
City of Taylor, Michigan

**Financial Report
with Supplementary Information
June 30, 2024**

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Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Taylor, 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 Taylor, Michigan (the "City") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, 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, 2024 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Taylor Housing Commission (a discretely presented component unit), which represents 15 percent and 48 percent, respectively, of the assets and revenue of the discretely presented component units for the year ended June 30, 2024. 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 Taylor Housing Commission, 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 District Court funds of District No. 23, City of Taylor, Michigan were not audited under *Governmental Auditing Standards*.

Emphasis of Matter

As described in Note 15 to the financial statements, there are investments valued at \$32,483,587 (approximately 23.58 percent of the pension and other employee benefit trust funds investments) at June 30, 2024, whose fair values have been estimated by management in the absence of readily determinable market values. Management's estimates are based on information provided by the fund manager of the retirement system investments for the Police and Fire Retirement System. Our opinion is not modified with respect to this matter.

To the Honorable Mayor and
Members of the City Council
City of Taylor, 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 Honorable Mayor and
Members of the City Council
City of Taylor, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



December 20, 2024

Our discussion and analysis of the City of Taylor, Michigan's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the City's financial statements.

In the City's General Fund, the main operating fund of the City, revenue increased by approximately \$4.1 million from 2023, an increase of 8.6 percent.

- Revenue related to property tax, which is the largest source of revenue, increased in the current year by \$702,000 or 5.0 percent based on increased property values. The City's tax revenue has steadily increased the past few years and is expected to increase slightly in the subsequent fiscal year.
- State-shared revenue, which is the City's second largest revenue source, approximated \$9.3 million, which was an increase of \$200,000 or 2.1 percent compared to the prior year. This revenue source is primarily driven by the collection of state sales tax.
- Federal grant revenue for the year was approximately \$884,000, which is a decrease of approximately \$1.2 million compared to the prior year. The decrease was due to an decrease in spending related to the American Rescue Plan Act (ARPA) federal grant. The ARPA grant is restricted and is being spend on eligible projects over multiple years.
- Rental income increased by approximately \$261,000 or 15.3 percent compared to the prior year. The increase is related to the rental of DPW equipment charged to the Act 51 road funds. DPW staffing levels increased during the year, which resulted in more work (and related equipment rentals) being completed on major and local roads.
- Fines and forfeitures increased by approximately \$2.1 million or 41.7 percent compared to the prior year. The increase is related to increase in fees, ordinance, and traffic enforcement levels. The annual levels have increased steadily since the end of the COVID-19 pandemic.
- Other revenue for the year was approximately \$11.8 million, which is an increase of approximately \$1.3 million compared to the prior year. The increase was due to an increase in contribution of \$800,000 million from the Taylor Community Development Corporation based on the disbursement of surplus cash achieved during the year. The annual contribution fluctuates based on the annual surplus cash available. Approximately \$212,000 of the increase related to DPW labor charged to Act 51 road funds based on more projects being completed during the year. The remainder of the increase is related to annual increases in General Fund overhead costs allocated to other funds.

The City's General Fund expenditures increased by approximately \$1.3 million from 2023, an increase of 3.0 percent.

- Public safety expenditures increased by approximately \$2.0 million, or 12.2 percent. These expenditures were mainly related to increased staffing and overtime. This increase was offset by annual decreases to other functions, such as public works and community development.

The General Fund's change in fund balance (the difference between revenue and expenditures) was an increase of \$6.2 million. Total unassigned fund balance increased to \$21.5 million at June 30, 2024, which is approximately 47 percent of total expenditures. Industry best practices often indicate that, in order to achieve financial stability, the City should target an available fund balance of at least 15 percent of annual expenditures, depending on the City's specific financial situation. Due to the uncertainty of the future economic trends and the limits on the City's ability to increase revenue, it is imperative that management focus on maintaining appropriate fund balances.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The statement of net position and the statement of activities provide information about the activities of the City on a government-wide basis. They are designed to present a longer-term view of the City's finances. This longer-term view uses the accrual basis of accounting, similar to a private sector business, 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.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of its costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, community and economic development, and culture and recreation. The business-type activities of the City include providing water and sewage disposal.

The government-wide financial statements include not only the City itself (known as the primary government) but also a legally separate Brownfield Redevelopment Authority and a legally separate Downtown Development Authority, for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The Building Authority, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as part of the primary government.

Fund Financial Statements

The fund financial statements are presented after the government-wide statements. They present a short-term view and tell us 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.

- **Governmental funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements. The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.
- **Proprietary funds** - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewage disposal activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the management of its retained risks and for its fleet of vehicles. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

- Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's fiduciary funds include both the pension and other postemployment benefit trust funds and agency funds.

Notes and Other Information

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning to the City's General Fund budget and the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Other supplementary information is also presented in the form of major fund budget information, combining statements of nonmajor governmental funds, and combining statements for fiduciary funds.

The City of Taylor, Michigan as a Whole

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 64,088,940	\$ 58,585,078	\$ 24,610,347	\$ 25,248,216	\$ 88,699,287	\$ 83,833,294
Capital assets	168,092,585	168,971,894	157,190,449	154,191,833	325,283,034	323,163,727
Total assets	232,181,525	227,556,972	181,800,796	179,440,049	413,982,321	406,997,021
Deferred Outflows of Resources	8,124,050	10,912,662	905,231	1,373,879	9,029,281	12,286,541
Liabilities						
Current liabilities	15,978,433	15,187,730	5,179,120	3,811,510	21,157,553	18,999,240
Noncurrent liabilities	221,011,902	224,656,884	47,722,406	48,733,586	268,734,308	273,390,470
Total liabilities	236,990,335	239,844,614	52,901,526	52,545,096	289,891,861	292,389,710
Deferred Inflows of Resources	2,463,886	803,860	-	-	2,463,886	803,860
Net Position (Deficit)						
Net investment in capital assets	151,408,661	152,729,693	136,662,377	132,134,540	288,071,038	284,864,233
Restricted	18,196,317	23,068,970	3,397,838	3,736,486	21,594,155	26,805,456
Unrestricted	(168,753,624)	(177,977,503)	(10,255,714)	(7,602,194)	(179,009,338)	(185,579,697)
Total net position (deficit)	\$ 851,354	\$ (2,178,840)	\$ 129,804,501	\$ 128,268,832	\$ 130,655,855	\$ 126,089,992

The City's combined net position totaled approximately \$130 million, an increase of \$4.0 million from the prior year. Total net position related to the City's governmental activities at the end of the year was approximately \$851,000, which is a \$3.0 million increase from the prior year's deficit of approximately \$2.2 million in net position.

Management's Discussion and Analysis (Continued)

The following table shows the changes of net position during the current year and prior year:

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenue						
Program revenue:						
Charges for services	\$ 19,893,724	\$ 17,217,640	\$ 25,791,896	\$ 23,727,741	\$ 45,685,620	\$ 40,945,381
Operating grants and contributions	16,078,392	13,642,242	-	-	16,078,392	13,642,242
Capital grants and contributions	1,868,880	5,189,715	1,059,071	485,891	2,927,951	5,675,606
General revenue:						
Property taxes	33,454,512	31,878,389	8,544	20,122	33,463,056	31,898,511
State-shared revenue	10,155,176	9,849,453	-	-	10,155,176	9,849,453
Unrestricted investment earnings	1,026,852	781,348	288,206	155,655	1,315,058	937,003
Miscellaneous revenue:						
Cable franchise fees	248,439	260,447	-	-	248,439	260,447
Sale of capital assets	-	-	340,037	(593)	340,037	(593)
State grant	9,062,760	8,469,862	2,431,841	219,782	11,494,601	8,689,644
Total revenue	91,788,735	87,289,096	29,919,595	24,608,598	121,708,330	111,897,694
Program Expenses						
General government	13,798,519	12,821,897	-	-	13,798,519	12,821,897
Public safety	37,511,452	37,126,670	-	-	37,511,452	37,126,670
Public works and capital projects	28,607,322	24,114,807	-	-	28,607,322	24,114,807
Health and welfare	1,629,015	26,352	-	-	1,629,015	26,352
Community and economic development	823,322	593,826	-	-	823,322	593,826
Recreation and culture	6,012,567	6,697,710	-	-	6,012,567	6,697,710
Interest on long-term debt	376,344	453,506	-	-	376,344	453,506
Water	-	-	12,971,214	11,635,279	12,971,214	11,635,279
Sewer	-	-	10,639,713	9,905,838	10,639,713	9,905,838
Golf courses	-	-	4,367,388	4,168,668	4,367,388	4,168,668
Ecorse Creek	-	-	405,611	297,419	405,611	297,419
Total program expenses	88,758,541	81,834,768	28,383,926	26,007,204	117,142,467	107,841,972
Transfers	-	1,000	-	-	-	1,000
Change in Net Position	3,030,194	5,455,328	1,535,669	(1,398,606)	4,565,863	4,056,722
Net Position (Deficit) - Beginning of year	(2,178,840)	(7,634,168)	128,268,832	129,667,438	126,089,992	122,033,270
Net Position (Deficit) - End of year	\$ 851,354	\$ (2,178,840)	\$ 129,804,501	\$ 128,268,832	\$ 130,655,855	\$ 126,089,992

Governmental Activities

The City's total governmental revenue increased from approximately \$87.3 million to approximately \$91.8 million. \$2.8 million of the difference is related to an increase in charges for services, which includes court fines and forfeitures. The remainder of the increase is attributed to surplus cash contribution from the Taylor Community Development Corporation and increases in property taxes and state-sharing revenue. The City's total governmental expenses increased by approximately \$6.8 million, which is mainly attributable to the annual increase in OPEB and pension expense related to public safety and public works.

Business-type Activities

The City's business-type activities consist of the Water, Sewer, Ecorse Creek, and Golf Courses enterprise funds. The City provides water to residents from the Detroit Water System. The City also provides sewage treatment through a sewage treatment plant owned by the Downriver Utility Waste Authority (DUWA), which is governed by the 13 downriver communities. The City operates two outstanding golf courses. The Lakes of Taylor Golf Club is a championship caliber golf course designed to challenge golfers at every level. Taylor Meadows Golf Club is a links style course that is challenging yet still player friendly. Both courses also provide food service and pro shop operations. The Sewer Fund accounts for the activity related to the City's participation in the Downriver Sewage Disposal System.

For all business-type activities in 2024, total revenue increased by approximately \$5.1 million, and total expenses increased by approximately \$1.9 million. Approximately \$1.5 million of the increase in revenue is related to utility and golf rates, which were increased to offset program operating expenditures. The balance of the revenue increase is related to the extinguishment of debt related to the utility funds' nonexchange financial guarantee with the Brownfield fund. The increase in business-type expenses is related in the City's net OPEB expenses compared to the prior year.

The City of Taylor, Michigan's Funds

Our analysis of the City's major funds begins on page 14, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City of Taylor, Michigan as a whole. The City creates funds to help manage money for specific purposes and to show accountability for certain activities, such as bond projects. The City's major governmental funds for 2024 are the General Fund and the Police and Fire Retirement Fund.

The General Fund pays for most of the City's governmental services. The most significant are public safety, which incurred expenses of approximately \$19.3 million, and public works, which incurred expenses of approximately \$5.1 million in 2024. Employee/Retiree benefit expenses accounted for approximately \$4.8 million. A brief analysis of the general fund is presented below:

General Fund Budgetary Highlights

During the year, the City amended the budget to take into account changes in estimated revenue and expenditures. Overall, the General Fund's budgeted change in fund balance was increased during the year by approximately \$3.5 million. Projected revenue increases were related to state-sharing revenue, court fines and forfeitures, federal grants, and DPW rentals/labor charged to Act 51 road funds. These increases were offset by an increase in projected expenditures related to public safety, expenditures related to retirees, and capital outlay projects.

The City's 2024 actual change in General Fund balance had a positive variance of \$2.5 million compared to the amended budget. The positive variance is attributed to more than anticipated court fines and forfeiture revenue and less than anticipated operating expenditures in all functions (general government, public safety, public works, etc).

Capital Assets and Debt Administration

At the end of 2024, the City, including its component units, had approximately \$340 million (net of depreciation) invested in a broad range of capital assets, including buildings, roads, water and sewer lines, parks, and machinery and equipment. The City finances most of its capital improvements through the issuance of long-term debt. Note 5 to the financial statements presents the City's capital assets, and Note 7 to the financial statements presents the City's long-term debt.

The City's investment in capital assets, net of related debt, increased from approximately \$284.9 million to approximately \$288.1 million. The component units' investment in capital assets, net of related debt, increased from \$14.6 million to \$14.9 million. The City's total debt, including the recorded OPEB liability, net pension liability, compensated absences, and nonexchange financial guarantees, was approximately \$276.5 million, including approximately \$8.9 million of component unit debt. Expected fiscal year 2025 debt service payments on all interest-bearing long-term obligations inclusive of interest are approximately \$5.3 million for the City and component units in total. The overall debt, while manageable and well within legal limits, should be monitored and, when possible, reduced to ensure long-term financial stability of the City.

Economic Factors and Next Year's Budgets and Rates

Municipal revenue opportunities are systematically limited by state law and the current economic conditions. Even though the City received federal funds through the American Rescue Plan Act, the General Fund budget depends on other uncertain revenue, such as state-shared revenue, cable franchise fees, court fines, and charges for services. With revenue limited, the City understands the need to continue to budget operating expenditures at or below operating revenue.

The City's unfunded OPEB liability slightly increased during the year and is only 4.5 percent funded. In accordance with Public Act 202 of 2017, the City has filed a corrective action plan for underfunded status with the State of Michigan and is committed to reduce OPEB costs. The City started to prefund OPEB liabilities in 2019 and keep making the required annual contributions as set forth in the corrective action plan approved by the State.

Contacting the City's Management

This financial report is intended to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the city clerk's office at 23555 Goddard Road, Taylor, MI 48180.

June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 42,880,756	\$ 18,741,105	\$ 61,621,861	\$ 24,089,038
Receivables:				
Property taxes	26,669	-	26,669	-
Special assessments receivable	98,241	-	98,241	-
Customers	-	6,452,154	6,452,154	-
Leases receivable	252,156	-	252,156	-
Other	7,635,863	9,835	7,645,698	18,898
Due from other governmental units	4,944,736	111,118	5,055,854	543,358
Due from component units	7,614	-	7,614	759,071
Internal balances (Note 6)	4,168,971	(4,168,971)	-	-
Inventory	-	436,005	436,005	-
Prepaid expenses and other assets	743,433	48,564	791,997	238,896
Current portion of restricted assets (Note 8)	-	1,017,249	1,017,249	-
Restricted assets (Note 8)	3,227,226	1,963,288	5,190,514	-
Properties held for sale	103,275	-	103,275	-
Capital assets: (Note 5)				
Assets not subject to depreciation	36,939,023	8,543,388	45,482,411	14,359,790
Assets subject to depreciation - Net	131,153,562	148,647,061	279,800,623	462,698
Advances to primary government (Note 6)	-	-	-	1,082,950
Total assets	232,181,525	181,800,796	413,982,321	41,554,699
Deferred Outflows of Resources				
Other deferred outflows	-	-	-	31,254
Pension deferred outflows (Notes 4 and 13)	4,359,366	343,570	4,702,936	-
Deferred OPEB costs (Notes 4 and 10)	3,764,684	561,661	4,326,345	-
Total deferred outflows of resources	8,124,050	905,231	9,029,281	31,254
Liabilities				
Accounts payable	4,127,088	4,346,043	8,473,131	1,806,517
Due to other governmental units	474,458	27,717	502,175	17,712
Due to component units	-	-	-	759,071
Due to primary government	-	-	-	7,614
Accrued liabilities and other	2,721,215	777,357	3,498,572	322,412
Unearned revenue	8,655,672	28,003	8,683,675	775,873
Other current liabilities	-	-	-	14,990
Tenant security deposits	-	-	-	30,590
Noncurrent liabilities:				
Due within one year:				
Current portion of compensated absences (Note 7)	970,312	92,149	1,062,461	-
Liabilities payable from restricted assets	-	1,017,249	1,017,249	-
Current portion of bonds and contracts payable (Note 7)	1,988,729	515,015	2,503,744	907,814
Due in more than one year:				
Compensated absences (Note 7)	1,843,494	181,248	2,024,742	-
Workers' compensation (Notes 7 and 9)	257,149	-	257,149	-
Advances from component unit (Note 6)	-	1,082,950	1,082,950	-
Net pension liability (Note 13)	93,996,505	10,303,615	104,300,120	432,946
Net OPEB liability (Note 10)	104,033,292	15,534,372	119,567,664	-
Long-term debt - Net of current portion (Note 7)	17,922,421	18,995,808	36,918,229	7,572,857
Total liabilities	236,990,335	52,901,526	289,891,861	12,648,396

Statement of Net Position (Continued)

June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Deferred Inflows of Resources				
Deferred inflows related to pension (Notes 4 and 13)	\$ 2,225,425	\$ -	\$ 2,225,425	\$ -
Leases	238,461	-	238,461	-
Total deferred inflows of resources	2,463,886	-	2,463,886	-
Net Position (Deficit)				
Net investment in capital assets	151,408,661	136,662,377	288,071,038	14,884,780
Restricted:				
Roads	4,427,815	-	4,427,815	-
Drug forfeiture	2,870,496	-	2,870,496	-
Library	1,223,273	-	1,223,273	-
Special millage	6,668,700	-	6,668,700	-
Grants	1,475,750	-	1,475,750	-
Debt service	-	2,980,537	2,980,537	-
Sewer grant expenses	-	417,301	417,301	-
HAP restricted	-	-	-	931,076
Building	354,666	-	354,666	-
Opioid settlement	1,175,617	-	1,175,617	-
Unrestricted	(168,753,624)	(10,255,714)	(179,009,338)	13,121,701
Total net position	<u>\$ 851,354</u>	<u>\$ 129,804,501</u>	<u>\$ 130,655,855</u>	<u>\$ 28,937,557</u>

City of Taylor, Michigan

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 13,798,519	\$ 8,773,092	\$ 1,810,076	\$ 3,984
Public safety	37,511,452	5,095,597	1,613,391	-
Public works	28,607,322	3,340,570	8,018,284	1,524,784
Health and welfare	1,629,015	-	1,004,853	-
Community and economic development	823,322	717,932	3,334,783	-
Recreation and culture	6,012,567	1,966,533	297,005	340,112
Interest on long-term debt	376,344	-	-	-
Total governmental activities	88,758,541	19,893,724	16,078,392	1,868,880
Business-type activities:				
Water	12,971,214	11,475,811	-	-
Sewer	10,639,713	9,429,843	-	-
Golf courses	4,367,388	4,655,286	-	1,059,071
Nonmajor enterprise	405,611	230,956	-	-
Total business-type activities	28,383,926	25,791,896	-	1,059,071
Total primary government	\$ 117,142,467	\$ 45,685,620	\$ 16,078,392	\$ 2,927,951
Component units	\$ 15,165,853	\$ 834,955	\$ 8,915,212	\$ -
General revenue:				
Taxes - Property taxes				
Unrestricted state-shared revenue				
Unrestricted investment income				
Cable franchise fees				
Gain on sale of capital assets				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position (Deficit) - Beginning of year				
Net Position - End of year				

Statement of Activities

Year Ended June 30, 2024

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (3,211,367)	\$ -	\$ (3,211,367)	\$ -
(30,802,464)	-	(30,802,464)	-
(15,723,684)	-	(15,723,684)	-
(624,162)	-	(624,162)	-
3,229,393	-	3,229,393	-
(3,408,917)	-	(3,408,917)	-
(376,344)	-	(376,344)	-
(50,917,545)	-	(50,917,545)	-
-	(1,495,403)	(1,495,403)	-
-	(1,209,870)	(1,209,870)	-
-	1,346,969	1,346,969	-
-	(174,655)	(174,655)	-
-	(1,532,959)	(1,532,959)	-
(50,917,545)	(1,532,959)	(52,450,504)	-
-	-	-	(5,415,686)
33,454,512	8,544	33,463,056	9,167,966
10,155,176	-	10,155,176	753,536
1,026,852	288,206	1,315,058	589,463
248,439	-	248,439	-
-	340,037	340,037	-
9,062,760	2,431,841	11,494,601	-
53,947,739	3,068,628	57,016,367	10,510,965
3,030,194	1,535,669	4,565,863	5,095,279
(2,178,840)	128,268,832	126,089,992	23,842,278
\$ 851,354	\$ 129,804,501	\$ 130,655,855	\$ 28,937,557

Governmental Funds
Balance Sheet

June 30, 2024

	General Fund	Police and Fire Retirement Fund	Nonmajor Funds	Total
Assets				
Cash and investments (Note 3)	\$ 28,297,600	\$ 602,912	\$ 13,980,244	\$ 42,880,756
Receivables - Net:				
Property taxes	9,091	9,009	8,569	26,669
Special assessments receivable	98,241	-	-	98,241
Leases receivable	252,156	-	-	252,156
Other	7,426,084	-	209,779	7,635,863
Due from other governmental units	2,260,158	-	2,684,578	4,944,736
Due from component units (Note 6)	7,614	-	-	7,614
Due from other funds (Note 6)	8,299,074	737,420	4,748,386	13,784,880
Prepaid expenses and other assets	500,862	116,967	125,604	743,433
Restricted assets	-	-	3,227,226	3,227,226
Properties held for sale	-	-	103,275	103,275
Total assets	\$ 47,150,880	\$ 1,466,308	\$ 25,087,661	\$ 73,704,849
Liabilities				
Accounts payable	\$ 1,538,031	\$ 102,340	\$ 2,486,717	\$ 4,127,088
Due to other governmental units	246,349	116,966	111,143	474,458
Due to other funds (Note 6)	5,549,238	153,096	3,913,575	9,615,909
Accrued liabilities and other	2,236,673	140,005	161,501	2,538,179
Unearned revenue	8,655,672	-	-	8,655,672
Total liabilities	18,225,963	512,407	6,672,936	25,411,306
Deferred Inflows of Resources				
Unavailable revenue	5,987,812	-	999,977	6,987,789
Leases	238,461	-	-	238,461
Total deferred inflows of resources	6,226,273	-	999,977	7,226,250
Fund Balances				
Nonspendable - Prepaid expenses	500,862	116,967	125,604	743,433
Restricted:				
Roads	-	-	4,427,815	4,427,815
Drug forfeiture	-	-	2,852,186	2,852,186
Grants	677,485	-	112,251	789,736
Capital projects	-	-	2,606,668	2,606,668
Special millage	-	836,934	5,500,705	6,337,639
Building	-	-	342,274	342,274
Library	-	-	1,166,839	1,166,839
Opioid settlement	-	-	309,206	309,206
Assigned - Fire equipment	2,164,300	-	-	2,164,300
Unassigned	19,355,997	-	(28,800)	19,327,197
Total fund balances	22,698,644	953,901	17,414,748	41,067,293
Total liabilities, deferred inflows of resources, and fund balances	\$ 47,150,880	\$ 1,466,308	\$ 25,087,661	\$ 73,704,849

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2024

Fund Balances Reported in Governmental Funds	\$ 41,067,293
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets and subscription assets used in governmental activities are not financial resources and are not reported in the funds	168,092,585
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	6,987,789
Bonds payable and subscription liabilities are not due and payable in the current period and are not reported in the funds	(19,911,150)
Accrued interest is not due and payable in the current period and is not reported in the funds	(183,036)
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	(2,813,806)
Pension benefits	(91,862,564)
Retiree health care benefits	(100,268,608)
Workers' compensation claims	(257,149)
Net Position of Governmental Activities	<u><u>\$ 851,354</u></u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2024

	General Fund	Police and Fire Retirement Fund	Nonmajor Funds	Governmental Funds
Revenue				
Property taxes	\$ 12,515,215	\$ 11,346,150	\$ 11,500,356	\$ 35,361,721
Charges for services	5,274,763	-	1,160,991	6,435,754
Intergovernmental:				
Federal grants	884,586	-	1,755,835	2,640,421
State-shared revenue and grants	10,695,454	164,079	9,262,447	20,121,980
Licenses and permits	1,062,283	-	2,450,183	3,512,466
Fines and forfeitures	7,198,101	-	23,107	7,221,208
Rental income	1,970,056	-	-	1,970,056
Interest income	340,494	92,438	621,333	1,054,265
DMA/911 and other revenue	11,864,977	-	228,848	12,093,825
Total revenue	51,805,929	11,602,667	27,003,100	90,411,696
Expenditures				
Current services:				
General government	11,608,478	-	357,183	11,965,661
Employee benefits	4,823,774	11,168,545	-	15,992,319
Public safety	19,280,121	-	223,682	19,503,803
Public works and capital projects	5,080,210	-	22,886,370	27,966,580
Community development	280,837	-	1,775,076	2,055,913
Recreation and culture	3,907,879	-	1,093,814	5,001,693
Capital outlay	377,798	-	1,676,486	2,054,284
Debt service:				
Principal	217,160	-	2,270,000	2,487,160
Interest and fiscal charges	11,262	-	619,645	630,907
Total expenditures	45,587,519	11,168,545	30,902,256	87,658,320
Excess of Revenue Over (Under) Expenditures	6,218,410	434,122	(3,899,156)	2,753,376
Other Financing Sources (Uses)				
Transfers in (Note 6)	-	-	4,592,594	4,592,594
Transfers out (Note 6)	(40,686)	-	(4,551,908)	(4,592,594)
Total other financing (uses) sources	(40,686)	-	40,686	-
Net Change in Fund Balances	6,177,724	434,122	(3,858,470)	2,753,376
Fund Balances - Beginning of year	16,520,920	519,779	21,273,218	38,313,917
Fund Balances - End of year	\$ 22,698,644	\$ 953,901	\$ 17,414,748	\$ 41,067,293

Governmental Funds

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

Year Ended June 30, 2024

Net Change in Fund Balances Reported in Governmental Funds	\$	2,753,376
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		11,068,055
Depreciation and amortization expense		(11,912,976)
Net book value of assets disposed of		(34,388)
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		1,889,304
Repayment of bond principal and subscription liabilities are expenditures in the governmental funds but not in the statement of activities (where it reduces long-term debt)		2,771,685
Interest expense is recognized in the government-wide statements as it accrues		23,354
Amortization of bond premium liabilities and deferred costs of financing are reported as expense in the governmental funds when issued		206,984
Changes in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment		(262,342)
Decrease in estimated workers' compensation liability is recorded in the statement of activities		354,359
Changes in the net pension liability and the deferred inflows and outflows related to pension are not included in governmental funds		(3,826,501)
Prepaid interest on long-term debt is reported as an expense when paid in the governmental funds		(716)
Change in Net Position of Governmental Activities	\$	<u>3,030,194</u>

Proprietary Funds
Statement of Net Position

June 30, 2024

	Enterprise Funds				Total
	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	
Assets					
Current assets:					
Cash and investments (Note 3)	\$ 11,528,366	\$ 3,942,721	\$ 2,020,293	\$ 1,249,725	\$ 18,741,105
Receivables	3,068,356	3,456,338	2,216	46,197	6,573,107
Due from other funds (Note 6)	2,053,601	1,312,330	74	6,802	3,372,807
Inventory	184,364	3,953	247,688	-	436,005
Prepaid expenses and other assets	24,282	24,282	-	-	48,564
Current portion of restricted assets (Note 8)	-	1,017,249	-	-	1,017,249
Total current assets	16,858,969	9,756,873	2,270,271	1,302,724	30,188,837
Noncurrent assets:					
Restricted assets (Note 8)	-	1,963,288	-	-	1,963,288
Capital assets: (Note 5)					
Assets not subject to depreciation	4,086,608	-	4,456,780	-	8,543,388
Assets subject to depreciation - Net	30,003,861	106,139,084	9,760,897	2,743,219	148,647,061
Total noncurrent assets	34,090,469	108,102,372	14,217,677	2,743,219	159,153,737
Total assets	50,949,438	117,859,245	16,487,948	4,045,943	189,342,574
Deferred Outflows of Resources					
Pension deferred outflows	203,876	139,694	-	-	343,570
Deferred OPEB costs	289,873	97,899	173,889	-	561,661
Total deferred outflows of resources	493,749	237,593	173,889	-	905,231
Liabilities					
Current liabilities:					
Accounts payable	2,303,550	1,811,217	231,276	-	4,346,043
Due to other governmental units	-	1,530	26,187	-	27,717
Due to other funds (Note 6)	5,851,618	1,550,056	139,329	775	7,541,778
Accrued liabilities and other	88,405	180,435	506,312	2,205	777,357
Unearned revenue	7,619	13,776	6,608	-	28,003
Current portion of compensated absences (Note 7)	68,093	24,056	-	-	92,149
Liabilities payable from restricted assets	-	1,017,249	-	-	1,017,249
Current portion of bonds and contracts payable (Note 7)	-	444,928	15,090	54,997	515,015
Total current liabilities	8,319,285	5,043,247	924,802	57,977	14,345,311
Noncurrent liabilities:					
Compensated absences (Note 7)	106,035	47,222	27,991	-	181,248
Advances from component unit	-	-	1,082,950	-	1,082,950
Net pension liability (Note 13)	6,114,236	4,189,379	-	-	10,303,615
Net OPEB liability (Note 10)	8,028,265	2,711,712	4,794,395	-	15,534,372
Long-term debt - Net of current portion (Note 7)	-	18,723,631	7,728	264,449	18,995,808
Total noncurrent liabilities	14,248,536	25,671,944	5,913,064	264,449	46,097,993
Total liabilities	22,567,821	30,715,191	6,837,866	322,426	60,443,304

**Proprietary Funds
Statement of Net Position (Continued)**

June 30, 2024

	Enterprise Funds				Total
	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	
Net Position					
Net investment in capital assets	\$ 34,090,469	\$ 85,953,276	\$ 14,194,859	\$ 2,423,773	\$ 136,662,377
Restricted:					
Debt service	-	2,980,537	-	-	2,980,537
Sewer grant expenses	-	417,301	-	-	417,301
Unrestricted	(5,215,103)	(1,969,467)	(4,370,888)	1,299,744	(10,255,714)
Total net position	<u><u>\$ 28,875,366</u></u>	<u><u>\$ 87,381,647</u></u>	<u><u>\$ 9,823,971</u></u>	<u><u>\$ 3,723,517</u></u>	<u><u>\$ 129,804,501</u></u>

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

Year Ended June 30, 2024

	Enterprise Funds				Total
	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	
Operating Revenue					
Water sales	\$ 9,526,440	\$ -	\$ -	\$ -	\$ 9,526,440
Sewage disposal charges	-	8,538,900	-	-	8,538,900
Charges for services	1,445,875	890,943	2,992,676	230,956	5,560,450
Sale of merchandise	-	-	1,662,610	-	1,662,610
Interest and penalty charges	53,800	-	-	-	53,800
Charges to other funds	449,696	-	-	-	449,696
Total operating revenue	11,475,811	9,429,843	4,655,286	230,956	25,791,896
Operating Expenses					
Cost of water operations	7,085,673	4,255	-	-	7,089,928
Cost of sewage treatment	-	5,733,346	-	-	5,733,346
Ecorse Creek user charge system	-	-	-	293,298	293,298
Cost of sales	-	-	993,081	-	993,081
Cost of operating and maintenance	-	-	1,460,234	-	1,460,234
General and administrative	2,357,118	580,063	1,527,931	-	4,465,112
Pension and OPEB expense (recovery)	2,229,978	1,393,224	(212,906)	-	3,410,296
Depreciation and amortization	1,298,445	2,172,916	597,397	99,081	4,167,839
Total operating expenses	12,971,214	9,883,804	4,365,737	392,379	27,613,134
Operating (Loss) Income	(1,495,403)	(453,961)	289,549	(161,423)	(1,821,238)
Nonoperating Revenue (Expenses)					
Property tax revenue	-	8,544	-	-	8,544
Investment income	156,298	81,054	-	50,854	288,206
Interest expense	-	(756,959)	(1,651)	(13,232)	(771,842)
(Loss) gain on sale of assets	(4,363)	1,050	344,400	-	341,087
Other nonoperating revenue	1,206,134	1,225,707	-	-	2,431,841
Total nonoperating revenue	1,358,069	559,396	342,749	37,622	2,297,836
(Loss) Income - Before donated assets	(137,334)	105,435	632,298	(123,801)	476,598
Donated Assets	-	-	1,059,071	-	1,059,071
Change in Net Position	(137,334)	105,435	1,691,369	(123,801)	1,535,669
Net Position - Beginning of year	29,012,700	87,276,212	8,132,602	3,847,318	128,268,832
Net Position - End of year	<u>\$ 28,875,366</u>	<u>\$ 87,381,647</u>	<u>\$ 9,823,971</u>	<u>\$ 3,723,517</u>	<u>\$ 129,804,501</u>

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2024

	Enterprise Funds				
	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	Total
Cash Flows from Operating Activities					
Receipts from customers	\$ 11,248,381	\$ 9,105,508	\$ 4,670,157	\$ 255,246	\$ 25,279,292
Interfund activity - Receipts from (payments to) other funds	3,580,051	(1,515,520)	(155,082)	2,262	1,911,711
Payments to suppliers	(6,446,208)	(4,925,890)	(2,585,969)	(293,298)	(14,251,365)
Payments to employees and fringes	(3,331,174)	(1,119,515)	(1,422,027)	-	(5,872,716)
Net cash and cash equivalents provided by (used in) operating activities	5,051,050	1,544,583	507,079	(35,790)	7,066,922
Cash Flows Used in Noncapital Financing Activities - Principal and interest paid on operating debt	-	-	-	(13,232)	(13,232)
Cash Flows from Capital and Related Financing Activities					
Receipt of grants	158,834	68,871	-	-	227,705
Proceeds from sale of capital assets	-	1,050	-	-	1,050
Property taxes	-	8,466	-	-	8,466
Purchase of capital assets	(2,417,078)	(1,660,084)	(1,101,870)	(550,882)	(5,729,914)
Principal and interest paid on capital debt	-	(2,173,436)	(16,266)	(141,620)	(2,331,322)
Proceeds from advance from component unit	-	-	1,082,950	-	1,082,950
Net cash and cash equivalents used in capital and related financing activities	(2,258,244)	(3,755,133)	(35,186)	(692,502)	(6,741,065)
Cash Flows Provided by Investing Activities - Interest received on investments	156,298	81,054	-	50,854	288,206
Net Increase (Decrease) in Cash and Cash Equivalents	2,949,104	(2,129,496)	471,893	(690,670)	600,831
Cash and Cash Equivalents - Beginning of year	8,579,262	9,052,754	1,548,400	1,940,395	21,120,811
Cash and Cash Equivalents - End of year	<u>\$ 11,528,366</u>	<u>\$ 6,923,258</u>	<u>\$ 2,020,293</u>	<u>\$ 1,249,725</u>	<u>\$ 21,721,642</u>
Classification of Cash and Cash Equivalents					
Cash and investments	\$ 11,528,366	\$ 3,942,721	\$ 2,020,293	\$ 1,249,725	\$ 18,741,105
Restricted cash - Noncurrent	-	1,963,288	-	-	1,963,288
Restricted cash - Current	-	1,017,249	-	-	1,017,249
Total cash and cash equivalents	<u>\$ 11,528,366</u>	<u>\$ 6,923,258</u>	<u>\$ 2,020,293</u>	<u>\$ 1,249,725</u>	<u>\$ 21,721,642</u>

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended June 30, 2024

	Enterprise Funds				
	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	Total
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities					
Operating (loss) income	\$ (1,495,403)	\$ (453,961)	\$ 289,549	\$ (161,423)	\$ (1,821,238)
Adjustments to reconcile operating (loss) income to net cash from operating activities:					
Depreciation and amortization	1,298,445	2,172,916	597,397	99,081	4,167,839
Changes in assets and liabilities:					
Receivables	222,266	(324,335)	14,871	24,290	(62,908)
Due to and from other funds	3,130,355	(1,515,520)	(155,082)	2,262	1,462,015
Inventories	26,217	3,661	(56,010)	-	(26,132)
Prepaid and other assets	(1,032)	(2,522)	-	-	(3,554)
Net pension or OPEB asset	(42,675)	(955)	105,904	-	62,274
Accounts payable	568,048	781,366	(76,644)	-	1,272,770
Net pension or OPEB liability and deferrals	1,344,829	883,933	(212,906)	-	2,015,856
Total adjustments	<u>6,546,453</u>	<u>1,998,544</u>	<u>217,530</u>	<u>125,633</u>	<u>8,888,160</u>
Net cash and cash equivalents provided by (used in) operating activities	<u>\$ 5,051,050</u>	<u>\$ 1,544,583</u>	<u>\$ 507,079</u>	<u>\$ (35,790)</u>	<u>\$ 7,066,922</u>
Significant Noncash Transactions - Donor assets	\$ 1,047,300	\$ 1,047,300	\$ 1,067,471	\$ -	\$ 3,162,071

Noncash Capital and Related Financing Activities - There was an increase in the City's debt of \$11,411 due to an increase in the City's allocation of the Downriver Utility Wastewater System debt due to an increase in the City's sewage flow compared to the total sewage flow of the system.

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Custodial Funds	Total Fiduciary Funds
Assets			
Cash and cash equivalents	\$ 7,448,362	\$ 3,037,195	\$ 10,485,557
Investments:			
Pooled investments	5,436,890	-	5,436,890
U.S. government securities	1,391,278	-	1,391,278
Agency securities	702,459	-	702,459
Common and preferred stocks	32,568,943	-	32,568,943
Corporate bonds	2,972,642	-	2,972,642
Mutual funds	62,907,244	-	62,907,244
Partnerships	32,483,587	-	32,483,587
Receivables	559,434	291,088	850,522
Total assets	146,470,839	3,328,283	149,799,122
Liabilities			
Due to other governmental units	-	2,935,966	2,935,966
Other current liabilities	-	392,317	392,317
Total liabilities	-	3,328,283	3,328,283
Net Position			
Restricted:			
Pension	140,778,949	-	140,778,949
Postemployment benefits other than pension	5,691,890	-	5,691,890
Total net position	\$ 146,470,839	\$ -	\$ 146,470,839

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Custodial Funds	Total Fiduciary Funds
Additions			
Investment income (loss):			
Interest and dividends	\$ 3,752,582	\$ -	\$ 3,752,582
Net increase in fair value of investments	12,491,337	-	12,491,337
Investment costs	(358,080)	-	(358,080)
Net investment income	15,885,839	-	15,885,839
Contributions:			
Employer contributions	14,766,902	-	14,766,902
Employee contributions	576,009	-	576,009
Total contributions	15,342,911	-	15,342,911
Property tax collections for other governments	-	51,643,553	51,643,553
Fines and fees	-	857,511	857,511
Total additions	31,228,750	52,501,064	83,729,814
Deductions			
Benefit payments	25,175,856	-	25,175,856
Administrative expenses	99,817	-	99,817
Tax distributions to other governments	-	51,643,553	51,643,553
Disbursements to state	-	612,796	612,796
Disbursements to county	-	244,715	244,715
Total deductions	25,275,673	52,501,064	77,776,737
Net Increase in Fiduciary Net Position	5,953,077	-	5,953,077
Net Position - Beginning of year	140,517,762	-	140,517,762
Net Position - End of year	\$ 146,470,839	\$ -	\$ 146,470,839

Component Units
Statement of Net Position

June 30, 2024

	Local Development Financing Authority	Tax Increment Financing Authority	Brownfield Redevelopment Authority	Downtown Development Authority	Housing Commission*	Total
Assets						
Cash and investments (Note 3)	\$ 1,198,512	\$ 16,063,476	\$ 1,327,849	\$ 870,741	\$ 4,628,460	\$ 24,089,038
Accounts receivable:						
Other	-	-	-	-	18,898	18,898
Due from other governmental units	-	200,448	7,149	335,761	-	543,358
Due from component units	-	-	759,071	-	-	759,071
Prepaid expenses and other assets	-	238,896	-	-	-	238,896
Capital assets: (Note 5)						
Assets not subject to depreciation	17,745	12,220,416	77,187	869,375	1,175,067	14,359,790
Assets subject to depreciation - Net	-	206,695	-	-	256,003	462,698
Advances to primary government	-	1,082,950	-	-	-	1,082,950
Total assets	1,216,257	30,012,881	2,171,256	2,075,877	6,078,428	41,554,699
Deferred Outflows of Resources	-	-	-	-	31,254	31,254
Liabilities						
Accounts payable	-	1,774,740	78	2,034	29,665	1,806,517
Due to other governmental units	17,712	-	-	-	-	17,712
Due to component units	-	31,691	-	727,380	-	759,071
Due to primary government	-	-	7,540	74	-	7,614
Accrued liabilities and other	-	-	223,803	12,468	86,141	322,412
Unearned revenue	-	-	-	-	775,873	775,873
Other current liabilities	14,990	-	-	-	-	14,990
Tenant security deposits	-	-	-	-	30,590	30,590
Noncurrent liabilities:						
Due within one year (Note 7)	-	62,292	845,522	-	-	907,814
Due in more than one year (Note 7)	-	-	7,572,857	-	432,946	8,005,803
Total liabilities	32,702	1,868,723	8,649,800	741,956	1,355,215	12,648,396
Net Position (Deficit)						
Net investment in capital assets	17,745	12,489,403	77,187	869,375	1,431,070	14,884,780
Restricted - HAP payment	-	-	-	-	931,076	931,076
Unrestricted	1,165,810	15,654,755	(6,555,731)	464,546	2,392,321	13,121,701
Total net position (deficit)	\$ 1,183,555	\$ 28,144,158	\$ (6,478,544)	\$ 1,333,921	\$ 4,754,467	\$ 28,937,557

*Balances are as of March 31, 2024 for the Housing Commission.

City of Taylor, Michigan

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Local Development Financing Authority	\$ -	\$ -	\$ -	\$ -
Tax Increment Financing Authority	5,095,862	-	-	-
Brownfield Redevelopment Authority	442,768	-	-	-
Downtown Development Authority	61,431	-	-	-
Housing Commission	9,565,792	834,955	8,915,212	-
Total component units	\$ 15,165,853	\$ 834,955	\$ 8,915,212	\$ -

General revenue:

- Taxes - Property taxes
- Unrestricted state-shared revenue
- Unrestricted investment income

Total general revenue

Transfers

Change in Net Position

Net Position (Deficit) - Beginning of year

Net Position (Deficit) - End of year

Component Units
Statement of Activities

Year Ended June 30, 2024

Net (Expense) Revenue and Changes in Net Position					
Local Development Financing Authority	Tax Increment Financing Authority	Brownfield Redevelopment Authority	Downtown Development Authority	Housing Commission	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	(5,095,862)	-	-	-	(5,095,862)
-	-	(442,768)	-	-	(442,768)
-	-	-	(61,431)	-	(61,431)
-	-	-	-	184,375	184,375
-	(5,095,862)	(442,768)	(61,431)	184,375	(5,415,686)
89,459	7,632,128	480,359	966,020	-	9,167,966
-	753,536	-	-	-	753,536
31,411	475,937	51,635	24,742	5,738	589,463
120,870	8,861,601	531,994	990,762	5,738	10,510,965
-	(31,691)	759,071	(727,380)	-	-
120,870	3,734,048	848,297	201,951	190,113	5,095,279
1,062,685	24,410,110	(7,326,841)	1,131,970	4,564,354	23,842,278
\$ 1,183,555	\$ 28,144,158	\$ (6,478,544)	\$ 1,333,921	\$ 4,754,467	\$ 28,937,557

Note 1 - Significant Accounting Policies

The accounting policies of the City of Taylor, Michigan (the "City") conform to accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. The following is a summary of the significant accounting policies used by the City of Taylor, Michigan:

Reporting Entity

The City of Taylor, Michigan is governed by an elected seven-member City Council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the City's operations, even though they are separate legal entities. Thus, blended component units are appropriately presented as funds of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City (see discussion below for description).

Blended Component Units

The Taylor Building Authority is governed by a board that is appointed by the mayor. Although it is legally separate from the City, it is reported as if it were part of the primary government because its primary purpose is to finance and construct the City's public buildings.

Discretely Presented Component Units

The following component units are reported within the component unit columns to emphasize that they are legally separate from the City.

Downtown Development Authority

The Downtown Development Authority (DDA) was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within that district. The DDA's governing body, which consists of 13 members, is appointed by the mayor and confirmed by the City Council. In addition, the DDA's budget is subject to approval by the City Council.

Local Development Financing Authority and Tax Increment Financing Authority

The Local Development Financing Authority (LDFA) and the Tax Increment Financing Authority (TIFA) (collectively, the "Authorities") were created to promote economic development within a seven-square-mile district of the City and are funded primarily by property tax revenue captures. The Authorities are governed by 11-member and 13-member boards, respectively, which are appointed by the mayor and confirmed by the City Council.

Brownfield Redevelopment Authority

The Brownfield Redevelopment Authority (BRDA) was created, pursuant to Public Act 381 of 1996, to promote revitalization of environmentally distressed areas within the 24-square-mile boundary of the City. The Brownfield Redevelopment Authority is funded primarily by property tax revenue captures. The Brownfield Redevelopment Authority is governed by a 13-member board that is appointed by the mayor and confirmed by the City Council.

Housing Commission

The Taylor Housing Commission is a nonprofit corporation that was organized under the laws of the State of Michigan to provide low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development (HUD). The Taylor Housing Commission operates with a fiscal year end of March 31. The Taylor Housing Commission is governed by a five-member board that is appointed by the mayor and confirmed by the City Council. A complete financial statement for the Taylor Housing Commission can be obtained at 15270 Plaza South, Taylor, MI 48180.

Note 1 - Significant Accounting Policies (Continued)

Fiduciary Component Units

23rd District Court

The 23rd Judicial District Court is reported within the custodial funds. Although it is legally separate from the City, it is reported as if it were part of the primary government because of the fiduciary relationship it has with the City.

Police and Fire Retirement System

The Police and Fire Retirement System is governed by a five-member pension board that includes one police officer elected by the members, one firefighter elected by the members, two members representing the City, and the city treasurer. 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.

Retiree Health Care Plan

The City's other postemployment benefit plan (OPEB) is administered by the City through the MERS of Michigan Retiree Health Funding Vehicle. Although it is legally separate from the City, it is reported as a fiduciary component unit because the plan imposes a financial burden on the City.

Jointly Governed Organization

Downriver Utility Wastewater Authority

The City, along with 12 other communities, jointly participates in the Downriver Sewage Disposal System (the "System"). On September 27, 2018, the System transferred from the County of Wayne, Michigan (the "County") to the Downriver Utility Wastewater Authority (DUWA). DUWA is a consortium formed in 2010 under Public Act 233 of 1955 to acquire and operate the sewer system. The same 12 communities that originally jointly participated in the System are now the members of DUWA and are effectively owners of the System.

The City's share of capital assets, restricted assets for debt service (see Note 8), and related debt is recorded in the Water and Sewer funds. The City has been allocated approximately \$18.8 million in debt for operations of the System and paid \$1.8 million in the current year for debt service. The City is not aware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Financial statements for the joint venture can be obtained from the administrative offices at 25605 Northline Road, Taylor, MI 48180.

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).

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.

Note 1 - Significant Accounting Policies (Continued)

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.

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 projects 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 Police and Fire Retirement Fund is a special revenue fund to account for property taxes specifically levied for the Act 345 millage, which is used for the City's portion of the related retirement and health care costs of the Police and Fire Retirement System.

Proprietary Funds

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

- The Water Fund accounts for the activities of the water distribution system.
- The Sewer Fund accounts for the activities of the sewage collection system.
- The Golf Courses Fund accounts for the activity related to the City's two golf courses, Taylor Meadows and Lakes of Taylor.

Fiduciary Funds

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

- The pension and other employee benefit trust funds account for the Police and Fire Retirement System and the City's OPEB plan. The plans accumulate resources for pension and retiree health care benefit payments to qualified employees.

Note 1 - Significant Accounting Policies (Continued)

- The custodial funds account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, or other governments. The City’s custodial funds include the Tax Receiving Fund and the 23rd District Court Fund.

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

Basis of Accounting

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

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

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, 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.

Specific Balances and Transactions

Cash and Cash Equivalents

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

Note 1 - Significant Accounting Policies (Continued)

Investments

Investments are reported at fair value or estimated fair value.

Inventories and Prepaid Items

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

Capital Assets

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

Assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Roads and sidewalks	10-65
Buildings	15-50
Sanitary sewer system	15-50
Water mains and meters	15-67
Improvements other than buildings	20
Vehicles	4-10
Machinery and equipment	2-20
Furniture and fixtures	10-20
Right-of-use subscription assets	1-6

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as other financing sources, as well as bond premiums and discounts. The General Fund and debt service funds are generally used to liquidate governmental long-term debt and compensated absences. The General Employees' Retirement System and the Police and Fire Retirement System funds generally will be used to liquidate pension liabilities. The General, Water, and Sewer funds generally will be used to liquidate the OPEB plan liabilities.

Unearned Revenue

Unearned revenue represents money received that does not yet meet the criteria for revenue recognition. As of June 30, 2024, the General Fund balance of unearned revenue includes \$8,155,672 of American Rescue Plan Act cash received in advance of eligibility criteria being met and \$500,000 in cash received in advance that has not yet been earned related to a state enhancement grant. Unearned amounts are reported as liabilities.

Note 1 - Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows related to pensions and OPEB. A deferred inflow is also reported related to unavailable revenue. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three primary sources: grants, special assessments, and lease revenue for future lease receipts. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Note 1 - Significant Accounting Policies (Continued)

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City has, by resolution, authorized the finance director to assign fund balance. The City 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 either to remove or revise a commitment.

Property Tax Revenue

Property taxes are assessed as of December 31. The related taxes become a lien on December 1 of the following year. Taxes are due on February 28, and penalties and interest are assessed as of March 1.

The City's 2023 property tax revenue was levied and collectible on July 1, 2023 and is recognized as revenue in the year ended June 30, 2024 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2023 taxable valuation of the City totaled \$1,588,766,686 (a portion of which is abated and a portion of which is captured by the TIFA, BRDA, LDFA, and DDA), on which taxes levied consisted of 8.3026 mills for operating purposes, 0.8736 mills for library services, 8.9212 mills for public safety pension, 2.2558 mills for disposal authority, 2.6216 mills for garbage and rubbish services, 0.0370 mills for publicity services, and 2.7000 mills for the building authority. This resulted in approximately \$10,484,000 for operating purposes, \$1,109,000 for library services, \$11,320,000 for public safety pension, \$2,862,000 for disposal authority, \$3,326,000 for garbage and rubbish services, \$47,000 for publicity services, and \$4,169,000 for the building authority. These amounts are recognized in the respective General Fund, special revenue funds, and debt service funds financial statements as tax revenue.

Pension

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

The net pension obligation generally has been liquidated from the funds from which the individual employees' salaries are paid, which are primarily the General, Water, and Sewer funds.

Other Postemployment Benefit Costs

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

The net OPEB obligation generally has been liquidated from the funds from which the individual employees' salaries are paid, which are primarily the General, Water, and Sewer funds.

Note 1 - Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave)

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Compensated absences will be liquidated primarily by the General, Water, and Sewer funds.

Proprietary Funds Operating Classification

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

Use of Estimates

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

Leases

The City is a lessor for noncancelable leases of office space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The City uses the actual rate charged to lessees as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

Note 1 - Significant Accounting Policies (Continued)

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-of-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 \$3,095,619. The City's component units recognize subscription assets and liabilities with an initial value of \$218,301.

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.

Upcoming Accounting Pronouncements

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

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

Note 1 - Significant Accounting Policies (Continued)

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

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

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and all special revenue funds except that operating transfers, debt proceeds, bond premiums, and sales of fixed assets have been included in the revenue and/or expenditure categories rather than as other financing sources (uses). All annual appropriations lapse at fiscal year end. The annual budget is prepared by the City's management and adopted by the City Council; subsequent amendments are approved by the City Council.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Fund Deficits

The component units are presented on the full accrual basis in the basic financial statements, resulting in a deficit on that basis in the Brownfield Redevelopment Authority. The Golf Courses, Sewer, and Water funds also have unrestricted net position deficits as of June 30, 2024, but total net position is positive. The Community Development Block Grant Fund and Michigan Indigent Defense Commission also closed the year with fund deficits.

Note 3 - Deposits and Investments

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

Note 3 - Deposits and Investments (Continued)

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

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

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 \$59,675,806 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. In addition, the City's component units had bank deposits of \$7,268,005 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.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity; U.S. Treasury bills and U.S. Treasury notes or bonds must mature within one year.

At year end, the City had the following investments with maturities:

Police and Fire Retirement System	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Corporate bonds	\$ 2,972,642	\$ 243,476	\$ 2,075,551	\$ 638,626	\$ 14,989
U.S. government securities	1,391,278	-	989,166	402,112	-
Agency securities	702,459	-	13,169	117,939	571,351
Total	<u>\$ 5,066,379</u>	<u>\$ 243,476</u>	<u>\$ 3,077,886</u>	<u>\$ 1,158,677</u>	<u>\$ 586,340</u>

June 30, 2024

Note 3 - Deposits and Investments (Continued)

Credit Risk

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

Investment	Fair Value	Rating	Rating Organization
Police and Fire Retirement System			
Corporate bonds	\$ 383,881	A1	Moody's
Corporate bonds	270,605	A2	Moody's
Corporate bonds	281,474	A3	Moody's
Corporate bonds	40,297	AA2	Moody's
Corporate bonds	58,375	AA3	Moody's
Corporate bonds	332,662	AAA	Moody's
Corporate bonds	32,959	B1	Moody's
Corporate bonds	22,935	B2	Moody's
Corporate bonds	63,897	BA1	Moody's
Corporate bonds	45,516	BA2	Moody's
Corporate bonds	116,099	BA3	Moody's
Corporate bonds	328,855	BAA1	Moody's
Corporate bonds	696,834	BAA2	Moody's
Corporate bonds	154,101	BAA3	Moody's
Corporate bonds	129,215	Not rated	Moody's
Corporate bonds	14,937	Undefined	Moody's
Agency securities	702,459	Not rated	Moody's
U.S. government securities	1,391,278	AAA	Moody's

Risks and Uncertainties

The City invests in various securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position.

Alternative Investment Valuation

Approximately 23.58 percent of the Police and Fire Retirement System's assets is not publicly traded and, therefore, does not have a readily determinable market value. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ significantly from the values that would have been used had a ready market for these securities existed. The difference could be material.

Note 4 - Deferred Inflows/Outflows of Resources

At the end of the current fiscal year, the various components of deferred outflows of resources are as follows:

	Governmental Activities	Business-type Activities
Pension deferrals	\$ 4,359,366	\$ 343,570
OPEB deferrals	3,764,684	561,661

June 30, 2024

Note 4 - Deferred Inflows/Outflows of Resources (Continued)

At the end of the current fiscal year, the various components of deferred inflows of resources are as follows:

	Governmental Funds	Business-type Activities	Governmental Activities
Special assessments - Unavailable	\$ 80,706	\$ -	\$ -
Grant revenue - Unavailable	686,014	-	-
Other unavailable revenue	6,221,069	-	-
Pension deferrals	-	-	2,225,425
Leases	238,461	-	238,461
Total deferred inflows	\$ 7,226,250	\$ -	\$ 2,463,886

Note 5 - Capital Assets

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

Governmental Activities

	Balance July 1, 2023	Reclassifications	Additions	Disposals	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 28,886,652	\$ -	\$ -	\$ -	\$ 28,886,652
Construction in progress	14,116,020	(11,212,120)	5,203,241	(54,770)	8,052,371
Subtotal	43,002,672	(11,212,120)	5,203,241	(54,770)	36,939,023
Capital assets being depreciated:					
Buildings and improvements	94,101,104	486,975	403,610	-	94,991,689
Machinery and equipment	44,906,643	289,975	1,810,576	(1,281,875)	45,725,319
Other improvements	24,098,849	-	895,200	(98,865)	24,895,184
Roads and sidewalks	281,722,209	10,435,170	2,694,128	-	294,851,507
Subscription assets	2,934,982	-	116,070	-	3,051,052
Subtotal	447,763,787	11,212,120	5,919,584	(1,380,740)	463,514,751
Accumulated depreciation:					
Buildings and improvements	49,164,672	-	2,565,151	-	51,729,823
Machinery and equipment	36,804,050	-	2,075,243	(1,254,080)	37,625,213
Other improvements	19,587,231	-	555,830	(92,273)	20,050,788
Roads and sidewalks	215,864,107	-	6,338,989	-	222,203,096
Accumulated amortization - Subscription assets	374,505	-	377,764	-	752,269
Subtotal	321,794,565	-	11,912,977	(1,346,353)	332,361,189
Net capital assets being depreciated	125,969,222	11,212,120	(5,993,393)	(34,387)	131,153,562
Net governmental activities capital assets	<u>\$ 168,971,894</u>	<u>\$ -</u>	<u>\$ (790,152)</u>	<u>\$ (89,157)</u>	<u>\$ 168,092,585</u>

June 30, 2024

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2023	Reclassifications	Additions	Disposals	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 3,358,372	\$ -	\$ -	\$ -	\$ 3,358,372
Construction in progress	2,190,322	-	2,994,694	-	5,185,016
Subtotal	5,548,694	-	2,994,694	-	8,543,388
Capital assets being depreciated:					
Water mains and meters	53,500,553	-	-	-	53,500,553
Sanitary sewer system	150,862,994	-	1,602,883	-	152,465,877
Buildings and improvements	11,902,679	-	97,500	-	12,000,179
Machinery and equipment	5,461,201	-	2,431,933	(892,736)	7,000,398
Vehicles	808,664	-	57,238	-	865,902
Office furnishings	621,414	-	-	-	621,414
Land improvements	12,042,277	-	-	-	12,042,277
Intangible ECPAD improvement	2,882,728	-	-	-	2,882,728
Subscription assets	-	-	44,567	-	44,567
Subtotal	238,082,510	-	4,234,121	(892,736)	241,423,895
Accumulated depreciation:					
Water and sewer lines	23,341,042	-	1,163,591	-	24,504,633
Sanitary sewer system	44,715,836	-	2,101,369	-	46,817,205
Buildings and improvements	5,847,266	-	283,708	-	6,130,974
Machinery and equipment	4,280,546	-	233,195	(830,375)	3,683,366
Vehicles	548,194	-	55,135	-	603,329
Furniture and equipment	549,551	-	17,022	-	566,573
Land improvements	9,565,624	-	233,771	-	9,799,395
Intangible ECPAD improvement	591,311	-	57,764	-	649,075
Accumulated amortization - Subscription assets	-	-	22,284	-	22,284
Subtotal	89,439,370	-	4,167,839	(830,375)	92,776,834
Net capital assets being depreciated	148,643,140	-	66,282	(62,361)	148,647,061
Net business-type activities capital assets	\$ 154,191,834	\$ -	\$ 3,060,976	\$ (62,361)	\$ 157,190,449

June 30, 2024

Note 5 - Capital Assets (Continued)

Component Units

	Balance July 1, 2023	Additions	Disposals	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 13,944,722	\$ -	\$ -	\$ 13,944,722
Construction in progress	357,231	57,837	-	415,068
Subtotal	14,301,953	57,837	-	14,359,790
Capital assets being depreciated:				
Buildings and improvements	5,219,605	-	-	5,219,605
Furniture, equipment, and machinery	681,483	-	-	681,483
Subscription assets	-	218,301	-	218,301
Subtotal	5,901,088	218,301	-	6,119,389
Accumulated depreciation:				
Buildings and improvements	5,506,368	74,833	-	5,581,201
Furniture, equipment, and machinery	63,884	-	-	63,884
Accumulated amortization - Subscription assets	-	11,606	-	11,606
Subtotal	5,570,252	86,439	-	5,656,691
Net capital assets being depreciated	330,836	131,862	-	462,698
Net component units capital assets	<u>\$ 14,632,789</u>	<u>\$ 189,699</u>	<u>\$ -</u>	<u>\$ 14,822,488</u>

Depreciation and amortization expense were charged to programs of the primary government as follows:

Governmental activities:	
General government	\$ 1,264,389
Public safety	1,378,391
Public works	7,008,246
Economic development	189,922
Recreation and culture	1,694,265
Amortization - Subscription assets	377,764
Total governmental activities	<u>\$ 11,912,977</u>
Business-type activities:	
Water	\$ 1,298,445
Sewer	2,172,916
Ecorse Creek	99,081
Golf Courses	575,113
Amortization - Subscription assets	22,284
Total business-type activities	<u>\$ 4,167,839</u>

June 30, 2024

Note 5 - Capital Assets (Continued)

Construction Commitments

The City has active construction projects at year end wherein the City has a contractual obligation with a third party for construction and design work. At year end, the City's commitments with vendors by reporting unit are as follows:

	Spent to Date	Remaining Commitment
Governmental activities	\$ 5,018,786	\$ 4,279,437
Business-type activities	4,011,391	290,060
Component units	3,615,354	266,145
Total	<u>\$ 12,645,531</u>	<u>\$ 4,835,642</u>

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Police and Fire Retirement Fund	\$ 153,096
	Golf Courses Fund	139,329
	Water Fund	4,526,050
	Sewer Fund	39,441
	Other nonmajor governmental funds	3,441,158
	Total General Fund	8,299,074
Other nonmajor governmental funds	General Fund	4,263,671
	Water Fund	14,093
	Other nonmajor governmental funds	470,622
	Total other nonmajor governmental funds	4,748,386
Sewer Fund	Water Fund	1,304,715
	General Fund	7,606
	Ecorse Creek Fund	9
	Total Sewer Fund	1,312,330
Ecorse Creek Fund	Water Fund	6,760
	Sewer Fund	42
	Total Ecorse Creek Fund	6,802
Golf Courses Fund	General Fund	74
Water Fund	General Fund	540,467
	Sewer Fund	1,510,573
	Ecorse Creek Fund	766
	Other nonmajor governmental funds	1,795
	Total Water Fund	2,053,601
Police and Fire Retirement Fund	General Fund	737,420
	Total	<u>\$ 17,157,687</u>

June 30, 2024

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

The City has made the following long-term advances between funds:

Fund Borrowed From	Fund Loaned To	Amount
Tax Increment Financing Authority	Golf Courses Fund	\$ 1,082,950

Due to/from Primary Government and Component Units

Receivable	Payable	Amount
Brownfield Redevelopment Authority	General Fund	\$ 7,540
Downtown Development Authority	General Fund	74
	Total	<u>\$ 7,614</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.

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Michigan Indigent Defense Commission Fund	\$ 40,686
Major Streets Fund	Local Streets Fund	2,943,563
Building and Grounds Fund	Building Authority Debt Fund	1,608,345
	Total	<u>\$ 4,592,594</u>

The transfers from the Major Streets Fund to the Local Streets Fund are to cover local road work in accordance with Act 51. The transfer from the Building and Grounds Fund to the Building Authority Debt Fund is for Building Authority lease payments. The transfer from the General Fund to the Michigan Indigent Defense Commission Fund is for operations in accordance with the adopted budget.

Note 7 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the government.

June 30, 2024

Note 7 - Long-term Debt (Continued)

Long-term debt activity for the year ended June 30, 2024 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:						
Dell Financed Purchase -						
Amount of issue - \$266,502	5.47%	\$ 29,636	\$ -	\$ (29,636)	\$ -	\$ -
Dell Financed Purchase -						
Amount of issue - \$680,911	5.44%	75,668	-	(75,668)	-	-
PC/Telecommunication Equipment -						
Comerica Leasing -						
Amount of issue - \$77,665	2.23%	4,452	-	(4,452)	-	-
IT Wifi Upgrade Citywide - Comerica						
Leasing - Amount of issue - \$54,770	2.08%	20,173	-	(18,605)	1,568	1,568
Comerica Leasing - Elgin Pelican						
Sweeper Trucks - Amount of issue - \$454,909	2.40%	368,193	-	(88,799)	279,394	90,931
Total direct borrowings and direct placements principal outstanding		498,122	-	(217,160)	280,962	92,499
Other debt:						
2004 Building Authority Public Facilities						
Bonds - Amount of issue - \$1,250,000	2.00%	95,000	-	(95,000)	-	-
2015 Building Authority Refunding						
Bonds - \$6,965,000	2.00% - 5.00%	925,000	-	(925,000)	-	-
2019 Building Authority Bonds - Amount of issue - \$4,950,000	1.79%	3,555,000	-	(480,000)	3,075,000	490,000
Michigan Transportation Fund Bonds, Series 2021 - Amount of issue - \$14,355,000	4.00%	12,795,000	-	(770,000)	12,025,000	800,000
Total other debt principal outstanding		17,370,000	-	(2,270,000)	15,100,000	1,290,000
Unamortized bond premiums		2,393,692	-	(231,925)	2,161,767	231,925
Total bonds and contracts payable		20,261,814	-	(2,719,085)	17,542,729	1,614,424
Workers' compensation claims		611,508	578,572	(932,931)	257,149	-
Compensated absences		2,551,464	1,198,323	(935,981)	2,813,806	970,312
Subscription liability		2,628,005	116,070	(375,654)	2,368,421	374,305
Total governmental activities long-term debt		\$ 26,052,791	\$ 1,892,965	\$ (4,963,651)	\$ 22,982,105	\$ 2,959,041

June 30, 2024

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:						
1994 Downriver Sewage Disposal System Bonds - Amount of issue - \$60,010,808	Various	\$ 1,662,976	\$ -	\$ (299,336)	\$ 1,363,640	\$ 315,966
Downriver Utility Wastewater Authority Bonds - Amount of initial issue - \$25,651,802	Various	19,934,716	11,411	(1,123,963)	18,822,164	1,146,211
Series 2009A - ECPAD 1 CWRF - Amount of issue - \$3,717,000	2.50%	373,105	-	(53,655)	319,450	54,997
ECPAD 1 Taylor/Pelham Basin Series 2014 - Amount of issue - \$722,172	5.75%	86,496	-	(86,496)	-	-
Total direct borrowings and direct placements principal outstanding		22,057,293	11,411	(1,563,450)	20,505,254	1,517,174
Nonexchange financial guarantee		2,094,600	-	(2,094,600)	-	-
Compensated absences		290,914	48,048	(65,565)	273,397	92,149
Subscription liability		-	44,567	(21,749)	22,818	15,090
Total business-type activities long-term debt		<u>\$ 24,442,807</u>	<u>\$ 104,026</u>	<u>\$ (3,745,364)</u>	<u>\$ 20,801,469</u>	<u>\$ 1,624,413</u>

Component Units

	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:						
Other debt:						
Brownfield:						
2017 Refunding - Series A - Amount of issue - \$1,915,000	2.10% - 4.45%	\$ 580,000	\$ -	\$ -	\$ 580,000	\$ -
2017 Refunding - Series B - Amount of issue - \$2,045,000	Various	895,000	-	(220,000)	675,000	225,000
Brownfield Redevelopment Tax Increment Bonds, Series 2015	2.00% - 5.00%	7,530,000	-	(565,000)	6,965,000	600,000
Total other debt principal outstanding		9,005,000	-	(785,000)	8,220,000	825,000
Brownfield - Bond premium		218,901	-	(20,522)	198,379	20,522
Subscription liability		-	218,301	(156,009)	62,292	62,292
Total component unit long-term debt		<u>\$ 9,223,901</u>	<u>\$ 218,301</u>	<u>\$ (961,531)</u>	<u>\$ 8,480,671</u>	<u>\$ 907,814</u>

Note 7 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

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		
2025	\$ 92,499	\$ 6,711	\$ 1,290,000	\$ 531,657	\$ 1,920,867	
2026	93,114	4,525	1,330,000	490,797	1,918,436	
2027	95,349	2,289	1,375,000	448,557	1,921,195	
2028	-	-	1,415,000	404,783	1,819,783	
2029	-	-	1,460,000	359,475	1,819,475	
2030-2034	-	-	5,815,000	1,137,788	6,952,788	
2035-2039	-	-	2,415,000	145,800	2,560,800	
Thereafter	-	-	-	-	-	
Total	\$ 280,962	\$ 13,525	\$ 15,100,000	\$ 3,518,857	\$ 18,913,344	

Years Ending June 30	Business-type Activities			Component Unit Activities		
	Direct Borrowings and Direct Placements		Total	Other Debt		Total
	Principal	Interest		Principal*	Interest	
2025	\$ 1,517,174	\$ 728,153	\$ 2,245,327	\$ 825,000	\$ 356,401	\$ 1,181,401
2026	1,565,560	674,757	2,240,317	795,000	327,736	1,122,736
2027	1,650,375	619,792	2,270,167	825,000	299,364	1,124,364
2028	1,656,438	561,527	2,217,965	860,000	266,290	1,126,290
2029	1,205,728	513,568	1,719,296	730,000	231,810	961,810
2030-2034	4,791,131	2,039,939	6,831,070	4,185,000	640,925	4,825,925
2035-2039	3,678,894	1,254,944	4,933,838	-	-	-
Thereafter	4,439,954	636,083	5,076,037	-	-	-
Total	\$ 20,505,254	\$ 7,028,763	\$ 27,534,017	\$ 8,220,000	\$ 2,122,526	\$ 10,342,526

*Balances exclude bond premium

Defeased Debt

In prior years, the City defeased an aggregate amount of \$21.5 million of bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the balance of prior year defeased bonds are not included in the basic financial statements. At June 30, 2024, approximately \$8.75 million of bonds outstanding are considered defeased.

Note 7 - Long-term Debt (Continued)

Nonexchange Financial Guarantee

In 2005, the City pledged its full faith and credit on bonds issued by the City’s Brownfield Redevelopment Authority (the "Brownfield"). The bonds were related to the Midtown (Island Lakes) development project. The City’s pledge is considered a nonexchange financial guarantee or commitment to back the debt payments of the bonds, which continue through fiscal year 2034. Due to the downturn in the economy, the development project was never finished, and, as a result, the Brownfield’s projected tax increment revenue was previously insufficient to fully pay the bond debt. The present value of the total estimated shortfall related to the Brownfield’s bond payments as of June 30, 2023 was \$2,094,600 and was recorded by the City in the Water Fund and Sewer Fund. During the current year, the Brownfield’s projected tax increment revenue became sufficient to fully pay the bond debt so the related nonexchange financial guarantee was removed and the Water Fund and Sewer Fund each reported \$1,047,300 of nonoperation revenue related to the elimination of this liability.

No Commitment Debt

Excluded from long-term debt are bonds issued under the Economic Development Corporation Act of 1974, as amended, which authorizes the formation of economic development corporations and their participation in economic development projects in the City. The revenue bonds issued are payable solely from the net revenue derived from the respective leases and are not a general obligation of the City. After these bonds are issued, all financial activity is taken over by the paying agent. The bonds and related lease contracts are not reflected in the City’s financial statements. Information regarding the status of each bond issue, including possible default, must be obtained from the paying agent or other knowledgeable source.

Note 8 - Restricted Assets

At June 30, 2024, restricted assets are composed of the following:

Description	Business-type Activities
Assets held at Wayne County, Michigan for future debt payments	\$ 826,515
Assets held at Downriver Utility Wastewater Authority for sewer operations	2,154,022
Total	<u>\$ 2,980,537</u>

The above assets held by third parties are set aside for contractual obligations related to the issuance of bonds on the City’s behalf. The City has pledged substantially all revenue of the Sewer Fund, net of operating expenses, to repay its portion of principal and interest totaling \$27,182,976 of DUWA and Downriver Sewage Disposal System (DRDS) obligations. In addition, it has pledged to raise property taxes, to the extent permitted by law, to repay its portion of principal and interest totaling \$1,504,557 of the Wayne County, Michigan obligations. Proceeds from these bond issuances provided financing for the construction of the expansion of the Downriver Wastewater Treatment Plant and System. The remaining principal and interest to be paid on the DUWA/DRSD obligations not paid with property taxes totals \$25,678,419. During the current year, net revenue of the system before depreciation and other adjustments was \$2,124,769 compared to the debt service requirements of \$1,808,471 for the DUWA bonds. Tax collections related to the Wayne County, Michigan debt were \$8,544, compared to the debt service requirements of \$376,166.

In addition, the Road Capital Improvement Fund has restricted cash of \$3,227,226 as of June 30, 2024.

June 30, 2024

Note 9 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for medical and property claims and for risk related to torts and errors and omissions and is uninsured for workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The City estimates the liability for workers' compensation 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:

	<u>2024</u>	<u>2023</u>
Estimated liability - Beginning of year	\$ 611,508	\$ 532,367
Incurred claims, including adjustments to claims incurred but not reported	578,572	375,908
Claim payments - Net of insurance refunds	<u>(932,931)</u>	<u>(296,767)</u>
Estimated liability - End of year	<u>\$ 257,149</u>	<u>\$ 611,508</u>

Note 10 - Other Postemployment Benefit Plan

Plan Description

The City provides health care benefits to all full-time employees upon retirement, in accordance with labor contracts. The City includes pre-Medicare retirees and their dependents in its insured health care plan. This is a single-employer defined benefit plan administered by the City. All investments are held in the MERS of Michigan Retiree Health Funding Vehicle. MERS issues a publicly available financial report, which includes an other postemployment benefits fund. This report can be obtained at www.mersofmich.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Benefits Provided

The labor contracts require employee contributions for optical and dental for all employees and medical contributions for some of the new Command Union retirees. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a pay-as-you-go basis). The costs of administering the plan are borne by the City's General Fund.

Members Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	June 30, 2024
Inactive plan members or beneficiaries currently receiving benefits	493
Inactive plan members entitled to but not yet receiving benefits	24
Active plan members	<u>286</u>
Total plan members	<u><u>803</u></u>

Contributions

Retiree health care costs are paid by the City on a pay-as-you-go basis. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment. For the fiscal year ended June 30, 2024, the City made payments for postemployment health benefit premiums of \$9,221,151. Of that amount, \$167,292 was an additional prefunding contribution.

June 30, 2024

Note 10 - Other Postemployment Benefit Plan (Continued)

Net OPEB Liability

The City has chosen to use the June 30 measurement date as its measurement date for the net OPEB liability. The June 30, 2024 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2024 measurement date. The June 30, 2024 total OPEB liability was determined by an actuarial valuation performed as of June 30, 2024.

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2023	\$ 117,088,009	\$ 4,940,576	\$ 112,147,433
Changes for the year:			
Service cost	599,257	-	599,257
Interest	7,930,107	-	7,930,107
Differences between expected and actual experience	2,137,294	-	2,137,294
Changes in assumptions	6,463,812	-	6,463,812
Contributions - Employer	-	9,221,151	(9,221,151)
Net investment income	-	507,136	(507,136)
Benefit payments	(8,966,151)	(8,966,151)	-
Administrative expenses	-	(10,822)	10,822
Miscellaneous other charges	7,226	-	7,226
Net changes	8,171,545	751,314	7,420,231
Balance at June 30, 2024	<u>\$ 125,259,554</u>	<u>\$ 5,691,890</u>	<u>\$ 119,567,664</u>

The plan's fiduciary net position represents 4.54 percent of the total OPEB liability.

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$13,936,660.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,068,647	\$ -
Changes in assumptions	3,231,906	-
Net difference between projected and actual earnings on OPEB plan investments	25,792	-
Total	<u>\$ 4,326,345</u>	<u>\$ -</u>

Note 10 - 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:

Years Ending June 30	Amount
2025	\$ 4,275,912
2026	111,538
2027	(30,555)
2028	(30,550)
Total	<u>\$ 4,326,345</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 3 percent; a health care cost trend rate of 8.00 percent for 2025, decreasing to an ultimate rate of 4.50 percent for 2033 and later years; and the Pub-2010 mortality tables with the MP-2021 improvement scale.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.93 percent. The projection of cash flows used to determine the discount rate assumed that 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 OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2024 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	7.00 %
Global fixed income	20.00	4.50
Private investments	20.00	9.50

For the year ended June 30, 2024, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 10.28 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 10 - Other Postemployment Benefit Plan (Continued)

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 6.93 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.93%)	Current Discount Rate (6.93%)	1 Percentage Point Increase (7.93%)
Net OPEB liability	\$ 133,428,563	\$ 119,567,664	\$ 108,006,013

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

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 8.00 percent, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (3.50 - 7.00%)	Current Health Care Cost Trend Rate (4.50 - 8.00%)	1 Percentage Point Increase (5.50 - 9.00%)
Net OPEB liability	\$ 107,904,128	\$ 119,567,664	\$ 133,535,409

Note 11 - Other Postemployment Benefits - MERS Health Care Plan

Plan Description

The City provides funding of retiree health care benefits to eligible employees and their spouses through the Municipal Employees' Retirement System health care plan. Any employee in the Police Officer Association of Michigan union hired after September 30, 2011 is eligible to use the balance in his or her account to fund current medical insurance premiums.

During the year ended June 30, 2024, the City made contributions of \$157,297, and the plan members contributed \$157,297 to the plan.

Note 12 - Defined Contribution Pension Plan

The City provides benefits to recently hired employees who are not eligible for the defined benefit plans through a defined contribution plan established on July 1, 2003. In the City of Taylor, Michigan's defined contribution plan, which is administered by Nationwide, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate from the date of hire. As established by various collective bargaining agreements, the employees are permitted to contribute up to 4 percent of their pretax earnings and up to 25 percent of their after-tax earnings. The City contributes between 50 percent and 200 percent of no greater than 4 percent of the employee contributions as an employer match. Employee contributions are immediately vested. Earnings and the employer match are fully vested after five years of service.

The City's total payroll during the current year was \$28,539,471. The current year contribution was calculated based on covered payroll of \$7,379,105, resulting in an employer contribution of \$308,208 and employee contributions of \$295,164.

Note 13 - Pension Plans

Plan Description

General Employees' Retirement System

The City of Taylor General Employees' Retirement System board of trustees administers the City of Taylor General Employees' Retirement Pension Plan, a single-employer defined benefit pension plan that provides pensions for all employees of the City other than court, police, and fire employees. Benefit terms have been established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process.

The plan issues its own publicly available financial statements, which are no longer included within the City's financial statements as a result of GASB 84 implementation.

Management of the plan is vested in the board of trustees, which consists of six individuals: the city HR director, the city budget and finance director, the city treasurer, and three members who represent the unions.

Police and Fire Retirement System

The Police and Fire pension board administers the City of Taylor, Michigan Police and Fire Retirement System, a single-employer defined benefit pension plan that provides pensions for almost all public safety employees of the City. Benefit terms have been established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process. The plan does not issue a separate financial report.

The financial statements of the plan are included in these financial statements as a fiduciary fund.

Management of the plan is vested in the pension board, which consists of five members: one police officer elected by the members, one firefighter elected by the members, two members representing the City, and the city treasurer.

Municipal Employees' Retirement System of Michigan

The court participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS), which covers all district court employees hired before June 30, 2002. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes the financial statements and required supplementary information of this defined benefit plan. This report can be obtained at www.mersofmich.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Benefits Provided

General Employees' Retirement System

The pension plan provides retirement, disability, and death benefits. Retirement benefits for general plan members are based on average final compensation and are calculated as follows:

Local 1128 AFCSME and Local 1917 members hired prior to August 4, 1988: straight life pension equals 55 percent of average final compensation (AFC).

Taylor Governmental Management and Administrative Employees Association members hired prior to May 18, 1988: straight life pension equals 30 percent of average final compensation after 4 years of service, increasing by 6.25 percent each year until 8 years, at which time the pension equals 55 percent of AFC until 13 or more years of service, at which time the pension equals 65 percent of AFC.

Elected officials elected before November 27, 1989: straight life pension equals 30 percent of average final compensation after 4 years of service, increasing by 6.25 percent each year until 8 years of service, at which time the pension equals 55 percent of AFC.

Note 13 - Pension Plans (Continued)

Local 1128 AFCSME and Local 1917 members hired on or after August 4, 1988: straight life pension equals 2.2 percent of average final compensation per year of service to a maximum of 25 years of service.

Taylor Governmental Management and Administrative Employees Association members hired on or after May 18, 1988: straight life pension equals 30 percent of final average earnings (FAE) for service accrued before January 1, 2011 after 5 years of service, increasing by 2.25 percent each year until 12 years, at which time the percentage rate equals 47.5 percent. The pension then increases in years 13, 14, and 15 to 52.5, 60, and 65 percent, respectively, which is where the FAE is capped. The pension percentage increases by 2.25 percent for each year of service accrued after January 1, 2011, not to exceed 65 percent.

Elected officials elected on or after November 27, 1989, excluding City Council officials elected on or after November 25, 1997; judges elected on or after October 1, 2008; and the mayor, clerk, and treasurer elected on or after November 8, 2005: straight life pension equals 30 percent of final average compensation after 5 years of service increasing by 2.25 percent each year, not to exceed 55 percent.

Average final compensation is defined as the average of the employee's highest 5 years of earnings prior to retirement.

Local 1128 AFCSME and Local 1917 members hired prior to August 4, 1988 are eligible at the earlier of age 55 with 8 or more years of service (10 or more years if hired after August 1, 1982), or 25 years of service. Taylor Governmental Management and Administrative Employees Association members and elected officials elected before November 27, 1989 hired prior to May 18, 1988 are eligible at age 55 with 4 or more years of service or any age with 25 or more years of service. Local 1128 AFCSME and Local 1917 members hired on or after August 4, 1988 are eligible at age 55 with 10 or more years of service or age 50 and 25 or more years of service beginning on January 1, 2009. Employees hired after December 22, 2004 are not eligible to participate. Taylor Governmental Management and Administrative Employees Association members hired on or after May 18, 1988 are eligible at age 55 with 5 or more years of service. Employees hired after March 6, 2001 are not eligible to participate. Elected officials elected on or after November 27, 1989, excluding City Council officials elected on or after November 25, 1997; judges elected on or after October 1, 2008; and the mayor, clerk, and treasurer elected on or after November 8, 2005 are eligible at age 55 with 5 or more years of service.

Police and Fire Retirement System

The pension plan provides retirement, disability, and death benefits. Retirement benefits for police and fire plan members are based on average final compensation and are calculated as follows:

Corporal/patrol hired prior to October 1, 2011: straight life pension equals 2.8 percent of average final compensation times first 25 years of service, maximum of 70 percent of AFC.

Police command and fire hired prior to July 1, 2007: straight life pension equals 2.8 percent of average final compensation times first 25 years of service plus 1.0 percent of AFC times years of service in excess of 25 years to a maximum of 75 percent of AFC.

Fire hired on or after July 1, 2007 (and before August 1, 2012) and corporal/patrol hired after September 30, 2011: straight life pension equals 2.25 percent of AFC times years of service. Fire AFC will use base wages only, and overtime is capped at \$3,000. Corporal/patrol AFC shall be base wage plus a maximum of 240 hours of paid leave.

Average final compensation is defined as the employee's highest 3 years of earnings from the last 10 years of service.

Note 13 - Pension Plans (Continued)

Corporal/patrol hired prior to October 1, 2011 and fire hired prior to August 1, 2012 are eligible with 20 or more years of service or age 60, regardless of service. Fire post-July 31, 2012 hires are covered by a defined contribution plan. Corporal/patrol hired after September 30, 2011 are eligible at age 50 with 25 or more years of service or age 60. Police command are eligible at any age with 25 or more years of service or age 60 regardless of service. Command officers are eligible to participate in the DROP after 20 years of service.

Municipal Employees' Retirement System of Michigan

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

The MERS plan covers all district court employees hired before June 30, 2002.

Retirement benefits for employees are calculated as 2.25 percent of the employee's final 5-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 55 with 25 years of service or a reduced benefit at age 50 with 25 years of service or age 55 with 15 years of service. Deferred retirement benefits vest after 10 years of credited service but are not paid until the date retirement would have occurred had the member remained an employee. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the City Council, generally after negotiations of these terms with the affected unions.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	<u>City of Taylor General Employees' Retirement System</u>	<u>Police and Fire Retirement System</u>	<u>Municipal Employees' Retirement System</u>
Date of member count	December 31, 2022	June 30, 2024	December 31, 2023
Inactive plan members or beneficiaries currently receiving benefits	243	275	14
Inactive plan members entitled to but not yet receiving benefits	20	8	3
Active plan members	34	75	2
Pending refunds	-	-	1
	<hr/>	<hr/>	<hr/>
Total employees covered by the plan	<u>297</u>	<u>358</u>	<u>20</u>

Note 13 - Pension Plans (Continued)

Contributions

General 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. For the year ended December 31, 2023, the average active member contribution rate was 4.54 percent of annual pay, and the City's average contribution rate was 144.14 percent of annual payroll.

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, 2024, the average active member contribution rate was 9.17 percent of annual pay, and the City's average contribution rate was 105.64 percent of annual payroll.

Municipal Employees' Retirement System of Michigan

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, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. 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. The employer may establish contribution rates to be paid by its covered employees.

For the year ended December 31, 2023, the average active employee contribution rate was 5.0 percent of annual pay, and the court's average contribution rate was 122.93 percent of annual payroll for the district court.

Net Pension Liability

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

	<u>City of Taylor General Employees' Retirement System</u>	<u>Police and Fire Retirement System</u>	<u>Municipal Employees' Retirement System</u>
Measurement date used for the City's net pension liability	December 31, 2023	June 30, 2024	December 31, 2023
Based on a comprehensive actuarial valuation as of	December 31, 2022	June 30, 2023	December 31, 2023

Note 13 - Pension Plans (Continued)

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

General Employees' Retirement System

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2022	\$ 80,117,694	\$ 42,969,036	\$ 37,148,658
Changes for the year:			
Service cost	100,822	-	100,822
Interest	5,577,837	-	5,577,837
Differences between expected and actual experience	461,470	-	461,470
Changes in assumptions	1,670,490	-	1,670,490
Contributions - Employer	-	3,488,723	(3,488,723)
Contributions - Employee	-	109,903	(109,903)
Net investment income	-	6,771,256	(6,771,256)
Benefit payments, including refunds	(6,565,663)	(6,565,663)	-
Administrative expenses	-	(30,114)	30,114
Miscellaneous other charges	-	651,528	(651,528)
Net changes	1,244,956	4,425,633	(3,180,677)
Balance at December 31, 2023	\$ 81,362,650	\$ 47,394,669	\$ 33,967,981

The plan's fiduciary net position represents 58.3 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 July 1, 2023	\$ 207,388,590	\$ 135,577,185	\$ 71,811,405
Changes for the year:			
Service cost	1,565,729	-	1,565,729
Interest	14,522,051	-	14,522,051
Differences between expected and actual experience	3,349,882	-	3,349,882
Changes in assumptions	(256,891)	-	(256,891)
Contributions - Employer	-	6,636,384	(6,636,384)
Contributions - Employee	-	576,009	(576,009)
Net investment income	-	15,108,266	(15,108,266)
Benefit payments, including refunds	(17,300,338)	(17,300,338)	-
Administrative expenses	-	(88,995)	88,995
Miscellaneous other charges	-	270,436	(270,436)
Net changes	1,880,433	5,201,762	(3,321,329)
Balance at June 30, 2024	\$ 209,269,023	\$ 140,778,947	\$ 68,490,076

The plan's fiduciary net position represents 67.3 percent of the total pension liability.

Note 13 - Pension Plans (Continued)

Municipal Employees' Retirement System of Michigan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2022	\$ 4,624,718	\$ 2,837,342	\$ 1,787,376
Changes for the year:			
Service costs	12,359	-	12,359
Interest	324,017	-	324,017
Differences between expected and actual experience	77,143	-	77,143
Changes in actuarial assumptions	31,358	-	31,358
Contributions - Employer	-	79,237	(79,237)
Contributions - Employee	-	7,225	(7,225)
Net investment income	-	310,190	(310,190)
Benefit payments	(323,397)	(323,397)	-
Administrative expenses	-	(6,462)	6,462
Net changes	121,480	66,793	54,687
Balance at December 31, 2023	\$ 4,746,198	\$ 2,904,135	\$ 1,842,063

The plan's fiduciary net position represents 61.2 percent of the total pension liability.

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

For the year ended June 30, 2024, the City recognized pension expense of \$7,940,199 from the Police and Fire Retirement System, \$3,155,723 from the general employees' plan, and \$243,179 from the MERS plan.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,362,840	\$ (10,202)
Changes in assumptions	-	(171,261)
Net difference between projected and actual earnings on pension plan investments	1,301,590	(2,043,962)
Employer contributions to the plan subsequent to the measurement date	38,506	-
Total	\$ 4,702,936	\$ (2,225,425)

Note 13 - Pension Plans (Continued)

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

Years Ending June 30	Amount
2025	\$ (375,347)
2026	5,219,693
2027	(497,064)
2028	(1,908,277)
Total	<u>\$ 2,439,005</u>

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:

	General Employees' Retirement System	Police and Fire Retirement System	Municipal Employees' Retirement System
Inflation	2.75%	3.5%	2.5%
Salary increases (including inflation)	1.00%	3.00%-8.00%	3.00%-9.70%
Investment rate of return (gross of investment expenses)	7.00%	7.25%	7.18%
Mortality rates	Pub-2010 Mortality Tables with MP-2021	Pub-2010 Mortality Tables with MP-2019	Pub-2010 Mortality Tables with MP-2019

Discount Rate

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

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.

	General Employees' Retirement System	Police and Fire Retirement System	Municipal Employees' Retirement System
Assumed investment rate of return	7.00%	7.25%	7.18%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	No	Yes
Discount rate used to measure total pension liability	7.00%	7.16%	7.18%

June 30, 2024

Note 13 - Pension Plans (Continued)

Investment Rate of Return

Best estimates of arithmetic real rates of return as of the measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment note, are summarized in the following tables:

General Employees' Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00 %	5.87 %
International equity	15.00	6.57
Domestic fixed income	21.00	1.78
International fixed income	4.00	3.50
Real estate	5.00	4.02
Other	10.00	5.43

Police and Fire Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	64.00 %	5.87 %
Fixed income	6.00	1.78
Cash	2.00	(0.45)
International equity	8.00	6.57
Real estate	10.00	4.02
Other	10.00	5.14

Municipal Employees' Retirement System

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

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

The following presents the net pension liability of the City, calculated using the current discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Net Pension Liability		
	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
General Employees' Retirement System - Current rate 7.00 percent	\$ 41,347,204	\$ 33,967,981	\$ 27,649,936
Police and Fire Retirement System - Current rate 7.16 percent	89,823,598	68,490,076	50,643,408
Municipal Employees' Retirement System - Current rate 7.18 percent	2,333,020	1,842,063	1,426,354

Note 13 - Pension Plans (Continued)

Assumption Changes

The General Employees' Retirement System's discount rate decreased from 7.25 percent for the year ended December 31, 2022 to 7.00 percent for the year ended December 31, 2023. The Municipal Employees' Retirement System's discount rate decreased from 7.25 percent for the year ended December 31, 2022 to 7.18 percent for the year ended December 31, 2023. The Police and Fire Retirement System's discount rate decreased from 7.25 percent for the year ended June 30, 2023 to 7.16 percent for the year ended June 30, 2024.

Investment Policy

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 its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rates of return on pension plan investments for the Police and Fire Retirement System, net of pension plan investment expense, was 11.80 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 14 - Pension Plan Reserves

Police and Fire Retirement System

In accordance with plan documents, the following reserves are required to be set aside within the pension plan:

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

The employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee and credits interest annually at a rate of 8.0 percent. For employees who terminate before vesting in the pension plan, the balances are returned to the employees; for those who stay until retirement, the balances are transferred into the retiree reserve.

There are no employer reserves as of June 30, 2024.

The balances of the reserve accounts at June 30, 2024 are as follows:

	Required Reserve	Amount Funded
Employee reserve	\$ 3,587,279	\$ 3,587,279
Retiree reserve	163,808,950	137,191,670

June 30, 2024

Note 15 - Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the 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.

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.

The Police and Fire Retirement System has the following recurring fair value measurements as of June 30, 2024:

<u>Assets Measured at Fair Value on a Recurring Basis at June 30, 2024</u>				
	<u>Quoted Prices in</u>			
	<u>Active Markets</u>	<u>Significant Other</u>	<u>Significant</u>	
	<u>for Identical</u>	<u>Observable</u>	<u>Unobservable</u>	
	<u>Assets</u>	<u>Inputs</u>	<u>Inputs</u>	<u>Balance at</u>
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>June 30, 2024</u>
Investments by fair value level:				
Agency bonds	\$ -	\$ 702,459	\$ -	\$ 702,459
Asset-backed securities	-	461,877	-	461,877
Corporate bonds	-	2,510,765	-	2,510,765
ETF - Equity	146,296	-	-	146,296
ETF - Fixed income	465,980	-	-	465,980
Mutual funds - Equity	62,294,966	-	-	62,294,966
Stocks	32,568,943	-	-	32,568,943
Treasury bonds	1,391,278	-	-	1,391,278
	<u>\$ 96,867,463</u>	<u>\$ 3,675,101</u>	<u>\$ -</u>	<u>100,542,564</u>
Investments measured at NAV:				
Equity long/short hedge funds				15,975,500
Debt obligation hedge funds				2,839,474
Real estate funds				13,668,613
				<u>\$ 133,026,151</u>

Debt and equity securities and certain Treasury bonds classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of agency bonds, certain asset-backed securities, common and corporate - not traded, and certain corporate bonds at June 30, 2024 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

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

Investments in Entities that Calculate Net Asset Value per Share

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

Note 15 - Fair Value Measurements (Continued)

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

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible
MERS Total Market Fund	\$ 5,436,890	\$ -	N/A
Equity long/short hedge funds	15,975,500	-	N/A
Debt obligation hedge funds	2,839,474	-	N/A
Real estate funds	13,668,613	-	N/A

The MERS Total Market Fund is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide growth of income and capital appreciation while minimizing the volatility of capital markets.

MERS manages the asset allocation and monitors the underlying investment managers of the MERS Total Market Portfolio.

The equity long/short hedge fund class includes investments in hedge funds that invest both long and short primarily in U.S. common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

The debt obligation hedge fund class includes investments that focus primarily on debt obligations consisting of commercial mortgage loans, deeds of trust and other real estate and/or debt related investments. The fund's primary target investment is gap, transitional, or opportunistic financing. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

The real estate funds class includes several real estate funds that invest primarily in U.S. commercial real estate.

Note 16 - Contingent Liabilities

The City has been named as a defendant in numerous claims and lawsuits requesting damages of various amounts, the majority of which do not state a specific maximum. The various proceedings have not yet progressed to the point where a legal opinion can be reached as to the ultimate liability, if any, after consideration of available insurance, where applicable, that may result from the resolution of these matters. In addition, the City is involved in certain labor negotiation discussions. The City has not recorded an estimate of any liabilities that may result from these matters at June 30, 2024.

Note 17 - Tax Abatements

The City receives reduced property tax revenue as a result of industrial facilities tax exemptions (PA 198 of 1974). Industrial facility exemptions are intended to promote construction of new industrial facilities or to rehabilitate historical facilities. Under the program, the City grants a reduction of 50 percent of the property tax bill for new property (or it can freeze taxable values for rehabilitation properties) for up to 10 years.

For the fiscal year ended June 30, 2024, the City abated \$74,088 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

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

Note 18 - Leases

The City leases certain assets to third parties. The assets include office and retail spaces to tenants. Payments are generally fixed monthly with the exception of some leases having a provision where certain months' payments are not required.

During the year ended June 30, 2024, the City recognized the following related to its lessor agreements:

Lease revenue	\$	111,008
Interest income related to its leases		6,747

Note 19 - Subscriptions

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

Future principal and interest payment requirements related to the governmental activities' subscription liability at June 30, 2024 are as follows:

Years	Principal	Interest	Total
2025	\$ 374,305	\$ 70,277	\$ 444,582
2026	379,993	58,271	438,264
2027	399,530	45,826	445,356
2028	362,625	33,579	396,204
2029	354,662	21,750	376,412
2030 - 2031	497,306	16,847	514,153
Total	<u>\$ 2,368,421</u>	<u>\$ 246,550</u>	<u>\$ 2,614,971</u>

Future principal and interest payment requirements related to the City's golf fund subscription liability at June 30, 2024 are as follows:

Years	Principal	Interest	Total
2025	\$ 15,090	\$ 510	\$ 15,600
2026	7,728	72	7,800
Total	<u>\$ 22,818</u>	<u>\$ 582</u>	<u>\$ 23,400</u>

Future principal and interest payment requirements related to the City's Tax Increment Financing Authority fund subscription liability at June 30, 2024 are as follows:

Year	Principal	Interest	Total
2025	\$ 62,292	\$ 333	\$ 62,625

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 12,274,000	\$ 12,525,000	\$ 12,515,215	\$ (9,785)
Charges for services	5,199,800	5,345,233	5,274,763	(70,470)
Intergovernmental	13,269,094	17,124,188	11,580,040	(5,544,148)
Licenses and permits	1,257,000	1,257,000	1,062,283	(194,717)
Fines and forfeitures	5,188,700	6,820,200	7,198,101	377,901
Rental income	1,440,930	1,667,641	1,968,756	301,115
Interest income	150,000	312,000	340,136	28,136
DMA/911 and other revenue	9,530,606	11,612,230	11,864,977	252,747
Total revenue	48,310,130	56,663,492	51,804,271	(4,859,221)
Expenditures				
Current services:				
General government	11,497,159	12,079,594	11,608,478	471,116
Employee benefits	5,524,200	6,717,305	4,823,774	1,893,531
Public safety	19,101,314	20,142,444	19,280,121	862,323
Public works and capital projects	5,188,050	5,182,630	5,080,210	102,420
Community development	580,990	477,148	280,837	196,311
Recreation and culture	3,630,360	4,983,443	3,907,879	1,075,564
Capital outlay	2,389,800	3,148,433	377,798	2,770,635
Debt service	228,427	228,427	228,422	5
Total expenditures	48,140,300	52,959,424	45,587,519	7,371,905
Excess of Revenue Over Expenditures	169,830	3,704,068	6,216,752	2,512,684
Other Financing Uses - Transfers out	(40,371)	(40,691)	(40,686)	5
Net Change in Fund Balance	129,459	3,663,377	6,176,066	2,512,689
Fund Balance - Beginning of year	16,505,683	16,505,683	16,505,683	-
Fund Balance - End of year	\$ 16,635,142	\$ 20,169,060	\$ 22,681,749	\$ 2,512,689

Required Supplementary Information
 Budgetary Comparison Schedule - Major Special Revenue Fund
 Police and Fire Retirement Fund

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 11,379,000	\$ 11,379,000	\$ 11,346,150	\$ (32,850)
Intergovernmental	125,000	164,000	164,079	79
Interest income	50,000	70,000	92,438	22,438
Total revenue	11,554,000	11,613,000	11,602,667	(10,333)
Expenditures - Current services - Employee benefits	11,454,000	11,219,000	11,168,545	50,455
Net Change in Fund Balance	100,000	394,000	434,122	40,122
Fund Balance - Beginning of year	519,779	519,779	519,779	-
Fund Balance - End of year	<u>\$ 619,779</u>	<u>\$ 913,779</u>	<u>\$ 953,901</u>	<u>\$ 40,122</u>

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

Last Ten Years Ended December 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 100,822	\$ 109,676	\$ 167,516	\$ 172,368	\$ 173,696	\$ 200,901	\$ 239,266	\$ 278,102	\$ 306,468	\$ 295,423
Interest	5,577,837	5,938,576	6,231,347	6,008,933	5,999,436	5,973,181	5,991,735	5,933,218	5,610,828	5,970,109
Differences between expected and actual experience	461,470	(5,715,463)	(1,799,819)	416,760	391,348	619,218	(216,865)	914,633	1,318,385	-
Changes in assumptions	1,670,490	(1,705,872)	3,677,263	2,736,561	(165,474)	(190,968)	27,101	-	3,166,569	-
Benefit payments, including refunds	(6,565,663)	(6,472,681)	(6,459,928)	(6,268,553)	(6,273,569)	(6,176,544)	(6,563,201)	(6,089,417)	(6,089,658)	(6,083,112)
Net Change in Total Pension Liability	1,244,956	(7,845,764)	1,816,379	3,066,069	125,437	425,788	(521,964)	1,036,536	4,312,592	182,420
Total Pension Liability - Beginning of year	80,117,694	87,963,458	86,147,079	83,081,010	82,955,573	82,529,785	83,051,749	82,015,213	77,702,621	77,520,201
Total Pension Liability - End of year	\$ 81,362,650	\$ 80,117,694	\$ 87,963,458	\$ 86,147,079	\$ 83,081,010	\$ 82,955,573	\$ 82,529,785	\$ 83,051,749	\$ 82,015,213	\$ 77,702,621
Plan Fiduciary Net Position										
Contributions - Employer	\$ 3,488,723	\$ 4,173,222	\$ 4,177,172	\$ 4,119,517	\$ 3,964,651	\$ 3,968,766	\$ 3,720,318	\$ 3,530,436	\$ 3,259,165	\$ 2,725,322
Contributions - Member	109,903	119,807	132,674	137,271	143,486	152,086	179,943	164,004	172,866	192,334
Contributions - nonemployer contributing member	651,528	-	-	-	-	-	-	-	-	-
Net investment income (loss)	6,771,256	(6,542,020)	6,884,617	5,914,718	7,391,439	(1,650,303)	5,925,408	2,764,949	(115,718)	1,909,582
Administrative expenses	(30,114)	(38,519)	(57,767)	(51,099)	(103,703)	(54,571)	(121,699)	(65,781)	(206,733)	(127,101)
Benefit payments, including refunds	(6,565,663)	(6,472,681)	(6,459,928)	(6,268,553)	(6,273,569)	(6,176,544)	(6,563,201)	(6,089,417)	(6,089,658)	(6,083,112)
Other	-	-	-	-	-	-	-	-	-	(179,016)
Net Change in Plan Fiduciary Net Position	4,425,633	(8,760,191)	4,676,768	3,851,854	5,122,304	(3,760,566)	3,140,769	304,191	(2,980,078)	(1,561,991)
Plan Fiduciary Net Position - Beginning of year	42,969,036	51,729,227	47,052,459	43,200,605	38,078,301	41,838,867	38,698,098	38,393,907	41,373,985	42,935,976
Plan Fiduciary Net Position - End of year	\$ 47,394,669	\$ 42,969,036	\$ 51,729,227	\$ 47,052,459	\$ 43,200,605	\$ 38,078,301	\$ 41,838,867	\$ 38,698,098	\$ 38,393,907	\$ 41,373,985
City's Net Pension Liability - Ending	\$ 33,967,981	\$ 37,148,658	\$ 36,234,231	\$ 39,094,620	\$ 39,880,405	\$ 44,877,272	\$ 40,690,918	\$ 44,353,651	\$ 43,621,306	\$ 36,328,636
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	58.25 %	53.63 %	58.81 %	54.62 %	52.00 %	45.90 %	50.70 %	46.60 %	46.81 %	53.25 %
Covered Payroll	\$ 2,420,292	\$ 2,303,292	\$ 2,772,886	\$ 2,905,323	\$ 2,985,903	\$ 3,049,120	\$ 2,645,503	\$ 3,092,088	\$ 3,405,502	\$ 3,171,020
City's Net Pension Liability as a Percentage of Covered Payroll	1,403.47 %	1,612.85 %	1,306.73 %	1,345.62 %	1,335.62 %	1,471.81 %	1,538.12 %	1,434.42 %	1,280.91 %	1,145.65 %

See notes to required supplementary information.

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

Years Ended June 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 1,565,729	\$ 2,091,187	\$ 2,166,067	\$ 2,407,238	\$ 2,512,993	\$ 2,925,390	\$ 3,255,908	\$ 4,313,576	\$ 2,270,877	\$ 3,241,963
Interest	14,522,051	14,340,497	13,920,384	13,973,333	13,866,097	13,796,825	11,833,236	11,363,200	11,979,040	11,718,402
Changes in benefit terms	-	190,473	359,534	-	-	-	-	-	-	-
Differences between expected and actual experience	3,349,882	3,388,755	5,656,642	(1,833,339)	739,394	(1,678,775)	4,074,016	(1,734,435)	474,915	(2,254,916)
Changes in assumptions	(256,891)	-	-	(578,810)	(2,356,054)	-	(35,517,503)	(13,993,367)	27,114,985	14,501,830
Benefit payments, including refunds	(17,300,338)	(16,662,200)	(15,803,956)	(14,712,901)	(14,142,901)	(13,612,691)	(13,528,538)	(12,501,524)	(11,811,553)	(11,500,428)
Net Change in Total Pension Liability	1,880,433	3,348,712	6,298,671	(744,479)	619,529	1,430,749	(29,882,881)	(12,552,550)	30,028,264	15,706,851
Total Pension Liability - Beginning of year	207,388,590	204,039,878	197,741,207	198,485,686	197,866,157	196,435,408	226,318,289	238,870,839	208,842,575	193,135,724
Total Pension Liability* - End of year	\$ 209,269,023	\$ 207,388,590	\$ 204,039,878	\$ 197,741,207	\$ 198,485,686	\$ 197,866,157	\$ 196,435,408	\$ 226,318,289	\$ 238,870,839	\$ 208,842,575
Plan Fiduciary Net Position										
Contributions - Employer	\$ 6,636,384	\$ 6,574,292	\$ 6,568,459	\$ 6,416,342	\$ 6,314,749	\$ 6,576,408	\$ 4,987,980	\$ 5,190,370	\$ 5,588,834	\$ 5,409,465
Contributions - Member	576,009	626,846	769,179	874,695	555,732	715,718	715,020	784,187	728,821	802,920
Net investment income (loss)	15,108,266	12,938,360	(16,008,593)	39,459,103	2,950,703	6,706,356	14,355,591	14,698,347	652,396	7,010,053
Administrative expenses	(88,995)	(81,683)	(72,955)	(123,283)	(113,863)	(120,429)	(65,886)	(72,618)	(108,612)	(104,875)
Benefit payments, including refunds	(17,300,338)	(16,662,200)	(15,803,956)	(14,712,901)	(14,142,901)	(13,612,691)	(13,528,538)	(12,501,524)	(11,811,553)	(11,500,428)
Other	270,436	(3,361)	40,118	(1,005)	4,408	121	227	52	104	-
Net Change in Plan Fiduciary Net Position	5,201,762	3,392,254	(24,507,748)	31,912,951	(4,431,172)	265,483	6,464,394	8,098,814	(4,950,010)	1,617,135
Plan Fiduciary Net Position - Beginning of year	135,577,185	132,184,931	156,692,679	124,779,728	129,210,900	128,945,417	122,481,023	114,382,209	119,332,219	117,715,084
Plan Fiduciary Net Position - End of year	\$ 140,778,947	\$ 135,577,185	\$ 132,184,931	\$ 156,692,679	\$ 124,779,728	\$ 129,210,900	\$ 128,945,417	\$ 122,481,023	\$ 114,382,209	\$ 119,332,219
City's Net Pension Liability - Ending	\$ 68,490,076	\$ 71,811,405	\$ 71,854,947	\$ 41,048,528	\$ 73,705,958	\$ 68,655,257	\$ 67,489,991	\$ 103,837,266	\$ 124,488,630	\$ 89,510,356
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	67.27 %	65.37 %	64.78 %	79.24 %	62.87 %	65.30 %	65.64 %	54.12 %	47.88 %	57.14 %
Covered Payroll	\$ 6,282,167	\$ 6,051,154	\$ 8,196,459	\$ 8,404,265	\$ 8,291,531	\$ 8,316,625	\$ 8,898,318	\$ 8,050,037	\$ 9,360,386	\$ 9,148,649
City's Net Pension Liability as a Percentage of Covered Payroll	1,090.23 %	1,186.74 %	876.66 %	488.42 %	888.93 %	825.52 %	758.46 %	1,289.90 %	1,329.95 %	978.40 %

Required Supplementary Information
Schedule of Pension Investment Returns
Police and Fire Retirement System

	Last Ten Fiscal Years									
	Years Ended June 30									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return - Net of investment expense	11.80 %	10.20 %	(10.62)%	32.54 %	2.35 %	5.34 %	12.34 %	13.50 %	0.60 %	6.40 %

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

Last Ten Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 12,359	\$ 16,440	\$ 18,544	\$ 30,623	\$ 34,564	\$ 34,236	\$ 33,767	\$ 40,596	\$ 38,483	\$ 44,150
Interest	324,017	319,541	332,742	320,160	319,549	312,534	299,716	287,968	263,413	251,106
Differences between expected and actual experience	77,143	38,674	(190,911)	(119,497)	(34,284)	(28,235)	54,099	30,322	95,801	-
Changes in assumptions	31,358	-	153,842	190,529	131,428	-	-	-	172,366	-
Benefit payments, including refunds	(323,397)	(298,362)	(269,410)	(231,018)	(231,018)	(231,018)	(224,155)	(193,111)	(135,684)	(150,800)
Net Change in Total Pension Liability	121,480	76,293	44,807	190,797	220,239	87,517	163,427	165,775	434,379	144,456
Total Pension Liability - Beginning of year	4,624,718	4,548,425	4,503,618	4,312,821	4,092,582	4,005,065	3,841,638	3,675,863	3,241,484	3,097,028
Total Pension Liability - End of year	\$ 4,746,198	\$ 4,624,718	\$ 4,548,425	\$ 4,503,618	\$ 4,312,821	\$ 4,092,582	\$ 4,005,065	\$ 3,841,638	\$ 3,675,863	\$ 3,241,484
Plan Fiduciary Net Position										
Contributions - Employer	\$ 79,237	\$ 63,561	\$ 77,391	\$ 90,833	\$ 73,769	\$ 57,328	\$ 49,750	\$ 42,463	\$ 46,082	\$ 40,320
Contributions - Member	7,225	8,389	12,797	17,457	17,671	17,503	19,552	20,845	24,797	23,779
Net investment income (loss)	310,190	(378,968)	422,727	403,334	362,964	(112,834)	362,289	294,707	(40,969)	167,698
Administrative expenses	(6,462)	(7,147)	(5,025)	(5,832)	(6,248)	(5,700)	(5,748)	(5,821)	(5,997)	(6,143)
Benefit payments, including refunds	(323,397)	(298,362)	(269,410)	(231,018)	(231,018)	(231,018)	(224,155)	(193,111)	(135,684)	(150,800)
Other	-	-	(548)	(500)	(250)	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	66,793	(612,527)	237,932	274,274	216,888	(274,721)	201,688	159,083	(111,771)	74,854
Plan Fiduciary Net Position - Beginning of year	2,837,342	3,449,869	3,211,937	2,937,663	2,720,775	2,995,496	2,793,808	2,634,725	2,746,496	2,671,642
Plan Fiduciary Net Position - End of year	\$ 2,904,135	\$ 2,837,342	\$ 3,449,869	\$ 3,211,937	\$ 2,937,663	\$ 2,720,775	\$ 2,995,496	\$ 2,793,808	\$ 2,634,725	\$ 2,746,496
City's Net Pension Liability - Ending	\$ 1,842,063	\$ 1,787,376	\$ 1,098,556	\$ 1,291,681	\$ 1,375,158	\$ 1,371,807	\$ 1,009,569	\$ 1,047,830	\$ 1,041,138	\$ 494,988
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	61.19 %	61.35 %	75.85 %	71.32 %	68.11 %	66.48 %	74.79 %	72.72 %	71.68 %	84.73 %
Covered Payroll	\$ 118,155	\$ 157,019	\$ 193,565	\$ 312,475	\$ 353,413	\$ 350,057	\$ 348,110	\$ 419,817	\$ 403,805	\$ 463,273
City's Net Pension Liability as a Percentage of Covered Payroll	1,559.02 %	1,138.32 %	567.54 %	413.37 %	389.11 %	391.88 %	290.01 %	249.59 %	257.83 %	106.85 %

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

	Last Seven Fiscal Years						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 599,257	\$ 567,799	\$ 417,432	\$ 494,473	\$ 893,637	\$ 3,705,380	\$ 4,136,989
Interest	7,930,107	7,758,543	6,960,780	9,083,551	11,124,998	10,543,165	10,324,168
Changes in benefit terms	-	-	9,547	-	-	-	-
Differences between expected and actual experience	2,137,294	2,871,777	4,809,139	(7,418,379)	(39,438,580)	(55,703,885)	(1,361,775)
Changes in assumptions	6,463,812	-	12,049,282	2,665,604	7,874,620	(88,984,720)	(2,765,110)
Benefit payments, including refunds	(8,966,151)	(8,597,418)	(7,936,704)	(7,250,975)	(8,389,421)	(8,742,467)	(9,016,012)
Miscellaneous other charges	7,226	-	-	-	-	-	-
Net Change in Total OPEB Liability	8,171,545	2,600,701	16,309,476	(2,425,726)	(27,934,746)	(139,182,527)	1,318,260
Total OPEB Liability - Beginning of year	117,088,009	114,487,308	98,177,832	126,645,254	154,580,000	293,762,527	292,444,267
Total OPEB Liability - End of year	\$ 125,259,554	\$ 117,088,009	\$ 114,487,308	\$ 124,219,528	\$ 126,645,254	\$ 154,580,000	\$ 293,762,527
Plan Fiduciary Net Position							
Contributions - Employer	\$ 9,221,151	\$ 8,852,418	\$ 8,191,704	\$ 7,505,975	\$ 8,644,421	\$ 11,742,467	\$ -
Net investment income (loss)	507,136	315,165	(370,483)	934,033	70,503	-	-
Administrative expenses	(10,822)	(8,185)	(8,076)	(6,876)	(5,505)	-	-
Benefit payments, including refunds	(8,966,151)	(8,597,418)	(7,936,704)	(7,250,975)	(8,389,421)	(8,742,467)	-
Net Change in Plan Fiduciary Net Position	751,314	561,980	(123,559)	1,182,157	319,998	3,000,000	-
Plan Fiduciary Net Position - Beginning of year	4,940,576	4,378,596	4,502,155	3,319,998	3,000,000	-	-
Plan Fiduciary Net Position - End of year	\$ 5,691,890	\$ 4,940,576	\$ 4,378,596	\$ 4,502,155	\$ 3,319,998	\$ 3,000,000	\$ -
Net OPEB Liability - Ending	\$ 119,567,664	\$ 112,147,433	\$ 110,108,712	\$ 119,717,373	\$ 123,325,256	\$ 151,580,000	\$ 293,762,527
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	4.54 %	4.22 %	3.82 %	3.62 %	2.62 %	1.94 %	- %
Covered Payroll	\$ 18,177,699	\$ 15,282,298	\$ 16,277,453	\$ 13,458,719	\$ 12,054,882	\$ 10,625,983	\$ 10,465,328
Net OPEB Liability as a Percentage of Covered Payroll	657.77 %	733.84 %	676.45 %	889.52 %	1,023.03 %	1,426.50 %	2,807.01 %

Note: Governmental Accounting Standards Board Statement No. 75 was implemented beginning with fiscal year 2018. Therefore, 10-year trend information is not yet available.

Restatement - The June, 30, 2022 beginning net OPEB liability has been restated/reduced by \$26,041,696 to correct errors in the calculation of total OPEB liability made in prior years.

Required Supplementary Information
Schedule of OPEB Contributions

Last Ten Fiscal Years
Years Ended June 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 9,053,859	\$ 7,614,106	\$ 7,936,704	\$ 8,770,402	\$ 10,916,727	\$ 16,922,687	\$ -	\$ 17,992,359	\$ 17,751,739	\$ 14,397,330
Contributions in relation to the actuarially determined contribution	9,221,151	8,852,418	8,191,704	7,505,975	8,644,421	11,742,467	-	7,892,660	7,652,506	7,467,152
Contribution Excess (Deficiency)	\$ 167,292	\$ 1,238,312	\$ 255,000	\$ (1,264,427)	\$ (2,272,306)	\$ (5,180,220)	\$ -	\$ (10,099,699)	\$ (10,099,233)	\$ (6,930,178)
Covered Payroll	\$ 18,177,699	\$ 15,282,298	\$ 16,277,453	\$ 13,458,719	\$ 12,054,882	\$ 10,625,983	\$ -	\$ 11,720,401	\$ 11,720,401	\$ 11,720,401
Contributions as a Percentage of Covered Payroll	50.73 %	57.93 %	110.51 %	110.51 %	110.51 %	110.51 %	- %	67.34 %	65.29 %	62.47 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	Market value
Inflation	2.50 percent
Health care cost trend rates	Trend starting at 8.0 percent and gradually decreasing to an ultimate trend rate of 4.5 percent
Salary increase	3.00 percent
Investment rate of return	6.93 percent
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 Mortality Tables using Scale MP-2021

Required Supplementary Information
Schedule of OPEB Investment Returns

	Last Seven Fiscal Years						
	Years Ended June 30						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return - Net of investment expense	10.28 %	7.47 %	(8.23)%	28.12 %	2.32 %	3.09 %	7.68 %

Note: Governmental Accounting Standards Board Statement No. 74 was implemented beginning with fiscal year 2018. Therefore, 10-year trend information is not yet available.

June 30, 2024

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

	Total Revenue	Total Expenditures and Transfers Out	Fund Balance
Amounts per operating statement	\$ 51,805,929	\$ 45,628,205	\$ 22,698,644
Tree Replacement Fund	(1,658)	-	(16,895)
Amounts per budget statement	<u>\$ 51,804,271</u>	<u>\$ 45,628,205</u>	<u>\$ 22,681,749</u>

Pension Information

Changes in Assumptions

General Employees' Retirement System

In 2023, the discount rate used to calculate the total pension liability was decreased from 7.25 percent for the year ended December 31, 2022 to 7.00 percent for the year ended December 31, 2023.

In 2022, the discount rate used to calculate the total pension liability was increased from 7.00 percent for the year ended December 31, 2021 to 7.25 percent for the year ended December 31, 2022.

The discount rate decreased from 7.50 percent for the year ended December 31, 2020 to 7.0 percent for the year ended December 31, 2021. In addition, the mortality tables were updated from the Pub-2010 Mortality Tables Projected Generationally with Scale MP-2020 for the year ended December 31, 2020 to the Pub-2010 Mortality Tables Projected Generationally with Scale MP-2021 for the year ended December 31, 2021.

In 2020, the mortality rates were updated to be based on the Pub-2010 mortality tables.

In 2016, the discount rate was updated from 8.00 to 7.50 percent. In addition, the assumed salary increase was updated to 1.00 percent (decrease of 1.50 percent).

Police and Fire Retirement System

Over the years, the actuarial assumptions were updated as follows:

2024 - Discount rate was updated from 7.25 to 7.16 percent.

2022 - DROP provisions were added for members of the Taylor Professional Fire Fighters Association Local 1252 who earned 20 years of service on or before June 30, 2021. Retirement rates were updated to reflect the value of this change. In addition, a new tier of benefits was added for fire members hired on or after August 1, 2021.

2021 - Discount rate was updated from 7.22 to 7.25 percent. The assumed salary increases were updated from 0.00-6.50 percent to 5.00-8.00 percent.

2020 - The mortality rates were updated to be based on the Pub-2010 mortality tables.

2018 - Discount rate was updated from 5.35 to 7.22 percent.

2017 - Discount rate was updated from 4.84 to 5.35 percent.

2016 - Discount rate was updated from 5.87 to 4.84 percent. The inflation assumption was updated from 4.00 to 3.50 percent.

2015 - Discount rate was updated from 7.60 to 5.87 percent.

Municipal Employees' Retirement System

For plans with years ended December 31, 2023, the Municipal Employees' Retirement System dedicated gain policy, which went into effect December 31, 2021, is reflected in the reduction of the assumed rate of investment return and discount rate. The expected investment return assumption decreased from 7.25 percent to 7.18 percent (net of investment expenses and gross of administrative expenses).

In 2021, the mortality rates were updated to be based on the Pub-2010 mortality tables.

In 2020, the investment rate of return (net of investment expenses) was changed from 7.75 to 7.35 percent, the discount rate was changed from 8.00 to 7.60 percent, and the assumed salary increase was changed from 3.75 to 3.00 percent.

In 2016, the mortality rates were updated to be based on the RP-2014 Group Mortality table. In addition, the discount rate was updated from 8.25 to 8.00 percent, and the assumed salary increase was changed from 4.50 to 3.75 percent.

OPEB Information

Changes in Assumptions

In 2024, the discount rate was updated to 6.93 percent from 7.00 percent. Additionally, the health care trend rate was updated to 8.00 percent decreasing down to 4.50 percent from 7.00 percent decreasing down to 4.50 percent.

In 2022, the discount rate was updated to 7.00 percent from 7.35 percent.

In 2021, the inflation assumption was updated from 2.75 percent to 2.50 percent. In addition, the mortality rates were updated to be based on the Pub-2010 mortality tables.

In 2020, the inflation assumption was updated from 2.50 to 2.75 percent. In addition, the health care cost trend rate was changed from an initial rate of 9.00 percent decreasing to an ultimate rate of 3.50 percent to an initial rate of 8.00 percent, decreasing to an ultimate rate of 4.50 percent. The excise tax was also removed in the 2020 valuation.

In 2019, the discount rate was updated from 3.62 to 7.35 percent. In addition, the inflation assumption was updated from 2.75 to 2.50 percent, and the assumed salary increases for court members were changed from a range of 2.50 to 15.50 percent to a range of 3.75 to 14.75 percent.

In 2018, the discount rate was updated from 4.00 to 3.62 percent.

Supplementary Information

City of Taylor, Michigan

	Special Revenue Funds						
	Major Streets	Local Streets	Police Forfeiture	Treasury Forfeiture	Justice Forfeiture	Community Development Block Grant	Building Department
Assets							
Cash and investments	\$ 2,562,342	\$ 565,602	\$ 434,253	\$ 422,926	\$ 1,945,723	\$ 10,579	\$ 362,698
Receivables:							
Property taxes	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other governmental units	941,243	339,096	-	-	14,937	24,643	-
Due from other funds	467,126	644,401	50,000	2,750	2,194	18,226	127,243
Prepaid expenses and other assets	-	-	-	-	-	-	12,392
Restricted assets	-	-	-	-	-	-	-
Properties held for resale	-	-	-	-	-	-	-
Total assets	\$ 3,970,711	\$ 1,549,099	\$ 484,253	\$ 425,676	\$ 1,962,854	\$ 53,448	\$ 502,333
Liabilities							
Accounts payable	\$ 75,545	\$ 236,056	\$ -	\$ 5,660	\$ -	\$ 33,078	\$ 100,034
Due to other governmental units	-	-	-	-	-	-	-
Due to other funds	653,197	127,197	-	-	-	10,524	36,651
Accrued liabilities and other	-	-	-	-	-	-	10,982
Total liabilities	728,742	363,253	-	5,660	-	43,602	147,667
Deferred Inflows of Resources - Unavailable revenue							
	-	-	-	-	14,937	24,643	-
Total liabilities and deferred inflows of resources	728,742	363,253	-	5,660	14,937	68,245	147,667
Fund Balances (Deficit)							
Nonspendable	-	-	-	-	-	-	12,392
Restricted:							
Roads	3,241,969	1,185,846	-	-	-	-	-
Drug forfeiture	-	-	484,253	420,016	1,947,917	-	-
Grants	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Special millages	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	342,274
Library	-	-	-	-	-	-	-
Opioid settlement	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(14,797)	-
Total fund balances (deficit)	3,241,969	1,185,846	484,253	420,016	1,947,917	(14,797)	354,666
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 3,970,711	\$ 1,549,099	\$ 484,253	\$ 425,676	\$ 1,962,854	\$ 53,448	\$ 502,333

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2024

Special Revenue Funds							Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
DARE/ GREAT	Neighborhood Stabilization Program	Building and Grounds	Library	Michigan Indigent Defense Commission	Act 179 Rubbish	Opioid Settlement	Taylor Building Authority Debt	Road Capital Improvement	Total Nonmajor Governmental Funds
\$ 3,373	\$ 24,392	\$ 2,071,569	\$ 1,132,677	\$ -	\$ 4,444,110	\$ -	\$ -	\$ -	\$ 13,980,244
-	-	2,733	887	-	4,949	-	-	-	8,569
-	-	-	117	14,003	195,659	-	-	-	209,779
-	-	247,452	120,009	66,582	64,205	866,411	-	-	2,684,578
-	-	360,494	73,797	1,514,565	515,415	309,206	-	662,969	4,748,386
-	-	113,212	-	-	-	-	-	-	125,604
-	-	-	-	-	-	-	-	3,227,226	3,227,226
-	103,275	-	-	-	-	-	-	-	103,275
\$ 3,373	\$ 127,667	\$ 2,795,460	\$ 1,327,487	\$ 1,595,150	\$ 5,224,338	\$ 1,175,617	\$ -	\$ 3,890,195	\$ 25,087,661
\$ -	\$ 15,416	\$ 482,032	\$ 39,039	\$ 58,603	\$ 157,727	\$ -	\$ -	\$ 1,283,527	\$ 2,486,717
-	-	35,328	11,573	-	64,242	-	-	-	111,143
-	-	129,885	30,001	1,536,547	1,389,573	-	-	-	3,913,575
-	-	30,848	23,601	-	96,070	-	-	-	161,501
-	15,416	678,093	104,214	1,595,150	1,707,612	-	-	1,283,527	6,672,936
3,373	-	-	56,434	14,003	20,176	866,411	-	-	999,977
3,373	15,416	678,093	160,648	1,609,153	1,727,788	866,411	-	1,283,527	7,672,913
-	-	113,212	-	-	-	-	-	-	125,604
-	-	-	-	-	-	-	-	-	4,427,815
-	-	-	-	-	-	-	-	-	2,852,186
-	112,251	-	-	-	-	-	-	-	112,251
-	-	-	-	-	-	-	-	2,606,668	2,606,668
-	-	2,004,155	-	-	3,496,550	-	-	-	5,500,705
-	-	-	-	-	-	-	-	-	342,274
-	-	-	1,166,839	-	-	-	-	-	1,166,839
-	-	-	-	-	-	309,206	-	-	309,206
-	-	-	-	(14,003)	-	-	-	-	(28,800)
-	112,251	2,117,367	1,166,839	(14,003)	3,496,550	309,206	-	2,606,668	17,414,748
\$ 3,373	\$ 127,667	\$ 2,795,460	\$ 1,327,487	\$ 1,595,150	\$ 5,224,338	\$ 1,175,617	\$ -	\$ 3,890,195	\$ 25,087,661

City of Taylor, Michigan

	Special Revenue Funds						
	Major Streets	Local Streets	Police Forfeiture	Treasury Forfeiture	Justice Forfeiture	Community Development Block Grant	Building Department
Revenue							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Intergovernmental:							
Federal grants	-	-	-	34,175	192,161	1,438,681	-
State-shared revenue and grants	5,887,126	2,114,966	65,248	-	-	-	-
Licenses and permits	-	-	-	-	-	-	2,450,183
Fines and forfeitures	-	-	-	-	-	-	-
Interest income	92,602	16,192	6,812	11,300	49,588	-	6,466
DMA/911 and other revenue	-	-	-	-	-	-	-
Total revenue	5,979,728	2,131,158	72,060	45,475	241,749	1,438,681	2,456,649
Expenditures							
Current services:							
General government	-	-	-	-	-	-	-
Public safety	-	-	12,281	158,770	52,631	-	-
Public works and capital projects	2,045,723	5,482,844	-	-	-	-	2,325,784
Community development	-	-	-	-	-	1,749,870	-
Recreation and culture	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	40,890	-	-
Debt service	1,281,800	-	-	-	-	-	-
Total expenditures	3,327,523	5,482,844	12,281	158,770	93,521	1,749,870	2,325,784
Excess of Revenue Over (Under) Expenditures	2,652,205	(3,351,686)	59,779	(113,295)	148,228	(311,189)	130,865
Other Financing Sources (Uses)							
Transfers in	-	2,943,563	-	-	-	-	-
Transfers out	(2,943,563)	-	-	-	-	-	-
Total other financing (uses) sources	(2,943,563)	2,943,563	-	-	-	-	-
Net Change in Fund Balances	(291,358)	(408,123)	59,779	(113,295)	148,228	(311,189)	130,865
Fund Balances - Beginning of year	3,533,327	1,593,969	424,474	533,311	1,799,689	296,392	223,801
Fund Balances (Deficit) - End of year	\$ 3,241,969	\$ 1,185,846	\$ 484,253	\$ 420,016	\$ 1,947,917	\$ (14,797)	\$ 354,666

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

Year Ended June 30, 2024

Special Revenue Funds							Debt Service Fund	Capital Project Fund	
DARE/ GREAT	Neighborhood Stabilization Program	Building and Grounds	Library	Michigan Indigent Defense Commission	Act 179 Rubbish	Opioid Settlement	Taylor Building Authority Debt	Road Capital Improvement	Total
\$ -	\$ -	\$ 4,186,514	\$ 1,112,251	\$ -	\$ 6,201,591	\$ -	\$ -	\$ -	\$ 11,500,356
-	-	-	-	-	1,160,991	-	-	-	1,160,991
-	1	86,596	-	-	4,221	-	-	-	1,755,835
-	-	291,396	168,848	293,987	261,657	179,219	-	-	9,262,447
-	-	-	-	-	-	-	-	-	2,450,183
-	-	-	23,107	-	-	-	-	-	23,107
-	-	95,656	36,816	-	162,259	-	-	143,642	621,333
1,994	-	226,854	-	-	-	-	-	-	228,848
1,994	1	4,887,016	1,341,022	293,987	7,790,719	179,219	-	143,642	27,003,100
1,994	-	-	-	348,676	6,513	-	-	-	357,183
-	-	-	-	-	-	-	-	-	223,682
-	-	1,910,712	-	-	6,943,171	-	-	4,178,136	22,886,370
-	25,206	-	-	-	-	-	-	-	1,775,076
-	-	-	1,093,814	-	-	-	-	-	1,093,814
-	-	1,257,790	19,895	-	357,911	-	-	-	1,676,486
-	-	-	-	-	-	-	1,607,845	-	2,889,645
1,994	25,206	3,168,502	1,113,709	348,676	7,307,595	-	1,607,845	4,178,136	30,902,256
-	(25,205)	1,718,514	227,313	(54,689)	483,124	179,219	(1,607,845)	(4,034,494)	(3,899,156)
-	-	-	-	40,686	-	-	1,608,345	-	4,592,594
-	-	(1,607,845)	-	-	-	-	(500)	-	(4,551,908)
-	-	(1,607,845)	-	40,686	-	-	1,607,845	-	40,686
-	(25,205)	110,669	227,313	(14,003)	483,124	179,219	-	(4,034,494)	(3,858,470)
-	137,456	2,006,698	939,526	-	3,013,426	129,987	-	6,641,162	21,273,218
\$ -	\$ 112,251	\$ 2,117,367	\$ 1,166,839	\$ (14,003)	\$ 3,496,550	\$ 309,206	\$ -	\$ 2,606,668	\$ 17,414,748

Supplementary Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2024

	Pension and Other Employee Benefit Trust Funds			Custodial Funds			Total Fiduciary Funds
	Police and Fire Retirement System	OPEB Trust	Total	Tax Receiving	23rd District Court	Total	
Assets							
Cash and cash equivalents	\$ 7,448,362	\$ -	\$ 7,448,362	\$ 2,043,586	\$ 993,609	\$ 3,037,195	\$ 10,485,557
Investments:							
Pooled investments	-	5,436,890	5,436,890	-	-	-	5,436,890
U.S. government securities	1,391,278	-	1,391,278	-	-	-	1,391,278
Agency securities	702,459	-	702,459	-	-	-	702,459
Common and preferred stocks	32,568,943	-	32,568,943	-	-	-	32,568,943
Corporate bonds	2,972,642	-	2,972,642	-	-	-	2,972,642
Mutual funds	62,907,244	-	62,907,244	-	-	-	62,907,244
Partnerships	32,483,587	-	32,483,587	-	-	-	32,483,587
Receivables	304,434	255,000	559,434	291,088	-	291,088	850,522
Total assets	140,778,949	5,691,890	146,470,839	2,334,674	993,609	3,328,283	149,799,122
Liabilities							
Due to other governmental units	-	-	-	2,029,274	906,692	2,935,966	2,935,966
Other current liabilities	-	-	-	305,400	86,917	392,317	392,317
Total liabilities	-	-	-	2,334,674	993,609	3,328,283	3,328,283
Net Position							
Restricted:							
Pension	140,778,949	-	140,778,949	-	-	-	140,778,949
Postemployment benefits other than pension	-	5,691,890	5,691,890	-	-	-	5,691,890
Total net position	<u>\$ 140,778,949</u>	<u>\$ 5,691,890</u>	<u>\$ 146,470,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,470,839</u>

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

Year Ended June 30, 2024

	Pension and Other Employee Benefit Trust Funds			Custodial Funds			Total Fiduciary Funds
	Police and Fire Retirement System	OPEB Trust	Total	Tax Receiving	23rd District Court	Total	
Additions							
Investment income (loss):							
Interest and dividends	\$ 3,752,582	\$ -	\$ 3,752,582	\$ -	\$ -	\$ -	\$ 3,752,582
Net increase in fair value of investments	11,984,201	507,136	12,491,337	-	-	-	12,491,337
Investment costs	(358,080)	-	(358,080)	-	-	-	(358,080)
Net investment income	15,378,703	507,136	15,885,839	-	-	-	15,885,839
Contributions:							
Employer contributions	6,636,384	8,130,518	14,766,902	-	-	-	14,766,902
Employee contributions	576,009	-	576,009	-	-	-	576,009
Total contributions	7,212,393	8,130,518	15,342,911	-	-	-	15,342,911
Property tax collections for other governments	-	-	-	51,643,553	-	51,643,553	51,643,553
Fines and fees	-	-	-	-	857,511	857,511	857,511
Total additions	22,591,096	8,637,654	31,228,750	51,643,553	857,511	52,501,064	83,729,814
Deductions							
Benefit payments	17,300,338	7,875,518	25,175,856	-	-	-	25,175,856
Administrative expenses	88,995	10,822	99,817	-	-	-	99,817
Tax distributions to other governments	-	-	-	51,643,553	-	51,643,553	51,643,553
Disbursements to state	-	-	-	-	612,796	612,796	612,796
Disbursements to county	-	-	-	-	244,715	244,715	244,715
Total deductions	17,389,333	7,886,340	25,275,673	51,643,553	857,511	52,501,064	77,776,737
Net Increase in Fiduciary Net Position	5,201,763	751,314	5,953,077	-	-	-	5,953,077
Net Position - Beginning of year	135,577,186	4,940,576	140,517,762	-	-	-	140,517,762
Net Position - End of year	\$ 140,778,949	\$ 5,691,890	\$ 146,470,839	\$ -	\$ -	\$ -	\$ 146,470,839