retirement System

For the Police and Fire Retirement System, in the current year, the investment rate of return was changed from 7.20 percent to 7.15 percent.

Pension Plan Reserves

In accordance with state law, the following reserves are required to be set aside within the pension plans:

Employees' Retirement System

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 2.0 percent. For any employee who terminates before vesting in the pension plan, his or her balance is returned to him or her but not in excess of 2.0 percent per annum; for those who stay until retirement, the balances are transferred into the retiree reserve.

The employer reserve account is composed of accumulated city contributions, net of amounts transferred for the payment of pensions to the reserve for retirees' benefit payments plus interest thereon.

The undistributed income reserve is composed of net investment income less expenditures for other services and charges and interest transferred to the employee reserve, employer reserve, and retirees' benefit payments reserve.

Note 11 - Pension Plans (Continued)

The retirees' benefit payments reserve is actuarially determined to provide sufficient resources for annuity payments. Upon retirement of an employee, expected future benefit payments are computed and transfers are then made into this reserve from the employee reserve and employer reserve. This account is credited annually with interest from the undistributed income reserve.

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 reserve is funded by actuarially determined transfers from the employer.

The employee reserve is credited as employee contributions are received throughout the year; the system maintains a record of the amount contributed by each employee and credits interest annually at a rate of 2.0 percent. For any employee who terminates before vesting in the pension plan, his or her balance is returned to him or her but not in excess of 2.0 percent per annum, with interest; for those who stay until retirement, the balances are transferred into the retiree reserve.

The balances of the reserve accounts at December 31, 2024 are as follows:

	Required Reserve - Employees' Retirement	Amount Funded - Employees' Retirement	Required Reserve - Police and Fire Retirement	Amount Funded - Police and Fire Retirement
Retiree reserve	\$ 143,004,754	\$ 143,004,754	\$ 264,776,343	\$ 264,776,343
Employee reserve	15,609	15,609	19,641,953	19,641,953
Employer reserve	1,716,175	1,716,175	-	5,939,827

Note 12 - Aggregate Pension-related Balances

The following table presents the aggregate balances for the net pension liability, deferred inflows related to pensions, deferred outflows related to pensions, and pension expense for the year ended June 30, 2025. Detailed information for each pension plan can be found in Note 11.

	Total Pension Liability	Plan Net Position	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
City of Warren Employees' Retirement System Defined Benefit Pension Plan	\$ 178,045,466	\$ 144,736,538	\$ 33,308,928	\$ 3,676,190	\$ (656,800)	\$ 1,205,976
Police and Fire Retirement System Defined Benefit Pension Plan	470,307,520	290,358,123	179,949,397	44,757,779	-	29,274,736
Total	<u>\$ 648,352,986</u>	<u>\$ 435,094,661</u>	<u>\$ 213,258,325</u>	<u>\$ 48,433,969</u>	<u>\$ (656,800)</u>	<u>\$ 30,480,712</u>

Note 13 - Defined Contribution Plan

Plan Description

The defined contribution plan was approved by the Warren City Council at its meeting on April 8, 1997. The plan is administered by the International City Management Association Retirement Corporation (ICMA). Participation in the plan is extended to all full-time employees, other than police and fire personnel. Employees were allowed to transfer the actuarially determined value of prior service credit from the City of Warren Employees' Retirement System to the defined contribution plan upon adoption of the plan and settlement of respective collective bargaining agreements. Employees hired after ratification of the respective collective bargaining agreements are automatically enrolled in the defined contribution plan. There were 442 active participants in the plan as of June 30, 2025. The City contributed approximately \$3.6 million for the year ended June 30, 2025.

June 30, 2025

Note 13 - Defined Contribution Plan (Continued)

Funding Policy

For employees transferring from the defined benefit pension plan to the defined contribution plan, the City contributes 15.0 percent of payroll and the employee contributes 3.0 percent. For employees hired after ratification of their respective union contracts, the City contributes 10.0 percent of payroll and the employee contributes 4.0 percent.

Note 14 - Fund Balance Constraints

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

	Primary Government				Total
	General Fund	Grant Fund	Capital Projects Fund	Nonmajor Funds	
Nonspendable:					
Inventory	\$ 330,932	\$ -	\$ -	\$ 18,053	\$ 348,985
Prepays	225,145	-	-	5,302	230,447
Total nonspendable	556,077	-	-	23,355	579,432
Restricted:					
Roads	-	-	22,962,277	42,561,208	65,523,485
Grants	-	740,679	-	-	740,679
Capital projects	-	-	10,087,138	-	10,087,138
Sanitation	-	-	-	10,796,878	10,796,878
Recreation	-	-	-	1,848,911	1,848,911
Library	-	-	-	9,720,751	9,720,751
Cable franchise fees	-	-	-	1,646,806	1,646,806
Police enforcement	-	-	-	1,371,403	1,371,403
Special assessments	-	-	1,107,864	-	1,107,864
Vice crime	-	-	-	503,662	503,662
Opioids	-	-	-	2,897,458	2,897,458
Total restricted	-	740,679	34,157,279	71,347,077	106,245,035
Committed:					
Road ordinance	-	-	-	3,194,642	3,194,642
Special assessments	-	-	345,276	-	345,276
Total committed	-	-	345,276	3,194,642	3,539,918
Assigned:					
Subsequent year's budget	11,019,449	-	-	9	11,019,458
Compensated absences	16,368,714	-	-	-	16,368,714
Claims and insurance	11,026,187	-	-	-	11,026,187
Fire equipment	2,592,786	-	-	-	2,592,786
Capital projects	-	-	11,749,888	-	11,749,888
Debt service	-	-	-	84,668	84,668
Capital equipment	9,000,000	-	-	-	9,000,000
Retiree health care	11,002,996	-	-	-	11,002,996
General employee retirement	8,075,000	-	-	-	8,075,000
Police and fire employee retirement	8,075,000	-	-	-	8,075,000
Home down payment and improvement	5,000,000	-	-	-	5,000,000
Recreation	2,750,000	-	-	-	2,750,000
Sidewalk program	7,250,000	-	-	-	7,250,000
Total assigned	92,160,132	-	11,749,888	84,677	103,994,697
Unassigned	24,326,898	-	-	-	24,326,898
Total fund balances	\$ 117,043,107	\$ 740,679	\$ 46,252,443	\$ 74,649,751	\$ 238,685,980

Note 15 - 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. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The City is self-insured for non-HMO medical benefits afforded to employees and retirees. The program is liable for the first \$250,000 per employee contract. The City has purchased a specific stop-loss insurance policy of \$250,000.

The City is self-insured for workers' compensation, automobile, and public entity liability insurance. The City maintains a \$350,000 Self-insured Retention (SIR) for workers' compensation and a \$1,500,000 SIR for auto and public entity liability. The City has purchased additional insurance to cover potential claims in excess of the SIR.

The government-wide statement of net position reports provision for claims in the amount of \$11,026,187 for the governmental activity funds. This is a representation of amounts that have been accrued in conjunction with the budget process to settle potential claims and judgments outstanding as of June 30, 2025, as provided by the City's insurance carrier. The General Fund balance sheet reports assigned fund balance - claims and insurance in the amount of \$11,026,187.

The City estimates the liability for all claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	2023	Estimated Claims Incurred/ Reserved	Payments and Adjustments	2024	Estimated Claims Incurred/ Reserved	Payments and Adjustments	2025	Due in One Year
Workers' compensation, automobile, and public entity liability	\$ 3,794,668	\$ 4,280,608	\$(3,193,473)	\$ 4,881,803	\$ 9,466,820	\$(3,322,436)	\$11,026,187	\$ 7,108,372

Note 16 - 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 assets. 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. The investments held in the fiduciary funds are reported as of December 31, 2024.

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

June 30, 2025

Note 16 - Fair Value Measurements (Continued)

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

	Fair Value Measurement			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2025
Debt securities:				
U.S. Treasury securities*	\$ -	\$ 48,639,406	\$ -	\$ 48,639,406
Domestic fixed income*	-	14,034,941	-	14,034,941
International fixed income*	-	911,490	-	911,490
Mortgage-backed securities*	-	17,457,077	-	17,457,077
Asset-backed securities*	-	2,151,878	-	2,151,878
Open-end MF - Fixed income*	64,755,473	-	-	64,755,473
Municipal obligations*	-	123,427	-	123,427
Corporate bonds*	-	34,873,042	-	34,873,042
U.S. government agency securities	-	14,023,247	-	14,023,247
Municipal bonds	-	6,357,347	-	6,357,347
Municipal obligations	-	123,427	-	123,427
Total debt securities	64,755,473	138,695,282	-	203,450,755
Equity securities:				
Domestic stock*	106,816,834	-	-	106,816,834
Foreign stock*	8,350,053	-	-	8,350,053
Real estate investment trusts*	1,903,729	-	-	1,903,729
CTF - Equity*	-	129,398,840	-	129,398,840
Equity - Mutual funds	-	70,640,610	-	70,640,610
Total equity securities	117,070,616	200,039,450	-	317,110,066
Total investments by fair value level	\$ 181,826,089	\$ 338,734,732	\$ -	520,560,821
Investments measured at NAV:				
Fifth Third Fund - DDA				901,652
Invesco STIT Treasury Portfolio				13,429,549
Closely held equities*				80,723,875
Collective investment fund equities*				31,002,403
Total investments measured at NAV				126,057,479
Total investments measured at fair value				\$ 646,618,300

*These represent fiduciary fund investments, which are stated as of December 31, 2024.

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

The fair value of Level 1 investments at December 31, 2024 and June 30, 2025 was determined using prices quoted in active markets for those securities.

The fair value of debt securities at December 31, 2024 and June 30, 2025 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using quoted prices for similar assets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Note 16 - Fair Value Measurements (Continued)

The fair value of private equity funds at December 31, 2024 was determined primarily based on Level 3 inputs. The system estimates the fair value of these investments based on a review of an independent auditor's report for each fund and the fund's general partner's assessment of fair value. The general partner's estimates may include the use of pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the underlying assets.

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.

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

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Fifth Third Fund - DDA	\$ 901,652	\$ -	N/A	N/A
Invesco STIT Treasury Portfolio	13,429,549	-	N/A	N/A
Closely held equities*	80,723,875	17,574,624	N/A	N/A
Collective investment fund equities*	31,002,403	-	N/A	N/A
Total investments measured at NAV	<u>\$ 126,057,479</u>	<u>\$ 17,574,624</u>		

*These represent fiduciary fund investments, which are stated as of December 31, 2024.

Closely held, CTF, and collective investment fund equities are valued at net asset value and, unlike more traditional investments, generally do not have readily attainable market values and take the form of limited partnerships. The Plan and the Trust value these investments at fair value, on a recurring basis, based on the investment fund's audited financial statements. If the December 31 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at dates other than December 31. If December 31 valuations are not available, the value is adjusted from the most recently available valuation, taking into account subsequent calls and distributions, adjustments for unrealized appreciation/depreciation, and other income and fees.

The Invesco STIT Treasury Portfolio invests primarily in short-term, high-credit-quality money market instruments that are direct obligations of the U.S. Treasury and repurchase agreements backed by Treasury obligations.

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

Note 17 - Contingent Liabilities

Litigation

There are various claims and legal actions pending against the City of Warren, Michigan and its various operating units, most of which are either partially or fully covered by insurance. The City maintains public entity liability coverage with a \$10 million limit. It is the opinion of management that any potential claims not covered by insurance would not materially affect the financial statements of the City.

Note 18 - Joint Venture

The City is a member of the South Macomb Disposal Authority (the "Authority"), which provides refuse disposal services to participating municipalities in Macomb County, Michigan. Other members include the cities of Center Line, Roseville, Eastpointe, and St. Clair Shores, Michigan. The City appoints one member to the joint venture's governing board, which then approves the annual budget. The City, however, does not have a definable equity interest in the South Macomb Disposal Authority. Nevertheless, due to the City's previous association with the Authority, the City has estimated a landfill postclosure liability of approximately \$5,300,000. Complete financial statements for the South Macomb Disposal Authority can be obtained from the administrative offices at 20001 Pleasant Avenue, Box 286, St. Clair Shores, MI 48080.

Note 19 - Tax Abatements

The City of Warren, Michigan provides tax abatements to encourage redevelopment, enable renovation and expansion of aging facilities, assist in the building of new facilities, and promote the establishment of high-tech facilities.

The City has formed the Brownfield Redevelopment Authority and industrial development districts and participates in other industrial facilities tax programs, such as the Tool & Die Recovery Zone Program, Michigan Renaissance Zones, the Obsolete Property Exemption Act (OPRA), and the Commercial Rehabilitation Act program.

The City uses the industrial facilities tax exemption (PA 198 of 1974) to enter into agreements with local businesses to construct new industrial facilities or rehabilitate historical facilities. Under the program, the City grants reductions of 50 percent of the property tax bill for new property.

For the fiscal year ended June 30, 2025, the City abated \$2,900,930 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

The Brownfield Redevelopment Authority provides property tax abatements to encourage redevelopment. The program is established under the auspices of a state statute (Brownfield Redevelopment Act PA 381 of 1996, as amended) empowering municipalities to establish such programs. The abatements equal 100 percent of the approved expenses for the environmental remediation actions. Abatements are obtained through application by the property owner prior to commencing the improvements and require subsequent provision by the owner of proof that the improvements have been made. Because taxes are not abated until after the improvements have been made, there are no provisions for recapturing abated taxes. However, the abatement can be eliminated if taxes are not paid timely. No other commitments were made by the City as part of those agreements.

The New Personal Property Exemption, under Public Act 328 of 1998, as amended, allows distressed communities to abate all new personal property taxes in order to spur economic development. After local approval, the entire millage rate is abated for all new personal property installed by an eligible business for a specific length of time.

The Michigan Plant Rehabilitation and Industrial Development District Act (known as the industrial facilities exemption) PA 198 of 1974, as amended (Act 198), provides significant tax incentives to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and promote the establishment of high-tech facilities.

An industrial development district (IDD) or a plant rehabilitation district (PRD) is created prior to initiating a project. An industrial facilities exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years, as determined by the local unit of government.

For rehabilitated plant and equipment, the assessed value is frozen at previous levels. New plant and equipment are taxed at one-half the current millage rate.

June 30, 2025

Note 19 - Tax Abatements (Continued)

Applications are filed, reviewed, and approved by the local unit of government but are also subject to review at the state level by the Michigan Economic Development Corporation. The State Tax Commission (STC) is ultimately responsible for final approval and issuance of certificates. Exemptions are not effective until approved by the STC.

There are no significant abatements made by other governments that reduce the City's tax revenue.

Information relevant to the disclosure of those programs for the fiscal year ended June 30, 2025 is as follows:

Tax Abatement Program	Amount of Taxes Abated During the Year Ended June 30, 2025
Brownfield Redevelopment Authority Sites	\$ 1,415,465
Industrial and Commercial Facilities (Act 198)	2,900,930
Other commercial and industrial tax abatements	210,688

Note 20 - Leases

The City leases certain assets from various third parties. The assets leased include police equipment. Payments are fixed monthly.

Lease asset activity of the City is included in Note 5.

Future principal and interest payment requirements related to the City's lease liability at June 30, 2025 are as follows:

Years Ending	Principal	Interest	Total
2026	\$ 608,033	\$ 332,851	\$ 940,884
2027	639,141	301,743	940,884
2028	671,841	269,043	940,884
2029	706,213	234,671	940,884
2030	742,345	198,540	940,885
2031-2035	3,376,868	394,428	3,771,296
Total	<u>\$ 6,744,441</u>	<u>\$ 1,731,276</u>	<u>\$ 8,475,717</u>

Note 21 - Subscriptions

The City obtains the right to use vendors' information technology software through various long-term contracts. Payments are fixed monthly.

Subscription asset activity of the City is included in Note 5.

Note 21 - Subscriptions (Continued)

Future principal and interest payment requirements related to the governmental activities' subscription liability at June 30, 2025 are as follows:

Years	Principal	Interest	Total
2026	\$ 61,963	\$ 11,722	\$ 73,685
2027	65,133	30,750	95,883
2028	68,465	30,750	99,215
2029	71,968	23,915	95,883
2030	75,650	20,233	95,883
2031 - 2035	343,338	40,195	383,533
Total	\$ 686,517	\$ 157,565	\$ 844,082

Future principal and interest payment requirements related to the Water and Sewer Fund's subscription liability at June 30, 2025 are as follows:

Years	Principal	Interest	Total
2026	\$ 69,956	\$ 14,044	\$ 84,000
2027	73,535	10,465	84,000
2028	77,297	6,703	84,000
2029	83,203	2,748	85,951
Total	\$ 303,991	\$ 33,960	\$ 337,951

Note 22 - Subsequent Events

The City of Warren over the past several years has been developing a plan of the replacement and upgrade of the incinerator at its waste water treatment facility for the purpose of the safe disposal of waste byproduct from treatment plant operations.

On May 20, 2025, City Council approved a Notice of Intent resolution authorizing the issuance of revenue bonds of up to \$100 Million.

On July 2, 2025, the City Council approved a tentative contract award in the amount of \$110,500,000 for Bid # ITB-W-1558 for "Dewatering and Incinerator Improvements".

On July 22, 2025, the City Council of the City of Warren approved an ordinance for Waste Water Treatment Plant Improvements and authorized the issuance and sale of Public Utility System Junior Lien Revenue Bonds in an amount not to exceed \$100 Million.

Subsequent to Council action, the City was approved for a Clean Water State Revolving Fund loan in the amount of \$100 Million payable over 30 years at 2 percent annual interest. The loan includes forgiveness of \$9,227,000.

The City continues to negotiate the final cost with the contract award winner to reduce the need for conventional financing to supplement the Clean Water State Revolving Fund loan.

Construction has not yet commenced as of December 19, 2025.

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 92,094,699	\$ 92,094,699	\$ 93,151,939	\$ 1,057,240
Intergovernmental:				
Federal grants	7,750,000	10,625,771	10,463,015	(162,756)
State sources - State-shared revenue	26,641,940	27,478,440	28,355,943	877,503
Charges for services	5,706,500	5,706,500	5,773,212	66,712
Fines and forfeitures	3,950,000	3,950,000	6,297,305	2,347,305
Licenses and permits	6,030,000	6,030,000	4,924,090	(1,105,910)
Interest and rentals - Investment earnings	3,000,000	3,000,000	5,297,000	2,297,000
Other revenue	9,514,684	9,514,684	8,643,200	(871,484)
Total revenue	154,687,823	158,400,094	162,905,704	4,505,610
Expenditures				
Current services:				
General government:				
Council	1,422,528	1,422,528	1,149,487	273,041
Mayor	888,710	888,710	743,055	145,655
Controller	2,271,878	2,271,878	2,120,739	151,139
Information technology/Data proc.	1,871,706	1,913,253	1,252,354	660,899
Treasurer	1,620,967	1,620,967	1,351,944	269,023
Assessing	2,467,958	2,504,958	1,934,710	570,248
Clerk	2,625,054	2,625,054	1,618,248	1,006,806
Buildings maintenance	2,946,591	2,996,591	2,340,243	656,348
Legal	2,053,404	2,053,404	1,660,756	392,648
Human resources	1,802,092	1,802,092	1,162,242	639,850
Administration unallocated expense	6,550,914	7,422,499	5,636,438	1,786,061
Other commissions	111,290	111,290	64,812	46,478
District court	8,239,840	9,074,674	7,636,888	1,437,786
Public safety:				
Police department	60,418,219	62,203,306	64,194,043	(1,990,737)
Fire department	35,908,883	39,584,219	35,107,802	4,476,417
Civil defense	267,937	283,223	273,294	9,929
Animal control	609,699	609,699	451,082	158,617
Crime commission	14,800	14,800	10,723	4,077
Building inspections	4,896,154	4,913,154	3,662,279	1,250,875
Public works:				
Property maintenance	3,917,615	4,024,500	2,148,523	1,875,977
Stormwater drainage	175,653	175,653	175,653	-
Highway street lighting	3,700,000	3,700,000	3,460,609	239,391
DPW garage	7,506,460	8,756,460	5,597,019	3,159,441
Public service director	606,075	606,075	543,262	62,813
Engineering and inspections	1,975,706	2,031,706	1,528,841	502,865
Community and economic development:				
Planning	1,098,175	1,354,950	1,056,664	298,286
Zoning	27,510	27,510	14,909	12,601
Economic development opportunities	415,029	415,029	236,666	178,363
Recreation and culture:				
Historical commission	18,363	18,363	3,422	14,941
Cultural commission	40,600	40,600	39,208	1,392
Village historical commission	105,100	130,100	9,315	120,785
Debt service:				
Principal	-	-	574,641	(574,641)
Interest and fiscal charges	-	-	86,243	(86,243)
Total expenditures	156,574,910	165,597,245	147,846,114	17,751,131
Excess of Revenue (Under) Over Expenditures	(1,887,087)	(7,197,151)	15,059,590	22,256,741
Other Financing (Uses) Sources				
Transfers out	(1,744,549)	(1,744,549)	(466,912)	1,277,637
New leases and subscriptions entered into	-	-	7,282,543	7,282,543
Total other financing (uses) sources	(1,744,549)	(1,744,549)	6,815,631	8,560,180
Net Change in Fund Balance	(3,631,636)	(8,941,700)	21,875,221	30,816,921
Fund Balance - Beginning of year	95,167,886	95,167,886	95,167,886	-
Fund Balance - End of year	\$ 91,536,250	\$ 86,226,186	\$ 117,043,107	\$ 30,816,921

City of Warren, Michigan

**Required Supplementary Information
Budgetary Comparison Schedule - Major Special Revenue Fund
Grant Fund**

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Federal grants	\$ 12,127,155	\$ 16,013,561	\$ 4,146,788	\$ (11,866,773)
Interest and rentals	23,158	37,898	5,233	(32,665)
Other revenue	-	25,000	-	(25,000)
Total revenue	<u>12,150,313</u>	<u>16,076,459</u>	<u>4,152,021</u>	<u>(11,924,438)</u>
Expenditures - Community and economic development	<u>52,717</u>	<u>12,678,638</u>	<u>4,367,035</u>	<u>8,311,603</u>
Net Change in Fund Balance	12,097,596	3,397,821	(215,014)	(3,612,835)
Fund Balance - Beginning of year	<u>955,693</u>	<u>955,693</u>	<u>955,693</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 13,053,289</u>	<u>\$ 4,353,514</u>	<u>\$ 740,679</u>	<u>\$ (3,612,835)</u>

Required Supplementary Information
 Schedule of Changes in the Net OPEB Liability and Related Ratios
 City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

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

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 676,359	\$ 590,337	\$ 690,057	\$ 727,149	\$ 1,393,370	\$ 1,860,535	\$ 1,852,338	\$ 1,920,562
Interest	10,869,320	10,134,670	10,077,744	11,371,058	10,486,925	11,573,427	10,665,881	10,711,662
Differences between expected and actual experience	-	(700,558)	-	5,878,851	-	(16,391,907)	896,114	(5,938,551)
Changes in assumptions	-	8,021,529	730,114	(20,477,561)	3,977,930	(5,033,563)	6,436,284	-
Benefit payments, including refunds	(8,464,979)	(8,505,030)	(9,287,015)	(7,871,388)	(7,704,095)	(7,346,347)	(7,327,343)	(7,254,730)
Net Change in Total OPEB Liability	3,080,700	9,540,948	2,210,900	(10,371,891)	8,154,130	(15,337,855)	12,523,274	(561,057)
Total OPEB Liability - Beginning of year	156,572,608	147,031,660	144,820,760	155,192,651	147,038,521	162,376,376	149,853,102	150,414,159
Total OPEB Liability - End of year	\$ 159,653,308	\$ 156,572,608	\$ 147,031,660	\$ 144,820,760	\$ 155,192,651	\$ 147,038,521	\$ 162,376,376	\$ 149,853,102
Plan Fiduciary Net Position								
Contributions - Employer	\$ 5,444,121	\$ 5,549,243	\$ 7,179,120	\$ 9,059,108	\$ 8,654,612	\$ 8,768,498	\$ 10,631,555	\$ 14,900,078
Net investment income (loss)	10,460,530	11,623,109	(13,054,074)	13,348,262	8,928,872	12,840,448	(3,474,216)	6,909,968
Administrative expenses	(144,329)	(132,911)	(134,721)	(155,561)	(142,878)	(137,215)	(140,508)	(61,216)
Benefit payments, including refunds	(8,464,979)	(8,505,030)	(9,287,015)	(7,871,388)	(7,704,095)	(7,346,347)	(7,327,343)	(7,254,730)
Net Change in Plan Fiduciary Net Position	7,295,343	8,534,411	(15,296,690)	14,380,421	9,736,511	14,125,384	(310,512)	14,494,100
Plan Fiduciary Net Position - Beginning of year	88,189,799	79,655,388	94,952,078	80,571,657	70,835,146	56,709,762	57,020,274	42,526,174
Plan Fiduciary Net Position - End of year	\$ 95,485,142	\$ 88,189,799	\$ 79,655,388	\$ 94,952,078	\$ 80,571,657	\$ 70,835,146	\$ 56,709,762	\$ 57,020,274
Net OPEB Liability - Ending	\$ 64,168,166	\$ 68,382,809	\$ 67,376,272	\$ 49,868,682	\$ 74,620,994	\$ 76,203,375	\$ 105,666,614	\$ 92,832,828
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	59.81 %	56.33 %	54.18 %	65.57 %	51.92 %	48.17 %	34.92 %	38.05 %
Covered-employee Payroll	\$ 10,439,250	\$ 10,037,740	\$ 11,715,848	\$ 11,265,238	\$ 10,369,664	\$ 11,200,842	\$ 13,518,450	\$ 14,008,732
Net OPEB Liability as a Percentage of Covered-employee Payroll	614.68 %	681.26 %	575.09 %	680.30 %	680.30 %	680.30 %	781.65 %	662.68 %

The required supplementary information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

Required Supplementary Information
 Schedule of Changes in the Net OPEB Liability and Related Ratios
 Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust

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

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 657,356	\$ 860,123	\$ 986,418	\$ 1,045,245	\$ 1,173,699	\$ 1,424,167	\$ 1,516,273	\$ 1,539,652
Interest	11,729,035	11,947,011	12,241,334	12,426,542	12,718,529	12,665,563	13,045,589	13,250,035
Differences between expected and actual experience	(200,121)	4,094,819	(3,294,643)	3,707,903	1,681,689	(2,349,801)	(10,623,910)	(8,704,524)
Changes in assumptions	(3,053,212)	(3,352,288)	(9,852,251)	(1,711,060)	(11,540,029)	(2,346,037)	-	-
Benefit payments, including refunds	(11,083,204)	(10,790,726)	(9,721,197)	(9,848,098)	(9,958,488)	(9,522,588)	(8,532,131)	(9,140,410)
Net Change in Total OPEB Liability	(1,950,146)	2,758,939	(9,640,339)	5,620,532	(5,924,600)	(128,696)	(4,594,179)	(3,055,247)
Total OPEB Liability - Beginning of year	167,891,323	165,132,384	174,772,723	169,152,191	175,076,791	175,205,487	179,799,666	182,854,913
Total OPEB Liability - End of year	<u>\$ 165,941,177</u>	<u>\$ 167,891,323</u>	<u>\$ 165,132,384</u>	<u>\$ 174,772,723</u>	<u>\$ 169,152,191</u>	<u>\$ 175,076,791</u>	<u>\$ 175,205,487</u>	<u>\$ 179,799,666</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 8,076,970	\$ 8,508,810	\$ 9,671,541	\$ 10,390,011	\$ 10,445,000	\$ 10,500,000	\$ 11,810,718	\$ 20,903,170
Net investment income (loss)	9,332,304	10,878,572	(10,973,694)	11,538,309	9,101,392	10,477,904	(1,829,637)	5,389,014
Administrative expenses	(34,377)	(31,812)	(32,502)	(39,530)	(22,129)	(24,529)	(26,665)	(8,600)
Benefit payments, including refunds	(11,083,204)	(10,790,726)	(9,721,197)	(9,848,098)	(9,958,488)	(9,522,588)	(8,532,131)	(9,140,410)
Net Change in Plan Fiduciary Net Position	6,291,693	8,564,844	(11,055,852)	12,040,692	9,565,775	11,430,787	1,422,285	17,143,174
Plan Fiduciary Net Position - Beginning of year	76,937,346	68,372,502	79,428,354	67,387,662	57,821,887	46,391,100	44,968,815	27,825,641
Plan Fiduciary Net Position - End of year	<u>\$ 83,229,039</u>	<u>\$ 76,937,346</u>	<u>\$ 68,372,502</u>	<u>\$ 79,428,354</u>	<u>\$ 67,387,662</u>	<u>\$ 57,821,887</u>	<u>\$ 46,391,100</u>	<u>\$ 44,968,815</u>
Net OPEB Liability - Ending	<u>\$ 82,712,138</u>	<u>\$ 90,953,977</u>	<u>\$ 96,759,882</u>	<u>\$ 95,344,369</u>	<u>\$ 101,764,529</u>	<u>\$ 117,254,904</u>	<u>\$ 128,814,387</u>	<u>\$ 134,830,851</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	50.16 %	45.83 %	41.40 %	33.00 %	33.00 %	33.00 %	26.48 %	25.01 %
Covered-employee Payroll	\$ 8,075,584	\$ 10,088,249	\$ 11,299,586	\$ 13,444,774	\$ 12,776,733	\$ 13,778,852	\$ 15,109,196	\$ 14,805,884
Net OPEB Liability as a Percentage of Covered-employee Payroll	1,024.22 %	901.58 %	856.31 %	851.30 %	851.30 %	851.30 %	852.56 %	910.66 %

The required supplementary information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

Required Supplementary Information
Schedule of OPEB Investment Returns

Last Eight Plan Years
Years Ended December 31

	2024	2023	2022	2021	2019	2018*	2017*	2016
City Employees' Retirement Health, Life and Disability Benefits Plan and Trust - VEBA - Annual money-weighted rate of return - Net of investment expense	11.05 %	14.64 %	(13.14)%	15.70 %	11.75 %	20.81 %	- %	- %
Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust - VEBA - Annual money-weighted rate of return - Net of investment expense	11.18 %	14.11 %	(12.99)%	16.30 %	14.01 %	20.87 %	(3.68)%	15.53 %

*The annual money-weighted rate of return is not available for the city employees' other postemployment benefits - VEBA.

Required Supplementary Information
 Schedule of Changes in the Net Pension Liability and Related Ratios
 Employees' Retirement System Defined Benefit Pension Plan

**Last Ten Plan Years
 Years Ended December 31**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 519,398	\$ 763,725	\$ 675,905	\$ 668,898	\$ 931,363	\$ 887,102	\$ 1,012,891	\$ 1,128,729	\$ 1,248,269	\$ 1,182,428
Interest	12,485,107	12,848,296	12,753,505	13,050,679	13,180,404	13,192,507	12,809,972	12,952,830	13,312,456	13,100,633
Differences between expected and actual experience	(1,944,727)	(1,600,434)	263,930	(513,022)	1,678,023	2,040,186	2,626,423	292,886	(3,319,419)	747,834
Changes in assumptions	(145,516)	-	5,962,165	748,018	766,546	-	5,403,963	-	-	3,842,234
Benefit payments, including refunds	(16,888,004)	(16,891,604)	(16,902,143)	(16,798,495)	(16,867,737)	(16,681,354)	(16,346,649)	(16,227,323)	(16,056,453)	(15,912,254)
Net Change in Total Pension Liability	(5,973,742)	(4,880,017)	2,753,362	(2,843,922)	(311,401)	(561,559)	5,506,600	(1,852,878)	(4,815,147)	2,960,875
Total Pension Liability - Beginning of year	184,019,208	188,899,225	186,145,863	188,989,785	189,301,186	189,862,745	184,356,145	186,209,023	191,024,170	188,063,295
Total Pension Liability - End of year	\$ 178,045,466	\$ 184,019,208	\$ 188,899,225	\$ 186,145,863	\$ 188,989,785	\$ 189,301,186	\$ 189,862,745	\$ 184,356,145	\$ 186,209,023	\$ 191,024,170
Plan Fiduciary Net Position										
Contributions - Employer	\$ 7,888,668	\$ 8,077,022	\$ 8,751,264	\$ 9,491,940	\$ 8,758,414	\$ 8,737,667	\$ 8,888,571	\$ 18,721,115	\$ 9,254,969	\$ 9,301,612
Net investment income (loss)	14,764,311	18,919,695	(18,928,618)	21,917,934	14,145,524	22,826,658	(7,078,254)	16,452,990	11,663,608	(2,521,195)
Administrative expenses	(262,175)	(257,674)	(270,092)	(273,296)	(244,278)	(241,814)	(251,092)	(255,718)	(259,188)	(295,700)
Benefit payments, including refunds	(16,888,004)	(16,891,604)	(16,902,143)	(16,798,495)	(16,867,737)	(16,681,354)	(16,346,649)	(16,227,323)	(16,056,453)	(15,912,254)
Other	29,661	-	-	35,944	14,133	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	5,532,461	9,847,439	(27,349,589)	14,374,027	5,806,056	14,641,157	(14,787,424)	18,691,064	4,602,936	(9,427,537)
Plan Fiduciary Net Position - Beginning of year	139,204,077	129,356,638	156,706,227	142,332,200	136,526,144	121,884,987	136,672,411	117,981,347	113,378,411	122,805,948
Plan Fiduciary Net Position - End of year	\$ 144,736,538	\$ 139,204,077	\$ 129,356,638	\$ 156,706,227	\$ 142,332,200	\$ 136,526,144	\$ 121,884,987	\$ 136,672,411	\$ 117,981,347	\$ 113,378,411
City's Net Pension Liability - Ending	\$ 33,308,928	\$ 44,815,131	\$ 59,542,587	\$ 29,439,636	\$ 46,657,585	\$ 52,775,042	\$ 67,977,758	\$ 47,683,734	\$ 68,227,676	\$ 77,645,759
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.29 %	75.65 %	68.48 %	84.18 %	75.31 %	72.12 %	64.20 %	74.13 %	63.36 %	59.35 %
Covered Payroll	\$ 2,440,683	\$ 3,495,407	\$ 3,719,041	\$ 4,433,703	\$ 4,405,934	\$ 5,549,146	\$ 5,384,080	\$ 6,064,836	\$ 6,773,574	\$ 7,398,730
City's Net Pension Liability as a Percentage of Covered Payroll	1,364.74 %	1,282.11 %	1,601.02 %	664.00 %	1,058.97 %	951.00 %	1,262.60 %	786.20 %	1,107.30 %	1,049.40 %

Required Supplementary Information
 Schedule of Changes in the Net Pension Liability and Related Ratios
 Police and Fire Retirement System Defined Benefit Pension Plan

**Last Ten Plan Years
 Years Ended December 31**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 6,175,026	\$ 5,849,943	\$ 4,940,720	\$ 4,332,212	\$ 4,691,927	\$ 4,967,302	\$ 4,815,882	\$ 7,276,212	\$ 8,417,461	\$ 7,077,600
Interest	32,086,798	31,411,280	30,980,395	29,331,642	29,283,778	28,822,160	28,627,916	26,517,999	25,346,092	25,830,279
Differences between expected and actual experience	9,217,956	10,245,026	6,438,714	12,685,478	1,639,804	990,094	2,098,602	2,223,032	1,435,610	(2,546,396)
Changes in assumptions	2,182,374	2,114,427	2,033,008	13,046,123	-	5,722,581	-	(61,092,666)	(27,905,225)	42,956,365
Benefit payments, including refunds	(37,659,141)	(37,450,534)	(35,413,455)	(35,284,396)	(33,924,776)	(33,635,851)	(32,350,541)	(31,176,529)	(31,148,538)	(30,567,324)
Other	-	-	-	663,981	-	-	-	-	-	-
Net Change in Total Pension Liability	12,003,013	12,170,142	8,979,382	24,775,040	1,690,733	6,866,286	3,191,859	(56,251,952)	(23,854,600)	42,750,524
Total Pension Liability - Beginning of year	458,304,507	446,134,365	437,154,983	412,379,943	410,689,210	403,822,924	400,631,065	456,883,017	480,737,617	437,987,093
Total Pension Liability - End of year	\$ 470,307,520	\$ 458,304,507	\$ 446,134,365	\$ 437,154,983	\$ 412,379,943	\$ 410,689,210	\$ 403,822,924	\$ 400,631,065	\$ 456,883,017	\$ 480,737,617
Plan Fiduciary Net Position										
Contributions - Employer	\$ 15,307,890	\$ 14,095,947	\$ 12,808,785	\$ 12,149,079	\$ 11,287,917	\$ 10,963,884	\$ 10,917,187	\$ 10,477,176	\$ 10,481,016	\$ 10,604,562
Contributions - Member	2,378,795	2,019,204	2,134,819	1,925,289	1,577,142	1,448,475	1,238,075	1,192,568	1,138,678	1,033,752
Net investment income (loss)	21,777,694	35,083,930	(46,473,204)	50,758,093	40,956,241	50,495,991	(13,770,465)	40,082,680	20,689,791	2,222,576
Administrative expenses	(622,374)	(590,803)	(528,023)	(492,212)	(472,081)	(480,236)	(514,140)	(456,239)	(426,933)	(454,638)
Benefit payments, including refunds	(37,659,141)	(37,450,534)	(35,413,455)	(35,284,396)	(33,924,776)	(33,635,851)	(32,350,541)	(31,176,529)	(31,148,538)	(30,567,324)
Other	12,902	-	-	-	-	28,929	55,410	78,359	113,244	85,387
Net Change in Plan Fiduciary Net Position	1,195,766	13,157,744	(67,471,078)	29,055,853	19,424,443	28,821,192	(34,424,474)	20,198,015	847,258	(17,075,685)
Plan Fiduciary Net Position - Beginning of year	289,162,357	276,004,613	343,475,691	314,419,838	294,995,395	266,174,203	300,598,677	280,400,662	279,553,404	296,629,089
Plan Fiduciary Net Position - End of year	\$ 290,358,123	\$ 289,162,357	\$ 276,004,613	\$ 343,475,691	\$ 314,419,838	\$ 294,995,395	\$ 266,174,203	\$ 300,598,677	\$ 280,400,662	\$ 279,553,404
City's Net Pension Liability - Ending	\$ 179,949,397	\$ 169,142,150	\$ 170,129,752	\$ 93,679,292	\$ 97,960,105	\$ 115,693,815	\$ 137,648,721	\$ 100,032,388	\$ 176,482,355	\$ 201,184,213
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	61.74 %	63.09 %	61.87 %	78.57 %	76.25 %	71.83 %	65.91 %	75.03 %	61.37 %	58.15 %
Covered Payroll	\$ 36,214,947	\$ 34,383,192	\$ 30,551,685	\$ 31,943,494	\$ 28,181,237	\$ 27,825,961	\$ 27,750,304	\$ 26,762,823	\$ 24,703,698	\$ 24,413,784
City's Net Pension Liability as a Percentage of Covered Payroll	496.89 %	491.93 %	556.86 %	293.27 %	347.61 %	415.78 %	496.03 %	373.77 %	714.40 %	824.06 %

Required Supplementary Information
Schedule of Pension Contributions
Employees' Retirement System Defined Benefit Pension Plan

**Last Ten Fiscal Years
Years Ended June 30**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 7,352,372	\$ 7,503,469	\$ 8,150,554	\$ 8,851,952	\$ 9,131,944	\$ 8,384,920	\$ 8,487,619	\$ 8,646,086	\$ 8,888,916	\$ 9,026,914
Contributions in relation to the actuarially determined contribution	7,602,372	7,753,478	8,400,554	9,101,952	9,131,944	8,384,920	8,590,327	15,283,957	12,076,073	8,977,954
Contribution Excess (Deficiency)	\$ 250,000	\$ 250,009	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ 102,708	\$ 6,637,871	\$ 3,187,157	\$ (48,960)
Covered Payroll	\$ 2,373,382	\$ 3,390,545	\$ 3,557,936	\$ 4,433,442	\$ 4,045,311	\$ 5,315,590	\$ 5,463,312	\$ 5,704,355	\$ 6,096,441	\$ 6,551,962
Contributions as a Percentage of Covered Payroll	320.32 %	228.68 %	236.11 %	205.30 %	225.74 %	157.74 %	157.24 %	267.93 %	198.08 %	137.03 %

Notes to Schedule of Pension Contributions - Employees' Retirement System Defined Benefit Pension Plan

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, one and a half years prior to the fiscal year in which the contributions are reported. Covered payroll is as of December 31 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate
Amortization method	Level of percent of payroll - Open
Remaining amortization period	Expected future working lifetime
Asset valuation method	Closed four-year smoothed market value
Inflation	2.50 percent
Salary increase	4.0 - 5.3 percent (included inflation)
Investment rate of return	7.10 percent
Mortality	PubS-2010, projected five years past the valuation date with Scale MP-2021

Required Supplementary Information
Schedule of Pension Investment Returns

Last Ten Plan Years
Years Ended December 31

	2024	2023	2022	2020	2019	2018*	2017*	2016	2015*	2014*
Employees' Retirement System Defined Benefit Pension Plan - Annual money-weighted rate of return - Net of investment expense	11.18 %	14.98 %	(12.66)%	15.72 %	11.63 %	19.43 %	(5.99)%	14.20 %	13.40 %	10.60 %
Police and Fire Retirement System Defined Benefit Pension Plan - Annual money-weighted rate of return - Net of investment expense	11.05 %	11.86 %	(14.26)%	16.97 %	13.39 %	20.49 %	- %	- %	8.18 %	- %

*For the fiscal years ended December 31, 2018, 2017, 2015, and 2014, management of the City omitted the disclosure of the money-weighted rate of return of the Police and Fire Retirement System Defined Benefit Pension Plan.

Budgetary Information

Annual balanced budgets are adopted for the General Fund, special revenue funds, and debt service funds, as required by Michigan Public Act 621 of 1978, the Uniform Budgeting and Accounting Act. Budgets were not formally adopted for the Tax Increment Finance Authority, the Building Authority, or special assessment debt service funds. Although not required, budgets were formally adopted for the Water and Sewer Fund and Senior Citizen Housing Funds, as well as the 37th District Court Building Renovation and Energy Efficiency and Conservation Block Grant capital projects funds to assist management in monitoring operations.

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

- No later than the second Monday in April of each year, the mayor shall submit to the City Council a recommended budget for the next fiscal year.
- The recommended budget of the mayor, together with his supporting schedules, information, and messages, shall be reviewed by the City Council.
- A public hearing on the budget shall be held no less than one week before its final adoption.
- No later than the third Monday in May of each year, the City Council shall, by resolution, adopt a budget at the department level for the ensuing fiscal year in accordance with the Michigan Uniform Budgeting and Accounting Act. The budgets for the General Fund and special revenue funds are adopted at a line-item level and for the Grant Fund at a fund level.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles, except that nonreciprocal interfund activity, including expenditure reimbursements between funds, is budgeted as revenue rather than as reductions of expenditures. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund, function, department, and line items.

Encumbrances

Budgets in governmental funds and proprietary funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. Appropriations for the fiscal year lapse every June 30. However, management does restrict unreserved fund balance designated for the subsequent year's expenditures by the amount of material expenditures for goods and services that were ordered, budgeted, and appropriated at year end but that had not been received or completed at that date. The City Council, by separate resolution, reappropriates funds in the subsequent year to complete these transactions.

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

	<u>Total Revenue</u>	<u>Total Expenditures</u>
Amounts per operating statement	\$ 156,922,777	\$ 141,863,187
Nonreciprocal interfund activity budgeted as revenue	<u>5,982,927</u>	<u>5,982,927</u>
Amounts per budget statement	<u>\$ 162,905,704</u>	<u>\$ 147,846,114</u>

During the year, the City of Warren, Michigan adopted the budget on a line-item basis for the General Fund and special revenue funds. The Grant Fund was adopted on a fund basis. The following line items were over budget within the General Fund and special revenue funds:

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
General Fund:				
101-1215-70200 Elected Officials	\$ 93,639	\$ 93,639	\$ 93,735	\$ 96
101-1223-70900 Overtime	40,000	40,000	40,565	565
101-1223-72201 Defined Contribution Exp	110,784	111,434	112,511	1,077
101-1237-80200 Postage	1,000	1,000	1,049	49
101-1238-70900 Overtime	15,200	15,200	15,899	699
101-1238-71900 Employee Insurances	68,914	68,914	75,581	6,667
101-1294-72200 Retirement Fund	-	-	421,532	421,532
101-1311-92000 Public Utilities	2,000	2,000	2,648	648
101-1336-70906 Overtime - FF Cadets	5,000	5,000	5,583	583
101-1336-71900 Employee Insurances	3,545,773	3,547,220	3,580,950	33,730
101-1421-71900 Employee Insurances	95,338	95,338	98,953	3,615
101-1421-71906 Suppl Life Insurance Exp	1,228	1,228	1,234	6
101-1422-70900 Overtime	-	-	929	929
101-1426-71000 Shift Premium	100	100	115	15
101-1426-71900 Employee Insurances	25,191	30,389	32,596	2,207
101-1441-71900 Employee Insurances	-	-	7,762	7,762
101-1447-70602 Clerical	65,940	65,940	67,290	1,350
101-1780-96138 Vaccination Fair	3,000	3,000	3,477	477
101-1796-92000 Public Utilities	3,300	3,300	3,562	262
101-1301-97200 Capital Outlay - Lease/SBITA	-	-	7,282,543	7,282,543
101-1301-99400 Lease/SBITA Principal	-	-	574,641	574,641
101-1301-99401 Lease/SBITA Interest	-	-	86,243	86,243
Major Streets Fund:				
202-2474-71906 Suppl Life Insurance Exp	28	28	39	11
202-2479-71900 Employee Insurances	18,480	18,480	18,761	281
202-2479-71906 Suppl Life Insurance Exp	42	42	79	37
202-2479-72100 Longevity	1,790	1,790	1,931	141
Local Streets Fund:				
203-3463-71906 Suppl Life Insurance Exp	978	978	2,067	1,089
203-3463-94500 Equipment Rental	950,000	1,080,000	1,098,931	18,931
203-3474-80121 Traffic Signal Upkeep	85,000	125,000	134,538	9,538
203-3479-72100 Longevity	10,954	10,954	13,593	2,639
203-3479-72100 Longevity	1,061	1,061	1,399	338
Recreation Fund:				
208-9208-70713 Temporary - Recreation	980,000	1,330,000	1,397,826	67,826
208-9208-70912 Overtime - Rec Supv	5,000	11,850	12,323	473
208-9208-71302 Education Allowance	2,500	3,500	4,490	990
208-9210-71900 Employee Insurances	3,311	3,811	4,438	627
Library Fund:				
271-9271-80130 Library Coop Indirect Aid	75,000	75,000	75,717	717
271-9271-98200 Books	326,000	326,000	326,492	492

Pension Information

Changes in Assumptions

For the 2014 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.45 percent from 7.50 percent.

June 30, 2025

For the 2015 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.40 percent.

For the 2015 plan year, the Police and Fire Retirement System had multiple changes in assumptions: the discount rate was changed from 6.06 percent to 5.40 percent, and the mortality tables were changed from the RP Combined Mortality Table to the RP Combined Healthy Mortality Table projected to 2014.

For the 2016 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.35 percent.

For the 2016 plan year, the discount rate for the Police and Fire Retirement System was changed to 5.96 percent.

For the 2017 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.30 percent.

For the 2017 plan year, the discount rate for the Police and Fire Retirement System was changed to 7.40 percent.

For the 2018 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.25 percent.

For the 2019 plan year, the Police and Fire Retirement System had multiple changes in assumptions: inflation was changed from 4.0 percent to 3.5 percent, the investment rate of return was changed to 7.35 percent, and the mortality table used for the net pension liability calculation was updated to the Pub-2010 Public Safety Mortality Table.

For the 2020 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan was changed to 7.20 percent.

For the 2021 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan was changed to 7.15 percent.

For the 2021 plan year, the discount rate for the Police and Fire System Defined Benefit Pension Plan was changed to 7.30 percent.

For the 2022 plan year, mortality tables were updated to PubS-2010 tables with MP-2021. Inflation rate was updated from 3.5 percent to 2.5 percent.

For the 2022 plan year, the discount rate for the Police and Fire System Defined Benefit Pension Plan was changed to 7.25 percent.

For the 2023 plan year, the discount rate for the Police and Fire System Defined Benefit Pension Plan was changed to 7.20 percent.

For the 2024 plan year, the discount rate for the Police and Fire System Defined Benefit Pension Plan was changed to 7.15 percent.

For the 2024 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan was changed to 7.10 percent.

OPEB Information

Changes in Assumptions

For the 2018 plan year, the mortality table used for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust was updated from the RP-2000 Combined Healthy Table to the RP-2014 Mortality Table.

For the 2019 plan year, the medical inflation rates were changed for both plans; the rate of return for the Police and Fire Retirement Health, Life and Disability Benefits Pension Plan and Trust was changed from 7.40 to 7.35 percent; and the mortality table used for the net OPEB liability of the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust calculation was updated from the RP-2014 Mortality Table to the Publication 2010 Mortality Table.

June 30, 2025

For the 2020 plan year, the discount rate for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust was changed to 7.20 percent.

For the 2020 plan year, the medical inflation rate for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust was changed to 8.25 percent.

For the 2021 plan year, the discount rate for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust was changed to 7.15 percent.

For the 2021 plan year, the discount rate for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust was changed to 7.30 percent.

For the 2022 plan year, the discount rate for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust was changed to 7.10 percent. Also, the initial retiree health trend rates for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust changed from 7.00 percent.

For the 2022 plan year, the discount rate for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust was changed to 7.25 percent. Also, the initial retiree health trend rates for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust changed from 8.00 percent to 7.75 percent.

For the 2023 plan year, the discount rate for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust was changed to 7.20 percent. Also, the initial retiree health trend rates for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust changed from 7.75 percent to 7.50 percent. Also, the mortality rates used for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust changed from RP-2014 to Pub-2010 Mortality Table projected with mortality improvement scale MP-2021.

For the 2024 plan year, the discount rate for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust changed to 7.15 percent. Also, the initial retiree health trend rates for Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust changed from 7.50 percent to 7.25 percent.

Supplementary Information

Special Revenue Funds

These funds are used to account for specific revenue sources that are legally restricted to expenditures for specific functions or activities. Restrictions may be imposed by state statute, the state constitution, the city board resolution of action, or the electorate through the approval of special dedicated millages.

Major Streets

This fund accounts for the maintenance and replacement of all major streets within the City. Funding is provided by distribution of gas tax proceeds.

Local Streets

This fund supports the maintenance and improvement of city-owned local streets. It is primarily financed through state-shared revenue under Michigan's Act-51, with additional local and grant funding.

Recreation

This fund is used to account for resources dedicated to parks, recreational programs, and community facilities. Funding primarily comes from tax millages, user fees, and local appropriations.

Sanitation

This fund is used to account for resources dedicated to solid waste collection and disposal services within the City. Funding is primarily from tax millages, state revenue, and sanitation service charges.

Library

This fund is used to account for resources dedicated to library operations and services for the community. Funding is primarily from tax millages, fine, local appropriations, and other miscellaneous revenue.

Communications

This fund is used to account for resources dedicated to the City's communication services and public information initiatives. Funding primarily comes from cable franchise fees and other related revenue.

Rental Ordinance

This fund accounts for administration and enforcement of the City's rental property ordinance. Funding comes primarily through rental registration fees, inspection charges, and penalties.

Vice Crime Confiscations

This fund accounts for forfeited narcotics proceeds that are used for the enhancement of narcotics enforcement.

Drug Forfeiture

This fund accounts for proceeds from property and cash forfeitures related to drug enforcement activities. Funding primarily comes from state and federal forfeiture programs.

Police Training

This fund is used to account for resources dedicated to law enforcement training and professional development. Funding primarily comes from local appropriations.

Local Road Millage

This fund was established to account for property tax revenue collected under the City's voter-approved millage dedicated to local street improvements. Funding comes primarily from the local road millage.

**Supplementary Information
Nonmajor Governmental Funds
Fund Descriptions (Continued)**

Indigent Defense

This fund provides funding for constitutionally required legal representation for indigent defendants in compliance with Michigan Indigent Defense Commission standards. Funding is primarily through state grants and local contributions.

Opioid

This fund was created to track future revenue and expenditures for the National Opioid Settlement, where the City was listed as eligible to receive funds from various settlements.

Land Bank Authority

The purpose of the Land Bank Authority is to eliminate blight, stabilize neighborhoods, and return distressed properties to productive use through redevelopment for housing, commercial projects, and community spaces.

Debt Service Funds

Debt service funds are used to account for the payment of principal and interest on a long-term basis.

City of Warren, Michigan

	Special Revenue Funds						
	Major Streets	Local Streets	Recreation	Sanitation	Library	Communications	Rental Ordinance
Assets							
Cash and investments	\$ 22,184,042	\$ 8,802,997	\$ 2,878,378	\$ 11,285,760	\$ 9,800,133	\$ 1,396,584	\$ 3,200,690
Receivables:							
Property taxes receivable	-	-	27,275	81,288	36,405	-	-
Accrued interest receivable	6,690	2,718	-	-	-	-	-
Other receivables	-	-	185,314	5,660	67,775	289,653	-
Due from other governments	2,248,713	746,608	-	-	76,683	-	-
Due from component units	-	-	59	179	83	-	-
Due from other funds	-	-	-	-	-	-	-
Inventory	-	-	6,571	11,482	-	-	-
Prepaid items and other assets	500	-	888	-	-	3,914	-
Deposits	65,627	-	-	-	-	-	-
Other noncurrent receivable	-	-	-	-	-	-	-
Total assets	\$ 24,505,572	\$ 9,552,323	\$ 3,098,485	\$ 11,384,369	\$ 9,981,079	\$ 1,690,151	\$ 3,200,690
Liabilities							
Accounts payable	\$ 1,163,508	\$ 185,945	\$ 993,651	\$ 396,653	\$ 193,047	\$ 29,853	\$ 427
Due to other funds	1,140,302	1,472,882	-	-	-	-	-
Refundable deposits, bonds, etc.	-	28,086	32,786	-	-	-	-
Accrued liabilities and other	13,441	36,542	64,824	84,668	24,776	9,578	5,621
Unearned revenue	-	-	-	-	-	-	-
Provision for property tax refunds	-	-	4,500	13,400	6,100	-	-
Total liabilities	2,317,251	1,723,455	1,095,761	494,721	223,923	39,431	6,048
Deferred Inflows of Resources -							
Unavailable revenue	-	-	146,354	81,288	36,405	-	-
Total liabilities and deferred inflows of resources	2,317,251	1,723,455	1,242,115	576,009	260,328	39,431	6,048
Fund Balances							
Nonspendable:							
Inventory	-	-	6,571	11,482	-	-	-
Prepays	500	-	888	-	-	3,914	-
Restricted:							
Roads	22,187,821	7,828,868	-	-	-	-	-
Sanitation	-	-	-	10,796,878	-	-	-
Recreation	-	-	1,848,911	-	-	-	-
Library	-	-	-	-	9,720,751	-	-
Cable franchise fees	-	-	-	-	-	1,646,806	-
Police enforcement	-	-	-	-	-	-	-
Vice crime	-	-	-	-	-	-	-
Opioids	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	3,194,642
Assigned	-	-	-	-	-	-	-
Total fund balances	22,188,321	7,828,868	1,856,370	10,808,360	9,720,751	1,650,720	3,194,642
Total liabilities, deferred inflows of resources, and fund balances	\$ 24,505,572	\$ 9,552,323	\$ 3,098,485	\$ 11,384,369	\$ 9,981,079	\$ 1,690,151	\$ 3,200,690

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2025

Special Revenue Funds								
Vice Crime Confiscations	Drug Forfeiture	Police Training	Local Road Millage	Indigent Defense	Opioid	Land Bank Authority	Debt Service Funds	Total
\$ 503,662	\$ 1,364,457	\$ 91,355	\$ 13,528,230	\$ 2,285,629	\$ 2,447,669	\$ 25,009	\$ 84,668	\$ 79,879,263
-	-	-	53,920	-	-	-	-	198,888
-	-	-	-	-	-	-	-	9,408
-	-	-	-	-	449,789	-	-	998,191
-	-	-	-	-	-	-	-	3,072,004
-	-	-	129	-	-	-	-	450
-	-	-	16,786	-	-	-	-	16,786
-	-	-	-	-	-	-	-	18,053
-	-	-	-	-	-	-	-	5,302
-	-	-	-	-	-	-	-	65,627
-	-	-	-	-	4,403,807	-	-	4,403,807
\$ 503,662	\$ 1,364,457	\$ 91,355	\$ 13,599,065	\$ 2,285,629	\$ 7,301,265	\$ 25,009	\$ 84,668	\$ 88,667,779
\$ -	\$ 79,570	\$ 4,839	\$ 890,370	\$ 164,887	\$ -	\$ -	\$ -	\$ 4,102,750
-	-	-	-	-	-	25,000	-	2,638,184
-	-	-	100,555	-	-	-	-	161,427
-	-	-	-	598	-	-	-	240,048
-	-	-	-	2,120,144	-	-	-	2,120,144
-	-	-	9,700	-	-	-	-	33,700
-	79,570	4,839	1,000,625	2,285,629	-	25,000	-	9,296,253
-	-	-	53,921	-	4,403,807	-	-	4,721,775
-	79,570	4,839	1,054,546	2,285,629	4,403,807	25,000	-	14,018,028
-	-	-	-	-	-	-	-	18,053
-	-	-	-	-	-	-	-	5,302
-	-	-	12,544,519	-	-	-	-	42,561,208
-	-	-	-	-	-	-	-	10,796,878
-	-	-	-	-	-	-	-	1,848,911
-	-	-	-	-	-	-	-	9,720,751
-	-	-	-	-	-	-	-	1,646,806
-	1,284,887	86,516	-	-	-	-	-	1,371,403
503,662	-	-	-	-	-	-	-	503,662
-	-	-	-	-	2,897,458	-	-	2,897,458
-	-	-	-	-	-	-	-	3,194,642
-	-	-	-	-	-	9	84,668	84,677
503,662	1,284,887	86,516	12,544,519	-	2,897,458	9	84,668	74,649,751
\$ 503,662	\$ 1,364,457	\$ 91,355	\$ 13,599,065	\$ 2,285,629	\$ 7,301,265	\$ 25,009	\$ 84,668	\$ 88,667,779

City of Warren, Michigan

	Special Revenue Funds						
	Major Streets	Local Streets	Recreation	Sanitation	Library	Communications	Rental Ordinance
Revenue							
Property taxes	\$ -	\$ -	\$ 3,992,817	\$ 11,976,348	\$ 5,471,889	\$ -	\$ -
Intergovernmental:							
Federal grants	-	-	906,312	-	195,576	-	-
State sources:							
Local Community Stabilization Authority	-	-	627,836	1,884,120	861,399	-	-
Act 51 gas and weight tax	14,029,154	4,683,934	-	-	-	-	-
Other	-	608,580	373,797	-	218,891	-	-
Charges for services	-	-	885,289	-	-	-	-
Fines and forfeitures	-	-	-	-	57,805	-	1,141,620
Licenses and permits	-	-	-	-	-	1,256,313	-
Interest and rentals:							
Investment earnings	812,311	335,078	105,462	437,637	379,007	70,746	136,000
Rental income	-	-	107,058	-	-	-	-
Other revenue	12,500	-	97,265	91,250	7,509	20,017	-
Total revenue	14,853,965	5,627,592	7,095,836	14,389,355	7,192,076	1,347,076	1,277,620
Expenditures							
Current services:							
District court	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	5,287,027	5,314,280	-	12,325,088	-	-	-
Community and economic development	-	-	-	-	-	-	958,336
Recreation and culture	-	-	7,873,585	-	5,072,162	1,408,248	-
Debt service:							
Principal	-	-	-	1,132,191	-	-	-
Interest and fiscal charges	-	-	-	76,258	-	-	-
Total expenditures	5,287,027	5,314,280	7,873,585	13,533,537	5,072,162	1,408,248	958,336
Excess of Revenue Over (Under) Expenditures	9,566,938	313,312	(777,749)	855,818	2,119,914	(61,172)	319,284
Other Financing Sources (Uses)							
Transfers in	-	1,004,396	-	-	-	-	-
Transfers out	(6,433,874)	-	(250,836)	-	(107,501)	(358,337)	-
Total other financing (uses) sources	(6,433,874)	1,004,396	(250,836)	-	(107,501)	(358,337)	-
Net Change in Fund Balances	3,133,064	1,317,708	(1,028,585)	855,818	2,012,413	(419,509)	319,284
Fund Balances - Beginning of year	19,055,257	6,511,160	2,884,955	9,952,542	7,708,338	2,070,229	2,875,358
Fund Balances - End of year	\$ 22,188,321	\$ 7,828,868	\$ 1,856,370	\$ 10,808,360	\$ 9,720,751	\$ 1,650,720	\$ 3,194,642

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

Year Ended June 30, 2025

Special Revenue Funds									
Vice Crime Confiscations	Drug Forfeiture	Police Training	Local Road Millage	Indigent Defense	Opioid	Land Bank Authority	Debt Service Funds	Total	
\$ -	\$ -	\$ -	\$ 8,635,080	\$ -	\$ -	\$ -	\$ -	\$ 30,076,134	
-	216,868	-	-	-	-	-	-	1,318,756	
-	-	-	1,359,893	-	-	-	-	4,733,248	
-	-	-	-	-	-	-	-	18,713,088	
-	494,779	82,630	-	1,204,523	-	-	-	2,983,200	
-	-	-	-	-	-	-	-	885,289	
113,064	-	-	-	-	-	-	-	1,312,489	
-	-	-	-	-	-	-	-	1,256,313	
20,617	58,669	3,879	483,453	115,805	102,491	9	3,662	3,064,826	
-	-	-	-	-	-	-	-	107,058	
-	-	-	-	-	564,028	-	-	792,569	
133,681	770,316	86,509	10,478,426	1,320,328	666,519	9	3,662	65,242,970	
-	-	-	-	1,444,097	-	-	-	1,444,097	
93,698	1,091,626	71,694	-	-	-	-	-	1,257,018	
-	-	-	7,404,116	-	-	-	-	30,330,511	
-	-	-	-	-	-	-	-	958,336	
-	-	-	-	-	-	-	-	14,353,995	
-	-	-	-	-	-	-	3,667,164	4,799,355	
-	-	-	-	-	-	-	2,822,131	2,898,389	
93,698	1,091,626	71,694	7,404,116	1,444,097	-	-	6,489,295	56,041,701	
39,983	(321,310)	14,815	3,074,310	(123,769)	666,519	9	(6,485,633)	9,201,269	
-	-	-	-	123,769	-	-	6,489,295	7,617,460	
-	-	-	-	-	-	-	-	(7,150,548)	
-	-	-	-	123,769	-	-	6,489,295	466,912	
39,983	(321,310)	14,815	3,074,310	-	666,519	9	3,662	9,668,181	
463,679	1,606,197	71,701	9,470,209	-	2,230,939	-	81,006	64,981,570	
\$ 503,662	\$ 1,284,887	\$ 86,516	\$ 12,544,519	\$ -	\$ 2,897,458	\$ 9	\$ 84,668	\$ 74,649,751	

Supplementary Information
Combining Statement of Net Position
Nonmajor Enterprise Funds

June 30, 2025

	Senior Citizen Housing Funds - Stilwell Manor	Senior Citizen Housing Funds - Jos. Coach Manor	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and investments	\$ 837,397	\$ 3,133,773	\$ 3,971,170
Receivables	2,933	15,012	17,945
Due from other funds	-	750	750
Total current assets	840,330	3,149,535	3,989,865
Noncurrent assets - Capital assets:			
Assets not subject to depreciation	221,644	-	221,644
Assets subject to depreciation - Net	1,263,741	5,209,942	6,473,683
Total assets	2,325,715	8,359,477	10,685,192
Deferred Outflows of Resources - Deferred outflows related to OPEB	10,984	-	10,984
Liabilities			
Current liabilities:			
Accounts payable	24,408	79,847	104,255
Due to other funds	580,237	240,815	821,052
Refundable deposits, bonds, etc.	71,623	198,378	270,001
Accrued liabilities and other	2,057	2,953	5,010
Unearned revenue	611	1,890	2,501
Compensated absences	11,096	9,836	20,932
Total current liabilities	690,032	533,719	1,223,751
Noncurrent liabilities:			
Compensated absences	35,946	39,344	75,290
Net OPEB liability	264,062	-	264,062
Total noncurrent liabilities	300,008	39,344	339,352
Total liabilities	990,040	573,063	1,563,103
Deferred Inflows of Resources - Deferred inflows related to OPEB	2,849	-	2,849
Net Position			
Net investment in capital assets	1,485,385	5,209,942	6,695,327
Unrestricted	(141,575)	2,576,472	2,434,897
Total net position	<u>\$ 1,343,810</u>	<u>\$ 7,786,414</u>	<u>\$ 9,130,224</u>

Supplementary Information
Combining Statement of Revenue, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds

June 30, 2025

	Senior Citizen Housing Funds - Stilwell Manor	Senior Citizen Housing Funds - Jos. Coach Manor	Total Nonmajor Enterprise Funds
Operating Revenue			
Rental revenue	\$ 626,961	\$ 1,773,627	\$ 2,400,588
Other operating revenue	429,566	50,235	479,801
Total operating revenue	1,056,527	1,823,862	2,880,389
Operating Expenses			
Billing and administrative costs	-	501,658	501,658
Wages and fringes	395,992	538,281	934,273
Materials and supplies	10,422	300,521	310,943
Other operating expenses	426,456	320,793	747,249
Depreciation	170,458	298,173	468,631
Total operating expenses	1,003,328	1,959,426	2,962,754
Operating Income (Loss)	53,199	(135,564)	(82,365)
Nonoperating Expense - Interest expense	-	49,233	49,233
Change in Net Position	53,199	(86,331)	(33,132)
Net Position - Beginning of year	1,290,611	7,872,745	9,163,356
Net Position - End of year	<u>\$ 1,343,810</u>	<u>\$ 7,786,414</u>	<u>\$ 9,130,224</u>

Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds

Year Ended June 30, 2025

	Senior Citizen Housing Funds - Stilwell Manor	Senior Citizen Housing Funds - Jos. Coach Manor	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 1,056,527	\$ 1,823,862	\$ 2,880,389
Receipts from interfund services and reimbursements	148,454	138,120	286,574
Payments to suppliers	(446,243)	(1,106,956)	(1,553,199)
Payments to employees and fringes	(401,457)	(497,113)	(898,570)
Net cash and cash equivalents provided by operating activities	357,281	357,913	715,194
Cash Flows Used in Capital and Related Financing Activities			
- Purchase of capital assets	(1)	(60,429)	(60,430)
Cash Flows Provided by Investing Activities - Interest income			
	-	34,883	34,883
Net Increase in Cash and Cash Equivalents	357,280	332,367	689,647
Cash and Cash Equivalents - Beginning of year	480,117	2,801,406	3,281,523
Cash and Cash Equivalents - End of year	\$ 837,397	\$ 3,133,773	\$ 3,971,170
Classification of Cash and Cash Equivalents - Cash and investments	\$ 837,397	\$ 3,133,773	\$ 3,971,170
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities			
Operating income (loss)	\$ 53,199	\$ (135,564)	\$ (82,365)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation	170,458	298,173	468,631
Changes in assets and liabilities:			
Receivables	(6,329)	2,141	(4,188)
Due to and from other funds	148,454	138,120	286,574
Prepaid and other assets	1,318	114	1,432
Net pension or OPEB liability	(5,465)	43,893	38,428
Accounts payable	(4,354)	11,036	6,682
Total adjustments	304,082	493,477	797,559
Net cash and cash equivalents provided by operating activities	\$ 357,281	\$ 357,913	\$ 715,194

Supplementary Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2025

	Pension and Other Employee Benefits Trust Funds - December 31, 2024				
	Police and Fire Retirement System	City Employees' Retirement System	Police and Fire VEBA Trust	City Employees' VEBA Trust	Total Pension and Other Employee Benefits Trust Funds
Assets					
Cash and investments	\$ 2,516,201	\$ 25,694	\$ -	\$ -	\$ 2,541,895
Investments:					
U.S. government securities	15,801,155	19,434,289	-	13,403,962	48,639,406
Mortgage-backed securities	10,510,990	-	4,557,261	-	15,068,251
Asset-backed securities	2,151,878	-	-	-	2,151,878
Collective investment fund equity	8,460,892	-	6,829,874	-	15,290,766
Mutual funds	70,640,610	55,139,643	32,498,864	9,615,830	167,894,947
Short-term cash management funds	7,347,543	-	2,865,064	-	10,212,607
Stocks	90,222,765	59,760,468	39,922,513	69,638,372	259,544,118
Bonds	17,027,428	10,307,409	2,260,757	7,030,484	36,626,078
Real estate	1,545,095	-	358,634	-	1,903,729
Other	64,663,905	-	-	-	64,663,905
Securities lending	1,188,558	-	-	-	1,188,558
Receivables:					
Accrued interest receivable	395,889	336,036	52,180	271,199	1,055,304
Other receivables	-	97	-	-	97
Prepaid items and other assets	-	4,357	-	240,414	244,771
Total assets	<u>292,472,909</u>	<u>145,007,993</u>	<u>89,345,147</u>	<u>100,200,261</u>	<u>627,026,310</u>
Liabilities					
Accounts payable	668,091	169,834	100,379	-	938,304
Due to primary government	258,137	101,621	5,679,632	4,430,544	10,469,934
Accrued liabilities and other	-	-	336,097	284,575	620,672
Obligations under securities lending agreements	1,188,558	-	-	-	1,188,558
Total liabilities	<u>2,114,786</u>	<u>271,455</u>	<u>6,116,108</u>	<u>4,715,119</u>	<u>13,217,468</u>
Net Position					
Restricted for pension	290,358,123	144,736,538	-	-	435,094,661
Restricted for postemployment benefits other than pension	-	-	83,229,039	95,485,142	178,714,181
Total net position	<u>\$ 290,358,123</u>	<u>\$ 144,736,538</u>	<u>\$ 83,229,039</u>	<u>\$ 95,485,142</u>	<u>\$ 613,808,842</u>

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

Year Ended June 30, 2025

	Pension and Other Employee Benefits Trust Funds - Year Ended December 31, 2024				Total Pension and Other Employee Benefits Trust Funds
	Police and Fire Retirement System	City Employees' Retirement System	Police and Fire VEBA Trust	City Employees' VEBA Trust	
Additions					
Investment income (loss):					
Interest and dividends	\$ 4,451,887	\$ 2,257,373	\$ 869,693	\$ 7,871,680	\$ 15,450,633
Net increase in fair value of investments	18,214,619	12,990,246	8,688,255	2,767,358	42,660,478
Investment-related expenses	(909,474)	(502,529)	(225,721)	(178,507)	(1,816,231)
Net investment income	21,757,032	14,745,090	9,332,227	10,460,531	56,294,880
Securities lending income (loss):					
Interest and dividends	16,561	29,662	-	-	46,223
Securities lending - Investment expense	(3,659)	-	-	-	(3,659)
Total securities lending income	12,902	29,662	-	-	42,564
Contributions:					
Employer contributions	15,307,890	7,907,888	8,076,970	5,444,121	36,736,869
Employee contributions	2,378,795	-	-	-	2,378,795
Total contributions	17,686,685	7,907,888	8,076,970	5,444,121	39,115,664
Total additions - Net	39,456,619	22,682,640	17,409,197	15,904,652	95,453,108
Deductions					
Benefit payments	35,560,757	16,888,004	11,083,204	8,464,979	71,996,944
Refunds of contributions	2,098,383	-	-	-	2,098,383
Administrative expenses	601,713	262,175	34,298	144,332	1,042,518
Total deductions	38,260,853	17,150,179	11,117,502	8,609,311	75,137,845
Net Increase in Fiduciary Net Position	1,195,766	5,532,461	6,291,695	7,295,341	20,315,263
Net Position - Beginning of year	289,162,357	139,204,077	76,937,344	88,189,801	593,493,579
Net Position - End of year	\$ 290,358,123	\$ 144,736,538	\$ 83,229,039	\$ 95,485,142	\$ 613,808,842

Supplementary Information
Budgetary Comparison Schedules
Major Streets

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental - State sources	\$ 13,920,116	\$ 13,920,116	\$ 14,029,154	\$ 109,038
Interest and rentals	250,000	250,000	812,311	562,311
Other revenue	12,500	12,500	12,500	-
Total revenue	14,182,616	14,182,616	14,853,965	671,349
Expenditures - Current services - Public works				
Streets	12,923,620	17,672,030	5,240,166	12,431,864
Stormwater drainage	46,861	46,861	46,861	-
Total expenditures	12,970,481	17,718,891	5,287,027	12,431,864
Excess of Revenue Over (Under) Expenditures	1,212,135	(3,536,275)	9,566,938	13,103,213
Other Financing Sources (Uses)				
Transfers in	78,275	78,275	-	(78,275)
Transfers out	(6,434,518)	(6,434,518)	(6,433,874)	644
Total other financing uses	(6,356,243)	(6,356,243)	(6,433,874)	(77,631)
Net Change in Fund Balance	(5,144,108)	(9,892,518)	3,133,064	13,025,582
Fund Balance - Beginning of year	19,055,257	19,055,257	19,055,257	-
Fund Balance - End of year	<u>\$ 13,911,149</u>	<u>\$ 9,162,739</u>	<u>\$ 22,188,321</u>	<u>\$ 13,025,582</u>

Supplementary Information
Budgetary Comparison Schedules (Continued)
Local Streets

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental - State sources	\$ 5,194,780	\$ 5,194,780	\$ 5,292,514	\$ 97,734
Interest and rentals	150,000	150,000	335,078	185,078
Total revenue	5,344,780	5,344,780	5,627,592	282,812
Expenditures - Current services - Public works				
Streets	7,709,123	8,478,025	5,267,419	3,210,606
Stormwater drainage	46,861	46,861	46,861	-
Total expenditures	7,755,984	8,524,886	5,314,280	3,210,606
Excess of Revenue (Under) Over Expenditures	(2,411,204)	(3,180,106)	313,312	3,493,418
Other Financing Sources - Transfers in	1,088,274	1,088,274	1,004,396	(83,878)
Net Change in Fund Balance	(1,322,930)	(2,091,832)	1,317,708	3,409,540
Fund Balance - Beginning of year	6,511,160	6,511,160	6,511,160	-
Fund Balance - End of year	<u>\$ 5,188,230</u>	<u>\$ 4,419,328</u>	<u>\$ 7,828,868</u>	<u>\$ 3,409,540</u>

Supplementary Information
Budgetary Comparison Schedules (Continued)
Recreation

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 3,954,005	\$ 3,954,005	\$ 3,992,817	\$ 38,812
Intergovernmental	650,897	3,777,577	1,907,945	(1,869,632)
Charges for services	1,245,350	1,245,350	885,289	(360,061)
Interest and rentals	168,636	168,636	212,520	43,884
Other revenue	-	-	97,265	97,265
Total revenue	6,018,888	9,145,568	7,095,836	(2,049,732)
Expenditures - Current services - Recreation and culture - Parks and recreation	5,904,914	10,404,002	7,873,585	2,530,417
Excess of Revenue Over (Under) Expenditures	113,974	(1,258,434)	(777,749)	480,685
Other Financing Uses - Transfers out	(250,838)	(250,838)	(250,836)	2
Net Change in Fund Balance	(136,864)	(1,509,272)	(1,028,585)	480,687
Fund Balance - Beginning of year	2,884,955	2,884,955	2,884,955	-
Fund Balance - End of year	<u>\$ 2,748,091</u>	<u>\$ 1,375,683</u>	<u>\$ 1,856,370</u>	<u>\$ 480,687</u>

Supplementary Information
Budgetary Comparison Schedules (Continued)
Sanitation

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 11,866,326	\$ 11,866,326	\$ 11,976,348	\$ 110,022
Intergovernmental - State sources	600,000	600,000	1,884,120	1,284,120
Investment income	120,000	120,000	437,637	317,637
Other revenue	312,305	312,305	91,250	(221,055)
Total revenue	12,898,631	12,898,631	14,389,355	1,490,724
Expenditures				
Current services - Public works	12,892,638	13,794,062	12,325,088	1,468,974
Debt service	1,208,449	1,208,449	1,208,449	-
Total expenditures	14,101,087	15,002,511	13,533,537	1,468,974
Net Change in Fund Balance	(1,202,456)	(2,103,880)	855,818	2,959,698
Fund Balance - Beginning of year	9,952,542	9,952,542	9,952,542	-
Fund Balance - End of year	\$ 8,750,086	\$ 7,848,662	\$ 10,808,360	\$ 2,959,698

Supplementary Information
Budgetary Comparison Schedules (Continued)
Library

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 5,424,680	\$ 5,424,680	\$ 5,471,889	\$ 47,209
Intergovernmental	440,000	673,780	1,275,866	602,086
Fines and forfeitures	76,000	76,000	57,805	(18,195)
Interest and rentals	200,000	200,000	379,007	179,007
Other revenue	10,500	10,500	7,509	(2,991)
Total revenue	6,151,180	6,384,960	7,192,076	807,116
Expenditures - Current services - Recreation and culture - Library	5,768,465	6,002,245	5,072,162	930,083
Excess of Revenue Over Expenditures	382,715	382,715	2,119,914	1,737,199
Other Financing Uses - Transfers out	(107,503)	(107,503)	(107,501)	2
Net Change in Fund Balance	275,212	275,212	2,012,413	1,737,201
Fund Balance - Beginning of year	7,708,338	7,708,338	7,708,338	-
Fund Balance - End of year	<u>\$ 7,983,550</u>	<u>\$ 7,983,550</u>	<u>\$ 9,720,751</u>	<u>\$ 1,737,201</u>

Supplementary Information
Budgetary Comparison Schedules (Continued)
Communications

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Licenses and permits	\$ 1,655,890	\$ 1,655,890	\$ 1,256,313	\$ (399,577)
Interest and rentals	75,000	75,000	70,746	(4,254)
Other revenue	12,200	12,200	20,017	7,817
Total revenue	1,743,090	1,743,090	1,347,076	(396,014)
Expenditures - Current services - Recreation and culture	2,031,856	2,078,106	1,408,248	669,858
Excess of Expenditures Over Revenue	(288,766)	(335,016)	(61,172)	273,844
Other Financing Uses - Transfers out	(358,339)	(358,339)	(358,337)	2
Net Change in Fund Balance	(647,105)	(693,355)	(419,509)	273,846
Fund Balance - Beginning of year	2,070,229	2,070,229	2,070,229	-
Fund Balance - End of year	<u>\$ 1,423,124</u>	<u>\$ 1,376,874</u>	<u>\$ 1,650,720</u>	<u>\$ 273,846</u>

Supplementary Information
 Budgetary Comparison Schedules (Continued)
 Rental Ordinance

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Fines and forfeitures	\$ 1,085,000	\$ 1,085,000	\$ 1,141,620	\$ 56,620
Interest and rentals	90,000	90,000	136,000	46,000
Total revenue	1,175,000	1,175,000	1,277,620	102,620
Expenditures - Current services - Community and economic development	1,249,072	1,297,814	958,336	339,478
Net Change in Fund Balance	(74,072)	(122,814)	319,284	442,098
Fund Balance - Beginning of year	2,875,358	2,875,358	2,875,358	-
Fund Balance - End of year	<u>\$ 2,801,286</u>	<u>\$ 2,752,544</u>	<u>\$ 3,194,642</u>	<u>\$ 442,098</u>

**Supplementary Information
Budgetary Comparison Schedules (Continued)
Vice Crime Confiscations**

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 113,064	\$ 63,064
Interest and rentals	10,000	10,000	20,617	10,617
Total revenue	60,000	60,000	133,681	73,681
Expenditures - Current services - Public safety - Crime commission	113,525	113,525	93,698	19,827
Net Change in Fund Balance	(53,525)	(53,525)	39,983	93,508
Fund Balance - Beginning of year	463,679	463,679	463,679	-
Fund Balance - End of year	<u>\$ 410,154</u>	<u>\$ 410,154</u>	<u>\$ 503,662</u>	<u>\$ 93,508</u>

**Supplementary Information
Budgetary Comparison Schedules (Continued)
Drug Forfeiture**

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Intergovernmental	\$ 625,000	\$ 625,000	\$ 711,647	\$ 86,647
Interest and rentals	<u>80,000</u>	<u>80,000</u>	<u>58,669</u>	<u>(21,331)</u>
Total revenue	705,000	705,000	770,316	65,316
Expenditures - Current services - Public safety -				
Crime commission	<u>1,085,000</u>	<u>1,311,570</u>	<u>1,091,626</u>	<u>219,944</u>
Net Change in Fund Balance	(380,000)	(606,570)	(321,310)	285,260
Fund Balance - Beginning of year	<u>1,606,197</u>	<u>1,606,197</u>	<u>1,606,197</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 1,226,197</u>	<u>\$ 999,627</u>	<u>\$ 1,284,887</u>	<u>\$ 285,260</u>

Supplementary Information
 Budgetary Comparison Schedules (Continued)
 Police Training

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 82,630	\$ 32,630
Interest and rentals	2,500	2,500	3,879	1,379
Total revenue	52,500	52,500	86,509	34,009
Expenditures - Current services - Public safety - Crime commission	52,500	102,500	71,694	30,806
Net Change in Fund Balance	-	(50,000)	14,815	64,815
Fund Balance - Beginning of year	71,701	71,701	71,701	-
Fund Balance - End of year	<u>\$ 71,701</u>	<u>\$ 21,701</u>	<u>\$ 86,516</u>	<u>\$ 64,815</u>

Supplementary Information
Budgetary Comparison Schedules (Continued)
Local Road Millage

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 8,564,421	\$ 8,564,421	\$ 8,635,080	\$ 70,659
Intergovernmental	450,000	450,000	1,359,893	909,893
Interest and rentals	400,000	400,000	483,453	83,453
Total revenue	9,414,421	9,414,421	10,478,426	1,064,005
Expenditures - Current services - Public works - Streets	12,404,270	19,289,270	7,404,116	11,885,154
Net Change in Fund Balance	(2,989,849)	(9,874,849)	3,074,310	12,949,159
Fund Balance - Beginning of year	9,470,209	9,470,209	9,470,209	-
Fund Balance - End of year	<u>\$ 6,480,360</u>	<u>\$ (404,640)</u>	<u>\$ 12,544,519</u>	<u>\$ 12,949,159</u>

**Supplementary Information
Budgetary Comparison Schedules (Continued)
Indigent Defense**

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Intergovernmental	\$ -	\$ 2,464,905	\$ 1,204,523	\$ (1,260,382)
Interest and rentals	-	-	115,805	115,805
Total revenue	-	2,464,905	1,320,328	(1,144,577)
Expenditures - Current services - District court	-	2,464,905	1,444,097	1,020,808
Excess of Expenditures Over Revenue	-	-	(123,769)	(123,769)
Other Financing Sources - Transfers in	-	-	123,769	123,769
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supplementary Information
Budgetary Comparison Schedules (Continued)
Opioid

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Interest and rentals	\$ -	\$ -	\$ 102,491	\$ 102,491
Other revenue	-	-	<u>564,028</u>	<u>564,028</u>
Total revenue	-	-	666,519	666,519
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	666,519	666,519
Fund Balance - Beginning of year	<u>2,230,939</u>	<u>2,230,939</u>	<u>2,230,939</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 2,230,939</u>	<u>\$ 2,230,939</u>	<u>\$ 2,897,458</u>	<u>\$ 666,519</u>

Supplementary Information
 Budgetary Comparison Schedules (Continued)
 Land Bank Authority

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Interest	\$ -	\$ -	\$ 9	\$ 9
Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	9	9
Fund Balances - Beginning of year	-	-	-	-
Fund Balances - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 9</u>

Supplementary Information
Budgetary Comparison Schedules (Continued)
Debt Service Funds

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Investment income	\$ 3,100	\$ 3,100	\$ 3,662	\$ 562
Expenditures - Debt service				
Principal	3,034,531	3,034,531	3,667,164	(632,633)
Interest and fiscal charges	2,997,904	2,997,904	2,822,131	175,773
Total expenditures	<u>6,032,435</u>	<u>6,032,435</u>	<u>6,489,295</u>	<u>(456,860)</u>
Excess of Expenditures Over Revenue	(6,029,335)	(6,029,335)	(6,485,633)	(456,298)
Other Financing Sources - Transfers in	<u>6,862,518</u>	<u>6,862,518</u>	<u>6,489,295</u>	<u>(373,223)</u>
Net Change in Fund Balance	833,183	833,183	3,662	(829,521)
Fund Balance - Beginning of year	<u>81,006</u>	<u>81,006</u>	<u>81,006</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 914,189</u></u>	<u><u>\$ 914,189</u></u>	<u><u>\$ 84,668</u></u>	<u><u>\$ (829,521)</u></u>

Supplementary Information
Budgetary Comparison Schedules (Continued)
Capital Projects Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Special assessments	\$ -	\$ -	\$ 235,505	\$ 235,505
Fines and forfeitures	550,000	550,000	837,021	287,021
Interest and rentals	250,000	250,000	1,705,236	1,455,236
Total revenue	800,000	800,000	2,777,762	1,977,762
Expenditures				
Current services:				
General government	111,173	702,173	267,512	434,661
Public safety	-	-	1,050,678	(1,050,678)
Public works	8,373,498	8,373,498	7,052,017	1,321,481
Community and economic development	14,981,882	14,981,882	6,004,763	8,977,119
Debt service	-	-	375,883	(375,883)
Total expenditures	23,466,553	24,057,553	14,750,853	9,306,700
Excess of Expenditures Over Revenue	(22,666,553)	(23,257,553)	(11,973,091)	11,284,462
Other Financing Sources - Bond proceeds	15,093,055	15,093,055	16,143,732	1,050,677
Net Change in Fund Balance	(7,573,498)	(8,164,498)	4,170,641	12,335,139
Fund Balance - Beginning of year	42,081,802	42,081,802	42,081,802	-
Fund Balance - End of year	<u>\$ 34,508,304</u>	<u>\$ 33,917,304</u>	<u>\$ 46,252,443</u>	<u>\$ 12,335,139</u>

Statistical Section

This part of the annual comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health

The statistical section is organized into the following main categories:

Financial trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt capacity

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and economic information

These schedules help the reader understand the environment within which the City's financial activities take place.

Operating information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the City provides and the activities it performs.

City of Warren, Michigan

	Fiscal Year			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:				
Net investment in capital assets	\$ 117,332,131	\$ 123,302,796	\$ 113,821,101	\$ 137,591,150
Restricted	44,077,625	45,423,260	62,562,871	51,381,660
Unrestricted	<u>(148,581,462)</u>	<u>(152,409,503)</u>	<u>(353,060,453)</u>	<u>(331,784,055)</u>
Total net position	<u>\$ 12,828,294</u>	<u>\$ 16,316,553</u>	<u>\$ (176,676,481)</u>	<u>\$ (142,811,245)</u>
Business-type activities:				
Net investment in capital assets	\$ 73,329,416	\$ 74,111,047	\$ 78,416,923	\$ 88,586,233
Restricted	12,215,367	9,907,889	10,604,481	11,758,477
Unrestricted	<u>(5,756,509)</u>	<u>831,598</u>	<u>(4,522,150)</u>	<u>(13,653,738)</u>
Total net position	<u>\$ 79,788,274</u>	<u>\$ 84,850,534</u>	<u>\$ 84,499,254</u>	<u>\$ 86,690,972</u>
Primary government in total:				
Net investment in capital assets	\$ 190,661,547	\$ 197,413,843	\$ 192,238,024	\$ 226,177,383
Restricted	56,292,992	55,331,149	73,167,352	63,140,137
Unrestricted	<u>(154,337,971)</u>	<u>(151,577,905)</u>	<u>(357,582,603)</u>	<u>(345,437,793)</u>
Total net position	<u>\$ 92,616,568</u>	<u>\$ 101,167,087</u>	<u>\$ (92,177,227)</u>	<u>\$ (56,120,273)</u>

Net Position by Component

Last Ten Fiscal Years

June 30, 2025

Fiscal Year					
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 148,821,662	\$ 147,713,494	\$ 147,004,950	\$ 149,128,949	\$ 162,547,369	\$ 183,545,380
56,657,895	60,813,301	62,672,438	66,772,250	103,757,316	91,612,218
<u>(293,964,403)</u>	<u>(241,193,827)</u>	<u>(194,946,743)</u>	<u>(190,519,602)</u>	<u>(216,630,639)</u>	<u>(185,318,882)</u>
<u>\$ (88,484,846)</u>	<u>\$ (32,667,032)</u>	<u>\$ 14,730,645</u>	<u>\$ 25,381,597</u>	<u>\$ 49,674,046</u>	<u>\$ 89,838,716</u>
\$ 97,426,077	\$ 107,137,005	\$ 119,294,810	\$ 130,599,205	\$ 142,575,788	\$ 155,604,546
12,864,828	11,701,581	9,814,138	10,091,328	6,843,365	5,539,109
<u>(13,298,569)</u>	<u>(10,985,033)</u>	<u>(6,918,829)</u>	<u>(6,592,965)</u>	<u>(6,056,592)</u>	<u>(2,806,544)</u>
<u>\$ 96,992,336</u>	<u>\$ 107,853,553</u>	<u>\$ 122,190,119</u>	<u>\$ 134,097,568</u>	<u>\$ 143,362,561</u>	<u>\$ 158,337,111</u>
\$ 246,247,739	\$ 254,850,499	\$ 266,299,760	\$ 279,728,154	\$ 305,123,157	\$ 339,149,926
69,522,723	72,514,882	72,486,576	76,863,578	110,600,681	97,151,327
<u>(307,262,972)</u>	<u>(252,178,860)</u>	<u>(201,865,572)</u>	<u>(197,112,567)</u>	<u>(222,687,231)</u>	<u>(188,125,426)</u>
<u>\$ 8,507,490</u>	<u>\$ 75,186,521</u>	<u>\$ 136,920,764</u>	<u>\$ 159,479,165</u>	<u>\$ 193,036,607</u>	<u>\$ 248,175,827</u>

City of Warren, Michigan

	Fiscal Year			
	2016	2017	2018	2019
Expenses:				
Governmental activities:				
General government	\$ 24,104,939	\$ 11,213,283	\$ 16,097,711	\$ 13,009,185
District Court	7,289,471	7,044,306	6,464,165	7,840,727
Public safety	82,746,267	82,752,844	62,391,916	60,857,353
Public works	29,080,210	36,116,970	26,695,024	34,995,669
Recreation and culture	11,812,918	13,945,510	11,398,091	9,492,031
Community and economic development	4,292,710	3,588,945	3,966,082	7,438,567
Interest on long-term debt	472,567	386,248	359,449	541,808
Total governmental activities expenses	<u>159,799,082</u>	<u>155,048,106</u>	<u>127,372,438</u>	<u>134,175,340</u>
Business-type activities:				
Water and Sewer System	40,773,173	39,590,168	31,872,979	52,185,596
Senior citizen housing	2,094,997	2,069,939	1,797,443	2,126,731
Total business-type activities expenses	<u>42,868,170</u>	<u>41,660,107</u>	<u>33,670,422</u>	<u>54,312,327</u>
Total primary government expenses	<u>\$ 202,667,252</u>	<u>\$ 196,708,213</u>	<u>\$ 161,042,860</u>	<u>\$ 188,487,667</u>
Program revenues:				
Governmental activities:				
Charges for services	\$ 23,645,696	\$ 22,409,974	\$ 21,808,137	\$ 23,004,408
Operating grants and contributions	17,390,917	15,536,736	19,154,256	20,534,246
Capital grants and contributions	844,295	2,190,092	326,759	193,543
Total governmental activities program revenue	<u>41,880,908</u>	<u>40,136,802</u>	<u>41,289,152</u>	<u>43,732,197</u>
Business-type activities:				
Water and Sewer System	40,682,519	44,240,520	47,890,812	52,340,914
Senior citizen housing	2,371,020	2,380,731	2,379,554	2,482,676
Total business-type activities program revenue	<u>43,053,539</u>	<u>46,621,251</u>	<u>50,270,366</u>	<u>54,823,590</u>
Total primary government program revenue	<u>\$ 84,934,447</u>	<u>\$ 86,758,053</u>	<u>\$ 91,559,518</u>	<u>\$ 98,555,787</u>
Net (expense) revenue:				
Governmental activities	\$ (117,918,174)	\$ (114,911,304)	\$ (86,083,286)	\$ (90,443,143)
Business-type activities	185,369	4,961,144	16,599,944	511,263
Total primary government net expense	<u>\$ (117,732,805)</u>	<u>\$ (109,950,160)</u>	<u>\$ (69,483,342)</u>	<u>\$ (89,931,880)</u>
General Revenue and Other Changes in Net Position				
Governmental activities:				
Property taxes	\$ 90,658,051	\$ 87,521,449	\$ 88,206,104	\$ 90,212,955
State-shared revenue	12,830,042	28,184,436	18,394,692	26,158,925
Franchise fees	2,263,382	2,266,273	2,175,819	2,095,219
Investment earnings	318,427	427,405	870,709	2,371,630
Gain (loss) on sale of capital assets	-	-	-	-
Other revenue	-	-	37,982	3,469,650
Reduction in long-term debt obligation	-	-	-	-
Settlement agreements	-	-	-	-
Transfers	-	-	-	-
Total governmental activities	<u>106,069,902</u>	<u>118,399,563</u>	<u>109,685,306</u>	<u>124,308,379</u>
Business-type activities:				
Investment earnings	108,047	101,116	636,200	1,760,106
Gain (loss) on sale of capital assets	-	-	-	(79,651)
Other general revenue	-	-	-	-
Total business-type activities	<u>108,047</u>	<u>101,116</u>	<u>636,200</u>	<u>1,680,455</u>
Total primary government	<u>\$ 106,177,949</u>	<u>\$ 118,500,679</u>	<u>\$ 110,321,506</u>	<u>\$ 125,988,834</u>
Changes in Net Position				
Governmental activities	\$ (11,848,272)	\$ 3,488,259	\$ 23,602,020	\$ 33,865,236
Business-type activities	293,416	5,062,260	17,236,144	2,191,718
Total primary government	<u>\$ (11,554,856)</u>	<u>\$ 8,550,519</u>	<u>\$ 40,838,164</u>	<u>\$ 36,056,954</u>

(1) (1) Reflects Water and Sewer Fund revenue and expenses for the 18-month period ended June 30, 2015 due to a change in the Fund's fiscal year end.

Changes in Net Position

Last Ten Fiscal Years

June 30, 2025

		Fiscal Year									
		2020	2021	2022	2023	2024	2025				
\$	8,555,463	\$	14,130,689	\$	8,021,513	\$	15,499,656	\$	16,038,821	\$	21,003,386
	5,663,508		6,645,015		5,330,732		8,342,545		8,719,566		8,505,616
	55,271,480		46,455,172		56,272,504		81,720,834		95,446,188		105,194,833
	35,020,927		35,368,130		42,145,948		56,854,000		51,188,477		46,159,046
	5,211,844		10,100,720		9,509,946		10,801,563		11,458,752		13,605,309
	6,513,838		4,001,355		4,769,563		5,165,585		5,234,204		12,939,259
	675,970		800,814		1,383,726		1,707,887		2,673,397		3,099,806
	<u>116,913,030</u>		<u>117,501,895</u>		<u>127,433,932</u>		<u>180,092,070</u>		<u>190,759,405</u>		<u>210,507,255</u>
	41,501,782		44,287,599		43,238,821		51,508,087		47,537,452		48,181,621
	1,944,925		2,291,810		2,186,408		2,631,130		2,991,738		2,962,754
	<u>43,446,707</u>		<u>46,579,409</u>		<u>45,425,229</u>		<u>54,139,217</u>		<u>50,529,190</u>		<u>51,144,375</u>
\$	<u>160,359,737</u>	\$	<u>164,081,304</u>	\$	<u>172,859,161</u>	\$	<u>234,231,287</u>	\$	<u>241,288,595</u>	\$	<u>261,651,630</u>
\$	20,085,980	\$	19,061,826	\$	20,532,170	\$	21,236,051	\$	22,747,115	\$	24,904,561
	20,086,577		29,283,510		23,328,385		26,628,137		28,649,748		40,916,243
	9,286,649		1,345,524		2,351,816		4,516,294		10,926,399		21,020,867
	<u>49,459,206</u>		<u>49,690,860</u>		<u>46,212,371</u>		<u>52,380,482</u>		<u>62,323,262</u>		<u>86,841,671</u>
	50,383,639		54,868,133		57,124,402		62,281,110		55,311,047		61,464,958
	2,455,909		2,484,655		2,598,771		2,726,420		2,846,162		2,880,389
	<u>52,839,548</u>		<u>57,352,788</u>		<u>59,723,173</u>		<u>65,007,530</u>		<u>58,157,209</u>		<u>64,345,347</u>
\$	<u>102,298,754</u>	\$	<u>107,043,648</u>	\$	<u>105,935,544</u>	\$	<u>117,388,012</u>	\$	<u>120,480,471</u>	\$	<u>151,187,018</u>
\$	(67,453,824)	\$	(67,811,035)	\$	(81,221,561)	\$	(127,711,588)	\$	(128,436,143)	\$	(123,665,584)
	9,392,841		10,773,379		14,297,944		10,868,313		7,628,019		13,200,972
\$	<u>(58,060,983)</u>	\$	<u>(57,037,656)</u>	\$	<u>(66,923,617)</u>	\$	<u>(116,843,275)</u>	\$	<u>(120,808,124)</u>	\$	<u>(110,464,612)</u>
\$	93,420,380	\$	96,020,738	\$	100,786,741	\$	106,929,947	\$	112,639,687	\$	123,228,073
	22,967,832		25,046,426		25,954,903		25,666,501		28,210,918		29,061,629
	2,015,541		2,018,162		1,896,974		1,707,103		1,491,623		1,256,313
	1,816,753		217,319		(494,724)		3,997,331		10,137,856		10,124,875
	-		-		-		-		-		-
	1,559,717		326,204		475,344		61,658		248,508		159,364
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	<u>121,780,223</u>		<u>123,628,849</u>		<u>128,619,238</u>		<u>138,362,540</u>		<u>152,728,592</u>		<u>163,830,254</u>
	908,523		87,838		38,622		1,028,336		1,636,974		1,759,878
	-		-		-		10,800		-		13,700
	-		-		-		-		-		-
	<u>908,523</u>		<u>87,838</u>		<u>38,622</u>		<u>1,039,136</u>		<u>1,636,974</u>		<u>1,773,578</u>
\$	<u>122,688,746</u>	\$	<u>123,716,687</u>	\$	<u>128,657,860</u>	\$	<u>139,401,676</u>	\$	<u>154,365,566</u>	\$	<u>165,603,832</u>
\$	54,326,399	\$	55,817,814	\$	47,397,677	\$	10,650,952	\$	24,292,449	\$	40,164,670
	10,301,364		10,861,217		14,336,566		11,907,449		9,264,993		14,974,550
\$	<u>64,627,763</u>	\$	<u>66,679,031</u>	\$	<u>61,734,243</u>	\$	<u>22,558,401</u>	\$	<u>33,557,442</u>	\$	<u>55,139,220</u>

City of Warren, Michigan

	Fiscal Year			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	579,045	488,137	1,018,208	978,208
Restricted	-	-	-	-
Assigned	45,342,612	54,304,851	30,694,045	40,972,321
Unassigned	<u>17,896,751</u>	<u>16,620,736</u>	<u>17,504,161</u>	<u>17,408,258</u>
Total General Fund	<u>\$ 63,818,408</u>	<u>\$ 71,413,724</u>	<u>\$ 49,216,414</u>	<u>\$ 59,358,787</u>
All other governmental funds:				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	38,165	29,679	51,057	55,249
Restricted	35,138,179	35,541,188	53,037,480	51,084,443
Committed	1,243,997	1,272,625	1,326,799	1,444,972
Assigned	7,072,981	7,458,170	8,054,317	8,849,088
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 43,493,322</u>	<u>\$ 44,301,662</u>	<u>\$ 62,469,653</u>	<u>\$ 61,433,752</u>
Total of all governmental funds				

Fund Balances, Governmental Funds

Last Ten Fiscal Years

June 30, 2025

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ -	\$ -	\$ -	\$ -			
570,605	852,775	800,677	600,936	608,708	556,077	
-	-	-	-			
46,852,322	62,341,595	63,402,430	66,067,052	70,296,113	92,160,132	
18,146,893	19,360,088	21,537,370	22,496,175	24,263,065	24,326,898	
\$ 65,569,820	\$ 82,554,458	\$ 85,740,477	\$ 89,164,163	\$ 95,167,886	\$ 117,043,107	
\$ -	\$ -	\$ -	\$ -			
47,971	36,782	58,723	65,775	70,264	23,355	
48,150,409	73,645,453	69,057,393	71,869,921	92,906,700	106,245,035	
1,670,057	1,869,967	2,222,850	2,978,033	3,277,581	3,539,918	
9,401,273	9,919,357	10,397,221	10,791,278	11,764,520	11,834,565	
-	-	-	-	-	-	
\$ 59,269,710	\$ 85,471,559	\$ 81,736,187	\$ 85,705,007	\$ 108,019,065	\$ 121,642,873	

City of Warren, Michigan

	Fiscal Year			
	2016	2017	2018	2019
Revenue				
Property taxes	\$ 90,615,975	\$ 87,521,449	\$ 88,206,104	\$ 90,212,955
Special assessments	268,564	320,742	337,461	216,085
Licenses and permits	4,265,251	4,018,513	3,841,077	7,054,475
Intergovernmental:				
Federal revenue	3,681,679	3,913,933	3,577,958	3,210,255
State-shared revenue and grants	27,103,065	41,747,464	34,921,047	45,333,707
Charges for services	6,213,357	6,503,468	6,807,317	6,794,015
Fines and fees	7,326,390	6,392,742	6,706,617	7,016,632
Interest	269,262	402,702	860,007	2,452,406
Other	6,927,801	6,392,356	5,564,304	6,008,780
Total revenue	<u>146,671,344</u>	<u>157,213,369</u>	<u>150,821,892</u>	<u>168,299,310</u>
Expenditures				
General government	16,524,940	16,785,509	24,627,533	14,048,925
District court	7,423,740	7,514,872	7,802,982	7,522,817
Public safety	68,062,083	69,691,662	84,110,962	71,718,485
Public works	33,294,649	35,771,364	33,345,393	51,698,511
Recreation and culture	11,136,185	12,841,100	11,500,198	11,877,714
Community and economic development	4,342,649	3,522,057	4,019,759	7,458,288
Debt service:				
Principal	2,683,113	2,287,475	2,345,582	2,061,021
Interest	528,927	395,674	335,522	677,966
Total expenditures	<u>143,996,286</u>	<u>148,809,713</u>	<u>168,087,931</u>	<u>167,063,727</u>
Excess of Revenue Over Expenditures	2,675,058	8,403,656	(17,266,039)	1,235,583
Other Financing Sources (Uses)				
Transfers in (out)	3,067,228	4,387,854	-	-
Transfers to fiduciary funds	-	-	-	-
Transfers to Water and Sewer System	(3,067,228)	(4,387,854)	-	-
Proceeds from sale of property	-	-	-	-
Proceeds from issuance of debt	-	-	13,236,720	7,870,889
Payment to refunded bond escrow agent	-	-	-	-
Bond premium (discounts)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>13,236,720</u>	<u>7,870,889</u>
Net change in fund balances	2,675,058	8,403,656	(4,029,319)	9,106,472
Debt service as a percentage of noncapital expenditures	2.55%	1.97%	1.71%	2.03%

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

June 30, 2025

		Fiscal Year					
		2020	2021	2022	2023	2024	2025
\$	93,420,380	\$ 96,020,738	\$ 100,786,741	\$ 106,929,947	\$ 112,639,687	\$ 123,228,073	
	294,158	189,444	324,001	389,074	324,052	235,505	
	6,184,488	7,631,277	6,919,340	6,325,060	5,571,145	6,180,403	
	3,591,773	11,566,905	4,783,533	4,169,618	3,999,012	15,928,559	
	40,815,671	43,918,419	46,272,828	47,605,879	51,545,446	54,785,479	
	6,148,689	4,454,264	5,373,652	6,223,992	6,695,305	6,658,501	
	5,726,850	5,472,330	5,844,551	5,550,236	6,229,995	8,446,815	
	1,914,947	253,385	(417,006)	4,038,731	10,203,325	10,179,353	
	4,180,883	2,862,779	3,135,702	3,618,525	4,553,015	3,452,842	
	<u>162,277,839</u>	<u>172,369,541</u>	<u>173,023,342</u>	<u>184,851,062</u>	<u>201,760,982</u>	<u>229,095,530</u>	
	11,724,444	12,069,470	12,687,262	13,308,905	14,861,688	15,319,613	
	7,457,866	7,817,129	8,460,990	8,014,236	8,597,560	9,080,985	
	72,677,218	76,410,290	81,547,206	85,828,728	91,330,168	106,006,919	
	47,252,283	36,220,296	49,415,439	60,608,701	57,758,482	50,836,435	
	10,921,674	9,865,713	11,083,002	12,036,513	11,812,011	14,405,940	
	5,467,507	4,068,628	5,070,047	5,121,195	5,117,740	12,638,373	
	2,109,755	3,216,978	3,951,188	4,145,022	4,869,532	5,701,618	
	620,101	796,376	1,414,532	1,704,471	2,630,675	3,032,893	
	<u>158,230,848</u>	<u>150,464,880</u>	<u>173,629,666</u>	<u>190,767,771</u>	<u>196,977,856</u>	<u>217,022,776</u>	
	4,046,991	21,904,661	(606,324)	(5,916,709)	4,783,126	12,072,754	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
	-	21,281,826	4,569,538	11,670,000	23,534,655	23,426,275	
	-	-	(4,975,816)	-	-	-	
	-	-	463,249	1,639,215	-	-	
	<u>-</u>	<u>21,281,826</u>	<u>56,971</u>	<u>13,309,215</u>	<u>23,534,655</u>	<u>23,426,275</u>	
	4,046,991	43,186,487	(549,353)	7,392,506	28,317,781	35,499,029	
	2.16%	3.38%	3.78%	3.59%	4.44%	4.56%	

City of Warren, Michigan

Valuation Date Dec. 31	Fiscal Year Ended	Real Property					
		Commercial		Industrial		Residential	
		State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value
2014	2016	552,421,890	477,195,010	557,876,810	536,764,340	2,000,550,680	1,731,216,405
2015	2017	574,574,110	479,762,650	578,180,810	541,688,250	2,222,026,347	1,764,665,377
2016	2018	605,853,780	499,783,830	602,680,980	550,371,070	2,377,073,450	1,818,118,720
2017	2019	635,317,540	533,676,070	640,338,020	576,625,900	2,473,597,023	1,892,319,973
2018	2020	663,434,110	540,896,560	662,623,930	596,729,950	2,713,853,089	1,987,886,187
2019	2021	695,570,595	568,136,475	725,992,230	619,975,020	2,946,749,019	2,078,961,947
2020	2022	690,400,420	568,582,718	791,097,440	647,737,401	3,162,889,387	2,169,931,025
2021	2023	743,050,000	602,455,253	854,247,970	692,467,946	3,369,574,471	2,315,119,902
2022	2024	795,697,050	642,667,939	836,262,930	722,805,688	3,866,748,390	2,523,654,629
2023	2025	876,187,588	677,352,792	923,798,110	785,669,494	4,393,504,404	2,731,685,489

The State Equalized Value (SEV) is the Actual Value multiplied by the Equalization Factor, currently equal to 50 percent.

The amounts reported are provided annually by the City Assessor's Office and do not reflect any tax exempt properties. Assessments are valued as of December 31 of each year. The respective taxes were levied on July 1 of the following year for the fiscal year indicated. During the fiscal year, the SEV and taxable values may be amended through judgments of the State Tax Commission (STC), Michigan Tax Tribunal (MTT), or Board of Review (BOR).

On March 15, 1994, Michigan voters passed Proposal A, which places a limit on the value used to compute property taxes. Effective with the July 1, 1995 levy, property taxes are calculated using a Taxable Value. The Taxable Value is the lower of the State Equalized Value or the Capped Value. The State Equalized Value is the Assessed Value (representing 50 percent of the true cash value) multiplied by the Equalization Factor (currently equal to 1.000). The Capped Value is calculated by using the prior year's Taxable Value minus losses times the lower of 1.05 or the prior year's Consumers Price Index for the 12 months ended September 30 plus any additions.

(1) I.F.T. = Industrial Facilities Tax, O.P.R.A. = Obsolete Property Rehabilitation Act

State Equalized and Taxable Value of Taxable Property

**Last Ten Fiscal Years
June 30, 2025**

Personal Property		I.F.T. & O.P.R.A. Tax Rolls (1)		Totals		Total Direct Tax Rate
State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	State Equalized Value	Taxable Value	
709,290,551	709,171,093	186,835,509	185,265,499	4,006,975,440	3,639,612,347	27.7637
405,829,168	405,147,626	146,087,053	144,171,073	3,926,697,488	3,335,434,976	27.7703
362,220,969	362,101,897	117,775,742	117,178,112	4,065,604,921	3,347,553,629	27.7659
346,038,987	345,920,597	121,223,562	119,672,957	4,216,515,132	3,468,215,497	27.6539
357,859,651	357,859,651	132,348,329	130,998,924	4,530,119,109	3,614,371,272	27.5658
380,012,060	380,012,060	130,426,914	128,110,219	4,878,750,818	3,775,195,721	27.1471
411,930,164	411,930,164	159,771,540	154,253,998	5,216,088,951	3,952,435,306	27.2265
450,372,625	450,372,625	216,925,844	213,101,084	5,634,170,910	4,273,516,810	27.0913
419,483,945	419,435,453	215,996,800	212,172,040	6,134,189,115	4,520,735,749	27.0913
424,055,544	424,055,544	216,350,518	211,723,576	6,833,896,164	4,830,486,895	27.4030

City of Warren, Michigan

City-wide Direct Tax Rate

Fiscal Year Ended	City-wide Direct Tax Rate									
	General (1)	Emergency	Police	Police	Police	Fire	Local	Police & Fire		
June 30	Operating	Library	Medical Service	Parks & Recreation	& Fire Pensions	Sanitation	Protection	Protection	Road	Operating
2016	8.7302	1.3308	0.2908	0.9699	4.9848	2.5550	0.9699	0.9699	2.0899	4.8764
2017	8.7285	1.3305	0.2908	0.9697	4.9848	2.5550	0.9697	0.9697	2.0961	4.8755
2018	8.7101	1.3276	0.2901	0.9676	4.9848	2.5550	0.9676	0.9676	2.0955	4.9000
2019	8.6709	1.3216	0.2887	0.9632	4.9848	2.5550	0.9632	0.9632	2.0860	4.8573
2020	8.6249	1.3145	0.2871	0.9580	4.9848	2.5550	0.9624	0.9624	2.0749	4.8418
2021	8.5421	1.0757	0.2843	0.9488	4.9848	2.5550	0.9531	0.9531	2.0549	4.7953
2022	8.4592	1.0710	0.2815	0.9395	4.9848	2.8193	0.9438	0.9438	2.0349	4.7487
2023	8.3263	1.2687	0.2770	0.9247	4.9848	2.7750	0.9289	0.9289	2.0029	4.6741
2024	8.3263	1.2687	0.2770	0.9247	4.9848	2.7750	0.9289	0.9289	2.0029	4.6741
2025	8.2555	1.2578	0.2746	0.9168	5.4848	2.7514	0.9210	0.9210	1.9858	4.6343

(1) The City's general operating tax rate charter limit equals 9.0000 mills.

School District Overlapping Tax Rate

	Fitzgerald		Van Dyke		East Detroit	
	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead
School District Rate	16.5700	34.5700	15.2300	33.2300	13.0000	31.0000
Combined City & County Rate	38.4629	38.4629	38.4629	38.4629	38.4629	38.4629
2016 Total Direct & Overlapping Rate	54.8242	72.8214	56.1689	74.1689	51.3689	69.3689
School District Rate	14.2604	32.2010	16.7500	34.7500	13.0000	30.8992
Combined City & County Rate	38.2395	38.2395	38.2395	38.2395	38.2395	38.2395
2017 Total Direct & Overlapping Rate	52.4999	70.4405	54.9895	72.9895	51.2395	69.1387
School District Rate	15.0604	33.0010	16.7500	34.7500	13.0000	30.6946
Combined City & County Rate	38.1824	38.1824	38.1824	38.1824	38.1824	38.1824
2018 Total Direct & Overlapping Rate	53.2428	71.1834	54.9324	72.9324	51.1824	68.8770
School District Rate	14.5204	32.3352	16.7500	34.5359	13.0000	30.7648
Combined City & County Rate	38.0854	38.0854	38.0854	38.0854	38.0854	38.0854
2019 Total Direct & Overlapping Rate	52.6058	70.4206	54.8354	72.6213	51.0854	68.8502
School District Rate	17.4190	35.2090	17.7478	35.7478	13.0000	30.5871
Combined City & County Rate	37.9169	37.9169	37.9169	37.9169	37.9169	37.9169
2020 Total Direct & Overlapping Rate	55.3359	73.1259	55.6647	73.6647	50.9169	68.5040
School District Rate	18.4000	35.8039	16.6846	34.6846	12.5000	29.8285
Combined City & County Rate	39.3789	39.3789	39.3789	39.3789	39.3789	39.3789
2021 Total Direct & Overlapping Rate	57.7789	75.1828	56.0635	74.0635	51.8789	69.2074
School District Rate	18.6480	36.1816	15.8308	33.8308	12.3434	29.4743
Combined City & County Rate	39.2426	39.2426	39.2426	39.2426	39.2426	39.2426
2022 Total Direct & Overlapping Rate	57.8906	75.4242	55.0734	73.0734	51.5860	68.7169
School District Rate	14.9847	32.2588	15.4846	33.4846	12.3249	29.2228
Combined City & County Rate	38.9613	38.9613	38.9613	38.9613	38.9613	38.9613
2023 Total Direct & Overlapping Rate	53.9460	71.2201	54.4459	72.4459	51.2862	68.1841
School District Rate	16.9545	34.2286	14.9646	32.9646	12.3099	29.2078
Combined City & County Rate	39.0496	39.0496	39.0496	39.0496	39.0496	39.0496
2024 Total Direct & Overlapping Rate	56.0041	73.2782	54.0142	72.0142	51.3595	68.2574
School District Rate	16.9255	33.9577	13.9482	31.9482	12.2216	28.6243
Combined City & County Rate	39.3682	39.3682	39.3682	39.3682	39.3682	39.3682
2025 Total Direct & Overlapping Rate	56.2937	73.3259	53.3164	71.3164	51.5898	67.9925

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

June 30, 2025

Total City-wide Direct Tax Rate	County-wide Overlapping Tax Rate							Total Overlapping Tax Rate
	Art Ins Institute	Macomb I.S.D.	Macomb Community College	H.C.M.A. Zoo Authority, & Veterans S.M.A.R.T.	Macomb County			
					Operating	Debt		
27.7676	0.2000	2.9430	1.5302	0.3546	1.0000	4.5685	0.0050	10.6013
27.7703	0.1994	2.9355	1.4212	0.3541	0.9974	4.5566	0.0050	10.4692
27.7659	0.1979	2.9146	1.4034	0.3811	0.9903	4.5242	0.0050	10.4165
27.6539	0.1965	2.8945	1.4640	0.3790	1.0000	4.4925	0.0050	10.4315
27.5658	0.1950	2.8744	1.4531	0.3768	0.9926	4.4592	-	10.3511
27.1471	0.1930	4.7296	1.4387	0.4728	0.9827	4.4150	-	12.2318
27.2265	0.1911	4.6845	1.4247	0.3706	0.9731	4.3721	-	12.0161
27.0913	0.1956	4.6300	1.4077	0.3667	0.9500	4.3200	-	11.8700
27.0913	0.1956	4.6300	1.4077	0.3705	0.9500	4.3200	0.0800	11.9538
27.4030	0.1942	4.7697	1.5682	0.3685	0.9436	4.2910	-	12.1352

School District Overlapping Tax Rate

	Center Line		Warren Woods		Warren Consolidated	
	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead	Homestead Property	Non - Homestead
School District Rate	25.5854	27.0500	13.3200	31.3200	16.7603	27.6000
Combined City & County Rate	38.4629	38.4629	38.4629	38.4629	38.4629	38.4629
2016 Total Direct & Overlapping Rate	63.2189	65.1189	51.3889	69.3889	55.0655	66.2889
School District Rate	25.0354	26.4856	12.6400	30.5104	17.6614	28.6882
Combined City & County Rate	38.2395	38.2395	38.2395	38.2395	38.2395	38.2395
2017 Total Direct & Overlapping Rate	63.2749	64.7251	50.8795	68.7499	55.9009	66.9277
School District Rate	25.0354	26.2894	12.6400	30.4246	17.2891	28.5287
Combined City & County Rate	38.1824	38.1824	38.1824	38.1824	38.1824	38.1824
2018 Total Direct & Overlapping Rate	63.2178	64.4718	50.8224	68.6070	55.4715	66.7111
School District Rate	29.6114	30.9652	14.5400	32.1627	16.9478	28.7800
Combined City & County Rate	38.0854	38.0854	38.0854	38.0854	38.0854	38.0854
2019 Total Direct & Overlapping Rate	67.6968	69.0506	52.6254	70.2481	55.0332	66.8654
School District Rate	29.6115	30.8846	14.5400	32.0428	16.5731	28.7263
Combined City & County Rate	37.9169	37.9169	37.9169	37.9169	37.9169	37.9169
2020 Total Direct & Overlapping Rate	67.5284	68.8015	52.4569	69.9597	54.4900	66.6432
School District Rate	28.2510	30.6398	14.5400	31.7522	16.1383	28.7263
Combined City & County Rate	39.3789	39.3789	39.3789	39.3789	39.3789	39.3789
2021 Total Direct & Overlapping Rate	67.6299	70.0187	53.9189	71.1311	55.5172	68.1052
School District Rate	25.3372	30.4415	14.5400	31.5060	15.8452	28.6096
Combined City & County Rate	39.2426	39.2426	39.2426	39.2426	39.2426	39.2426
2022 Total Direct & Overlapping Rate	64.5798	69.6841	53.7826	70.7486	55.0878	67.8522
School District Rate	24.5550	30.0410	14.1000	30.2889	13.4624	28.3920
Combined City & County Rate	38.9613	38.9613	38.9613	38.9613	38.9613	38.9613
2023 Total Direct & Overlapping Rate	63.5163	69.0023	53.0613	69.2502	52.4237	67.3533
School District Rate	25.1589	30.0410	14.1000	32.1000	14.2264	28.3920
Combined City & County Rate	39.0496	39.0496	39.0496	39.0496	39.0496	39.0496
2024 Total Direct & Overlapping Rate	64.2085	69.0906	53.1496	71.1496	53.2760	67.4416
School District Rate	23.7243	31.1912	14.1000	32.1000	14.0598	28.7800
Combined City & County Rate	39.3682	39.3682	39.3682	39.3682	39.3682	39.3682
2025 Total Direct & Overlapping Rate	63.0925	70.5594	53.4682	71.4682	53.4280	68.1482

Principal Property Taxpayers

Current and Ten Years Ago
June 30, 2025

	Fiscal Year Ended June 30, 2025			Fiscal Year Ended June 30, 2015		
	Taxable Value (including. I.F.T. and O.P.R.A)	Rank	Percent of Total Taxable Value	Taxable Value (including. I.F.T.)	Rank	Percent of Total Taxable Value
General Motors	\$ 401,575,507	1	8.31%	\$ 476,826,868	1	13.10%
DTE Electric Co	72,045,290	2	1.49%	38,565,732	3	1.06%
Consumers Energy	58,158,081	3	1.20%	14,568,724	8	0.40%
FCA US LLC-Chrysler	58,135,841	4	1.20%	144,892,247	2	3.98%
International Transmission	55,072,434	5	1.14%	25,699,223	5	0.71%
14 Mack LP	24,828,171	6	0.51%			
Home Depot	23,933,189	7	0.50%	2,974,213		0.08%
Lex Warren LP	22,029,104	8	0.46%			
Stag Industrial Holdings LLC	21,424,044	9	0.44%			
Noble 12B LLC	15,509,170	10	0.32%	12,291,690		0.34%
Flagstar Financial & Leasing	11,062,270		0.23%			
Modular Automotive Sytsems LLC	10,564,501		0.22%	70,000	9	0.00%
Hoover Eleven Holdings LLC	9,956,475		0.21%			
TG Warren Inc	9,834,743		0.20%	4,129,780	10	0.11%
Ten largest taxpayers	794,128,820		16.44%	720,018,477		19.78%
Other taxpayers	4,036,358,075		83.56%	2,919,593,870		80.22%
Total taxable value	\$ 4,830,486,895		100.00%	\$ 3,639,612,347		100.00%

Source: Audited Financial Statements of the City of Warren and/or City Records

City of Warren, Michigan

Tax Year	Fiscal Year	Total Tax Levy	Returned Delinquent		Collected by March 1	Percent Collected by March 1	Delq. Real Property Taxes Reimbursed by Macomb County
			Real Property	Personal Property			
2015	2016	97,106,184	(3,605,871)	(430,759)	93,069,554	95.84%	3,605,871
2016	2017	90,105,364	(3,524,101)	(430,770)	86,150,493	95.61%	3,524,101
2017	2018	91,129,798	(3,313,648)	(407,947)	87,408,203	95.92%	3,313,648
2018	2019	93,847,013	(3,605,101)	(436,058)	89,805,854	95.69%	3,605,101
2019	2020	97,381,742	(3,616,041)	(511,401)	93,254,300	95.76%	3,616,041
2020	2021	100,519,652	(3,906,987)	(634,320)	95,978,345	95.48%	3,906,987
2021	2022	105,200,119	(3,607,898)	(780,720)	100,811,500	95.83%	3,607,898
2022	2023	111,958,903	(3,539,230)	(794,340)	107,625,333	96.13%	3,539,230
2023	2024	118,743,531	(3,949,845)	(624,195)	114,169,491	96.15%	3,949,845
2024	2025	128,702,450	(4,632,251)	(750,368)	123,319,831	95.82%	4,632,251

Note: The schedule above does not include any levies or delinquencies relative to the 1.0% administrative fee assessed on county and school taxes collected by the City.

Property Tax Levies and Collections

**Last Ten Fiscal Years
June 30, 2025**

Personal Property Taxes Collected March 1 - June 30	Collected Within Fiscal Year of Levy	Percent Collected in Fiscal Year	Subsequent to Tax Year		Receivable as of June 30, 2020	Total Collections To Date	Percentage of Adjusted Tax Levy Collected To Date
			STC, MTT, and BOR Adjustments	Personal Property Tax Write-off			
-	96,675,425	99.56%	79,970	-	108,021	97,078,133	99.89%
-	89,674,594	99.52%	348,700	-	112,078	90,341,987	99.88%
-	90,721,851	99.55%	(68,228)	-	128,395	90,933,175	99.86%
-	93,410,955	99.54%	(109,122)	-	131,311	93,606,581	99.86%
-	96,870,341	99.47%	(20,338)	-	308,437	97,052,968	99.68%
-	99,885,332	99.37%	-	-	783,651	99,736,001	99.22%
12,003	104,431,401	99.27%	-	-	768,717	104,431,401	99.27%
-	111,164,563	99.29%	-	-	794,340	111,164,563	99.29%
-	118,119,336	99.47%	-	-	624,195	118,119,336	99.47%
-	127,952,082	99.42%	-	-	750,368	127,952,082	99.42%

Governmental Activities - General Bonded Debt

	Installment Purchase Agreements	Land Contract	Michigan Strategic Fund Loan	Capital Improvement Bonds	Building Authority Bonds	Bonds	Bonds
2016	1,250,280	-	-	7,696,693	-	-	-
2017	748,683	-	-	7,057,013	-	-	-
2018	238,345	-	-	6,377,333	-	-	-
2019	7,870,889	-	-	5,692,653	-	-	-
2020	6,814,207	-	-	4,997,973	-	-	-
2021	5,742,759	-	-	4,288,293	-	-	-
2022	4,634,427	-	-	3,552,246	-	-	-
2023	3,487,917	-	-	2,901,390	-	-	-
2024	2,301,889	-	-	2,208,358	-	-	-
2025	1,169,698	-	-	16,472,803	-	-	-

	Other Governmental Activities Debt			Total Net Governmental Activities Debt	Business-type Activities		
	Michigan Transportation Bonds	Special Assessment Bonds	Available in Debt Service Funds		Installment Purchase Agreements	Senior Citizen Housing	Water and Sewer System
2016	7,232,687	280,864	-	16,460,524	6,760,330	2,587,300	-
2017	6,126,553	245,834	-	14,178,083	6,371,223	2,081,244	-
2018	18,247,334	210,166	-	25,073,178	5,918,686	1,710,188	-
2019	16,898,205	175,082	-	30,636,829	5,431,011	1,329,131	-
2020	15,510,338	139,999	-	27,462,517	4,906,398	943,075	-
2021	35,373,725	104,915	-	45,509,692	4,342,962	547,019	-
2022	33,173,125	69,831	-	41,429,629	3,738,738	150,001	-
2023	43,869,372	34,747	-	50,293,426	3,086,209	-	-
2024	64,018,925	-	-	68,529,172	2,388,377	-	-
2025	60,647,663	-	-	78,290,165	1,642,986	-	-

Comments:

The ratios presented are required by Governmental Accounting Standards Board (GASB) Statement No. 44. While the ratios are an indication of the burden of debt on the City of Warren's citizenry and business community as a whole, in many cases the repayment of the debt will be financed by select taxpayers, users or other sources of revenue. In other cases, the debt burden is shared by not only the citizenry but also by the business community, further distorting per capita ratios. The narrative that follows focuses on debt to be repaid by sources other than property taxes levied on the citywide tax base. Excluding these items from the tables presented above would dramatically affect the ratios presented.

- (a) Debt service requirements for the Tax Increment Finance Authority Bonds and Downtown Development Authority Bonds are derived from the capture of incremental tax revenues on properties within the respective authority's defined geographic boundaries.
- (b) Debt service requirements for the Michigan Transportation Bonds are derived from the receipt of state shared gas and weight taxes.
- (c) Debt service requirements for the Special Assessment Bonds are derived from the receipt of installment payments from taxpayers whose property directly benefited from either the City's sidewalk replacement or tree removal program.
- (d) Debt service requirements for the Building Authority Senior Housing Bonds are derived from the receipt of rental payments from residents of the Joseph Coach Manor senior housing complex.
- (e) Debt service requirements for the Water and Sewer Bonds are received from residential as well as commercial and industrial users of the system.

Sources:

- (1) Southeast Michigan Council of Governments - est population through July 2023
2021 U.S. Census Bureau 2019 American Community Survey
- (2) 2010 U.S. Census Bureau, 2015-2020
2020 U.S. Census Bureau, 2022-2021, 2023-2024 U.S. Census Bureau-American Community Survey, updated yearly

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

June 30, 2025

Governmental Activities - General Bonded Debt

County Drain Bonds	Amounts Available in Debt Service Funds	Total Net General Bonded Debt	Taxable Value of Property	Percentage of Taxable Value of Property	Estimated Population (1)	Per Capita
-	-	8,946,973	3,639,612,347	0.25%	134,850	66.35
-	-	7,805,696	3,335,434,976	0.23%	135,121	57.77
-	-	6,615,678	3,347,553,629	0.20%	135,031	48.99
-	-	13,563,542	3,587,026,029	0.38%	136,168	99.61
-	-	11,812,180	3,614,371,272	0.33%	133,423	88.53
-	-	10,031,052	3,775,195,721	0.27%	139,387	71.97
-	-	8,186,673	3,952,435,306	0.21%	139,623	58.63
-	-	6,389,307	4,273,516,810	0.15%	137,253	46.55
		4,510,247	4,520,735,749	0.10%	136,394	33.07
		17,642,501	4,830,486,895	0.37%	135,273	130.42

Business-type Activities

Water and Sewer Bonds	Total Business-type Activities Debt	Total Net Primary Government Debt	Per Capita Income (2)	Percentage of Total Per Capita Income	Per Capita
71,083,334	80,430,964	96,891,488	19,376	3.71%	718.51
120,031,529	128,483,996	142,662,079	19,376	5.45%	1,055.81
113,098,488	120,727,362	145,800,540	19,376	5.57%	1,079.76
106,257,967	113,018,110	143,654,939	19,376	5.44%	1,054.98
126,708,463	132,557,935	160,020,452	19,376	6.19%	1,199.35
127,187,037	132,077,018	177,586,709	25,803	4.94%	1,274.06
117,204,001	121,092,740	162,522,370	26,508	4.39%	1,164.01
125,213,006	128,299,215	178,592,641	30,611	4.25%	1,301.19
116,652,347	119,040,724	187,569,896	31,080	4.42%	1,375.21
120,266,739	121,909,725	200,199,890	30,143	4.91%	1,479.97

City of Warren, Michigan

Direct and Overlapping Governmental Activities Debt

June 30, 2025

Net Direct Debt

Capital Improvement Bonds			
Refunding Series 2014	Warren Community Center	\$ 1,483,075	
2024 Capital Improvement Bonds	Capital Equipment	14,989,728	16,472,803
Road Construction Bonds:			
Series 2013A Capital Improvement Bonds	Road improvements	520,816	
Series 2015 Capital Improvement Bonds	Road improvements	548,006	
Series 2018 Michigan Transportation Bonds	Road improvements	7,762,158	
Series 2021 Michigan Transportation Bonds	Road improvements	18,141,662	
Series 2022 Michigan Transportation Bonds	Road improvements	11,808,332	
Series 2023 Michigan Transportation Bonds	Road improvements	<u>21,866,690</u>	60,647,663
Special Assessment Bonds:			
Series 2015	Sidewalk replacement program	-	
Less amounts available in debt service funds		<u>-</u>	-
Capital Leases:			
Sanitation		1,169,698	
Police		<u>-</u>	<u>1,169,698</u>
Direct debt			61,817,362
Less:			
Road Construction Bonds		(60,647,663)	
Special Assessment Bonds		<u>-</u>	<u>(60,647,663)</u>
Net direct debt to be repaid with property taxes			17,642,501
Overlapping Debt			
Macomb County:			
County at large	12.16%	197,954,985	24,071,326
Intermediate School District	11.91%	90,595,000	10,789,865
Macomb Community College			
Local School Districts:			
Center Line	66.28%	50,550,000	33,504,540
East Detroit	20.09%	22,417,833	4,503,743
Fitzgerald	100.00%	36,085,000	36,085,000
Van Dyke	97.93%	64,620,705	63,283,057
Warren Consolidated	47.20%	247,480,000	116,810,560
Warren Woods	100.00%	65,130,000	<u>65,130,000</u>
Total Overlapping Debt			<u>354,178,091</u>

Net direct debt outstanding and overlapping debt

\$ 371,820,592

Source: Municipal Advisory Council of Michigan

	Fiscal Year				
	2016	2017	2018	2019	2020
Assessed value	\$ 4,006,975,440	\$ 3,926,697,488	\$ 4,065,604,921	\$ 4,216,515,132	\$ 4,530,119,109
Debt limit (10% of assessed value)	\$ 400,697,544	\$ 392,669,749	\$ 406,560,492	\$ 421,651,513	\$ 453,011,911
Total debt applicable	-	-	-	-	123,570,000
Legal debt margin	\$ 400,697,544	\$ 392,669,749	\$ 406,560,492	\$ 421,651,513	\$ 329,441,911
Total debt applicable to the debt limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	27.28%

	Fiscal Year				
	2021	2022	2023	2024	2025
Assessed value	\$ 4,878,750,818	\$ 5,216,088,951	\$ 5,634,170,910	\$ 6,134,189,115	\$ 6,833,896,164
Debt limit (10% of assessed value)	\$ 487,875,082	\$ 521,608,895	\$ 563,417,091	\$ 613,418,912	\$ 683,389,616
Total debt applicable	115,015,000	103,695,000	126,830,000	117,600,000	142,855,000
Legal debt margin	\$ 372,860,082	\$ 417,913,895	\$ 436,587,091	\$ 495,818,912	\$ 540,534,617
Total debt applicable to the debt limit as a percentage of debt limit	23.57%	19.88%	22.51%	19.17%	20.90%

Section 8.11 of the Warren City Charter limits the net bonded indebtedness incurred for all public purposes to ten percent of the assessed value of all real and personal property in the city. Net bonded indebtedness applicable to the legal debt margin is defined as general obligation bonds, the principal and interest of which are payable from taxes levied upon taxable real and personal property in the city and for payment of which the full faith and credit of the city are pledged, when authorized by a three-fifths vote of the electors voting thereon at any general or special election.

City of Warren, Michigan

Building Authority - Senior Housing Bonds (1)

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2017	1,498,162	719,815	778,347	500,000	45,302	545,302	1.43
2018	1,497,378	769,423	727,955	365,000	37,102	402,102	1.81
2019	1,560,909	812,436	748,473	375,000	29,669	404,669	1.85
2020	1,538,393	786,437	751,955	380,000	26,630	406,630	1.85
2021	1,559,978	1,050,443	509,535	390,000	15,669	405,669	1.26
2022	1,613,517	992,510	621,007	395,000	7,572	402,572	1.54
2023	1,674,018	1,208,652	465,366	150,000	1,688	151,688	3.07
2024			-			-	

(1) Building Authority Bonds were issued for the purpose of constructing the 244-unit senior citizen housing complex known as Jos. Coach Manor. Pursuant to certain lease contracts between the Building Authority and the City, the bonds were issued in anticipation of cash rentals from the City in amounts sufficient to pay the principal and interest on the bonds when due. The cash rentals constitute a full faith and credit general obligation of the City and the City is required to provide sufficient monies in its annual budget for the payment thereof and if necessary, to levy ad valorem taxes on all taxable property within its boundaries. The City's intent, then as it is now, is that rental revenues generated from Jos. Coach Manor would be sufficient to pay the principal and interest on the bonds when due. The rental revenue stream has been sufficient to meet the debt service requirements due to steady occupancy rates and debt refinancing and the City has not, nor does it anticipate the need to appropriate any General Fund monies.

Road Construction Bonds

Fiscal Year	Prior Fiscal Year Gas and Weight Taxes	Current Fiscal Year Pledge (50%)	Debt Service			Coverage	Capital Improvement Bonds (2)
			Principal	Interest	Total		
2017	9,182,610	4,591,305	500,000	40,500	540,500	8.49	764,614
2018	10,557,447	5,278,724	500,000	20,500	520,500	10.14	758,782
2019	12,650,449	6,325,225	720,000	403,768	1,123,768	5.63	744,170
2020	13,494,529	6,747,264	735,000	382,168	1,117,168	6.04	752,133
2021	14,097,385	7,048,693	750,000	360,118	1,110,118	6.35	741,703
2022	15,503,792	7,751,896	1,415,000	948,318	2,363,318	3.28	752,343
2023	16,720,844	8,360,422	1,935,000	1,349,272	3,284,272	2.55	512,997
2024	17,440,644	8,720,322	2,590,000	2,360,780	4,950,780	1.76	500,945
2025	18,713,088	9,356,544	2,590,000	2,369,718	4,959,718	1.89	471,798

(2) Debt service on the Michigan Transportation Fund Bonds is pledged from the receipt of State gas and weight taxes received in the previous year. Debt service on the road improvement portion of the Capital Improvement Bonds, Series 2013A and Series 2015 is likewise paid from gas and weight taxes but is secured by the levy of sufficient City taxes rather than the pledge of gas and weight taxes. A total of \$471,798 of principal and interest was paid on the Capital Improvements Bonds during the fiscal year ended June 30, 2024 and is reflected in the schedule above.

Pledged-Revenue Coverage

June 30, 2025

Fiscal Year	Special Assessment Bonds (3)						Coverage
	S/A Collections (4)	Interest	Transferred to Debt Funds	Debt Service		Total	
				Principal	Interest		
2016	47,490	-	47,490	34,397	13,093	47,490	1.00
2017	40,750	-	40,750	35,190	5,560	40,750	1.00
2018	40,046	-	40,046	35,190	4,856	40,046	1.00
2019	39,342	-	39,342	35,190	4,152	39,342	1.00
2020	38,639	-	38,639	35,190	3,449	38,639	1.00
2021	37,935	-	37,935	35,190	2,745	37,935	1.00
2022	37,231	-	37,231	35,190	2,041	37,231	1.00
2023	36,474	-	36,474	35,190	1,284	36,474	1.00
2024	35,630	-	35,630	35,190	440	35,630	1.00
2025	-	-	-	-	-	-	-

(3) The Special Assessment Bonds Series 2002 were issued in anticipation of the collection of certain outstanding special assessments for sidewalk replacements which became due on or after July 1, 2003. The Capital Improvement Bonds Series 2003, Series 2005, and Series 2008 were likewise issued to finance citywide sidewalk improvements. Even though the City has pledged the levy of taxes for the repayment of principal and interest on the Capital Improvement Bonds, the City has designated the collections from certain special assessment districts to meet the debt service requirements.

(4) Property owners commonly elect to make special assessment payments in full rather than in installments. This creates uneven revenue streams in relation to the respective debt service.

Fiscal Year	Water and Sewer System (6)						Coverage
	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Debt Service (7)		Total	
				Principal	Interest		
2016	40,682,518	32,628,030	8,054,488	4,954,565	2,699,346	7,653,911	1.05
2017	44,240,519	29,905,967	14,334,552	5,058,230	2,668,644	7,726,874	1.86
2018	47,890,814	38,735,073	9,155,741	7,202,293	3,821,133	11,023,426	0.83
2019	52,340,913	40,211,269	12,129,644	7,586,655	3,631,033	11,217,688	1.08
2020	50,106,098	36,565,977	13,540,121	7,814,859	3,754,770	11,569,629	1.17
2021	54,868,133	40,316,560	14,551,573	9,192,905	4,070,664	13,263,569	1.10
2022	55,451,156	39,665,747	15,785,409	9,511,367	3,689,254	13,200,622	1.20
2023	55,339,024	40,667,671	14,671,353	8,684,016	4,031,257	12,715,273	1.15
2024	54,312,407	36,699,569	17,612,838	8,774,328	3,885,880	12,660,209	1.39
2025	56,409,782	44,392,526	12,017,256	9,110,318	4,128,584	13,238,902	0.91

(6) Debt service on the Water and Sewer System bonds are paid from the revenues of the Water & Sewer System but are secured by the levy of sufficient City taxes rather than the pledge of Water and Sewer System revenue with the exception of the 2020 Public Utility bonds which are secured by revenues from the Water & Sewer System. For FY25 the principal for the 2020 Public Utility bonds was \$260,000 and the interest was \$226,813.

Demographic and Economic Statistics

Last Ten Fiscal Years
June 30, 2025

Fiscal Year	Population (1)	Number of Households (1)	Income		Unemployment Rate (3)		
			Per Capita (2)	Total	City of Warren	Macomb County	State of Michigan
2016	134,850	53,492	19,376	2,612,853,600	6.80%	5.60%	4.90%
2017	135,121	52,164	19,376	2,618,104,496	4.30%	3.60%	4.00%
2018	135,031	53,543	19,376	2,616,360,656	4.90%	4.10%	4.30%
2019	136,168	53,747	19,376	2,638,391,168	5.30%	4.40%	4.40%
2020	133,423	53,207	19,376	2,585,204,048	21.40%	18.30%	15.00%
2021	139,387	53,652	25,803	3,596,602,761	5.40%	4.50%	5.30%
2022	139,623	54,936	26,508	3,701,126,484	5.20%	4.30%	4.80%
2023	137,253	53,881	30,611	4,201,451,583	4.30%	3.60%	4.10%
2024	136,394	55,070	31,080	4,239,125,520	5.90%	4.90%	5.00%
2025	135,273	54,968	30,143	4,077,534,039	5.70%	4.40%	5.40%

Sources:

- (1) Southeast Michigan Council of Governments est population through July 2023
2021 U.S. Census Bureau 2019 American Community Survey
- (2) 2010 U.S. Census Bureau, 2015-2020
2020 U.S. Census Bureau, 2022
2021, 2023-2024 U.S. Census Bureau- American Community Survey, updated yearly
- (3) Michigan Department of Technology, Management & Budget
- *Not Seasonally Adjusted.*

Principal Employers

Current Fiscal and Six Years Ago
June 30, 2025

		Year Ended June 30, 2025			Year Ended June 30, 2019		
		Employees	Percentage of Total	Rank	Employees	Percentage of Total	Rank
General Motors Corporation	Automotive	22,000	(I)	1	21,000	(I)	1
Government of The United States	Government	7,652	(I)	2	7,975	(I)	2
Stelantis - Chrysler Corp.	Automotive	4,560	(I)	3	5,390	(I)	3
Ascension Health	Health care	1,745	(I)	4	3,350	(I)	4
Lipari Foods	Wholesaler	2,275	(I)	5			
Dana Corp	Automotive				880	(I)	5
Total		38,232			38,595		

Source: Dun & Bradstreet and City of Warren Mayor's Office
(1) Unavailable

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)	2025
General government:										
<u>37th District Court</u>										
Small claims	487	609	633	580	334	304	549	586	687	700
Landlord & tenant	4,610	4,617	4,333	4,667	2,573	2,712	5,171	5,534	5,373	5,600
Parking tickets	1,670	1,518	2,159	1,652	958	1,287	1,533	1,776	3,074	2,000
Traffic misdemeanor & civil	45,944	39,965	50,971	44,701	24,667	34,990	36,737	39,385	60,212	41,000
Non-traffic felony	1,944	2,018	1,918	1,785	1,382	1,677	3,029	3,113	3,036	3,200
Non-traffic misdemeanor	1,846	1,563	1,583	1,422	1,138	1,129	3,410	3,426	4,181	3,500
Traffic OUIL/OWI	236	198	212	198	102	134	298	305	265	315
General civil	4,795	5,792	6,496	6,159	5,294	6,029	7,513	9,743	12,828	7,000
Probation - Active cases	853	821	716	643	1,024	1,437	1,647	1,854	1,909	1,900
Pre-sentence investigations	319	334	325	256	160	260	251	318	262	325
<u>City Clerk</u>										
Business licenses	570	720	568	647	479	705	626	692	722	900
Public hearings	39	19	38	27	27	18	38	37	33	80
Changes in voter registrations	65,295	39,333	45,136	45,584	108,471	136,572	110,209	111,456	114,039	160,000
Dog licenses issued	4,569	6,489	5,621	3,795	1,677	2,486	2,608	2,305	1,122	4,000
Garage sale permits	1,124	940	749	717	260	637	638	630	783	750
Death certificates	1,721	1,575	1,497	1,499	1,974	4,399	3,933	3,661	3,433	5,000
Birth certificates	797	633	694	715	738	2,170	2,069	1,491	1,185	3,000
Lawsuits issued	27	16	11	11	23	25	32	31	44	75
Contracts signed, catalogued	121	88	85	109	70	106	100	87	60	125
Internet requests processed	6,050	4,020	5,122	5,114	5,832	5,473	5,558	5,621	5,750	N/A
<u>Treasurer</u>										
Tax bills processed:										
Manually	84,829	78,402	74,663	75,140	64,331	56,443	60,679	53,445	50,882	51,500
CD-ROM	51,904	51,853	53,584	54,658	55,209	55,405	55,024	58,684	60,489	60,000
Checks processed	41,903	38,881	41,586	42,343	38,747	32,164	39,861	39,205	40,259	37,000
Water bills processed	342,794	323,072	311,233	362,565	278,502	248,162	238,087	247,242	199,442	220,000
Status changes	732	751	762	771	763	757	767	420	360	500
Personal property	2,849	2,615	2,539	2,539	2,650	2,575	2,494	2,505	2,078	2,100
Delinquent tax accounts	-	-	-	-	-	-	-	-	-	-
<u>Assessing</u>										
Personal property audits	93	106	106	106	106	100	100	97	100	100
Small claim MTT appeals	34	29	35	35	32	40	8	22	16	30
Full tax tribunal appeals	37	38	40	40	20	50	16	28	29	30
Board of Review appeals	753	721	689	690	677	750	557	554	486	700
Principal residence exemption	4,091	4,231	2,175	4,450	2,646	3,000	3,000	3,475	4,883	4,000
Deeds and transfer affidavits	7,368	7,381	3,675	3,600	6,412	4,000	5,000	5,841	4,887	6,000
Special assessment rolls	30	30	30	30	30	5	4	12	25	25
Review / appraise										
taxable properties	59,279	59,820	62,823	63,000	62,823	63,000	64,000	64,000	64,000	64,000
Verify sales & transfers										
of sold properties	7,368	7,358	6,326	8,600	6,326	7,500	8,000	7,452	7,250	8,000
building permit activity	11,310	9,350	18,604	19,500	20,610	25,000	25,000	10,445	13,055	25,000

N/A = information was either not applicable to or not reported in the fiscal year
 (1) Fiscal year 2024 estimates
 (2) Fiscal year 2015 ended June 30, 2015 and is for 18 months.

Source: Fiscal year adopted budget

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)	2025
Recreation and Culture:										
<u>Library</u>										
Annual attendance	409,595	274,235	288,043	273,641	70,515	52,872	153,239	194,838	213,739	250,000
Circulation:										
Annual total	412,723	404,300	853,047	751,571	389,223	498,697	606,688	645,005	646,517	700,000
Children's material	176,454	142,222	150,905	172,185	71,245	76,224	132,595	143,591	145,881	160,000
Reference requests	36,989	34,943	41,987	47,143	33,782	41,270	38,813	39,455	54,572	53,000
Registered borrowers	56,501	54,616	72,578	73,869	56,345	64,591	66,274	58,644	70,280	80,000
Materials:										
Loaned to other libraries	57,354	52,237	26,749	51,901	36,267	55,724	36,035	60,073	48,050	60,000
Received from other libraries	36,237	35,253	36,033	87,156	22,032	29,524	36,849	31,018	48,616	50,000
Added to collection	22,695	18,496	23,310	19,466	18,434	28,871	29,733	28,160	32,361	31,000
Deleted from collection	30,098	19,615	18,163	21,761	6,951	12,907	16,688	22,889	26,527	20,000
Home Page hits	291,638	231,977	224,885	195,304	102,031	91,888	168,372	184,643	205,156	215,000
<u>Recreation</u>										
Pavilion rentals	467	518	518	518	318	197	357	300	400	400
Bus transportation	14,565	14,376	14,376	14,376	8,001	1,200	1,300	1,500	6,350	1,750
Adult & youth sports:										
Registrants	4,401	4,470	4,470	4,288	4,359	1,060	5,000	5,000	5,000	6,000
Participants	107,250	107,500	107,500	107,500	50,000	40	5,000	5,000	5,000	6,000
Senior programs	86,125	86,200	86,200	86,200	86,200	-	500	500	500	500
Senior sports programs	23,000	22,750	22,750	22,750	10,000	200	500	500	500	600
Trees removed	-	-	-	-	-	-	-	-	-	-
Trees trimmed	-	-	-	-	-	-	-	-	-	-
Pool attendance	386,500	360,000	360,000	260,000	260,000	40,000	40,000	40,000	50,000	50,000
Yearly pass registrations	4,280	4,129	4,129	4,129	3,300	485	1,450	2,500	1,500	1,500
Sanitation:										
Collections points (per week)	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000
Curbside collection (tons):										
Refuse land filled	59,773	52,888	50,931	51,000	58,470	59,500	55,107	55,830	53,000	56,000
Curbside recycling	4,635	4,555	4,447	5,900	6,230	6,100	5,518	5,000	6,000	5,700
Curbside compost	965	9,100	12,490	14,000	14,720	15,300	11,487	12,400	13,000	14,000
Drop-off center:										
Car batteries (each)	221	343	2,566	4,511	3,750	444	397	205	504	400
Non-ferrous metal (tons)	2	17	3	4	3	2	3	4	3	5
Concrete (tons)	299	299	222	124	53	48	73	64	51	65
Motor oil (gallons)	5,650	8,790	4,935	447	7,670	4,550	7,775	7,700	7,150	7,500
Collected / dropped off (tons):										
Cardboard	68	73	83	69	71	65	64	68	36	75
White goods / scrap metal	165	181	133	102	243	135	149	153	143	175

N/A = information was either not applicable to or not reported in the fiscal year

(1) Fiscal year 2024 estimates

(2) Fiscal year 2015 ended June 30, 2015 and is for 18 months.

Source: Fiscal year adopted budget

Operating Indicators

Last Ten Fiscal Years
June 30, 2025

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)	2025
Public Safety:										
<u>Fire Department</u>										
Incident responses	17,818	18,343	18,503	18,199	19,502	20,407	19,877	21,107	21,589	22,000
Equipment responses	33,524	32,827	34,104	26,455	37,532	38,763	41,937	43,617	46,043	47,000
Fire training (hours)	2,340	2,880	3,409	6,172	4,203	8,894	11,902	2,330	10,000	10,000
Medical training (hours)	3,120	5,760	3,567	2,605	2,038	4,379	3,435	1,215	6,200	1,300
<u>Police Department</u>										
Calls for police service	95,000	95,000	95,000	92,756	80,436	62,925	96,497	90,890	102,539	107,000
Part A crimes	3,800	9,257	8,325	7,253	6,019	1,279	1,354	1,950	2,010	2,000
Burglary incidents	910	823	567	607	502	332	302	277	346	450
Auto theft incidents	632	560	543	432	327	365	536	424	496	650
Narcotic and drug incidents	1,450	1,725	1,086	1,103	722	390	1,222	898	888	1,300
Liquor license investigations	6,326	191	158	225	207	208	209	372	377	385
Traffic citations	40,000	17,279	27,580	28,539	17,081	27,483	28,237	29,067	35,657	32,000
OUIL charges	325	200	284	255	105	98	129	202	131	210
Traffic accidents	4,300	4,155	4,827	4,565	3,111	3,321	3,744	4,349	3,905	4,400
Juveniles charged	180	200	157	110	66	244	130	250	261	250
Total arrests	5,500	4,973	4,596	4,632	3,032	3,643	4,063	4,692	4,893	4,800
Abandoned autos processed	500	500	1,055	1,100	859	1,049	840	1,345	995	1,300
Guns registered	7,800	4,661	4,504	4,569	4,569	4,658	4,658	4,719	6,753	5,200
<u>Animal Control</u>										
Calls for service	9,951	9,951	1,873	2,195	2,164	2,164	3,500	4,234	4,200	4,300
Stray animals picked up	1,621	1,621	738	815	614	614	1,100	620	620	900
Spay, Neuter, Release Cats	-	-	-	-	-	-	350	283	283	325
Dead animals handled	60	60	458	600	476	476	750	525	500	800
Animals given up by owners	88	88	285	110	105	105	65	87	87	90
<u>Civil Defense</u>										
Disaster/emergency incidents	10	10	14	14	12	12	7	9	32	22
Functional / full-scale exercise	4	4	4	4	1	1	3	2	2	6
City Development:										
<u>Engineering</u>										
Service requests processed	836	894	816	783	692	629	619	565	650	N/A
Planning reviews	125	129	154	123	138	93	103	80	71	90
Site plan reviews	386	367	364	461	477	392	395	462	540	600
Projects inspected	131	117	134	170	160	125	99	105	105	100
Sidewalk inspections / repairs	193	687	687	435	479	-	446	256	337	300
<u>Property Maintenance Inspection</u>										
Weed enforcement	2,752	5,071	2,977	5,304	2,875	5,797	7,019	7,390	5,131	8,000
Complaints investigated	5,071	2,446	5,205	1,929	1,753	2,058	2,965	2,642	1,844	4,590
Complaints in tracking system	17,946	26,153	28,371	28,259	10,640	13,915	27,231	20,859	12,925	15,000
Vacant/foreclosed clean-ups	1,408	1,234	1,323	1,252	459	469	569	794	834	1,750
<u>Building Inspections</u>										
Certificates of Occupancy	500	252	298	311	401	531	677	725	812	825
Building permits	2,100	2,820	2,388	2,406	1,928	2,180	2,090	2,118	2,045	2,200
Plumbing permits	1,200	4,133	1,117	1,152	1,115	1,069	1,082	1,218	1,181	1,230
Electrical permits	3,400	6,807	2,157	2,155	2,252	2,247	1,509	2,628	2,631	2,700
Mechanical permits	2,200	3,331	1,860	1,871	1,927	2,171	2,407	2,374	2,283	2,400
Miscellaneous permits	800	761	882	4,019	2,815	1,772	1,128	1,087	1,100	1,200
Building inspections	14,000	8,518	8,058	7,642	7,316	5,654	5,872	6,603	6,199	6,650
Plumbing inspections	9,000	7,135	5,814	5,939	4,880	4,842	4,614	5,500	5,173	5,500
Electrical inspections	12,500	9,128	8,303	7,790	5,960	5,118	6,898	6,082	8,384	6,200
Mechanical inspections	9,800	6,265	4,898	5,115	4,659	4,358	5,131	5,428	5,085	5,500
Zoning inspections	900	8,293	9,475	9,025	6,543	3,157	5,696	4,822	9,488	5,100
Plan reviews	800	881	560	630	658	694	126	673	755	660

Operating Indicators

Last Ten Fiscal Years
June 30, 2025

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024 (1)	2025
Senior Citizens Housing:										
<u>Stilwell Manor</u>										
Carpet replacements	12	23	25	24	32	29	12	12	15	15
Linoleum replacements	7	14	12	23	10	16	13	8	15	8
Stove replacements	4	6	5	4	4	9	10	6	10	10
Apartments painted	21	18	25	26	25	27	19	15	15	15
Air conditioner replacements	8	7	12	7	10	11	10	8	10	10
Maintenance work orders	375	275	325	337	375	423	435	550	500	500
<u>Jos. Coach Manor</u>										
Carpet replacements	26	50	40	27	27	41	35	35	35	35
Linoleum replacements	12	16	20	13	13	18	18	20	20	20
Hot water tank replacements	-	-	-	-	-	-	-	-	-	-
Apartments painted	28	850	45	40	40	39	38	40	40	40
Countertop replacements	18	18	14	16	16	28	18	15	15	15
Maintenance work orders	936	850	755	825	825	920	850	800	1,000	800
Water and Sewer System (2)										
<u>Water Department:</u>										
Water utility accounts	49,639	49,076	49,685	49,529	49,656	49,229	49,458	49,619	49,500	50,715
Sewer utility accounts	49,089	48,618	48,899	48,711	48,820	49,045	49,229	49,491	49,229	50,704
Second meter accounts	712	744	799	775	765	683	767	787	780	841
Water sold (thousand cu. ft.)	914,804	648,699	622,872	645,348	590,888	575,955	579,129	570,992	619,163	588,858
Water purchased	1,081,125	670,703	669,744	713,248	634,010	642,032	633,791	630,337	666,731	634,098
Broken water main repairs	393	101	177	175	170	191	229	177	200	181
Sewer jetting (in footage)	454,716	753,000	674,656	678,716	702,124	685,165	688,668	685,866	690,000	N/A
<u>Waste Water Treatment Plant:</u>										
Sewage treated	11.7	7.6	7.8	8.2	8.4	8.6	7.3	6.2	8.1	8.9
Sludge solids removed	42.3	27.5	30.0	32.0	28.4	31.2	32.1	24	30	25.6
Power consumption	19.1	12.2	12.0	12.0	13.6	13.8	13.8	13	14	13.6
Natural gas for incinerator	130	61	85	75	68	72	74	68	72	70
Laboratory samples taken	8,886	8,031	6,800	7,900	7,908	7,905	7,862	7,429	7,900	6,550
Analytical lab tests run	54,944	36,975	36,750	35,000	39,184	38,669	37,828	33,120	38,000	31,610
Dye tests performed to locate	8	4	10	10	7	12	22	3	15	10
Storm water samples collected	245	119	245	220	666	462	257	149	350	220
Illicit discharges identified	3	2	3	3	1	3	4	2	3	1
Illicit discharges removed	3	2	3	3	4	4	7	2	4	1

Value of New Construction

Last Ten Fiscal Years

June 30, 2025

<u>Fiscal Year</u>	<u>Residential One Family</u>	<u>Residential Multiple Family</u>	<u>Commercial Development</u>	<u>Industrial Development</u>	<u>Total (1)</u>
2016	4,681,895	3,340,000	4,068,500	-	12,090,395
2017	1,055,800	4,621,500	56,015,270	-	61,692,570
2018	900,000	3,742,000	7,822,000	-	12,464,000
2019	9,303,950	965,600	176,514,000	-	186,783,550
2020	7,145,000	12,540,000	27,862,278	-	47,547,278
2021	6,067,000	556,800	4,000,000	-	10,623,800
2022	2,539,000	-	43,692,400	-	46,231,400
2023	3,577,100	-	59,395,000	-	62,972,100
2024	1,117,781		8,396,000		9,513,781
2025	1,755,000		22,690,502		24,445,502

(1) Estimated Cost of Construction

Source:

City of Warren Building Department

Full-Time Equivalent Government Employees

Last Ten Fiscal Years

June 30, 2025

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:										
Council	11	11	11	11	11	11	11	11	11	11
37th District Court	49	49	49	50	50	50	50	50	50	50
Mayor	6	6	6	6	6	5	4	6	6	6
Clerk	7	7	7	7	8	8	8	8	8	8
Treasurer	9	9	9	9	9	9	9	9	9	9
Controller	10	11	12	12	12	11	12	12	13	13
Information Systems	4	4	4	4	4	4	4	5	5	6
Legal	10	10	10	10	10	10	10	10	10	10
Assessing	12	12	12	13	13	12	12	12	12	12
Labor Relations	-	-	-	-	-	-	-	-	-	-
Personnel	-	-	-	-	-	-	-	-	-	-
Human Resources	9	9	9	9	10	9	9	9	9	9
D.P.W. Garage	14	14	14	14	14	13	13	14	16	16
Building Maintenance	17	17	17	17	17	17	18	19	20	20
Police & Fire Retirement	2	2	2	2	2	2	2	3	3	3
City Retirement	2	2	2	2	2	2	2	2	2	2
	<u>162</u>	<u>163</u>	<u>164</u>	<u>166</u>	<u>168</u>	<u>163</u>	<u>164</u>	<u>170</u>	<u>174</u>	<u>175</u>
Public Safety:										
Fire Department	132	132	132	133	134	134	134	139	147	147
Police Department	235	239	239	243	253	253	265	274	288	289
Animal Control	2	2	2	3	3	3	3	3	3	3
Civil Defense	1	1	1	1	1	1	1	1	1	1
	<u>370</u>	<u>374</u>	<u>374</u>	<u>380</u>	<u>391</u>	<u>391</u>	<u>403</u>	<u>417</u>	<u>439</u>	<u>440</u>
City Development:										
Public Service Director	3	2	3	4	4	4	4	4	4	4
Engineering	5	5	5	5	6	6	6	6	6	6
Property Maintenance	1	1	2	4	5	5	11	12	12	19
Building Inspections	21	22	22	22	24	22	23	25	27	27
Planning	4	4	4	4	4	5	5	7	7	7
Rental Ordinance	5	5	5	5	6	6	6	6	6	6
	<u>39</u>	<u>39</u>	<u>41</u>	<u>44</u>	<u>49</u>	<u>48</u>	<u>55</u>	<u>60</u>	<u>62</u>	<u>69</u>
Highways and Streets	24	26	26	26	26	26	27	27	30	30
Recreation and Culture:										
Library	24	24	24	24	24	23	24	24	24	24
Recreation	9	9	9	9	9	9	9	11	11	11
Communications	5	5	5	6	6	6	6	6	6	6
	<u>38</u>	<u>38</u>	<u>38</u>	<u>39</u>	<u>39</u>	<u>38</u>	<u>39</u>	<u>41</u>	<u>41</u>	<u>41</u>
Sanitation	53	53	54	38	38	38	38	39	38	38
Economic Development:										
Community & Economic	2	2	2	2	2	2	2	1	3	3
D.D.A.	2	2	2	2	2	2	2	2	2	2
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>5</u>	<u>5</u>
Community Development:	2	3	3	3	3	3	3	4	4	3
Senior Housing	5	5	5	5	5	5	8	8	8	9
Water and Sewer System	88	90	89	96	96	97	98	98	99	100
Total full-time city employees	<u>785</u>	<u>795</u>	<u>798</u>	<u>801</u>	<u>819</u>	<u>813</u>	<u>839</u>	<u>867</u>	<u>900</u>	<u>910</u>

Source: Adopted fiscal year budget