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# City of Taylor, Michigan Financial Report with Supplementary Information

City of Taylor, Michigan

Financial Report

with Supplementary Information

June 30, 2023

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City of Taylor, Michigan

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## **Independent Auditor's Report**

**plante moran**

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

**Report on the Audit of the Financial Statements**

**Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Taylor, Michigan (the "City") as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023 and the respective changes in its financial position and, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Taylor Housing Commission (a discretely presented component unit), which represents 15 percent and 45 percent, respectively, of the assets and revenue of the discretely presented component units for the year ended June 30, 2023. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Taylor Housing Commission, is based solely on the report of the other auditors.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The District Court funds of District No. 23, City of Taylor, Michigan were not audited under *Government Auditing Standards*.

**Emphasis of Matters**

As described in Note 19 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, which gives guidance on the identification and report of information technology activities. Our opinion is not modified with respect to this matter.

As described in Note 15 to the financial statements, there are investments valued at \$43,429,750 (approximately 31.55 percent of the pension and other employee benefit trust funds investments) at June 30, 2023, whose fair values have been estimated by management in the absence of readily determinable market values. Management's estimates are based on information provided by the fund manager of the retirement system investments for the Police and Fire Retirement System. Our opinion is not modified with respect to this matter.



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

**Responsibilities of Management for the Financial Statements**

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

### **Required Supplementary Information**

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

### **Other Supplementary Information**

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Signature image: handwritten signature and firm name Plante & Moran, PLLC

December 18, 2023

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# 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, 2023. 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 \$5.4 million from 2022, an increase of 12.8 percent.

- **Revenue related to property tax, which is the largest source of revenue, increased in the current year by \$547,000 or 5.0 percent.** The City's tax revenue has steadily increased the past few years and is expected to increase slightly in the subsequent fiscal year.
- **State-shared revenue, which is the City's second largest revenue source, approximated \$9.1 million.** Constitutional and statutory revenue sharing increased by \$200,000, or 2.2 percent, and is primarily driven by the collection of state sales tax.
- **Federal grant revenue for the year was approximately \$2.1 million, which is an increase of approximately \$925,000 compared to the prior year.** The increase was due to an increase in spending related to the American Rescue Plan Act (ARPA) federal grant. The ARPA grant is restricted and is being spend on eligible projects over multiple years.
- **Rental income increased by approximately \$513,000 or 45.2 percent compared to the prior year.** The increase is related to the rental of DPW equipment charged to the Act 51 road funds. DPW staffing levels increased during the year, which resulted in more work (and related equipment rentals) being completed on major and local roads.
- **Other revenue for the year was approximately \$10,400,000, which is an increase of approximately \$1,800,000 compared to the prior year.** The increase was due to an increase in contribution of \$1.3 million from the Taylor Community Development Corporation based on the disbursement of surplus cash achieved during the year. The annual contribution fluctuates based on the annual surplus cash available. Approximately \$551,000 of the increase related to DPW labor charged to Act 51 road funds based on more projects being completed during the year.

The City's General Fund expenditures increased by approximately \$629,000 from 2022, an increase of 1.4 percent.

- **Capital outlay, or the one-time purchase of equipment and vehicles, approximated \$2,000,000, which is an increase of \$314,000 from the prior year.** The majority of the capital outlay was funded through restricted grants, including ARPA.
- **Public works expenditures increased by approximately \$560,000, or 12.3 percent.** These expenditures were related to increased staffing and related costs in the DPW and vehicle maintenance departments, which was partially offset by an increase in revenue charge to Act 51 road funds.

The General Fund's change in fund balance (the difference between revenue and expenditures) was an increase of \$3.4 million. The unassigned portion of fund balance increased to \$13,303,950 at June 30, 2023, which is approximately 30 percent of total expenditures. 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 expenditures, depending on the City's specific financial situation. Due to the uncertainty of the future economic trends and the limits on the City's ability to increase revenue, it is imperative that management focus on maintaining appropriate fund balances.

## Overview of the Financial Statements

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

### Government-wide Financial Statements

The statement of net position and the statement of activities provide information about the activities of the City on a government-wide basis. They are designed to present a longer-term view of the City's finances. This longer-term view uses the accrual basis of accounting, similar to a private sector business, so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

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

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

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

### Fund Financial Statements

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

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

predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

**City of Taylor, Michigan**

**Management's Discussion and Analysis (Continued)**

**Additional content from previous item:**

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

**Notes and Other Information**

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

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

**The City of Taylor, Michigan as a Whole**

Description	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
	<b>Assets</b>					
<b>Current and other assets</b>	\$58,585,078	\$53,492,780	\$25,248,216	\$25,986,947	\$83,833,294	\$79,479,727
<b>Capital assets</b>	\$168,971,894	\$167,389,719	\$154,191,833	\$154,424,572	\$323,163,727	\$321,814,291
<b>Total assets</b>	\$227,556,972	\$220,882,499	\$179,440,049	\$180,411,519	\$406,997,021	\$401,294,018
<b>Deferred Outflows of Resources</b>	\$10,912,662	\$18,473,228	\$1,373,879	\$1,058,730	\$12,286,541	\$19,531,958
	<b>Liabilities</b>					
<b>Current liabilities</b>	\$15,187,730	\$14,940,882	\$3,811,510	\$2,680,249	\$18,999,240	\$17,621,131
<b>Noncurrent liabilities</b>	\$224,656,884	\$224,143,769	\$48,733,586	\$47,528,363	\$273,390,470	\$271,672,132
<b>Total liabilities</b>	\$239,844,614	\$239,084,651	\$52,545,096	\$50,208,612	\$292,389,710	\$289,293,263
<b>Deferred Inflows of Resources</b>	\$803,860	\$7,905,244	-	\$1,594,199	\$803,860	\$9,499,443
	<b>Net Position (Deficit)</b>					
<b>Net investment in capital assets</b>	\$152,729,693	\$155,816,772	\$132,134,540	\$131,566,553	\$284,864,233	\$287,383,325

Description	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Restricted</b>	\$23,068,970	\$22,330,073	\$3,736,486	\$4,040,787	\$26,805,456	\$26,370,860
<b>Unrestricted</b>	(177,977,503)	(185,781,013)	(7,602,194)	(5,939,902)	(185,579,697)	(191,720,915)
<b>Total net position (deficit)</b>	<b>\$(2,178,840)</b>	<b>\$(7,634,168)</b>	<b>\$128,268,832</b>	<b>\$129,667,438</b>	<b>\$126,089,992</b>	<b>\$122,033,270</b>

The City's combined net position totaled approximately \$126 million, an increase of \$4.0 million from the prior year. Total net position related to the City's governmental activities at the end of the year was a deficit of approximately \$2.2 million, this is a \$5.4 million decrease from the prior year's deficit of approximately \$7.6 million in net position. The change is due to the increase in program revenue and grants while net OPEB and pension expenses remained similar to prior year.

Page 10 is complex and may be difficult to understand. This page contains a dense financial table with grouped column headers, section breaks, negative values in parentheses, and multiple subtotal and total rows, all of which can be difficult for screen reader users if not structured correctly. I used a semantic table with explicit headers, row-group labels, captions, and consistent currency formatting to reduce the risk of users losing the relationship between labels and values. If you need help understanding this page, please use the live assistance options in the sidebar.

## City of Taylor, Michigan

### Management's Discussion and Analysis (Continued)

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

Item	Changes of net position during the current year and prior year					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenue</b>						
<b>Program revenue:</b>						
<b>Charges for services</b>	\$17,217,640	\$15,733,520	\$23,727,741	\$21,099,884	\$40,945,381	\$36,833,404
<b>Operating grants and contributions</b>	\$13,642,242	\$11,648,327	-	-	\$13,642,242	\$11,648,327
<b>Capital grants and contributions</b>	\$5,189,715	\$1,895,930	\$485,891	\$331,461	\$5,675,606	\$2,227,391
<b>General revenue:</b>						
<b>Property taxes</b>	\$31,878,389	\$30,180,296	\$20,122	\$31,191	\$31,898,511	\$30,211,487
<b>State-shared revenue</b>	\$9,849,453	\$9,556,966	-	-	\$9,849,453	\$9,556,966
<b>Unrestricted investment earnings</b>	\$781,348	\$28,189	\$155,655	\$12,612	\$937,003	\$40,801
<b>Miscellaneous revenue:</b>						
<b>Cable franchise fees</b>	\$260,447	\$244,267	-	-	\$260,447	\$244,267
<b>Sale of capital assets</b>	\$1,400	-	(\$593)	\$6,500	(\$593)	\$7,900
<b>State grant</b>	\$8,469,862	\$7,913,337	\$219,782	\$147,322	\$8,689,644	\$8,060,659
<b>Total revenue</b>	<b>\$87,289,096</b>	<b>\$77,202,232</b>	<b>\$24,608,598</b>	<b>\$21,628,970</b>	<b>\$111,897,694</b>	<b>\$98,831,202</b>
<b>Program Expenses</b>						
<b>General government</b>	\$12,891,667	\$12,102,788	-	-	\$12,891,667	\$12,102,788
<b>Public safety</b>	\$37,056,900	\$28,610,761	-	-	\$37,056,900	\$28,610,761

Item	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Public works and capital projects	\$24,113,807	\$22,912,682	-	-	\$24,113,807	\$22,912,682
Health and welfare	\$26,352	\$19,483	-	-	\$26,352	\$19,483
Community and economic development	\$593,826	\$973,245	-	-	\$593,826	\$973,245
Recreation and culture	\$6,697,710	\$6,359,871	-	-	\$6,697,710	\$6,359,871
Interest on long-term debt	\$453,506	\$556,916	-	-	\$453,506	\$556,916
Water	-	-	\$11,635,279	\$7,253,664	\$11,635,279	\$7,253,664
Sewer	-	-	\$9,905,838	\$7,879,137	\$9,905,838	\$7,879,137
Golf Courses	-	-	\$4,168,668	\$4,789,928	\$4,168,668	\$4,789,928
Ecorse Creek	-	-	\$297,419	\$217,558	\$297,419	\$217,558
<b>Total program expenses</b>	<b>\$81,833,768</b>	<b>\$71,535,746</b>	<b>\$26,007,204</b>	<b>\$20,140,287</b>	<b>\$107,840,972</b>	<b>\$91,676,033</b>
Change in Net Position	\$5,455,328	\$5,666,486	(\$1,398,606)	\$1,488,683	\$4,056,722	\$7,155,169
<b>Net Position (Deficit)</b>						
- Beginning of year (as restated)	(\$7,634,168)	(\$13,300,654)	\$129,667,438	\$128,178,755	\$122,033,270	\$114,878,101
<b>Net Position (Deficit) - End of year</b>	<b>(\$2,178,840)</b>	<b>(\$7,634,168)</b>	<b>\$128,268,832</b>	<b>\$129,667,438</b>	<b>\$126,089,992</b>	<b>\$122,033,270</b>

### *Governmental Activities*

The City's total governmental revenue increased from approximately \$77.2 million to approximately \$87.3 million. The increase is attributed to the \$1.3 million increase in surplus cash contribution from the Taylor Community Development Corporation. The increase is related to an increase in charges for services of \$1.5 million. The remainder of the increase is attributed to an increase in property taxes and state-sharing revenue. The City's total governmental expenses increased by approximately \$10.3 million, which is mainly attributable to the annual increase in OPEB and pension expense related to public safety and public works.

## City of Taylor, Michigan

### Management's Discussion and Analysis (Continued)

#### *Business-type Activities*

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

For all business-type activities in 2023, total revenue increased by approximately \$3.0 million, and total expenses increased by approximately \$5.9 million. The increase in revenue is related to increase in utility and golf rates to offset program operating expenditures. The increase in business-type expenses is related in the City's net OPEB expenses compared to the prior year.

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

Our analysis of the City's major funds begins on page 14, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City of Taylor, Michigan as a whole. The City creates funds to help manage money for specific purposes and to show accountability for certain activities, such as bond projects. The City's major governmental funds for 2023 are the General Fund and the Police and Fire Retirement Fund.

The General Fund pays for most of the City's governmental services. The most significant are public safety, which incurred expenses of approximately \$17.2 million, and public works, which incurred expenses of approximately \$5.1 million in 2023. Employee benefit expenses accounted for approximately \$5.0 million. A brief analysis of the general fund is presented below:

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

During the year, the City amended the budget to take into account changes in estimated revenue and expenditures. Overall, the General Fund's budgeted change in fund balance was increased during the year by approximately \$1.3 million. Projected increases in state sharing revenue, interest income and DPW rentals/labor charged to Act 51 road funds were the main reason for the net increase. These increases were offset by a reduction in the projected court fines and forfeitures revenue.

The City's 2023 actual change in General Fund balance had a positive variance of \$1.9 million compared to the amended budget. The positive variance is attributed to less than anticipated operating expenditures in all functions (general government, public safety, public works, etc). One-time grant revenue was \$1.4 million less than budgeted but this was offset by a decrease in capital outlay and repair costs. Some of the capital outlay expenditures were carried over to the subsequent fiscal year.

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

At the end of 2023, the City, including its component units, had approximately \$338 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, decreased from approximately \$287.3 million to approximately \$284.9 million. The component units' investment in capital assets, net of related debt, increased from \$14.4 million to \$14.6 million. The City's total debt, including the recorded OPEB liability, net pension liability, compensated absences, and nonexchange financial guarantees, was approximately \$283.0 million, including approximately \$9.6 million of component unit debt. Expected fiscal year 2024 debt service payments on all interest-bearing long-term obligations inclusive of interest are approximately \$7.1 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.

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

The City's unfunded OPEB liability slightly increased during the year and is only 4.2 percent funded. In accordance with Public Act 202 of 2017, the City has filed a corrective action plan for underfunded status with the State of Michigan and is committed to reduce OPEB costs. The City started to prefund OPEB liabilities in 2019 and keep making the required annual contributions as set forth in the corrective action plan approved by the State.

### Contacting the City's Management

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

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Page 13 is complex and may be difficult to understand. This page is a dense financial statement with small text, multiple numeric columns, grouped row categories, and repeated labels that can be difficult for screen reader users to follow if left as plain text. I converted it into a structured HTML table with multi-row headers, row headers, and grouped sections to improve navigation and preserve the relationships among amounts and categories. 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

#### City of Taylor, Michigan

June 30, 2023

City of Taylor, Michigan — Statement of Net Position — June 30, 2023

Item	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
<b>Assets</b>				
<b>Cash and investments (Note 3)</b>	\$38,824,317	\$17,802,305	\$56,626,622	\$18,995,085
Receivables:				
<b>Property taxes</b>	23,226	-	23,226	-
<b>Special assessments receivable</b>	101,356	-	101,356	-
<b>Customers</b>	-	6,304,880	6,304,880	-
<b>Leases receivable</b>	193,189	-	193,189	-
<b>Other</b>	6,035,836	71,799	6,107,635	33,262
<b>Due from other governmental units</b>	3,665,687	2,799	3,668,486	-
<b>Due from component units</b>	43,158	-	43,158	611,067

Item	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
<b>Due from primary government</b>	-	-	-	212,965
<b>Internal balances (Note 6)</b>	2,706,956	(2,706,956)	-	-
<b>Inventory</b>	-	409,873	409,873	-
<b>Prepaid expenses and other assets</b>	230,670	45,010	275,680	13,450
<b>Current portion of restricted assets (Note 8)</b>	-	989,006	989,006	-
<b>Due from other governmental units</b>	-	-	-	290,654
<b>Restricted assets (Note 8)</b>	6,647,618	2,329,500	8,977,118	-
<b>Properties held for sale</b>	113,065	-	113,065	-
Capital assets: (Note 5)				
<b>Assets not subject to depreciation</b>	43,002,672	5,548,694	48,551,366	14,301,953
<b>Assets subject to depreciation - Net</b>	125,969,222	148,643,139	274,612,361	330,836
<b>Total assets</b>	227,556,972	179,440,049	406,997,021	34,789,272
<b>Deferred Outflows of Resources</b>				
<b>Other deferred outflows</b>	-	-	-	32,789
<b>Pension deferred outflows (Notes 4 and 13)</b>	9,482,528	1,182,390	10,664,918	-
<b>Deferred OPEB costs (Notes 4 and 10)</b>	1,430,134	191,489	1,621,623	-
<b>Total deferred outflows of resources</b>	10,912,662	1,373,879	12,286,541	32,789
<b>Liabilities</b>				
<b>Accounts payable</b>	2,746,815	2,869,796	5,616,611	328,845
<b>Due to other governmental units</b>	425,001	18,517	443,518	17,712
<b>Due to component units</b>	-	212,965	212,965	611,067
<b>Due to primary government</b>	-	-	-	43,158
<b>Accrued liabilities and other</b>	2,854,165	707,470	3,561,635	330,211
<b>Unearned revenue</b>	9,161,749	2,762	9,164,511	-
<b>Tenant security deposits</b>	-	-	-	26,763
Noncurrent liabilities:				
Due within one year:				
<b>Current portion of compensated absences (Note 7)</b>	979,475	126,862	1,106,337	-
<b>Liabilities payable from restricted assets</b>	-	989,006	989,006	-
<b>Nonexchange financial guarantee (Note 7)</b>	-	218,622	218,622	-
<b>Current portion of bonds and contracts payable (Note 7)</b>	3,003,611	1,062,039	4,065,650	805,522
Due in more than one year:				
<b>Compensated absences (Note 7)</b>	1,571,989	164,052	1,736,041	-
<b>Workers' compensation (Notes 7 and 9)</b>	611,508	-	611,508	-

Item	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
Net pension liability (Note 13)	99,712,105	11,035,334	110,747,439	398,126
Net OPEB liability (Note 10)	98,891,988	13,255,445	112,147,433	-
Long-term debt - Net of current portion (Note 7)	19,886,208	20,006,248	39,892,456	8,418,379
Nonexchange financial guarantee (Note 7)	-	1,875,978	1,875,978	-
<b>Total liabilities</b>	<b>239,844,614</b>	<b>52,545,096</b>	<b>292,389,710</b>	<b>10,979,783</b>

See notes to financial statements.

**Additional content from previous item:** Government-wide Financial Statements — Statement of Net Position

### City of Taylor, Michigan

#### Statement of Net Position (Continued)

June 30, 2023

Description	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to pension (Notes 4 and 13)	\$613,240	\$-	\$613,240	\$-
Leases	190,620	-	190,620	-
<b>Total deferred inflows of resources</b>	<b>803,860</b>	<b>-</b>	<b>803,860</b>	<b>-</b>
<b>Net Position (Deficit)</b>				
Net investment in capital assets	152,729,693	132,134,540	284,864,233	14,632,789
<b>Restricted:</b>				
Roads	5,127,296	-	5,127,296	-
Drug forfeiture	2,772,411	-	2,772,411	-
Library	978,789	-	978,789	-
Special millage	5,596,606	-	5,596,606	-
Grants	1,199,394	-	1,199,394	-
Debt service	-	3,318,506	3,318,506	-
Sewer grant expenses	-	417,980	417,980	-
HAP restricted	-	-	-	1,005,910
Building	223,801	-	223,801	-
Capital projects	6,641,162	-	6,641,162	-
Opioid settlement	529,511	-	529,511	-
Unrestricted	(177,977,503)	(7,602,194)	(185,579,697)	8,203,579
<b>Total net position (deficit)</b>	<b>\$(2,178,840)</b>	<b>\$128,268,832</b>	<b>\$126,089,992</b>	<b>\$23,842,278</b>

See notes to financial statements.

Page 15 is complex and may be difficult to understand. This page is a dense financial statement with grouped rows, totals, and very small text, which increases the chance of misreading values in a screen reader. I converted the visible financial data into a structured table and separated the visible continuation lines into an accessible list, while noting that some corresponding amounts are not visible in the supplied PDF image. 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	Functions/Programs			
	Expenses	Charges for Services	Program Revenue Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
<b>Governmental activities:</b>				
General government	12,891,667	7,108,794	125,052	255,226
District court	-	-	477,763	-
Public safety	37,056,900	4,642,681	374,542	-
Public works	24,113,807	2,812,626	7,827,393	4,901,622
Health and welfare	26,352	-	2,042,874	-
Community and economic development	593,826	841,438	2,558,194	-
Recreation and culture	6,697,710	1,812,101	236,424	32,867
Interest on long-term debt	453,506	-	-	-
<b>Total governmental activities</b>	<b>81,833,768</b>	<b>17,217,640</b>	<b>13,642,242</b>	<b>5,189,715</b>
<b>Business-type activities:</b>				
Water	11,635,279	11,002,292	-	73,450
Sewer	9,905,838	8,201,579	-	73,450
Golf Courses	4,168,668	4,257,289	-	338,991
Nonmajor Enterprise	297,419	266,581	-	-
<b>Total business-type activities</b>	<b>26,007,204</b>	<b>23,727,741</b>	<b>-</b>	<b>485,891</b>
<b>Total primary government</b>	<b>\$107,840,972</b>	<b>\$40,945,381</b>	<b>\$13,642,242</b>	<b>\$5,675,606</b>
Component units	<b>\$15,894,222</b>	<b>\$831,415</b>	<b>\$7,413,724</b>	<b>-</b>

#### General revenue (expense):

- Taxes - Property taxes
- Unrestricted state-shared revenue
- Unrestricted investment in income
- Cable franchise fees
- Loss on sale of capital assets
- Other miscellaneous income

Total general revenue

## Change in Net Position

Net Position (Deficit) - Beginning of year

Net Position (Deficit) - End of year

*Note: The corresponding amounts for the visible continuation lines in this section are not visible in the supplied PDF image.*

See notes to financial statements.

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Page 16 is complex and may be difficult to understand. This page is a continuation of a complex financial statement table with very small text and no visible row labels, which increases the risk that a screen reader user could lose the connection between amounts and their corresponding activities. I preserved the numeric structure in a proper HTML table and added a note that the row descriptions continue from the previous page to improve navigation and context. If you need help understanding this page, please use the live assistance options in the sidebar.

**Additional content from previous item (Statement of Activities):** Continuation of the table. The row labels for these amounts appear on the previous page.

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## Statement of Activities

Year Ended June 30, 2023

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$(5,402,595)	\$-	\$(5,402,595)	\$-
477,763	-	477,763	-
(32,039,677)	-	(32,039,677)	-
(8,572,166)	-	(8,572,166)	-
2,016,522	-	2,016,522	-
2,805,806	-	2,805,806	-
(4,616,318)	-	(4,616,318)	-
(453,506)	-	(453,506)	-
(45,784,171)	-	(45,784,171)	-
-	(559,537)	(559,537)	-
-	(1,630,809)	(1,630,809)	-
-	427,612	427,612	-
-	(30,838)	(30,838)	-
-	(1,793,572)	(1,793,572)	-
(45,784,171)	(1,793,572)	(47,577,743)	-
-	-	-	(7,649,083)
31,878,389	20,122	31,898,511	8,709,162
9,849,453	-	9,849,453	665,195

Governmental Activities	Primary Government		Component Units
	Business-type Activities	Total	
781,348	155,655	937,003	306,056
260,447	-	260,447	-
-	(593)	(593)	-
8,469,862	219,782	8,689,644	-
51,239,499	394,966	51,634,465	9,680,413
5,455,328	(1,398,606)	4,056,722	2,031,330
(7,634,168)	129,667,438	122,033,270	21,810,948
<b>\$(2,178,840)</b>	<b>\$128,268,832</b>	<b>\$126,089,992</b>	<b>\$23,842,278</b>

Page 17 is complex and may be difficult to understand. This page is a dense financial statement with multiple row groups, repeated subtotal lines, small text, and many similar numeric values that can be difficult for screen reader users to track. I converted it into a structured data table with explicit column headers, section groupings, and 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

### Fund Financial Statements — Governmental Funds: Balance Sheet

#### Governmental Funds Balance Sheet

June 30, 2023

	General Fund	Police and Fire Retirement Fund	Nonmajor Funds	Total
<b>Assets</b>				
Cash and investments (Note 3)	23,076,952	128,852	15,618,513	38,824,317
Receivables - Net:				
Property taxes	7,945	7,840	7,441	23,226
Special assessments receivable	101,356	-	-	101,356
Leases receivable	193,189	-	-	193,189
Other	5,857,309	-	178,527	6,035,836
Due from other governmental units	1,820,661	-	1,845,026	3,665,687
Due from component units (Note 6)	43,158	-	-	43,158
Due from other funds (Note 6)	8,160,252	745,491	6,345,878	15,251,621
Prepaid expenses and other assets	215,403	-	14,551	229,954
Restricted assets	-	-	6,647,618	6,647,618
Properties held for sale	-	-	113,065	113,065
Total assets	<b>39,476,225</b>	<b>882,183</b>	<b>30,770,619</b>	<b>71,129,027</b>
<b>Liabilities</b>				
Accounts payable	1,559,323	13,450	1,174,042	2,746,815
Due to other governmental units	180,237	125,448	119,316	425,001
Due to other funds (Note 6)	4,856,872	124,284	7,563,509	12,544,665
Accrued liabilities and other	2,423,813	99,222	124,740	2,647,775

	<b>General Fund</b>	<b>Police and Fire Retirement Fund</b>	<b>Nonmajor Funds</b>	<b>Total</b>
<b>Unearned revenue</b>	9,161,749	-	-	9,161,749
<b>Total liabilities</b>	18,181,994	362,404	8,981,607	27,526,005
<b>Deferred Inflows of Resources</b>				
<b>Unavailable revenue</b>	4,582,691	-	515,794	5,098,485
<b>Leases</b>	190,620	-	-	190,620
<b>Total deferred inflows of resources</b>	4,773,311	-	515,794	5,289,105
<b>Fund Balances</b>				
<b>Nonspendable - Prepaid expenses</b>	215,403	-	14,551	229,954
<b>Restricted:</b>				
<b>Roads</b>	-	-	5,127,296	5,127,296
<b>Drug forfeiture</b>	-	-	2,757,474	2,757,474
<b>Grants</b>	651,567	-	433,848	1,085,415
<b>Capital projects</b>	-	-	6,641,162	6,641,162
<b>Special millage</b>	-	519,779	5,019,909	5,539,688
<b>Building</b>	-	-	212,190	212,190
<b>Library</b>	-	-	936,801	936,801
<b>Opioid Settlement</b>	-	-	129,987	129,987
<b>Assigned - Capital projects</b>	2,350,000	-	-	2,350,000
<b>Unassigned</b>	13,303,950	-	-	13,303,950
<b>Total fund balances</b>	16,520,920	519,779	21,273,218	38,313,917
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>39,476,225</b>	<b>882,183</b>	<b>30,770,619</b>	<b>71,129,027</b>

See notes to financial statements.

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

### **Governmental Funds**

Reconciliation of the Balance Sheet to the Statement of Net Position

**June 30, 2023**

**Fund Balances Reported in Governmental Funds** \$ 38,313,917

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets and subscription assets used in governmental activities are not financial resources and are not reported in the funds	168,971,894
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	5,098,485
Bonds payable and subscription liabilities are not due and payable in the current period and are not reported in the funds	(22,889,819)

Accrued interest is not due and payable in the current period and is not reported in the funds	(206,390)
Prepaid interest on long-term debt is not reported in the funds	716
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(2,551,464)
Pension benefits	(90,842,817)
Retiree health care benefits	(97,461,854)
Workers' compensation claims	(611,508)

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**Net Position (Deficit) of Governmental Activities**      \$ (2,178,840).

*See notes to financial statements.*

See notes to financial statements.

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## City of Taylor, Michigan

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

Year Ended June 30, 2023

	General Fund	Police and Fire Retirement Fund Revenue	Nonmajor Funds	Governmental Funds
Property taxes	\$11,813,045	\$10,870,438	\$10,908,864	\$33,592,347
Charges for services	4,862,535	-	856,345	5,718,880
		<b>Intergovernmental:</b>		
Federal grants	2,088,516	-	1,249,362	3,337,878
State-shared revenue and grants	10,157,995	131,901	8,813,652	19,103,548
Licenses and permits	1,218,475	-	2,210,915	3,429,390
Fines and forfeitures	5,078,990	-	15,893	5,094,883
Rental income	1,708,216	-	-	1,708,216
Interest income	282,289	71,989	460,033	814,311
DMA/911 and other revenue	10,489,482	-	291,736	10,781,218
<b>Total revenue</b>	<b>47,699,543</b>	<b>11,074,328</b>	<b>24,806,800</b>	<b>83,580,671</b>
		<b>Expenditures</b>		
		<b>Current services:</b>		
General government	11,023,554	-	285,862	11,309,416
Employee benefits	5,047,320	10,881,635	-	15,928,955
Public safety	17,189,263	-	-	17,189,263
Public works and capital projects	5,107,010	-	18,070,549	23,177,559

	<b>General Fund</b>	<b>Police and Fire Retirement Fund</b>	<b>Nonmajor Funds</b>	<b>Governmental Funds</b>
<b>Community development</b>	302,016	-	187,036	489,052
<b>Recreation and culture</b>	3,211,868	-	1,118,194	4,330,062
<b>Capital outlay</b>	1,990,231	-	1,812,324	3,802,555
			<b>Debt service:</b>	
<b>Principal</b>	376,455	-	2,185,000	2,561,455
<b>Interest and fiscal charges</b>	25,765	-	706,186	731,951
<b>Total expenditures</b>	44,273,482	10,881,635	24,365,151	79,520,268
<b>Excess of Revenue Over Expenditures</b>	3,426,061	192,693	441,649	4,060,403
			<b>Other Financing Sources (Uses)</b>	
<b>Transfers in (Note 6)</b>	-	-	4,523,571	4,523,571
<b>Transfers out (Note 6)</b>	(39,975)	-	(4,483,596)	(4,523,571)
<b>Total other financing (uses) sources</b>	(39,975)	-	39,975	-
<b>Net Change in Fund Balances</b>	3,386,086	192,693	481,624	4,060,403
<b>Fund Balances - Beginning of year</b>	13,134,834	327,086	20,791,594	34,253,514
<b>Fund Balances - End of year</b>	<b>\$16,520,920</b>	<b>\$519,779</b>	<b>\$21,273,218</b>	<b>\$38,313,917</b>

See notes to financial statements.

## **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, 2023**

**Net Change in Fund Balances Reported in Governmental Funds \$ 4,060,403**

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	10,280,786
Depreciation and amortization expense	(11,449,800)
Net book value of assets disposed of	(183,793)

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 817,783

Repayment of bond principal and subscription liabilities are expenditures in the governmental funds but not in the statement of activities (where it reduces long-term debt) 2,869,618

Interest expense is recognized in the government-wide statements as it accrues 22,490

Amortization of bond premium liabilities and deferred costs of financing are reported as expense in the governmental funds when issued 256,867

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 (102,891)

Increase in estimated workers' compensation liability is recorded in the statement of activities (79,141)

Changes in the net OPEB liability and the deferred inflows and outflows related to OPEB are not included in governmental funds (5,864,452)

Changes in the net pension liability and the deferred inflows and outflows related to pension are not included in governmental funds 4,815,868

Prepaid interest on long-term debt is reported as an expense when paid in the governmental funds (910)

Decrease in nonexchange financial guarantee 12,500

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**Change in Net Position of Governmental Activities \$ 5,455,328**

See notes to financial statements. 17

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Page 21 is complex and may be difficult to understand. This page is a dense multi-column financial statement with very small text, many similar numeric entries, and numerous dash placeholders that can be confusing for screen reader users if not structured carefully. I converted it into a proper data table with explicit column headers, row labels, grouped sections, and aria-labels for dash cells to improve comprehension. 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 Net Position

June 30, 2023

	Enterprise Funds				Total
	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	
<b>Assets</b>					
<b>Current assets:</b>					
<b>Cash and investments (Note 3)</b>	8,579,262	5,734,248	1,548,400	1,940,395	17,802,305
<b>Receivables</b>	3,283,003	3,008,901	17,087	70,487	6,379,478
<b>Due from other funds (Note 6)</b>	1,118,111	271,593	-	8,491	1,398,195
<b>Inventory</b>	210,581	7,614	191,678	-	409,873
<b>Prepaid expenses and other assets</b>	23,250	21,760	-	-	45,010
<b>Current portion of restricted assets (Note 8)</b>	-	989,006	-	-	989,006
<b>Total current assets</b>	13,214,207	10,033,122	1,757,165	2,019,373	27,023,867
<b>Noncurrent assets:</b>					
<b>Restricted assets (Note 8)</b>	-	2,329,500	-	-	2,329,500

	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	Total
<b>Capital assets: (Note 5)</b>					
Assets not subject to depreciation	1,932,759	-	3,615,935	-	5,548,694
Assets subject to depreciation - Net	31,043,440	106,651,916	8,656,365	2,291,418	148,643,139
<b>Total noncurrent assets</b>	32,976,199	108,981,416	12,272,300	2,291,418	156,521,333
<b>Total assets</b>	46,190,406	119,014,538	14,029,465	4,310,791	183,545,200
<b>Deferred Outflows of Resources</b>					
Pension deferred outflows	749,237	433,153	-	-	1,182,390
Deferred OPEB costs	88,663	31,748	71,078	-	191,489
<b>Total deferred outflows of resources</b>	837,900	464,901	71,078	-	1,373,879
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	1,735,502	816,886	317,408	-	2,869,796
Due to other governmental units	-	1,818	16,699	-	18,517
Due to component units	-	212,965	-	-	212,965
Due to other funds (Note 6)	1,785,773	2,024,839	294,337	202	4,105,151
Accrued liabilities and other	106,936	184,065	412,794	3,675	707,470
Unearned revenue	-	-	2,762	-	2,762
Current portion of compensated absences (Note 7)	95,162	31,700	-	-	126,862
Liabilities payable from restricted assets	-	989,006	-	-	989,006
Nonexchange financial guarantee	109,311	109,311	-	-	218,622
Current portion of bonds and contracts payable (Note 7)	-	921,888	-	140,151	1,062,039
<b>Total current liabilities</b>	3,832,684	5,292,478	1,044,000	144,028	10,313,190
<b>Noncurrent liabilities:</b>					
Compensated absences (Note 7)	103,110	41,491	19,451	-	164,052
Net pension liability (Note 13)	6,992,691	4,042,643	-	-	11,035,334
Net OPEB liability (Note 10)	6,149,132	2,201,823	4,904,490	-	13,255,445
Long-term debt - Net of current portion (Note 7)	-	19,686,803	-	319,445	20,006,248
Nonexchange financial guarantee	937,989	937,989	-	-	1,875,978
<b>Total noncurrent liabilities</b>	14,182,922	26,910,749	4,923,941	319,445	46,337,057
<b>Total liabilities</b>	18,015,606	32,203,227	5,967,941	463,473	56,650,247

See notes to financial statements.

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City of Taylor, Michigan

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

**June 30, 2023**

	Enterprise Funds				Total
	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	
<b>Net Position</b>					
<b>Net investment in capital assets</b>	\$32,976,199	\$85,054,219	\$12,272,300	\$1,831,822	\$132,134,540
<b>Restricted:</b>					
<b>Debt service</b>	-	3,318,506	-	-	3,318,506
<b>Sewer grant expenses</b>	-	417,980	-	-	417,980
<b>Unrestricted</b>	(3,963,499)	(1,514,493)	(4,139,698)	2,015,496	(7,602,194)
<b>Total net position</b>	<b>\$29,012,700</b>	<b>\$87,276,212</b>	<b>\$8,132,602</b>	<b>\$3,847,318</b>	<b>\$128,268,832</b>

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 row groups, subtotals, and accounting-style negative values shown in parentheses, which can be difficult for screen reader users to follow. I preserved the content as a semantic table with explicit column headers, row-group headers, and aria-labels on negative values to improve navigation and interpretation. 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 Revenue, Expenses, and Changes in Net Position

#### Year Ended June 30, 2023

	Enterprise Funds				Total
	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	
<b>Operating Revenue</b>					
<b>Water sales</b>	\$9,811,929	-	-	-	\$9,811,929
<b>Sewage disposal charges</b>	-	7,292,675	-	-	7,292,675
<b>Charges for services</b>	1,190,363	908,904	2,714,024	266,581	5,079,872
<b>Sale of merchandise</b>	-	-	1,543,265	-	1,543,265
<b>Total operating revenue</b>	11,002,292	8,201,579	4,257,289	266,581	23,727,741
<b>Operating Expenses</b>					
<b>Cost of water operations</b>	6,570,071	-	-	-	6,570,071
<b>Cost of sewage treatment</b>	-	5,470,990	-	-	5,470,990
<b>Ecorse Creek user charge system</b>	-	-	-	220,882	220,882
<b>Cost of sales</b>	-	-	953,122	-	953,122
<b>Cost of operating and maintenance</b>	-	-	1,458,676	-	1,458,676
<b>General and administrative</b>	2,034,647	496,059	1,376,108	-	3,906,814
<b>Pension and OPEB expense (recovery)</b>	1,754,773	805,699	(166,374)	-	2,394,098

	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	Total
<b>Depreciation and amortization</b>	1,275,788	2,133,115	545,517	57,765	4,012,185
<b>Total operating expenses</b>	11,635,279	8,905,863	4,167,049	278,647	24,986,838
<b>Operating (Loss) Income</b>	(632,987)	(704,284)	90,240	(12,066)	(1,259,097)
<b>Nonoperating Revenue (Expenses)</b>					
<b>Property tax revenue</b>	-	20,122	-	-	20,122
<b>Investment income</b>	60,342	54,022	593	40,698	155,655
<b>Interest expense</b>	-	(787,010)	(1,619)	(18,772)	(807,401)
<b>Brownfield debt guarantee</b>	-	(212,965)	-	-	(212,965)
<b>Loss on sale of assets</b>	-	-	(593)	-	(593)
<b>Other nonoperating revenue</b>	219,782	-	-	-	219,782
<b>Total nonoperating revenue (expenses)</b>	280,124	(925,831)	(1,619)	21,926	(625,400)
<b>(Loss) Income - Before donated assets</b>	(352,863)	(1,630,115)	88,621	9,860	(1,884,497)
<b>Donated Assets</b>	73,450	73,450	338,991	-	485,891
<b>Change in Net Position</b>	(279,413)	(1,556,665)	427,612	9,860	(1,398,606)
<b>Net Position - Beginning of year</b>	29,292,113	88,832,877	7,704,990	3,837,458	129,667,438
<b>Net Position - End of year</b>	\$29,012,700	\$87,276,212	\$8,132,602	\$3,847,318	\$128,268,832

See notes to financial statements.

Page 24 is complex and may be difficult to understand. This page is a dense financial statement with very small text, multiple row groups, subtotals, and negative amounts shown in parentheses, which increases the chance of confusion for screen reader users if left as an image. I converted it into a semantic table with explicit column headers, row-group labels, and clearly separated subtotal and 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

### Fund Financial Statements — Proprietary Funds: Statement of Cash Flows

Year Ended June 30, 2023

Description	Enterprise Funds				Total
	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	
<b>Cash Flows from Operating Activities</b>					
<b>Receipts from customers</b>	10,525,677	7,592,900	4,269,819	253,805	22,642,201
<b>Interfund activity - Receipts from other funds</b>	1,234,937	1,465,819	114,908	5,928	2,821,592
<b>Payments to suppliers</b>	(5,959,570)	(5,175,812)	(2,390,690)	(220,882)	(13,746,954)
<b>Payments to employees and fringes</b>	(2,831,164)	(951,694)	(1,260,667)	-	(5,043,525)

Description	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	Total
Net cash and cash equivalents provided by operating activities	2,969,880	2,931,213	733,370	38,851	6,673,314
Cash Flows Used in Noncapital Financing Activities - Brownfield debt guarantee	(73,450)	(73,450)	-	-	(146,900)
<b>Cash Flows from Capital and Related Financing Activities</b>					
Receipt of grants	326,878	2,583	-	-	329,461
Property taxes	-	19,916	-	-	19,916
Purchase of capital assets	(2,160,020)	(1,267,026)	(14,001)	-	(3,441,047)
Principal and interest paid on capital debt	-	(2,303,882)	(61,253)	(211,181)	(2,576,316)
Net cash and cash equivalents used in capital and related financing activities	(1,833,142)	(3,548,409)	(75,254)	(211,181)	(5,667,986)
Cash Flows Provided by Investing Activities - Interest received on investments	60,342	54,022	593	40,698	155,655
Net Increase (Decrease) in Cash and Cash Equivalents	1,123,630	(636,624)	658,709	(131,632)	1,014,083
Cash and Cash Equivalents - Beginning of year	7,455,632	9,689,378	889,691	2,072,027	20,106,728
Cash and Cash Equivalents - End of year	<b>\$8,579,262</b>	<b>\$9,052,754</b>	<b>\$1,548,400</b>	<b>\$1,940,395</b>	<b>\$21,120,811</b>
<b>Classification of Cash and Cash Equivalents</b>					
Cash and investments	\$8,579,262	\$5,734,248	\$1,548,400	\$1,940,395	\$17,802,305
Restricted cash - Noncurrent	-	2,329,500	-	-	2,329,500
Restricted cash - Current	-	989,006	-	-	989,006
Total cash and cash equivalents	<b>\$8,579,262</b>	<b>\$9,052,754</b>	<b>\$1,548,400</b>	<b>\$1,940,395</b>	<b>\$21,120,811</b>

See notes to financial statements.

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**Additional content from previous statement of cash flows:**

City of Taylor, Michigan

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

**Year Ended June 30, 2023**

**Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities**

	Enterprise Funds				Total
	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	
Operating (loss) income	\$(632,987)	\$(704,284)	\$90,240	\$(12,066)	\$(1,259,097)
<b>Adjustments to reconcile operating (loss) income to net cash from operating activities:</b>					

	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	Total
<b>Depreciation and amortization</b>	1,275,788	2,133,115	545,517	57,765	4,012,185
<b>Changes in assets and liabilities:</b>					
<b>Receivables</b>	(479,414)	(608,679)	12,530	(12,776)	(1,088,339)
<b>Due to and from other funds</b>	1,237,736	1,465,819	114,908	5,928	2,824,391
<b>Inventories</b>	(47,425)	2,074	(70,074)	-	(115,425)
<b>Prepaid and other assets</b>	(23,250)	(21,760)	645	-	(44,365)
<b>Net pension or OPEB asset</b>	63,254	7,015	115,441	-	185,710
<b>Accounts payable</b>	607,366	306,359	90,537	-	1,004,262
<b>Net pension or OPEB liability and deferrals</b>	968,812	351,554	(166,374)	-	1,153,992
<b>Total adjustments</b>	3,602,867	3,635,497	643,130	50,917	7,932,411
<b>Net cash and cash equivalents provided by operating activities</b>	<b>\$2,969,880</b>	<b>\$2,931,213</b>	<b>\$733,370</b>	<b>\$38,851</b>	<b>\$6,673,314</b>

**Significant Noncash Transactions - Donor assets**

	Water	Sewer	Golf Courses	Nonmajor - Ecorse Creek	Total
<b>Donor assets</b>	\$73,450	\$73,450	\$338,398	-	\$485,298

**Noncash Capital and Related Financing Activities** - There was a decrease in the City's debt of \$213,819 due to a decrease in the City's allocation of the Downriver Utility Wastewater System debt due to a decrease in the City's sewage flow compared to the total sewage flow of the system.

See notes to financial statements.

**City of Taylor, Michigan**

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

**June 30, 2023**

Statement item	Pension and Other Employee Benefit Trust Funds	Custodial Funds	Total Fiduciary Funds
<b>Assets</b>			
<b>Cash and cash equivalents</b>	\$2,633,454	\$1,992,585	\$4,626,039
<b>Investments:</b>			
<b>Pooled investments</b>	4,940,576	-	4,940,576
<b>U.S. government securities</b>	970,566	-	970,566
<b>Agency securities</b>	802,744	-	802,744
<b>Common and preferred stocks</b>	37,220,585	-	37,220,585
<b>Corporate bonds</b>	3,042,673	-	3,042,673
<b>Mutual funds</b>	47,260,161	-	47,260,161
<b>Partnerships</b>	43,429,750	-	43,429,750
<b>Receivables</b>	217,253	252,379	469,632

Statement item	Pension and Other Employee Benefit Trust Funds	Custodial Funds	Total Fiduciary Funds
<b>Total assets</b>	<b>140,517,762</b>	<b>2,244,964</b>	<b>142,762,726</b>
<b>Liabilities</b>			
<b>Due to other governmental units -</b>		1,756,858	1,756,858
<b>Other current liabilities -</b>		488,106	488,106
<b>Total liabilities -</b>		<b>2,244,964</b>	<b>2,244,964</b>
<b>Net Position</b>			
<b>Restricted:</b>			
<b>Pension</b>	135,577,186	-	135,577,186
<b>Postemployment benefits other than pension</b>	4,940,576	-	4,940,576
<b>Total net position</b>	<b>\$140,517,762</b>	<b>\$-</b>	<b>\$140,517,762</b>

See notes to financial statements.

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## City of Taylor, Michigan

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

	Year Ended June 30, 2023		
	Pension and Other Employee Benefit Trust Funds	Custodial Funds	Total Fiduciary Funds
<b>Additions</b>			
Investment income (loss):			
Interest and dividends	\$3,064,498	-	\$3,064,498
Net increase in fair value of investments	10,791,791	-	10,791,791
Investment costs	(525,889)	-	(525,889)
Net investment income	13,330,400	-	13,330,400
Contributions:			
Employer contributions	14,432,583	-	14,432,583
Employee contributions	626,846	-	626,846
Total contributions	15,059,429	-	15,059,429
Property tax collections for other governments	-	47,398,376	47,398,376
Fines and fees	-	534,207	534,207
Total additions	28,389,829	47,932,583	76,322,412
<b>Deductions</b>			
Benefit payments	24,265,491	-	24,265,491
Administrative expenses	89,867	-	89,867
Tax distributions to other governments	-	47,398,376	47,398,376
Disbursements to state	-	508,425	508,425

	Pension and Other Employee Benefit Trust Funds	Custodial Funds	Total Fiduciary Funds
Disbursements to county	-	25,782	25,782
Total deductions	24,355,358	47,932,583	72,287,941
<b>Net Increase in Fiduciary Net Position</b>	4,034,471	-	4,034,471
<b>Net Position - Beginning of year</b>	136,483,291	-	136,483,291
<b>Net Position - End of year</b>	<b>\$140,517,762</b>	<b>\$-</b>	<b>\$140,517,762</b>

See notes to financial statements.

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## City of Taylor, Michigan

### Fund Financial Statements — Component Units: Statement of Net Position

#### Component Units Statement of Net Position

June 30, 2023

	Local Development Financing Authority	Tax Increment Financing Authority	Brownfield Redevelopment Authority	Downtown Development Authority	Housing Commission*	Total
<b>Assets</b>						
<b>Cash and investments (Note 3)</b>	\$1,070,256	\$12,258,019	\$1,304,824	\$764,193	\$3,597,793	\$18,995,085
<b>Accounts receivable</b>	-	-	-	-	33,262	33,262
<b>Due from component units</b>	-	-	611,067	-	-	611,067
<b>Due from primary government</b>	-	-	212,965	-	-	212,965
<b>Prepaid expenses and other assets</b>	-	3,063	-	-	10,387	13,450
<b>Due from other governmental units</b>	-	208,667	-	81,987	-	290,654
<b>Capital assets: (Note 5)</b>						
<b>Assets not subject to depreciation</b>	17,745	12,220,416	77,187	869,375	1,117,230	14,301,953
<b>Assets subject to</b>	-	-	-	-	330,836	330,836



See notes to financial statements.

**City of Taylor, Michigan**

Program revenue				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Ca
Local Development Financing Authority	\$-	\$-	\$-	
Tax Increment Financing Authority	\$7,194,021	-	-	
Brownfield Redevelopment Authority	\$304,687	-	\$250,000	
Downtown Development Authority	\$55,840	-	-	
Housing Commission	\$8,339,674	\$831,415	\$7,163,724	
<b>Total component units</b>	<b>\$15,894,222</b>	<b>\$831,415</b>	<b>\$7,413,724</b>	

**General revenue:**

Taxes - Property taxes

Unrestricted state-shared revenue

Unrestricted investment income

**Total general revenue**

**Transfers**

**Change in Net Position**

**Net Position (Deficit) - Beginning of year**

**Net Position (Deficit) - End of year**

See notes to financial statements. 26

Page 30 is complex and may be difficult to understand. This page is a continuation of a horizontally split financial statement table, so the row descriptions are missing from the image and a screen reader user could lose context. I preserved the exact visible values in a proper table, added a clear continuation note, and explicitly stated that the row labels appear on the previous page to reduce 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 right-hand portion of the statement table from the previous page. The line-item descriptions are not repeated on this page; only the component unit columns and totals are shown here.

## Fund Financial Statements — Component Units: Statement of Activities

Year Ended June 30, 2023

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
\$-	\$-	\$-	\$-	\$-	\$-
-	(7,194,021)	-	-	-	(7,194,021)
-	-	(54,687)	-	-	(54,687)
-	-	-	(55,840)	-	(55,840)
-	-	-	-	(344,535)	(344,535)
-	(7,194,021)	(54,687)	(55,840)	(344,535)	(7,649,083)
80,126	7,495,919	407,248	725,869	-	8,709,162
-	665,195	-	-	-	665,195
20,683	236,005	35,485	13,380	503	306,056
100,809	8,397,119	442,733	739,249	503	9,680,413
-	(29,332)	611,067	(581,735)	-	-
100,809	1,173,766	999,113	101,674	(344,032)	2,031,330
961,876	23,236,344	(8,325,954)	1,030,296	4,908,386	21,810,948
<b>\$1,062,685</b>	<b>\$24,410,110</b>	<b>\$(7,326,841)</b>	<b>\$1,131,970</b>	<b>\$4,564,354</b>	<b>\$23,842,278</b>

**Note:** Row labels for these amounts are on the preceding page and are not visible in this continuation image.

## Notes to Financial Statements

### Note 1 - Significant Accounting Policies

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

#### Reporting Entity

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

## **Blended Component Units**

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

## **Discretely Presented Component Units**

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

### *Downtown Development Authority*

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

### *Local Development Financing Authority and Tax Increment Financing Authority*

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

### *Brownfield Redevelopment Authority*

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

### *Housing Commission*

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

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

### *Fiduciary Component Units*

#### *23rd District Court*

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

### ***Police and Fire Retirement System***

The Police and Fire Retirement System is governed by a five-member pension board that includes one police officer elected by the members, one firefighter elected by the members, two members representing the City, and the city treasurer. Although it is legally separate from the City, it is reported as a fiduciary component unit because the City appoints a voting majority to the pension board and the plan imposes a financial burden on the City.

### ***Retiree Health Care Plan***

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

### ***Jointly Governed Organization***

#### ***Downriver Utility Wastewater Authority***

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

The City's share of capital assets, restricted assets for debt service (see Note 8), and related debt is recorded in the Water and Sewer funds. The City has been allocated approximately \$19.9 million in debt for operations of the System and paid \$1.7 million in the current year for debt service. The City is not aware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Financial statements for the joint venture can be obtained from the administrative offices at 25605 Northline Road, Taylor, MI 48180.

### ***Accounting and Reporting Principles***

The City follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB).

### ***Report Presentation***

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

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

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

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

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

**Fund Accounting**

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

**Governmental Funds**

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Police and Fire Retirement Fund is a special revenue fund to account for property taxes specifically levied for the Act 345 millage, which is used for the City's portion of the related retirement and health care costs of the Police and Fire Retirement System.

**Proprietary Funds**

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

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

**Fiduciary Funds**

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

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

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

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

### **Interfund Activity**

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

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

### **Basis of Accounting**

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

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

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

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

## Specific Balances and Transactions

### Cash and Cash Equivalents

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

## Note 1 - Significant Accounting Policies (Continued)

### Investments

Investments are reported at fair value or estimated fair value.

### Inventories and Prepaid Items

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

### Capital Assets

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

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

Depreciable life - Years

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

### Long-term Obligations

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

## **Unearned Revenue**

Unearned revenue represents money received that does not yet meet the criteria for revenue recognition. As of June 30, 2023, the General Fund balance of unearned revenue includes \$8,911,749 of American Rescue Plan Act cash received in advance of eligibility criteria being met and \$250,000 in cash received in advance that has not yet been earned related to a state enhancement grant. Unearned amounts are reported as liabilities.

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

### **Deferred Outflows/Inflows of Resources**

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

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

### **Net Position Flow Assumption**

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

### **Fund Balance Flow Assumptions**

The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report

as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

## **Fund Balance Policies**

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

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

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## **City of Taylor, Michigan**

### **Notes to Financial Statements**

**June 30, 2023**

#### **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 2022 property tax revenue was levied and collectible on July 1, 2022 and is recognized as revenue in the year ended June 30, 2023 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2022 taxable valuation of the City totaled \$1,483,458,930 (a portion of which is abated and a portion of which is captured by the TIFA, BRDA, LDFA, and DDA), on which taxes levied consisted of 8.3026 mills for operating purposes, 0.8736 mills for library services, 9.0154 mills for public safety pension, 2.2558 mills for disposal authority, 2.6216 mills for garbage and rubbish services, 0.0370 mills for publicity services, and 2.7000 mills for the building authority. This resulted in approximately \$9,895,000 for operating purposes, \$1,043,000 for library services, \$10,761,000 for public safety pension, \$2,692,000 for disposal authority, \$3,129,000 for garbage and rubbish services, \$44,000 for publicity services, and \$3,929,000 for the building

authority. These amounts are recognized in the respective General Fund, special revenue funds, and debt service funds financial statements as tax revenue.

## **Pension**

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

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

## **Other Postemployment Benefit Costs**

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

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

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## **City of Taylor, Michigan**

### **Notes to Financial Statements**

**June 30, 2023**

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

##### **Compensated Absences (Vacation and Sick Leave)**

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

##### **Proprietary Funds Operating Classification**

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water and Sewer funds is charges to customers for sales and services. The Water and Sewer funds also recognize as

operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

## **Use of Estimates**

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

## **Leases**

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

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

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

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

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

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**City of Taylor, Michigan**

Notes to Financial Statements  
**June 30, 2023**

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

### **Subscriptions**

The City obtains the right to use vendors' information technology software through various long-term contracts. The City recognizes a subscription liability and an intangible right-of-use subscription asset (the "subscription asset") in the applicable governmental or business-type activities column in the government-wide financial statements. The City recognizes subscription assets and liabilities with an initial value of \$2,934,982.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially

measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life.

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

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

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

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

### **Adoption of New Accounting Pronouncement**

During the current year, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result, the City has recorded a liability for the present value of payments expected to be made and subscription assets. The subscription liabilities and assets have been added to Notes 5 and 7, respectively, as of the beginning of the year. Subscription activity is further described in Note 19. The financial statements for the year ended June 30, 2022 were not restated in order to adopt GASB Statement No. 96.

### **Upcoming Accounting Pronouncements**

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2024.

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

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## **Note 2 - Stewardship, Compliance, and Accountability**

### **Budgetary Information**

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

is prepared by the City's management and adopted by the City Council; subsequent amendments are approved by the City Council.

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

### **Fund Deficits**

The component units are presented on the full accrual basis in the basic financial statements, resulting in a deficit on that basis in the Brownfield Redevelopment Authority. The Golf Courses, Sewer, and Water funds also have unrestricted net position deficits as of June 30, 2023, but total net position is positive.

### **Note 3 - Deposits and Investments**

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

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

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

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

#### **Custodial Credit Risk of Bank Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had bank deposits of \$65,972,941 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. In addition, the City's component units had bank deposits of \$14,397,292 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.

**Note 3 - Deposits and Investments (Continued)*****Interest Rate Risk***

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity; 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
<b>Corporate bonds</b>	\$3,042,673	\$83,795	\$2,100,767	\$788,868	\$69,243
<b>U.S. government securities</b>	970,566	-	762,176	208,390	-
<b>Agency securities</b>	802,744	-	-	160,797	641,947
<b>Total</b>	\$4,815,983	\$83,795	\$2,862,943	\$1,158,055	\$711,190

***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
<b>Police and Fire Retirement System</b>			
<b>Corporate bonds</b>	\$358,607	A1	Moody's
<b>Corporate bonds</b>	263,104	A2	Moody's
<b>Corporate bonds</b>	276,707	A3	Moody's
<b>Corporate bonds</b>	57,862	AA3	Moody's
<b>Corporate bonds</b>	421,884	AAA	Moody's
<b>Corporate bonds</b>	12,488	B1	Moody's
<b>Corporate bonds</b>	21,959	B2	Moody's
<b>Corporate bonds</b>	75,878	BA1	Moody's
<b>Corporate bonds</b>	59,209	BA2	Moody's
<b>Corporate bonds</b>	132,039	BA3	Moody's
<b>Corporate bonds</b>	494,140	BAA1	Moody's
<b>Corporate bonds</b>	521,846	BAA2	Moody's
<b>Corporate bonds</b>	205,567	BAA3	Moody's
<b>Corporate bonds</b>	141,383	Not rated	Moody's
<b>Agency securities</b>	802,744	Not rated	Moody's
<b>U.S. government securities</b>	970,566	AAA	Moody's

***Risks and Uncertainties***

The City invests in various securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least

reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position.

## Note 4 - Deferred Inflows/Outflows of Resources

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

#### *Alternative Investment Valuation*

Approximately 31.55 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.

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Pension deferrals	\$9,482,528	\$1,182,390
OPEB deferrals	1,430,134	191,489

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

	<b>Governmental Funds</b>	<b>Business-type Activities</b>	<b>Governmental Activities</b>
Special assessments - Unavailable	\$77,000	-	-
Grant revenue - Unavailable	142,782	-	-
Other unavailable revenue	4,878,703	-	-
Pension deferrals	-	-	613,240
Leases	190,620	-	190,620
<b>Total deferred inflows</b>	<b>\$5,289,105</b>	<b>\$-</b>	<b>\$803,860</b>

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## City of Taylor, Michigan

Notes to Financial Statements

**June 30, 2023**

## Note 5 - Capital Assets

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

#### *Governmental Activities*

Description	Balance July 1, 2022	Reclassifications	Additions	Disposals	Balance June 30, 2023
<b>Capital assets not being depreciated:</b>					
<b>Land</b>	28,895,552	-	-	(8,900)	28,886,652
<b>Construction in progress</b>	12,999,668	(1,931,718)	3,048,070	-	14,116,020
<b>Subtotal</b>	<b>41,895,220</b>	<b>(1,931,718)</b>	<b>3,048,070</b>	<b>(8,900)</b>	<b>43,002,672</b>

Description	Balance July 1, 2022	Reclassifications	Additions	Disposals	Balance June 30, 2023
<b>Capital assets being depreciated:</b>					
Buildings and improvements	93,309,869	260,617	530,618	-	94,101,104
Machinery and equipment	43,282,574	806,046	1,816,546	(998,523)	44,906,643
Other improvements	23,051,527	-	1,047,322	-	24,098,849
Roads and sidewalks	277,018,924	865,055	3,838,230	-	281,722,209
Leased assets	4,527	-	-	(4,527)	-
Subscription assets	2,934,982	-	-	-	2,934,982
<b>Subtotal</b>	<b>439,602,403</b>	<b>1,931,718</b>	<b>7,232,716</b>	<b>(1,003,050)</b>	<b>447,763,787</b>
<b>Accumulated depreciation:</b>					
Buildings and improvements	46,569,732	-	2,594,940	-	49,164,672
Machinery and equipment	35,519,466	-	2,111,448	(826,864)	36,804,050
Other improvements	19,130,388	-	456,843	-	19,587,231
Roads and sidewalks	209,952,043	-	5,912,064	-	215,864,107
Accumulated amortization - Leased assets	1,293	-	-	(1,293)	-
Accumulated amortization - Subscription assets	-	-	374,505	-	374,505
<b>Subtotal</b>	<b>311,172,922</b>	<b>-</b>	<b>11,449,800</b>	<b>(828,157)</b>	<b>321,794,565</b>
Net capital assets being depreciated	128,429,481	1,931,718	(4,217,084)	(174,893)	125,969,222
Net governmental activities capital assets	\$170,324,701	\$-	\$(1,169,014)	\$(183,793)	\$168,971,894

City of Taylor, Michigan

Notes to Financial Statements

June 30, 2023

**Note 5 - Capital Assets (Continued)**

*Business-type Activities*

Description	Balance July 1, 2022	Reclassifications	Additions	Disposals	Balance June 30, 2023
<b>Capital assets not being depreciated:</b>					
Land	3,358,372	-	-	-	3,358,372
Construction in progress	423,758	(1,726,053)	3,492,617	-	2,190,322
<b>Subtotal</b>	<b>3,782,130</b>	<b>(1,726,053)</b>	<b>3,492,617</b>	<b>-</b>	<b>5,548,694</b>
<b>Capital assets being depreciated:</b>					
Water mains and meters	53,512,363	-	40,275	(52,085)	53,500,553
Sanitary sewer system	149,637,833	1,476,465	-	(251,304)	150,862,994

Description	Balance July 1, 2022	Reclassifications	Additions	Disposals	Balance June 30, 2023
<b>Buildings and improvements</b>	11,753,079	-	151,100	(1,500)	11,902,679
<b>Machinery and equipment</b>	4,996,796	249,588	214,817	-	5,461,201
<b>Vehicles</b>	651,409	-	157,255	-	808,664
<b>Office furnishings</b>	621,414	-	-	-	621,414
<b>Land improvements</b>	12,042,277	-	-	-	12,042,277
<b>Intangible ECPAD improvement</b>	2,882,728	-	-	-	2,882,728
<b>Subtotal</b>	236,097,899	1,726,053	563,447	(304,889)	238,082,510
<b>Accumulated depreciation:</b>					
<b>Water and sewer lines</b>	22,204,208	-	1,164,199	(27,365)	23,341,042
<b>Sanitary sewer system</b>	42,644,530	-	2,071,306	-	44,715,836
<b>Buildings and improvements</b>	5,568,827	-	279,345	(906)	5,847,266
<b>Machinery and equipment</b>	4,131,962	-	148,584	-	4,280,546
<b>Vehicles</b>	509,439	-	38,755	-	548,194
<b>Furniture and equipment</b>	532,102	-	17,449	-	549,551
<b>Land improvements</b>	9,330,843	-	234,782	-	9,565,625
<b>Intangible ECPAD improvement</b>	533,546	-	57,765	-	591,311
<b>Subtotal</b>	85,455,457	-	4,012,185	(28,271)	89,439,371
<b>Net capital assets being depreciated</b>	150,642,442	1,726,053	(3,448,738)	(276,618)	148,643,139
<b>Net business-type activities capital assets</b>	154,424,572	-	43,879	(276,618)	154,191,833

## City of Taylor, Michigan

Notes to Financial Statements

June 30, 2023

### Note 5 - Capital Assets (Continued)

#### Component Units

Description	Balance July 1, 2022	Additions	Disposals	Balance June 30, 2023
<b>Capital assets not being depreciated:</b>				
<b>Land</b>	\$13,944,722	-	-	\$13,944,722
<b>Construction in progress</b>	-	357,231	-	357,231
<b>Subtotal</b>	13,944,722	357,231	-	14,301,953
<b>Capital assets being depreciated:</b>				
<b>Buildings and improvements</b>	5,219,605	-	-	5,219,605
<b>Furniture, equipment, and machinery</b>	681,483	-	-	681,483

Description	Balance July 1, 2022	Additions	Disposals	Balance June 30, 2023
<b>Subtotal</b>	5,901,088	-	-	5,901,088
<b>Accumulated depreciation</b>	5,479,924	90,328	-	5,570,252
<b>Net capital assets being depreciated</b>	421,164	(90,328)	-	330,836
<b>Net component units capital assets</b>	\$14,365,886	\$266,903	-	\$14,632,789

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

Program	Amount
<b>Governmental activities:</b>	
<b>General government</b>	\$1,686,479
<b>Public safety</b>	1,373,350
<b>Public works</b>	6,469,573
<b>Economic development</b>	195,780
<b>Recreation and culture</b>	1,724,618
<b>Total governmental activities</b>	\$11,449,800
<b>Business-type activities:</b>	
<b>Water</b>	\$1,275,788
<b>Sewer</b>	2,133,115
<b>Ecorse Creek</b>	57,765
<b>Golf Courses</b>	545,517
<b>Total business-type activities</b>	\$4,012,185

### *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:

Reporting unit	Spent to Date	Remaining Commitment
<b>Governmental activities</b>	\$10,987,778	\$5,580,365
<b>Business-type activities</b>	1,858,542	1,239,794
<b>Component units</b>	2,573,715	1,154,270
<b>Total</b>	\$15,420,035	\$7,974,429

## City of Taylor, Michigan

Notes to Financial Statements

June 30, 2023

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

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Police and Fire Retirement Fund	\$124,284

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
	Golf Courses Fund	294,337
	Water Fund	1,522,175
	Sewer Fund	1,528,757
	Other nonmajor governmental funds	4,690,699
	<b>Total General Fund</b>	<b>8,160,252</b>
<b>Other nonmajor governmental funds</b>	General Fund	3,489,405
	Other nonmajor governmental funds	2,872,810
	<b>Total other nonmajor governmental funds</b>	<b>6,362,215</b>
	Water Fund	255,168
<b>Sewer Fund</b>	General Fund	16,337
	Ecorse Creek Fund	88
	<b>Total Sewer Fund</b>	<b>271,593</b>
	Water Fund	8,430
<b>Ecorse Creek Fund</b>	Sewer Fund	61
	<b>Total Ecorse Creek Fund</b>	<b>8,491</b>
	General Fund	621,976
<b>Water Fund</b>	Sewer Fund	496,021
	Ecorse Creek Fund	114
	<b>Total Water Fund</b>	<b>1,118,111</b>
<b>Police and Fire Retirement Fund</b>	General Fund	745,491
	<b>Total</b>	<b>\$16,666,153</b>

*Due to/from Primary Government and Component Units*

<b>Receivable</b>	<b>Payable</b>	<b>Amount</b>
<b>General Fund</b>	Tax Increment Financing Authority	\$43,158
<b>Brownfield Redevelopment Authority</b>	Sewer Fund	212,965
	<b>Total</b>	<b>\$256,123</b>

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.

**Note 7 - Long-term Debt**

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

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

<b>Paying Fund (Transfer Out)</b>	<b>Receiving Fund (Transfer In)</b>	<b>Amount</b>
General Fund	Michigan Indigent Defense Commission Fund	\$ 39,975
Major Streets Fund	Local Streets Fund	2,872,810
Building and Grounds Fund	Building Authority Debt Fund	1,609,786
<b>Total</b>		<b>\$ 4,522,571</b>

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

## Note 7 - Long-term Debt

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

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Page 48 is complex and may be difficult to understand. This page is a dense financial statement table with many similarly formatted debt items, subtotals, and carryforward content, creating a moderate-to-high risk that a screen reader user could lose row-to-column context. I converted the layout into a single semantic table with explicit headers, section rows, and full currency values in each cell to improve comprehension and navigation. 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, 2023

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

Long-term debt activity for the year ended June 30, 2023 can be summarized as follows:

Description	Interest Rate Ranges	<i>Governmental Activities</i>				
		Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Bonds and contracts payable</b>						
<b>Direct borrowings and direct placements:</b>						
<b>Wells Fargo Copier Financed Purchase - Amount of issue - \$163,830</b>	6.09%	\$24,950	-	(\$24,950)	-	-
<b>Wells Fargo Copier Financed Purchase - Amount of issue - \$49,821</b>	6.09%	\$7,587	-	(\$7,587)	-	-
<b>Dell Financed Purchase - Amount of issue - \$266,502</b>	5.47%	\$86,534	-	(\$56,898)	\$29,636	\$29,636
<b>Dell Financed Purchase - Amount of issue - \$680,911</b>	5.44%	\$220,981	-	(\$145,313)	\$75,668	\$75,668
<b>PC/Telecommunication Equipment - Comerica Leasing - Amount of issue - \$77,665</b>	2.23%	\$30,821	-	(\$26,369)	\$4,452	\$4,452
<b>Wells Fargo Copier Financed Purchase - Amount of issue - \$23,385</b>	5.64%	\$10,399	-	(\$10,399)	-	-

Description	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>IT Wifi Upgrade Citywide - Comerica Leasing - Amount of issue - \$54,770</b>	2.08%	\$38,395	-	(\$18,222)	\$20,173	\$18,605
<b>Comerica Leasing - Elgin Pelican Sweeper Trucks - Amount of issue - \$454,909</b>	2.4%	\$454,909	-	(\$86,716)	\$368,193	\$88,799
<b>Total direct borrowings and direct placements principal outstanding</b>		<b>\$874,576</b>	<b>-</b>	<b>(\$376,454)</b>	<b>\$498,122</b>	<b>\$217,160</b>
<b>Other debt:</b>						
<b>2004 Building Authority Public Facilities Bonds - Amount of issue - \$1,250,000</b>	2.00%	\$185,000	-	(\$90,000)	\$95,000	\$95,000
<b>2015 Building Authority Refunding Bonds - \$6,965,000</b>	2.00% - 5.00%	\$1,805,000	-	(\$880,000)	\$925,000	\$925,000
<b>2019 Building Authority Bonds - Amount of issue - \$4,950,000</b>	1.79%	\$4,030,000	-	(\$475,000)	\$3,555,000	\$480,000
<b>Michigan Transportation Fund Bonds, Series 2021 - Amount of issue - \$14,355,000</b>	4.00%	\$13,535,000	-	(\$740,000)	\$12,795,000	\$770,000
<b>Total other debt principal outstanding</b>		<b>\$19,555,000</b>	<b>-</b>	<b>(\$2,185,000)</b>	<b>\$17,370,000</b>	<b>\$2,270,000</b>
<b>Unamortized bond premiums</b>		\$2,650,559	-	(\$256,867)	\$2,393,692	\$256,867
<b>Total bonds and contracts payable</b>		<b>\$23,080,135</b>	<b>-</b>	<b>(\$2,818,321)</b>	<b>\$20,261,814</b>	<b>\$2,744,027</b>
<b>Workers' compensation claims</b>		\$532,367	\$375,908	(\$296,767)	\$611,508	-
<b>Nonexchange financial guarantee</b>		\$12,500	-	(\$12,500)	-	-
<b>Compensated absences</b>		\$2,448,573	\$1,038,872	(\$935,981)	\$2,551,464	\$979,475
<b>Lease liability</b>		\$1,187	-	(\$1,187)	-	-
<b>Subscription liability</b>		\$2,934,982	-	(\$306,977)	\$2,628,005	\$259,584
<b>Total governmental activities long-term debt</b>		<b>\$29,009,744</b>	<b>\$1,414,780</b>	<b>(\$4,371,733)</b>	<b>\$26,052,791</b>	<b>\$3,983,086</b>

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**City of Taylor, Michigan**

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Notes to Financial Statements

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**June 30, 2023**

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

*Business-type Activities*

Business-type activities long-term debt

Debt item	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Bonds and contracts payable - Direct borrowings and direct placements:</b>						
<b>1994 Downriver Sewage Disposal System Bonds - Amount of issue - \$60,010,808</b>	Various	\$1,948,706	-	(\$285,730)	\$1,662,976	\$299,336
<b>Downriver Utility Wastewater Authority Bonds - Amount of initial issue - \$25,651,802</b>	Various	\$21,157,352	-	(\$1,222,636)	\$19,934,716	\$1,611,558
<b>Series 2009A - ECPAD 1 CWRP - Amount of issue - \$3,717,000</b>	2.50%	\$481,779	-	(\$108,674)	\$373,105	\$53,655
<b>ECPAD 1 Taylor/Pelham Basin Series 2014 - Amount of issue - \$722,172</b>	5.75%	\$168,874	-	(\$82,378)	\$86,496	\$86,496
<b>Lease purchase agreement - Golf carts for TMGC - Amount of issue - \$217,128</b>	4.35%	\$28,924	-	(\$28,924)	-	-
<b>Lease purchase agreement - Golf carts for LTGC - Amount of issue - \$230,530</b>	4.35%	\$30,709	-	(\$30,709)	-	-
<b>Total direct borrowings and direct placements principal outstanding</b>		\$23,816,344	-	(\$1,759,051)	\$22,057,293	\$2,051,045
<b>Nonexchange financial guarantee</b>		\$2,241,500	-	(\$146,900)	\$2,094,600	\$218,622
<b>Compensated absences</b>		\$243,080	\$113,399	(\$65,565)	\$290,914	\$126,862
<b>Total business-type activities long-term debt</b>		\$26,300,924	\$113,399	(\$1,971,516)	\$24,442,807	\$2,396,529

*Component Units*

Component unit long-term debt

Debt item	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Bonds and contracts payable:</b>						
<b>Other debt:</b>						
<b>Brownfield:</b>						
<b>2017 Refunding - Series A - Amount of issue - \$1,915,000</b>	2.10% - 4.45%	\$580,000	-	-	\$580,000	-
<b>2017 Refunding - Series B - Amount of issue -</b>	Various	\$1,100,000	-	(\$205,000)	\$895,000	\$220,000
<b>Total component unit long-term debt</b>		\$9,969,423	-	(\$745,522)	\$9,223,901	\$805,522

Debt item	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>\$2,045,000</b>						
<b>Brownfield Redevelopment Tax Increment Bonds, Series 2015</b>	2.00%-5.00%	\$8,050,000	-	(\$520,000)	\$7,530,000	\$565,000
<b>Total other debt principal outstanding</b>		\$9,730,000	-	(\$725,000)	\$9,005,000	\$785,000
<b>Brownfield - Bond premium</b>		\$239,423	-	(\$20,522)	\$218,901	\$20,522
<b>Total component unit long-term debt</b>		\$9,969,423	-	(\$745,522)	\$9,223,901	\$805,522

City of Taylor, Michigan

Notes to Financial Statements

June 30, 2023

**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				Total
	Direct Borrowings and Direct Placements		Other Debt		
	Principal*	Interest	Principal	Interest	
<b>2024</b>	\$217,160	\$11,263	\$2,270,000	\$619,645	\$3,118,068
<b>2025</b>	\$92,499	\$6,711	\$1,290,000	\$531,657	\$1,920,867
<b>2026</b>	\$93,114	\$4,525	\$1,330,000	\$490,797	\$1,918,436
<b>2027</b>	\$95,349	\$2,289	\$1,375,000	\$448,557	\$1,921,195
<b>2028</b>	-	-	\$1,415,000	\$404,783	\$1,819,783
<b>2029-2033</b>	-	-	\$6,135,000	\$1,355,063	\$7,490,063
<b>2034-2038</b>	-	-	\$3,555,000	\$288,000	\$3,843,000
<b>Thereafter</b>	-	-	-	-	-
<b>Total</b>	\$498,122	\$24,788	\$17,370,000	\$4,138,502	\$22,031,412

Business-type Activities and Component Unit Activities

Years Ending June 30	Business-type Activities			Component Unit Activities		
	Direct Borrowings and Direct Placements			Other Debt		
	Principal	Interest	Total	Principal*	Interest	Total
<b>2024</b>	\$2,051,045	\$765,787	\$2,816,832	\$785,000	\$392,418	\$1,177,418
<b>2025</b>	\$1,400,580	\$714,074	\$2,114,654	\$825,000	\$356,401	\$1,181,401
<b>2026</b>	\$1,448,756	\$665,404	\$2,114,160	\$795,000	\$327,736	\$1,122,736
<b>2027</b>	\$1,533,181	\$615,160	\$2,148,341	\$825,000	\$299,364	\$1,124,364
<b>2028</b>	\$1,537,074	\$561,604	\$2,098,678	\$860,000	\$266,290	\$1,126,290

Years Ending June 30	Business-type Activities			Component Unit Activities		
	Direct Borrowings and Direct Placements			Other Debt		
	Principal	Interest	Total	Principal*	Interest	Total
2029-2033	\$5,197,431	\$2,220,662	\$7,418,093	\$3,995,000	\$826,735	\$4,821,735
2034-2038	\$3,828,538	\$1,413,955	\$5,242,493	\$920,000	\$46,000	\$966,000
Thereafter	\$5,060,688	\$830,353	\$5,891,041	-	-	-
<b>Total</b>	<b>\$22,057,293</b>	<b>\$7,786,999</b>	<b>\$29,844,292</b>	<b>\$9,005,000</b>	<b>\$2,514,944</b>	<b>\$11,519,944</b>

\*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, 2023, approximately \$10.5 million of bonds outstanding are considered defeased.

### **Note 8 - Restricted Assets**

At June 30, 2023, restricted assets are composed of the following:

Restricted assets composition at June 30, 2023

Description	Business-type Activities
Assets held at Wayne County, Michigan for future debt payments	\$ 1,202,682
Assets held at Downriver Utility Wastewater Authority for sewer operations	2,115,824
<b>Total</b>	<b>\$ 3,318,506</b>

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 \$29,338,402 of DUWA and Downriver Sewage Disposal System (DRDS) obligations. In addition, it has pledged to raise property taxes, to the extent permitted by law, to repay its portion of principal and interest totaling \$1,880,722 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 \$27,457,680. During the current year, net revenue of the system before depreciation and other adjustments was \$1,951,393 compared to the debt service requirements of \$1,674,660 for the DUWA bonds. Tax collections related to the Wayne County, Michigan debt were \$20,122, compared to the debt service requirements of \$377,918.

In addition, the Road Capital Improvement Fund has restricted cash of \$6,647,618 as of June 30, 2023.

### **Note 9 - Risk Management**

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for medical and property claims and for risk related to torts and errors and omissions

and is uninsured for workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

Changes in estimated liability for workers' compensation (dollars)		
<b>Description</b>	<b>2023</b>	<b>2022</b>
Estimated liability - Beginning of year	\$ 532,367	\$ 480,243
Incurred claims, including adjustments to claims incurred but not reported	375,908	455,771
Claim payments - Net of insurance refunds	(296,767)	(403,647)
<b>Estimated liability - End of year</b>	<b>\$ 611,508</b>	<b>\$ 532,367</b>

## **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](http://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:

<b>Date of member count</b>	<b>June 30, 2022</b>
Inactive plan members or beneficiaries currently receiving benefits	494
Inactive plan members entitled to but not yet receiving benefits	34
Active plan members	272
<b>Total plan members</b>	<b>800</b>

### **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, 2023, the City made payments for postemployment health benefit premiums of \$8,852,418. 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, 2023 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, 2023 measurement date. The June 30, 2023 total OPEB liability was determined by an actuarial valuation performed as of June 30, 2022.

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

<b>Changes in Net OPEB Liability</b>	<b>Total OPEB Liability</b>	<b>Increase (Decrease) Plan Net Position</b>	<b>Net OPEB Liability</b>
<b>Balance at July 1, 2022</b>	\$114,487,308	\$4,378,596	\$110,108,712
Changes for the year:			
Service cost	567,799	-	567,799
Interest	7,758,543	-	7,758,543
Differences between expected and actual experience	2,871,777	-	2,871,777
Contributions - Employer	-	8,852,418	(8,852,418)
Net investment income	-	315,165	(315,165)
Benefit payments	(8,597,418)	(8,597,418)	-
Administrative expenses	-	(8,185)	8,185
Net changes	2,600,701	561,980	2,038,721
<b>Balance at June 30, 2023</b>	<b>\$117,088,009</b>	<b>\$4,940,576</b>	<b>\$112,147,433</b>

The plan's fiduciary net position represents 4.2 percent of the total OPEB liability.

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$16,348,920.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$1,435,889	\$-
Net difference between projected and actual earnings on OPEB plan investments	185,734	-
Total	\$1,621,623	\$-

## Notes to Financial Statements

June 30, 2023

### 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:

<b>Years Ending June 30</b>	<b>Amount</b>
2024	\$1,473,631
2025	5,909
2026	142,088
2027	(5)
<b>Total</b>	<b>\$1,621,623</b>

#### *Actuarial Assumptions*

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 3 percent; a health care cost trend rate of 7.00 percent for 2023, decreasing to an ultimate rate of 4.50 percent for 2027 and later years; and the Pub-2010 mortality tables with the MP-2021 improvement scale.

#### *Discount Rate*

The discount rate used to measure the total OPEB liability was 7.00 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, 2023 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:

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

For the year ended June 30, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 7.47 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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**City of Taylor, Michigan**

Notes to Financial Statements  
June 30, 2023

**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 7.00 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:

Net OPEB liability sensitivity to discount rate

<b>1 Percentage Point Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1 Percentage Point Increase (8.00%)</b>	
Net OPEB liability	\$125,159,445	\$112,147,433	\$101,299,947

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

Net OPEB liability sensitivity to health care cost trend rate

<b>1 Percentage Point Decrease (3.50 - 6.00%)</b>	<b>Current Health Care Cost Trend Rate (4.50 - 7.00%)</b>	<b>1 Percentage Point Increase (5.50 - 8.00%)</b>	
Net OPEB liability	\$100,177,513	\$112,147,433	\$126,515,144

**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, 2023, the City made contributions of \$111,812, and the plan members contributed \$111,812 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 \$25,548,166. The current year contribution was calculated based on covered payroll of \$6,477,947, resulting in an employer contribution of \$267,251 and employee contributions of \$259,118.

## **Note 13 - Pension Plans**

### **Plan Description**

#### **General Employees' Retirement System**

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

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

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

#### **Police and Fire Retirement System**

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

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

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

#### **Municipal Employees' Retirement System of Michigan**

The court participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS), which covers all district court employees hired before June 30, 2002. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes the financial statements and required supplementary information of this defined benefit plan. This report can be obtained at [www.mersofmich.com](http://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 AFSCME and Local 1917 members hired prior to August 4, 1988: straight life pension equals 55 percent of average final compensation (AFC).

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

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

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## City of Taylor, Michigan

## Notes to Financial Statements

June 30, 2023

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### Note 13 - Pension Plans (Continued)

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

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

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

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

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

mayor, clerk, and treasurer elected on or after November 8, 2005 are eligible at age 55 with 5 or more years of service.

### **Police and Fire Retirement System**

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

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

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

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

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

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## **City of Taylor, Michigan**

**Notes to Financial Statements  
June 30, 2023**

### **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:

	<b>City of Taylor General Employees' Retirement System</b>	<b>Police and Fire Retirement System</b>	<b>Municipal Employees' Retirement System</b>
<b>Date of member count</b>	December 31, 2021	June 30, 2023	December 31, 2022
<b>Inactive plan members or beneficiaries currently receiving benefits</b>	246	272	13
<b>Inactive plan members entitled to but not yet receiving benefits</b>	21	7	3
<b>Active plan members</b>	34	77	3
<b>Pending refunds</b>	-	-	1
<b>Total employees covered by the plan</b>	<b>301</b>	<b>356</b>	<b>20</b>

**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, 2022, the average active member contribution rate was 5.20 percent of annual pay, and the City's average contribution rate was 181.19 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, 2023, the average active member contribution rate was 10.4 percent of annual pay, and the City's average contribution rate was 108.65 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, 2022, the average active employee contribution rate was 5.0 percent of annual pay, and the court's average contribution rate was 74.30 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.

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

## City of Taylor, Michigan

Notes to Financial Statements

**June 30, 2023**

### Note 13 - Pension Plans (Continued)

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

#### *General Employees' Retirement System*

<b>Changes in Net Pension Liability</b>	<b>Total Pension Liability</b>	<b>Increase (Decrease) Plan Net Position</b>	<b>Net Pension Liability</b>
<b>Balance at December 31, 2021</b>	\$87,963,458	\$51,729,227	\$36,234,231
Changes for the year:			
Service cost	109,676	-	109,676
Interest	5,938,576	-	5,938,576
Differences between expected and actual experience	(5,715,463)	-	(5,715,463)

Changes in Net Pension Liability	Total Pension Liability	Increase (Decrease)	
		Plan Net Position	Net Pension Liability
Changes in assumptions	(1,705,872)	-	(1,705,872)
Contributions - Employer	-	4,173,222	(4,173,222)
Contributions - Employee	-	119,807	(119,807)
Net investment loss	-	(6,542,020)	6,542,020
Benefit payments, including refunds	(6,472,681)	(6,472,681)	-
Administrative expenses	-	(38,519)	38,519
Net changes	(7,845,764)	(8,760,191)	914,427
<b>Balance at December 31, 2022</b>	<b>\$80,117,694</b>	<b>\$42,969,036</b>	<b>\$37,148,658</b>

The plan's fiduciary net position represents 53.6 percent of the total pension liability.

### *Police and Fire Retirement System*

Changes in Net Pension Liability	Total Pension Liability	Increase (Decrease)	
		Plan Net Position	Net Pension Liability
<b>Balance at July 1, 2022</b>	<b>\$204,039,878</b>	<b>\$132,184,931</b>	<b>\$71,854,947</b>
Changes for the year:			
Service cost	2,091,187	-	2,091,187
Interest	14,340,497	-	14,340,497
Changes in benefits	190,473	-	190,473
Differences between expected and actual experience	3,388,755	-	3,388,755
Contributions - Employer	-	6,574,292	(6,574,292)
Contributions - Employee	-	626,846	(626,846)
Net investment income	-	12,938,360	(12,938,360)
Benefit payments, including refunds	(16,662,200)	(16,662,200)	-
Administrative expenses	-	(81,683)	81,683
Miscellaneous other charges	-	(3,361)	3,361
Net changes	3,348,712	3,392,254	(43,542)
<b>Balance at June 30, 2023</b>	<b>\$207,388,590</b>	<b>\$135,577,185</b>	<b>\$71,811,405</b>

The plan's fiduciary net position represents 65.4 percent of the total pension liability.

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City of Taylor, Michigan — [Notes to Financial Statements](#)

June 30, 2023

Note 13 - Pension Plans (Continued)

*Municipal Employees' Retirement System of Michigan*

Changes in Net Pension Liability	Total Pension Liability	Increase (Decrease)	
		Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2021</b>	\$4,548,425	\$3,449,869	\$1,098,556
Changes for the year:			
Service costs	16,440	-	16,440
Interest	319,541	-	319,541
Differences between expected and actual experience	38,674	-	38,674
Contributions - Employer	-	63,561	(63,561)
Contributions - Employee	-	8,389	(8,389)
Net investment loss	-	(378,968)	378,968
Benefit payments	(298,362)	(298,362)	-
Administrative expenses	-	(7,147)	7,147
Net changes	76,293	(612,527)	(688,820)
<b>Balance at December 31, 2022</b>	\$4,624,718	\$2,837,342	\$1,787,376

The plan's fiduciary net position represents 61.4 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, 2023, the City recognized pension expense (recoveries) of \$9,501,449 from the Police and Fire Retirement System, (\$4,201,111) from the general employees' plan, and \$219,175 from the MERS plan.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$4,144,717	\$(468,537)
Changes in assumptions	-	(144,703)
Net difference between projected and actual earnings on pension plan investments	6,487,608	-
Employer contributions to the plan subsequent to the measurement date	32,593	-
Total	\$10,664,918	\$(613,240)

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**City of Taylor, Michigan**

**Notes to Financial Statements**

**June 30, 2023**

**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):

<b>Years Ending June 30</b>	<b>Amount</b>
2024	\$2,049,777
2025	491,729
2026	6,086,770
2027	1,390,809
<b>Total</b>	<b>\$10,019,085</b>

### *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:

	<b>General Employees' Retirement System</b>	<b>Police and Fire Retirement System</b>	<b>Municipal Employees' Retirement System</b>
<b>Inflation</b>	2.75%	3.5%	2.5%
<b>Salary increases (including inflation)</b>	1.00%	5.00%-8.01%	3.0%
<b>Investment rate of return (gross of investment expenses)</b>	7.25%	7.25%	7.25%
<b>Mortality rates</b>	Pub-2010 Mortality Tables projected generationally with Scale MP-2021	Pub-2010 Mortality Tables with MP-2019	Pub-2010 Mortality Tables

### *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.

	<b>General Employees' Retirement System</b>	<b>Police and Fire Retirement System</b>	<b>Municipal Employees' Retirement System</b>
<b>Assumed investment rate of return</b>	7.25%	7.25%	7.25%
<b>Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?</b>	Yes	Yes	Yes
<b>Discount rate used to measure total pension liability</b>	7.25%	7.25%	7.25%

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**City of Taylor, Michigan**
**Notes to Financial Statements****June 30, 2023****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***

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

***Police and Fire Retirement System***

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

***Municipal Employees' Retirement System***

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

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

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

	<b>1 Percentage Point Decrease</b>	<b>Current Discount Rate</b>	<b>1 Percentage Point Increase</b>
General Employees' Retirement System - Current rate 7.25 percent	\$44,396,732	\$37,148,658	\$30,941,097
Police and Fire Retirement System - Current rate 7.25 percent	93,330,401	71,811,405	53,806,009
Municipal Employees' Retirement System - Current rate 7.25 percent	2,275,523	1,787,376	1,374,368

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## **Note 14 - Pension Plan Reserves**

### **Police and Fire Retirement System**

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

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

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

There are no employer reserves as of June 30, 2023.

The balances of the reserve accounts at June 30, 2023 are as follows:

	<b>Required Reserve</b>	<b>Amount Funded</b>
Employee reserve	\$3,587,279	\$3,587,279
Retiree reserve	163,808,950	131,989,907

## **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.

## 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 Police and Fire Retirement System has the following recurring fair value measurements as of June 30, 2023:

Investment type	Assets Measured at Fair Value on a Recurring Basis at June 30, 2023			Balance at June 30, 2023
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Investments by fair value level:</b>				
Agency bonds	-	\$802,744	-	\$802,744
Asset-backed securities	-	\$563,264	-	\$563,264
Corporate bonds	-	\$2,479,409	-	\$2,479,409
ETF - Equity	\$46,801,803	-	-	\$46,801,803
ETF - Fixed income	\$458,358	-	-	\$458,358
Stocks	\$37,220,585	-	-	\$37,220,585
Treasury bonds	\$970,566	-	-	\$970,566
<b>Total</b>	<b>\$85,451,312</b>	<b>\$3,845,417</b>	<b>-</b>	<b>\$89,296,729</b>

### Investments measured at NAV

Investment type	Amount
Equity long/short hedge funds	\$22,016,632
Debt obligation hedge funds	\$4,303,886
Real estate funds	\$17,109,232
<b>Total assets</b>	<b>\$132,726,479</b>

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, 2023 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

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

### *Investments in Entities that Calculate Net Asset Value per Share*

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

## Additional content from previous item (Note 15):

### City of Taylor, Michigan

## Notes to Financial Statements

June 30, 2023

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

As of June 30, 2023, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<b>Fair Value</b>
MERS Total Market Fund	\$4,940,576
Equity long/short hedge funds	22,016,632
Debt obligation hedge funds	4,303,886
Real estate funds	17,109,232

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

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

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

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

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

### Note 16 - Contingent Liabilities

The City has been named as a defendant in numerous claims and lawsuits requesting damages of various amounts, the majority of which do not state a specific maximum. The various proceedings have not yet progressed to the point where a legal opinion can be reached as to the ultimate liability, if any, after consideration of available insurance, where applicable, that may result from the resolution of these matters. In addition, the City is involved in certain labor negotiation discussions. The City has not recorded an estimate of any liabilities that may result from these matters at June 30, 2023.

### 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, 2023, the City abated \$71,233 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

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

## **Note 18 - Leases**

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

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## **Note 18 - Leases (Continued)**

During the year ended June 30, 2023, the City recognized the following related to its lessor agreements:

- Lease revenue: **\$ 84,406**
- Interest income related to its leases: **\$ 2,885**

## **Note 19 - Subscriptions**

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

Future principal and interest payment requirements related to the City's subscription liability at June 30, 2023 are as follows:

<b>Years</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$259,584	\$80,304	\$339,888
2025	\$374,306	\$70,276	\$444,582
2026	\$379,994	\$58,270	\$438,264
2027	\$399,530	\$45,806	\$445,336
2028	\$362,625	\$33,579	\$396,204
2029 - 2033	\$851,966	\$38,596	\$890,562
	<b>\$2,628,005</b>	<b>\$326,831</b>	<b>\$2,954,836</b>

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## **Required Supplementary Information**

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**Budgetary Comparison Schedule - General Fund**

Year Ended June 30, 2023

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenue</b>				
Property taxes	\$11,623,111	\$11,721,000	\$11,813,045	\$92,045
Charges for services	4,909,000	4,899,000	4,862,535	(36,465)
Intergovernmental	9,541,896	13,650,683	12,246,511	(1,404,172)
Licenses and permits	1,284,500	1,252,600	1,218,475	(34,125)
Fines and forfeitures	6,340,500	4,940,500	5,078,990	138,490
Rental income	1,190,130	1,739,749	1,707,616	(32,133)
Interest income	10,000	200,000	281,872	81,872
DMA/911 and other revenue	9,430,672	10,759,909	10,489,482	(270,427)
<b>Total revenue</b>	<b>44,329,809</b>	<b>49,163,441</b>	<b>47,698,526</b>	<b>(1,464,915)</b>
<b>Expenditures</b>				
<b>Current services:</b>				
General government	11,085,584	11,620,653	11,023,554	597,099
Employee benefits	6,035,353	5,148,200	5,047,320	100,880
Public safety	17,560,818	17,662,111	17,189,263	472,848
Public works and capital projects	5,081,686	5,182,536	5,098,175	84,361
Community development	547,057	536,957	302,016	234,941
Recreation and culture	3,444,735	3,465,338	3,211,868	253,470
Capital outlay	5,800	3,672,574	1,990,231	1,682,343
Debt service	406,108	402,230	402,220	10
<b>Total expenditures</b>	<b>44,167,141</b>	<b>47,690,599</b>	<b>44,264,647</b>	<b>3,425,952</b>
<b>Excess of Revenue Over Expenditures</b>	<b>162,668</b>	<b>1,472,842</b>	<b>3,433,879</b>	<b>1,961,037</b>
<b>Other Financing Uses - Transfers out</b>	<b>(40,371)</b>	<b>(40,371)</b>	<b>(39,975)</b>	<b>396</b>
<b>Net Change in Fund Balance</b>	<b>122,297</b>	<b>1,432,471</b>	<b>3,393,904</b>	<b>1,961,433</b>
<b>Fund Balance - Beginning of year</b>	<b>13,111,779</b>	<b>13,111,779</b>	<b>13,111,779</b>	<b>-</b>
<b>Fund Balance - End of year</b>	<b>\$13,234,076</b>	<b>\$14,544,250</b>	<b>\$16,505,683</b>	<b>\$1,961,433</b>

See notes to required supplementary information.

City of Taylor, Michigan

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$10,831,836	\$10,788,380	\$10,870,438	\$82,058
Intergovernmental	125,000	131,900	131,901	1
Interest income	2,200	50,000	71,989	21,989
<b>Total revenue</b>	10,959,036	10,970,280	11,074,328	104,048
<b>Expenditures - Current services - Employee benefits</b>	10,913,500	10,913,500	10,881,635	31,865
<b>Net Change in Fund Balance</b>	45,536	56,780	192,693	135,913
<b>Fund Balance - Beginning of year</b>	327,086	327,086	327,086	-
<b>Fund Balance - End of year</b>	<b>\$372,622</b>	<b>\$383,866</b>	<b>\$519,779</b>	<b>\$135,913</b>

See notes to required supplementary information.

Page 71 is complex and may be difficult to understand. This page is a dense financial schedule with a wide 9-year table, small text, and many similar numeric values, which increases the risk of misreading or losing row and column context with a screen reader. I reconstructed it as a semantic HTML table with clear column headers, row headers, and section breaks 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

Required Supplementary Information

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

Description	Years Ended December 31						
	2022	2021	2020	2019	2018	2017	2016
	<b>Total Pension Liability</b>						
Service cost	\$109,676	\$167,516	\$172,368	\$173,696	\$200,901	\$239,266	\$278,102
Interest	\$5,938,576	\$6,231,347	\$6,008,933	\$5,999,436	\$5,973,181	\$5,991,735	\$5,933,218
<b>Differences between expected and actual experience</b>	\$(5,715,463)	\$(1,799,819)	\$416,760	\$391,348	\$619,218	\$(216,865)	\$914,633
<b>Changes in assumptions</b>	\$(1,705,872)	\$3,677,263	\$2,736,561	\$(165,474)	\$(190,968)	\$27,101	
<b>Benefit payments, including refunds</b>	\$(6,472,681)	\$(6,459,928)	\$(6,268,553)	\$(6,273,569)	\$(6,176,544)	\$(6,563,201)	\$(6,089,411)
<b>Net Change in Total Pension Liability</b>	(7,845,764)	1,816,379	3,066,069	125,437	425,788	(521,964)	1,036,536

<b>Description</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Total Pension Liability - Beginning of year</b>	87,963,458	86,147,079	83,081,010	82,955,573	82,529,785	83,051,749	82,015,213
<b>Total Pension Liability - End of year</b>	<b>\$80,117,694</b>	<b>\$87,963,458</b>	<b>\$86,147,079</b>	<b>\$83,081,010</b>	<b>\$82,955,573</b>	<b>\$82,529,785</b>	<b>\$83,051,74</b>
<b>Plan Fiduciary Net Position</b>							
<b>Contributions - Employer</b>	\$4,173,222	\$4,177,172	\$4,119,517	\$3,964,651	\$3,968,766	\$3,720,318	\$3,530,436
<b>Contributions - Member</b>	119,807	132,674	137,271	143,486	152,086	179,943	164,004
<b>Net investment (loss) income</b>	(6,542,020)	6,884,617	5,914,718	7,391,439	(1,650,303)	5,925,408	2,764,949
<b>Administrative expenses</b>	(38,519)	(57,767)	(51,099)	(103,703)	(54,571)	(121,699)	(65,781)
<b>Benefit payments, including refunds</b>	(6,472,681)	(6,459,928)	(6,268,553)	(6,273,569)	(6,176,544)	(6,563,201)	(6,089,417)
<b>Other</b>	-	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	(8,760,191)	4,676,768	3,851,854	5,122,304	(3,760,566)	3,140,769	304,191
<b>Plan Fiduciary Net Position - Beginning of year</b>	51,729,227	47,052,459	43,200,605	38,078,301	41,838,867	38,698,098	38,393,907
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$42,969,036</b>	<b>\$51,729,227</b>	<b>\$47,052,459</b>	<b>\$43,200,605</b>	<b>\$38,078,301</b>	<b>\$41,838,867</b>	<b>\$38,698,09</b>
<b>City's Net Pension Liability - Ending</b>	<b>\$37,148,658</b>	<b>\$36,234,231</b>	<b>\$39,094,620</b>	<b>\$39,880,405</b>	<b>\$44,877,272</b>	<b>\$40,690,918</b>	<b>\$44,353,65</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	53.63 %	58.81 %	54.62 %	52.00 %	45.90 %	50.70 %	46.60 %
<b>Covered Payroll</b>	\$2,303,292	\$2,772,886	\$2,905,323	\$2,985,903	\$3,049,120	\$2,645,503	\$3,092,088
<b>City's Net Pension Liability as a Percentage of Covered</b>	1,612.85 %	1,306.73 %	1,345.62 %	1,335.62 %	1,471.81 %	1,538.12 %	1,434.42 %

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 supplementary information.

**City of Taylor, Michigan**

**Required Supplementary Information**

**Schedule of City Contributions - General Employees' Retirement System**

Description	Last Ten Plan Years - Years Ended December 31							
	2022	2021	2020	2019	2018	2017	2016	2015
<b>Actuarially determined contribution</b>	\$4,173,222	\$4,177,172	\$4,119,517	\$3,964,651	\$3,968,766	\$3,720,318	\$3,530,436	\$3,259,16:
<b>Contributions in relation to the actuarially determined contribution</b>	\$4,173,222	\$4,177,172	\$4,119,517	\$3,964,651	\$3,968,766	\$3,720,318	\$3,530,436	\$3,259,16:
<b>Contribution Deficiency</b>	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
<b>Covered Payroll</b>	\$2,303,292	\$2,772,886	\$2,905,323	\$2,985,903	\$3,049,120	\$2,645,503	\$3,092,088	\$3,405,50:
<b>Contributions as a Percentage of Covered Payroll</b>	181.19 %	150.64 %	141.79 %	132.78 %	130.16 %	140.63 %	114.18 %	95.70 %

**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:

<b>Actuarial cost method</b>	Entry age normal
<b>Amortization method</b>	Level dollar, closed
<b>Remaining amortization period</b>	16 years from the December 31, 2021 valuation
<b>Asset valuation method</b>	Spreads actual versus expected investment income over a period of 4 years
<b>Inflation</b>	2.75 percent
<b>Salary increase</b>	1.0 percent
<b>Investment rate of return</b>	7.00 percent, net of expenses

<b>Retirement age</b>	Experience-based table of rates that are specific to the type of eligibility condition
<b>Mortality</b>	Pub-2010 mortality tables projected generationally with Scale MP-2021

See notes to required supplementary information.

Page 73 is complex and may be difficult to understand. This page is a dense financial table with 10 year columns, small text, and many similar numeric values, which creates a high risk of transcription or navigation errors for screen reader users. Accessibility was improved by converting the layout into a structured HTML table with column headers, row headers, grouped sections, and a separate footnote and footer. If you need help understanding this page, please use the live assistance options in the sidebar.

## City of Taylor, Michigan

Required Supplementary Information

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

Description	Years Ended June 30						
	2023	2022	2021	2020	2019	2018	2017
	<b>Total Pension Liability</b>						
<b>Service cost</b>	\$2,091,187	\$2,166,067	\$2,407,238	\$2,512,993	\$2,925,390	\$3,255,908	\$4,313,000
<b>Interest</b>	14,340,497	13,920,384	13,973,333	13,866,097	13,796,825	11,833,236	11,363,000
<b>Changes in benefit terms</b>	190,473	359,534	-	-	-	-	-
<b>Differences between expected and actual experience</b>	3,388,755	5,656,642	(1,833,339)	739,394	(1,678,775)	4,074,016	(1,734,000)
<b>Changes in assumptions</b>	-	-	(578,810)	(2,356,054)	-	(35,517,503)	(13,990,000)
<b>Benefit payments, including refunds</b>	(16,662,200)	(15,803,956)	(14,712,901)	(14,142,901)	(13,612,691)	(13,528,538)	(12,500,000)
<b>Net Change in Total Pension Liability</b>	3,348,712	6,298,671	(744,479)	619,529	1,430,749	(29,882,881)	(12,550,000)
<b>Total Pension Liability - Beginning of year</b>	204,039,878	197,741,207	198,485,686	197,866,157	196,435,408	226,318,289	238,868,289
<b>Total Pension Liability* - End of year</b>	\$207,388,590	\$204,039,878	\$197,741,207	\$198,485,686	\$197,866,157	\$196,435,408	\$226,318,289
	<b>Plan Fiduciary Net Position</b>						
<b>Contributions - Employer</b>	\$6,574,292	\$6,568,459	\$6,416,342	\$6,314,749	\$6,576,408	\$4,987,980	\$5,190,000

<b>Description</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Contributions - Member</b>	626,846	769,179	874,695	555,732	715,718	715,020	784,188
<b>Net investment income (loss)</b>	12,938,360	(16,008,593)	39,459,103	2,950,703	6,706,356	14,355,591	14,698,800
<b>Administrative expenses</b>	(81,683)	(72,955)	(123,283)	(113,863)	(120,429)	(65,886)	(72,618)
<b>Benefit payments, including refunds</b>	(16,662,200)	(15,803,956)	(14,712,901)	(14,142,901)	(13,612,691)	(13,528,538)	(12,500,000)
<b>Other</b>	(3,361)	40,118	(1,005)	4,408	121	227	52
<b>Net Change in Plan Fiduciary Net Position</b>	3,392,254	(24,507,748)	31,912,951	(4,431,172)	265,483	6,464,394	8,098,800
<b>Plan Fiduciary Net Position - Beginning of year</b>	132,184,931	156,692,679	124,779,728	129,210,900	128,945,417	122,481,023	114,382,223
<b>Plan Fiduciary Net Position - End of year</b>	\$135,577,185	\$132,184,931	\$156,692,679	\$124,779,728	\$129,210,900	\$128,945,417	\$122,482,023
<b>City's Net Pension Liability - Ending</b>	\$71,811,405	\$71,854,947	\$41,048,528	\$73,705,958	\$68,655,257	\$67,489,991	\$103,800,000
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	65.37 %	64.78 %	79.24 %	62.87 %	65.30 %	65.64 %	54.12 %
<b>Covered Payroll</b>	\$6,051,154	\$8,196,459	\$8,404,265	\$8,291,531	\$8,316,625	\$8,898,318	\$8,050,000
<b>City's Net Pension Liability as a Percentage of Covered</b>	1,186.74 %	876.66 %	488.42 %	888.93 %	825.52 %	758.46 %	1,289.00 %

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

See notes to required supplementary information.

City of Taylor, Michigan

Required Supplementary Information

**Schedule of City Contributions - Police and Fire Retirement System**

	2023	2022	2021	2020	2019	2018	2017	2016
<b>Actuarially determined contribution</b>	\$6,574,292	\$6,568,459	\$6,416,342	\$6,314,749	\$6,576,408	\$4,987,980	\$5,190,370	\$5,588,834
<b>Contributions in relation to the actuarially determined contribution</b>	6,574,292	6,568,459	6,416,342	6,314,749	6,576,408	4,987,980	5,190,370	5,588,834
<b>Contribution Deficiency</b>	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
<b>Covered Payroll</b>	\$6,051,154	\$8,196,459	\$8,404,265	\$8,291,531	\$8,316,625	\$8,898,318	\$8,050,037	\$9,360,381
<b>Contributions as a Percentage of Covered Payroll</b>	108.65 %	80.14 %	76.35 %	76.16 %	79.08 %	56.06 %	64.48 %	59.71 %

### 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:

<b>Actuarial cost method</b>	Entry age
<b>Amortization method</b>	Level percentage of payroll, closed, beginning with the 2017 fiscal year
<b>Remaining amortization period</b>	17 years as of June 30, 2022
<b>Asset valuation method</b>	5-year smoothed market
<b>Inflation</b>	3.5 percent
<b>Salary increase</b>	5.00 - 8.01 percent, including inflation
<b>Investment rate of return</b>	7.25 percent net of pension investment expense, including inflation
<b>Retirement age</b>	Experience-based table of rates that are specific to the type of eligibility condition
<b>Mortality</b>	Pub-2010 PS with MP-2019

See notes to required supplementary information.

City of Taylor, Michigan

**Schedule of Pension Investment Returns - Police and Fire Retirement System**

## Required Supplementary Information

### Last Ten Fiscal Years Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Annual money-weighted rate of return - Net of investment expense</b>	10.20%	(10.62)%	32.54%	2.35%	5.34%	12.34%	13.50%	0.60%	6.40%	19.40%

See notes to required supplementary information.

Page 76 is complex and may be difficult to understand. This page contains a dense 9-year financial table in very small type with repeated subtotals and visually implied currency formatting, which increases the risk of misreading by screen reader users. I converted it into a structured HTML table with explicit row and column headers, grouped sections, and preserved note and footer text 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

## Required Supplementary Information

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

Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>								
<b>Service cost</b>	\$16,440	\$18,544	\$30,623	\$34,564	\$34,236	\$33,767	\$40,596	\$38,483
<b>Interest</b>	319,541	332,742	320,160	319,549	312,534	299,716	287,968	263,413
<b>Differences between expected and actual experience</b>	38,674	(190,911)	(119,497)	(34,284)	(28,235)	54,099	30,322	95,801
<b>Changes in assumptions</b>	-	153,842	190,529	131,428	-	-	-	172,366
<b>Benefit payments, including refunds</b>	(298,362)	(269,410)	(231,018)	(231,018)	(231,018)	(224,155)	(193,111)	(135,684)
<b>Net Change in Total Pension Liability</b>	76,293	44,807	190,797	220,239	87,517	163,427	165,775	434,379
<b>Total Pension Liability - Beginning of year</b>	4,548,425	4,503,618	4,312,821	4,092,582	4,005,065	3,841,638	3,675,863	3,241,484
<b>Total Pension Liability - End</b>	\$4,624,718	\$4,548,425	\$4,503,618	\$4,312,821	\$4,092,582	\$4,005,065	\$3,841,638	\$3,675,863

of year	2022	2021	2020	2019	2018	2017	2016	2015
<b>Plan Fiduciary Net Position</b>								
<b>Contributions - Employer</b>	\$63,561	\$77,391	\$90,833	\$73,769	\$57,328	\$49,750	\$42,463	\$46,082
<b>Contributions - Member</b>	8,389	12,797	17,457	17,671	17,503	19,552	20,845	24,797
<b>Net investment (loss) income</b>	(378,968)	422,727	403,334	362,964	(112,834)	362,289	294,707	(40,969)
<b>Administrative expenses</b>	(7,147)	(5,025)	(5,832)	(6,248)	(5,700)	(5,748)	(5,821)	(5,997)
<b>Benefit payments, including refunds</b>	(298,362)	(269,410)	(231,018)	(231,018)	(231,018)	(224,155)	(193,111)	(135,684)
<b>Other</b>	-	(548)	(500)	(250)	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	(612,527)	237,932	274,274	216,888	(274,721)	201,688	159,083	(111,771)
<b>Plan Fiduciary Net Position - Beginning of year</b>	3,449,869	3,211,937	2,937,663	2,720,775	2,995,496	2,793,808	2,634,725	2,746,496
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$2,837,342</b>	<b>\$3,449,869</b>	<b>\$3,211,937</b>	<b>\$2,937,663</b>	<b>\$2,720,775</b>	<b>\$2,995,496</b>	<b>\$2,793,808</b>	<b>\$2,634,725</b>
<b>City's Net Pension Liability - Ending</b>	<b>\$1,787,376</b>	<b>\$1,098,556</b>	<b>\$1,291,681</b>	<b>\$1,375,158</b>	<b>\$1,371,807</b>	<b>\$1,009,569</b>	<b>\$1,047,830</b>	<b>\$1,041,133</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	61.35 %	75.85 %	71.32 %	68.11 %	66.48 %	74.79 %	72.72 %	71.68 %
<b>Covered Payroll</b>	\$157,019	\$193,565	\$312,475	\$353,413	\$350,057	\$348,110	\$419,817	\$403,805
<b>City's Net Pension Liability as a Percentage of Covered</b>	1,138.32 %	567.54 %	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 supplementary information.

Required Supplementary Information

Schedule of City Contributions

**Schedule of City Contributions - Municipal Employees' Retirement System**

	Last Ten Plan Years Years Ended December 31									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Actuarially determined contribution</b>	\$63,561	\$77,391	\$90,833	\$73,769	\$57,328	\$49,750	\$42,463	\$46,082	\$40,320	\$36,000
<b>Contributions in relation to the actuarially determined contribution</b>	\$63,561	\$77,391	\$90,833	\$73,769	\$57,328	\$49,750	\$42,463	\$46,082	\$40,320	\$36,000
<b>Contribution Deficiency</b>	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
<b>Covered Payroll</b>	\$157,019	\$193,565	\$312,475	\$353,413	\$350,057	\$348,110	\$419,817	\$403,805	\$463,273	\$490,000
<b>Contributions as a Percentage of Covered Payroll</b>	40.48 %	39.98 %	29.07 %	20.87 %	16.38 %	14.29 %	10.11 %	11.41 %	8.70 %	7.40 %

**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:

<b>Actuarial cost method</b>	Entry age
<b>Amortization method</b>	Level percentage of payroll
<b>Remaining amortization period</b>	17 years
<b>Asset valuation method</b>	5-year smoothed
<b>Inflation</b>	2.5 percent
<b>Salary increase</b>	3.00 percent, including inflation
<b>Investment rate of return</b>	7.60 percent, net of expenses

**Retirement age  
Mortality**

Various  
Pub-2010 Mortality Tables

See notes to required supplementary information.

Page 78 is complex and may be difficult to understand. This page is a dense multi-column financial schedule with small text, accounting symbols, negatives in parentheses, and several subtotal and total lines that can be difficult for screen reader users to follow. The content was converted into a semantic table with explicit year headers, row-group labels, and text notes 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**

Required Supplementary Information

**Schedule of Changes in the Net OPEB Liability and Related Ratios**

Item	Last Six Fiscal Years					
	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service cost	\$567,799	\$417,432	\$494,473	\$893,637	\$3,705,380	\$4,136,989
Interest	\$7,758,543	\$6,960,780	\$9,083,551	\$11,124,998	\$10,543,165	\$10,324,168
Changes in benefit terms	-	\$9,547	-	-	-	-
Differences between expected and actual experience	\$2,871,777	\$4,809,139	\$(7,418,379)	\$(39,438,580)	\$(55,703,885)	\$(1,361,775)
Changes in assumptions	-	\$12,049,282	\$2,665,604	\$7,874,620	\$(88,984,720)	\$(2,765,110)
Benefit payments, including refunds	\$(8,597,418)	\$(7,936,704)	\$(7,250,975)	\$(8,389,421)	\$(8,742,467)	\$(9,016,012)
Net Change in Total OPEB Liability	2,600,701	16,309,476	(2,425,726)	(27,934,746)	(139,182,527)	1,318,260
Total OPEB Liability - Beginning of year, as restated	114,487,308	98,177,832	126,645,254	154,580,000	293,762,527	292,444,267
Total OPEB Liability - End of year	\$117,088,009	\$114,487,308	\$124,219,528	\$126,645,254	\$154,580,000	\$293,762,527
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$8,852,418	\$8,191,704	\$7,505,975	\$8,644,421	\$11,742,467	\$-
Net investment income (loss)	315,165	(370,483)	934,033	70,503	-	-
Administrative expenses	(8,185)	(8,076)	(6,876)	(5,505)	-	-

Item	2023	2022	2021	2020	2019	2018
<b>Benefit payments, including refunds</b>	(8,597,418)	(7,936,704)	(7,250,975)	(8,389,421)	(8,742,467)	-
<b>Net Change in Plan Fiduciary Net Position</b>	561,980	(123,559)	1,182,157	319,998	3,000,000	-
<b>Plan Fiduciary Net Position - Beginning of year</b>	4,378,596	4,502,155	3,319,998	3,000,000	-	-
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$4,940,576</b>	<b>\$4,378,596</b>	<b>\$4,502,155</b>	<b>\$3,319,998</b>	<b>\$3,000,000</b>	<b>\$-</b>
<b>Net OPEB Liability - Ending</b>	<b>\$112,147,433</b>	<b>\$110,108,712</b>	<b>\$119,717,373</b>	<b>\$123,325,256</b>	<b>\$151,580,000</b>	<b>\$293,762,527</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	4.22 %	3.82 %	3.62 %	2.62 %	1.94 %	- %
<b>Covered Payroll</b>	\$15,282,298	\$16,277,453	\$13,458,719	\$12,054,882	\$10,625,983	\$10,465,328
<b>Net OPEB Liability as a Percentage of Covered Payroll</b>	733.84 %	676.45 %	889.52 %	1,023.03 %	1,426.50 %	2,807.01 %

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

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

See notes to required supplementary information.

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## City of Taylor, Michigan

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### Required Supplementary Information

#### Schedule of OPEB Contributions

	2023	2022	2021	2020	2019	2018	2017	2016
<b>Actuarially determined contribution</b>	\$7,614,106	\$7,936,704	\$8,770,402	\$10,916,727	\$16,922,687	\$-	\$17,992,359	\$17,750,000
<b>Contributions in relation to the actuarially determined contribution</b>	8,852,418	8,191,704	7,505,975	8,644,421	11,742,467	-	7,892,660	7,652,000

	2023	2022	2021	2020	2019	2018	2017	2016
<b>Contribution Excess (Deficiency)</b>	\$1,238,312	\$255,000	\$(1,264,427)	\$(2,272,306)	\$(5,180,220)	\$-	\$(10,099,699)	\$(10,099,699)
<b>Covered Payroll</b>	\$15,282,298	\$16,277,453	\$13,458,719	\$12,054,882	\$10,625,983	\$-	\$11,720,401	\$11,720,401
<b>Contributions as a Percentage of Covered</b>	57.93 %	50.33 %	110.51 %	110.51 %	110.51 %	- %	67.34 %	65.29 %

### Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Entry age normal

Amortization method

Level percentage of payroll, closed

Remaining amortization period

26 years

Asset valuation method

Market value

Inflation

2.50 percent

Health care cost trend rates

Trend starting at 7.50 percent and gradually decreasing to an ultimate trend rate of 4.5 percent

Salary increase

3.00 percent

Investment rate of return

7.00 percent

Retirement age

Experience-based table of rates that are specific to the type of eligibility condition

Mortality

Pub-2010 Mortality Tables using Scale MP-2021

See notes to required supplementary information.

City of Taylor, Michigan

Required Supplementary Information

**Schedule of OPEB Investment Returns**

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

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

See notes to required supplementary information.

## City of Taylor, Michigan

### Notes to Required Supplementary Information June 30, 2023

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	\$ 47,699,543	\$ 44,273,482	\$ 16,520,920
Tree Replacement Fund	(1,017)	(8,835)	(15,237)
<b>Amounts per budget statement</b>	<b>\$ 47,698,526</b>	<b>\$ 44,264,647</b>	<b>\$ 16,505,683</b>

## Pension Information

### Changes in Assumptions

#### General Employees' Retirement System

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

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

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

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

#### Police and Fire Retirement System

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

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

- **2021** - Discount rate was updated from 7.22 to 7.25 percent. The assumed salary increases were updated from 0.00-6.50 percent to 5.00-8.00 percent.
- **2020** - The mortality rates were updated to be based on the Pub-2010 mortality tables.
- **2018** - Discount rate was updated from 5.35 to 7.22 percent.
- **2017** - Discount rate was updated from 4.84 to 5.35 percent.
- **2016** - Discount rate was updated from 5.87 to 4.84 percent. The inflation assumption was updated from 4.00 to 3.50 percent.
- **2015** - Discount rate was updated from 7.60 to 5.87 percent.

## City of Taylor, Michigan

### Notes to Required Supplementary Information

June 30, 2023

#### Municipal Employees' Retirement System

For plans with years ended December 31, 2021, the Municipal Employees' Retirement System dedicated gain policy went into effect and the discount rate, and expected investment return assumption decreased from 7.60 percent to 7.25 percent (net of investment expenses and gross of administrative expenses).

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

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

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

#### OPEB Information

##### *Changes in Assumptions*

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

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

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

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

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



Item	Major Streets	Local Streets	Police Forfeiture	Treasury Forfeiture	Justice Forfeiture	Community Development Block Grant	Building Department
other							
<b>Total liabilities</b>	3,096,449	3,147,161	6,490	69,770	10,877	205,546	157,379
<b>Deferred Inflows of Resources - Unavailable revenue</b>	-	-	-	-	14,937	-	-
<b>Total liabilities and deferred inflows of resources</b>	3,096,449	3,147,161	6,490	69,770	25,814	205,546	157,379
<b>Fund Balances</b>							
<b>Nonspendable</b>	-	-	-	-	-	-	11,611
<b>Restricted:</b>							
<b>Roads</b>	3,533,327	1,593,969	-	-	-	-	-
<b>Drug forfeiture</b>	-	-	424,474	533,311	1,799,689	-	-
<b>Grants</b>	-	-	-	-	-	296,392	-
<b>Capital projects</b>	-	-	-	-	-	-	-
<b>Special millages</b>	-	-	-	-	-	-	-
<b>Building</b>	-	-	-	-	-	-	212,190
<b>Library</b>	-	-	-	-	-	-	-
<b>Opioid settlement</b>	-	-	-	-	-	-	-
<b>Total fund balances</b>	3,533,327	1,593,969	424,474	533,311	1,799,689	296,392	223,801
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$6,629,776</b>	<b>\$4,741,130</b>	<b>\$430,964</b>	<b>\$603,081</b>	<b>\$1,825,503</b>	<b>\$501,938</b>	<b>\$381,180</b>

Page 85 is complex and may be difficult to understand. This page is a continuation of a wide financial table with very small text and missing row labels because the labels and earlier columns are on the previous page, creating a high risk of confusion for screen reader users. I preserved the grouped column structure in accessible table markup and added an explicit continuation note, but the absent row-label text on this page still limits full standalone interpretation. If you need help understanding this page, please use the live assistance options in the sidebar.

**Other Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds**

**June 30, 2023**

**Additional content from previous table:** Row descriptions and earlier fund columns continue from the previous page. This page contains additional fund columns and the total nonmajor governmental funds column.

Combining Balance Sheet, nonmajor governmental funds, continuation

Special Revenue Funds								Debt Service Fund	Pro
DARE/GREAT	Neighborhood Stabilization Program	Building and Grounds	Library	Michigan Indigent Defense Commission	Act 179 Rubbish	Opioid Settlement	Taylor Building Authority Debt	Ro	Imj
\$5,367	\$24,391	\$2,062,728	\$969,764	\$-	\$2,982,127	\$-	\$-	\$-	
-	-	2,391	777	-	4,273	-	-	-	
-	-	-	172	-	178,355	-	-	-	
-	-	2,468	92,176	14,198	-	399,524	-	-	
-	-	350,181	65,848	1,232,276	376,421	129,987	-	-	
-	-	215	2,725	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	6,6
-	113,065	-	-	-	-	-	-	-	
<b>\$5,367</b>	<b>\$137,456</b>	<b>\$2,417,983</b>	<b>\$1,131,462</b>	<b>\$1,246,474</b>	<b>\$3,541,176</b>	<b>\$529,511</b>	<b>\$-</b>	<b>\$6,0</b>	
\$-	\$-	\$293,630	\$15,000	\$19,440	\$215,975	\$-	\$-	\$6,0	
-	-	37,924	12,425	-	68,967	-	-	-	
-	-	57,307	104,526	1,227,034	115,536	-	-	-	
-	-	22,424	20,722	-	70,569	-	-	-	
-	-	411,285	152,673	1,246,474	471,047	-	-	6,4	
5,367	-	-	39,263	-	56,703	399,524	-	-	
5,367	-	411,285	191,936	1,246,474	527,750	399,524	-	6,4	
-	-	215	2,725	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	137,456	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	6,6	
-	-	2,006,483	-	-	3,013,426	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	936,801	-	-	-	-	-	
-	-	-	-	-	-	129,987	-	-	
-	137,456	2,006,698	939,526	-	3,013,426	129,987	-	6,6	
<b>\$5,367</b>	<b>\$137,456</b>	<b>\$2,417,983</b>	<b>\$1,131,462</b>	<b>\$1,246,474</b>	<b>\$3,541,176</b>	<b>\$529,511</b>	<b>\$-</b>	<b>\$6,0</b>	

City of Taylor, Michigan

Special Revenue Funds

Revenue	Major Streets	Local Streets	Police Forfeiture	Treasury Forfeiture	Justice Forfeiture	Community Development Block Grant	E	I
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	Major Streets	Local Streets	Police Forfeiture	Treasury Forfeiture	Justice Forfeiture	Community Development Block Grant	F I
Property taxes	\$-	\$-	\$-	\$-	\$-	\$-	\$
Charges for services							
<i>Intergovernmental:</i>				14,901	968,684	261,358	
Federal grants				14,901	968,684	261,358	
State-shared revenue and grants	5,745,620	2,062,010	46,831				
Licenses and permits							2
Fines and forfeitures							
Interest income	61,622	19,763	7,299	11,321	19,434		5
DMA/911 and other revenue							
<b>Total revenue</b>	5,807,242	2,081,773	54,130	26,222	988,118	261,358	2
<b>Expenditures</b>							
Current services:							
General government	-	-	-	-	-	-	-
Public works and capital projects	2,025,074	4,840,579	-	-	-	187,036	2
Community development	-	-	-	-	-	187,036	-
Recreation and culture	-	-	-	-	-	-	-
Capital outlay	-	-	16,098	69,770	89,552	-	-
Debt service	1,281,400	-	-	-	-	-	-
<b>Total expenditures</b>	3,306,474	4,840,579	16,098	69,770	89,552	187,036	2
<b>Excess of Revenue Over (Under) Expenditures</b>	2,500,768	(2,758,806)	38,032	(43,548)	898,566	74,322	9
<b>Other Financing Sources (Uses)</b>							
Transfers in		2,872,810	-	-	-	-	-
Transfers out	(2,872,810)	-	-	-	-	-	-
<b>Total other financing (uses)</b>	(2,872,810)	2,872,810	-	-	-	-	-

	Major Streets	Local Streets	Police Forfeiture	Treasury Forfeiture	Justice Forfeiture	Community Development Block Grant	F I
<b>sources</b>							
<b>Net Change in Fund Balances</b>	(372,042)	114,004	38,032	(43,548)	898,566	74,322	9
<b>Fund Balances - Beginning of year</b>	3,905,369	1,479,965	386,442	576,859	901,123	222,070	2
<b>Fund Balances - End of year</b>	\$3,533,327	\$1,593,969	\$424,474	\$533,311	\$1,799,689	\$296,392	\$

83

Page 87 is complex and may be difficult to understand. This page is a dense financial table in very small type, and the supplied image does not show the left-hand row labels, which creates a high risk of ambiguity for screen reader users. To improve accessibility, the transcription preserves the visible column structure, uses proper table headers and grouped columns, and explicitly notes that the row labels are not visible in the supplied page image. If you need help understanding this page, please use the live assistance options in the sidebar.

**Other Supplementary Information**

**Nonmajor Governmental Funds — Combining Statement of Revenue, Expenditures, and Changes in Fund Balances**

**Year Ended June 30, 2023**

*Note: The supplied page image shows the numeric portion of the statement table, but the left-hand line-item labels are not visible. The rows below are transcribed in the exact displayed order.*

Nonmajor governmental funds combining statement table

<b>Special Revenue Funds</b>								<b>Debt Service Fund</b>	<b>P</b>
<b>DARE/GREAT</b>	<b>Neighborhood Stabilization Program</b>	<b>Building and Grounds</b>	<b>Library</b>	<b>Michigan Indigent Defense Commission</b>	<b>Act 179 Rubbish</b>	<b>Opioid Settlement</b>	<b>Taylor Building Authority Debt</b>	<b>R</b>	<b>In</b>
\$-	\$-	\$3,975,503	\$1,052,861	\$-	\$5,880,500	\$-	\$-	\$-	
-	-	-	-	-	856,345	-	-	-	
-	-	-	4,419	-	-	-	-	-	
-	-	269,316	201,301	245,562	113,025	129,987	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	15,893	-	-	-	-	-	
-	-	66,966	26,845	-	103,595	-	-	-	13
325	-	247,612	165	-	43,634	-	-	-	
<b>325</b>	<b>-</b>	<b>4,559,397</b>	<b>1,301,484</b>	<b>245,562</b>	<b>6,997,099</b>	<b>129,987</b>	<b>-</b>	<b>-</b>	<b>13</b>

Special Revenue Funds								Debt Service Fund	P
DARE/GREAT	Neighborhood Stabilization Program	Building and Grounds	Library	Michigan Indigent Defense Commission	Act 179 Rubbish	Opioid Settlement	Taylor Building Authority Debt	R	
325	-	-	-	285,537	-	-	-	-	
-	-	1,734,187	-	-	6,171,947	-	-	1,	
-	-	-	-	-	-	-	-	-	
-	-	-	1,118,194	-	-	-	-	-	
-	-	832,881	40,638	-	763,385	-	-	-	
-	-	-	-	-	-	-	1,609,786	-	
<b>325</b>	-	<b>2,567,068</b>	<b>1,158,832</b>	<b>285,537</b>	<b>6,935,332</b>	-	<b>1,609,786</b>	<b>1,</b>	
-	-	1,992,329	142,652	(39,975)	61,767	129,987	(1,609,786)	(9)	
-	-	-	-	39,975	-	-	1,610,786	-	
-	-	(1,609,786)	-	-	-	-	(1,000)	-	
-	-	<b>(1,609,786)</b>	-	<b>39,975</b>	-	-	<b>1,609,786</b>	-	
-	-	382,543	142,652	-	61,767	129,987	-	(9)	
-	137,456	1,624,155	796,874	-	2,951,659	-	-	7,	

Page 88 is complex and may be difficult to understand. This page is a dense financial statement with small text, multi-level column groups, and many numeric cells, which creates a moderate-to-high risk that a screen reader user could lose row and column context. The HTML uses a properly structured data table with grouped headers, row headers, section labels, and explicit totals 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

Other Supplementary Information

## Fiduciary Funds — Combining Statement of Fiduciary Net Position

June 30, 2023

	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	\$2,633,454	\$-	\$2,633,454	\$1,253,220	\$739,365	\$1,992,585	\$4,626,039
Investments:							
Pooled investments	-	4,940,576	4,940,576	-	-	-	4,940,576
<b>Total net position</b>	<b>\$135,577,186</b>	<b>\$4,940,576</b>	<b>\$140,517,762</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$140,517,762</b>

	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	Total Fiduciary Funds
U.S. government securities	970,566	-	970,566	-	-	-	970,566
Agency securities	802,744	-	802,744	-	-	-	802,744
Common and preferred stocks	37,220,585	-	37,220,585	-	-	-	37,220,585
Corporate bonds	3,042,673	-	3,042,673	-	-	-	3,042,673
Mutual funds	47,260,161	-	47,260,161	-	-	-	47,260,161
Partnerships	43,429,750	-	43,429,750	-	-	-	43,429,750
Receivables	217,253	-	217,253	252,379	-	252,379	469,632
<b>Total assets</b>	<b>135,577,186</b>	<b>4,940,576</b>	<b>140,517,762</b>	<b>1,505,599</b>	<b>739,365</b>	<b>2,244,964</b>	<b>142,762,726</b>
<b>Liabilities</b>							
Due to other governmental units	-	-	-	1,060,616	696,242	1,756,858	1,756,858
Other current liabilities	-	-	-	444,983	43,123	488,106	488,106
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,505,599</b>	<b>739,365</b>	<b>2,244,964</b>	<b>2,244,964</b>
<b>Net Position</b>							
<b>Restricted:</b>							
Pension	135,577,186	-	135,577,186	-	-	-	135,577,186
Postemployment benefits other than pension	-	4,940,576	4,940,576	-	-	-	4,940,576
<b>Total net position</b>	<b>\$135,577,186</b>	<b>\$4,940,576</b>	<b>\$140,517,762</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$140,517,762</b>

City of Taylor, Michigan

Other Supplementary Information

### Fiduciary Funds — Combining Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2023

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	Total Fiduciary Funds
<b>Additions</b>							

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	Total Fiduciary Funds
<b>Investment income (loss):</b>							
<b>Interest and dividends</b>	\$3,064,498	\$-	\$3,064,498	\$-	\$-	\$-	\$3,064,498
<b>Net increase in fair value of investments</b>	10,476,626	315,165	10,791,791	-	-	-	10,791,791
<b>Investment costs</b>	(525,889)	-	(525,889)	-	-	-	(525,889)
<b>Net investment income</b>	13,015,235	315,165	13,330,400	-	-	-	13,330,400
<b>Contributions:</b>							
<b>Employer contributions</b>	6,574,292	7,858,291	14,432,583	-	-	-	14,432,583
<b>Employee contributions</b>	626,846	-	626,846	-	-	-	626,846
<b>Total contributions</b>	7,201,138	7,858,291	15,059,429	-	-	-	15,059,429
<b>Property tax collections for other governments</b>	-	-	-	47,398,376	-	47,398,376	47,398,376
<b>Fines and fees</b>	-	-	-	-	534,207	534,207	534,207
<b>Total additions</b>	20,216,373	8,173,456	28,389,829	47,398,376	534,207	47,932,583	76,322,412
				<b>Deductions</b>			
<b>Benefit payments</b>	16,662,200	7,603,291	24,265,491	-	-	-	24,265,491
<b>Administrative expenses</b>	81,682	8,185	89,867	-	-	-	89,867
<b>Tax distributions to other governments</b>	-	-	-	47,398,376	-	47,398,376	47,398,376
<b>Disbursements to state</b>	-	-	-	-	508,425	508,425	508,425
<b>Disbursements to county</b>	-	-	-	-	25,782	25,782	25,782
<b>Total deductions</b>	16,743,882	7,611,476	24,355,358	47,398,376	534,207	47,932,583	72,287,941
<b>Net Increase in Fiduciary Net Position</b>	3,472,491	561,980	4,034,471	-	-	-	4,034,471
<b>Net Position - Beginning of</b>	132,104,695	4,378,596	136,483,291	-	-	-	136,483,291

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	Total Fiduciary Funds
year							
Net Position - End of year	\$135,577,186	\$4,940,576	\$140,517,762	\$-	\$-	\$-	\$140,517,762