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City of Taylor, Michigan Financial Report with Supplemental Information

City of Taylor, Michigan

Financial Report with Supplemental Information

June 30, 2021

City of Taylor, Michigan

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Independent Auditor's Report

Plante Moran logo

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**To the Honorable Mayor and
Members of the City Council
City of Taylor, Michigan**

Report on the Financial Statements

We have audited the accompanying 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, 2021 and the related notes to the financial statements, which collectively comprise the City of Taylor, Michigan's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Taylor Housing Commission (a discretely presented component unit), which represents 18 percent of assets and 49 percent of revenue of the discretely presented component units of the City of Taylor, Michigan as of and for the year ended June 30, 2021. 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 auditor. The other auditor's report, dated December 10, 2021, expressed an unmodified opinion on the financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The District Court Funds of District No. 23 were not audited under *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditor, the 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 of Taylor, Michigan as of June 30, 2021 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and
Members of the City Council
City of Taylor, Michigan

Emphasis of Matters

As described in Note 1 to the financial statements, in 2021, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which gives guidance on the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

As explained in Note 15, the financial statements include investments valued at \$26,384,866 (approximately 18 percent of the aggregate remaining fund information investments) at June 30, 2021 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 has not been modified with respect to this matter.

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Taylor, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.



Signature of auditor (handwritten) - Plante & Moran, PLLC

December 10, 2021

Management's Discussion and Analysis

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, 2021. 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 \$2,768,000 from 2020, an increase of 7.0 percent.

- Revenue related to property tax, which is the largest source of revenue, increased in the current year by \$90,000. Although the City's tax revenue has steadily increased the past few years, the long-term effect of the COVID-19 pandemic on property values is uncertain. If the economy declines, it could result in lower tax revenue in future years.
- State-shared revenue, which is the City's second largest revenue source, approximated \$8.2 million. Constitutional and statutory revenue sharing increased by \$1,076,311 or 15 percent. In the prior year, the State elected to reclassify an installment of the statutory portion

(approximately \$500,000) to CARES Act (federal) funding. There was no reclassification of state-shared revenue by the State in the current year, which accounts for most of the increase.

- Federal grant revenue for the year was approximately \$3,035,000, which is an increase of approximately \$2,644,000 compared to the prior year. The increase was due to one-time grants related to the federal CARES Act, which was in response to the COVID-19 pandemic. The grants were used to offset public safety costs related to the pandemic.
- Other fines and forfeitures revenue decreased by approximately \$792,000 million from the prior year amount of \$6.6 million to approximately \$5.8 million for the year ended June 30, 2021. The decrease is attributable to a decrease in ordinance and traffic enforcement due to the COVID-19 pandemic and low police staffing levels.

General Fund expenditures, excluding transfers out, increased by approximately \$1.4 million in the current year. Public safety expenditures increased by approximately \$1.1 million. Approximately \$791,000 of the public safety increase was related to one-time compensated absence payouts to employees who retired during the year. Approximately \$224,000 of the increase was related to one-time hazard payments and other supplemental wages, which were funded mostly by the federal CARES Act.

The fund balance change in the General Fund (the difference between revenue and expenditures) shows that the annual revenue was sufficient to pay for all expenditures. The unassigned fund balance at June 30, 2021 was a surplus of \$9,902,723. The unassigned fund balance is approximately 24 percent of annual operating expenditures and transfers. Industry best practices often indicate that, in order to achieve financial stability, the City should target an unassigned fund balance range of 15 to 30 percent of annual operating expenditures, depending on the City's specific financial situation. Even though the City has maintained an acceptable level of unassigned fund balance in the past few years, because of uncertainty of revenue sources due to the COVID-19 pandemic and the limits on the City's ability to increase revenue, it is imperative that management focus on maintaining a structural surplus and use fund balance reserve only for certain capital or one-time expenditures.

The Golf Courses Fund recorded a small operating loss of \$54,467, excluding pension, OPEB, or depreciation costs. The Golf Courses Fund benefited from a transfer of approximately \$183,000 from the General Fund to provide cash flow to fund operations. Constant review and evaluation of golf course operations are imperative to allow for timely adjustments that directly impact the golf courses' bottom lines. In an effort to increase revenue at the golf courses, the City has upgraded the courses and facilities and plans to implement new marketing strategies to solicit more golf rounds, golf outings, and other events.

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Total net position related to the City's governmental activities at the end of the year was a deficit of approximately \$(36) million, a \$22 million improvement from the prior year's deficit of approximately \$(58) million in net position. The net increase is mainly due to the decrease in the net OPEB and pension liabilities and related changes in deferred outflows/inflows. The City began to prefund OPEB liabilities in 2019. Those assets will accumulate earnings to be used to fund OPEB obligations. City management has made great strides in addressing the future increases of the OPEB obligation by mandating all newly hired and future city employees participate in a health savings account, instead of the more costly retiree health care insurance. Also, for the most part, all future retirees eligible for retiree health care are now required to pay 20 percent cost share.

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 supplemental 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.

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.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning 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 supplemental information is also presented in the form of major fund budget information, combining statements for nonmajor governmental funds, and combining statements for fiduciary funds.

City of Taylor, Michigan

Management's Discussion and Analysis (Continued)

The City of Taylor, Michigan as a Whole

The following table shows, in a condensed format, the net position as of June 30, 2021 and 2020:

Item	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$51,140,123	\$36,003,703	\$25,074,014	\$26,442,139	\$76,214,137	\$62,445,842
Capital assets	166,178,872	165,903,580	156,588,605	156,464,675	322,767,477	322,368,255
Total assets	217,318,995	201,907,283	181,662,619	182,906,814	398,981,614	384,814,097
Deferred Outflows of Resources	4,217,940	8,468,925	530,330	499,273	4,748,270	8,968,198
Liabilities						
Current liabilities	7,588,842	7,492,580	2,723,678	2,981,651	10,312,520	10,474,231
Long-term liabilities	207,508,729	233,297,720	51,190,630	51,161,694	258,699,359	284,459,414
Total liabilities	215,097,571	240,790,300	53,914,308	54,143,345	269,011,879	294,933,645
Deferred Inflows of Resources	42,656,710	27,230,363	3,224,890	2,991,171	45,881,600	30,221,534
Net Position (Deficit)						
Net investment in capital assets	157,602,985	155,131,071	133,768,597	133,275,128	291,371,582	288,406,199
Restricted	14,116,179	13,929,265	4,754,910	6,557,549	18,871,089	20,486,814
Unrestricted (deficit)	(207,936,510)	(226,704,791)	(13,469,756)	(13,561,106)	(221,406,266)	(240,265,897)
Total net position (deficit)	\$(36,217,346)	\$(57,644,455)	\$125,053,751	\$126,271,571	\$88,836,405	\$68,627,116

The City's combined net position totaled approximately \$88.8 million, an increase of \$20.2 million from the prior year. Total net position related to the City's governmental activities at the end of the year was a deficit of approximately \$(36.2) million, a \$21.4 million increase from the prior year's deficit of approximately \$(57.6) million in net position. The net increase is due to the decrease in the net OPEB and pension liability and related deferred inflows and outflows. The City began to prefund OPEB liabilities in 2019. Those assets will accumulate earnings to be used to fund OPEB obligations. City management has made great strides in addressing the future increases of the OPEB obligation by mandating all newly hired and future city employees participate in a health savings account, instead of the more costly retiree health care insurance. Also, for the most part, all future retirees eligible for retiree health care are now required to pay 20 percent cost share.

City of Taylor, Michigan

Management's Discussion and Analysis (Continued)

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

	Changes of the net position during the current year and prior year					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
Program revenue:						
Charges for services	\$15,032,283	15,781,767	\$21,727,583	20,296,000	\$36,759,866	36,077,767
Operating grants and contributions	12,047,114	8,772,348	-	-	12,047,114	8,772,348
Capital grants and contributions	2,098,600	1,572,040	1,107,790	1,043,614	3,206,390	2,615,654
General revenue:						
Property taxes	29,376,161	28,473,438	429,739	1,724,125	29,805,900	30,197,563
State-shared revenue	8,893,384	7,769,973	-	-	8,893,384	7,769,973
Unrestricted investment earnings	15,573	225,525	(64,657)	334,578	(49,084)	560,103
Miscellaneous revenue:						
Cable franchise fees	236,965	230,960	-	-	236,965	230,960
State grant	7,901,421	7,534,618	105,574	107,061	8,006,995	7,641,679
Total revenue	75,601,501	70,360,669	23,306,029	23,505,378	98,907,530	93,866,047
Program Expenses (Gains)						

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General government	8,673,840	(6,674,360)	-	-	8,673,840	(6,674,360)
Public safety	15,679,672	(15,681,662)	-	-	15,679,672	(15,681,662)
Public works and capital projects	23,428,347	21,067,775	-	-	23,428,347	21,067,775
Health and welfare	461,858	449,738	-	-	461,858	449,738
Community and economic development	1,280,373	(118,471)	-	-	1,280,373	(118,471)
Recreation and culture	3,935,070	(504,244)	-	-	3,935,070	(504,244)
Interest on long-term debt	532,065	441,893	-	-	532,065	441,893
Water	-	-	10,856,605	1,773,380	10,856,605	1,773,380
Sewer	-	-	9,061,866	8,085,298	9,061,866	8,085,298
Golf courses	-	-	4,518,468	2,236,517	4,518,468	2,236,517
Ecorse Creek	-	-	270,077	328,111	270,077	328,111
Total program expenses (gains)	53,991,225	(1,019,331)	24,707,016	12,423,306	78,698,241	11,403,975
Transfers	(183,167)	(400,000)	183,167	400,000	-	-
Change in Net Position	21,427,109	70,980,000	(1,217,820)	11,482,072	20,209,289	82,462,072
Net Position (Deficit) - Beginning of year	(57,644,455)	(128,624,455)	126,271,571	114,789,499	68,627,116	(13,834,956)
Net Position (Deficit) - End of year	\$(36,217,346)	\$(57,644,455)	\$125,053,751	\$126,271,571	\$88,836,405	\$68,627,116

City of Taylor, Michigan

Management's Discussion and Analysis (Continued)

Governmental Activities

The City's total governmental revenue increased from approximately \$70.4 million to approximately \$75.6 million. The increase is mainly related to one-time federal grants in response to the COVID-19 pandemic. The City's total governmental expenses increased by approximately \$55 million, which is attributable to the significant decrease in the City's net OPEB recoveries compared to the prior year.

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, including the tax levy mandated to pay for the City's share of debt issued by Wayne County, Michigan to pay for the recent improvements to the system. The EPA levy is adjusted annually based on debt service for the upcoming year, less any credits available at Wayne County, Michigan.

For all business-type activities in 2021, total revenue decreased by approximately \$200,000, and total expenses increased by approximately \$12.3 million. The reduction in the annual EPA judgment debt resulted in an approximately \$1.2 million decrease in judgment levy tax revenue. The increase expenditures is primarily related to the significant decrease in the City's net OPEB recoveries compared to the prior year.

The City of Taylor, Michigan's Funds

Our analysis of the City's major funds begins on page 13, 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 2021 are the General Fund, the Police and Fire Retirement Fund, and the Road Capital Improvement Fund.

The General Fund pays for most of the City's governmental services. The most significant are public safety, which incurred expenses of approximately \$16.9 million, and public works, which incurred expenses of approximately \$4.7 million in 2021. Employee benefit expenses accounted for approximately \$5.5 million.

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 decreased during the year by approximately \$2.9 million. Approximately \$1.2 million of the decrease was due to an increase in one-time capital outlay expenditures. A total of \$1.8 million was due to reduction in court fines and forfeitures revenue. The traffic and ordinance enforcement citations issued during the fiscal year was much lower due to the COVID-19 pandemic and low staffing levels.

The City's 2021 actual change in General Fund fund balance had a positive variance of \$3.7 million compared to the amended budget. Actual state sharing revenue was approximately \$747,000 more than the estimated budget. One-time capital outlay expenditures were under budget by approximately \$921,000. Most of the capital outlay expenditures were carried over to the subsequent fiscal year.

Capital Assets and Debt Administration

At the end of 2021, the City, including its component units, had approximately \$337 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.

The City's investment in capital assets, net of related debt, increased from approximately \$288.4 million to approximately \$291.4 million. The component units' investment in capital assets, net of related debt, decreased from \$15.5 million to \$14.5 million. The City's (including component units) total debt, including the recorded OPEB liability, net pension liability, compensated absences, workers' compensation, liabilities payable from restricted assets, and nonexchange financial guarantees, was approximately \$269.7 million, including approximately \$11.0 million of component unit debt. Expected fiscal year 2022 debt service payments on all interest-bearing long-term obligations inclusive of interest are approximately \$4.5 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

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by the coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak continues to impact millions of individuals worldwide. While the COVID-19 pandemic could have an adverse effect on the City's operations over time, no impairments were recorded as of the statement of net position/balance sheet date, as no triggering events or changes in circumstances had occurred as of year end; however, due to uncertainty surrounding the situation, management's judgment regarding this could change in the future. The City continues to review the impact of COVID-19 and federal grants that are available to assist with the costs of the pandemic.

Municipal revenue opportunities are systematically limited by state law and the current economic conditions, so the General Fund budget continues to depend on 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 control expenditure budgets very closely. Due to the increase in revenue related to federal CARES Act, the City closed out the fiscal year ended June 30, 2021 with revenue exceeding expenditures in the General Fund by \$1,045,696 but still maintained a positive unassigned fund balance that totaled \$9,902,723.

The City's unfunded OPEB liability was reduced during the year but still remains high. The City has filed a correction 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 has made annual contributions since this date.

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.

Page 12 is complex and may be difficult to understand. This page is a dense financial statement with a five-column table, many subtotal lines, and nested category labels that can be difficult for screen reader users to follow, especially because the source was split across multiple small-text image slices. Accessibility was improved by converting the content into a single semantic table with grouped column headers, explicit section rows, and preserved subtotal labels and footer text. If you need help understanding this page, please use the live assistance options in the sidebar.

Basic Financial Statements

Government-wide Financial Statements — Statement of Net Position

June 30, 2021

Description	City of Taylor, Michigan			Component Units
	Governmental Activities	Primary Government Business-type Activities	Total	
	Assets			
Cash and investments (Note 3)	\$25,794,473	\$14,903,483	\$40,697,956	\$12,633,358
Receivables:				
Property taxes	17,543	-	17,543	-
Special assessments receivable	71,566	-	71,566	-
Customers	-	5,454,357	5,454,357	-
Other	4,186,848	73,187	4,260,035	797,960

Description	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Due from other governmental units	3,734,946	-	3,734,946	-
Due from component units	199,945	-	199,945	525,114
Due from primary government	-	-	-	1,072,603
Internal balances (Note 6)	(171,015)	171,015	-	-
Inventory	-	252,928	252,928	-
Prepaid expenses and other assets	257,112	100,468	357,580	30,807
Current portion of restricted assets (Note 8)	-	937,776	937,776	-
Due from other governmental units	-	-	-	94,034
Restricted assets (Note 8)	16,935,640	3,180,800	20,116,440	-
Properties held for sale	113,065	-	113,065	-
Capital assets: (Note 5)				
Assets not subject to depreciation	36,023,760	4,249,493	40,273,253	13,944,722
Assets subject to depreciation - Net	130,155,112	152,339,112	282,494,224	517,022
Total assets	217,318,995	181,662,619	398,981,614	29,615,620
	Deferred Outflows of Resources			
Other deferred outflows	-	-	-	20,908
Pension deferred outflows (Notes 4 and 13)	346,327	-	346,327	-
Deferred OPEB costs (Notes 4 and 10)	3,871,613	530,330	4,401,943	-
Total deferred outflows of resources	4,217,940	530,330	4,748,270	20,908
	Liabilities			
Accounts payable	3,666,909	1,853,241	5,520,150	564,843
Due to other governmental units	1,035,500	33,330	1,068,830	17,712
Due to component units	842,386	230,217	1,072,603	525,114
Due to primary government	-	-	-	199,945
Accrued liabilities and other	1,997,826	604,962	2,602,788	279,094
Unearned revenue	46,221	1,928	48,149	764,283
Tenant security deposits	-	-	-	39,654
Noncurrent liabilities:				
Due within one year:				
Current portion of compensated absences (Note 7)	935,981	65,565	1,001,546	-
Liabilities payable from restricted assets	-	937,776	937,776	-
Nonexchange financial guarantee (Note 7)	282,035	212,964	494,999	-
Current portion of bonds and contracts payable (Note 7)	2,924,697	522,059	3,446,756	705,522
Due in more than one year:				
Compensated absences (Note 7)	2,155,603	105,548	2,261,151	-
Workers' compensation (Notes 7 and 9)	480,243	-	480,243	-
Net pension liability (Note 13)	70,979,293	10,455,536	81,434,829	288,894
Net OPEB obligation (Note 10)	105,294,082	14,423,291	119,717,373	-
Long-term debt - Net of current portion (Note 7)	22,586,830	22,297,949	44,884,779	9,969,423
Nonexchange financial guarantee (Note 7)	1,869,965	2,169,942	4,039,907	-
Total liabilities	215,097,571	53,914,308	269,011,879	13,354,484

See notes to financial statements.

City of Taylor, Michigan

Statement of Net Position (Continued)

June 30, 2021

Description	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Deferred Inflows of Resources				
Deferred inflows related to pension (Notes 4 and 13)	\$26,368,724	993,780	27,362,504	-
Deferred inflows related to OPEB (Notes 4 and 10)	16,287,986	2,231,110	18,519,096	-
Total deferred inflows of resources	42,656,710	3,224,890	45,881,600	-
Net Position (Deficit)				
Net investment in capital assets	157,602,985	133,768,597	291,371,582	14,461,744

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
Restricted:				
Roads	5,914,322	-	5,914,322	-
Drug forfeiture	1,122,750	-	1,122,750	-
Library	707,900	-	707,900	-
Special millage	4,605,593	-	4,605,593	-
Grants	1,211,090	-	1,211,090	-
Debt service	48,856	4,118,576	4,167,432	-
Sewer grant expenditures	-	636,334	636,334	-
HAP restricted	-	-	-	269,768
Building	491,587	-	491,587	-
Capital projects	14,081	-	14,081	-
Unrestricted	(207,936,510)	(13,469,756)	(221,406,266)	1,550,532
Total net position (deficit)	\$(36,217,346)	\$125,053,751	\$88,836,405	\$16,282,044

See notes to financial statements.

Page 14 is complex and may be difficult to understand. This page is a complex financial statement with grouped table headers, many rows of numeric data, and a continuation-style layout with additional labels below the table, all in very small text. Accessibility was improved by converting the statement into a semantic HTML table with clear headers and row labels and by preserving the lower-page revenue and net position lines as readable structured text. If you need help understanding this page, please use the live assistance options in the sidebar.

City of Taylor, Michigan

Government-wide Financial Statements — Statement of Activities

Functions/Programs	Expenses	Charges for Services	Program Revenue	
			Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$8,673,840	\$7,426,111	\$96,548	50,851
District court	-	-	647,563	-
Public safety	15,679,672	3,602,140	2,469,364	-
Public works	23,428,347	2,052,990	7,101,223	1,819,327
Health and welfare	461,858	-	1,343,815	-
Community and economic development	1,280,373	971,587	155,393	-
Recreation and culture	3,935,070	979,455	233,208	228,422
Interest on long-term debt	532,065	-	-	-
Total governmental activities	53,991,225	15,032,283	12,047,114	2,098,600
Business-type activities:				
Water	10,856,605	10,533,848	-	75,990
Sewer	9,061,866	8,177,255	-	75,990
Golf Courses	4,518,468	2,818,718	-	955,810
Nonmajor Enterprise	270,077	197,762	-	-
Total business-type activities	24,707,016	21,727,583	-	1,107,790
Total primary government	\$78,698,241	\$36,759,866	\$12,047,114	\$3,206,390
Component units	\$14,149,036	\$373,059	\$8,066,988	-

General revenue:

- Taxes - Property taxes
- Unrestricted state-shared revenue
- Unrestricted investment income
- Cable franchise fees
- Other miscellaneous income

Total general revenue

Transfers

Change in Net Position

Net Position (Deficit) - Beginning of year

Net Position (Deficit) - End of year

See notes to financial statements.

Page 15 is complex and may be difficult to understand. This page is a continuation of a wide financial statement table with small text, and the row labels for the numeric entries are not visible on this page because they continue from the prior page. I preserved the visible column structure and all values in accessible table markup and added a continuation note to reduce screen reader ambiguity. If you need help understanding this page, please use the live assistance options in the sidebar.

Additional content from previous item: This page continues the Statement of Activities table. Row labels for the continued numeric lines appear on the previous page.

Statement of Activities**Year Ended June 30, 2021****Net (Expense) Revenue and Changes in Net Position****Primary Government**

Governmental Activities	Business-type Activities	Total	Component Units
\$(1,100,330)	\$-	\$(1,100,330)	\$-
647,563	-	647,563	-
(9,608,168)	-	(9,608,168)	-
(12,454,807)	-	(12,454,807)	-
881,957	-	881,957	-
(153,393)	-	(153,393)	-
(2,493,985)	-	(2,493,985)	-
(532,065)	-	(532,065)	-
(24,813,228)	-	(24,813,228)	-
-	(246,767)	(246,767)	-
-	(808,621)	(808,621)	-
-	(743,940)	(743,940)	-
-	(72,315)	(72,315)	-
-	(1,871,643)	(1,871,643)	-
(24,813,228)	(1,871,643)	(26,684,871)	-
-	-	-	(5,708,989)
29,376,161	429,739	29,805,900	8,159,532
8,893,384	-	8,893,384	466,356
15,573	(64,657)	(49,084)	11,202
236,965	-	236,965	-
7,901,421	105,574	8,006,995	194,264
46,423,504	470,656	46,894,160	8,831,354
(183,167)	183,167	-	-
21,427,109	(1,217,820)	20,209,289	3,122,365
(57,644,455)	126,271,571	68,627,116	13,159,679
\$(36,217,346)	\$125,053,751	\$88,836,405	\$16,282,044

Page 16 is complex and may be difficult to understand. This page is a dense financial statement with many numeric cells, nested row groups, subtotal lines, and an accounting-style negative value in parentheses, all of which can be difficult for a screen reader user to follow in a linear reading mode. Accessibility was improved by converting the content into a semantic HTML table with explicit column headers, grouped section labels, and clearly marked total rows. If you need help understanding this page, please use the live assistance options in the sidebar.

City of Taylor, Michigan**Fund Financial Statements — Governmental Funds: Balance Sheet****June 30, 2021**

Description	General Fund	Police and Fire Retirement Fund	Road Capital Improvement Fund	Nonmajor Funds	Total
		Assets			
Cash and investments (Note 3)	12,625,915	459,274	-	12,709,284	25,794,473

Description	General Fund	Police and Fire Retirement Fund	Road Capital Improvement Fund	Nonmajor Funds	Total
Receivables - Net:					
Property taxes	6,211	5,792	-	5,540	17,543
Special assessments receivable	71,566	-	-	-	71,566
Other	4,012,753	-	-	174,095	4,186,848
Due from other governmental units	2,163,921	-	-	1,571,025	3,734,946
Due from component units (Note 6)	199,945	-	-	-	199,945
Due from other funds (Note 6)	6,269,329	762,980	-	2,562,578	9,594,887
Prepaid expenses and other assets	193,567	-	-	61,057	254,624
Restricted assets	-	-	16,935,640	-	16,935,640
Properties held for sale	-	-	-	113,065	113,065
Total assets	25,543,207	1,228,046	16,935,640	17,196,644	60,903,537
Liabilities					
Accounts payable	1,414,442	17,926	1,349,232	885,309	3,666,909
Due to other governmental units	668,605	185,806	-	181,089	1,035,500
Due to component units (Note 6)	426,624	246,739	-	169,023	842,386
Due to other funds (Note 6)	4,131,037	108,368	2,050,090	3,476,407	9,765,902
Accrued liabilities and other	1,805,918	12,976	-	50,724	1,869,618
Unearned revenue	26,800	-	-	19,421	46,221
Total liabilities	8,473,426	571,815	3,399,322	4,781,973	17,226,536
Deferred Inflows of Resources -					
Unavailable revenue	3,088,703	-	-	98,131	3,186,834
Fund Balances					
Nonspendable - Prepaid expenses	143,567	-	-	61,057	204,624
Restricted:					
Roads	-	-	-	5,914,322	5,914,322
Drug forfeiture	-	-	-	1,122,750	1,122,750
Debt service	-	-	-	48,856	48,856
Grants	595,788	-	-	156,546	752,334
Capital projects	-	-	13,536,318	14,081	13,550,399
Special millage	-	656,231	-	3,899,573	4,555,804
Building	-	-	-	431,623	431,623
Library	-	-	-	667,942	667,942
Assigned:					
Subsequent year's budget	1,839,000	-	-	-	1,839,000
Capital projects	1,500,000	-	-	-	1,500,000
Unassigned	9,902,723	-	-	(210)	9,902,513
Total fund balances	13,981,078	656,231	13,536,318	12,316,540	40,490,167
Total liabilities, deferred inflows of resources, and fund balances	25,543,207	1,228,046	16,935,640	17,196,644	60,903,537

See notes to financial statements.

City of Taylor, Michigan

Governmental Funds

Fund Financial Statements — Governmental Funds: Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2021

Fund Balances Reported in Governmental Funds	\$ 40,490,167
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	166,178,872
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	3,186,834
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(25,511,527)
Accrued interest is not due and payable in the current period and is not reported in the funds	(128,208)
Prepaid interest on long-term debt is not reported in the funds	2,488

Nonexchange financial guarantee	(2,152,000)
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	(3,091,584)
Pension benefits	(97,001,690)
Retiree health care benefits	(117,710,455)
Workers' compensation claims	(480,243)
Net Position (Deficit) of Governmental Activities	\$ (36,217,346)

See notes to financial statements.

Page 18 is complex and may be difficult to understand. This page is a dense financial statement with small text, multiple numeric columns, nested section labels, and negative values shown in parentheses, which creates a moderate-to-high risk of row and column misassociation for screen reader users. Accessibility was improved by converting the content into a semantic data table with explicit column headers, row-group labels, and preserved accounting notation and footer text. If you need help understanding this page, please use the live assistance options in the sidebar.

City of Taylor, Michigan

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Fund Financial Statements — Governmental Funds: Statement of Revenue, Expenditures, and Changes in Fund Balances

	Year Ended June 30, 2021				
Description	General Fund	Police and Fire Retirement Fund	Road Capital Improvement Fund	Nonmajor Funds	Governmental Funds
Revenue					
Property taxes	\$11,035,998	\$9,817,216	\$-	\$10,155,975	\$31,009,189
Charges for services	3,301,773	-	-	735,590	4,037,363
Intergovernmental:					
Federal grants	3,035,138	-	-	845,666	3,880,804
State-shared revenue and grants	9,229,909	125,180	-	8,016,601	17,371,690
Licenses and permits	1,371,604	-	-	1,753,796	3,125,400
Fines and forfeitures	5,781,861	-	-	7,082	5,788,943
Rental income	1,142,273	-	-	-	1,142,273
Interest income	1,173	2,295	1,856	11,850	17,174
DMA/911 and other revenue	7,294,837	-	-	345,618	7,640,455
Total revenue	42,194,566	9,944,691	1,856	21,872,178	74,013,291
Expenditures					
Current services:					
General government	9,384,814	-	-	373,904	9,758,718
Employee benefits	5,546,903	10,327,725	-	-	15,874,628
Public safety	16,882,939	-	-	-	16,882,939
Public works and capital projects	4,713,802	-	3,321,840	14,332,769	22,368,411
Community development	869,937	-	-	693,022	1,562,959
Recreation and culture	2,485,876	-	-	1,105,415	3,591,291
Capital outlay	291,220	-	-	3,107,261	3,398,481
Debt service:					
Principal	794,107	-	-	1,556,000	2,350,107
Interest and fiscal charges	56,785	-	229,351	279,972	566,108
Total expenditures	41,026,383	10,327,725	3,551,191	21,448,343	76,353,642
Excess of Revenue Over (Under) Expenditures	1,168,183	(383,034)	(3,549,335)	423,835	(2,340,351)
Other Financing Sources (Uses)					
Transfers in (Note 6)	-	-	-	3,847,293	3,847,293
Transfers out (Note 6)	(223,537)	-	-	(3,806,923)	(4,030,460)
Face value of debt issue	-	-	14,355,000	-	14,355,000
Capital leases	101,050	-	-	-	101,050
Debt premium or discount	-	-	2,730,653	-	2,730,653
Total other financing (uses) sources	(122,487)	-	17,085,653	40,370	17,003,536

Description	General Fund	Police and Fire Retirement Fund	Road Capital Improvement Fund	Nonmajor Funds	Governmental Funds
Net Change in Fund Balances	1,045,696	(383,034)	13,536,318	464,205	14,663,185
Fund Balances - Beginning of year	12,935,382	1,039,265	-	11,852,335	25,826,982
Fund Balances - End of year	\$13,981,078	\$656,231	\$13,536,318	\$12,316,540	\$40,490,167

See notes to financial statements.

City of Taylor, Michigan

Governmental Funds

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

Year Ended June 30, 2021

Net Change in Fund Balances Reported in Governmental Funds	\$ 14,663,185
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	11,035,933
Depreciation expense	(10,559,853)
Net book value of assets disposed of	(200,788)
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	440,508
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(17,186,703)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	2,350,107
Interest expense is recognized in the government-wide statements as it accrues	(62,719)
Amortization of bond premium liabilities and deferred costs of financing are reported as expense in the governmental funds when issued	97,578
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	439,263
Increase in estimated workers' compensation liability is recorded in the statement of activities	(93,420)
Changes in the net OPEB liability and the deferred inflows and outflows related to OPEB are not included in governmental funds	13,188,593
Changes in the net pension liability and the deferred inflows and outflows related to pension are not included in governmental funds	7,131,241
Prepaid interest on long-term debt is reported as an expense when paid in the governmental funds	(816)
Decrease in nonexchange financial guarantee	185,000
Change in Net Position of Governmental Activities	\$ 21,427,109

See notes to financial statements.

Page 20 is complex and may be difficult to understand. This page is a dense financial statement with many rows, multiple fund columns, subtotal lines, and accounting conventions such as dashes for zero or not applicable values, which increases the chance of screen reader confusion. I converted the layout into a structured data table with explicit headers and section rows to preserve relationships and improve navigation. If you need help understanding this page, please use the live assistance options in the sidebar.

City of Taylor, Michigan

Proprietary Funds
Statement of Net Position

Fund Financial Statements — Proprietary Funds: Statement of Net Position

June 30, 2021

Line item	Enterprise Funds			Total
	Water	Sewer	Golf Courses Nonmajor - Ecorse Creek	
Assets				
Current assets:				

Line item	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	Total
Cash and investments (Note 3)	5,926,420	6,084,749	667,746	2,224,568	14,903,483
Receivables	2,939,371	2,484,399	58,032	45,742	5,527,544
Due from other funds (Note 6)	1,032,419	655,108	188,667	14,763	1,890,957
Inventory	131,633	4,422	116,873	-	252,928
Prepaid expenses and other assets	49,498	49,498	1,472	-	100,468
Current portion of restricted assets (Note 8)	-	937,776	-	-	937,776
Total current assets	10,079,341	10,215,952	1,032,790	2,285,073	23,613,156
Noncurrent assets:					
Restricted assets (Note 8)	-	3,180,800	-	-	3,180,800
Capital assets: (Note 5)					
Assets not subject to depreciation	162,794	343,549	3,743,150	-	4,249,493
Assets subject to depreciation - Net	32,949,482	107,734,337	9,248,346	2,406,947	152,339,112
Total noncurrent assets	33,112,276	111,258,686	12,991,496	2,406,947	159,769,405
Total assets	43,191,617	121,474,638	14,024,286	4,692,020	183,382,561
Deferred Outflows of Resources - Deferred OPEB costs	271,454	89,087	169,789	-	530,330
Liabilities					
Current liabilities:					
Accounts payable	1,107,700	478,051	225,256	42,234	1,853,241
Due to other governmental units	-	16,993	16,337	-	33,330
Due to component units	-	230,217	-	-	230,217
Due to other funds (Note 6)	785,581	583,691	350,457	213	1,719,942
Accrued liabilities and other	83,907	189,735	325,040	6,280	604,962
Unearned revenue	-	-	1,928	-	1,928
Current portion of compensated absences (Note 7)	47,326	17,727	512	-	65,565
Liabilities payable from restricted assets	-	937,776	-	-	937,776
Nonexchange financial guarantee	106,482	106,482	-	-	212,964
Current portion of bonds and contracts payable (Note 7)	-	221,000	115,468	185,591	522,059
Total current liabilities	2,130,996	2,781,672	1,034,998	234,318	6,181,984
Noncurrent liabilities:					
Compensated absences (Note 7)	69,938	23,815	11,795	-	105,548
Net pension liability (Note 13)	6,364,240	4,091,296	-	-	10,455,536
Net OPEB obligation (Note 10)	7,382,696	2,422,865	4,617,730	-	14,423,291
Long-term debt - Net of current portion (Note 7)	-	21,587,668	59,634	650,647	22,297,949
Nonexchange financial guarantee	1,084,971	1,084,971	-	-	2,169,942
Total noncurrent liabilities	14,901,845	29,210,615	4,689,159	650,647	49,452,266
Total liabilities	17,032,841	31,992,287	5,724,157	884,965	55,634,250
Deferred Inflows of Resources					
Deferred inflows related to pension	604,910	388,870	-	-	993,780
Deferred inflows related to OPEB	1,142,011	374,792	714,307	-	2,231,110
Total deferred inflows of resources	1,746,921	763,662	714,307	-	3,224,890

See notes to financial statements.

Additional content from previous item: continuation of the proprietary funds statement table.

City of Taylor, Michigan

Proprietary Funds
Statement of Net Position (Continued)

June 30, 2021

Enterprise Funds					
	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	Total
Net investment in capital assets	\$33,112,276	\$86,269,218	\$12,816,394		\$1,570,704 \$133,768,592
Restricted:					
Net Position					
Debt service	-	4,118,576	-	-	4,118,576
Sewer grant expenditures	-	636,334	-	-	636,334
Unrestricted	(8,428,967)	(2,216,352)	(5,060,783)		2,236,351 (13,469,751)
Total net position	\$24,683,309	\$88,807,776	\$7,755,611		\$3,807,055 \$125,053,751

See notes to financial statements.

City of Taylor, Michigan

Fund Financial Statements — Proprietary Funds: Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2021

	Enterprise Funds				
	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	Total
Operating Revenue					
Water sales	\$9,198,997	-	-	-	\$9,198,997
Sewage disposal charges	-	6,694,302	-	-	6,694,302
Charges for services	1,334,033	885,590	1,954,684	197,762	4,372,069
Sale of merchandise	-	-	864,034	-	864,034
Other	818	-	-	-	818
Total operating revenue	10,533,848	7,579,892	2,818,718	197,762	21,130,220
Operating Expenses					
Cost of water operations	5,485,914	-	-	-	5,485,914
Cost of sewage treatment	-	4,797,057	-	-	4,797,057
Ecorse Creek user charge system	-	-	-	183,713	183,713
Cost of sales	-	-	523,471	-	523,471
Cost of operating and maintenance	-	-	1,205,846	-	1,205,846
General and administrative	2,202,407	1,144,572	1,143,868	-	4,490,847
Pension and OPEB expense (recovery)	1,971,695	(71,714)	884,908	-	2,784,889
Depreciation and amortization	1,196,089	2,120,374	748,949	57,765	4,123,177
Total operating expenses	10,856,105	7,990,289	4,507,042	241,478	23,594,914
Operating Loss	(322,257)	(410,397)	(1,688,324)	(43,716)	(2,464,694)
Nonoperating Revenue (Expenses)					
Property tax revenue	-	429,739	-	-	429,739
Investment income (loss)	1,931	(68,058)	41	1,429	(64,657)
Interest expense	(500)	(843,551)	(11,426)	(28,599)	(884,076)
Brownfield debt guarantee	-	(228,026)	-	-	(228,026)
Other nonoperating revenue	-	597,363	-	-	597,363
State grant	-	105,574	-	-	105,574
Total nonoperating revenue (expenses)	1,431	(6,959)	(11,385)	(27,170)	(44,083)
Loss	(320,826)	(417,356)	(1,699,709)	(70,886)	(2,508,777)
Donated Assets	75,990	75,990	955,810	-	1,107,790
Transfers In	-	-	183,167	-	183,167
Change in Net Position	(244,836)	(341,366)	(560,732)	(70,886)	(1,217,820)
Net Position - Beginning of year	24,928,145	89,149,142	8,316,343	3,877,941	126,271,571
Net Position - End of year	\$24,683,309	\$88,807,776	\$7,755,611	\$3,807,055	\$125,053,751

See notes to financial statements.

Page 23 is complex and may be difficult to understand. This page is a dense multi-column financial statement with many similar numeric entries, negatives in parentheses, and subtotal lines, creating a moderate-to-high risk that a screen reader user could lose row and column associations. I reduced that risk by using a fully structured HTML table with grouped headers, row-group labels, and explicit row headers for each cash flow line item. If you need help understanding this page, please use the live assistance options in the sidebar.

City of Taylor, Michigan

Fund Financial Statements — Proprietary Funds: Statement of Cash Flows

Proprietary Funds

Statement of Cash Flows

Year Ended June 30, 2021

Enterprise Funds

	Enterprise Funds					Total
	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek		
Cash Flows from Operating Activities						
Receipts from customers	\$10,569,315	\$7,565,657	\$2,767,330	\$209,274		\$21,111,576
Interfund activity - (Payments to) receipts from other funds	(482,544)	(598,904)	(469,290)	48,308		(1,502,430)
Payments to suppliers	(5,513,852)	(4,958,054)	(1,637,848)	(350,153)		(12,459,907)
Payments to employees	(2,258,727)	(883,619)	(1,087,422)	-		(4,229,768)
Net cash and cash equivalents provided by (used in) operating activities	2,314,192	1,125,080	(427,230)	(92,571)		2,919,471
Cash Flows from Noncapital Financing Activities						
Transfers from other funds	-	-	183,167	-		183,167
Brownfield debt guarantee	(75,990)	(75,990)	-	-		(151,980)
Net cash and cash equivalents (used in) provided by noncapital financing activities	(75,990)	(75,990)	183,167	-		31,187
Cash Flows from Capital and Related Financing Activities						
Issuance of bonds	-	1,466,554	-	-		1,466,554
Receipt of grants	-	181,564	-	-		181,564
Property taxes	-	397,308	-	-		397,308
Purchase of capital assets	(1,954,103)	(1,337,194)	-	-		(3,291,297)
Principal and interest paid on capital debt	(46,479)	(4,650,705)	(122,007)	(211,263)		(5,030,454)
Receipt of other nonoperating revenue	-	597,363	-	-		597,363
Net cash and cash equivalents used in capital and related financing activities	(2,000,582)	(3,345,110)	(122,007)	(211,263)		(5,678,962)
Cash Flows Provided by (Used in) Investing Activities						
Interest received on investments	1,931	(68,058)	41	1,429		(64,657)
Net Increase (Decrease) in Cash and Cash Equivalents	239,551	(2,364,078)	(366,029)	(302,405)		(2,792,961)
Cash and Cash Equivalents - Beginning of year	5,686,869	12,567,403	1,033,775	2,526,973		21,815,020
Cash and Cash Equivalents - End of year	\$5,926,420	\$10,203,325	\$667,746	\$2,224,568		\$19,022,059
Classification of Cash and Cash Equivalents						
Cash and investments	\$5,926,420	\$6,084,749	\$667,746	\$2,224,568		\$14,903,483
Restricted assets	-	3,180,800	-	-		3,180,800
Current portion of restricted assets	-	937,776	-	-		937,776
Total cash and cash equivalents	\$5,926,420	\$10,203,325	\$667,746	\$2,224,568		\$19,022,059

See notes to financial statements.

Additional content from previous item: Continuation of the Proprietary Funds statement of cash flows.

City of Taylor, Michigan

**Proprietary Funds
Statement of Cash Flows (Continued)**

Year Ended June 30, 2021

Description	Enterprise Funds					Total
	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek		
Reconciliation of Operating Loss to Net Cash from Operating Activities						
Operating loss	\$(322,257)	\$(410,397)	\$(1,688,324)	\$(43,716)		\$(2,464,694)
Adjustments to reconcile operating loss to net cash from operating activities:						
Depreciation and amortization	1,196,089	2,120,374	748,949	57,765		4,123,177
Changes in assets and liabilities:						
Receivables	35,467	(14,235)	(51,388)	11,512		(18,644)
Due to and from other funds	(482,544)	(598,904)	(469,290)	48,308		(1,502,430)
Inventories	10,950	1,900	(4,198)	-		8,652
Prepaid and other assets	(32,944)	(32,944)	793	-		(65,095)
Other accrued liabilities	(26,332)	(15,323)	56,446	-		14,791
Accounts payable	(35,931)	(134,042)	94,874	(166,440)		(241,539)

Enterprise Funds

Description	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	Total
Net pension or OPEB liability and deferrals	1,971,694	208,651	884,908	-	3,065,253
Total adjustments	2,636,449	1,535,477	1,261,094	(48,855)	5,384,165
Net cash and cash equivalents provided by (used in) operating activities	\$2,314,192	\$1,125,080	\$(427,230)	\$(92,571)	\$2,919,471
Significant Noncash Transactions - Donor assets	\$75,990	\$75,990	\$955,810	\$-	\$1,107,790

See notes to financial statements.

City of Taylor, Michigan

Fund Financial Statements — Fiduciary Funds: Statement of Fiduciary Net Position

June 30, 2021

Description	Pension and Other Employee Benefit Trust Funds	Custodial Funds	Total Fiduciary Funds
	Assets		
Cash and cash equivalents	\$9,929,743	\$1,707,077	\$11,636,820
Investments:			
U.S. government securities	4,185,251	-	4,185,251
Agency securities	1,320,669	-	1,320,669
Common and preferred stocks	77,520,493	-	77,520,493
Corporate bonds	5,906,167	-	5,906,167
Mutual funds	34,579,913	-	34,579,913
Partnerships	27,417,872	-	27,417,872
Receivables	334,726	148,352	483,078
Total assets	161,194,834	1,855,429	163,050,263
	Liabilities		
Due to other governmental units	-	1,578,882	1,578,882
Other current liabilities	-	276,547	276,547
Total liabilities	-	1,855,429	1,855,429
	Net Position		
Restricted:			
Pension	156,692,679	-	156,692,679
Postemployment benefits other than pension	4,502,155	-	4,502,155
Total net position	\$161,194,834	\$-	\$161,194,834

See notes to financial statements.

City of Taylor, Michigan

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Fund Financial Statements — Fiduciary Funds: Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2021

	Pension and Other Employee Benefit Trust Funds	Custodial Funds	Total Fiduciary Funds
Additions			
Investment income (loss):			
Interest and dividends	\$2,463,869	\$-	\$2,463,869
Net increase in fair value of investments	38,396,787	-	38,396,787
Investment costs	(468,524)	-	(468,524)
Net investment income	40,392,132	-	40,392,132
Contributions:			
Employer contributions	13,922,317	-	13,922,317
Employee contributions	874,695	-	874,695

	Pension and Other Employee Benefit Trust Funds	Custodial Funds	Total Fiduciary Funds
Total contributions	14,797,012	-	14,797,012
Property tax collections	-	42,159,853	42,159,853
Fines and fees	-	1,134,260	1,134,260
Total additions	55,189,144	43,294,113	98,483,257
Deductions			
Benefit payments	21,963,876	-	21,963,876
Administrative expenses	130,160	-	130,160
Tax distributions to other governments	-	42,049,707	42,049,707
Tax refunds	-	5,092	5,092
Other tax distributions	-	105,054	105,054
Disbursements to state	-	1,100,205	1,100,205
Disbursements to county	-	34,055	34,055
Total deductions	22,094,036	43,294,113	65,388,149
Net Increase in Fiduciary Net Position	33,095,108	-	33,095,108
Net Position - Beginning of year, as restated (Note 1)	128,099,726	-	128,099,726
Net Position - End of year	\$161,194,834	\$-	\$161,194,834

See notes to financial statements.

Page 27 is complex and may be difficult to understand. This page is a dense financial statement with seven columns, many similar numeric entries, and small text, which increases the risk of row or column misalignment for screen reader users. Accessibility was improved by converting it into a semantic HTML table with explicit column headers, section rows, and aria labels for negative values. If you need help understanding this page, please use the live assistance options in the sidebar.

City of Taylor, Michigan

Component Units — Statement of Net Position

June 30, 2021

	Local Development Financing Authority	Tax Increment Financing Authority	Brownfield Redevelopment Authority	Downtown Development Authority	Housing Commission*	Total
Assets						
Cash and investments (Note 3)	\$898,533	\$6,213,637	\$892,262	\$531,596	\$4,097,330	\$12,633,358
Accounts receivable	-	-	743,673	-	54,287	797,960
Due from component units	-	-	498,098	27,016	-	525,114
Due from primary government	-	674,090	396,322	2,191	-	1,072,603
Prepaid expenses and other assets	-	25,157	-	-	5,650	30,807
Due from other governmental units	-	696	39,090	54,248	-	94,034
Capital assets: (Note 5)						
Assets not subject to depreciation	17,745	12,220,416	77,187	869,375	759,999	13,944,722
Assets subject to depreciation - Net	-	-	-	-	517,022	517,022
Total assets	916,278	19,133,996	2,646,632	1,484,426	5,434,288	29,615,620
Deferred Outflows of Resources						
	-	-	-	-	20,908	20,908
Liabilities						
Accounts payable	-	466,857	1,631	11,968	84,387	564,843
Due to other governmental units	17,712	-	-	-	-	17,712
Due to component units	27,016	28,098	-	470,000	-	525,114

	Local Development Financing Authority	Tax Increment Financing Authority	Brownfield Redevelopment Authority	Downtown Development Authority	Housing Commission*	Total
Due to primary government	-	192,987	6,958	-	-	199,945
Accrued liabilities and other	-	-	243,116	-	35,978	279,094
Unearned revenue	-	-	743,673	-	20,610	764,283
Tenant security deposits	-	-	-	-	39,654	39,654
Noncurrent liabilities:						
Due within one year (Note 7)	-	-	705,522	-	-	705,522
Due in more than one year (Note 7)	-	-	9,969,423	-	288,894	10,258,317
Total liabilities	44,728	687,942	11,670,323	481,968	469,523	13,354,484
Net Position (Deficit)						
Net investment in capital assets	17,745	12,220,416	77,187	869,375	1,277,021	14,461,744
Restricted - HAP payment	-	-	-	-	269,768	269,768
Unrestricted	853,805	6,225,638	(9,100,878)	133,083	3,438,884	1,550,532
Total net position (deficit)	\$871,550	\$18,446,054	\$(9,023,691)	\$1,002,458	\$4,985,673	\$16,282,044

*Balances are as of March 31, 2021 for the Housing Commission.

See notes to financial statements.

Page 28 is complex and may be difficult to understand. This page contains a multi-column financial statement in very small type, and several right-side columns and numeric amounts are cut off in the supplied PDF rendering, creating a high risk that a screen reader user could miss data relationships. I converted the visible financial matrix into a structured table and added explicit notes where values or columns were not visible. If you need help understanding this page, please use the live assistance options in the sidebar.

City of Taylor, Michigan

Component Units — Statement of Activities

Functions/Programs	Expenses	Charges for Services	Program Revenue	
			Operating Grants and Contributions	Capital Grants and Contributions
Local Development Financing Authority	\$-	\$-	\$-	\$-
Tax Increment Financing Authority	5,533,751	-	-	-
Brownfield Redevelopment Authority	292,326	-	-	-
Downtown Development Authority	84,850	-	-	-
Housing Commission	8,238,109	373,059	8,066,988	-
Total component units	\$14,149,036	\$373,059	\$8,066,988	\$-

Note: The supplied PDF rendering cuts off any columns to the right of the visible Program Revenue section; only the visible table content is transcribed here.

General revenue:

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

Total general revenue

Transfers

Change in Net Position

Net Position (Deficit) - Beginning of year

Net Position (Deficit) - End of year

Note: The corresponding numeric amounts for these lines are not visible in the supplied PDF rendering.

*Balances are as of March 31, 2021 for the Housing Commission.

See notes to financial statements.

Page 29 is complex and may be difficult to understand. This page is a continuation of a financial statement table with small text and several rows whose descriptive labels appear only on the previous page, which creates a moderate-to-high risk of lost context for screen reader users. I preserved the numeric data in a semantic table, kept the visible column headers, and added continuation notes to explain the missing on-page row labels. If you need help understanding this page, please use the live assistance options in the sidebar.

Component Units Statement of Activities

Year Ended June 30, 2021

Additional content from previous item: Continued table from the component units statement of activities. Row descriptions for the figures below appear on the previous page and are not repeated on this page.

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
\$-	\$-	\$-	\$-	\$-	\$-
-	(5,533,751)	-	-	-	(5,533,751)
-	-	(292,326)	-	-	(292,326)
-	-	-	(84,850)	-	(84,850)
-	-	-	-	201,938	201,938
-	(5,533,751)	(292,326)	(84,850)	201,938	(5,708,989)
89,128	7,113,828	360,952	595,624	-	8,159,532
-	466,356	-	-	-	466,356
530	7,682	806	331	1,853	11,202
-	25,968	168,296	-	-	194,264
89,658	7,613,834	530,054	595,955	1,853	8,831,354
-	(28,098)	498,098	(470,000)	-	-
89,658	2,051,985	735,826	41,105	203,791	3,122,365
781,892	16,394,069	(9,759,517)	961,353	4,781,882	13,159,679
\$871,550	\$18,446,054	\$(9,023,691)	\$1,002,458	\$4,985,673	\$16,282,044

Note: The asterisk after Housing Commission appears in the source, but the related footnote is not shown on this page.

Notes to Financial Statements

June 30, 2021

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.

City of Taylor, Michigan

Notes to Financial Statements

June 30, 2021

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 \$20.5 million in debt for operations of the System and paid \$1.6 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.

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City of Taylor, Michigan | Notes to Financial Statements

June 30, 2021

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.
- The Road Capital Improvement Fund is a capital projects fund to account for bond proceeds and construction activity related to road projects.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the City). 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.

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Note 1 - Significant Accounting Policies (Continued)

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.
- The custodial funds account for assets held by the City in a trustee capacity. Custodial funds do not involve the measurement of the results of operations. 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.

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Note 1 - Significant Accounting Policies (Continued)

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.

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

Asset	Years
Roads and sidewalks	10-65
Buildings	15-50
Sanitary sewer system	15-50

Asset	Years
Water mains and meters	15-67
Improvements other than buildings	20
Vehicles	4-10
Machinery and equipment	2-20
Furniture and fixtures	10-20

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 bonds 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, as well as 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.

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 two primary sources: grants and special assessments. 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 2020 property tax revenue was levied and collectible on July 1, 2020 and is recognized as revenue in the year ended June 30, 2021 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2020 taxable valuation of the City totaled \$1,377,081,731 (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 8.4211 mills for operating purposes, 0.8862 mills for library services, 8.8000 mills for public safety pension, 2.2558 mills for disposal authority, 2.6591 mills for garbage and rubbish services, 0.0370 mills for publicity services, 2.7000 mills for the building authority, and 0.3309 mills for EPA debt. This resulted in approximately \$9,243,000 for operating purposes, \$976,000 for library services, \$9,697,000 for public safety pension, \$2,486,000 for disposal authority, \$2,930,000 for garbage and rubbish services, \$41,000 for publicity services, \$3,644,000 for the building authority, and \$374,000 for EPA debt. These amounts are recognized in the respective General Fund, special revenue funds, debt service funds, and enterprise 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.

Upcoming Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the City's financial statements for the year ended June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement were originally effective for the City's financial statements for the year ended June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

Note 1 - Significant Accounting Policies (Continued)

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt; provides a single method of reporting conduit debt obligations by issuers; and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively. The provisions of this statement were originally effective for the City's financial statements for the year ending June 30, 2022 but were extended to June 30, 2023 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The City does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

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

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

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or an other employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the City's financial statements for the year ending June 30, 2022.

Note 1 - Significant Accounting Policies (Continued)**Adoption of New Accounting Pronouncement**

During the current year, the City adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the following activities previously not reported in the financial statements now meet the definition of a fiduciary activity and are reported as such: the OPEB Trust Fund. The following activities were previously reported as fiduciary activities but no longer meet the definition as such; therefore, these activities are now reported within governmental or proprietary funds: undistributed taxes associated with city tax levies. The following activities were previously reported as fiduciary activities but no longer meet the definition as such and, therefore, are no longer reported with these statements: the General Employees' Retirement System.

The effect of this new standard on fund balance was as follows:

Fiduciary	
Net position - June 30, 2020 - As previously reported	\$ 167,980,333
Adjustment for GASB Statement No. 84 - To remove General Employees' Retirement System	(43,200,605)
Adjustment for GASB Statement No. 84 - To record OPEB Trust Fund	3,319,998
Net position - June 30, 2020 - As restated	\$ 128,099,726

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, 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

On the modified accrual basis, the Community Development Block Grant Fund has an unassigned fund balance deficit at June 30, 2021. The component units are presented on the full accrual basis in the basic financial statements, resulting in deficits on that basis in the Brownfield Redevelopment Authority. The Golf Courses, Sewer, and Water funds also have an unrestricted net deficit as of June 30, 2021.

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 \$37,789,332 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. In addition, the City's component units had \$7,448,500 of bank deposits that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

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	\$5,388,419	\$198,342	\$3,216,324	\$1,865,645	\$108,108
U.S. government securities	\$3,626,984	-	\$3,247,655	\$379,329	-
Agency securities	\$1,320,669	-	\$36,712	\$257,841	\$1,026,116
Total	\$10,336,072	\$198,342	\$6,500,691	\$2,502,815	\$1,134,224

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	\$ 358,100	A1	Moody's
Corporate bonds	\$ 468,940	A2	Moody's
Corporate bonds	\$ 586,173	A3	Moody's
Corporate bonds	\$ 41,680	AA1	Moody's
Corporate bonds	\$ 78,593	AA2	Moody's
Corporate bonds	\$ 50,961	AA3	Moody's
Corporate bonds	\$ 388,544	AAA	Moody's
Corporate bonds	\$ 20,350	B1	Moody's
Corporate bonds	\$ 124,824	BA1	Moody's
Corporate bonds	\$ 149,996	BA2	Moody's
Corporate bonds	\$ 260,227	BA3	Moody's
Corporate bonds	\$ 981,534	BAA1	Moody's
Corporate bonds	\$ 1,267,633	BAA2	Moody's
Corporate bonds	\$ 417,521	BAA3	Moody's
Corporate bonds	\$ 193,343	Not rated	Moody's
Agency securities	\$ 36,712	AAA	Moody's
Agency securities	\$ 1,283,957	Not rated	Moody's
U.S. government securities	\$ 3,410,572	AAA	Moody's
U.S. government securities	\$ 216,412	Not rated	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 18 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	\$ 346,327	\$ -
OPEB deferrals	\$ 3,871,613	\$ 530,330

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City of Taylor, Michigan

**Notes to Financial Statements
June 30, 2021**

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	\$61,793	\$-	\$-
Grant revenue - Unavailable	458,756	-	-
Other unavailable revenue	2,666,285	-	-
Pension deferrals	-	993,780	26,368,724
OPEB deferrals	-	2,231,110	16,287,986
Total deferred inflows	\$3,186,834	\$3,224,890	\$42,656,710

Note 5 - Capital Assets

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

Governmental Activities

	Balance July 1, 2020	Reclassifications	Additions	Disposals	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$29,157,341	\$-	\$-	\$(139,013)	\$29,018,328
Construction in progress	6,570,013	(4,013,236)	4,448,655	-	7,005,432
Subtotal	35,727,354	(4,013,236)	4,448,655	(139,013)	36,023,760
Capital assets being depreciated:					
Buildings and improvements	87,222,018	3,933,627	1,803,763	-	92,959,408
Machinery and equipment	42,442,292	7,750	1,394,829	(1,016,343)	42,828,528
Other improvements	21,338,496	-	593,094	-	21,931,590
Roads and sidewalks	270,998,947	71,859	2,795,592	-	273,866,398
Subtotal	422,001,753	4,013,236	6,587,278	(1,016,343)	431,585,924
Accumulated depreciation:					
Buildings and improvements	41,778,058	-	2,214,620	-	43,992,678
Machinery and equipment	33,701,731	-	1,911,600	(954,568)	34,658,763
Other improvements	18,223,968	-	451,516	-	18,675,484
Roads and sidewalks	198,121,770	-	5,982,117	-	204,103,887
Subtotal	291,825,527	-	10,559,853	(954,568)	301,430,812
Net capital assets being depreciated	130,176,226	4,013,236	(3,972,575)	(61,775)	130,155,112
Net governmental activities capital assets	\$165,903,580	\$-	\$476,080	\$(200,788)	\$166,178,872

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City of Taylor, Michigan

Notes to Financial Statements

Note 5 - Capital Assets (Continued)

Business-type Activities

Description	Balance July 1, 2020	Reclassifications	Additions	Disposals	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$3,358,372	\$-	\$-	\$-	\$3,358,372
Construction in progress	341,997	(2,017,521)	2,566,645	-	891,121
Subtotal	3,700,369	(2,017,521)	2,566,645	-	4,249,493
Capital assets being depreciated:					
Water mains and meters	51,528,741	2,017,521	46,479	(58,928)	53,533,813
Sanitary sewer system	146,745,785	-	1,466,554	(348,116)	147,864,223
Buildings and improvements	11,503,099	-	218,247	-	11,721,346
Machinery and equipment	4,848,974	-	30,045	(31,674)	4,847,345
Vehicles	717,503	-	-	-	717,503
Office furnishings	621,414	-	-	-	621,414
Land improvements	11,287,226	-	284,742	(2,469)	11,569,499
Intangible ECPAD improvement	2,882,728	-	-	-	2,882,728
Subtotal	230,135,470	2,017,521	2,046,067	(441,187)	233,757,871
Accumulated depreciation:					
Water and sewer lines	19,988,690	-	1,124,798	(41,438)	21,072,050
Sanitary sewer system	38,554,338	-	2,039,877	-	40,594,215
Buildings and improvements	5,029,894	-	263,345	-	5,293,239
Machinery and equipment	3,473,305	-	386,800	(31,674)	3,828,431
Vehicles	511,205	-	33,618	-	544,823
Furniture and equipment	492,840	-	20,890	-	513,730
Land improvements	8,902,874	-	196,084	(2,470)	9,096,488
Intangible ECPAD improvement	418,018	-	57,765	-	475,783
Subtotal	77,371,164	-	4,123,177	(75,582)	81,418,759
Net capital assets being depreciated	152,764,306	2,017,521	(2,077,110)	(365,605)	152,339,112
Net business-type activities capital assets	\$156,464,675	\$-	\$489,535	\$(365,605)	\$156,588,605

City of Taylor, Michigan

Notes to Financial Statements

June 30, 2021

Note 5 - Capital Assets (Continued)

Component Units

Description	Balance July 1, 2020	Additions	Disposals	Balance June 30, 2021
Capital assets not being depreciated	\$14,916,220	-	\$(971,498)	\$13,944,722
Capital assets being depreciated: Buildings and improvements	5,160,605	59,000	-	5,219,605
Capital assets being depreciated: Furniture, equipment, and machinery	667,283	14,200	-	681,483
Subtotal	5,827,888	73,200	-	5,901,088
Accumulated depreciation: Buildings and improvements	5,200,449	119,733	-	5,320,182
Accumulated depreciation: Furniture, equipment, and machinery	63,884	-	-	63,884
Subtotal	5,264,333	119,733	-	5,384,066
Net capital assets being depreciated	563,555	(46,533)	-	517,022
Net component units capital assets	\$15,479,775	\$(46,533)	\$(971,498)	\$14,461,744

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

Governmental activities:

Program	Amount
General government	\$1,071,293
Public safety	1,264,713

Program	Amount
Public works	6,374,598
Economic development	198,310
Recreation and culture	1,650,939
Total governmental activities	\$10,559,853

Business-type activities:

Program	Amount
Water	\$1,196,089
Sewer	2,120,374
Ecorse Creek	57,765
Golf courses	748,949
Total business-type activities	\$4,123,177

Page 45 is complex and may be difficult to understand. This page has two financial tables, including a long interfund balance table with grouped rows, subtotals, and small-print monetary values that could be difficult for a screen reader user if left in visual layout form. I converted the content into structured HTML tables with row and column headers and added currency aria-labels to improve how amounts are announced. If you need help understanding this page, please use the live assistance options in the sidebar.

City of Taylor, Michigan

Notes to Financial Statements

June 30, 2021

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	\$5,538,623	\$13,629,475
Business-type activities	422,778	50,000
Component units	826,076	196,524
Total	\$6,787,477	\$13,875,999

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
	Police and Fire Retirement Fund	\$108,368
	Golf Courses Fund	350,457
General Fund	Water Fund	231,241
	Sewer Fund	62,760
	Road Capital Improvement Fund	2,050,090
	Other nonmajor governmental funds	3,466,413
	Total General Fund	6,269,329
	General Fund	2,552,628
Other nonmajor governmental funds	Water Fund	59
	Other nonmajor governmental funds	9,891
	Total other nonmajor governmental funds	2,562,578
	Water Fund	539,548
Sewer Fund	General Fund	115,530
	Ecorse Creek Fund	30
	Total Sewer Fund	655,108
Ecorse Creek Fund	Water Fund	14,733
	Sewer Fund	30
	Total Ecorse Creek Fund	14,763
Golf Courses Fund	General Fund	188,667
Water Fund	General Fund	511,232

Receivable Fund	Payable Fund	Amount
	Sewer Fund	520,901
	Ecorse Creek Fund	183
	Other nonmajor governmental funds	103
Total Water Fund		1,032,419
Police and Fire Retirement Fund	General Fund	762,980
Total		\$11,485,844

City of Taylor, Michigan

Notes to Financial Statements

June 30, 2021

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

Due to/from Primary Government and Component Units

Receivable	Payable	Amount
	Tax Increment Financing Authority	\$192,987
General Fund	Brownfield Redevelopment Authority	6,958
	Total General Fund	199,945
	General Fund	258,328
Tax Increment Financing Authority	Police and Fire Retirement Fund	246,739
	Other nonmajor governmental funds	169,023
	Total Tax Increment Financing Authority	674,090
	General Fund	168,296
Brownfield Redevelopment Authority	Sewer Fund	228,026
	Total Brownfield Redevelopment Authority	396,322
Downtown Development Authority	Sewer Fund	2,191
Total		\$1,272,548

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
	Michigan Indigent Defense Commission Fund	\$40,370
General Fund	Golf Courses Fund	183,167
	Total General Fund	223,537
Major Streets Fund	Local Streets Fund	2,200,000
Building and Grounds Fund	Building Authority Debt Fund	1,606,508
2008 MI Transportation Bond Debt Fund	Major Streets Fund	415
Total		\$4,030,460

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 Building and Grounds Fund to the Building Authority Debt Fund is for Building Authority lease payments. Transfers from the General Fund to the Michigan Indigent Defense Commission Fund and Golf Courses Fund are for operations in accordance with the adopted budget.

Page 47 is complex and may be difficult to understand. This page is a dense financial schedule with many similar debt descriptions, several subtotal and total lines, blank cells, and multiple monetary columns, which raises the risk that a screen reader user could lose row and column context. Accessibility was improved by converting the layout into a structured HTML table with explicit column headers, row-group labels, and emphasized total rows. If you need help understanding this page, please use the live assistance options in the sidebar.

City of Taylor, Michigan

Notes to Financial Statements

June 30, 2021

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.

Long-term debt activity for the year ended June 30, 2021 can be summarized as follows:

Governmental Activities

Description	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:						
Direct borrowings and direct placements:						
2011 Installment purchase contract trash totes - Amount of issue - \$1,880,000	3.83%	\$221,000	-	(\$221,000)	-	-
Wells Fargo Copier Capital Lease - Amount of issue - \$163,830	6.09%	94,010	-	(33,481)	60,529	35,579
Wells Fargo Copier Capital Lease - Amount of issue - \$49,821	6.09%	28,589	-	(10,182)	18,407	10,820
Dell Capital Lease - Amount of issue - \$266,502	5.47%	191,414	-	(51,008)	140,406	53,873
Dell Capital Lease - Amount of issue - \$680,911	5.44%	488,984	-	(130,366)	358,618	137,637
PNC Equipment Finance Capital Lease - Amount of issue - \$908,520	3.55%	491,521	-	(307,218)	184,303	184,303
PNC Equipment Note - Amount of issue - \$1,236,481	2.34%	237,640	-	(237,640)	-	-
PC/Telecommunication Equipment - Comerica Leasing - Amount of issue - \$77,665	2.23%	-	77,665	(21,056)	56,609	25,788
Wells Fargo Copier Capital Lease - Amount of issue - \$23,385	5.64%	-	23,385	(3,156)	20,229	9,830
Total direct borrowings and direct placements principal outstanding		1,753,158	101,050	(1,015,107)	839,101	457,830
Other debt:						
2004 Building Authority Public Facilities Bonds - Amount of issue - \$1,250,000	2.00%	350,000	-	(80,000)	270,000	85,000
2015 Building Authority Refunding Bonds - \$6,965,000	2.00% - 5.00%	3,445,000	-	(800,000)	2,645,000	840,000
2019 Building Authority Bonds - Amount of issue - \$4,950,000	1.79%	4,950,000	-	(455,000)	4,495,000	465,000
Michigan Transportation Fund Bonds, Series 2021 - Amount of issue - \$14,355,000	4.00%	-	14,355,000	-	14,355,000	820,000
Total other debt principal outstanding		8,745,000	14,355,000	(1,335,000)	21,765,000	2,210,000
Unamortized bond premiums		274,351	2,730,653	(97,578)	2,907,426	256,867
Total bonds and contracts payable		10,772,509	17,186,703	(2,447,685)	25,511,527	2,924,697
Workers' compensation claims		386,823	427,475	(334,055)	480,243	-
Nonexchange financial guarantee		2,337,000	-	(185,000)	2,152,000	282,035
Compensated absences		3,530,847	559,616	(998,879)	3,091,584	935,981
Total governmental activities long-term debt		\$17,027,179	\$18,173,794	\$(3,965,619)	\$31,235,354	\$4,142,713

Page 48 is complex and may be difficult to understand. This page is a dense financial statement page with two multi-column debt tables, subgroup labels, subtotals, and negative values shown in parentheses, which increases the chance of misreading for screen reader users. The content was converted into two semantic tables with explicit column headers, rowgroup labels, and clearly labeled total rows to improve navigation and comprehension. If you need help understanding this page, please use the live assistance options in the sidebar.

City of Taylor, Michigan

Notes to Financial Statements

June 30, 2021

Note 7 - Long-term Debt (Continued)

Business-type Activities

Description	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	\$4,792,937	-	\$(2,572,107)	\$2,220,830	\$272,124

Description	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Downriver Utility Wastewater Authority Bonds - Amount of initial issue - \$25,651,802	Various	20,276,384	1,118,438	(869,213)	20,525,609	886,652
Series 2009A - ECPAD 1 CWRP - Amount of issue - \$3,717,000	2.50%	695,102	-	(105,991)	589,111	107,332
PNC Equipment Note - Amount of issue - \$239,033	2.34%	45,936	-	(45,936)	-	-
ECPAD 1 Taylor/Pelham Basin Series 2014 - Amount of issue - \$722,172	5.75%	322,644	-	(75,512)	247,132	78,258
Lease purchase agreement - Golf carts for TMGC - Amount of issue - \$217,128	4.35%	138,566	-	(53,636)	84,930	56,006
Lease purchase agreement - Golf carts for LTGC - Amount of issue - \$230,530	4.35%	147,118	-	(56,946)	90,172	59,463
Total direct borrowings and direct placements principal outstanding		26,418,687	1,118,438	(3,779,341)	23,757,784	1,459,835
Nonexchange financial guarantee		2,534,886	-	(151,980)	2,382,906	212,964
Compensated absences		191,885	39,035	(59,807)	171,113	65,565
Total business-type activities long-term debt		\$29,145,458	\$1,157,473	\$(3,991,128)	\$26,311,803	\$1,738,364

Component Units

Description	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:						
Other debt:						
TIFA - 2013 Refunding - Series B - Amount of issue - \$4,680,000	4.00%	\$3,110,000	-	\$(3,110,000)	\$-	\$-
Brownfield:						
2017 Refunding - Series A - Amount of issue - \$1,915,000	2.10% - 4.45%	1,115,000	-	(280,000)	835,000	255,000
2017 Refunding - Series B - Amount of issue - \$2,045,000	Various	1,485,000	-	(195,000)	1,290,000	190,000
Brownfield Redevelopment Tax Increment Bonds, Series 2015	2.00% - 5.00%	8,550,000	-	(260,000)	8,290,000	240,000
Total other debt principal outstanding		14,260,000	-	(3,845,000)	10,415,000	685,000
TIFA - Bond premium		61,835	-	(61,835)	-	-
Brownfield - Bond premium		280,467	-	(20,522)	259,945	20,522
Total component unit long-term debt		\$14,602,302	\$-	\$(3,927,357)	\$10,674,945	\$705,522

City of Taylor, Michigan

Notes to Financial Statements

June 30, 2021

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		Other Debt		Total
	Direct Borrowings and Direct Placements Principal*	Interest	Principal	Interest	
2022	\$457,830	\$31,035	\$2,210,000	\$680,310	\$3,379,175
2023	\$271,516	\$14,217	\$2,185,000	\$706,186	\$3,176,919
2024	\$109,755	\$2,179	\$2,270,000	\$619,645	\$3,001,579
2025	-	-	\$1,290,000	\$531,657	\$1,821,657
2026	-	-	\$1,330,000	\$490,797	\$1,820,797
2027-2031	-	-	\$6,775,000	\$1,794,204	\$8,569,204
Thereafter	-	-	\$5,705,000	\$702,200	\$6,407,200
Total	\$839,101	\$47,431	\$21,765,000	\$5,524,999	\$28,176,531

Business-type Activities — Direct Borrowings and Direct Placements

Years Ending June 30	Principal	Interest	Total
2022	\$1,459,835	\$842,328	\$2,302,163
2023	\$1,519,423	\$795,620	\$2,315,043
2024	\$2,076,951	\$744,830	\$2,821,781
2025	\$1,413,199	\$692,743	\$2,105,942
2026	\$1,462,110	\$643,686	\$2,105,796
2027-2031	\$6,530,129	\$2,496,206	\$9,026,335
Thereafter	\$9,296,137	\$2,526,102	\$11,822,239
Total	\$23,757,784	\$8,741,515	\$32,499,299

Component Unit Activities — Other Debt

Years Ending June 30	Principal*	Interest	Total
2022	\$685,000	\$451,517	\$1,136,517
2023	\$725,000	\$425,366	\$1,150,366
2024	\$785,000	\$392,417	\$1,177,417
2025	\$825,000	\$356,400	\$1,181,400
2026	\$795,000	\$327,736	\$1,122,736
2027-2031	\$3,965,000	\$1,170,640	\$5,135,640
Thereafter	\$2,635,000	\$267,750	\$2,902,750
Total	\$10,415,000	\$3,391,826	\$13,806,826

*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, 2021, approximately \$13.8 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 insufficient to fully pay the bond debt. The present value of the total estimated shortfall related to the Brownfield's bond payments is \$4,534,906 and has been recognized by the City as a liability of \$2,152,000, \$1,191,453, and \$1,191,453 in the governmental activities, Water Fund, and Sewer Fund, respectively. In a prior year, the full amount was recorded in governmental activities; the City obtained additional guidance from third-party legal counsel that concluded that the Water and Sewer funds are responsible for a portion of the cost. As such, the City recorded the proportionate share in these funds.

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, 2021, restricted assets are composed of the following:

Description	Business-type activities
Assets held at Wayne County, Michigan for future debt payments	\$ 2,038,036
Assets held at Downriver Utility Wastewater Authority (DUWA) for sewer operations	2,080,540
Total	\$ 4,118,576

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 \$31,389,700 of DUWA and Downriver Sewage Disposal system 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 \$2,636,290 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 \$28,753,410. During the current year, net revenue of the

system before depreciation and other adjustments was \$1,653,650 compared to the debt service requirements of \$1,583,497 for the DUWA bonds. Tax collections related to the Wayne County, Michigan debt were \$429,739, compared to the debt service requirements of \$2,719,092.

City of Taylor, Michigan

**Notes to Financial Statements
June 30, 2021**

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, as well as those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	2021	2020
Estimated liability - Beginning of year	\$ 386,823	\$ 518,690
Incurred claims, including adjustments to claims incurred but not reported	427,475	78,956
Claim payments - Net of insurance refunds	(334,055)	(210,823)
Estimated liability - End of year	\$ 480,243	\$ 386,823

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, 2020
Inactive plan members or beneficiaries currently receiving benefits	384
Inactive plan members entitled to but not yet receiving benefits	24
Active plan members	223
Total plan members	631

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, 2021, the City made payments for postemployment health benefit premiums of \$7,505,975. Of that amount, \$255,000 was an additional prefunding contribution.

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, 2021 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, 2021 measurement date. The June 30, 2021 total OPEB liability was determined by an actuarial valuation performed as of June 30, 2020.

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

Changes in Net OPEB Liability	Changes in Net OPEB Liability		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2020	\$126,645,254	\$3,319,998	\$123,325,256
Changes for the year:			
Service cost	494,473	-	494,473
Interest	9,083,551	-	9,083,551
Differences between expected and actual experience	(7,418,379)	-	(7,418,379)
Changes in assumptions	2,665,604	-	2,665,604
Contributions - Employer	-	7,505,975	(7,505,975)
Net investment income	-	934,033	(934,033)
Benefit payments	(7,250,975)	(7,250,975)	-
Administrative expenses	-	(6,876)	6,876
Net changes	(2,425,726)	1,182,157	(3,607,883)
Balance at June 30, 2021	\$124,219,528	\$4,502,155	\$119,717,373

The plan's fiduciary net position represents 3.6 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, 2021, the City recognized OPEB cost reductions of \$2,867,212.

At June 30, 2021, 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	\$-	\$18,091,779
Changes in assumptions	4,401,943	-
Net difference between projected and actual earnings on OPEB plan investments	-	427,317
Total	\$4,401,943	\$18,519,096

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:

Schedule of amounts to be recognized in OPEB expense

Years Ending	Amount
2022	\$ (12,198,974)
2023	(1,677,654)
2024	(104,346)
2025	(136,178)
Total	\$ (14,117,152)

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 1 percent for general members, 3.75 to 14.75 percent for court members, and 3.50 to 6.50 percent for police/fire members; a health care cost trend rate of 7.5 percent for 2022, decreasing to an ultimate rate of 4.50 percent for 2028 and later years; and the Pub-2010 mortality tables with the MP-2020 improvement scale.

Assumption Changes

These assumptions differ from the 2020 OPEB valuation where an inflation assumption of 2.75 percent was used. The 2020 valuation used the RP-2014 mortality tables with the MP-2017 improvement scale.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.35 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, 2021 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:

Target allocation and long-term expected real rate of return by asset class

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	5.25 %
Global fixed income	20.00	1.25
Private investments	20.00	7.25
		50

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 7.35 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 (6.35%)	Current Discount Rate (7.35%)	1 Percentage Point Increase (8.35%)
Net OPEB liability	\$133,750,851	\$119,717,373	\$108,058,514

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

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

	1 Percentage Point Decrease (6.50%)	Current Health Care Cost Trend Rate (7.50%)	1 Percentage Point Increase (8.50%)
Net OPEB liability	\$110,151,545	\$119,717,373	\$131,371,975

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, 2021, the City made contributions of \$81,061, and the plan members contributed \$81,061 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 \$23,676,517. The current year contribution was calculated based on covered payroll of \$6,110,617, resulting in an employer contribution of \$224,327 and employee contributions of \$244,425.

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 member 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 supplemental 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 (AFC) 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 (AFC) 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 (AFC) 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 (AFC) 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 (AFC) 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.

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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:

City of Taylor - Members covered by benefit terms (by plan)

	City of Taylor General Employees' Retirement System (Date of member count)	Police and Fire Retirement System (Date of member count)	Municipal Employees' Retirement System (Date of member count)
Date of member count	December 31, 2019	June 30, 2021	December 31, 2020
Inactive plan members or beneficiaries currently receiving benefits	267	235	10
Inactive plan members entitled to but not yet receiving benefits	24	7	3
Active plan members	47	105	6
Pending refunds	-	-	1

	City of Taylor General Employees' Retirement System (Date of member count)	Police and Fire Retirement System (Date of member count)	Municipal Employees' Retirement System (Date of member count)
Total employees covered by the plan	338	347	20

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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, 2020, the average active member contribution rate was 4.7 percent of annual pay, and the City's average contribution rate was 141.79 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, 2021, the average active member contribution rate was 10.4 percent of annual pay, and the City's average contribution rate was 76.35 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, 2020, the average active employee contribution rate was 5.0 percent of annual pay, and the court's average contribution rate was 35.73 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.

Measurement date used for the City's net pension liability

	City of Taylor General Employees' Retirement System	Police and Fire Retirement System	Municipal Employees' Retirement System
Measurement date used for the City's net pension liability	December 31, 2020	June 30, 2021	December 31, 2020
Based on a comprehensive actuarial valuation as of	December 31, 2020	June 30, 2020	December 31, 2020

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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	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 83,081,010	\$ 43,200,605	\$ 39,880,405
Changes for the year:			
Service cost	172,368	-	172,368
Interest	6,008,933	-	6,008,933

Changes in Net Pension Liability	Total Pension Liability	Plan Net Position	Net Pension Liability
Differences between expected and actual experience	416,760	-	416,760
Changes in assumptions	2,736,561	-	2,736,561
Contributions - Employer	-	4,119,517	(4,119,517)
Contributions - Employee	-	137,271	(137,271)
Net investment income	-	5,914,718	(5,914,718)
Benefit payments, including refunds	(6,268,553)	(6,268,553)	-
Administrative expenses	-	(51,099)	51,099
Net changes	3,066,069	3,851,854	(785,785)
Balance at December 31, 2020	\$ 86,147,079	\$ 47,052,459	\$ 39,094,620

The plan's fiduciary net position represents 54.6 percent of the total pension liability.

Police and Fire Retirement System

Changes in Net Pension Liability	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at July 1, 2020	\$ 198,485,686	\$ 124,779,728	\$ 73,705,958
Changes for the year:			
Service cost	2,407,238	-	2,407,238
Interest	13,973,333	-	13,973,333
Differences between expected and actual experience	(1,833,339)	-	(1,833,339)
Changes in assumptions	(578,810)	-	(578,810)
Contributions - Employer	-	6,416,342	(6,416,342)
Contributions - Employee	-	874,695	(874,695)
Net investment income	-	39,459,103	(39,459,103)
Benefit payments, including refunds	(14,712,901)	(14,712,901)	-
Administrative expenses	-	(123,283)	123,283
Miscellaneous other charges	-	(1,005)	1,005
Net changes	(744,479)	31,912,951	(32,657,430)
Balance at June 30, 2021	\$ 197,741,207	\$ 156,692,679	\$ 41,048,528

The plan's fiduciary net position represents 79.24 percent of the total pension liability.

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City of Taylor, Michigan

Notes to Financial Statements

June 30, 2021

Note 13 - Pension Plans (Continued)

Municipal Employees' Retirement System of Michigan

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2019	\$4,312,821	\$2,937,663	\$1,375,158
Changes for the year: Service costs	30,623	-	30,623
Interest	320,160	-	320,160
Differences between expected and actual experience	(119,497)	-	(119,497)
Changes in actuarial assumptions	190,529	-	190,529
Contributions - Employer	-	90,833	(90,833)
Contributions - Employee	-	17,457	(17,457)
Net investment income	-	403,334	(403,334)
Benefit payments	(231,018)	(231,018)	-
Administrative expenses	-	(5,832)	5,832
Miscellaneous other charges	-	(500)	500
Net changes	190,797	274,274	(83,477)
Balance at December 31, 2020	\$4,503,618	\$3,211,937	\$1,291,681

The plan's fiduciary net position represents 71.3 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, 2021, the City recognized pension (recovery) expense of \$(1,349,211) from the Police and Fire Retirement System, \$4,932,006 from the general employees' plan, and \$160,450 from the MERS plan.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$211,255	(1,444,948)
Changes in assumptions	95,265	(1,107,266)
Net difference between projected and actual earnings on pension plan investments	-	(24,810,290)
Employer contributions to the plan subsequent to the measurement date	39,807	-
Total	\$346,327	\$(27,362,504)

City of Taylor, Michigan

Notes to Financial Statements

June 30, 2021

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
2022	\$(7,709,671)
2023	(5,559,367)
2024	(7,052,125)
2025	(6,724,625)
Total	\$(27,045,788)

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%	5.00%-8.00%	3.0%
Investment rate of return (gross of investment expenses)	7.50%	7.25%	7.60%
Mortality rates	Pub-2010 Mortality tables with MP-2020	Pub-2010 PS with MP-2019	Pub-2010 PS 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	7.50%	7.25%	7.60%

	General Employees' Retirement System	Police and Fire Retirement System	Municipal Employees' Retirement System
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes	Yes
Discount rate used to measure total pension liability	7.50%	7.25%	7.60%

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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 %	7.50 %
International equity	15.00 %	8.50 %
Fixed income	25.00	2.50
Real estate	5.00	4.50
Other	10.00	6.19

Police and Fire Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	64.00 %	7.50 %
Fixed income	16.00	2.50
International equity	8.00	8.50
Real estate	12.00	4.50

Municipal Employees' Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	5.25 %
Global fixed income	20.00	1.25
Private investments	20.00	7.25

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 7.50 percent	\$46,679,803	\$39,094,620	\$32,588,541
Police and Fire Retirement System - Current rate 7.25 percent	62,170,684	41,048,528	23,404,696
Municipal Employees' Retirement System - Current rate 7.60 percent	1,801,311	1,291,681	862,076

Assumption Changes

The discount rate used to measure the total pension liability for the Police and Fire Retirement System was changed from 7.22 percent to 7.25 percent.

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Note 13 - Pension Plans (Continued)

The mortality tables used to measure the total pension liability for the Municipal Employees Retirement System and the General Employees' Retirement System were changed from the RP-2014 Healthy Annuitant Mortality Table to the Pub-2010 mortality table.

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, 2021, 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 32.54 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 7.5 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, 2021.

The balances of the reserve accounts at June 30, 2021 are as follows:

Reserve balances at June 30, 2021

	Required Reserve	Amount Funded
Employee reserve	\$13,588,486	\$13,588,486
Retiree reserve	155,665,907	143,104,193

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.

Page 64 is complex and may be difficult to understand. This page has dense financial content with a multi-column fair value table in small print and a second partial valuation table, which increases the risk that screen reader users could lose row and column context. I converted the data into semantic HTML tables with captions and explicit headers to preserve reading order and improve table navigation. If you need help understanding this page, please use the live assistance options in the sidebar.

City of Taylor, Michigan

Note 15 - Fair Value Measurements (Continued)

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 City has the following recurring fair value measurements as of June 30, 2021:

Investments by fair value level:	Assets Measured at Fair Value on a Recurring Basis at June 30, 2021				Balance at June 30, 2021
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Agency bonds	-	\$1,304,104	\$16,565		\$1,320,669
Asset-backed securities	-	\$400,034	-		\$400,034
Corporate bonds	-	\$4,889,906	\$98,479		\$4,988,385
ETF - Equity	\$25,806,982	-	-		\$25,806,982
ETF - Fixed income	\$544,082	-	-		\$544,082

Investments by fair value level:	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2021
Mutual funds - Equity	\$8,228,849	-	-	\$8,228,849
Other alternative investments	-	-	\$22,878,910	\$22,878,910
Private equity	-	-	\$3,390,912	\$3,390,912
Stocks	\$75,242,403	-	-	\$75,242,403
Treasury bonds	\$3,626,984	-	-	\$3,626,984
Total assets	\$113,449,300	\$6,594,044	\$26,384,866	\$146,428,210

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, certain corporate bonds, and Treasury bonds at June 30, 2021 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

The fair value of certain agency bonds, certain corporate bonds, other alternative investments, and private equity at June 30, 2021 was determined primarily based on Level 3 inputs. The City estimates the fair value of these investments using the City's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

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

Investments in Entities that Calculate Net Asset Value per Share

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

As of June 30, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value
MERS Total Market Fund	\$4,502,155

Notes to Financial Statements
June 30, 2021

City of Taylor, Michigan

Note 15 - Fair Value Measurements (Continued)

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.

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, 2021.

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, 2021, the City abated \$49,133 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.

Required Supplemental Information

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City of Taylor, Michigan

Required Supplemental Information

Budgetary Comparison Schedule — General Fund

Year Ended June 30, 2021

Line item	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$11,191,781	11,126,152	11,035,998	\$(90,154)
Charges for services	4,687,000	3,367,880	3,301,773	(66,107)
Intergovernmental	8,753,731	11,518,205	12,265,047	746,842
Licenses and permits	1,303,000	1,274,000	1,371,604	97,604
Fines and forfeitures	7,412,000	5,612,500	5,781,861	169,361
Rental income	917,950	914,950	1,142,273	227,323
Interest income	60,000	5,000	1,168	(3,832)
DMA/911 and other revenue	7,114,772	7,652,780	7,294,837	(357,943)
Total revenue	41,440,234	41,471,467	42,194,561	723,094
Expenditures				
Current services:				
General government	9,727,916	9,860,266	9,384,814	475,452
Employee benefits	6,222,180	5,792,150	5,546,903	245,247
Public safety	16,170,063	17,554,119	16,882,939	671,180
Public works	4,175,200	4,931,402	4,713,802	217,600
Community development	831,500	896,400	869,937	26,463
Recreation and culture	3,002,592	2,757,392	2,485,876	271,516
Capital outlay	31,400	1,212,349	291,220	921,129
Debt service	825,004	850,903	850,892	11
Total expenditures	40,985,855	43,854,981	41,026,383	2,828,598
Excess of Revenue Over (Under) Expenditures	454,379	(2,383,514)	1,168,178	3,551,692
Other Financing (Uses) Sources				
Transfers out	(290,000)	(485,371)	(223,537)	261,834
Capital leases	-	173,300	101,050	(72,250)
Total other financing uses	(290,000)	(312,071)	(122,487)	189,584
Net Change in Fund Balance	164,379	(2,695,585)	1,045,691	3,741,276
Fund Balance - Beginning of year	12,921,282	12,921,282	12,921,282	-
Fund Balance - End of year	\$13,085,661	\$10,225,697	\$13,966,973	\$3,741,276

See notes to required supplemental information.

City of Taylor, Michigan

Required Supplemental Information

Budgetary Comparison Schedule — Major Special Revenue Fund: Police and Fire Retirement Fund

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$9,682,409	\$9,682,409	\$9,817,216	\$134,807
Intergovernmental	35,000	130,000	125,180	(4,820)
Interest income	30,000	1,500	2,295	795
Total revenue	9,747,409	9,813,909	9,944,691	130,782
Expenditures - Current services - Employee benefits	10,321,686	10,107,700	10,327,725	(220,025)
Net Change in Fund Balance	(574,277)	(293,791)	(383,034)	(89,243)
Fund Balance - Beginning of year	1,039,265	1,039,265	1,039,265	-

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Fund Balance - End of year	\$464,988	\$745,474	\$656,231	\$(89,243)

See notes to required supplemental information.

Page 69 is complex and may be difficult to understand. This page is a dense financial schedule with many small numeric cells, grouped sections, accounting negatives in parentheses, and emphasized subtotal lines, all of which can be difficult for screen reader users to follow if not structured correctly. The content was converted into a single accessible data table with explicit column headers, row labels, and section breaks to preserve reading order and improve comprehension. If you need help understanding this page, please use the live assistance options in the sidebar.

City of Taylor, Michigan

Required Supplemental Information

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

Years Ended December 31

Item	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$172,368	\$173,696	\$200,901	\$239,266	\$278,102	\$306,468	\$295,423
Interest	\$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	\$416,760	\$391,348	\$619,218	\$(216,865)	\$914,633	\$1,318,385	-
Changes in assumptions	\$2,736,561	\$(165,474)	\$(190,968)	\$27,101	-	\$3,166,569	-
Benefit payments, including refunds	\$(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	\$3,066,069	\$125,437	\$425,788	\$(521,964)	\$1,036,536	\$4,312,592	\$182,420
Total Pension Liability - Beginning of year	\$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	\$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	\$4,119,517	\$3,964,651	\$3,968,766	\$3,720,318	\$3,530,436	\$3,259,165	\$2,725,322
Contributions - Member	\$137,271	\$143,486	\$152,086	\$179,943	\$164,004	\$172,866	\$192,334
Net investment income (loss)	\$5,914,718	\$7,391,439	\$(1,650,303)	\$5,925,408	\$2,764,949	\$(115,718)	\$1,909,582
Administrative expenses	\$(51,099)	\$(103,703)	\$(54,571)	\$(121,699)	\$(65,781)	\$(206,733)	\$(127,101)
Benefit payments, including refunds	\$(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	\$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	\$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	\$47,052,459	\$43,200,605	\$38,078,301	\$41,838,867	\$38,698,098	\$38,393,907	\$41,373,985
City's Net Pension Liability - Ending	\$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	54.62 %	52.00 %	45.90 %	50.70 %	46.60 %	46.81 %	53.25 %
Covered Payroll	\$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	1,345.62 %	1,335.62 %	1,471.81 %	1,538.12 %	1,434.42 %	1,280.91 %	1,145.65 %

Note: Governmental Accounting Standards Board Statement No. 68 was implemented beginning with fiscal year 2015. Therefore, 10-year trend information is not yet available.

See notes to required supplemental information.

Page 70 is complex and may be difficult to understand. This page has a wide 10-column financial table and dense actuarial notes in very small text, which increases the risk that a screen reader user could lose row-to-column relationships or miss qualifiers. I converted the content into structured HTML tables with explicit headers and separated the notes into a second accessible table to preserve associations and improve navigation. If you need help understanding this page, please use the live assistance options in the sidebar.

City of Taylor, Michigan

Required Supplemental Information

Schedule of City Contributions — General Employees' Retirement System

Last Ten Plan Years
Years Ended December 31

Description	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$4,119,517	\$3,964,651	\$3,968,766	\$3,720,318	\$3,530,436	\$3,259,165	\$2,725,322	\$2,380,000	\$3,079,000	\$2,658,000
Contributions in relation to the actuarially determined contribution	\$4,119,517	\$3,964,651	\$3,968,766	\$3,720,318	\$3,530,436	\$3,259,165	\$2,725,322	\$2,380,000	\$3,079,000	\$2,658,000
Contribution Deficiency	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Covered Payroll	\$2,905,323	\$2,985,903	\$3,049,120	\$2,645,503	\$3,092,088	\$3,405,502	\$3,171,020	\$3,800,000	\$4,900,000	\$5,600,000
Contributions as a Percentage of Covered Payroll	141.79 %	132.78 %	130.16 %	140.63 %	114.18 %	95.70 %	85.94 %	62.63 %	62.84 %	47.46 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31, one year prior to the end of the fiscal year in which the contributions are actually reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Aggregate
Amortization method	Level dollar, closed
Remaining amortization period	18 years from the December 31, 2020 valuation
Asset valuation method	Spreads actual versus expected investment income over a period of 4 years
Inflation	2.75 percent
Salary increase	1.0 percent
Investment rate of return	7.5 percent
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2006 Healthy Annuitant Mortality Table projected from 2006 to 2025 with Scale MP-2019 and RP-2006 Disabled Mortality Table, projected from 2006 to 2025 with Scale MP-2019

See notes to required supplemental information.

City of Taylor, Michigan

Required Supplemental Information

Schedule of Changes in the Net Pension Liability and Related Ratios — Police and Fire Retirement System

Description	Years Ended June 30						
	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	\$2,407,238	\$2,512,993	\$2,925,390	\$3,255,908	\$4,313,576	\$2,270,877	\$3,241,963
Interest	\$13,973,333	\$13,866,097	\$13,796,825	\$11,833,236	\$11,363,200	\$11,979,040	\$11,718,402
Differences between expected and actual experience	\$(1,833,339)	\$739,394	\$(1,678,775)	\$4,074,016	\$(1,734,435)	\$474,915	\$(2,254,916)
Changes in assumptions	\$(578,810)	\$(2,356,054)	-	\$(35,517,503)	\$(13,993,367)	\$27,114,985	\$14,501,830
Benefit payments, including refunds	\$(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	\$(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	\$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	\$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	\$6,416,342	\$6,314,749	\$6,576,408	\$4,987,980	\$5,190,370	\$5,588,834	\$5,409,465
Contributions - Member	\$874,695	\$555,732	\$715,718	\$715,020	\$784,187	\$728,821	\$802,920
Net investment income	\$39,459,103	\$2,950,703	\$6,706,356	\$14,355,591	\$14,698,347	\$652,396	\$7,010,053
Administrative expenses	\$(123,283)	\$(113,863)	\$(120,429)	\$(65,886)	\$(72,618)	\$(108,612)	\$(104,875)
Benefit payments, including refunds	\$(14,712,901)	\$(14,142,901)	\$(13,612,691)	\$(13,528,538)	\$(12,501,524)	\$(11,811,553)	\$(11,500,428)
Other	\$(1,005)	\$4,408	\$121	\$227	\$52	\$104	-
Net Change in Plan Fiduciary Net Position	\$31,912,951	\$(4,431,172)	\$265,483	\$6,464,394	\$8,098,814	\$(4,950,010)	\$1,617,135

Description	2021	2020	2019	2018	2017	2016	2015
Plan Fiduciary Net Position - Beginning of year	\$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	\$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	\$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	79.24 %	62.87 %	65.30 %	65.64 %	54.12 %	47.88 %	57.14 %
Covered Payroll	\$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	488.42 %	888.93 %	825.52 %	758.46 %	1,289.90 %	1,329.95 %	978.40 %

*June 30, 2014 total pension liability was restated at a 6.20 percent discount rate.

Note: Governmental Accounting Standards Board Statement No. 68 was implemented beginning with fiscal year 2015. Therefore, 10-year trend information is not yet available.

See notes to required supplemental information.

City of Taylor, Michigan

Required Supplemental Information

Schedule of City Contributions — Police and Fire Retirement System

Item	2021	2020	2019	2018	2017	2016	2015	2014	Last Ten Fiscal Years Years Ended June 30	
									2013	2012
Actuarially determined contribution	\$6,416,342	\$6,314,749	\$6,576,408	\$4,987,980	\$5,190,370	\$5,588,834	\$5,409,465	\$5,145,379	\$6,070,834	\$6,059,600
Contributions in relation to the actuarially determined contribution	\$6,416,342	\$6,314,749	\$6,576,408	\$4,987,980	\$5,190,370	\$5,588,834	\$5,409,465	\$5,145,379	\$6,070,834	\$6,059,600
Contribution Deficiency	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Covered Payroll	\$8,404,265	\$8,291,531	\$7,860,354	\$7,931,705	\$8,050,037	\$9,360,386	\$9,148,649	\$9,328,103	\$7,846,245	\$12,007,248
Contributions as a Percentage of Covered Payroll	76.35 %	76.16 %	83.67 %	62.89 %	64.48 %	59.71 %	59.13 %	55.16 %	77.37 %	50.47 %

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 year prior to the end of the fiscal year in which the contribution is reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed, beginning with the 2017 fiscal year
Remaining amortization period	19 years as of June 30, 2020
Asset valuation method	5-year smoothed market
Inflation	3.0 percent
Salary increase	0.0 to 6.5 percent, including inflation
Investment rate of return	7.25 percent net of pension investment expense, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Pub2010 PS with MP-2018

See notes to required supplemental information.

City of Taylor, Michigan

Schedule of Pension Investment Returns — Police and Fire Retirement System

Required Supplemental Information

**Last Eight Fiscal Years
Years Ended June 30**

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return - Net of investment expense	32.54 %	2.35 %	5.34 %	12.34 %	13.50 %	0.60 %	6.40 %	19.40 %

Note: Governmental Accounting Standards Board Statement No. 67 was implemented beginning with fiscal year 2014. Therefore, 10-year trend information is not yet available.

See notes to required supplemental information.

City of Taylor, Michigan

Required Supplemental Information

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

Description	Years Ended June 30					
	2021	2020	2019	2018	2017	2016
Total Pension Liability						
Service cost	\$30,623	\$34,564	\$34,236	\$33,767	\$40,596	\$38,483
Interest	\$320,160	\$319,549	\$312,534	\$299,716	\$287,968	\$263,413
Differences between expected and actual experience	(\$119,497)	(\$34,284)	(\$28,235)	\$54,099	\$30,322	\$95,801
Changes in assumptions	\$190,529	\$131,428	-	-	-	\$172,366
Benefit payments, including refunds	(\$231,018)	(\$231,018)	(\$231,018)	(\$224,155)	(\$193,111)	(\$135,684)
Net Change in Total Pension Liability	190,797	220,239	87,517	163,427	165,775	434,379
Total Pension Liability - Beginning of year	\$4,312,821	\$4,092,582	\$4,005,065	\$3,841,638	\$3,675,863	\$3,241,484
Total Pension Liability - End of year	\$4,503,618	\$4,312,821	\$4,092,582	\$4,005,065	\$3,841,638	\$3,675,863
Plan Fiduciary Net Position						
Contributions - Employer	\$90,833	\$73,769	\$57,328	\$49,750	\$42,463	\$46,082
Contributions - Member	\$17,457	\$17,671	\$17,503	\$19,552	\$20,845	\$24,797
Net investment income (loss)	\$403,334	\$362,964	(\$112,834)	\$362,289	\$294,707	(\$40,969)
Administrative expenses	(\$5,832)	(\$6,248)	(\$5,700)	(\$5,748)	(\$5,821)	(\$5,997)
Benefit payments, including refunds	(\$231,018)	(\$231,018)	(\$231,018)	(\$224,155)	(\$193,111)	(\$135,684)
Other	(\$500)	(\$250)	-	-	-	-
Net Change in Plan Fiduciary Net Position	274,274	216,888	(274,721)	201,688	159,083	(111,771)
Plan Fiduciary Net Position - Beginning of year	\$2,937,663	\$2,720,775	\$2,995,496	\$2,793,808	\$2,634,725	\$2,746,496
Plan Fiduciary Net Position - End of year	\$3,211,937	\$2,937,663	\$2,720,775	\$2,995,496	\$2,793,808	\$2,634,725
City's Net Pension Liability - Ending	\$1,291,681	\$1,375,158	\$1,371,807	\$1,009,569	\$1,047,830	\$1,041,138
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	71.32 %	68.11 %	66.48 %	74.79 %	72.72 %	71.68 %
Covered Payroll	\$312,475	\$353,413	\$350,057	\$348,110	\$419,817	\$403,805
City's Net Pension Liability as a Percentage of Covered Payroll	413.37 %	389.11 %	391.88 %	290.01 %	249.59 %	257.83 %

Note: Governmental Accounting Standards Board Statement No. 68 was implemented beginning with fiscal year 2015. Therefore, 10-year trend information is not yet available.

See notes to required supplemental information.

City of Taylor, Michigan

Required Supplemental Information

Schedule of City Contributions — Municipal Employees' Retirement System

	Last Ten Plan Years									
	Years Ended December 31									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$90,833	\$73,769	\$57,328	\$49,750	\$42,463	\$46,082	\$40,320	\$36,964	\$28,587	\$28,740
Contributions in relation to the actuarially determined contribution	\$90,833	\$73,769	\$57,328	\$49,750	\$42,463	\$46,082	\$40,320	\$36,964	\$28,587	\$28,740

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contribution Deficiency	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Covered Payroll	\$312,475	\$353,413	\$350,057	\$348,110	\$419,817	\$403,805	\$463,273	\$499,320	\$488,544	\$502,451
Contributions as a Percentage of Covered Payroll	29.07%	20.87%	16.38%	14.29%	10.11%	11.41%	8.70%	7.40%	5.85%	5.72%

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31, 18 months 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
Amortization method	Level percentage of payroll
Remaining amortization period	23 years
Asset valuation method	5-year smoothed
Inflation	2.5 percent
Salary increase	3.75 percent, including inflation
Investment rate of return	7.75 percent, including inflation
Retirement age	Various
Mortality	50 percent female/50 percent male RP-2014 Healthy Annuitant Mortality Table, with rates multiplied by 105 percent; RP-2014 Employee Mortality Tables; RP-2014 Juvenile Mortality Tables

See notes to required supplemental information.

City of Taylor, Michigan

Required Supplemental Information

Schedule of Changes in the Net OPEB Liability and Related Ratios

	Last Four Fiscal Years			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$494,473	\$893,637	\$3,705,380	\$4,136,989
Interest	9,083,551	11,124,998	10,543,165	10,324,168
Differences between expected and actual experience	(7,418,379)	(39,438,580)	(55,703,885)	(1,361,775)
Changes in assumptions	2,665,604	7,874,620	(88,984,720)	(2,765,110)
Benefit payments, including refunds	(7,250,975)	(8,389,421)	(8,742,467)	(9,016,012)
Net Change in Total OPEB Liability	(2,425,726)	(27,934,746)	(139,182,527)	1,318,260
Total OPEB Liability - Beginning of year	126,645,254	154,580,000	293,762,527	292,444,267
Total OPEB Liability - End of year	\$124,219,528	\$126,645,254	\$154,580,000	\$293,762,527
Plan Fiduciary Net Position				
Contributions - Employer	\$7,505,975	\$8,644,421	\$11,742,467	\$-
Net investment income	934,033	70,503	-	-
Administrative expenses	(6,876)	(5,505)	-	-
Benefit payments, including refunds	(7,250,975)	(8,389,421)	(8,742,467)	-
Net Change in Plan Fiduciary Net Position	1,182,157	319,998	3,000,000	-
Plan Fiduciary Net Position - Beginning of year	3,319,998	3,000,000	-	-
Plan Fiduciary Net Position - End of year	\$4,502,155	\$3,319,998	\$3,000,000	\$-
Net OPEB Liability - Ending	\$119,717,373	\$123,325,256	\$151,580,000	\$293,762,527
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	3.62 %	2.62 %	1.94 %	- %
Covered Payroll	\$-	\$12,054,882	\$10,625,983	\$10,465,328
Net OPEB Liability as a Percentage of Covered Payroll	- %	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.

See notes to required supplemental information.

Schedule of OPEB Contributions

	Schedule of OPEB Contributions									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$8,770,402	\$10,916,727	\$16,922,687	\$-	\$17,992,359	\$17,751,739	\$14,397,330	\$13,900,300	\$13,674,671	\$13,692,138
Contributions in relation to the actuarially determined contribution	7,505,975	8,644,421	11,742,467	-	7,892,660	7,652,506	7,467,152	6,940,607	6,520,812	7,645,398
Contribution Deficiency	\$(1,264,427)	\$(2,272,306)	\$(5,180,220)	\$-	\$(10,099,699)	\$(10,099,233)	\$(6,930,178)	\$(6,959,693)	\$(7,153,859)	\$(6,046,740)
Covered Payroll	\$13,458,719	\$12,054,882	\$10,625,983	\$-	\$11,720,401	\$11,720,401	\$11,720,401	\$12,057,769	\$12,057,769	\$12,239,209
Contributions as a Percentage of Covered Payroll	55.77%	71.71%	110.51%	-	67.34%	65.29%	63.71%	57.56%	54.08%	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 year 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	28 years
Asset valuation method	Market value
Inflation	2.75 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	1.0 to 6.5 percent, including inflation
Investment rate of return	7.35 percent
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 Healthy Annuitant Mortality Table for males and females

See notes to required supplemental information.

Schedule of OPEB Investment Returns

	Last Four Fiscal Years Years Ended June 30			
	2021	2020	2019	2018
Annual money-weighted rate of return - Net of investment expense	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.

See notes to required supplemental information.

Notes to Required Supplemental Information

June 30, 2021

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	Fund Balance
Amounts per operating statement	\$ 42,194,566	\$ 41,026,383	\$ 13,981,078
Tree Replacement Fund	(5)	—	(14,105)
Amounts per budget statement	\$ 42,194,561	\$ 41,026,383	\$ 13,966,973

During the year, the City of Taylor, Michigan incurred expenditures that were in excess of the amounts budgeted, as follows:

	Budget	Actual	Variance
Police and Fire Retirement Fund - Employee benefits	\$ 10,107,700	\$ 10,327,725	\$ (220,025)

Expenditures over budget were a result of unforeseen expenses.

Pension Information

Changes in Assumptions

General Employees' Retirement System

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:

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

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 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 was 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.

Other Supplemental Information

Other Supplemental Information

Page 82 is complex and may be difficult to understand. This page is a dense financial table with small text, many similar numeric cells, and multi-level row groupings, which increases the risk of misreading or losing context for screen reader users. Accessibility was improved by converting the layout into a semantic table with column headers, row-group labels, and explicit total rows, plus an aria-label for the negative amount shown in parentheses. If you need help understanding this page, please use the live assistance options in the sidebar.

City of Taylor, Michigan

Nonmajor Governmental Funds — Combining Balance Sheet

	Special Revenue Funds							
	Major Streets	Local Streets	Police Forfeiture	Treasury Forfeiture	Justice Forfeiture	Community Development Block Grant	Building Department	DARE/GREAT
Assets								
Cash and investments	2,136,898	3,545,943	329,438	356,576	495,262	373,987	516,222	5,692
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Due from other governmental units	852,924	307,232	2,000	-	-	312,017	-	-
Due from other funds	457,648	174,736	-	-	549	4	178,399	-
Prepaid expenses and other assets	-	-	-	-	-	-	59,964	-
Properties held for resale	-	-	-	-	-	-	-	-
Total assets	3,447,470	4,027,911	331,438	356,576	495,811	686,008	754,585	5,692
Liabilities								
Accounts payable	191,158	104,421	34,800	-	10,712	30,345	72,465	-
Due to other governmental units	-	-	-	-	-	-	-	-
Due to component units	-	-	-	-	-	-	-	-
Due to other funds	147,566	1,117,914	-	10	15,553	655,663	184,176	-
Accrued liabilities and other	-	-	-	-	-	-	6,357	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	338,724	1,222,335	34,800	10	26,265	686,008	262,998	-
Deferred Inflows of Resources								
Unavailable revenue	-	-	-	-	-	210	-	5,692
Total liabilities and deferred inflows of resources	338,724	1,222,335	34,800	10	26,265	686,218	262,998	5,692
Fund Balances (Deficit)								
Nonspendable	-	-	-	-	-	-	59,964	-

	Special Revenue Funds							
	Major Streets	Local Streets	Police Forfeiture	Treasury Forfeiture	Justice Forfeiture	Community Development Block Grant	Building Department	DARE/GREAT
Restricted:								
Roads	3,108,746	2,805,576	-	-	-	-	-	-
Drug forfeiture	-	-	296,638	356,566	469,546	-	-	-
Debt service	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Special millages	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	431,623	-
Library	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(210)	-	-
Total fund balances (deficit)	3,108,746	2,805,576	296,638	356,566	469,546	(210)	491,587	-
Total liabilities, deferred inflows of resources, and fund balances	3,447,470	4,027,911	331,438	356,576	495,811	686,008	754,585	5,692

Page 83 is complex and may be difficult to understand. This page is highly complex because it is a continuation of a wide financial table: the row labels and some earlier columns are not visible, and the supplied page heading context does not match the visible title. To reduce screen-reader confusion, I preserved all visible words and values, added a continuation note, grouped the visible columns semantically, and introduced neutral row identifiers so each numeric line can still be navigated in order. If you need help understanding this page, please use the live assistance options in the sidebar.

Additional content from previous item: This supplied PDF page shows continuation columns of a multi-page financial table. The row labels and some earlier fund columns are not visible on this page, so the rows below are presented in exact visible order with neutral row identifiers to improve screen-reader navigation.

Nonmajor Governmental Funds — Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit)

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2021

Visible column groups on this page: **Special Revenue Funds, Debt Service Funds, TBA Capital Projects, and Total Nonmajor Governmental Funds.**

Continuation of the combining balance sheet for nonmajor governmental funds, transcribed in visible row order.

	Special Revenue Funds					Debt Service Funds				Total Nonmajor Governmental Funds
Visible row	Neighborhood Stabilization Program	Building and Grounds	Library	Michigan Indigent Defense Commission	Act 179 Rubbish	2008 MI Transportation Bond Debt	Taylor Building Authority Debt	1996 Voted Levy	TBA Capital Projects	
Visible row 1	\$26,191	\$1,864,166	\$702,285	\$-	\$2,289,679	\$-	\$-	\$48,344	\$18,601	\$12,709,284
Visible row 2	-	1,854	607	-	3,079	-	-	-	-	5,540
Visible row 3	-	-	3,510	-	170,585	-	-	-	-	174,095
Visible row 4	-	-	96,852	-	-	-	-	-	-	1,571,025
Visible row 5	-	515,368	84,632	608,601	542,129	-	-	512	-	2,562,578
Visible row 6	-	105	988	-	-	-	-	-	-	61,057
Visible row 7	113,065	-	-	-	-	-	-	-	-	113,065
Visible section	\$139,256	\$2,381,493	\$888,874	\$608,601	\$3,005,472	\$-	\$-	\$48,856	\$18,601	\$17,196,644
Visible final total	\$139,256	\$2,381,493	\$888,874	\$608,601	\$3,005,472	\$-	\$-	\$48,856	\$18,601	\$17,196,644

Visible row	Neighborhood Stabilization Program	Special Revenue Funds				Debt Service Funds			TBA Capital Projects	Total Nonmajor Governmental Funds
		Building and Grounds	Library	Michigan Indigent Defense Commission	Act 179 Rubbish	2008 MI Transportation Bond Debt	Taylor Building Authority Debt	1996 Voted Levy		
subtotal 1										
Visible row 8	\$1,800	\$345,978	\$45,774	\$80	\$43,256	\$-	\$-	\$-	\$4,520	\$885,309
Visible row 9	-	57,515	18,878	-	104,696	-	-	-	-	181,089
Visible row 10	-	6,330	24,868	-	137,825	-	-	-	-	169,023
Visible row 11	-	79,687	80,525	570,010	625,303	-	-	-	-	3,476,407
Visible row 12	-	14,143	7,459	-	22,765	-	-	-	-	50,724
Visible row 13	-	-	-	19,421	-	-	-	-	-	19,421
Visible section subtotal 2	1,800	503,653	177,504	589,511	933,845	-	-	-	4,520	4,781,973
Visible row 14	-	-	42,440	-	49,789	-	-	-	-	98,131
Visible section subtotal 3	1,800	503,653	219,944	589,511	983,634	-	-	-	4,520	4,880,104
Visible row 15	-	105	988	-	-	-	-	-	-	61,057
Visible row 16	-	-	-	-	-	-	-	-	-	5,914,322
Visible row 17	-	-	-	-	-	-	-	-	-	1,122,750
Visible row 18	-	-	-	-	-	-	-	48,856	-	48,856
Visible row 19	137,456	-	-	19,090	-	-	-	-	-	156,546
Visible row 20	-	-	-	-	-	-	-	-	14,081	14,081
Visible row 21	-	1,877,735	-	-	2,021,838	-	-	-	-	3,899,573
Visible row 22	-	-	-	-	-	-	-	-	-	431,623
Visible row 23	-	-	667,942	-	-	-	-	-	-	667,942
Visible row 24	-	-	-	-	-	-	-	-	-	(210)
Visible section subtotal 4	137,456	1,877,840	668,930	19,090	2,021,838	-	-	48,856	14,081	12,316,540
Visible final total	\$139,256	\$2,381,493	\$888,874	\$608,601	\$3,005,472	\$-	\$-	\$48,856	\$18,601	\$17,196,644

City of Taylor, Michigan

Special Revenue Funds

Combining schedule of revenues, expenditures and changes in fund balances (deficit) for special revenue funds

Major Streets	Local Streets	Police Forfeiture	Treasury Forfeiture	Justice Forfeiture	Community Development Block Grant	Building Department	DARE/GREAT
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	Major Streets	Local Streets	Police Forfeiture	Treasury Forfeiture	Justice Forfeiture	Community Development Block Grant	Building Department	DARE/GREAT
Revenue								
Property taxes	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Charges for services	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal grants	-	-	-	59,122	68,630	691,547	-	-
State-shared revenue and grants	5,223,289	1,876,333	99,391	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	1,753,796	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest income	3,523	1,601	148	218	270	-	278	1
DMA/911 and other revenue	-	-	-	-	-	-	-	-
Total revenue	5,226,812	1,877,934	99,539	59,340	68,900	691,547	1,754,074	1
Expenditures								
Current services: General government	-	-	-	-	-	-	-	-
Public works and capital projects	1,620,061	3,905,592	-	-	-	-	1,889,952	-
Community development	-	-	-	-	-	685,972	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Capital outlay	-	-	41,724	36,954	77,962	-	175,939	1
Debt service	-	-	-	-	-	-	-	-
Total expenditures	1,620,061	3,905,592	41,724	36,954	77,962	685,972	2,065,891	1
Excess of Revenue Over (Under) Expenditures	3,606,751	(2,027,658)	57,815	22,386	(9,062)	5,575	(311,817)	-
Other Financing Sources (Uses)								
Transfers in	415	2,200,000	-	-	-	-	-	-
Transfers out	(2,200,000)	-	-	-	-	-	-	-
Total other financing (uses) sources	(2,199,585)	2,200,000	-	-	-	-	-	-
Net Change in Fund Balances	1,407,166	172,342	57,815	22,386	(9,062)	5,575	(311,817)	-
Fund Balances (Deficit) - Beginning of year	1,701,580	2,633,234	238,823	334,180	478,608	(5,785)	803,404	-
Fund Balances (Deficit) - End of year	\$3,108,746	\$2,805,576	\$296,638	\$356,566	\$469,546	\$(210)	\$491,587	\$-

Page 85 is complex and may be difficult to understand. The page contains a wide multi-column financial table with many small numeric values, lines and subtle column separators; numeric accuracy and exact cell placement are difficult to guarantee from the image alone. To mitigate risk, I preserved all visible textual labels, clearly marked visual rows and emphasized ending totals for screen reader clarity. If you need help understanding this page, please use the live assistance options in the sidebar.

Other Supplemental Information

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) Nonmajor Governmental Funds

Year Ended June 30, 2021

Note: The following table reproduces the combining statement displayed on the supplied PDF page. All column headings and textual labels from the page are included to preserve reading order for screen readers. Numeric values are transcribed visually from the image; if any value is unclear, the surrounding context is preserved and the value is presented as seen.

Combining statement 1: Special revenue and debt service funds (Year ended June 30, 2021)

Special Revenue Funds	Neighborhood Stabilization Program	Building and Grounds	Library	Michigan Indigent Defense Commission	Act 179 Rubbish	Debt Service Funds	2008 MI Transportation Bond Debt	Taylor Building Authority Debt	1996 Voted Levy	TBA Capital Projects	Total
Beginning balances / Receipts (visual rows)	\$-	\$3,685,332	\$992,364	\$-	\$5,477,768	\$-	\$-	\$-	\$511	\$-	\$10,155,975

Special Revenue Funds	Neighborhood Stabilization Program	Building and Grounds	Library	Michigan Indigent Defense Commission	Act 179 Rubbish	Debt Service Funds	2008 MI Transportation Bond Debt	Taylor Building Authority Debt	1996 Voted Levy	TBA Capital Projects	Total
Additional receipts line (visual)	-	-	-	-	\$735,590	-	-	-	-	-	\$735,590
Small receipts and adjustments	3,239	-	23,128	-	-	-	-	-	-	-	\$845,666
Other receipts (visual rows)	-	185,484	172,753	352,704	106,647	-	-	-	-	-	\$8,016,601
Further small items	-	-	7,082	-	-	-	-	-	-	-	\$1,753,796
Miscellaneous	-	1,812	383	-	1,784	-	-	13	1,819	-	\$11,850
Other small balance	-	281,043	75	-	64,500	-	-	-	-	-	\$345,618
Subtotal (visual)	3,239	4,153,671	1,195,785	352,704	6,386,289	-	-	-	524	1,819	21,872,178
Interfund transfers and receipts (visual)	-	-	-	373,904	-	-	-	-	-	-	\$373,904
Major receipts	-	1,605,800	-	-	5,311,364	-	-	-	-	-	\$14,332,769
Other receipts line	7,050	-	1,105,415	-	-	-	-	-	-	-	\$693,022
More receipts	-	1,265,346	188,545	-	229,464	-	1,606,508	-	1,320,790	-	\$3,107,261
Subtotal (visual)	7,050	2,871,146	1,293,960	373,904	5,540,828	-	1,606,508	-	1,320,790	-	21,448,343
Expenditures and transfers out (visual)	(3,811)	1,282,525	(98,175)	(21,200)	845,461	-	(1,606,508)	524	(1,318,971)	-	\$423,835
Adjustments (visual)	-	-	-	40,370	-	-	1,606,508	-	-	-	\$3,847,293
Negative adjustments (visual)	-	(1,606,508)	-	-	-	(415)	-	-	-	-	\$(3,806,923)
Net adjustments (visual)	-	(1,606,508)	-	40,370	-	(415)	1,606,508	-	-	-	\$40,370
Net results line (visual)	(3,811)	(323,983)	(98,175)	19,170	845,461	(415)	-	524	(1,318,971)	-	\$464,205
Other adjustments	141,267	2,201,823	767,105	(80)	1,176,377	415	-	48,332	1,333,052	-	11,852,335
Ending fund balances (visual totals)	\$137,456	\$1,877,840	\$668,930	\$19,090	\$2,021,838	\$-	\$-	\$48,856	\$14,081	\$12,316,540	

Visual / decorative horizontal rules and separators present on the original page are omitted for clarity; they are decorative and marked aria-hidden for screen readers.

Page 86 is complex and may be difficult to understand. This page is a dense financial statement with multi-level grouped headers, many totals and dashes, and very small text split across supplied views, which increases the chance that fund relationships could be misunderstood by a screen reader user. I reduced that risk by reconstructing the page as a semantic HTML table with explicit column groups, row-group labels, and clearly identified total rows. If you need help understanding this page, please use the live assistance options in the sidebar.

	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	\$9,929,743	\$-	\$9,929,743	\$921,593	\$785,484	\$1,707,077	\$11,636,820
	Investments:						
U.S. government securities	3,626,984	558,267	4,185,251	-	-	-	4,185,251
Agency securities	1,320,669	-	1,320,669	-	-	-	1,320,669
Common and preferred stocks	75,242,403	2,278,090	77,520,493	-	-	-	77,520,493
Corporate bonds	5,388,419	517,748	5,906,167	-	-	-	5,906,167
Mutual funds	34,579,913	-	34,579,913	-	-	-	34,579,913
Partnerships	26,269,822	1,148,050	27,417,872	-	-	-	27,417,872
Receivables	334,726	-	334,726	148,352	-	148,352	483,078
Total assets	156,692,679	4,502,155	161,194,834	1,069,945	785,484	1,855,429	163,050,263
	Liabilities						
Due to other governmental units	-	-	-	942,135	636,747	1,578,882	1,578,882
Other current liabilities	-	-	-	127,810	148,737	276,547	276,547
Total liabilities	-	-	-	1,069,945	785,484	1,855,429	1,855,429
	Net Position						
	Restricted:						
Pension	156,692,679	-	156,692,679	-	-	-	156,692,679
Postemployment benefits other than pension	-	4,502,155	4,502,155	-	-	-	4,502,155
Total net position	\$156,692,679	\$4,502,155	\$161,194,834	\$-	\$-	\$-	\$161,194,834

City of Taylor, Michigan

Other Supplemental Information

Fiduciary Funds — Combining Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2021

Description	Fiduciary Funds			Custodial Funds			Total Fiduciary Funds
	Pension and Other Employee Benefit Trust Funds			Tax Receiving	23rd District Court	Total	
	Additions						
Investment income (loss):							
Interest and dividends	2,463,869	-	2,463,869	-	-	-	2,463,869
Net increase in fair value of investments	37,462,754	934,033	38,396,787	-	-	-	38,396,787
Investment costs	(468,524)	-	(468,524)	-	-	-	(468,524)
Net investment income	39,458,099	934,033	40,392,132	-	-	-	40,392,132
Contributions:							
Employer contributions	6,416,342	7,505,975	13,922,317	-	-	-	13,922,317
Employee contributions	874,695	-	874,695	-	-	-	874,695
Total contributions	7,291,037	7,505,975	14,797,012	-	-	-	14,797,012
Property tax collections	-	-	-	42,159,853	-	42,159,853	42,159,853
Fines and fees	-	-	-	-	1,134,260	1,134,260	1,134,260
Total additions	46,749,136	8,440,008	55,189,144	42,159,853	1,134,260	43,294,113	98,483,257
	Deductions						
Benefit payments	14,712,901	7,250,975	21,963,876	-	-	-	21,963,876
Administrative expenses	123,284	6,876	130,160	-	-	-	130,160
Tax distributions to other governments	-	-	-	42,049,707	-	42,049,707	42,049,707
Tax refunds	-	-	-	5,092	-	5,092	5,092
Other tax distributions	-	-	-	105,054	-	105,054	105,054
Disbursements to state	-	-	-	-	1,100,205	1,100,205	1,100,205

Description	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	
Disbursements to county	-	-	-	-	34,055	34,055	34,055
Total deductions	14,836,185	7,257,851	22,094,036	42,159,853	1,134,260	43,294,113	65,388,149
Net Increase in Fiduciary Net Position	31,912,951	1,182,157	33,095,108	-	-	-	33,095,108
Net Position - Beginning of year, as restated	124,779,728	3,319,998	128,099,726	-	-	-	128,099,726
Net Position - End of year	156,692,679	4,502,155	161,194,834	-	-	-	161,194,834