



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023



City of Bay City, Michigan
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

Prepared by the City of Bay City Fiscal Services Division

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City of Bay City
List of Principal Officials
June 30, 2023

Mayor

Kathleen L. Newsham

City Commission

1st Ward – Jesse Dockett
2nd Ward – Joseph Rivet
3rd Ward – Andrea Burney
4th Ward – Brentt Brunner
5th Ward – Rachelle Hilliker
6th Ward – Christopher Girard
7th Ward – Shelley Niedzwiecki
8th Ward – Ed Clements
9th Ward – Cordal Morris

Administration

City Manager – Dana Muscott
Fiscal Services Director – George Martini
Human Resources Director – Bradley Tucker
Wastewater Treatment Superintendent – Sharon Cooper
Public Safety Director – Caleb Rowell
Public Works Director – Robert Dion
Electric Director – Adam Webster
Deputy City Manager / Director of Information Technologies – Tony Reyes
Fire Chief – Kurt Corradi



December 20, 2023

To the Honorable Mayor, City Commission, and Citizens of Bay City, Michigan:

The annual comprehensive financial report of the City of Bay City, Michigan for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation including disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2023.

State statutes require an annual audit by independent certified public accountants. The City Commission selected the accounting firm of Yeo & Yeo for this purpose. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. Yeo & Yeo has issued an unmodified ("clean") opinion on the City of Bay City's financial statements for the year ended June 30, 2023. The auditors' report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

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

Reporting Entity

The financial reporting entity includes all the funds of the primary government of the City of Bay City, Michigan as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable.

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 primary government. The Downtown Management Board, Midland Street Management Board, Columbus Avenue Management Board, Brownfield Redevelopment Authority, and all Tax Increment Finance Authorities (TIFA's) and Downtown Development Authorities (DDA's) are reported as discretely presented component units.

Profile

Bay City is located at the mouth of the Saginaw Bay in the east central portion of Michigan's Lower Peninsula. The City's rich historical and ethnic heritage began with the lumber boom in the mid-1800s. Two of the City's sawmills were among the three largest sawmills in the world at the time. With the decline of the lumber industry, shipbuilding became the major economic force in the early 1900's. Shipbuilding gave way to the automobile industry as the 20th century progressed. General Motors continues to be a principal property taxpayer; however, Bay Regional Medical Center, a healthcare provider, is now the largest employer in the City.

The City's waterfront location provides citizens with a variety of leisure activities. Boating, fishing and great events throughout the year headline the selections. The "St. Patrick's Day Parade", "Fourth of July Fireworks Festival," "Ribfest", "River of Time," in addition to the numerous concerts and shows in Wenonah Park and Veterans Memorial Park are just some of the activities that draw several hundred thousand people to the community every year. A program created during the COVID-19 pandemic, "Feet on the Street", which closed off selected downtown streets to allow outdoor dining in downtown restaurants has been continued and has also been very successful in bringing people to enjoy downtown offerings.

The angling opportunities of the Saginaw River and Saginaw Bay, prompted visits from the National Professional Fishing League (NPFL) and Major League Fishing (MLF) tournaments during the summer of 2023. This was the second visit from the National Profession Fishing League and the first visit from Major League Fishing. The Nation Professional Fishing League will be returning in 2024 while Major League Fishing will be returning in 2025.

The City of Bay City operates under a Commission/Manager form of government in which policy making and legislative authority are vested in a governing council (Commission) consisting of a Mayor and nine City Commissioners. All are elected on a non-partisan basis. The City is split into nine wards with one Commissioner elected from each ward. Commission members serve four year terms, with four or five members elected every two years (based upon odd or even numbered wards). The Mayor is elected at large for a four year term. The Commission appoints the Manager, who in turn appoints the heads of the various departments. The City Commission is also responsible for appointing the City Clerk, the City Assessor, the City Treasurer, and the City Attorney. Once appointed, these City officials are supervised by the City Manager.

The Commission is required to adopt a final budget prior to the beginning of the fiscal year (July 1). The annual budget serves as the foundation for the City of Bay City's financial planning and control. A separate capital improvement budget is prepared for the upcoming fiscal year and the succeeding five years. This budget is updated monthly to reflect the current needs and financial position of the City.

Financial Information

General Government Functions: The City provides a full range of services to its citizens. These services include public safety (law enforcement and fire protection) and protective inspection; maintenance of highways, streets and infrastructure; sanitation services; parks and recreational facilities; planning and zoning; other general administrative services; and other services mandated by state law or authorized by the City Commission. In addition, water, sewer, and electric utilities are provided on a user fee basis. The City also operates a public-use general aviation airport.

Budgetary Controls: In addition to internal accounting controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. Activities of all governmental and proprietary funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the

appropriated amount) is exercised on a basis consistent with generally accepted accounting principles for all governmental fund types, except capital project funds which are adopted on a project level. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Internal Control: Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse and to provide that adequate accounting data can be compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. We believe the City's internal control adequately safeguards, and provides reasonable assurance of proper recording of financial transactions. Because of inherent limitations in any internal accounting control, errors or irregularities nevertheless may occur and not be detected.

Single Audit: As a recipient of federal financial assistance, the City also is responsible for ensuring that adequate internal control is in place to allow for compliance with applicable laws and regulations related to those programs. Internal control is subject to periodic evaluation by management of the City.

As a part of the City's single audit, tests are conducted to determine the adequacy of internal control, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations.

Local Economy

The City continues to experience a strong economy. The unemployment rate, which hovered around 5% for all of 2019 and the beginning of 2020, is now at a level lower than before the COVID-19 pandemic (4.2% as of October, 2023).

General Fund saw a significant increase in revenues during fiscal year 2023; increasing approximately \$850,000 or 3.7%. While marijuana revenues were down compared to 2022 and the amount received for State Shared Revenue Sharing in 2023 was almost the same level as 2022, property tax revenue increases of over 6.0% in 2023 and increased interest earnings buoyed General Fund revenues. The property tax increases were the result of a 7.65% increase in taxable value due to very strong real estate sales.

General Fund expenditures and other financing uses increased approximately \$1,390,000 or 6.2%. The strong revenues enabled the City to bolster Public Safety staffing as well as funding capital projects in the General Fund and other funds receiving General Fund support.

For the fiscal year ended June 30, 2022, the General Fund unassigned fund balance of \$5,491,783 exceeded the Commission policy of between 15% and 20% of the previous years amended expenditure budget by \$945,239. With City Commission approval, this amount was transferred during fiscal year 2023 to the Public Improvement Fund for future capital expenditures. This planned transfer resulted in General Fund Expenditures and Other Financing Sources (Uses) exceeding General Fund Revenues by \$134,840.

In recent years, the city has seen significant private investments consistent with demand shifts favoring downtown and urban-style residential options. These investments have resulted in both new construction and rehabilitation of existing structures, developments that continue shifting the face of Bay City and adding to the vibrant riverfront living experience in the community.

The Uptown development, located just south of the City's downtown area, creates a new southern anchor for the City's enhanced downtown riverfront district. The project's developer has completed the first phase of this prominent district which included over \$50 million in total investment. Construction has begun on the second phase of this development which includes significant infrastructure work as well as dozens of high-end loft and residential units buttressing enviable storefront and office spaces. Several retail spaces have opened and residential units have been filled.

Uptown Bay City now hosts corporate offices for Michigan Sugar, Huntington Bank and others, and as of 2016 features a Courtyard by Marriott hotel. McLaren Bay Region also constructed a 70,000 square foot 3-story medical office building that opened in 2016.

The development features a marina, outstanding riverfront restaurant space, and has become an attractive destination for visitors to Bay City. The development's dozens of residential spaces have received regional acclaim. Phase II includes another plaza area that contains a structure honoring our sister city Ansbach, Germany.

Additional significant spaces have recently been developed downtown by a local investor and developer, Jenifer Acosta, resulting in the restoration and remodeling of the former Bay City Times printing facility into 31 high-end residential spaces, all of which have been leased out. The developer has also completed a \$12 million restoration of the former Crapo building located at the epicenter of downtown Bay City. This building, originally constructed in 1890, boasts luxury residences, restaurant and storefront space, and offices. While the finishing touches of this project are still continuing, the residential spaces in this building have begun to fill-up with new downtown tenants. Ms. Acosta has also begun construction on a new facility that will have an additional 12 residential units in the downtown area.

In August 2016, the City received a presentation from hired housing consultants at CZB, LLC, in which chronic and systemic challenges to the community's housing stock were chronicled. Subsequent to the data and recommendations provided via that study, the 2016 Report on Housing & Neighborhoods, the City has developed a housing improvement strategy that will be carried out through 2032 to gradually enhance housing conditions and, as a result, housing values within Bay City. The strategy entails a combination of targeted public investments, enhanced code enforcement efforts, redirection of incentives to products that "push the market up" (consistent with above-noted riverfront and urban-style market-based residential developments), and economic development marketing.

<u>Business</u>	<u>Investment</u>	<u>Project</u>
Bay Riverfront, LLC	\$17,200,000	Phase 1 of Phase II of Uptown Bay City, a major mixed-use development near downtown Bay City. Phase I of Phase II includes apartments and townhouses. There is significant additional investment in Phase II of mixed-use buildings. Infrastructure has been completed and all housing that is complete is occupied. Several retail spaces have also been opened.
General Motors Corp.	\$216,000,000	This project will be used for upgrading equipment and processes in the Bay City facility to support future V-8 engine production. This investment continues General Motors upgrading of this facility for future production.
3 Mission, LLC	\$4,800,000	The proposed redevelopment includes the renovation of two vacant and blighted attached buildings totaling approximately 9,448 square feet. Future use following redevelopment will include three residential units, a brew pub, and a restaurant (refer to the attached redevelopment plans). The property was historically used as a gasoline filling and automotive service station.

<u>Business</u>	<u>Investment</u>	<u>Project</u>
Mersen USA GS	\$75,000,000	Mersen USA GS Corporation, is planning a significant expansion of their Bay City location over the next 4-5 years. Phase I initial investment, approximately \$17 million, will be for land acquisition, to construct warehouse and manufacturing buildings and modification of power stations. They will be expanding their labor force by approximately 15 people. Their current labor force is approximately 178. From 2024-2027, there will be additional investment(s) in manufacturing equipment, building and land acquisition for a grand total of \$75 million by 2027. The investment will include additional equipment and additional buildings. The labor force is expected to expand to approximately 250 by 2027.

Long-Term Financial Planning

The City Commission adopted a policy that states that the City shall maintain a sum total of Unassigned Fund Balance plus Committed Fund Balance for Future Operations in its General Fund ranging from a minimum of fifteen (15) percent to a maximum of twenty (20) percent of the City's previous year's amended total budgeted expenditures. Based on this policy, the City should have unassigned fund balance of between \$3,686,054 and \$4,914,739. The total Unassigned General Fund fund balance at June 30, 2023 was \$5,359,636 or 21.8% of the previous years amended expenditure budget.

The 2023/2024 fiscal year budget, for the tenth consecutive year, was balanced with no required use of General Fund fund balance. It is expected that the City will be able to maintain the City Commission required level of Unassigned Fund Balance in the General Fund.

Major Initiatives

The City of Bay City is located on the Saginaw River which bisects the City into the West and East side of the river. There are four (4) bascule bridges that cross the river at different points in the City. Two of these bridges are owned by the State of Michigan while the remaining two are owned by the City. These bridges are manned 24 hours per day, 7 days per week from April 1 through December 31 to accommodate both recreational boats as well as large lake freighters. There are approximately 1,000 openings per year of these drawbridges. The oldest of the two bridges, Independence Bridge was built in 1976 while Liberty Bridge was constructed in 1983.

The costs to operate, and more importantly, maintain these bridges has increased dramatically as the bridges aged. The bridges need significant repairs or replacement with estimated costs in excess of \$100 million. After significant engineering and operational studies which included numerous public meetings to discuss options, the City issued a Request for Proposal for options to address the refurbishment/replacement of these bridges. Of the three proposals received, the City accepted the proposal of United Bridge Partners for a Public/Private Partnership. UBP will lease the bridges from the City for a period of 75 years and will completely rebuild the Liberty Bridge and the Independence Bridge. Upon completion of the rebuild, UBP will charge tolls for crossing the bridge. If at any point UBP is unwilling or unable to continue to operate the bridges, control of the bridges will revert back to the City. This arrangement will eliminate the very large liability that the City had for bridges that were at or near their service life. UBP and the City finalized this arrangement for the Liberty Bridge in fiscal year 2020/2021 while the lease for the Independence bridge was approved in December, 2022. The rebuilding of Liberty Bridge was completed in early 2023 and UBP has begun collecting tolls on that bridge. The Independence Bridge reconstruction has begun and is expected to be completed by the end of 2024.

In early 2018, the City purchased an existing facility in the City to be utilized as a replacement for the existing Department of Public Works facilities. After reviewing numerous options for the building renovation, the plans were finalized. The City issued \$14.5 million in debt during the 2021/2022 fiscal year to finance the renovations of this facility. The renovation of this facility to accommodate the needs of the Department of Public Works has been completed with all DPW staff moving into that facility in May, 2023.

American Rescue Plan Act of 2021

In early 2021, the City was awarded approximately \$31.1 million in Federal funds from the American Rescue Plan Act of 2021 (ARPA). These funds have to be allocated for eligible expenditures no later than December 31, 2024, with the final costs incurred prior to December 31, 2026.

Allowable uses of these funds include (1) Responding to the COVID-19 Public Health Emergency or its negative economic impacts, (2) Providing premium pay to workers performing essential work during the COVID-19 pandemic, (3) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 pandemic, and (4) To make necessary investments in Water Sewer, and Broadband Infrastructure.

The City Commission has created three subcommittees (Increase Population which includes Infrastructure, Social Mobility, Children and Education) to determine the best uses of these funds. The tentative allocations to these areas include significant resources for water infrastructure improvements (specifically lead service line replacements), sewer improvements and possibly road improvements that would be allowable as "government services" to the extent of the reduction in revenue due to the COVID-19 pandemic.

As of June 30, 2023, the City Commission has allocated or reserved a total of \$30,630,489 of the total \$31,076,578 allocation. Of this amount, \$21,996,572 will be utilized for City infrastructure while the remainder will be used to assist City residents and non-profits assisting City residents. As of June 30, 2023, the City had expended a total of \$4,377,692 of the available funds.

The \$21,996,572 of ARPA resources that have been allocated to infrastructure improvements in Bay City will be used as follows:

\$10,000,000 will be used by the Water Department to replace the lead service lines in the City. The State of Michigan has set a deadline that all lead lines throughout the State need to be replaced by the end of 2037. This funding will allow the City to achieve that goal without dramatic increases in water rates to fund the replacements.

\$6,000,000 will be used by the Sewer Department to fund the replacement of the "trickling filters". These "trickling filters" are used in Water Treatment plant as the secondary biological treatment of the City's wastewater. This funding will allow the City to replace these filters that are critical to maintaining the cleanliness of wastewater being returned to the Saginaw River without a dramatic increase in sewer rates to fund this capital project.

\$5,996,572 will be utilized by the City's Street Department to fund road improvements projects throughout the City. This will allow numerous road projects to be completed years earlier than they were originally scheduled to be completed.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bay City for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

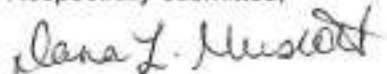
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The completion of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire Fiscal Services Division. We would like to express our appreciation to all members of the departments who assisted and contributed to its preparation, especially Angela Willsie, Deputy Fiscal Services Director, and the Accounting staff, for their assistance throughout the audit and with the preparation of this report.

Finally, we would like to thank the Mayor, members of the City Commission, and the various City departments for their leadership and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

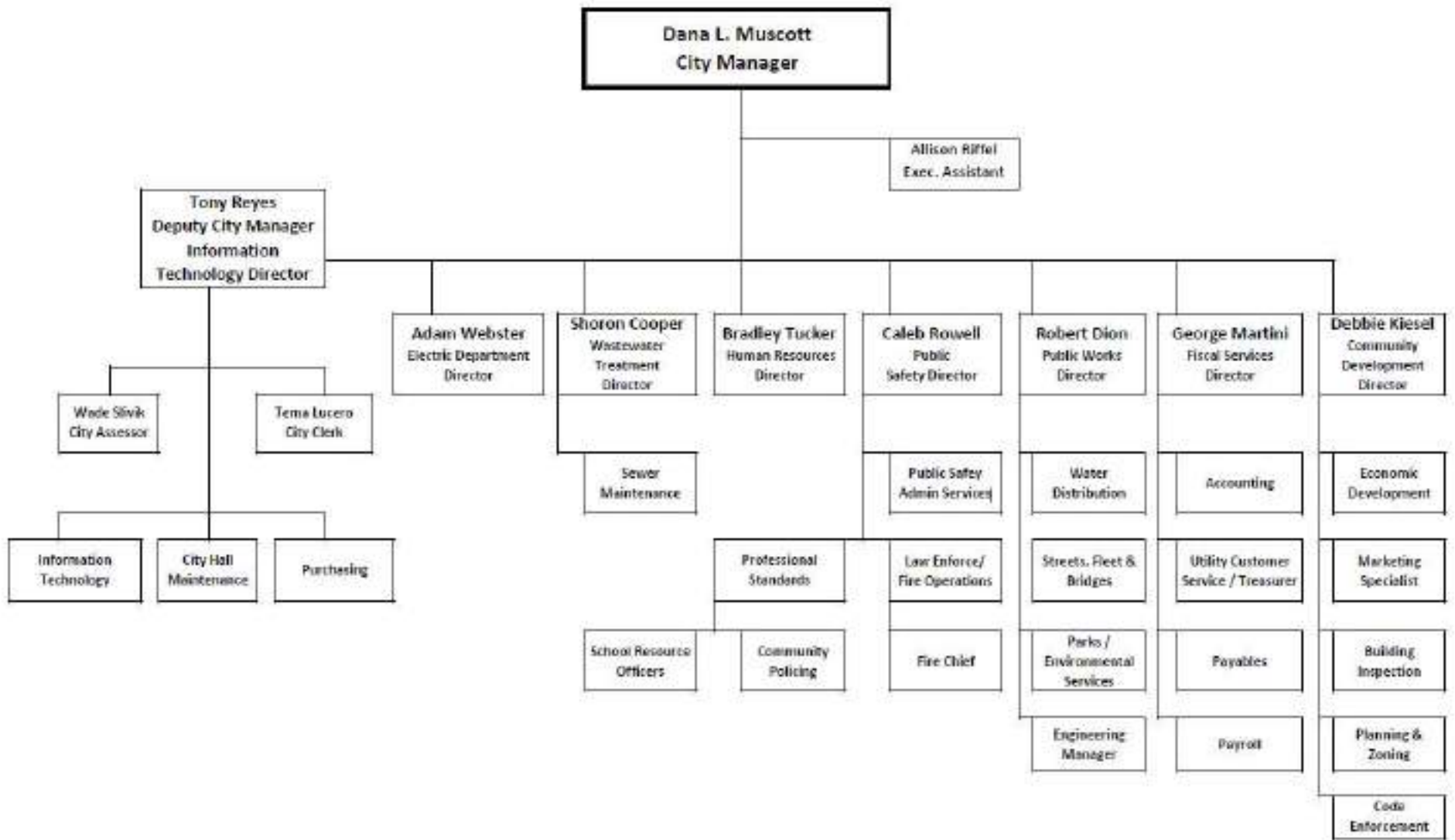
Respectfully submitted,



Dana L. Muscott
City Manager



George Martini
Fiscal Services Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bay City
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



Independent Auditors' Report

To the Honorable Mayor, the City Commission and Management
City of Bay City
Bay City, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bay City (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 the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Police and Fire Retirement Pension Trust Fund, which represents 37 percent of assets, 45 percent of fund balance/net position, and 12 percent of revenues of the aggregate remaining fund information or the Bay City Housing Commission component unit, which represents 35 percent of assets, 78 percent of net position and 54 percent of revenues of the aggregate discretely presented component units as of June 30, 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Police and Fire Retirement Pension Trust Fund and the Bay City Housing Commission, are 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 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 Auditors' 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.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and the pension and OPEB schedules, 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 who 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 and other auditors 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.

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 purposes 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 by us and other auditors. In our opinion, based on our audit and the reports of the other auditors, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 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, and 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 does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. 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.

Yeo & Yeo, P.C.

Saginaw, Michigan
December 20, 2023

City of Bay City
Management's Discussion and Analysis
June 30, 2023

This discussion and analysis of the City of Bay City, 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.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2023:

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$200,223,680 (net position). This balance is comprised of net investment in capital assets of \$184,329,882, \$7,239,543 restricted for specific purposes and an unrestricted net position of \$8,654,255.
- Total net position related to the City's governmental activities increased by \$5,422,273 from the previous year. The business-type activities net position increased by \$16,543,782. Please see the "Governmental Activities" and "Business Type Activities" sections of this Management and Discussion Analysis for further details.
- At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$13,445,912, an increase of \$836,575 from prior year.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$5,365,536 or approximately 24% of total General Fund expenditures.
- The City's total liabilities balance decreased by \$11,339,336, or 6.8%. The City's total liabilities in the governmental activities decreased by \$4,958,078 or 4.3%. The largest decrease in the governmental activities was the net OPEB liability; a decrease of \$7,141,352, the next largest decrease was unearned revenue a decrease of \$2,650,725, along with the current debt decrease

by \$1,361,226. This was offset by an increase in long term debt related to the landfill remediation in the amount of \$1,716,005 and the increase in the net pension liability for general employees in the amount of \$2,954,099.

- State shared revenue remained relatively consistent from the amount received in the 2021/2022 fiscal year. The City's State Revenue Sharing was a total of \$5,256,367. The amount received in 2022/2023 exceeded the amount received in 2009, since the State of Michigan made significant cuts to local government revenue sharing. The amount received in 2022/2023 was \$190,917 more than was received in 2009. These additional revenues will be used to address infrastructure issues and unfunded liabilities as well as providing services to City constituents.
- The City continued its commitment to improving its infrastructure during the fiscal year. The City completed the Washington & 6th Street, and the Kelton Street road projects. The total of these road projects were \$513,405 and \$390,537, respectively. The City also ended the year with several construction projects in process, Wenona Street, Center Avenue and Saginaw Street, McKinley Street, Eddie Street, Grant Street, and John Street road projects had total capital outlay of \$2,138,405 at 6/30/2023. These projects were primarily funded by local contributions, state resources and federal grants.

Using This Annual Report

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

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The statement of net position and the statement of activities distinguish functions of the City that are primarily supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, and economic development. The business-type activities of the City include electric, water, sewer, cemetery, airport and marina.

The government-wide financial statements include not only the City itself (known as primary government), but also the component units which are legally separate authorities for which the City is financially accountable. Financial information for the component units are reported separately from the financial information presented from the primary government itself.

The fund financial statements present a short-term view. They tell us how the taxpayers' resources were spent during the year, as well as 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 fund financial statements can be divided into three categories including governmental funds, proprietary funds, and fiduciary funds. The fiduciary fund statements also provide information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

The City as a Whole

For the fiscal year ended June 30, 2023, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$200,233,680. By far, the largest portion of the City's net position reflects its investment in capital assets (i.e. land, buildings, vehicles, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its

capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table shows, in a condensed format, the net position as of June 30, 2023 and 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 50,700,228	\$ 64,578,335	\$ 73,716,169	\$ 79,399,829	\$ 124,416,397	\$ 143,978,164
Capital assets	91,287,640	78,994,728	130,023,691	122,131,214	221,311,331	201,125,942
Total assets	<u>141,987,868</u>	<u>143,573,063</u>	<u>203,739,860</u>	<u>201,531,043</u>	<u>345,727,728</u>	<u>345,104,106</u>
Deferred outflows	6,165,489	8,345,176	5,954,475	1,995,621	12,119,964	10,340,797
Current liabilities	36,038,996	35,350,009	7,908,176	7,320,292	43,947,172	42,670,301
Long-term liabilities	72,101,135	77,748,200	37,467,075	44,436,217	109,568,210	122,184,417
Total liabilities	<u>108,140,131</u>	<u>113,098,209</u>	<u>45,375,251</u>	<u>51,756,509</u>	<u>153,515,382</u>	<u>164,854,718</u>
Deferred inflows	3,691,201	7,920,278	417,429	4,412,282	4,108,630	12,332,560
Net position:						
Net investment in capital assets	74,737,953	71,453,461	109,591,929	97,158,997	184,329,882	168,612,458
Restricted	6,284,268	11,360,877	955,275	955,275	7,239,543	12,316,152
Unrestricted (deficit)	(44,700,196)	(51,914,586)	53,354,451	49,243,601	8,654,255	(2,670,985)
Total net position	<u>\$ 36,322,025</u>	<u>\$ 30,899,752</u>	<u>\$ 163,901,655</u>	<u>\$ 147,357,873</u>	<u>\$ 200,223,680</u>	<u>\$ 178,257,625</u>

The City's total combined net position increased by \$21,966,055 over the course of the fiscal year's operations to a total of \$200,223,680. Explanations for those changes are described below under the "Governmental Activities" sections of this Management and Discussion Analysis.

Within the governmental activities net position, \$74,737,953 is net investment in capital assets, and is not available to meet the government's ongoing obligations to citizens and creditors. Within the business-type activities, an additional \$109,591,929 net investment in capital assets. These amounts represent an increase in the City's overall investment in capital assets of \$15,717,424. The increase is a result of the liability of the bonds in both the governmental and business type activities decreasing. The remainder of the difference was between the addition of capital assets and the current year's depreciation expense.

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The following table shows the changes of the net position during fiscal years 2023 and 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues:						
Charges for services	\$ 5,628,746	\$ 7,616,823	\$ 66,228,451	\$ 64,628,326	\$ 71,857,197	\$ 72,245,149
Operating grants & contributions	12,407,618	8,543,080	97,084	878,687	12,504,702	9,421,767
Capital grants & contributions	-	-	2,572,390	18,836	2,572,390	18,836
General Revenues:						
Property taxes	12,554,621	12,242,133	-	-	12,554,621	12,242,133
Grants not restricted	5,267,851	5,312,361	-	-	5,267,851	5,312,361
Unrestricted investment earnings	1,478,813	-	975,541	-	2,454,354	-
Gain on sale of capital assets	37,513	56,937	495	523	38,008	57,460
Miscellaneous	1,118,938	1,052,458	445,978	498,055	1,564,916	1,550,513
Total revenues	38,494,100	34,823,792	70,319,939	66,024,427	108,814,039	100,848,219
Expenses:						
General government	1,949,516	939,199	-	-	1,949,516	939,199
Public safety	12,062,123	11,049,814	-	-	12,062,123	11,049,814
Public works	11,465,968	15,188,477	838,541	774,355	12,304,509	15,962,832
Parks and recreation	1,703,730	1,161,446	-	-	1,703,730	1,161,446
Economic development	2,758,557	1,898,454	-	-	2,758,557	1,898,454
Interest on long term debt	157,991	43,375	-	-	157,991	43,375
Electric	-	-	37,979,268	36,817,995	37,979,268	36,817,995
Water	-	-	8,505,249	7,845,238	8,505,249	7,845,238
Sewer	-	-	9,427,041	10,204,803	9,427,041	10,204,803
Total expenses	30,097,885	30,280,765	56,750,099	55,642,391	86,847,984	85,923,156
Excess or (deficiency) before transfers	8,396,215	4,543,027	13,569,840	10,382,036	21,966,055	14,925,063
Transfers	(2,973,942)	(1,299,246)	2,973,942	1,299,246	-	-
Changes in net position	5,422,273	3,243,781	16,543,782	11,681,282	21,966,055	14,925,063
Net position - beginning	30,899,752	27,655,971	147,357,873	135,676,591	178,257,625	163,332,562
Total net position	\$ 36,322,025	\$ 30,899,752	\$ 163,901,655	\$ 147,357,873	\$ 200,223,680	\$ 178,257,625

Governmental Activities

The governmental-type activities saw an overall increase in net position of \$5,422,273. The revenue and expense trends of the governmental activities are discussed below.

The governmental activity revenue increased from the prior year by \$3,670,308. This increase is detailed by major revenue categories as follows:

- Property taxes comprised the largest portion of governmental activity revenue at 32.61% of total revenues or \$12,554,621. This is a \$312,188 or 2.55% increase from the prior year.
- Operating grants and contributions comprised \$12,407,618 or 32.23% of governmental activity revenue. This is an increase of \$3,864,538 or 45.24% from the prior year.

- Grants and contributions not restricted to specific programs account comprised \$5,267,851 or 13.26% of governmental activity revenue, a decrease of \$44,510 from the prior fiscal year.
- Charges for services comprise \$5,628,746 or 14.62% of governmental activity revenue. Charges for services decreased by \$1,988,077; a 26.10% decrease from the prior year.
- Total expenses for governmental activities decreased by \$182,880 or 0.60% from the prior year.

Business-Type Activities

The City's business-type activities consist of services provided by the electric, water, sewer, cemetery, airport and marina. These services are available to all City residents as well as selected out-city customers of the electric and water utilities. The business-type activities saw an overall increase in net position of \$16,543,782 primarily due to the following:

- The electric operations experienced an increase in revenues for sales to customers in the amount of \$2.3 million. The Electric Department had a rate increase beginning in April 2022. The average sales per month in the 2021/2022 fiscal year was \$3.45 million and in the 2022/2023 fiscal year the average sales per month was \$3.64 million.
- The electric operations also saw an increase in operating expenses of approximately \$3.8 million. The largest increase was related to the increased cost of purchased power. This was offset by the decrease in administrative and depreciation expenses.
- The water operations was relatively static with a slight increase in revenues from sales to customers of \$34,248.

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- The Water Fund experienced increases in operating expenses of approximately \$659,779. The largest increase was related to the increased cost of material for the lead water line replacement project.
- The sewer operation sales to customers decreased by \$638,369. This is a result of the reduction in sewer rates to customers that started in February 2023. This is a direct result of the Michigan Municipal Bond being paid in full.
- The Sewer Fund experienced a decrease in operating expenses in the amount of \$1,038,886. The largest decrease was the decrease in the retiree healthcare costs, which was a direct result of the positive actuarial outcome. Other decreases were attributable to reductions in equipment maintenance supplies, road maintenance materials, landfill costs and MERF rentals.

The City's Funds

The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Commission creates funds to help manage monies for specific purposes as well as to show accountability for certain activities, such as a property tax millage. The City's major governmental funds for fiscal year 2023 include the General Fund, Major Streets Fund, the Rehabilitation Fund and the American Rescue Plan Act Fund.

The General Fund is the chief operating fund of the City. The most significant source of revenue is property taxes, which generated \$12,575,761 in the current fiscal year. This is an increase of \$628,260 from the prior fiscal year.

- General Fund expenditures increased by \$1,145,088 and transfers out increased by \$243,888 for a total increase of \$1,388,976. There were several factors that led to the increase of expenditures in the General Fund. The largest increase was in fringe benefits related to pension and retiree healthcare benefit costs. The total increase in fringe benefits was

\$602,292. Other services increased by \$346,259. There were various factors contributing to the increase to include professional services, site remediation, building maintenance, MERF rentals, utilities and building rental costs. Capital outlay increased by \$148,744, which was an increase for land improvements. These increases were offset by decreases. The largest of these decreases was in operating supplies, a total decrease of \$62,421 from the 2021/2022 fiscal year. There was a large decrease in the transfers out category; the transfer to the Site Remediation Fund was decreased by \$454,890. The transfers out decrease is offset by the increases to transfers to Public Improvement Fund and the Airport Fund, \$550,960 and \$119,903, respectively.

- The most significant service accounted for within the General fund is public safety, which incurred expenditures of \$13,764,158 in the current year. This expenditure increased by \$678,672 from the prior year. The largest portion of the increase is attributable to the fringe benefit increases for retirement, retiree healthcare and retiree healthcare savings this accounts for a majority of the increase of \$485,213. The remainder of the increases were for site remediation of a fire station and an increase in MERF rentals.

At the end of the fiscal year, the unassigned fund balance of the General Fund was \$5,365,536. As a measurement of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents approximately 24% of General Fund expenditures.

The Major Streets Fund accounts for major streets maintenance funds received from the State of Michigan, as well as property tax and other revenues used to maintain and reconstruct major streets within the City. During the fiscal year ended June 30, 2023, the City received \$4,883,801 in grants and state maintenance funds and \$564,224 in property taxes and expended \$2,260,390 on capital outlay. This capital outlay was primarily for the rehabilitation of Washington & 6th Streets, Wenona Street, McKinley Street, Center Avenue & Saginaw Street,

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Eddie Street, Grant Streets, and Kelton Street road projects. The funds were also used for the preservation and maintenance of existing streets and sidewalks.

The Rehabilitation Fund is used to account for revenues and expenditures related to providing financing to low- and moderate-income individuals to assist in home improvements. During the most recent fiscal year, \$11,419 was spent to assist residents of the City with home improvements.

Some notable items in the non-major other government funds are:

The Local Street Fund ended the fiscal year with restricted fund balance of \$1,635,092, a decrease of \$451,041 from fiscal year 2021/2022.

The Solid Waste Fund ended the fiscal year with a restricted fund balance of \$417,189; an increase in fund balance of \$46,517.

The Building Inspection Fund ended the fiscal year with restricted fund balance of \$76,073 an increase of \$73,810 from fiscal year 2021/2022.

The Drug Law Enforcement Fund ended the fiscal year with restricted fund balance of \$47,197, a decrease of \$44,828 from fiscal year 2021/2022.

The Community Development Block Grant Fund expended \$280,963 on economic development activities and \$736,426 on the replacement of sidewalks in low to moderate income areas.

General Fund Budgetary Highlights

The City of Bay City adopted a balanced budget for fiscal year 2022/2023. During the fiscal year, the budget was amended to align the budgeted amounts within the funds in various departments to cover unanticipated costs and to recognize projected increases or decreases to revenues. The most significant amendments occurred due to the following:

- The City Clerk revenue within the General Fund was amended to reflect an increase in the Recreational Marijuana Excise Tax in the amounts of \$115,660.
- The Finance Department revenue within the General Fund was amended to reflect the increases in Appropriated Fund Balance. The increases were to transfer excess fund balance to the Public Improvement Fund; to cover unexpected Election Costs, to roll forward of funds associated with prior year purchase orders and to remediate PFAS from the Fremont Fire Station. The amendments were in the amounts of \$985,239, \$13,397, \$111,862, and \$67,344, respectively.
- The Public Safety Department within the General Fund was amended to reflect an increase in Federal Grants for the purchase of mobile data terminals; also in State Grants and for a police recruiting grant. The amendments were in the amounts of \$30,828 and \$80,742, respectively. There was also a transfer from the Drug Law Enforcement fund to purchase a drone and provide training in the amount of \$20,700.
- The Parks Department revenue within the General Fund was amended for an additional transfer from CDBG for the Maplewood Park improvement project. The amendment was in the amount of \$90,816.
- The City Manager Department was amended to cover the costs for increased wages related to contractual increases in the amount of \$21,982.

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- The Assessors Department within the General Fund was amended to reflect the increase in attorney fees for tax appeals. The increase was in the amount of \$50,000.
- The City Attorney's budget within the General Fund was amended to reflect the increase in attorney fees for the City's legal issues. The increase was in the amount of \$50,000.
- The Finance Department within the General Fund was amended to cover the allowance for doubtful accounts for year-end adjustments calculated during the year end closing of the funds. The budget was amended in the amount of \$32,814.
- The City Hall and Grounds Department within the General Fund was amended to cover the cost of increased utilities in the amount of \$48,932.
- The Public Safety Department within the General Fund was amended to reflect an increase in equipment for the purchase of a drone. Professional services was amended in the amount of \$19,956, education and training was amended for the purchase of rifles and rifle optics in the amount of \$11,003. Education and training was amended to cover the cost of four recruits from the Delta College police academy funded with grant dollars in the amount of \$36,112.
- The Public Safety Fire Services Department within the General Fund was amended to reflect the increase in site remediation for the removal of PFAS at the Freemont Fire Station in the amount of \$107,344. There was also an amendment to reduce the health insurance by \$40,000.
- The Planning Department within the General Fund was amended to reflect an increase in professional services to complete the zoning ordinance in the amount of \$6,800.
- The Parks Department within the General Fund was amended to reflect an increase in salaries and wages due to restructuring of employees, an increase in software maintenance and an increase of land improvements for playground improvements. The amendments were in the amounts of \$40,000; \$30,584 and \$125,000, respectively.
- Transfers Out within the General Fund was amended to reflect increases to the Transfer to Public Improvement Fund. This amount was to transfer the amount above the twenty percent policy for fund balance in General Fund. These funds will be used for projects within the City. The amendment was in the amount of \$945,239. There was also an amendment to increase the transfers to the Marina in the amount of \$40,000.

Other differences between the original and final amended budget for revenues and expenditures were relatively minor.

During the year, actual revenues were more than the amount of the amended budget by approximately \$552,815. A majority of the differences were relatively small amounts. Below are the significant increases/decreases which were attributable to the following:

- The City received State Revenue Sharing in an amount of \$315,112 more than anticipated for the fiscal year.
- The City received Local Community Stabilization Share funds in an amount of \$65,505 more than anticipated for the fiscal year.
- The City received reimbursements for special events as many of the events began to take place after the pandemic. The receipts were \$30,538 more than the budgeted amount.
- The City budgeted amount in interest earnings and investment in market gain was more than anticipated. This was attributable

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to the increase in interest rates. The receipts were \$92,508 and \$14,910 more than budgeted, respectively.

- The City received less revenues than anticipated for medical and recreational marijuana licenses; the shortages were in combined total of \$97,400.
- The City did not receive all the anticipated tax revenue. The amount was \$63,140 less than budgeted.
- The City did not receive all the anticipated returnable liquor licenses. The amount was \$28,516 less than budgeted.
- The City did not receive all the anticipated C.A.T.V. contract fees. The amount was \$28,503 less than budgeted.

Actual expenditures and transfers out were less than budgetary estimates by \$800,695. The Assessor, Public Safety and Parks departments in General Fund were large contributors of savings, as the departments were underspent by \$60,208, \$443,279 and \$147,570, respectively. The City did have a few budget variances within the General Fund. These budget variances were a result of receiving invoices and yearend adjustments after the fiscal year ended and thus, the City was unable to make appropriate budget adjustments.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounted to \$221,311,331 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, and sidewalks.

Additional information on the City's capital assets can be found in note 6; capital assets, beginning on page 4-36 in the notes to the financial statements.

Long-term Debt. At year end, the City has total outstanding debt of \$50,577,499, which included a current portion of \$5,297,055. Of this amount, \$27,144,099 is backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured by specific sources, such as revenue bonds. The long-term debt can be summarized as follows:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Bonds and notes payable	\$ 16,549,687	\$ 16,804,091	\$ 20,604,907	\$ 25,178,072	\$ 37,154,594	\$ 41,982,163
Compensated absences	3,742,122	3,011,759	1,402,620	1,072,196	5,144,742	4,083,955
Landfill	8,278,113	8,399,293	-	-	8,278,113	8,399,293
Total	\$ 28,569,922	\$ 28,215,143	\$ 22,007,527	\$ 26,250,268	\$ 50,577,449	\$ 54,465,411

The City's total debt decreased by \$4,427,962 during the fiscal year. State statutes limit the amount of general obligation debt a government entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City is \$64,816,000 which is significantly in excess of the City's outstanding general obligation debt applicable to this limit.

Additional information on the City's long-term debt can be found in note 9; the long-term debt, beginning on page 4-40 in the footnote in the financial statements.

Economic Factors

Despite continuing budget challenges, the City of Bay City has been able to adopt a balanced City budget once again for the 2023/2024 fiscal year that did not require the use of any General Fund reserves. This is the tenth year in a row that the City has been able to balance the budget without the use of reserve funds. Driving this fiscal conservatism is the City Commission policy that recommends that the City maintain between 15% and 20% of expenditures in fund balance. Since 2015, the City General Fund has annually completed the fiscal year with excess revenues over expenditures. Although the amount in General Fund fund balance in excess of the 20% Commission policy is available for any General Fund purpose, over the past several years it has been transferred to the Public Improvement fund. The Public Improvement fund is utilized by the City to make needed improvements in City infrastructure.

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During the 2022/2023 fiscal year, the City transferred the amount in General Fund balance that was over the recommended 20% upper limit of the Commission policy, \$945,239, to the Public Improvement fund for possible use for capital improvement projects in the City. This transfer was responsible for the General Fund to reflect excess expenditures and other financing uses to be in excess of revenues and other financing sources by \$134,843 for the first time since 2014. Consistent with previous years, General Fund revenue exceeded General Fund expenditures.

The City's largest General Fund revenue source, Property Taxes saw a significant increase; from \$11,947,501 in 2022 to \$12,575,761 in 2023, an increase of \$628,260 or approximately 5.3%. The increase in ad valorem tax revenues exceeded \$625,000 due to the strong real estate market in the City. This increase was offset slightly by decreases in other tax accounts.

The City's second largest revenue source, State Shared Revenue Sharing, decreased by \$596 to \$5,256,367 compared to the amount received in 2022/2022.

In 2016, the City, together with the Bay City Housing Commission, contracted for a study of the housing in Bay City. This study provided a very frank assessment of the condition of the housing stock in the City but also provided numerous options for attempting to reverse the decreases in housing values that Bay City as well as many other cities in Michigan and other states have been facing.

The 2022/2023 budget provided funding for the programs that were initiated to address the Housing Commission study. The City continues to appropriate money from the CDBG fund to address sidewalk maintenance and replacements in low-income areas of the City. In addition, the Building Department fund has increased staffing to enforce property maintenance standards to reduce blight throughout the City and has utilized ARPA funding to provide resources for additional as well as funding for emergency home repairs. These programs, combined with a strong real estate market in the City, have resulted in significant increases in the median sale price of residential

homes in the City. In 2020, 858 sales had a median sale price of \$59,900 while in 2022, there were 933 home sales with a median price of \$95,000.

In early 2021, the City received notice that the American Rescue Plan Act of 2021 had awarded the City approximately \$31.1 million in grant funds. As of June 30, 2023, the City Commission had allocated or reserved over \$30.6 million of the available funds. While there are significant restrictions related to the COVID-19 pandemic on the allowable use of these funds, they will provide significant funds (\$21,996,572) for Water and Sewer infrastructure as well as restoration of local roads. The remainder was allocated for use to assist residents and to non-profits who will be assisting residents. Many of these programs will assist the City in achieving the goals associated with the housing study.

The City continues to review health care costs. Although the City saw significant reductions in claim costs for active employee and pre-Medicare retirees during the pandemic, these claims have been increasing to match pre-pandemic costs. The City will continue to review these costs and options to control these costs.

Despite the budget challenges that the City faces annually, the City has committed to contribute at a minimum, the ADC (actuarially determined contribution) amounts to the Retiree Health Care trust. These amounts are currently roughly equal to the "pay-as-you-go" liability for the retiree health care costs. This practice has resulted in the funding level of the Retiree Health Care trust to continue to grow and conversely, the unfunded actuarial liability to decrease. The standards set by the State of Michigan Public Act-202 consider an OPEB plan to be "Underfunded" if it is less than 40% funded. The funding level as of June 30, 2023 was 56.98%; above the 40% threshold to no longer be considered "Underfunded". This funding level was achieved approximately seven years ahead of the schedule in the Corrective Action Plan that the City prepared for the State of Michigan for the Retiree Health Care Trust.

The City adopted rate changes for 2022/2023 for the Water and the Sewer utility. The City will continue to review the rates for all the utilities

City of Bay City
Management's Discussion and Analysis
June 30, 2023

annually to determine if additional rate increases will be required to maintain adequate funding for the operation and capital needs of these utilities.

The City participates in a MERS (Municipal Employees Retirement System) Defined Benefit Plan for general employees not covered by the City of Bay City Police and Fire Retirement System. This plan was closed to new employees in 1998 and 1999. There were still nineteen (16) active employees in this plan as of the latest plan actuarial study (12/31/21). The City has contributed approximately \$1,000,000/year for numerous years over and above the actuarially required contribution to improve the funding level of this plan. As of 12/31/2022, the latest actuarial date, the plan was 85.3% funded with an unfunded actuarial liability of \$10,777,8000.

During 2015, MERS changed numerous actuarial assumptions to speed up the increases in actuarial funding levels. The plan funding level and unfunded actuarial liability reflected the changes in assumptions made in 2015.

The City's strategic plan adopted in 2014 placed a high priority on addressing the City's infrastructure needs and the unfunded liabilities for pension and OPEB liabilities. Combined with the implementation of recommendations in the housing study, these issues will drive City budgets for many years to come.

Contacting the City's Management

The financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the Finance Department, 301 Washington Avenue, Bay City, MI 48708.

City of Bay City
Statement of Net Position
June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 54,820,563	\$ 35,154,126	\$ 89,974,689	\$ 14,857,890
Investments	-	-	-	24,375
Receivables				
Taxes	17,571	-	17,571	153,218
Accounts, net	1,046,157	7,387,350	8,433,507	376,551
Special assessments	72,430	177,672	250,102	-
Leases	-	417,429	417,429	-
Accrued interest and other	81,731	51,452	133,183	7,907
Notes, net	6,932,587	-	6,932,587	-
Due from other units of government	3,392,742	5,025,344	8,418,086	97,285
Internal balances	(17,510,486)	17,510,486	-	-
Due from component unit	4,211	-	4,211	-
Inventories	353,946	3,889,451	4,243,397	41,548
Prepaid items and other assets	1,488,776	3,147,584	4,636,360	120,561
Restricted assets				
Cash and cash equivalents	-	955,275	955,275	-
Net pension asset	-	-	-	170,241
Net OPEB asset	-	-	-	908,897
Capital assets not being depreciated	21,638,925	19,590,207	41,229,132	16,472,530
Capital assets, net of accumulated depreciation	69,648,715	110,433,484	180,082,199	11,319,892
Total assets	<u>141,987,868</u>	<u>203,739,860</u>	<u>345,727,728</u>	<u>44,550,895</u>
Deferred Outflows of Resources				
Deferred charges on refunding	-	173,145	173,145	1,608,664
Deferred amount relating to net pension liability - MERS	1,925,664	5,527,248	7,452,912	110,673
Deferred amount relating to net pension liability - Police and Fire	3,872,529	-	3,872,529	-
Deferred amount relating to net OPEB liability	367,296	254,082	621,378	-
Total deferred outflows of resources	<u>6,165,489</u>	<u>5,954,475</u>	<u>12,119,964</u>	<u>1,719,337</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Statement of Net Position
June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Accounts payable	\$ 3,763,196	\$ 3,408,853	\$ 7,172,049	\$ 668,810
Accrued and other liabilities	1,811,412	450,660	2,262,072	315,760
Deposits	406,821	1,240,345	1,647,166	-
Due to primary government	-	-	-	4,211
Due to other units of government	282,553	51,068	333,621	14,265
Unearned revenue	27,235,209	-	27,235,209	61,218
Noncurrent liabilities due within one year				
Debt due within one year	2,539,805	2,757,250	5,297,055	1,086,354
Noncurrent liabilities due in more than one year				
Debt due in more than one year	26,030,117	19,250,277	45,280,394	24,130,030
Net pension liability - MERS	3,109,395	7,668,405	10,777,800	-
Net pension liability - Police and Fire	27,728,162	-	27,728,162	-
Net OPEB liability	15,233,461	10,548,393	25,781,854	-
Total liabilities	<u>108,140,131</u>	<u>45,375,251</u>	<u>153,515,382</u>	<u>26,280,648</u>
Deferred Inflows of Resources				
Deferred amount relating to leases receivable	-	417,429	417,429	-
Deferred amount relating to loans receivable	-	-	-	281,884
Deferred amount relating to net pension liability - MERS	-	-	-	668,364
Deferred amount relating to net pension liability - Police and Fire	<u>3,691,201</u>	<u>-</u>	<u>3,691,201</u>	<u>-</u>
Total deferred inflows of resources	<u>3,691,201</u>	<u>417,429</u>	<u>4,108,630</u>	<u>950,248</u>
Net Position				
Net investment in capital assets	74,737,953	109,591,929	184,329,882	5,238,116
Restricted for				
Debt service	334,819	955,275	1,290,094	2,667,669
Community and economic development	95,852	-	95,852	-
Solid waste management	483,363	-	483,363	-
Capital projects	39,512	-	39,512	-
Road maintenance and repairs	5,036,082	-	5,036,082	-
Public safety	294,640	-	294,640	-
Unrestricted (deficit)	<u>(44,700,196)</u>	<u>53,354,451</u>	<u>8,654,255</u>	<u>11,133,551</u>
Total net position	<u>\$ 36,322,025</u>	<u>\$ 163,901,655</u>	<u>\$ 200,223,680</u>	<u>\$ 19,039,336</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Indirect	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
						Governmental Activities	Business-type Activities	Total	
Primary government									
Governmental activities									
General government	\$ 4,460,228	\$ (2,510,712)	\$ 689,907	\$ 629,342	\$ -	\$ (630,267)	\$ -	\$ (630,267)	\$ -
Public safety	11,859,311	202,812	1,495,847	2,706,173	-	(7,860,103)	-	(7,860,103)	-
Public works	11,118,384	347,584	3,393,002	7,163,920	-	(909,046)	-	(909,046)	-
Economic development	2,690,826	67,731	-	1,896,683	-	(861,874)	-	(861,874)	-
Parks and recreation	1,703,730	-	49,990	11,500	-	(1,642,240)	-	(1,642,240)	-
Interest and fiscal charges on long-term debt	157,991	-	-	-	-	(157,991)	-	(157,991)	-
Total governmental activities	<u>31,990,470</u>	<u>(1,892,585)</u>	<u>5,628,746</u>	<u>12,407,618</u>	<u>-</u>	<u>(12,061,521)</u>	<u>-</u>	<u>(12,061,521)</u>	<u>-</u>
Business-type activities									
Electric	37,143,397	835,871	45,110,668	-	-	-	7,131,400	7,131,400	-
Water	8,067,529	437,720	8,813,908	97,084	2,135,224	-	2,540,967	2,540,967	-
Sewer	8,950,243	476,798	11,938,247	-	-	-	2,511,206	2,511,206	-
Cemetery	176,908	29,152	57,079	-	-	-	(148,981)	(148,981)	-
Airport	383,906	11,436	156,523	-	437,166	-	198,347	198,347	-
Marina	216,412	20,727	152,026	-	-	-	(85,113)	(85,113)	-
Total business-type activities	<u>54,938,395</u>	<u>1,811,704</u>	<u>66,228,451</u>	<u>97,084</u>	<u>2,572,390</u>	<u>-</u>	<u>12,147,826</u>	<u>12,147,826</u>	<u>-</u>
Total primary government	<u>\$ 86,928,865</u>	<u>\$ (80,881)</u>	<u>\$ 71,857,197</u>	<u>\$ 12,504,702</u>	<u>\$ 2,572,390</u>	<u>(12,061,521)</u>	<u>12,147,826</u>	<u>86,305</u>	<u>-</u>
Component units									
Downtown Development Authority	\$ 233,876	\$ 2,543	\$ 183,273	\$ 2,735	\$ -				(50,411)
Midland Street TIFA	101,942	606	-	-	-				(102,548)
Kresge's DDA	912	-	-	-	-				(912)
Marquette District TIFA	192,792	23,962	1,125	243,867	-				28,238
Water Street DDA	186,618	2,532	-	-	-				(189,150)
Marina Development TIFA	18,745	-	-	-	-				(18,745)
Knepp's DDA	3,599	-	-	-	-				(3,599)
Brownfield Redevelopment Authority	2,640,400	48,329	1,376	112,911	-				(2,574,442)
Columbus Avenue Management Board	12,417	1,928	18,150	-	-				3,805
Midland Street Management Board	32,607	981	25,190	18,166	-				9,768
Downtown Management Board	172,896	-	55,962	-	-				(116,934)
Housing Commission	5,857,421	-	1,882,981	2,714,498	-				(1,259,942)
Total Component units	<u>\$ 9,454,225</u>	<u>\$ 80,881</u>	<u>\$ 2,168,057</u>	<u>\$ 3,092,177</u>	<u>\$ -</u>				<u>(4,274,872)</u>
General revenues									
Property taxes - unrestricted						12,554,621	-	12,554,621	3,634,422
Grants and contributions not restricted to specific programs						5,267,851	-	5,267,851	-
Unrestricted investment earnings						1,478,813	975,541	2,454,354	101,646
Gain on sale of capital assets						37,513	495	38,008	-
Miscellaneous						1,118,938	445,978	1,564,916	618,089
Transfers						(2,973,942)	2,973,942	-	-
Total general revenues and transfers						<u>17,483,794</u>	<u>4,395,956</u>	<u>21,879,750</u>	<u>4,354,157</u>
Change in net position						5,422,273	16,543,782	21,966,055	79,285
Net position - beginning of year						<u>30,899,752</u>	<u>147,357,873</u>	<u>178,257,625</u>	<u>18,960,051</u>
Net position - end of year						<u>\$ 36,322,025</u>	<u>\$ 163,901,655</u>	<u>\$ 200,223,680</u>	<u>\$ 19,039,336</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Governmental Funds
Balance Sheet
June 30, 2023

	Special Revenue Funds					Total Governmental Funds
	General	Major Streets Fund	Rehabilitation Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	
Assets						
Cash and investments	\$ 4,668,188	\$ 2,795,486	\$ -	\$ 27,222,071	\$ 6,734,697	\$ 41,420,442
Receivables						
Delinquent taxes	15,881	-	-	-	1,690	17,571
Accounts	153,375	64,395	-	-	755,278	973,048
Special assessments	21,519	-	-	-	50,911	72,430
Accrued interest and other	9,937	3,187	-	37,468	7,479	58,071
Notes, net	-	-	6,932,587	-	-	6,932,587
Due from other units of government	1,747,034	666,602	-	-	855,461	3,269,097
Due from other funds	998,300	-	-	-	-	998,300
Due from component unit	4,211	-	-	-	-	4,211
Inventories	-	114,052	-	-	-	114,052
Prepaid items	-	385,822	-	-	-	385,822
Total assets	<u>\$ 7,618,445</u>	<u>\$ 4,029,544</u>	<u>\$ 6,932,587</u>	<u>\$ 27,259,539</u>	<u>\$ 8,405,516</u>	<u>\$ 54,245,631</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Governmental Funds
Balance Sheet
June 30, 2023

	Special Revenue Funds					Total Governmental Funds
	General	Major Streets Fund	Rehabilitation Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	
Liabilities						
Accounts payable	\$ 1,601,618	\$ 588,396	\$ -	\$ 24,330	\$ 822,152	\$ 3,036,496
Accrued and other liabilities	-	-	-	-	-	-
Due to other funds	128,031	40,274	-	-	458,800	627,105
Deposits payable	152,205	-	-	-	254,616	406,821
Due to other units of government	282,553	-	-	-	-	282,553
Unearned revenue	-	-	-	27,235,209	-	27,235,209
Total liabilities	<u>2,164,407</u>	<u>628,670</u>	<u>-</u>	<u>27,259,539</u>	<u>1,535,568</u>	<u>31,588,184</u>
Deferred Inflows of Resources						
Unavailable revenue	<u>88,502</u>	<u>31,266</u>	<u>6,932,587</u>	<u>-</u>	<u>2,159,180</u>	<u>9,211,535</u>
Fund Balances						
Non-spendable	-	499,874	-	-	-	499,874
Restricted for						
Road maintenance and repairs	-	2,869,734	-	-	1,635,092	4,504,826
Community and economic development	-	-	-	-	95,852	95,852
Solid waste management	-	-	-	-	417,189	417,189
Public safety	-	-	-	-	162,900	162,900
Debt service	-	-	-	-	478,397	478,397
Capital projects	-	-	-	-	39,512	39,512
Assigned for capital projects	-	-	-	-	1,894,620	1,894,620
Unassigned (deficit)	<u>5,365,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,794)</u>	<u>5,352,742</u>
Total fund balances	<u>5,365,536</u>	<u>3,369,608</u>	<u>-</u>	<u>-</u>	<u>4,710,768</u>	<u>13,445,912</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 7,618,445</u>	 <u>\$ 4,029,544</u>	 <u>\$ 6,932,587</u>	 <u>\$ 27,259,539</u>	 <u>\$ 8,405,516</u>	 <u>\$ 54,245,631</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2023

Total fund balances for governmental funds	\$ 13,445,912
Total net position for governmental activities in the statement of net position is different because:	
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.	41,651,353
Capital assets not being depreciated used in governmental activities are not financial resources and therefore are not reported in the funds.	21,384,013
Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	9,211,535
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(145,267)
Compensated absences	(3,499,276)
Landfill closure and post closure costs	(8,278,113)
Deferred outflows of resources resulting from net pension liability - MERS	1,476,648
Deferred inflows of resources resulting from net pension liability - Police and Fire	(3,691,201)
Deferred outflows of resources resulting from net pension liability - Police and Fire	3,872,529
Deferred outflows of resources resulting from net OPEB liability	335,233
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Bonds payable	(1,317,870)
Net pension liability - MERS	(2,486,438)
Net pension liability - Police and Fire	(27,728,162)
Net OPEB liability	(13,902,335)
Internal service funds are included as part of governmental activities.	<u>5,993,464</u>
Net position of governmental activities	<u>\$ 36,322,025</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	Special Revenue Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Major Streets Fund	Rehabilitation Fund	American Rescue Plan Act Fund		
Revenues						
Taxes	\$ 12,575,761	\$ 564,224	\$ -	\$ -	\$ 709	\$ 13,140,694
Licenses and permits	189,741	-	-	-	998,920	1,188,661
Federal grants	105,717	-	515,954	2,650,725	1,871,546	5,143,942
State-shared revenue	5,908,584	-	-	-	-	5,908,584
Other state grants	-	4,883,801	-	-	2,082,979	6,966,780
Local contributions	3,068	-	-	-	126,578	129,646
Charges for services	3,591,455	-	-	-	3,324,355	6,915,810
Fines and forfeitures	63,877	9	-	-	64,905	128,791
Interest income	188,017	165,364	5,167	559,180	137,339	1,055,067
Program income	-	-	206,103	-	-	206,103
Other revenue	199,649	304,258	-	-	264,600	768,507
Total revenues	<u>22,825,869</u>	<u>5,917,656</u>	<u>727,224</u>	<u>3,209,905</u>	<u>8,871,931</u>	<u>41,552,585</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	Special Revenue Funds					Total Governmental Funds
	General	Major Streets Fund	Rehabilitation Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	
Expenditures						
Current						
General government	\$ 4,658,343	\$ -	\$ -	\$ -	\$ -	\$ 4,658,343
Public safety	13,764,158	-	-	-	1,335,907	15,100,065
Public works	1,420,413	3,202,417	-	-	5,343,990	9,966,820
Economic development	385,677	-	575,419	1,348,926	293,306	2,603,328
Recreation and culture	1,473,325	-	-	-	-	1,473,325
Capital outlay	335,487	2,260,390	-	-	1,692,554	4,288,431
Debt service						
Principal retirement	-	-	-	-	169,466	169,466
Interest and fiscal charges	-	-	-	-	40,809	40,809
Total expenditures	<u>22,037,403</u>	<u>5,462,807</u>	<u>575,419</u>	<u>1,348,926</u>	<u>8,876,032</u>	<u>38,300,587</u>
Excess (deficiency) of revenues over expenditures	<u>788,466</u>	<u>454,849</u>	<u>151,805</u>	<u>1,860,979</u>	<u>(4,101)</u>	<u>3,251,998</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	Special Revenue Funds					Total Governmental Funds
	General	Major Streets Fund	Rehabilitation Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	
Other financing sources (uses)						
Transfers in	\$ 809,945	\$ 22,715	\$ 11,419	\$ -	\$ 1,640,755	\$ 2,484,834
Transfers out	(1,733,254)	-	(163,224)	(1,860,979)	(1,142,800)	(4,900,257)
Total other financing sources and uses	<u>(923,309)</u>	<u>22,715</u>	<u>(151,805)</u>	<u>(1,860,979)</u>	<u>497,955</u>	<u>(2,415,423)</u>
Net change in fund balances	(134,843)	477,564	-	-	493,854	836,575
Fund balances - beginning of year	<u>5,500,379</u>	<u>2,892,044</u>	<u>-</u>	<u>-</u>	<u>4,216,914</u>	<u>12,609,337</u>
Fund balances - end of year	<u>\$ 5,365,536</u>	<u>\$ 3,369,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,710,768</u>	<u>\$ 13,445,912</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds	\$ 836,575
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(3,627,037)
Capital outlay	4,252,984
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Deferred inflow of resources	(388,751)
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	(117,180)
Compensated absences	(704,032)
Landfill closure and post closure costs	121,180
The statement of net position reports the net pension and net OPEB liabilities and deferred outflows of resources and deferred inflows of resources related to the net pension and net OPEB liabilities and pension and OPEB expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability - MERS	(2,363,790)
Net change in the deferred inflows and outflows of resources related to the net pension liability - MERS	2,767,637
Net change in net pension liability - Police and Fire	(725,214)
Net change in the deferred inflows and outflows of resources related to the net pension liability - Police and Fire	(870,514)
Net change in net OPEB liability	6,682,294
Net change in the deferred inflows and outflows of resources related to the net OPEB liability	(438,474)
Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	
Repayments of long-term debt	169,466
Internal service funds are also included as governmental activities	<u>(172,871)</u>
Change in net position of governmental activities	<u>\$ 5,422,273</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Proprietary Funds
Statement of Net Position
June 30, 2023

	Enterprise Funds					Internal Service Funds
	Electric	Water	Sewer	Nonmajor Enterprise Funds	Total	
Assets						
Current assets						
Cash and cash equivalents	\$ 23,514,593	\$ 1,368,794	\$ 9,885,310	\$ 385,429	\$ 35,154,126	\$ 13,400,121
Receivables						
Accounts, net	5,060,668	997,317	1,284,111	45,254	7,387,350	73,109
Special assessments	26,148	20,667	130,857	-	177,672	-
Leases	122,516	-	-	294,913	417,429	-
Accrued interest and other	33,199	2,341	15,453	459	51,452	23,660
Due from other units of government	205	4,587,973	-	437,166	5,025,344	123,645
Due from other funds	-	-	-	-	-	289,587
Inventories	2,611,486	929,405	321,575	26,985	3,889,451	239,894
Prepaid items	961,139	97,181	57,911	-	1,116,231	9,805
Deposits	2,031,353	-	-	-	2,031,353	1,093,149
Advances to other funds	197,000	-	-	-	197,000	-
Total current assets	<u>34,558,307</u>	<u>8,003,678</u>	<u>11,695,217</u>	<u>1,190,206</u>	<u>55,447,408</u>	<u>15,252,970</u>
Noncurrent assets						
Restricted assets						
Cash and cash equivalents	955,275	-	-	-	955,275	-
Advances to other funds	1,566,588	-	-	-	1,566,588	-
Capital assets not being depreciated	8,801,680	5,064,353	4,808,305	915,869	19,590,207	254,912
Capital assets, net of accumulated depreciation	33,955,169	19,891,936	53,450,924	3,135,455	110,433,484	27,997,362
Total noncurrent assets	<u>45,278,712</u>	<u>24,956,289</u>	<u>58,259,229</u>	<u>4,051,324</u>	<u>132,545,554</u>	<u>28,252,274</u>
Total assets	<u>79,837,019</u>	<u>32,959,967</u>	<u>69,954,446</u>	<u>5,241,530</u>	<u>187,992,962</u>	<u>43,505,244</u>
Deferred Outflows of Resources						
Deferred amount on refunding	-	54,800	118,345	-	173,145	-
Deferred amount relating to net pension liability - MERS	2,893,745	1,659,340	974,163	-	5,527,248	449,016
Deferred amount relating to net OPEB liability	118,559	49,835	85,377	311	254,082	32,063
Total deferred outflows of resources	<u>3,012,304</u>	<u>1,763,975</u>	<u>1,177,885</u>	<u>311</u>	<u>5,954,475</u>	<u>481,079</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Proprietary Funds
Statement of Net Position
June 30, 2023

	Enterprise Funds					Internal Service Funds
	Electric	Water	Sewer	Nonmajor Enterprise Funds	Total	
Liabilities						
Current liabilities						
Accounts payable	\$ 990,826	\$ 1,725,131	\$ 676,333	\$ 16,563	\$ 3,408,853	\$ 726,700
Accrued and other liabilities	92,313	2,097	91,734	-	186,144	12,486
Due to other funds	258,650	86,969	141,579	96,868	584,066	76,716
Deposits	957,243	268,102	-	15,000	1,240,345	-
Due to other units of government	51,068	-	-	-	51,068	-
Current portion of long-term debt	760,000	532,000	653,047	-	1,945,047	73,358
Claims payable, current	-	-	-	-	-	1,516,593
Compensated absences, current	443,537	145,487	222,772	407	812,203	110,567
Advances from other funds	-	-	-	-	-	197,000
Total current liabilities	<u>3,553,637</u>	<u>2,759,786</u>	<u>1,785,465</u>	<u>128,838</u>	<u>8,227,726</u>	<u>2,713,420</u>
Noncurrent liabilities						
Compensated absences, net of current portion	356,351	104,173	108,915	20,978	590,417	132,279
Long-term debt, net of current portion	9,445,000	6,639,738	2,575,122	-	18,659,860	15,158,459
Accrued interest payable	198,998	41,843	23,675	-	264,516	137,066
Advances from other funds	-	-	-	-	-	1,566,588
Net pension liability - MERS	4,014,731	2,302,138	1,351,536	-	7,668,405	622,957
Net OPEB liability	4,922,067	2,068,919	3,544,508	12,899	10,548,393	1,331,126
Total noncurrent liabilities	<u>18,937,147</u>	<u>11,156,811</u>	<u>7,603,756</u>	<u>33,877</u>	<u>37,731,591</u>	<u>18,948,475</u>
Total liabilities	<u>22,490,784</u>	<u>13,916,597</u>	<u>9,389,221</u>	<u>162,715</u>	<u>45,959,317</u>	<u>21,661,895</u>
Deferred Inflows of Resources						
Deferred amount relating to leases receivable	<u>122,516</u>	<u>-</u>	<u>-</u>	<u>294,913</u>	<u>417,429</u>	<u>-</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Proprietary Funds
Statement of Net Position
June 30, 2023

	Enterprise Funds					Internal Service Funds
	Electric	Water	Sewer	Nonmajor Enterprise Funds	Total	
Net Position						
Net investment in capital assets	\$ 32,551,849	\$ 17,839,351	\$ 55,149,405	\$ 4,051,324	\$ 109,591,929	\$ 13,020,457
Restricted for						
Debt service	955,275	-	-	-	955,275	-
Unrestricted	<u>26,728,899</u>	<u>2,967,994</u>	<u>6,593,705</u>	<u>732,889</u>	<u>37,023,487</u>	<u>9,303,971</u>
Total net position	<u>\$ 60,236,023</u>	<u>\$ 20,807,345</u>	<u>\$ 61,743,110</u>	<u>\$ 4,784,213</u>	147,570,691	<u>\$ 22,324,428</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service funds assets and liabilities are reported with business-type activities					<u>16,330,964</u>	
Net position of business-type activities						<u>\$ 163,901,655</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2023

	Enterprise Funds					Internal Service Funds
	Electric	Water	Sewer	Nonmajor Enterprise Funds	Total	
Operating revenue						
Charges for services	\$ 45,110,668	\$ 8,813,908	\$ 11,938,247	\$ 156,880	\$ 66,019,703	\$ 16,514,831
Rental income	-	-	-	208,748	208,748	831,281
Other revenue	156,013	276,072	1,479	13,552	447,116	490,345
Total operating revenue	<u>45,266,681</u>	<u>9,089,980</u>	<u>11,939,726</u>	<u>379,180</u>	<u>66,675,567</u>	<u>17,836,457</u>
Operating expenses						
Administration	2,491,110	550,602	483,371	-	3,525,083	337,142
Cost of sales and services	32,973,588	7,179,919	4,947,504	617,556	45,718,567	4,894,038
Claims and benefits	-	-	-	-	-	10,358,754
Repairs and maintenance	-	-	-	2,270	2,270	4,827
Other operating costs	-	-	-	-	-	14,706
Depreciation	2,412,325	746,724	3,993,800	221,775	7,374,624	1,408,899
Total operating expenses	<u>37,877,023</u>	<u>8,477,245</u>	<u>9,424,675</u>	<u>841,601</u>	<u>56,620,544</u>	<u>17,018,366</u>
Operating income (loss)	<u>7,389,658</u>	<u>612,735</u>	<u>2,515,051</u>	<u>(462,421)</u>	<u>10,055,023</u>	<u>818,091</u>
Nonoperating revenue (expenses)						
Local contribution	-	97,084	-	-	97,084	-
State grant	-	-	-	7,656	7,656	-
Investment income	619,026	51,887	295,204	9,424	975,541	429,466
Gain on sale of assets	495	-	-	-	495	8,411
Loss on disposal of assets	-	-	-	-	-	(12,509)
Amortization of bond premium / discount	-	(3,499)	2,361	-	(1,138)	-
Interest expense	(397,995)	(169,474)	(150,978)	-	(718,447)	(543,424)
Total nonoperating revenues (expenses)	<u>221,526</u>	<u>(24,002)</u>	<u>146,587</u>	<u>17,080</u>	<u>361,191</u>	<u>(118,056)</u>
Income (loss) before transfers and capital contributions	7,611,184	588,733	2,661,638	(445,341)	10,416,214	700,035
Capital contributions - federal grants	-	-	-	429,510	429,510	-
Capital contributions - state grants	-	2,135,224	-	-	2,135,224	274,505
Transfers in	135,414	2,143,954	193,490	542,287	3,015,145	196,102
Transfers out	(17,305)	(11,949)	(11,949)	-	(41,203)	(754,621)
Change in net position	7,729,293	4,855,962	2,843,179	526,456	15,954,890	416,021
Net position - beginning of year	52,506,730	15,951,383	58,899,931	4,257,757		21,908,407
Net position - end of year	<u>\$ 60,236,023</u>	<u>\$ 20,807,345</u>	<u>\$ 61,743,110</u>	<u>\$ 4,784,213</u>		<u>\$ 22,324,428</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities					588,892	
Change in net position of business-type activities					<u>\$ 16,543,782</u>	

See Accompanying Notes to the Financial Statements

City of Bay City
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	Enterprise Funds					Internal Service Funds
	Electric	Water	Sewer	Nonmajor Enterprise Funds	Total	
Cash flows from operating activities						
Receipts from customers	\$ 46,696,708	\$ 8,647,551	\$ 12,453,785	\$ 387,387	\$ 68,185,431	\$ 1,215,036
Receipts from interfund users	-	-	-	-	-	17,187,859
Receipts from other funds	-	-	-	69,677	69,677	56,181
Payments to other funds	(130,514)	(2,715)	-	-	(133,229)	(1,313,622)
Payments to suppliers	(31,399,533)	(5,661,219)	(5,253,249)	(625,914)	(42,939,915)	(5,561,524)
Payments to employees	(5,507,237)	(2,593,844)	(3,005,628)	-	(11,106,709)	(10,325,273)
Payments for interfund services used	(4,016,442)	(2,232,710)	-	-	(6,249,152)	-
Net cash provided (used) by operating activities	<u>5,642,982</u>	<u>(1,842,937)</u>	<u>4,194,908</u>	<u>(168,850)</u>	<u>7,826,103</u>	<u>1,258,657</u>
Cash flows from noncapital financing activities						
Local contributions	-	97,084	-	-	97,084	-
Transfer from other funds	135,414	2,143,954	193,490	542,287	3,015,145	196,102
Transfers to other funds	(17,305)	(11,949)	(11,949)	-	(41,203)	(754,621)
State grant	-	-	-	7,656	7,656	-
Net cash provided (used) by noncapital financing activities	<u>118,109</u>	<u>2,229,089</u>	<u>181,541</u>	<u>549,943</u>	<u>3,078,682</u>	<u>(558,519)</u>
Cash flows from capital and related financing activities						
Capital contributions - federal or state grants	-	2,135,224	-	-	2,135,224	274,505
Advances to other funds	-	-	(1,397,598)	-	(1,397,598)	-
Purchases/construction of capital assets	(7,589,477)	(4,186,186)	(3,129,866)	(361,572)	(15,267,101)	(13,280,424)
Principal and interest paid on long-term debt	(1,127,995)	(691,750)	(3,439,571)	-	(5,259,316)	(85,048)
Proceeds from sale of capital assets	-	-	-	-	-	8,411
Net cash provided (used) by capital and related financing activities	<u>(8,717,472)</u>	<u>(2,742,712)</u>	<u>(7,967,035)</u>	<u>(361,572)</u>	<u>(19,788,791)</u>	<u>(13,082,556)</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	Enterprise Funds					Internal Service Funds
	Electric	Water	Sewer	Nonmajor Enterprise Funds	Total	
Cash flows from investing activities						
Advances from other funds	\$ 1,594,598	\$ -	\$ -	\$ -	\$ 1,594,598	\$ -
Investments earnings (losses)	<u>592,030</u>	<u>49,545</u>	<u>282,505</u>	<u>9,424</u>	<u>933,504</u>	<u>(173,687)</u>
Net cash provided (used) by investing activities	<u>2,186,628</u>	<u>49,545</u>	<u>282,505</u>	<u>9,424</u>	<u>2,528,102</u>	<u>(173,687)</u>
Net change in cash and cash equivalents	(769,753)	(2,307,015)	(3,308,081)	28,945	(6,355,904)	(12,556,105)
Cash and cash equivalents - beginning of year	<u>25,239,621</u>	<u>3,675,809</u>	<u>13,193,391</u>	<u>356,484</u>	<u>42,465,305</u>	<u>25,956,226</u>
Cash and cash equivalents - end of year	<u>\$ 24,469,868</u>	<u>\$ 1,368,794</u>	<u>\$ 9,885,310</u>	<u>\$ 385,429</u>	<u>\$ 36,109,401</u>	<u>\$ 13,400,121</u>
Reconciliation to the statement of net position						
Cash and cash equivalents	\$ 23,514,593	\$ 1,368,794	\$ 9,885,310	\$ 385,429	\$ 35,154,126	\$ 13,400,121
Restricted cash	<u>955,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>955,275</u>	<u>-</u>
Cash and cash equivalents	<u>\$ 24,469,868</u>	<u>\$ 1,368,794</u>	<u>\$ 9,885,310</u>	<u>\$ 385,429</u>	<u>\$ 36,109,401</u>	<u>\$ 13,400,121</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	Enterprise Funds					Internal Service Funds
	Electric	Water	Sewer	Nonmajor Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 7,389,658	\$ 612,735	\$ 2,515,051	\$ (462,421)	\$ 10,055,023	\$ 818,091
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation and amortization expense	2,412,325	746,724	3,993,800	221,775	7,374,624	1,408,899
Changes in assets and liabilities						
Receivables (net)	1,256,233	267,377	506,596	8,207	2,038,413	(55,256)
Due from other units of government	173,794	(709,806)	-	-	(536,012)	21,824
Due from other funds	-	-	6,283	-	6,283	(17,123)
Inventories	(21,492)	(231,662)	(76,182)	14,777	(314,559)	(5,983)
Prepaid items	(958,377)	-	-	-	(958,377)	507,847
Deposits	13,142	-	-	-	13,142	(164,324)
Accounts payable	(1,462,689)	(567,762)	(229,563)	(15,908)	(2,275,922)	(1,141,068)
Accrued and other liabilities	5,210	1,643	27,260	-	34,113	(2,247)
Due to other funds	(130,514)	(2,715)	1,180	69,469	(62,580)	20,706
Due to other units of government	(72,945)	-	-	-	(72,945)	(2,327)
Estimated claims payable	-	-	-	-	-	201,543
Customer deposits payable	59,974	85,414	-	-	145,388	-
Net pension liability and related deferrals	(928,727)	(367,098)	(125,764)	-	(1,421,589)	(35,657)
Net OPEB liability and related deferrals	(2,305,182)	(1,709,112)	(2,490,259)	(4,121)	(6,508,674)	(322,599)
Compensated absences	212,572	31,325	66,506	(628)	309,775	26,331
Net cash provided (used) by operating activities	<u>\$ 5,642,982</u>	<u>\$ (1,842,937)</u>	<u>\$ 4,194,908</u>	<u>\$ (168,850)</u>	<u>\$ 7,826,103</u>	<u>\$ 1,258,657</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2023

	Pension and Other Post- Employment Benefits Trust Funds	Custodial Fund
Assets		
Cash and cash equivalents	\$ 2,171,171	\$ -
Investments, at fair value		
Fixed income	18,585,615	-
Equities	56,147,573	-
Other investments	10,025,996	-
Accounts receivable	435,284	-
Interest receivable	81,339	-
Prepaid expenses	159,503	-
Total assets	87,606,481	-
Liabilities		
Accounts payable	55,936	-
Net Position		
Restricted for employees' pension benefits	53,360,357	-
Restricted for postemployment health care benefits	34,190,188	-
Total net position	\$ 87,550,545	\$ -

See Accompanying Notes to the Financial Statements

City of Bay City
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Pension and Other Post- Employment Benefits Trust Funds	Custodial Fund
Additions		
Contributions		
Employer	\$ 7,959,217	\$ -
Plan member	922,700	-
Total contributions	<u>8,881,917</u>	<u>-</u>
Investment income		
Interest and dividends	1,108,154	-
Net depreciation in fair value of investments	7,604,439	-
Other investment income	413,303	-
Investment expense	(202,349)	-
Net investment income	<u>8,923,547</u>	<u>-</u>
Property tax collections for other governments	<u>-</u>	<u>22,361,948</u>
Total additions	<u>17,805,464</u>	<u>22,361,948</u>
Deductions		
Retiree healthcare premiums payments	5,052,563	-
Benefits and refunds paid to participants	6,600,808	-
Administrative expenses	253,396	-
Payments of property taxes to other governments	<u>-</u>	<u>22,361,948</u>
Total deductions	<u>11,906,767</u>	<u>22,361,948</u>
Change in net position	5,898,697	-
Net position - beginning of year	<u>81,651,848</u>	<u>-</u>
Net position - end of year	<u>\$ 87,550,545</u>	<u>\$ -</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Discretely Presented Component Units
Combining Statement of Net Position
June 30, 2023

	Downtown Development Authority	Midland Street TIFA	Kresge's Downtown Development Authority	Marquette District TIFA	Water Street Downtown Development Authority	Marina Development TIFA
Assets						
Cash and cash equivalents	\$ 33,761	\$ 205,810	\$ -	\$ 1,574,113	\$ 416,349	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Taxes, net	127	-	-	-	-	-
Customers	66,650	-	-	-	-	-
Accrued interest and other	23	192	-	1,766	458	-
Due from other units of government	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Capital assets not being depreciated	-	24,000	-	30,136	-	-
Capital assets being depreciated, net	148,982	633,305	9,521	335,190	682,964	243,034
Net pension asset	-	-	-	-	-	-
Net OPEB asset	-	-	-	-	-	-
Total assets	<u>249,543</u>	<u>863,307</u>	<u>9,521</u>	<u>1,941,205</u>	<u>1,099,771</u>	<u>243,034</u>
Deferred Outflows of Resources						
Deferred loss on refunding	-	26,611	-	-	-	-
Deferred amount relating to net pension and OPEB assets	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>26,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities						
Accounts payable	7,950	-	-	671	10,614	-
Accrued and other liabilities	-	3,332	-	-	8,050	-
Due to primary government	-	-	-	2,275	-	-
Due to other units of government	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Long-term debt						
Compensated absences, current	-	-	-	8,493	-	-
Compensated absences, net of current portion	-	-	-	21,931	-	-
Due within one year	-	64,953	-	-	330,000	-
Due in more than one year	-	504,157	-	-	495,082	-
Total liabilities	<u>7,950</u>	<u>572,442</u>	<u>-</u>	<u>33,370</u>	<u>843,746</u>	<u>-</u>
Deferred Inflows of Resources						
Deferred amount relating to net pension liability	-	-	-	-	-	-
Deferred amount relating to loans receivable	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position						
Net investment in capital assets	148,982	114,806	9,521	365,326	682,964	243,034
Restricted	-	-	-	-	-	-
Unrestricted (deficit)	92,611	202,670	-	1,542,509	(426,939)	-
Total net position	<u>\$ 241,593</u>	<u>\$ 317,476</u>	<u>\$ 9,521</u>	<u>\$ 1,907,835</u>	<u>\$ 256,025</u>	<u>\$ 243,034</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Discretely Presented Component Units
Combining Statement of Net Position
June 30, 2023

	Knepp's Downtown Development Authority	Brownfield Redevelopment Authority	Columbus Avenue Management Board	Midland Street Management Board	Downtown Management Board	Housing Commission	Total
Assets							
Cash and cash equivalents	\$ -	\$ 4,010,836	\$ 20,433	\$ 162,761	\$ 57,021	\$ 8,376,806	\$ 14,857,890
Investments	-	-	-	-	-	24,375	24,375
Receivables:							
Taxes, net	-	-	-	-	153,091	-	153,218
Customers	-	239,988	-	-	-	69,913	376,551
Accrued interest and other	-	5,266	17	185	-	-	7,907
Due from other units of government	-	-	-	-	97,285	-	97,285
Inventories	-	-	-	-	-	41,548	41,548
Prepaid items	-	1,000	-	-	-	119,561	120,561
Capital assets not being depreciated	-	14,155,418	-	-	-	2,262,976	16,472,530
Capital assets being depreciated, net	103,838	5,037,572	-	-	-	4,125,486	11,319,892
Net pension asset	-	-	-	-	-	170,241	170,241
Net OPEB asset	-	-	-	-	-	908,897	908,897
Total assets	<u>103,838</u>	<u>23,450,080</u>	<u>20,450</u>	<u>162,946</u>	<u>307,397</u>	<u>16,099,803</u>	<u>44,550,895</u>
Deferred Outflows of Resources							
Deferred loss on refunding	-	1,582,053	-	-	-	-	1,608,664
Deferred amount relating to net pension and OPEB assets	-	-	-	-	-	110,673	110,673
Total deferred outflows of resources	<u>-</u>	<u>1,582,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,673</u>	<u>1,719,337</u>
Liabilities							
Accounts payable	-	197,602	1,347	20,512	-	265,348	504,044
Accrued and other liabilities	-	203,174	-	-	668	265,302	480,526
Due to primary government	-	1,936	-	-	-	-	4,211
Due to other units of government	-	14,265	-	-	-	-	14,265
Unearned revenue	-	-	-	-	36,520	24,698	61,218
Long-term debt							
Compensated absences, current	-	2,156	-	-	-	195,752	206,401
Compensated absences, net of current portion	-	-	-	-	-	-	21,931
Due within one year	-	485,000	-	-	-	-	879,953
Due in more than one year	-	23,108,860	-	-	-	-	24,108,099
Total liabilities	<u>-</u>	<u>24,012,993</u>	<u>1,347</u>	<u>20,512</u>	<u>37,188</u>	<u>751,100</u>	<u>26,280,648</u>
Deferred Inflows of Resources							
Unavailable revenue - delinquent property taxes	-	-	-	-	-	668,364	668,364
Deferred amount relating to loans receivable	-	281,884	-	-	-	-	281,884
Total deferred inflows of resources	<u>-</u>	<u>281,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668,364</u>	<u>950,248</u>
Net Position							
Net investment in capital assets	103,838	(2,818,817)	-	-	-	6,388,462	5,238,116
Restricted	-	-	-	-	-	2,667,669	2,667,669
Unrestricted (deficit)	-	3,556,073	19,103	142,434	270,209	5,734,881	11,133,551
Total net position	<u>\$ 103,838</u>	<u>\$ 737,256</u>	<u>\$ 19,103</u>	<u>\$ 142,434</u>	<u>\$ 270,209</u>	<u>\$ 14,791,012</u>	<u>\$ 19,039,336</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Discretely Presented Component Units
Combining Statement of Activities
For the Year Ended June 30, 2023

	Program Revenues					Net (Expense) Revenue							
	Expenses	Indirect	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions								
Component units													
Downtown Development Authority	\$ 233,876	\$ 2,543	\$ 183,273	\$ 2,735	\$ -	\$ (50,411)							
Midland Street TIFA	101,942	606	-	-	-	(102,548)							
Kresge's Downtown Development Authority	912	-	-	-	-	(912)							
Marquette District TIFA	192,792	23,962	1,125	243,867	-	28,238							
Water Street Downtown Development Authority	186,618	2,532	-	-	-	(189,150)							
Marina Development TIFA	18,745	-	-	-	-	(18,745)							
Knepp's Downtown Development Authority	3,599	-	-	-	-	(3,599)							
Brownfield Redevelopment Authority	2,640,400	48,329	1,376	112,911	-	(2,574,442)							
Columbus Avenue Management Board	12,417	1,928	18,150	-	-	3,805							
Midland Street Management Board	32,607	981	25,190	18,166	-	9,768							
Downtown Management Board	172,896	-	55,962	-	-	(116,934)							
Housing Commission	5,857,421	-	1,882,981	2,714,498	-	(1,259,942)							
Total component units	9,454,225	80,881	2,168,057	3,092,177	-	(4,274,872)							
	Downtown Development Authority	Midland Street TIFA	Kresge's Downtown Development Authority	Marquette District TIFA	Water Street Downtown Development Authority	Marina Development TIFA	Knepp's Downtown Development Authority	Brownfield Redevelopment Authority	Columbus Avenue Management Board	Midland Street Management Board	Downtown Management Board	Housing Commission	Total
Changes in net position													
Net (expense) revenue	\$ (50,411)	\$ (102,548)	\$ (912)	\$ 28,238	\$ (189,150)	\$ (18,745)	\$ (3,599)	\$ (2,574,442)	\$ 3,805	\$ 9,768	\$ (116,934)	\$ (1,259,942)	\$ (4,274,872)
General revenues													
Property taxes	-	118,056	-	256,467	363,386	-	-	2,746,095	-	-	150,418	-	3,634,422
Unrestricted investment earnings (loss)	608	3,447	-	34,828	7,810	-	-	107,955	314	3,329	149	(56,794)	101,646
Miscellaneous	-	-	-	-	12,592	-	-	-	-	-	-	605,497	618,089
Total general revenues	608	121,503	-	291,295	383,788	-	-	2,854,050	314	3,329	150,567	548,703	4,354,157
Change in net position	(49,803)	18,955	(912)	319,533	194,638	(18,745)	(3,599)	279,608	4,119	13,097	33,633	(711,239)	79,285
Net position - beginning of year	291,396	298,521	10,433	1,588,302	61,387	261,779	107,437	457,648	14,984	129,337	236,576	15,502,251	18,960,051
Net position - end of year	\$ 241,593	\$ 317,476	\$ 9,521	\$ 1,907,835	\$ 256,025	\$ 243,034	\$ 103,838	\$ 737,256	\$ 19,103	\$ 142,434	\$ 270,209	\$ 14,791,012	\$ 19,039,336

See Accompanying Notes to the Financial Statements

City of Bay City
Notes to the Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Bay City (the City) is a municipal corporation governed by an elected mayor and nine-member commission and administered by an appointed City Manager. As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The financial data of the component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

The component unit's column in the government-wide financial statements represent a total of the City's discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the City.

The governing bodies of the Downtown Management Board (DMB), Midland Street Management Board, Columbus Avenue Management Board, Brownfield Redevelopment Authority, the tax increment financing authorities (TIFAs), and downtown development authorities (DDAs), are all appointed by the City Commission or City Manager. These component units provide economic development and financing services to specific geographic areas within the City. These entities are fiscally dependent on the City because the City Commission is responsible for approving any debt issuances and the annual operating budgets of all component units except for the DMB. All of these discretely presented component units use governmental fund type accounting. However, full accrual accounting is used for the statement of net position as well as the statement of activities presentation.

The governing body of the Bay City Housing Commission is appointed by the City Manager and members can be removed by the City with cause. The Housing Commission determines its own budget, sets rental rates and may issue debt in its own name. The City is not responsible for deficits or liabilities of the Housing Commission. The Housing Commission makes annual payments "in lieu of taxes" to the

City. The Housing Commission uses the economic resources measurement focus and the accrual basis of accounting for all of its financial statements. The Housing Commission is reported in the City's financial statements on its fiscal year end of September 30.

Separate financial statements for the Housing Commission may be obtained from their administrative offices located at 315 14th Street, Bay City, Michigan 48708. Separate financial statements for the remaining component units are not prepared.

Government-wide and Fund Financial Statements

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 discretely presented component units. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenue.

City of Bay City
Notes to the Financial Statements
June 30, 2023

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Major Streets Fund is used to account for major streets maintenance funds received from the State of Michigan, as well as property tax and other revenues used to maintain and reconstruct major streets within the City.

The Rehabilitation Fund is used to account for federal revenues, other revenues and expenditures related to providing financing to low- and moderate-income individuals to assist with home improvements within specific neighborhoods of the City.

The American Rescue Plan Act Fund is used to account for federal revenues and expenditures incurred by the City to respond to the COVID-19 emergency.

The City reports the following major proprietary funds:

The Electric Fund is used to account for all activities relative to providing electric utility services to customers within the City and the surrounding townships.

The Water Fund is used to account for all activities relative to the maintenance and operation of the water distribution system. Major assets and cost of the liability for the transmission system was assumed by Bay County in October 2017.

The Sewer Fund is used to account for all activities relative to the maintenance and operation of the City's sanitary and combination sewers, the wastewater treatment plant, and stormwater system.

City of Bay City
Notes to the Financial Statements
June 30, 2023

Additionally, the City reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Internal service funds are fleet, equipment purchases and maintenance, employee benefits, information systems, DPW building as well as self-insurance and risk management services provided to other departments of the City on a cost reimbursement basis.

The pension and other postemployment benefits (OPEB) trust funds account for the activities of the Bay City Public Safety and Fire Pension Plan and Retirement System as well as the OPEB plan of the City. The Bay City Public Safety and Fire Pension Plan and Retirement System accumulates resources for pension benefit payments to qualified police and fire members. The City has a separate postemployment benefits trust fund to accumulate and invest funds to provide for the funding of health care benefits to qualified retired employees of the City and their beneficiaries.

The custodial fund accounts for tax collections held for other governments in a custodial capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise functions and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The City allocates indirect expenses primarily comprised of central governmental services to operating functions and programs benefiting from those services. Central services include City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocating methodologies. These charges are separately reported in the statement of activities. As a matter of policy, certain functions that use significant central services are not charged for the use of these services. These functions or programs include police, fire, and certain divisions within public services and parks.

Amounts reported as program revenue include: (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. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

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 City's proprietary funds relates to charges to customers for sales and services. The water and sewer funds also recognize the portion of tap in fees intended to recover current costs (e.g., labor and materials to connect new customers) as operating revenue. The portion intended to recover the cost of the

City of Bay City
Notes to the Financial Statements
June 30, 2023

infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary 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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and investments – The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value. Investment fair values are predominantly determined using quoted market prices.

Receivables and payables – Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advance to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by nonspendable fund balance in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade, property tax, and special assessment receivables are shown net of allowance for uncollectibles, as applicable.

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenues

received in advance of project costs being incurred are reported as "unearned".

Notes receivable consists of Home Program funds advanced to area residents for home improvements, which must be repaid by the homeowner upon sale or foreclosure. The City has an enforceable lien on such property.

Property taxes – Property taxes are levied each July 1 and December 1 on the assessed valuation of property, as equalized by the State, as of the preceding December 31, the lien date. The levies are considered past due on September 15 and February 15, respectively, at which time applicable penalties and interest are assessed. The City bills and collects its own property taxes as well as taxes for the various local governmental units. Collections and remittances for other units are accounted for in the Custodial Fund. City property tax revenues are recognized when levied to the extent that they result in current receivables.

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 the government-wide and fund financial statements.

Capital assets – Capital assets, which include property, plant, equipment, 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Infrastructure is reported retrospectively from 1980, except for right-of-ways, bridges and traffic signals, which are required to be reported despite the date of purchase.

City of Bay City
Notes to the Financial Statements
June 30, 2023

Donated capital assets are recorded at estimated acquisition cost at the date of donation. Capital assets received in a service concession arrangement will be reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Buildings, additions and improvements	50 years
Land improvements	50 years
Machinery, equipment, furnishings and other tools	5 to 20 years
Vehicles	3 to 10 years
Infrastructure assets:	
Site improvements, streets, sidewalks, and curbs	20 years
Bridges	50 years

Deferred outflows of resources – A deferred outflow of resources represents a consumption of net assets by the City that applies to future periods. The City reports deferred outflows of resources as a result of pension and OPEB earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan. The City also reported deferred outflows of resources for pension contributions made after the measurement date. This amount will reduce net pension liability in the following year. Deferred amounts on bond refundings are included in the government-wide financial statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt.

Compensated absences – City employees earn vacation leave at rates ranging between 6 and 30 days per year, depending on their union membership and length of service. All outstanding vacation is payable upon resignation, retirement, or death. Sick pay is accumulated by employees at rates ranging between 6.67 hours and one day per month of employment. Depending on the union contract, some employees earn one additional day, if the employee does not use any sick leave days within a three-month period. Outstanding sick pay is payable only upon qualified retirement. The maximum amount payable upon retirement varies from zero hours to a maximum of 2,400 hours, depending on union membership and original hire date.

Long-term obligations – In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Pension – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by the 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 City receives actuarial-based calculations to compute the actuarially determined contributions (ADC) necessary to fund the

City of Bay City
Notes to the Financial Statements
June 30, 2023

obligations over the remaining amortization periods. In the governmental funds, pension costs are recognized as contributions are made. For government-wide statements and proprietary funds, the City reports the full accrual cost equal to the current year required contributions.

Other Postemployment Benefits – For purposes 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 City’s Plan and additions to/deductions from the City’s Plan fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Deferred inflows of resources – A deferred inflow of resources represents an acquisition of net assets by the City that applies to future periods. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Deferred inflow for leases is related to leases receivable and is being amortized to recognize lease revenue in a systematic and rational manner over the term of the lease. The City reports deferred inflows of resources as a result of pension and OPEB earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan.

Fund balance – In the fund financial statements, governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually require to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of the resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, City Commission. A formal resolution of the City Commission is required to establish, modify or rescind a fund balance commitment. The City reports assigned fund balance for amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. Unassigned fund balance is the residual classification only for the General Fund and deficit fund balances of other governmental funds.

The City approved the General Fund fund balance policy on June 17, 2013, giving authority to assign amounts for specific purposes to (a) City Commission or (b) City Manager or other City official to which the City Commission has delegated the authority.

When the City incurs an expenditure for purposes for which various fund balance classifications can be used, it is the City’s policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance.

The City Commission has adopted a minimum fund balance policy in which the combined unassigned and committed fund balance of the General Fund will be equal to 15% to 20% of the previous year’s amended total budgeted expenditures and transfers out, less all grant related expenditures. If the combined unassigned and committed fund balance of the general fund falls below the minimum range, the City will replenish shortfall by reducing expenditures, increasing revenues or a combination of expenditure reductions and revenue enhancements as detailed in the policy. If the fund balance of the general fund exceeds 20%, the City shall consider using such surpluses for one-time non-

City of Bay City
Notes to the Financial Statements
June 30, 2023

recurring expenditures that will not require additional future expenses for maintenance, additional staffing or any other recurring expenditures, in accordance with the policy.

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, deferred outflows, liabilities, deferred inflows 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.

Adoption of New Accounting Standards

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an

underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, is based on the standards established in Statement No. 87 *Leases*. This statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.

Upcoming Accounting and Reporting Changes

In addition, the Governmental Accounting Standards Board has released the following Statements.

Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections. This statement is effective for the year ending June 30, 2024.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending June 30, 2025.

City of Bay City
Notes to the Financial Statements
June 30, 2023

The City is evaluating the impact that the above GASB statements will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted for the general and special revenue funds.

Individual amendments for the year were not material in relation to the original appropriations. Supplemental appropriations were made during the year. Unexpended appropriations lapse at year-end.

Budget appropriations are prepared by the City Manager and authorized by the City Commission on an activity (i.e. City Clerk, City Manager, Treasurer, Human Resources) basis in accordance with sections of the City Charter. The legal level of budgetary control is exercised at the activity level for all funds.

Excess of Expenditures Over Appropriations

	Appropriations	Actual	Budget Variance
General Fund			
Public works	\$ 1,397,835	\$ 1,420,413	\$ 22,578
Bond Sinking Fund			
Debt service	209,773	210,275	502

Deficits

The Water Street Downtown Development Authority component unit reported a deficit in unrestricted net position in the amount of \$426,939 at year end. The Information Systems internal service fund reported a deficit in unrestricted net position in the amount of \$398,838 at year end. The DPW Building internal service fund reported a deficit in unrestricted net position in the amount of \$355,392 at year end. Deficit elimination plans are not required to be submitted to the State of Michigan as current assets are greater than current liabilities. The Community Development Block Grant special revenue fund reported an unassigned deficit fund balance of \$12,794. A deficit elimination plan

is not required to be submitted to the State of Michigan as deferred inflows are greater than the deficit.

Note 3 - Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes local governmental units to make deposits and invest in the accounts of federally insured banks and credit unions that have offices in Michigan. 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, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which 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 Trust Fund is authorized by the State's Pension Investment Act, as amended, to invest in common stocks, real estate, and various other investment instruments, subject to certain limitations.

The breakdown between deposits and investments for the City is as follows:

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Total
Governmental activities	\$ 54,820,563	\$ -	\$ -	\$ 54,820,563
Business-type activities	35,154,126	-	955,275	36,109,401
Total	89,974,689	-	955,275	90,929,964
Fiduciary funds	2,171,171	84,759,184	-	86,930,355
Component units	14,857,890	24,375	-	14,882,265
Total	<u>\$ 107,003,750</u>	<u>\$ 84,783,559</u>	<u>\$ 955,275</u>	<u>\$ 192,742,584</u>

City of Bay City
Notes to the Financial Statements
June 30, 2023

The breakdown between deposits and investments is as follows:

	Primary Government	Fiduciary Funds	Component Units	Total
Bank deposits (checking and savings accounts, money markets and certificates of deposit)	\$ 90,923,910	\$ 2,171,171	\$ 14,857,890	\$ 107,952,971
Investments in securities, mutual funds and similar vehicles	-	84,759,184	24,375	84,783,559
Petty cash and cash on hand	6,054	-	-	6,054
	<u>\$ 90,929,964</u>	<u>\$ 86,930,355</u>	<u>\$ 14,882,265</u>	<u>\$ 192,742,584</u>

Interest rate risk – The City’s interest rate risk in debt securities and maturities were as follows:

Years to Maturity	% of Debt Securities	Corporate	U.S. Treasury and Agency	Other	Total
Less than 1	1.27%	\$ 117,934	\$ -	\$ -	\$ 117,934
1 - 5	46.51%	3,295,286	1,015,141	-	4,310,427
6 - 10	36.97%	2,082,684	1,344,072	-	3,426,756
11 - 15	4.77%	128,485	313,701	-	442,186
16 or more	10.47%	-	953,073	17,669	970,742
Total		<u>\$ 5,624,389</u>	<u>\$ 3,625,987</u>	<u>\$ 17,669</u>	<u>\$ 9,268,045</u>

Rating	% of Debt Securities	Fair Value
Moody's Aaa	31.91%	\$ 2,957,488
Moody's Aa2	4.59%	425,126
Moody's Aa3	1.10%	102,022
Moody's A1	6.11%	566,373
Other	56.29%	5,217,036
Total		<u>\$ 9,268,045</u>

To the extent possible, the City attempts to match its investments with anticipated cash flow requirements. Short-term funds matched to a specific cash flow requirement shall be invested in securities maturing not more than two years from the date of purchase. Long-term funds (capital, debt services, etc.) matched to a specific cash flow

requirement may be invested in securities maturing not more than five years from the date of purchase.

Credit risk – State law limits investments as identified in the list of authorized investments in the summary of significant accounting policies. The City’s investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, have been identified above for the City’s investments.

The Bay City Public Safety and Fire Pension Plan and Retirement System’s investment policy does not have specific limits in excess of State law on credit risk for allowable debt securities as identified above. The credit rating for each investment type is identified in the above table of investments held at year end.

Concentration of credit risk – The City diversifies its investment portfolio by security type and institution to eliminate potential losses. Individual securities having potential risks shall be limited in size so that default will not exceed the annual income generated from the remainder of the portfolio.

The Bay City Public Safety and Fire Pension Plan and Retirement System’s investment policy limits maturity value that may be invested in American Depository Receipts to 15% of each equity portfolio. In addition, the System’s investment policy limits maturity value that may be invested in corporate stock to 5% of the outstanding securities of one issuer.

Custodial credit risk - deposits – For deposits, custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to the City. The City does not require collateralization of deposits. At June 30, 2023, \$9,229,387 of the City’s \$69,386,357 bank balance was covered by federal depository insurance, including balances invested in the certificate of deposit account registry service (CDARS), therefore, \$60,156,132 is uninsured.

City of Bay City
Notes to the Financial Statements
June 30, 2023

Custodial credit risk – investments – Following is a summary of the City’s investments as of year-end:

	Trust Funds		
	Police & Fire		Total
	Pension	Health Care	
Fixed income	\$ 9,795,009	\$ 8,790,606	\$ 18,585,615
Equities	34,920,389	21,227,184	56,147,573
Other investments:			
Real estate investment funds	7,151,136	2,874,860	10,025,996
Total	\$ 51,866,534	\$ 32,892,650	\$ 84,759,184

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy requires that investment securities be held in third-party safekeeping by a designated institution and that the safekeeping agent follow the procedure of delivery vs. payment. As of June 30, 2023, none of the City’s investments, excluding the money market accounts which are not subject to custodial credit risk, were exposed to risk since the securities are held in the City’s name by the counterparty.

Note 4 - 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; Level 3 inputs are significant unobservable inputs. The City had the following recurring fair value measurements as of yearend:

Investment Type	Level 1	Level 2	Level 3	Total Fair Value
Fixed income				
Debt securities				
Corporate bonds	\$ -	\$ 4,358,881	\$ -	\$ 4,358,881
Treasury bonds	-	2,133,905	-	2,133,905
Asset backed securities	-	1,265,508	-	1,265,508
Agency bonds	-	1,492,083	-	1,492,083
Mortgages	-	17,668	-	17,668
Mutual funds - fixed income	9,317,570	-	-	9,317,570
	<u>9,317,570</u>	<u>9,268,045</u>	<u>-</u>	<u>18,585,615</u>
Equities				
Corporate stock	9,245,505	-	-	9,245,505
Mutual funds - equity	42,765,988	-	-	42,765,988
Other	-	78,848	-	78,848
	<u>52,011,493</u>	<u>78,848</u>	<u>-</u>	<u>52,090,341</u>
Total investments by fair value level	<u>\$ 61,329,063</u>	<u>\$ 9,346,893</u>	<u>-</u>	<u>70,675,956</u>
Investments measured at the net asset value (NAV)				
Hedge funds - Millennium			2,013,417	2,013,417
Hedge funds - Deerpath Capital			1,111,156	1,111,156
Other alternative investments				
WCM Focused International Growth Fund			3,291,904	3,291,904
Private Equity				
Alidade Capital Fund			841,050	841,050
Real estate investment funds				
H.I.G. Bayside Loan Opportunity Fund			1,202,564	1,202,564
Real Estate Global Partnership Fund			178,967	178,967
American Realty Advisors Core Property Fund			2,569,310	2,569,310
Other real estate investments			2,874,860	2,874,860
Total investments at the net asset value			<u>\$ 14,083,228</u>	<u>14,083,228</u>
Total investments				<u>\$ 84,759,184</u>

City of Bay City
Notes to the Financial Statements
June 30, 2023

The following are descriptions of the valuation methodology used for assets recorded at fair value:

Equity securities, mutual funds and treasury bonds classified in Level 1 of the fair value hierarchy are valued based on quoted market prices in active markets.

Debt securities and equities classified as Level 2 of the fair value hierarchy are priced using matrix pricing techniques.

Investments measured at net asset value (NAV) are based on valuations provided by third parties. Descriptions of the valuation methodology used for the investments valued at net asset value are available in the separately issued Bay City Public Safety and Fire Pension Plan and Retirement System's financial statements.

Note 5 - Receivables

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 1,278,518	\$ 10,179,936	\$ 376,551
Delinquent taxes	57,208	-	154,103
Special assessments	72,430	177,672	-
Due from other units of government	3,392,742	5,025,344	97,285
Leases receivable	-	417,429	-
Accrued interest and other	81,731	51,452	7,907
Notes	<u>11,645,628</u>	<u>-</u>	<u>-</u>
Gross receivables	16,528,257	15,851,833	635,846
Allowance for taxes	(39,637)	-	(885)
Allowance for notes	(4,713,041)	-	-
Allowance for accounts	<u>(232,361)</u>	<u>(2,792,586)</u>	<u>-</u>
Total receivables, net	<u>\$ 11,543,218</u>	<u>\$ 13,059,247</u>	<u>\$ 634,961</u>

Receivables not expected to be collected within one year are approximately \$6.9 million of the notes receivable reported in the Rehabilitation Fund.

City of Bay City
Notes to the Financial Statements
June 30, 2023

Note 6 - Capital Assets

Capital asset activity of the City's governmental activities for the year ended June 30, 2023, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 17,730,112	\$ -	\$ 35,448	\$ 17,694,664
Construction-in-progress	6,254,238	3,210,257	5,896,234	3,568,261
Other intangible assets	376,000	-	-	376,000
Total capital assets not being depreciated	<u>24,360,350</u>	<u>3,210,257</u>	<u>5,931,682</u>	<u>21,638,925</u>
Capital assets being depreciated				
Land improvements	98,029	-	-	98,029
Infrastructure	155,724,055	1,640,586	-	157,364,641
Buildings, additions and improvements	18,452,621	15,137,841	-	33,590,462
Office furnishings	39,293	-	-	39,293
Machinery and equipment	3,992,433	210,158	89,468	4,113,123
Vehicles	19,516,597	3,145,101	384,166	22,277,532
Total capital assets being depreciated	<u>197,823,028</u>	<u>20,133,686</u>	<u>473,634</u>	<u>217,483,080</u>
Less accumulated depreciation for				
Land improvements	114,390	-	-	114,390
Infrastructure	122,082,504	3,127,821	-	125,210,325
Buildings, additions and improvements	7,510,404	562,437	-	8,072,841
Office furnishings	39,298	-	-	39,298
Machinery and equipment	3,074,234	286,429	89,468	3,271,195
Vehicles	10,367,820	1,059,249	300,753	11,126,316
Total accumulated depreciation	<u>143,188,650</u>	<u>5,035,936</u>	<u>390,221</u>	<u>147,834,365</u>
Net capital assets being depreciated	<u>54,634,378</u>	<u>15,097,750</u>	<u>83,413</u>	<u>69,648,715</u>
Governmental activities capital assets, net	<u>\$ 78,994,728</u>	<u>\$ 18,308,007</u>	<u>\$ 6,015,095</u>	<u>\$ 91,287,640</u>

City of Bay City
Notes to the Financial Statements
June 30, 2023

Capital asset activity of the City's business-type activities for the year ended June 30, 2023, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 795,224	\$ -	\$ -	\$ 795,224
Construction-in-progress	9,696,824	9,784,121	1,196,779	18,284,166
Other intangible assets	181,234	329,583	-	510,817
Total capital assets not being depreciated	<u>10,673,282</u>	<u>10,113,704</u>	<u>1,196,779</u>	<u>19,590,207</u>
Capital assets being depreciated				
Land improvements	49,717,232	1,776,611	-	51,493,843
Utility plant and systems	266,660,227	4,012,052	567,320	270,104,959
Buildings, additions and improvements	3,153,581	45,766	-	3,199,347
Machinery and equipment	8,822,270	515,747	-	9,338,017
Total capital assets being depreciated	<u>328,353,310</u>	<u>6,350,176</u>	<u>567,320</u>	<u>334,136,166</u>
Less accumulated depreciation for				
Land improvements	12,551,558	1,083,662	-	13,635,220
Infrastructure	195,678,882	5,843,164	567,320	200,954,726
Buildings, additions and improvements	1,848,806	81,348	-	1,930,154
Machinery and equipment	6,816,132	366,450	-	7,182,582
Total accumulated depreciation	<u>216,895,378</u>	<u>7,374,624</u>	<u>567,320</u>	<u>223,702,682</u>
Net capital assets being depreciated	<u>111,457,932</u>	<u>(1,024,448)</u>	<u>-</u>	<u>110,433,484</u>
Business-type capital assets, net	<u>\$ 122,131,214</u>	<u>\$ 9,089,256</u>	<u>\$ 1,196,779</u>	<u>\$ 130,023,691</u>

City of Bay City
Notes to the Financial Statements
June 30, 2023

Capital asset activity of the City's component units for the year ended June 30, 2023, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Component Units				
Capital assets not being depreciated				
Land	\$ 1,726,316	\$ -	\$ -	\$ 1,726,316
Construction-in-progress	13,485,355	1,260,859	-	14,746,214
Total capital assets not being depreciated	<u>15,211,671</u>	<u>1,260,859</u>	<u>-</u>	<u>16,472,530</u>
Capital assets being depreciated				
Land improvements	139,601	-	-	139,601
Infrastructure	17,331,662	-	-	17,331,662
Buildings, additions and improvements	30,437,104	924,478	-	31,361,582
Machinery and equipment	1,000,502	-	11,619	988,883
Total capital assets being depreciated	<u>48,908,869</u>	<u>924,478</u>	<u>11,619</u>	<u>49,821,728</u>
Less accumulated depreciation for				
Land improvements	32,854	22,411	-	55,265
Infrastructure	9,479,248	747,406	-	10,226,654
Buildings, additions and improvements	27,627,380	583,011	11,619	28,198,772
Machinery and equipment	20,225	920	-	21,145
Total accumulated depreciation	<u>37,159,707</u>	<u>1,353,748</u>	<u>11,619</u>	<u>38,501,836</u>
Net capital assets being depreciated	<u>11,749,162</u>	<u>(429,270)</u>	<u>-</u>	<u>11,319,892</u>
Component unit capital assets, net	<u>\$ 26,960,833</u>	<u>\$ 831,589</u>	<u>\$ -</u>	<u>\$ 27,792,422</u>

City of Bay City
Notes to the Financial Statements
June 30, 2023

Depreciation expense is charged to the functions/programs of the primary government as follows:

Governmental activities

General government	\$ 118,915
Public safety	42,684
Public works	2,966,476
Community and economic development	252,217
Recreation and culture	246,745

Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets

Total governmental activities 5,035,936

Business-type activities

Electric	2,412,325
Water	746,724
Sewer	3,993,800
Other business-type activities	221,775
Total business-type activities	<u>7,374,624</u>

Total primary government \$ 12,410,560

Component units \$ 1,353,748

Note 7 - Interfund Receivables, Payables, and Transfers

Outstanding balances between funds are reported in the fund financial statements as "due to/from other funds". These amounts result from short-term lending from one fund to another. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Internal Service Funds in the Aggregate	General Fund	\$ 128,031
Internal Service Funds in the Aggregate	Major Street Fund	10,567
Internal Service Funds in the Aggregate	Electric Fund	54,774
Internal Service Funds in the Aggregate	Sewer Fund	31,739
Internal Service Funds in the Aggregate	Water Fund	23,050
Internal Service Funds in the Aggregate	Nonmajor Governmental Funds in the Aggregate	18,755
Internal Service Funds in the Aggregate	Internal Service Funds in the Aggregate	21,513
Internal Service Funds in the Aggregate	Nonmajor Enterprise Funds in the Aggregate	1,158
General Fund	Nonmajor Governmental Funds in the Aggregate	440,045
General Fund	Nonmajor Enterprise Funds in the Aggregate	95,710
General Fund	Major Street Fund	29,707
General Fund	Electric Fund	203,876
General Fund	Sewer Fund	109,840
General Fund	Water Fund	63,919
General Fund	Internal Service Funds in the Aggregate	55,203
		<u>\$ 1,287,887</u>

Receivable Fund	Payable Fund	Amount
General Fund	Brownfield Redevelopment Authority	\$ 1,936
General Fund	Marquette District TIFA	2,275
		<u>\$ 4,211</u>

The above balances generally resulted from a time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

City of Bay City
Notes to the Financial Statements
June 30, 2023

The composition of interfund advances is as follows:

Receivable Fund	Payable Fund	Amount
Electric Fund	Internal Service Funds in the Aggregate	\$ 1,763,588

The advance from the Electric Fund to the Internal Service Funds in the Aggregate was to provide funding to purchase a new building, to be held in an internal service fund, for the Department of Public Works. It will be repaid as follows:

Fiscal Year	Principal
2024	\$ 197,000
2025	197,000
2026	197,000
2027	197,000
2028	197,000
2029 - 2032	778,588
	<u>\$ 1,763,588</u>

City of Bay City
Notes to the Financial Statements
June 30, 2023

The composition of interfund transfers is as follows:

Transfer from	Transfer To									
	General Fund	Major Streets Fund	Rehabilitation Fund	Electric Fund	Sewer Fund	Water Fund	Nonmajor Governmental Funds in the Aggregate	Nonmajor Enterprise Funds in the Aggregate	Internal Service Funds in the Aggregate	Total
General Fund	\$ -	\$ -	\$ -	\$ 12,131	\$ -	\$ -	\$ 1,128,006	\$ 472,051	\$ 121,066	\$ 1,733,254
Rehabilitation Fund	-	-	-	-	-	-	163,224	-	-	163,224
American Rescue Plan Act Fund	-	3,796	-	-	120,753	1,575,757	160,673	-	-	1,860,979
Electric Fund	-	-	-	-	-	-	-	-	17,305	17,305
Sewer Fund	-	-	-	-	-	-	-	-	11,949	11,949
Water Fund	-	-	-	-	-	-	-	-	11,949	11,949
Nonmajor Governmental Funds in the Aggregate	418,595	-	11,419	-	-	499,990	142,796	70,000	-	1,142,800
Internal Service Funds in the Aggregate	391,350	18,919	-	123,283	72,737	68,207	46,056	236	33,833	754,621
Total	\$ 809,945	\$ 22,715	\$ 11,419	\$ 135,414	\$ 193,490	\$ 2,143,954	\$ 1,640,755	\$ 542,287	\$ 196,102	\$ 5,696,081

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; or to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 8 - Leases Receivable

Lease receivable agreements are summarized as follows:

	Agreement Date	Payment Terms	Annual Payment Amount	Interest Rate	Total Lease Receivable
Cell tower	8/1/2008	30 years	\$21,042 - \$24,198	2.05%	\$ 294,912
Conduit crossing	7/1/2012	20 years	13,675	2.05%	122,517
					<u>\$ 417,429</u>

The City collected \$34,717 from the lessees for the year ended June 30, 2023, which includes \$25,634 in lease revenue and \$9,083 in lease interest revenue.

City of Bay City
Notes to the Financial Statements
June 30, 2023

A lease receivable and deferred inflow have been recorded to reflect future expected payments. Future minimum lease payments are as follows:

Year Ending June 30,	Business-type Activities
2024	\$ 26,160
2025	26,696
2026	27,243
2027	27,802
2028	28,372
2029 - 2033	167,265
2034 - 2038	113,891
	<u>\$ 417,429</u>

Note 9 - 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. Contractual agreements and installment purchase agreements are also general obligations of the City. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Long-term debt obligation activity can be summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities									
Bonds and notes payable									
General obligation bonds									
Limited Tax Series 2012A	\$ 1,630,000	2031	3.00 - 3.65%	\$80,000 - \$110,000	\$ 930,000	\$ -	\$ 80,000	\$ 850,000	\$ 80,000
2022 Capital Improvement Bonds (DPW Building)	14,500,000	2046	3.00 - 5.00%	435,000 - 875,000	14,500,000	-	-	14,500,000	-
Notes from direct borrowings and direct placements									
Brownfield Redevelopment MDEQ Loan	1,000,000	2027	1.50%	90,808 - 96,382	557,336	-	89,466	467,870	90,808
Installment Note - Fire Truck (MERF)	985,739	2027	3.54%	73,358 - 84,310	464,543	-	70,850	393,693	73,358
Premiums									
Total bonds and notes payable					<u>16,804,091</u>	-	254,404	16,549,687	244,166
Landfill remediation liability					8,399,293	1,387,608	1,508,788	8,278,113	424,644
Compensated absences					3,011,759	2,156,194	1,425,831	3,742,122	1,870,995
Total governmental activities					<u>\$ 28,215,143</u>	<u>\$ 3,543,802</u>	<u>\$ 3,189,023</u>	<u>\$ 28,569,922</u>	<u>\$ 2,539,805</u>

City of Bay City
Notes to the Financial Statements
June 30, 2023

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities									
Bonds and notes payable									
Sewer Fund									
General obligation bonds									
2015 Limited Tax Refunding	\$ 3,455,000	2025	4.00%	\$370,000 - \$400,000	\$ 1,515,000	\$ -	\$ 360,000	\$ 1,155,000	\$ 370,000
2016 Limited Tax Refunding	1,392,000	2028	2.00% - 3.00%	138,000 - 150,000	852,000	-	132,000	720,000	138,000
2017 Capital Improvement Refunding	1,574,796	2030	2.34%	145,047 - 172,674	1,412,481	-	141,593	1,270,888	145,047
Notes from direct borrowings and direct placements									
State Revolving Fund	42,435,000	2023	-	-	2,655,000	-	2,655,000	-	-
Premiums					106,392	-	24,111	82,281	-
Total Sewer Fund					<u>6,540,873</u>	<u>-</u>	<u>3,312,704</u>	<u>3,228,169</u>	<u>653,047</u>
Electric Fund									
Revenue bonds									
2013 Electric Utility System	13,830,000	2033	3.90%	760,000 - 1,115,000	10,935,000	-	730,000	10,205,000	760,000
Water Fund									
General obligation bonds									
2016 Limited Tax Refunding	2,088,000	2028	2.00% - 3.00%	207,000 - 225,000	1,278,000	-	198,000	1,080,000	207,000
Notes from direct borrowings and direct placements									
DWRf 7393-01	3,575,167	2035	2.50%	160,000 - 215,167	2,600,167	-	160,000	2,440,167	160,000
DWRf 2021	4,000,000	2042	2.00%	165,000 - 237,266	3,779,266	-	165,000	3,614,266	165,000
Premiums					44,766	-	7,461	37,305	-
Total Water Fund					<u>7,702,199</u>	<u>-</u>	<u>530,461</u>	<u>7,171,738</u>	<u>532,000</u>
Total bonds and notes payable					25,178,072	-	4,573,165	20,604,907	1,945,047
Compensated absences					1,072,196	1,435,504	1,105,080	1,402,620	812,203
Total business-type activities					<u>\$ 26,250,268</u>	<u>\$ 1,435,504</u>	<u>\$ 5,678,245</u>	<u>\$ 22,007,527</u>	<u>\$ 2,757,250</u>

City of Bay City
Notes to the Financial Statements
June 30, 2023

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component units									
Bonds and notes payable									
Water Street DDA									
General obligation bonds									
2015 Limited Tax Capital Improvements	\$ 1,585,000	2025	4.00%	\$330,000 - \$475,000	\$ 1,035,000	\$ -	\$ 230,000	\$ 805,000	\$ 330,000
Premiums					<u>30,123</u>	-	<u>10,041</u>	<u>20,082</u>	-
Total Water Street DDA					<u>1,065,123</u>	-	<u>240,041</u>	<u>825,082</u>	<u>330,000</u>
Midland Street TIFA									
General obligation bonds									
2017 Capital Improvement Refunding	705,204	2030	2.34%	63,953 - 77,322	<u>632,517</u>	-	<u>63,407</u>	<u>569,110</u>	<u>64,953</u>
Brownfield Redevelopment Authority									
Revenue bonds									
2013 Tax Increment	9,200,000	2043	4.50%	55,000	100,000	-	45,000	55,000	55,000
2014 Tax Increment	7,085,000	2042	3.00% - 4.25%	75,000 - 700,000	6,765,000	-	60,000	6,705,000	75,000
2020 Tax Increment	6,120,000	2043	4.00%	185,000 - 435,000	5,950,000	-	190,000	5,760,000	205,000
2020 Tax Increment	10,860,000	2043	1.25% - 3.71%	150,000 - 830,000	10,485,000	-	150,000	10,335,000	150,000
Premiums					915,810	-	43,610	872,200	-
Discounts					<u>(148,918)</u>	-	<u>(15,578)</u>	<u>(133,340)</u>	-
Total Brownfield Redevelopment Authority					<u>24,066,892</u>	-	<u>473,032</u>	<u>23,593,860</u>	<u>485,000</u>
Total bonds and notes payable					<u>25,764,532</u>	-	<u>776,480</u>	<u>24,988,052</u>	<u>879,953</u>
Other Component Units									
Compensated absences - Housing Commission									
					188,437	7,315	-	195,752	195,752
Compensated absences - other component units									
					<u>27,037</u>	<u>18,111</u>	<u>12,568</u>	<u>32,580</u>	<u>10,649</u>
Total component units					<u>\$ 25,980,006</u>	<u>\$ 25,426</u>	<u>\$ 789,048</u>	<u>\$ 25,216,384</u>	<u>\$ 1,086,354</u>

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Debt service requirements for the various bonds and loans outstanding of the governmental activities, business type activities, and component units is as follows.

Year Ending June 30,	Governmental Activities				Business-type Activities				Component Units	
	Bonds		Notes from Direct Borrowings and Direct Placements		Bonds		Notes from Direct Borrowings and Direct Placements		Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 80,000	\$ 575,590	\$ 164,166	\$ 20,955	\$ 1,620,047	\$ 482,097	\$ 325,000	\$ 131,290	\$ 879,953	\$ 851,180
2025	520,000	562,240	168,126	16,996	1,676,954	422,362	337,000	123,928	1,073,046	821,984
2026	540,000	537,490	172,196	12,924	1,731,954	364,127	347,000	116,301	638,046	786,420
2027	550,000	511,792	176,383	8,737	1,380,408	311,985	352,000	108,448	689,593	767,668
2028	575,000	485,283	180,692	4,431	1,418,861	262,694	362,000	100,470	741,139	746,311
2029-2033	3,045,000	2,016,587	-	-	5,487,664	639,058	1,930,000	375,678	4,932,333	3,305,335
2034-2038	3,080,000	1,503,786	-	-	1,115,000	-	1,703,167	158,857	6,475,000	2,370,241
2039-2043	3,620,000	949,140	-	-	-	-	698,266	28,117	8,800,000	973,990
2044-2048	3,340,000	255,563	-	-	-	-	-	-	-	-
	<u>\$ 15,350,000</u>	<u>\$ 7,397,471</u>	<u>\$ 861,563</u>	<u>\$ 64,043</u>	<u>\$ 14,430,888</u>	<u>\$ 2,482,323</u>	<u>\$ 6,054,433</u>	<u>\$ 1,143,089</u>	<u>\$ 24,229,110</u>	<u>\$ 10,623,129</u>

As of June 30, 2018, Bay County, Michigan assumed the debt and the remaining principal payments of \$2,705,000 (State Revolving Fund 7165-01). During the fiscal year ended June 30, 2018, certain transmission assets were transferred to the County. The County will reimburse the City for all future debt payments of \$3,050,167 (DWRP 7393-01) through fiscal year 2036 and \$1,848,000 (2016 Limited Tax Refunding) through fiscal year 2028.

Deferred Amount of Debt Refunding

The City and component units issued bonds to advance refund and retire previously issued term refund bonds. The advance refundings resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This is reported in the accompanying statement of net position as a deferred outflow of resources. The deferred amounts on debt refunding's are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Deferred amount on refunding - business-type activities	\$ (205,855)	\$ -	\$ (32,710)	\$ (173,145)
Deferred amount on refunding - component units	(1,691,100)	-	(82,436)	(1,608,664)
Total	<u>\$ (1,896,955)</u>	<u>\$ -</u>	<u>\$ (115,146)</u>	<u>\$ (1,781,809)</u>

City of Bay City
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Defeased Debt

During fiscal year 2020, the City issued \$10,860,000 of refunding bonds to partially advance refund the Brownfield 2013 Tax Increment Bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the component units. The defeased debt will be paid out of escrow through October 1, 2043. The remaining balance as of June 30, 2023 was \$8,995,000.

Note 10 - Net Investment in Capital Assets

The composition of net investment in capital assets as of June 30, 2023 was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets			
Capital assets not being depreciated	\$ 21,638,925	\$ 19,590,207	\$ 16,472,530
Capital assets - net of accumulated depreciation	69,648,715	110,433,484	11,319,892
Deferred outflows of resources (capital related)	-	173,145	1,608,664
Total capital assets	<u>91,287,640</u>	<u>130,196,836</u>	<u>29,401,086</u>
Related debt:			
Bonds and notes payable	(16,549,687)	(20,604,907)	(24,988,052)
Non-capital debt	-	-	825,082
Net investment in capital assets	<u>\$ 74,737,953</u>	<u>\$ 109,591,929</u>	<u>\$ 5,238,116</u>

Note 11 - Risk Management

The City is exposed to various risks of loss related to claims, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-funded for liability and property insurance, health and dental insurance, and workers' compensation.

Liability and Property Insurance

The self-insurance program for liability and property is accounted for in the liability/property self-insurance fund (an internal service fund). Presently, the City insures the first \$1,000 on property and 10% of the remaining claim up to \$100,000 of loss and the first \$250,000 for all other claims. The City maintains stop-loss coverage on the excess (up to \$15,000,000) with an external risk management pool. There were no reductions of insurance coverage from the prior year. For the past several years, the City has engaged special legal counsel to assist in the review of liability and property insurance. This review is to ensure adequate coverage and comprehensive pricing. All funds of the City participate in this program and make payments based on estimates of the amounts needed to pay prior year and current year claims and to establish a reserve for losses relating to catastrophes.

Losses, damages, and administrative expenses are all paid from this fund. The claim liability for known claims and incurred but not reported claims is estimated by management and the insurance administrators. Settled claims have not exceeded insurance coverage in any of the past three years.

The changes in the claims liability for the years ended June 30, 2022 and 2023, are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2022	\$ 350,548	\$ 412,257	\$ 209,067	\$ 553,738
2023	553,738	442,038	288,106	707,670

Health and Dental Insurance

The self-insurance program for health and dental insurance is accounted for as part of the benefits program (an internal service fund). An independent administrator (Blue Cross) is hired to process the daily claims. The City is responsible for individual claims up to \$175,000 and Blue Cross is responsible for paying claims above this amount. There

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were no reductions of insurance coverage from the prior year. The City is also responsible for paying administrative charges. The revenues for this Fund's operation are reimbursements from various funds and employee payroll withholdings. The liability at the end of the year is based on claims already incurred and reported as provided by Blue Cross and on estimates of incurred but not reported claims as estimated by management. Settled claims have not exceeded insurance coverage in any of the past three years.

The changes in the claims liability for the years ended June 30, 2022 and 2023, are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2022	\$ 250,429	\$ 2,929,079	\$ 2,851,682	\$ 327,826
2023	327,826	4,410,695	4,244,816	493,705

Workers' Compensation

The self-insurance program for workers' compensation is accounted for within the benefits program (an internal service fund). An independent administrator is hired to process the daily claims and to perform auditing and management duties. Presently, the City is responsible for individual claims up to \$600,000 for each occurrence. The City maintains stop-loss coverage on the excess (up to \$5,000,000) through a reinsurance policy. All funds of the City participate in this program and make payments based on estimates of the amounts needed to pay prior year and current year claims and to establish a reserve for losses relating to catastrophes. The liability at the end of the year is based on claims already incurred and reported as provided by the administrator and on estimates of incurred but not reported claims as estimated by management. Settled claims have not exceeded insurance coverage in any of the past three years.

The changes in the claims liability for the years ended June 30, 2022 and 2023, are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2022	\$ 685,869	\$ (279,349)	\$ (26,966)	\$ 433,486
2023	433,486	(100,018)	18,250	315,218

Note 12 - Employee Retirement and Benefit Systems

Defined Benefit Pension Plan

Plan description – The City participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer, statewide public employee defined benefit pension plan that covers all employees of the City. The plan was established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

Benefits provided – Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3- or 5-year period) and multipliers ranging from 2.25% to 2.50%. Participants are considered to be fully vested in the plan after 10 years. Normal retirement age is 60 with early retirement at varying ages and years of service, depending on division/bargaining unit.

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Employees Covered by Benefit Terms – As of the most recent valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	272
Inactive employees entitled to, but not yet receiving benefits	9
Active employees	<u>16</u>
	<u>297</u>

Contributions – 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 cost of benefits earned by employees 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. During the fiscal year, employer contributions were 15.46% of annual payroll for the open division. Closed divisions had monthly employer contributions ranging from \$70 to \$121,314. Member contributions range from 0% to 5%. Five of the seven divisions are closed to new entrants.

Net pension liability – The employer's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the December 31, 2022 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 2.50%; 2) Salary increases 3.00% in the long-term; 3) Investment rate of return of 7.25%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 2.50%.

Mortality rates used were based on the Pub-2010 Public Retirement Plans Mortality Tables. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study.

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

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real Rate of Return
Global equity	60.00%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.00%	4.50%	0.90%	2.50%	0.40%
Private investments	<u>20.00%</u>	9.50%	<u>1.90%</u>	2.50%	<u>1.40%</u>
	<u>100.00%</u>		<u>7.00%</u>		<u>4.50%</u>

Discount rate – The discount rate used to measure the total pension liability is 7.25% for the December 31, 2022 valuation. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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The components of the change in the net pension liability are summarized as follows:

Changes in Net Pension Liability

Total Pension Liability

Service cost	\$ 108,963
Interest on the total pension liability	5,230,235
Experience differences	(864,318)
Benefit payments and refunds	<u>(6,452,435)</u>
Net change in total pension liability	(1,977,555)
Total pension liability - beginning	<u>75,312,905</u>
Total pension liability - ending (a)	<u>\$ 73,335,350</u>

Plan Fiduciary Net Position

Employer contributions	\$ 2,832,686
Employee contributions	57,741
Pension plan net investment loss	(8,177,285)
Benefit payments and refunds	(6,452,435)
Pension plan administrative expense	<u>(133,694)</u>
Net change in plan fiduciary net position	(11,872,987)
Plan fiduciary net position - beginning	<u>74,430,537</u>
Plan fiduciary net position - ending (b)	<u>\$ 62,557,550</u>

Net pension liability (a-b) \$ 10,777,800

Plan fiduciary net position as a percentage of total pension lia	85.30%
Covered payroll	<u>\$ 950,055</u>
Net pension liability as a percentage of covered payroll	1,134.44%

The General Fund and certain special revenue funds have typically been used to liquidate the MERS net pension liability in the governmental funds.

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 discount rate of 7.25%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

1% Decrease	Current Discount Rate	1% Increase
<u>\$ 17,497,444</u>	<u>\$ 10,777,800</u>	<u>\$ 5,017,842</u>

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued Plan financial statements.

Pension expense and deferred outflows of resources related to pensions – For the year ended June 30, 2023 the City recognized pension expense of \$1,101,666. The City reported deferred outflows of resources related to the MERS pension plan from the following sources:

	Deferred Outflows of Resources	Total to Amortize
Net difference between projected and actual earnings on plan investments	\$ 5,991,320	\$ 5,991,320
Contributions subsequent to the measurement date*	<u>1,461,592</u>	<u>-</u>
Total	<u>\$ 7,452,912</u>	<u>\$ 5,991,320</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in subsequent years.

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Other amounts reported as pension-related deferred outflows of resources will be recognized in pension expense as follows:

<u>Year Ended</u>	
2024	\$ 500,870
2025	1,086,046
2026	1,716,500
2027	<u>2,687,904</u>
	<u>\$ 5,991,320</u>

Bay City Public Safety and Fire Pension Plan and Retirement System

Plan Description – The City has provided a single-employer defined benefit pension plan for all eligible police officers and firefighters, which assets are included in the Bay City Public Safety and Fire Pension Plan and Retirement System, (the System). The System operates under the authority of the City Charter. The System is administered by a 5-member appointed Board of Trustees that is comprised of one police representative, one fire representative, two citizen representatives and the City Manager of the City of Bay City, Michigan.

The City issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the City of Bay City, 301 Washington Ave., Bay City, MI 48708.

Summary of Significant Accounting Policies – The financial statements of the Bay City Public Safety and Fire Pension Plan and Retirement System are prepared on the accrual basis of accounting. Plan member contributions are recognized in the period they are due. The City's contributions to the System are recognized when due and they have made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the System.

Method Used to Value Investments – Investments are reported at fair value. Securities which are traded on a national securities exchange are valued at the last reported sales price on the last business day of the System's fiscal year. Investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. The difference between aggregate fair value and the cost of investments along with realized gains and losses on sales of investments are reflected in the statement of changes in plan net position as net appreciation or depreciation in the fair value of investments.

Investment Policy – The System's policy regarding the allocation of invested assets is established and may be amended by a majority of the Board's voting members. The Board has determined that the strategic asset allocation policy is consistent with the achievement of the System's financial needs and overall investment objectives. Asset classes are selected based on their expected long-term returns, individual reward / risk characteristics, correlation with other assets, classes, manager roles and fulfillment of the System's long-term financial needs.

Benefits Provided – All certified police officers and firefighters are eligible to participate in the System. All participants who retire at age 55 with 10 years of service or with 25 years of service regardless of age are entitled to a regular retirement benefit, payable monthly, of total service times 2.50% (for eligible employees retiring with less than 25 years of credited service) or 2.80% (for eligible employees retiring with 25 years or more of credited service) of the final average salary. For Police members hired after July 1, 2014 and Fire members hired after July 1, 2018, the multiplier is 2.00% of final average compensation times years of service. The final average salary is determined as the highest 3 years of the last 10 years of average monthly pay. The plan also provides death and disability benefits. The City Commission has the authority to amend and establish benefit provisions.

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Employees Covered by Benefit Terms – At June 30, 2023, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	187
Inactive employees entitled to, but not yet receiving benefits	16
Active employees	<u>72</u>
	<u><u>275</u></u>

Contributions – All plan members are required to contribute 10%, subject to collective bargaining, of their annual salary to the System. The City is required to contribute the remaining amounts necessary to fund the System, based upon actuarial valuations as required by State statute. The City's contribution rate for the year ended June 30, 2023 was 42.45% of covered payroll for firefighters, 43.28% for police patrol, and 46.36% for police command.

Reserves – In accordance with the Plan policy, the City establishes reserves for various purposes. The reserves are adjusted annually based on recommendations from the City's actuaries. The policy for creating and adjusting reserves was established and can be amended by the Plan Board of Trustees. A summary of the Plan reserves at June 30, 2023 is as follows:

Beginning reserve balance	\$ 51,540,787
Employee contributions	608,759
Employer contributions	2,207,153
Net investment income	5,590,366
Pension benefit payments	<u>(6,586,708)</u>
Ending reserve balance	<u><u>\$ 53,360,357</u></u>

Net Pension Liability – The City's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions – The total pension liability was determined by an annual actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	21 years
Asset valuation method	5 years smoothed market
Inflation	3.500%
Salary increases	0.00% - 22.80% based on seniority
Investment rate of return	7.50%, net of expenses

Mortality rates were based on the Pub-2010 with MP-2021.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of the most recent actuarial experience study from July 1, 2016 to June 30, 2021.

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The long-term expected rate of return on the System's investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses 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. Best estimates of arithmetic real rates of return at June 30, 2023 for each major asset class included in the System's target asset allocation as disclosed above are summarized as follows:

Asset Class	Long-term Expected Real Rate of Return	Target Allocation	Asset Group Contribution
Domestic Equity	7.50%	52.00%	3.90%
International Equity	8.50%	10.00%	0.85%
U.S. Fixed Income	2.50%	20.00%	0.50%
Non-U.S. Fixed Income	3.50%	5.00%	0.18%
Real Estate	4.50%	8.00%	0.36%
Alternative Assets	6.09%	5.00%	0.30%
Total Real Rate of Return			<u>6.09%</u>

Discount Rate - The discount rate used to measure the total pension liability was 7.28%. The projection of cash flows used to determine the discount rate assumed that plan member 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 member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability – the components of the changes in the net pension liability are summarized as follows:

Changes in Net Pension Liability

Total Pension Liability

Service cost	\$ 986,287
Interest on the total pension liability	5,664,716
Experience differences	711,876
Changes in assumptions	(453,396)
Other changes	2,222,009
Benefit payments and refunds	<u>(6,586,708)</u>
Net change in total pension liability	2,544,784
Total pension liability - beginning	<u>78,543,735</u>
Total pension liability - ending (a)	<u>\$ 81,088,519</u>

Plan Fiduciary Net Position

Employer contributions	\$ 2,207,153
Employee contributions	608,759
Pension plan net investment income	5,762,074
Benefit payments and refunds	(6,586,708)
Pension plan administrative expense	<u>(171,708)</u>
Net change in plan fiduciary net position	1,819,570
Plan fiduciary net position - beginning	<u>51,540,787</u>
Plan fiduciary net position - ending (b)	<u>\$ 53,360,357</u>

Net pension liability (a-b) \$ 27,728,162

Plan fiduciary net position as a percentage of total pension liability	65.81%
Covered payroll	<u>\$ 4,951,053</u>
Net pension liability as a percentage of covered payroll	560.05%

The General Fund and certain special revenue funds have typically been used to liquidate the System's net pension liability in the governmental funds.

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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 discount rate of 7.28%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.28%) or 1% higher (8.28%) than the current rate:

1% Decrease	Current Discount Rate	1% Increase
\$ 35,770,088	\$ 27,728,162	\$ 20,637,116

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 of \$3,802,881. 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	Total	Total to Amortize
Differences in experience	\$ 2,582,087	\$ -	\$ 2,582,087	\$ 2,582,087
Differences in assumptions	1,290,442	(3,467,229)	(2,176,787)	(2,176,787)
Net difference between projected and actual earnings on plan investments	-	(223,972)	(223,972)	(223,972)
Total	\$ 3,872,529	\$ (3,691,201)	\$ 181,328	\$ 181,328

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended,	
2024	\$ (1,264,569)
2025	164,046
2026	1,690,722
2027	(408,871)
	\$ 181,328

The City recognized a total pension expense for both defined benefit pension plans of \$4,904,547 for the year ended June 30, 2023.

Defined Contribution Pension Plan

The City of Bay City Employees Defined Contribution Pension Plan is a single employer defined contribution pension plan created by the City and administered by MERS. The City is responsible for establishing and amending all provisions of the Plan. All City employees with the exception of police officers and firefighters hired after September 1, 1997 are required to participate. A defined contribution pension plan provides pension benefits in return for services rendered, an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under the defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account. All returns earned on investments of these contributions are allocated to such participant's account.

The contribution requirements of the City are established and may be amended by the City Commission. Currently, there are two plans available to the employees. Plan A offers the employee the option of contributing between 0.0% and 2.5% and requires between 2.5% and 5.0% contribution by the City. There is immediate vesting with Plan A. Plan B allows the employee to contribute between 3.0% and 5.5% while the City contributes between 6.0% and 8.5%. With Plan B, the employee is 50.0% vested after two years and 100.0% vested after four years. For the fiscal year ended June 30, 2023, the City's required and actual contributions amounted to \$950,768. Employees made contributions amounting to \$412,164. There were 197 active employees in the Plans.

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Note 13 - Other Postemployment Benefits

Postemployment Healthcare

Plan administration – As authorized by the City Commission, the City has elected to provide postemployment healthcare benefits to certain retirees and their beneficiaries. Substantially all of the City’s employees become eligible for postemployment health care benefits if they reach normal retirement age and are eligible for retirement benefits from the City. However, depending on the union contract, some employees hired after July 1, 2007 are not eligible for City provided healthcare benefits upon retirement. Instead the City has established a Retirement Health Savings (RHS) Plan in which the City contributes 6% of their salary on an annual basis. The benefits a participant will receive within the RHS plan depend solely on the amount contributed to each participant’s account and the returns earned on the investments of those contributions. This is a single employer defined benefit plan administered by the City. The RHS Plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the Plan through employer contributions.

Plan membership – Membership of the plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation:

Retiree and beneficiaries currently receiving benefits	416
Active plan members	<u>81</u>
Total membership	<u><u>497</u></u>

Benefits provided – The Plan provides healthcare benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan. The City Commission has the authority to establish and amend benefit terms.

Contributions – The cost of retiree health care benefits is recognized as an expense as claims are paid. The City pays the full cost of these benefits for most retirees. Most retirees are currently not required to contribute. However, depending upon the union contract under which they retire, recent retirees will pay a portion of each monthly premium

contribution, based on the subscription rates provided by Blue Cross/Blue Shield. The retiree’s portion ranges from \$0.00 to \$713.32 monthly, depending upon the bargaining unit from which the individual retired and the healthcare plan selected. The City’s contributions for retiree healthcare for the year ended June 30, 2023, were \$5,752,064. The City Commission has the authority to establish and amend contribution requirements.

Investment policy – The Plan’s policy in regard to the invested assets is established and may be amended by the Bay City Retiree Healthcare Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that provides liquidity needs to meet the operating requirements that may be reasonably anticipated and to seek an investment rate of return based on a benchmark index that measures the investment return of the overall stock and bond markets. The plan’s target asset allocation policy is as follows:

Asset Class	Target	Range	Benchmark Index
Domestic Equity	51.0%	40% - 60%	Russell 3000
International Equity	12.0%	0% - 20%	MSCI ACWI ex US
Core Fixed Income	24.0%	20% - 35%	BB US Aggregate
Non-Core Fixed Income	5.0%	0% - 10%	Based on Strategy
Real Estate	8.0%	0% - 15%	NPI - ODCE
Cash	0.0%	0% - 10%	90 Day T-Bill

Rate of return – For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 10.46%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Net OPEB liability – the components of the net OPEB liability as of June 30, 2023 were as follows:

Total OPEB liability	\$ 59,972,042
Plan fiduciary net position	<u>34,190,188</u>
Net OPEB liability	<u><u>\$ 25,781,854</u></u>

City of Bay City
Notes to the Financial Statements
June 30, 2023

Plan fiduciary net position as a percentage of the total OPEB liability is 56.98%.

Actuarial assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest valuation follows:

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry-age normal level % of salary
Amortization method	Level dollar
Remaining amortization period	16 years
Asset valuation method	Market value
Investment rate of return	6.85%
Projected salary increases	3.00% - 17.10%
Inflation rate	2.50% per year
Healthcare inflation rate	7.25% initially decreasing to a final rate of 4.50%

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables.

Discount rate – The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. 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 plan members. 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.

Changes in Net OPEB Liability

Total OPEB Liability

Service cost	\$ 486,754
Interest on the total OPEB liability	4,766,760
Experience differences	(11,172,525)
Changes in assumptions	696,522
Benefit payments and refunds	<u>(4,750,220)</u>
Net change in total OPEB liability	(9,972,709)
Total OPEB liability - beginning	<u>69,944,751</u>
Total OPEB liability - ending (a)	<u>\$ 59,972,042</u>

Plan Fiduciary Net Position

Employer contributions	\$ 5,752,064
OPEB plan net investment income	3,142,211
Benefit payments and refunds	(4,750,220)
OPEB plan administrative expense	<u>(64,928)</u>
Net change in plan fiduciary net position	4,079,127
Plan fiduciary net position - beginning	<u>30,111,061</u>
Plan fiduciary net position - ending (b)	<u>\$ 34,190,188</u>

Net OPEB liability (a-b) \$ 25,781,854

Plan fiduciary net position as a percentage of total OPEB liability	57.01%
Covered payroll	<u>\$ 6,032,413</u>
Net OPEB liability as a percentage of covered payroll	427.39%

City of Bay City
Notes to the Financial Statements
June 30, 2023

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
<u>\$ 32,348,754</u>	<u>\$ 25,781,854</u>	<u>\$ 20,303,386</u>

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

1% Decrease (6.50%)	Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
<u>\$ 20,287,400</u>	<u>\$ 25,781,854</u>	<u>\$ 32,312,589</u>

OPEB expense and deferred outflows of resources related to OPEB – For the year ended June 30, 2023 the employer recognized OPEB expense of (\$7,408,790). The employer reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Total to Amortize</u>
Net difference between projected and actual earnings on plan investments	<u>\$ 621,378</u>	<u>\$ 621,378</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended,</u>	
2024	\$ (107,970)
2025	(15,967)
2026	945,859
2027	(200,544)
	<u>\$ 621,378</u>

The General Fund and certain special revenue funds have typically been used to liquidate the net OPEB liability in the governmental funds.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrences of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

City of Bay City
Notes to the Financial Statements
June 30, 2023

Note 14 - Pension and Other Employee Benefit Trust Funds

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

	Police & Fire Pension Trust Fund	Health Care Trust Fund	Total Pension Trust and Other Employee Benefit Trust Funds
Statement of Net Position			
Assets			
Cash and cash equivalents	\$ 1,029,066	\$ 1,142,105	\$ 2,171,171
Investments	51,866,534	32,892,650	84,759,184
Accounts receivable	433,826	1,458	435,284
Interest receivable	78,925	2,414	81,339
Prepaid expenses	-	159,503	159,503
Total assets	<u>53,408,351</u>	<u>34,198,130</u>	<u>87,606,481</u>
Liabilities			
Accounts payable	<u>47,994</u>	<u>7,942</u>	<u>55,936</u>
Net Position			
Restricted for employees' pension benefits	53,360,357	-	53,360,357
Restricted for employees' pension benefits	-	34,190,188	34,190,188
Total net position	<u>\$ 53,360,357</u>	<u>\$ 34,190,188</u>	<u>\$ 87,550,545</u>
Statement of Changes in Net Position			
Additions			
Contributions	\$ 2,815,912	\$ 6,066,005	\$ 8,881,917
Net investment income	<u>5,762,074</u>	<u>3,161,473</u>	<u>8,923,547</u>
Total additions	<u>8,577,986</u>	<u>9,227,478</u>	<u>17,805,464</u>
Deductions			
Retiree healthcare premium payments	-	5,052,563	5,052,563
Benefits and refunds paid to participants	6,586,708	14,100	6,600,808
Administrative expenses	<u>171,708</u>	<u>81,688</u>	<u>253,396</u>
Total deductions	<u>6,758,416</u>	<u>5,148,351</u>	<u>11,906,767</u>
Change in net position	<u>\$ 1,819,570</u>	<u>\$ 4,079,127</u>	<u>\$ 5,898,697</u>

Note 15 - Contingent Liabilities

Environmental

Various properties owned or formerly owned by the City are subject to environmental clean-up. The sites include property at the former Middlegrounds Landfill, former Surath scrap yard and the former Industrial Brownhoist site commonly known as Uptown Bay City. Various actions are in process for each property.

The Middleground Landfill is a former municipal landfill that ceased operations in 1984. Approximately 40 acres in size, only a portion of the site was used for municipal waste. The U.S. Army Corps of Engineers utilized the north end of the landfill to deposit dredge spoils. The landfill has a 5' clay cap and engineered controls have been put in place. GM, Honeywell and the City are principal responsible parties for this site. A Remedial Action Plan ("RAP") is complete and was approved by the Michigan Department of Environment, Great Lakes & Energy (EGLE) in November 2012. Important components to closing out the RAP at the landfill was the installation of required signage to inform the general public to avoid entering the property, to advise authorized personnel who need to access the property, and to provide safe access routes to emergency and authorized personnel. In addition, to adding new signage around the perimeter of the landfill, the City also extended surface drives on the site to provide controlled access to the west side of the landfill that will enable emergency personnel to respond to any emergencies in that area. The new signage and extended surface drives were completed in September 2012. The objective is to help to ensure the public health, to minimize the potential for exposure or injuries that may occur in the future, and that all of the engineering controls that are in place on the site are not inadvertently compromised in any way.

Going forward, the site will require regular monitoring, including ground water, landfill gas and engineered controls as part of the ongoing due care obligation. These holding costs were estimated in 2015 to be \$1.8 million over the next 31 years. GM was a responsible party at 61.25%, along with the City (30%) and Honeywell (8.75%). The City worked with

City of Bay City
Notes to the Financial Statements
June 30, 2023

the Michigan Attorney General and United States Environmental Protection Agency (“EPA”) regarding the proposed GM Bankruptcy “Environmental Response Trust” participating in these holding costs. With the bankruptcy, the 61.25% shifted to the City and Honeywell. The City Commission approved on February 7, 2011 a resolution that authorized the City to establish a fund for placement of funds obtained from any settlement with, or payment from the estate of, General Motors, Inc. and its successor entities. To date, the City received stocks and warrants and with their liquidation received \$152,998 from the GM bankruptcy settlement. As a result of the settlement, the City’s total exposure is 60.25% and Honeywell is 39.75%.

The former Surath scrap yard is considered an orphaned site by the Department of Environmental Quality. The DEQ has provided grant dollars to the City in the past to deal with environmental concerns. The site is currently fenced and there is a topsoil cap on the site. There are no current or pending environmental actions on the former Surath scrap yard site. The DEQ has provided technical assistance to the City to help market this site for redevelopment. The former Surath scrap yard has been substantially cleaned up with the City incurring approximately \$600,000 in costs.

The City acquired 43 acres of Riverfront property in Bay City, known as Uptown Bay City. The EPA and the EGLE have determined that the City is not a liable party for the existing contamination at the site. Further, the EPA has awarded the City four grants totaling \$1,600,000 to primarily aid the City in addressing the environmental legacy of industry on this site. Three large buildings were demolished in 2009 and the remaining structures were demolished in 2012. An EPA grant funded contract to excavate an area of environmental concern (a former coal gasification facility) was completed. The property is fenced and has a 5” gravel cap. Uptown was purchased October 2, 2012 by Bay Riverfront Development, LLC and is intended to become a multi-purpose development site.

Commitments

Electric Department and Michigan Public Power Agency

Bay City is a member of and participant in several Michigan Public Power Agency (MPPA) projects. MPPA is a public body politic and corporate of the State of Michigan created in 1978 under Act 448 of the Public Acts of Michigan, 1976, as amended. MPPA was formed to undertake the planning, financing, development, acquisition, construction, improvement, operation, and maintenance of projects to supply electric power and energy for the present or future needs of its members.

Each MPPA member is a municipal corporation organized under the laws of the State of Michigan and owns and operates a municipal electric system. Of MPPA's twenty-two members, ten are participants in the Campbell No. 3 Project, eleven are participants in the Belle River Project, five are participants in the Combustion Turbine No. 1 Project, thirteen participate in the Transmission Project, twenty-one are participants in the Energy Services Project, thirteen participate in the AFEC Project and fourteen participate in the Landfill Renewable Energy Project.

Campbell Unit No. 3 Project

MPPA and Consumers Energy Company (Consumers) entered into the following agreements dated October 1, 1979, as amended, relating to Consumers' Campbell Unit No. 3 steam-electric generating unit, which went into commercial operation in September 1980:

The Campbell Ownership Agreement provides for MPPA to own a 4.8% undivided interest in Campbell Unit No. 3, for Consumers to operate Campbell Unit No. 3, for the sale of surplus electric capacity to Consumers, for operating costs of Campbell Unit No. 3 to be shared on a pro rata basis, and for MPPA to purchase an undivided ownership interest in the fuel supply for Campbell Unit No. 3.

The Campbell Transmission Agreement allowed MPPA to purchase an undivided ownership interest in a certain Consumers' (now METC) 345

City of Bay City
Notes to the Financial Statements
June 30, 2023

kV transmission line, the method of determining certain charges for utilization of the METC transmission system, for the sale to METC of planned available transmission capacity in excess of MPPA's need, if available, and for sharing transmission line operating expenses.

The Campbell Back-Up Agreement provides for Consumers to make backup electric capacity and energy available to MPPA from its electric system reserves in the event of total or partial unavailability of capacity and energy from Campbell Unit No. 3, and for determination of the associated backup electric capacity and energy charges to MPPA.

The City's electric department has entered into power supply and project support contracts with MPPA. Under the Agreement, the City's electric department will purchase 13.18% of the energy generated by the Campbell No. 3 plant entitled to MPPA. Conversely, the City is obligated to pay its share of the operating expenses and debt service costs of the Project.

On January 30, 2013, MPPA completed financing via a private placement bond through BMO Harris Bank N.A. in the amount of \$23,500,000. The funds were used to finance capital improvements to the Campbell 3 power plant and the installation of necessary environmental controls. The final payment on this debt was made on January 1, 2022.

Belle River Unit No. 1 Project

On December 1, 1982, MPPA and Detroit Edison Company (Edison) entered into the following agreements, as amended, relating to Edison's Belle River Unit No. 1 steam-electric generating unit, part of a two-unit generating station, which went into commercial operation in August 1984:

The Belle River Participation Agreement provides for MPPA to purchase a 37.22% undivided ownership interest in Belle River Unit No. 1 and an undivided ownership interest in certain common and joint facilities associated with Belle River Unit No. 1, for MPPA to purchase an undivided ownership interest in the fuel supply stockpile, for Edison

to operate Belle River Units No. 1 and 2, for the sharing of operating costs of both units, for the sale of surplus electric capacity and energy to Edison, and for backup electric capacity and energy from Edison's electric system reserves to be available in the event of total or partial unavailability of power and energy from Belle River. Pursuant to the reliability exchange provisions in the Agreement, MPPA is entitled to 18.61% of the electric capacity and energy from each of the Belle River Units No. 1 and 2.

The Belle River Transmission Ownership and Operating Agreement with Edison (now ITCT) provides MPPA with undivided ownership interest in certain ITC 345 kV transmission lines, for ITCT to operate the transmission lines, for the sharing of operating costs, and for the sale of planned excess transmission capacity to if any.

The Belle River Transmission Ownership and Operating Agreement with Consumers' (now METC) provides MPPA with undivided ownership interest in certain METC 345 kV transmission lines, for METC to operate the transmission lines, for the sharing of operating costs, and for the sale to METC of planned excess transmission capacity, if any.

The City's electric department has entered into power supply and project support contracts with MPPA. Under the agreement, the City's electric department will purchase 3.71% of the energy generated by the Belle River plant entitled to MPPA and receive/pay the utilization revenues/expenses from the transmission system. Conversely, the City is obligated to pay its share of the operating expenses and debt service costs of the Project. During the fiscal year ended June 30, 2018, the final debt payment was made.

Transmission Project

In 2005, thirteen MPPA members contributed capital for the purchase of transmission rights in the bulk transmission system. In 2006, MPPA purchased an undivided ownership in certain 345 kV transmission lines in the METC system providing ownership rights and transmission offsets to use of the bulk transmission system.

City of Bay City
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June 30, 2023

AMP Fremont Energy Center Project (AFEC)

In June 2012, MPPA completed its purchase of a 5.16% interest in a natural gas fired electric facility located in Fremont, Sandusky County, Ohio. American Municipal Power, Inc. is the majority owner of this power plant and serves as the operator. Thirteen of MPPA's municipal members participate in the AFEC project. MPPA issued \$32,520,000 in revenue bonds to finance the purchase. In 2021, MPPA completed a bond refunding in the amount of \$24,610,000. The City's electric department has entered into power supply and project support contracts with MPPA. Under the Agreement, the City's electric department will purchase 19.59% of the energy generated by the AFEC plant entitled to MPPA and will pay the corresponding share of the operating expenses and debt service costs of the Project.

Debt Service Under the AFEC Project

The estimated remaining debt service payments for the AFEC Project with interest included are as follows:

Fiscal Year Ending	AFEC Project
2024	\$ 525,532
2025	525,177
2026	524,713
2027	525,121
2028	525,121
2029-2032	2,624,185
	\$ 5,249,849

The City's portion of the future interest expense as of June 30, 2023 is \$352,577.

Other Power Purchase Commitments

In addition to participating in the projects listed above, the City's electric department has made Power Purchase Commitments (PPC) to MPPA that provide renewable energy purchase entitlements of 20.33% of the energy generated by the Granger/NANR Landfill Gas Project, 15.38%

of the energy generated by the Beebe Wind Project, and 13.15% of the energy generated by the Pegasus Wind Project. The City's electric department has made Solar PPCs to MPPA that includes renewable energy purchase entitlements of 5.80% of the energy generated by Assembly Solar 1, 7.20% of the energy generated by Hart Solar, 7.60% of the energy generated by Savion Calhoun Solar, and the 5.80% of the energy generated by Invenergy Calhoun Solar. The City's electric department has made a battery storage PPC to MPPA that includes capacity purchase entitlements of 14.50% of the capacity provided by the White Ox Project. In addition to the City's long-term renewable PPCs, the City routinely makes PPCs under MPPA's Nine Year Stability Hedge Plan.

Other

The City is engaged in other routine litigation incidental to the conduct of its municipal and utilities affairs. In the opinion of legal counsel, no legal proceedings are pending against the City, not covered by insurance, which would inhibit the City's ability to perform its operations or materially affect its financial condition.

Note 16 - Tax Abatements

The City enters into property tax abatement agreements with local businesses under several programs as authorized under Public Act 198 of 1974, as amended (PA 198) and Public Act 381 of 1996, as amended (PA 381).

PA 198 (Industrial Property Tax Abatement) allows abatements to encourage Michigan manufacturers to build new plants, expand existing plants, renovate aging plants, or add new machinery and equipment. High technology operations are also eligible for the abatement. Once approved the firm pays an Industrial Facilities Tax (IFT), instead of property taxes, which reflects the abatement savings. The exemption covers only the specific project that is the subject of the application. Any buildings and equipment that existed prior to the construction of a new facility are not exempt. Likewise, any structures or equipment added after completion of the project are fully taxable. The IFT on new plant

City of Bay City
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June 30, 2023

and non-industrial personal property is computed at half the local property mileage rate, resulting in a reduction of property taxes of approximately 50%. For an obsolete plant or machinery that is being replaced or restored, the IFT is frozen at the assessed value of the plant prior to improvement, resulting in a 100% exemption from property tax on the value of the improvements. A speculative building would be eligible for a reduction in property taxes of approximately 50%. Commercial personal property will receive an automatic reduction of 12 mills for local school on their property tax bill. The City abated \$224,273 related to PA 198 during fiscal year 2023.

PA 381 (Brownfield Redevelopment Abatement) encourages the purchase and revitalization of properties in which redevelopment or reuse may be complicated by the presence or perception of contamination. Revitalizing and redeveloping these properties protect the environment, reuses existing infrastructure, minimizes urban sprawl and creates economic opportunities. The City abated \$2,757,864 related to PA 381 during fiscal year 2023.

City of Bay City
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Taxes	\$ 12,505,926	\$ 12,673,390	\$ 12,575,761	\$ (97,629)
Licenses and permits	286,605	290,823	189,741	(101,082)
Federal grants	14,382	56,213	105,717	49,504
State-shared revenue and grants	5,518,296	5,612,032	5,908,584	296,552
Local contributions	-	-	3,068	3,068
Charges for services	3,598,350	3,610,300	3,591,455	(18,845)
Fines and forfeitures	75,550	75,550	63,877	(11,673)
Interest and rental income	80,400	80,600	188,017	107,417
Other revenue	140,698	186,998	199,649	12,651
Transfers in	698,429	809,945	809,945	-
Total revenues	<u>22,918,636</u>	<u>23,395,851</u>	<u>23,635,814</u>	<u>239,963</u>

City of Bay City
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Expenditures				
General government				
City Commission	\$ 99,657	\$ 99,657	\$ 95,059	\$ (4,598)
Mayor	14,369	14,369	11,629	(2,740)
City Manager	762,492	784,474	783,207	(1,267)
Elections	51,395	64,792	64,701	(91)
Auditing	64,000	64,000	58,400	(5,600)
Assessor	399,192	463,624	403,416	(60,208)
Attorney	160,000	210,000	200,207	(9,793)
City Clerk	386,179	386,602	369,926	(16,676)
Fiscal services	192,830	237,963	204,104	(33,859)
Accounting	723,174	725,909	696,097	(29,812)
Human resources	358,738	364,319	345,035	(19,284)
Purchasing	476,740	478,187	466,989	(11,198)
Treasurer	519,794	519,794	517,116	(2,678)
Public relations	38,583	38,889	35,189	(3,700)
Contingency	17,860	9,847	-	(9,847)
Planning and zoning	414,205	422,106	407,268	(14,838)
Total general government	<u>4,679,208</u>	<u>4,884,532</u>	<u>4,658,343</u>	<u>(226,189)</u>
Public safety	<u>14,021,083</u>	<u>14,207,437</u>	<u>13,764,158</u>	<u>(443,279)</u>

City of Bay City
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Public works				
City hall and grounds	\$ 317,105	\$ 360,937	\$ 337,593	\$ (23,344)
Construction and engineering	301,191	301,739	294,198	(7,541)
Street lighting	678,159	678,159	727,161	49,002
Neighborhood maintenance	<u>57,000</u>	<u>57,000</u>	<u>61,461</u>	<u>4,461</u>
Total public works	<u>1,353,455</u>	<u>1,397,835</u>	<u>1,420,413</u>	<u>22,578</u>
Economic development	<u>390,116</u>	<u>391,792</u>	<u>385,677</u>	<u>(6,115)</u>
Parks and recreation	<u>1,537,759</u>	<u>1,620,893</u>	<u>1,473,325</u>	<u>(147,568)</u>
Capital outlay	<u>189,000</u>	<u>337,950</u>	<u>335,487</u>	<u>(2,463)</u>
Transfers out	<u>748,015</u>	<u>1,733,254</u>	<u>1,733,254</u>	<u>-</u>
Total expenditures	<u>22,918,636</u>	<u>24,573,693</u>	<u>23,770,657</u>	<u>(803,036)</u>
Excess (deficiency) of revenues over expenditures	-	(1,177,842)	(134,843)	1,042,999
Fund balance - beginning of year	<u>5,500,379</u>	<u>5,500,379</u>	<u>5,500,379</u>	<u>-</u>
Fund balance - end of year	<u>\$ 5,500,379</u>	<u>\$ 4,322,537</u>	<u>\$ 5,365,536</u>	<u>\$ 1,042,999</u>

City of Bay City
Required Supplementary Information
Budgetary Comparison Schedule
Major Streets
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Revenues				
Taxes	\$ 570,275	\$ 570,275	\$ 564,224	\$ (6,051)
Other - intergovernmental	5,752,881	5,752,881	4,883,801	(869,080)
Fines and forfeitures	-	-	9	9
Interest income	12,000	12,000	165,364	153,364
Other revenue	625,700	625,700	304,258	(321,442)
Transfers in	3,100,184	3,100,184	22,715	(3,077,469)
Total revenues	<u>10,061,040</u>	<u>10,061,040</u>	<u>5,940,371</u>	<u>(4,120,669)</u>
Expenditures				
Current				
Public works	3,790,407	3,799,907	3,202,417	(597,490)
Capital outlay	6,906,885	6,906,885	2,260,390	(4,646,495)
Total expenditures	<u>10,697,292</u>	<u>10,706,792</u>	<u>5,462,807</u>	<u>(5,243,985)</u>
Excess (deficiency) of revenues over expenditures	(636,252)	(645,752)	477,564	1,123,316
Fund balance - beginning of year	<u>2,892,044</u>	<u>2,892,044</u>	<u>2,892,044</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,255,792</u>	<u>\$ 2,246,292</u>	<u>\$ 3,369,608</u>	<u>\$ 1,123,316</u>

City of Bay City
Required Supplementary Information
Budgetary Comparison Schedule
Rehabilitation Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Federal grants	\$ 1,720,403	\$ 1,720,403	\$ 515,954	\$ (1,204,449)
Interest income	5,000	8,900	5,167	(3,733)
Program income	95,000	168,940	206,103	37,163
Transfers in	350,000	110,000	11,419	(98,581)
Total revenues	<u>2,170,403</u>	<u>2,008,243</u>	<u>738,643</u>	<u>(1,269,600)</u>
Expenditures				
Current				
Economic development	2,070,403	1,830,403	575,419	(1,254,984)
Transfers out	100,000	177,840	163,224	(14,616)
Total expenditures	<u>2,170,403</u>	<u>2,008,243</u>	<u>738,643</u>	<u>(1,269,600)</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Bay City
Required Supplementary Information
Budgetary Comparison Schedule
American Rescue Plan Act Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Federal grants	\$ 9,369,256	\$ 17,963,002	\$ 2,650,725	\$ (15,312,277)
Interest income	-	-	559,180	559,180
Total revenues	<u>9,369,256</u>	<u>17,963,002</u>	<u>3,209,905</u>	<u>(14,753,097)</u>
Expenditures				
Current				
Economic development	4,988,970	6,581,681	1,348,926	(5,232,755)
Transfers out	<u>4,380,286</u>	<u>11,381,321</u>	<u>1,860,979</u>	<u>(9,520,342)</u>
Total expenditures	<u>9,369,256</u>	<u>17,963,002</u>	<u>3,209,905</u>	<u>(14,753,097)</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Bay City
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2023

Fiscal year ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	\$ 108,963	\$ 125,161	\$ 159,322	\$ 189,778	\$ 200,524	\$ 240,463	\$ 292,662	\$ 323,154	\$ 353,816
Interest on the total pension liability	5,230,235	5,423,754	5,389,724	5,525,007	5,593,831	5,613,810	5,596,371	5,563,471	5,554,640
Experience differences	(864,318)	(522,650)	(489,829)	270,514	(328,852)	100,986	349,317	(689,557)	-
Changes in actuarial assumptions	-	2,195,121	1,860,201	2,304,781	-	-	-	-	-
Other changes	-	-	(1,029)	(1,195)	-	-	(1)	3,216,511	1
Benefit payments and refunds	(6,452,435)	(6,422,165)	(6,484,923)	(6,352,735)	(6,288,113)	(6,081,903)	(5,906,656)	(5,852,712)	(5,719,505)
Net change in total pension liability	(1,977,555)	799,221	433,466	1,936,150	(822,610)	(126,644)	331,693	2,560,867	188,952
Total pension liability - beginning	75,312,905	74,513,684	74,080,218	72,144,068	72,966,678	73,093,322	72,761,629	70,200,762	70,011,810
Total pension liability - ending (a)	\$ 73,335,350	\$ 75,312,905	\$ 74,513,684	\$ 74,080,218	\$ 72,144,068	\$ 72,966,678	\$ 73,093,322	\$ 72,761,629	\$ 70,200,762
Plan Fiduciary Net Position									
Employer contributions	\$ 2,832,686	\$ 4,772,132	\$ 6,040,868	\$ 5,903,142	\$ 5,979,481	\$ 5,379,964	\$ 5,409,126	\$ 4,832,281	\$ 3,944,723
Employee contributions	57,741	58,677	76,903	64,365	117,646	97,748	139,768	298,856	218,513
Pension plan net investment income (loss)	(8,177,285)	9,831,121	7,629,521	7,109,755	(2,171,261)	6,493,186	5,056,837	(689,452)	2,802,123
Benefit payments and refunds	(6,452,435)	(6,422,165)	(6,484,923)	(6,352,735)	(6,288,113)	(6,081,903)	(5,906,656)	(5,852,712)	(5,719,505)
Pension plan administrative expense	(133,694)	(106,845)	(119,087)	(122,505)	(106,362)	(102,730)	(99,798)	(100,164)	(102,890)
Net change in plan fiduciary net position	(11,872,987)	8,132,920	7,143,282	6,602,022	(2,468,609)	5,786,265	4,599,277	(1,511,191)	1,142,964
Plan fiduciary net position - beginning	74,430,537	66,297,617	59,154,335	52,552,313	55,020,922	49,234,657	44,635,380	46,146,571	45,003,607
Plan fiduciary net position - ending (b)	\$ 62,557,550	\$ 74,430,537	\$ 66,297,617	\$ 59,154,335	\$ 52,552,313	\$ 55,020,922	\$ 49,234,657	\$ 44,635,380	\$ 46,146,571
Net pension liability (a-b)	\$ 10,777,800	\$ 882,368	\$ 8,216,067	\$ 14,925,883	\$ 19,591,755	\$ 17,945,756	\$ 23,858,665	\$ 28,126,249	\$ 24,054,191
Plan fiduciary net position as a percentage of total pension liability	85.30%	98.83%	88.97%	79.85%	72.84%	75.41%	67.36%	61.34%	65.74%
Covered payroll	\$ 950,055	\$ 1,189,894	\$ 1,292,855	\$ 1,523,585	\$ 1,623,125	\$ 1,947,137	\$ 2,349,701	\$ 2,615,210	\$ 2,860,664
Net pension liability as a percentage of covered payroll	1,134.44%	74.16%	635.50%	979.66%	1,207.04%	921.65%	1,015.39%	1,075.49%	840.86%

Notes: The amounts presented for each fiscal year were determined as of December 31 of the preceding year.
GASB Statement No. 68 was implemented in fiscal year 2015. This schedule is being built prospectively.
Data will be added as information is available until 10 years of such data is available.

City of Bay City
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Employer Contributions
June 30, 2023

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 3,209,721	\$ 4,305,622	\$ (1,095,901)	\$ 2,855,351	150.79%
2016	4,027,365	5,123,265	(1,095,900)	2,805,693	182.60%
2017	4,598,968	5,694,856	(1,095,888)	2,372,397	240.05%
2018	4,742,266	4,987,535	(245,269)	2,171,932	229.64%
2019	5,168,988	6,357,861	(1,188,873)	1,644,667	386.57%
2020	5,642,354	6,099,281	(456,927)	1,534,223	397.55%
2021	6,248,630	6,294,239	(45,609)	1,318,211	477.48%
2022	1,086,925	2,978,557	(1,891,632)	1,280,510	232.61%
2023	1,238,147	2,962,758	(1,724,611)	962,600	307.79%

Notes: The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

GASB Statement No. 68 was implemented in fiscal year 2015. This schedule is being built prospectively.

Data will be added as information is available until 10 years of such data is available.

Notes to Schedule of Employer Contributions

Valuation date Actuarially determined contribution rates are calculated as of December 31 that is 18 months prior to the beginning of the fiscal year for which the contributions are reported.

Other information There were no benefit changes during the year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15-22 years
Asset valuation method	5-year smoothed value of assets
Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.35% net of pension plan investment expense, including inflation
Retirement age	50 to 60 dependent on years of service
Mortality	RP-2014 Mortality Tables; 50% male and 50% female blend

City of Bay City
Required Supplementary Information
Bay City Public Safety and Fire Pension Plan and Retirement System
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2023

Fiscal year ended June 30	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 986,287	\$ 872,059	\$ 1,171,085	\$ 946,215	\$ 959,061	\$ 965,593	\$ 970,300	\$ 959,969	\$ 1,035,976	\$ 1,170,628
Interest on the total pension liability	5,664,716	5,222,140	4,537,001	4,589,250	4,523,489	4,527,037	4,609,895	4,634,815	4,711,503	4,728,988
Change of benefit terms	2,222,009	58,280	-	-	-	-	-	-	-	(301,242)
Experience differences	711,876	1,595,804	5,001,118	2,942,853	2,031,877	712,218	1,118,519	(737,134)	(1,732,221)	(734,651)
Changes in actuarial assumptions	(453,396)	2,580,883	(12,508,731)	6,180,673	(469,909)	928,112	8,045,729	-	-	-
Benefit payments and refunds	(6,586,708)	(6,450,549)	(6,187,667)	(7,383,170)	(5,979,812)	(5,705,932)	(5,679,596)	(4,710,583)	(5,288,925)	(4,770,135)
Net change in total pension liability	2,544,784	3,878,617	(7,987,194)	7,275,821	1,064,706	1,427,028	9,064,847	147,067	(1,273,667)	93,588
Total pension liability - beginning	78,543,735	74,665,118	82,652,312	75,376,491	74,311,785	72,884,757	63,819,910	63,672,843	64,946,510	64,852,922
Total pension liability - ending (a)	<u>\$ 81,088,519</u>	<u>\$ 78,543,735</u>	<u>\$ 74,665,118</u>	<u>\$ 82,652,312</u>	<u>\$ 75,376,491</u>	<u>\$ 74,311,785</u>	<u>\$ 72,884,757</u>	<u>\$ 63,819,910</u>	<u>\$ 63,672,843</u>	<u>\$ 64,946,510</u>
Plan Fiduciary Net Position										
Employer contributions	\$ 2,207,153	\$ 1,907,562	\$ 1,760,864	\$ 1,528,480	\$ 1,357,959	\$ 1,406,290	\$ 1,521,054	\$ 1,720,011	\$ 1,925,400	\$ 1,808,810
Employee contributions	608,759	506,341	653,785	471,350	514,532	480,790	456,986	469,924	562,736	834,201
Pension plan net investment income (loss)	5,762,074	(5,721,797)	16,383,801	989,168	3,042,461	4,057,322	6,256,577	288,900	2,840,467	8,500,184
Benefit payments and refunds	(6,586,708)	(6,450,549)	(6,187,667)	(7,383,170)	(5,979,812)	(5,705,932)	(5,679,596)	(4,710,583)	(5,288,925)	(4,770,135)
Pension plan administrative expense	(171,708)	(186,845)	(144,022)	(136,949)	(118,859)	(148,829)	(160,372)	(142,325)	(167,467)	(141,341)
Other	-	-	-	(11,266)	(34,014)	(1)	-	15,999	-	11,063
Net change in plan fiduciary net position	1,819,570	(9,945,288)	12,466,761	(4,542,387)	(1,217,733)	89,640	2,394,649	(2,358,074)	(127,789)	6,242,782
Plan fiduciary net position - beginning	51,540,787	61,486,075	49,019,314	53,561,701	54,779,434	54,689,794	52,295,145	54,653,219	54,781,008	48,538,226
Plan fiduciary net position - ending (b)	<u>\$ 53,360,357</u>	<u>\$ 51,540,787</u>	<u>\$ 61,486,075</u>	<u>\$ 49,019,314</u>	<u>\$ 53,561,701</u>	<u>\$ 54,779,434</u>	<u>\$ 54,689,794</u>	<u>\$ 52,295,145</u>	<u>\$ 54,653,219</u>	<u>\$ 54,781,008</u>
Net pension liability (a-b)	<u>\$ 27,728,162</u>	<u>\$ 27,002,948</u>	<u>\$ 13,179,043</u>	<u>\$ 33,632,998</u>	<u>\$ 21,814,790</u>	<u>\$ 19,532,351</u>	<u>\$ 18,194,963</u>	<u>\$ 11,524,765</u>	<u>\$ 9,019,624</u>	<u>\$ 10,165,502</u>
Plan fiduciary net position as a percentage of total pension liability	65.81%	65.62%	82.35%	59.31%	71.06%	73.72%	75.04%	81.94%	85.83%	84.35%
Covered payroll	<u>\$ 4,951,053</u>	<u>\$ 4,871,983</u>	<u>\$ 4,516,738</u>	<u>\$ 4,418,384</u>	<u>\$ 4,097,440</u>	<u>\$ 4,056,629</u>	<u>\$ 4,204,892</u>	<u>\$ 4,380,402</u>	<u>\$ 4,308,434</u>	<u>\$ 4,523,121</u>
Net pension liability as a percentage of covered payroll	560.05%	554.25%	291.78%	761.21%	532.40%	481.49%	432.71%	263.10%	209.35%	224.75%

City of Bay City
Required Supplementary Information
Bay City Public Safety and Fire Pension Plan and Retirement System
Schedule of Employer Contributions
June 30, 2023

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 1,808,810	\$ 1,808,810	\$ -	\$ 4,523,121	39.99%
2015	1,925,400	1,925,400	-	4,308,434	44.69%
2016	1,720,011	1,720,011	-	4,380,402	39.27%
2017	1,521,054	1,521,054	-	4,204,892	36.17%
2018	1,406,290	1,406,290	-	4,056,629	34.67%
2019	1,357,959	1,357,959	-	4,097,440	33.14%
2020	1,528,480	1,528,480	-	4,418,384	34.59%
2021	1,760,864	1,760,864	-	4,516,738	38.99%
2022	1,907,562	1,907,562	-	4,871,983	39.15%
2023	2,207,153	2,207,153	-	4,951,053	44.58%

Notes to Schedule of Employer Contributions

Actuarial valuation information relative to the determination of contributions in fiscal year 2022/23:

Valuation date June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 years
Asset valuation method	5 year smoothed market
Inflation	3.50%
Salary increases	3.50%
Investment rate of return	7.50%
Mortality	RP 2000 Combined Healthy Mortality projected to 2014

City of Bay City
Required Supplementary Information
Bay City Public Safety and Fire Pension Plan and Retirement System
Schedule of Investment Returns
June 30, 2023

Fiscal Year Ending June 30,	Annual Return (1)
2014	14.79%
2015	5.93%
2016	-1.09%
2017	10.82%
2018	5.48%
2019	2.98%
2020	0.11%
2021	32.94%
2022	-11.62%
2023	8.74%

(1) Annual money-weighted rate of return, net of investment expenses.

City of Bay City
Required Supplementary Information
Other Post Employment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2023

Fiscal year ended June 30,	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 486,754	\$ 535,055	\$ 611,031	\$ 620,846	\$ 1,535,003	\$ 1,651,710	\$ 1,833,556
Interest	4,766,760	5,436,640	5,267,272	5,085,448	6,390,402	6,572,757	5,760,654
Other	-	-	137,632	-	26,835	-	-
Differences between expected and actual experience	(11,172,525)	(10,308,313)	(1,540,938)	1,388,712	(31,991,432)	(7,746,934)	4,316,030
Changes in assumptions	696,522	-	3,045,741	-	(20,294,729)	(3,664,637)	1,543,813
Benefit payments	(4,750,220)	(5,604,916)	(4,464,819)	(4,509,832)	(5,486,933)	(5,039,104)	(4,821,533)
Net change in total OPEB liability	(9,972,709)	(9,941,534)	3,055,919	2,585,174	(49,820,854)	(8,226,208)	8,632,520
Total OPEB liability - beginning	69,944,751	79,886,285	76,830,366	74,245,192	124,066,046	132,292,254	123,659,734
Total OPEB liability - ending (a)	<u>\$ 59,972,042</u>	<u>\$ 69,944,751</u>	<u>\$ 79,886,285</u>	<u>\$ 76,830,366</u>	<u>\$ 74,245,192</u>	<u>\$ 124,066,046</u>	<u>\$ 132,292,254</u>
Plan Fiduciary Net Position							
Employer contributions	\$ 5,752,064	\$ 5,726,048	\$ 5,847,967	\$ 6,100,003	\$ 6,025,491	\$ 6,328,317	\$ 5,213,485
Net investment income (loss)	3,142,211	(3,388,490)	6,639,676	2,047,575	1,506,633	1,675,971	1,661,536
Benefit payments and refunds	(4,750,220)	(5,604,916)	(4,464,819)	(4,509,832)	(5,486,933)	(5,039,104)	(4,821,533)
Administrative expense	(64,928)	(80,807)	(67,094)	(63,396)	(46,655)	(36,171)	(35,099)
Other	-	-	-	-	-	-	1
Net change in plan fiduciary net position	4,079,127	(3,348,165)	7,955,730	3,574,350	1,998,536	2,929,013	2,018,390
Plan fiduciary net position - beginning	30,111,061	33,459,226	25,503,496	21,929,146	19,930,610	17,001,597	14,983,208
Plan fiduciary net position - ending (b)	<u>\$ 34,190,188</u>	<u>\$ 30,111,061</u>	<u>\$ 33,459,226</u>	<u>\$ 25,503,496</u>	<u>\$ 21,929,146</u>	<u>\$ 19,930,610</u>	<u>\$ 17,001,598</u>
Net OPEB liability (a-b)	<u>\$ 25,781,854</u>	<u>\$ 39,833,690</u>	<u>\$ 46,427,059</u>	<u>\$ 51,326,870</u>	<u>\$ 52,316,046</u>	<u>\$ 104,135,436</u>	<u>\$ 115,290,656</u>
Plan fiduciary net position as a percentage of total OPEB liability	57.01%	43.05%	41.88%	33.19%	29.54%	16.06%	12.85%
Covered payroll	<u>\$ 6,032,413</u>	<u>\$ 8,526,950</u>	<u>\$ 7,871,745</u>	<u>\$ 9,035,110</u>	<u>\$ 8,708,540</u>	<u>\$ 10,884,537</u>	<u>\$ 10,567,512</u>
Net OPEB liability as a percentage of covered payroll	427.39%	467.15%	589.79%	568.08%	600.74%	956.73%	1,090.99%

GASB Statement No. 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

City of Bay City
Required Supplementary Information
Other Post Employment Benefits
Schedule of Employer Contributions
June 30, 2023

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	\$ 7,788,653	\$ 5,213,485	\$ 2,575,168	\$ 10,567,512	49.34%
2018	8,722,029	6,328,317	2,393,712	10,884,537	58.14%
2019	8,308,751	6,025,491	2,283,260	8,708,540	69.19%
2020	5,726,041	6,100,003	(373,962)	9,035,110	67.51%
2021	5,756,341	5,847,967	(91,626)	7,871,745	74.29%
2022	5,336,834	5,726,048	(389,214)	8,526,950	67.15%
2023	4,737,528	5,752,064	(1,014,536)	6,032,413	95.35%

Notes: Actuarially determined contribution amounts are calculated as of June 30 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported. GASB Statement No. 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Data will be added as information is available until 10 years of such data is available.

Methods and assumptions used to determine contribution rates:

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry-age normal level % of salary
Amortization method	Level dollar
Remaining amortization period	18 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	3.30% to 17.10%
Inflation rate	3.00% per year
Healthcare inflation rate	7.50% initial decreasing to a final rate of 4.50%

City of Bay City
Required Supplementary Information
Other Post Employment Benefits
Schedule of Investment Returns
June 30, 2023

Fiscal Year Ending June 30,	Annual Return (1)
2017	17.41%
2018	13.81%
2019	10.38%
2020	9.28%
2021	26.87%
2022	-10.35%
2023	10.46%

(1) Annual money-weighted rate of return, net of investment expenses.

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

City of Bay City
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds					
	Local Streets	Solid Waste Management	Community Development Block Grant	Building Inspection	Neighborhood Opportunity	Drug Law Enforcement
Assets						
Cash and cash equivalents	\$ 2,034,780	\$ -	\$ -	\$ 143,058	\$ 105,038	\$ 47,099
Receivables						
Taxes	-	-	-	-	-	-
Accounts	-	405,162	-	225,575	-	-
Special assessments	-	43,712	-	7,199	-	-
Accrued interest and other	2,642	28	-	5	109	98
Notes and accrued interest	-	-	-	-	-	-
Less allowance for uncollectible accounts	-	-	-	-	-	-
Due from other units of government	214,924	451,250	189,287	-	-	-
Total assets	<u>\$ 2,252,346</u>	<u>\$ 900,152</u>	<u>\$ 189,287</u>	<u>\$ 375,837</u>	<u>\$ 105,147</u>	<u>\$ 47,197</u>
Liabilities						
Accounts payable	\$ 602,766	\$ 74,824	\$ 131,133	\$ 2,639	\$ 295	\$ -
Due to other funds	14,372	341,965	58,153	44,310	-	-
Deposits payable	-	-	-	245,616	9,000	-
Total liabilities	<u>617,138</u>	<u>416,789</u>	<u>189,286</u>	<u>292,565</u>	<u>9,295</u>	<u>-</u>
Deferred inflows of resources						
Unavailable revenue	<u>116</u>	<u>66,174</u>	<u>12,795</u>	<u>7,199</u>	<u>-</u>	<u>-</u>
Fund Balances						
Restricted						
Local Streets	1,635,092	-	-	-	-	-
Solid Waste Management	-	417,189	-	-	-	-
Building Inspection	-	-	-	76,073	-	-
Neighborhood Opportunity	-	-	-	-	95,852	-
Drug Law Enforcement	-	-	-	-	-	47,197
Opioid Settlement	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Assigned to capital projects	-	-	-	-	-	-
Unassigned (deficit)	-	-	(12,794)	-	-	-
Total fund balances	<u>1,635,092</u>	<u>417,189</u>	<u>(12,794)</u>	<u>76,073</u>	<u>95,852</u>	<u>47,197</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,252,346</u>	<u>\$ 900,152</u>	<u>\$ 189,287</u>	<u>\$ 375,837</u>	<u>\$ 105,147</u>	<u>\$ 47,197</u>

City of Bay City
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds		Debt Service	Capital		Total Nonmajor Governmental Funds
	Opioid Settlement	City Loans and Collections	Fund Bond Sinking Fund	Projects Funds		
				Economic Opportunities	Public Improvement	
Assets						
Cash and cash equivalents	\$ 39,630	\$ -	\$ 477,753	\$ 39,580	\$ 3,847,759	\$ 6,734,697
Receivables						
Taxes	-	-	1,690	-	-	1,690
Accounts	124,541	-	-	-	-	755,278
Special assessments	-	-	-	-	-	50,911
Accrued interest and other	-	-	643	52	3,902	7,479
Notes and accrued interest	-	4,713,041	-	-	-	4,713,041
Less allowance for uncollectible accounts	-	(4,713,041)	-	-	-	(4,713,041)
Due from other units of government	-	-	-	-	-	855,461
Total assets	<u>\$ 164,171</u>	<u>\$ -</u>	<u>\$ 480,086</u>	<u>\$ 39,632</u>	<u>\$ 3,851,661</u>	<u>\$ 8,405,516</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 120	\$ 10,375	\$ 822,152
Due to other funds	-	-	-	-	-	458,800
Deposits payable	-	-	-	-	-	254,616
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>10,375</u>	<u>1,535,568</u>
Deferred inflows of resources						
Unavailable revenue	<u>124,541</u>	<u>-</u>	<u>1,689</u>	<u>-</u>	<u>1,946,666</u>	<u>2,159,180</u>
Fund Balances						
Restricted						
Local Streets	-	-	-	-	-	1,635,092
Solid Waste Management	-	-	-	-	-	417,189
Building Inspection	-	-	-	-	-	76,073
Neighborhood Opportunity	-	-	-	-	-	95,852
Drug Law Enforcement	-	-	-	-	-	47,197
Opioid Settlement	39,630	-	-	-	-	39,630
Debt service	-	-	478,397	-	-	478,397
Capital projects	-	-	-	39,512	-	39,512
Assigned to capital projects	-	-	-	-	1,894,620	1,894,620
Unassigned (deficit)	-	-	-	-	-	(12,794)
Total fund balances	<u>39,630</u>	<u>-</u>	<u>478,397</u>	<u>39,512</u>	<u>1,894,620</u>	<u>4,710,768</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 164,171</u>	<u>\$ -</u>	<u>\$ 480,086</u>	<u>\$ 39,632</u>	<u>\$ 3,851,661</u>	<u>\$ 8,405,516</u>

City of Bay City
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds					
	Local Streets	Solid Waste Management	Community Development Block Grant	Building Inspection	Neighborhood Opportunity	Drug Law Enforcement
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and registration	-	-	-	998,920	-	-
Federal grants	-	-	1,868,531	-	-	3,015
Other state grants	1,436,834	644,263	-	-	-	1,882
Local contributions and donations	-	-	-	-	28,750	-
Charges for services	-	3,321,101	-	3,254	-	-
Fines and forfeitures	6	63,199	-	1,700	-	-
Investment income	47,877	449	-	127	2,613	1,446
Other revenue	102,271	14,040	24,298	52,221	-	-
Total revenues	<u>1,586,988</u>	<u>4,043,052</u>	<u>1,892,829</u>	<u>1,056,222</u>	<u>31,363</u>	<u>6,343</u>
Expenditures						
Current						
Public safety	-	-	-	1,320,336	-	15,571
Public works	1,250,643	-	-	-	-	-
Environmental	-	4,036,419	-	-	-	-
Economic development	-	-	280,963	-	4,463	-
Capital outlay	941,228	-	736,426	-	-	14,900
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>2,191,871</u>	<u>4,036,419</u>	<u>1,017,389</u>	<u>1,320,336</u>	<u>4,463</u>	<u>30,471</u>
Excess (deficiency) of revenues over expenditures	<u>(604,883)</u>	<u>6,633</u>	<u>875,440</u>	<u>(264,114)</u>	<u>26,900</u>	<u>(24,128)</u>
Other financing sources (uses)						
Transfers in	153,842	39,884	163,866	337,924	-	-
Transfers out	-	-	(1,052,100)	-	-	(20,700)
Total other financing sources and (uses)	<u>153,842</u>	<u>39,884</u>	<u>(888,234)</u>	<u>337,924</u>	<u>-</u>	<u>(20,700)</u>
Net change in fund balances	(451,041)	46,517	(12,794)	73,810	26,900	(44,828)
Fund balances - beginning of year	<u>2,086,133</u>	<u>370,672</u>	<u>-</u>	<u>2,263</u>	<u>68,952</u>	<u>92,025</u>
Fund balances (deficit) - end of year	<u>\$ 1,635,092</u>	<u>\$ 417,189</u>	<u>\$ (12,794)</u>	<u>\$ 76,073</u>	<u>\$ 95,852</u>	<u>\$ 47,197</u>

City of Bay City
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Opioid Settlement	City Loans and Collections	Bond Sinking Fund	Economic Opportunities	Public Improvement	
Revenues						
Taxes	\$ -	\$ -	\$ 709	\$ -	\$ -	\$ 709
Licenses, permits and registration	-	-	-	-	-	998,920
Federal grants	-	-	-	-	-	1,871,546
Other state grants	-	-	-	-	-	2,082,979
Local contributions and donations	-	-	97,828	-	-	126,578
Charges for services	-	-	-	-	-	3,324,355
Fines and forfeitures	-	-	-	-	-	64,905
Investment income	-	-	11,744	1,282	71,801	137,339
Other revenue	39,630	-	-	5,473	26,667	264,600
Total revenues	39,630	-	110,281	6,755	98,468	8,871,931
Expenditures						
Current						
Public safety	-	-	-	-	-	1,335,907
Public works	-	-	-	-	56,928	1,307,571
Environmental	-	-	-	-	-	4,036,419
Economic development	-	-	-	7,880	-	293,306
Capital outlay	-	-	-	-	-	1,692,554
Debt service						
Principal retirement	-	-	169,466	-	-	169,466
Interest and fiscal charges	-	-	40,809	-	-	40,809
Total expenditures	-	-	210,275	7,880	56,928	8,876,032
Excess (deficiency) of revenues over expenditures	39,630	-	(99,994)	(1,125)	41,540	(4,101)
Other financing sources (uses)						
Transfers in	-	-	-	-	945,239	1,640,755
Transfers out	-	-	-	-	(70,000)	(1,142,800)
Total other financing sources and (uses)	-	-	-	-	875,239	497,955
Net change in fund balances	39,630	-	(99,994)	(1,125)	916,779	493,854
Fund balances - beginning of year	-	-	578,391	40,637	977,841	4,216,914
Fund balances (deficit) - end of year	\$ 39,630	\$ -	\$ 478,397	\$ 39,512	\$ 1,894,620	\$ 4,710,768

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Local Streets Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final
				Budget
Revenues				
Other state grants	\$ 1,392,261	\$ 1,392,261	\$ 1,436,834	\$ 44,573
Fines and forfeitures	-	-	6	6
Investment income	3,000	3,000	47,877	44,877
Other revenue	198,987	198,987	102,271	(96,716)
Transfers in	<u>97,549</u>	<u>222,088</u>	<u>153,842</u>	<u>(68,246)</u>
Total revenues	<u>1,691,797</u>	<u>1,816,336</u>	<u>1,740,830</u>	<u>(75,506)</u>
Expenditures				
Current				
Public works	1,482,525	1,482,525	1,250,643	(231,882)
Capital outlay	<u>925,749</u>	<u>1,050,288</u>	<u>941,228</u>	<u>(109,060)</u>
Total expenditures	<u>2,408,274</u>	<u>2,532,813</u>	<u>2,191,871</u>	<u>(340,942)</u>
Excess (deficiency) of revenues over expenditures	(716,477)	(716,477)	(451,041)	265,436
Fund balance - beginning of year	<u>2,086,133</u>	<u>2,086,133</u>	<u>2,086,133</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,369,656</u>	<u>\$ 1,369,656</u>	<u>\$ 1,635,092</u>	<u>\$ 265,436</u>

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Solid Waste Management Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Revenues				
Other state grants	\$ 828,250	\$ 828,250	\$ 644,263	\$ (183,987)
Charges for services	3,323,088	3,323,088	3,321,101	(1,987)
Fines and forfeitures	20,000	30,000	63,199	33,199
Investment income	-	-	449	449
Other revenue	2,500	2,500	14,040	11,540
Transfers in	39,884	39,884	39,884	-
Total revenues	4,213,722	4,223,722	4,082,936	(140,786)
Expenditures				
Current				
Environmental	4,273,791	4,283,791	4,036,419	(247,372)
Excess (deficiency) of revenues over expenditures	(60,069)	(60,069)	46,517	106,586
Fund balance - beginning of year	370,672	370,672	370,672	-
Fund balance - end of year	\$ 310,603	\$ 310,603	\$ 417,189	\$ 106,586

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Community Development Block Grant Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Revenues				
Federal grants	\$ 2,164,730	\$ 2,383,085	\$ 1,868,531	\$ (514,554)
Other revenue	-	24,298	24,298	-
Transfers in	100,642	178,482	163,866	(14,616)
Total revenues	<u>2,265,372</u>	<u>2,585,865</u>	<u>2,056,695</u>	<u>(529,170)</u>
Expenditures				
Current				
Economic development	655,142	617,792	280,963	(336,829)
Capital outlay	366,648	749,136	736,426	(12,710)
Transfers out	1,243,582	1,218,937	1,052,100	(166,837)
Total expenditures	<u>2,265,372</u>	<u>2,585,865</u>	<u>2,069,489</u>	<u>(516,376)</u>
Deficiency of revenues over expenditures	-	-	(12,794)	(12,794)
Fund balance - beginning of year	-	-	-	-
Fund balance (deficit) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,794)</u>	<u>\$ (12,794)</u>

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Building Inspection Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Revenues				
Licenses and permits	\$ 969,250	\$ 969,250	\$ 998,920	\$ 29,670
Fines and forfeitures	6,500	6,500	1,700	(4,800)
Investment income	-	-	127	127
Other revenue	127,100	127,100	52,221	(74,879)
Charges for services	10,000	10,000	3,254	(6,746)
Transfers in	469,497	469,497	337,924	(131,573)
Total revenues	1,582,347	1,582,347	1,394,146	(188,201)
Expenditures				
Current				
Public safety	1,582,347	1,582,347	1,320,336	(262,011)
Excess of revenues over expenditures	-	-	73,810	73,810
Fund balance - beginning of year	2,263	2,263	2,263	-
Fund balance - end of year	\$ 2,263	\$ 2,263	\$ 76,073	\$ 73,810

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Neighborhood Opportunity Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final
				Budget
Revenues				
Investment income	\$ 500	\$ 500	\$ 2,613	\$ 2,113
Other revenue	2,000	2,000	28,750	26,750
Total revenues	2,500	2,500	31,363	28,863
Expenditures				
Current				
Economic development	10,731	10,731	4,463	(6,268)
Excess (deficiency) of revenues over expenditures	(8,231)	(8,231)	26,900	35,131
Fund balance - beginning of year	68,952	68,952	68,952	-
Fund balance - end of year	\$ 60,721	\$ 60,721	\$ 95,852	\$ 35,131

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Drug Law Enforcement Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final
				Budget
Revenues				
Federal grants	\$ -	\$ 2,850	\$ 3,015	\$ 165
Other state grants	15,189	15,189	1,882	(13,307)
Investment income	927	927	1,446	519
Total revenues	<u>16,116</u>	<u>18,966</u>	<u>6,343</u>	<u>(12,623)</u>
Expenditures				
Current				
Public safety	17,408	20,258	15,571	(4,687)
Capital outlay	14,900	14,900	14,900	-
Transfers out	-	20,700	20,700	-
Total expenditures	<u>32,308</u>	<u>55,858</u>	<u>51,171</u>	<u>(4,687)</u>
Deficiency of revenues over expenditures	(16,192)	(36,892)	(44,828)	(7,936)
Fund balance - beginning of year	<u>92,025</u>	<u>92,025</u>	<u>92,025</u>	<u>-</u>
Fund balance - end of year	<u>\$ 75,833</u>	<u>\$ 55,133</u>	<u>\$ 47,197</u>	<u>\$ (7,936)</u>

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Opioid Settlement Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Other revenue	\$ -	\$ -	\$ 39,630	\$ 39,630
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ 39,630	\$ 39,630

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Bond Sinking Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ 709	\$ 709
Local contributions	97,828	97,828	97,828	-
Investment income	-	-	11,744	11,744
Total revenues	<u>97,828</u>	<u>97,828</u>	<u>110,281</u>	<u>12,453</u>
Expenditures				
Debt service				
Principal retirement	169,467	169,467	169,466	(1)
Interest and fiscal charges	<u>40,306</u>	<u>40,306</u>	<u>40,809</u>	<u>503</u>
Total expenditures	<u>209,773</u>	<u>209,773</u>	<u>210,275</u>	<u>502</u>
Excess (deficiency) of revenues over expenditures	(111,945)	(111,945)	(99,994)	11,951
Fund balance - beginning of year	<u>578,391</u>	<u>578,391</u>	<u>578,391</u>	<u>-</u>
Fund balance - end of year	<u>\$ 466,446</u>	<u>\$ 466,446</u>	<u>\$ 478,397</u>	<u>\$ 11,951</u>

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Economic Opportunities Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
Revenues				
Investment income	\$ 500	\$ 500	\$ 1,282	\$ 782
Other revenue	10,700	6,900	5,473	(1,427)
Total revenues	11,200	7,400	6,755	(645)
Expenditures				
Current				
Economic development	11,200	11,200	7,880	(3,320)
Excess (deficiency) of revenues over expenditures	-	(3,800)	(1,125)	2,675
Fund balance - beginning of year	40,637	40,637	40,637	-
Fund balance - end of year	<u>\$ 40,637</u>	<u>\$ 36,837</u>	<u>\$ 39,512</u>	<u>\$ 2,675</u>

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Public Improvement Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final
				Budget
Revenues				
Investment income	\$ -	\$ -	\$ 71,801	\$ 71,801
Other revenue	-	-	26,667	26,667
Transfers in	-	945,239	945,239	-
Total revenues	<u>-</u>	<u>945,239</u>	<u>1,043,707</u>	<u>98,468</u>
Expenditures				
Current				
Public works	250,000	822,239	56,928	(765,311)
Capital outlay	53,000	53,000	-	(53,000)
Transfers out	70,000	70,000	70,000	-
Total expenditures	<u>373,000</u>	<u>945,239</u>	<u>126,928</u>	<u>(818,311)</u>
Excess (deficiency) of revenues over expenditures	(373,000)	-	916,779	916,779
Fund balance - beginning of year	<u>977,841</u>	<u>977,841</u>	<u>977,841</u>	<u>-</u>
Fund balance - end of year	<u>\$ 604,841</u>	<u>\$ 977,841</u>	<u>\$ 1,894,620</u>	<u>\$ 916,779</u>

City of Bay City
Other Supplementary Information
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2023

	Oak Ridge Cemetery	James Clements Airport	Liberty Harbor Marina	Total
Assets				
Current assets				
Cash and investments	\$ 326,657	\$ -	\$ 58,772	\$ 385,429
Accounts receivable, net	6,419	38,835	-	45,254
Accrued interest and other	454	-	5	459
Leases receivable	-	294,913	-	294,913
Due from other units of government	-	437,166	-	437,166
Inventories	-	26,985	-	26,985
Total current assets	<u>333,530</u>	<u>797,899</u>	<u>58,777</u>	<u>1,190,206</u>
Noncurrent assets				
Capital assets not being depreciated	144,898	738,982	31,989	915,869
Capital assets, net of accumulated depreciation	31,990	1,720,741	1,382,724	3,135,455
Total noncurrent assets	<u>176,888</u>	<u>2,459,723</u>	<u>1,414,713</u>	<u>4,051,324</u>
Total assets	<u>510,418</u>	<u>3,257,622</u>	<u>1,473,490</u>	<u>5,241,530</u>
Deferred Outflows of Resources				
Deferred amount relating to net OPEB liability	-	-	311	311
Liabilities				
Current liabilities				
Accounts payable	-	5,260	11,303	16,563
Due to other funds	-	96,564	304	96,868
Deposits	-	15,000	-	15,000
Compensated absences, current	-	-	407	407
Total current liabilities	<u>-</u>	<u>116,824</u>	<u>12,014</u>	<u>128,838</u>
Noncurrent liabilities				
Compensated absences, net of current portion	-	20,978	-	20,978
Net OPEB liability	-	-	12,899	12,899
Total noncurrent liabilities	<u>-</u>	<u>20,978</u>	<u>12,899</u>	<u>33,877</u>
Total liabilities	<u>-</u>	<u>137,802</u>	<u>24,913</u>	<u>162,715</u>
Deferred Inflows of Resources				
Deferred amount relating to leases receivable	-	294,913	-	294,913
Net Position				
Investment in capital assets	176,888	2,459,723	1,414,713	4,051,324
Unrestricted	<u>333,530</u>	<u>365,184</u>	<u>34,175</u>	<u>732,889</u>
Total net position	<u>\$ 510,418</u>	<u>\$ 2,824,907</u>	<u>\$ 1,448,888</u>	<u>\$ 4,784,213</u>

City of Bay City
Other Supplementary Information
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	Oak Ridge Cemetery	James Clements Airport	Liberty Harbor Marina	Total
Operating revenue				
Charges for services				
Sales	\$ 57,079	\$ 97,844	\$ 1,957	\$ 156,880
Rents	-	58,679	150,069	208,748
Other revenue	61	12,521	970	13,552
Total operating revenue	<u>57,140</u>	<u>169,044</u>	<u>152,996</u>	<u>379,180</u>
Operating expenses				
Cost of sales and service	201,486	248,917	167,153	617,556
Repairs and maintenance	2,270	-	-	2,270
Depreciation	2,417	148,919	70,439	221,775
Total operating expenses	<u>206,173</u>	<u>397,836</u>	<u>237,592</u>	<u>841,601</u>
Operating loss	<u>(149,033)</u>	<u>(228,792)</u>	<u>(84,596)</u>	<u>(462,421)</u>
Nonoperating revenue (expenses)				
State grant	-	7,656	-	7,656
Interest income	8,253	983	188	9,424
Total nonoperating revenues	<u>8,253</u>	<u>8,639</u>	<u>188</u>	<u>17,080</u>
Loss before transfers and capital contributions	(140,780)	(220,153)	(84,408)	(445,341)
Capital contributions - federal grants	-	429,510	-	429,510
Transfers in	146,346	304,603	91,338	542,287
Change in net position	5,566	513,960	6,930	526,456
Net position - beginning of year	<u>504,852</u>	<u>2,310,947</u>	<u>1,441,958</u>	<u>4,257,757</u>
Net position - end of year	<u>\$ 510,418</u>	<u>\$ 2,824,907</u>	<u>\$ 1,448,888</u>	<u>\$ 4,784,213</u>

City of Bay City
Other Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	Oak Ridge Cemetery	James Clements Airport	Liberty Harbor Marina	Total
Cash flows from operating activities				
Receipts from customers	\$ 56,990	\$ 177,328	\$ 153,069	\$ 387,387
Receipts from other funds	-	69,677	-	69,677
Payments to suppliers	(209,530)	(230,664)	(185,720)	(625,914)
Net cash provided (used) by operating activities	<u>(152,540)</u>	<u>16,341</u>	<u>(32,651)</u>	<u>(168,850)</u>
Cash flows from noncapital financing activities				
Transfer from other funds	146,346	304,603	91,338	542,287
State grant	-	7,656	-	7,656
Net cash provided by noncapital financing activities	<u>146,346</u>	<u>312,259</u>	<u>91,338</u>	<u>549,943</u>
Cash flows from capital and related financing activities				
Purchases/construction of capital assets	-	(329,583)	(31,989)	(361,572)
Cash flows from investing activities				
Interest received	8,253	983	188	9,424
Net change in cash and cash equivalents	2,059	-	26,886	28,945
Cash and cash equivalents - beginning of year	<u>324,598</u>	<u>-</u>	<u>31,886</u>	<u>356,484</u>
Cash and cash equivalents - end of year	<u>\$ 326,657</u>	<u>\$ -</u>	<u>\$ 58,772</u>	<u>\$ 385,429</u>

City of Bay City
Other Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	Oak Ridge Cemetery	James Clements Airport	Liberty Harbor Marina	Total
Reconciliation of operating loss to net cash used by operating activities				
Operating loss	\$ (149,033)	\$ (228,792)	\$ (84,596)	\$ (462,421)
Adjustments to reconcile operating loss to net cash used by operating activities				
Depreciation and amortization expense	2,417	148,919	70,439	221,775
Changes in assets and liabilities				
Receivables (net)	(150)	8,284	73	8,207
Inventories	-	14,777	-	14,777
Accounts payable	(5,774)	3,476	(13,610)	(15,908)
Due to other funds	-	69,677	(208)	69,469
Compensated absences	-	-	(628)	(628)
Net OPEB liability and related deferrals	-	-	(4,121)	(4,121)
Net cash used by operating activities	<u>\$ (152,540)</u>	<u>\$ 16,341</u>	<u>\$ (32,651)</u>	<u>\$ (168,850)</u>

City of Bay City
Other Supplementary Information
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Motor Equipment Revolving	Information Systems	Property/ Liability Self- Insurance	Site Remediation	Benefits Program	Security Cameras	DPW Building	Total
Assets								
Current assets								
Cash and investments	\$ 4,440,416	\$ 544,307	\$ 2,030,941	\$ 611,509	\$ 3,919,034	\$ 124,737	\$ 1,729,177	\$ 13,400,121
Accounts receivable, net	9,852	-	3,794	58,355	1,108	-	-	73,109
Accrued interest and other	7,063	796	2,229	844	4,446	164	8,118	23,660
Due from other units of government	123,645	-	-	-	-	-	-	123,645
Due from other funds	-	-	-	-	289,587	-	-	289,587
Inventories	226,033	13,861	-	-	-	-	-	239,894
Prepaid items	-	-	-	-	9,805	-	-	9,805
Deposits	-	-	1,006,149	-	87,000	-	-	1,093,149
Total current assets	<u>4,807,009</u>	<u>558,964</u>	<u>3,043,113</u>	<u>670,708</u>	<u>4,310,980</u>	<u>124,901</u>	<u>1,737,295</u>	<u>15,252,970</u>
Noncurrent assets								
Capital assets not being depreciated	-	-	-	-	-	-	254,912	254,912
Capital assets, net of accumulated depreciation	<u>11,154,577</u>	<u>346,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,009</u>	<u>16,309,419</u>	<u>27,997,362</u>
Total noncurrent assets	<u>11,154,577</u>	<u>346,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,009</u>	<u>16,564,331</u>	<u>28,252,274</u>
 Total assets	 <u>15,961,586</u>	 <u>905,321</u>	 <u>3,043,113</u>	 <u>670,708</u>	 <u>4,310,980</u>	 <u>311,910</u>	 <u>18,301,626</u>	 <u>43,505,244</u>
Deferred Outflows of Resources								
Deferred amount relating to net pension liability - MERS	-	449,016	-	-	-	-	-	449,016
Deferred amount relating to net OPEB liability	<u>16,653</u>	<u>15,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,063</u>
Total deferred outflows of resources	<u>16,653</u>	<u>464,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>481,079</u>

City of Bay City
Other Supplementary Information
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Motor Equipment Revolving	Information Systems	Property/ Liability Self- Insurance	Site Remediation	Benefits Program	Security Cameras	DPW Building	Total
Liabilities								
Current liabilities								
Accounts payable	\$ 115,347	\$ 9,724	\$ 10,608	\$ 21,430	\$ 377,558	\$ -	\$ 192,033	\$ 726,700
Accrued and other liabilities	12,486	-	-	-	-	-	-	12,486
Due to other funds	44,290	30,811	-	-	1,615	-	-	76,716
Current portion of long-term debt	73,358	-	-	-	-	-	-	73,358
Claims payable	-	-	707,670	-	808,923	-	-	1,516,593
Compensated absences, current	55,268	55,299	-	-	-	-	-	110,567
Advances from other funds	-	-	-	-	-	-	197,000	197,000
Total current liabilities	<u>300,749</u>	<u>95,834</u>	<u>718,278</u>	<u>21,430</u>	<u>1,188,096</u>	<u>-</u>	<u>389,033</u>	<u>2,713,420</u>
Noncurrent liabilities								
Long-term debt, net of current portion	320,335	-	-	-	-	-	14,838,124	15,158,459
Accrued interest payable	-	-	-	-	-	-	137,066	137,066
Advances from other funds	-	-	-	-	-	-	1,566,588	1,566,588
Compensated absences, net of current portion	59,181	63,671	-	-	9,427	-	-	132,279
Net pension liability - MERS	-	622,957	-	-	-	-	-	622,957
Net OPEB liability	691,360	639,766	-	-	-	-	-	1,331,126
Total noncurrent liabilities	<u>1,070,876</u>	<u>1,326,394</u>	<u>-</u>	<u>-</u>	<u>9,427</u>	<u>-</u>	<u>16,541,778</u>	<u>18,948,475</u>
Total liabilities	<u>1,371,625</u>	<u>1,422,228</u>	<u>718,278</u>	<u>21,430</u>	<u>1,197,523</u>	<u>-</u>	<u>16,930,811</u>	<u>21,661,895</u>
Net Position								
Net investment in capital assets	10,760,884	346,357	-	-	-	187,009	1,726,207	13,020,457
Unrestricted (deficit)	3,845,730	(398,838)	2,324,835	649,278	3,113,457	124,901	(355,392)	9,303,971
Total net position	<u>\$ 14,606,614</u>	<u>\$ (52,481)</u>	<u>\$ 2,324,835</u>	<u>\$ 649,278</u>	<u>\$ 3,113,457</u>	<u>\$ 311,910</u>	<u>\$ 1,370,815</u>	<u>\$ 22,324,428</u>

City of Bay City
Other Supplementary Information
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Motor Equipment Revolving	Information Systems	Property/ Liability Self- Insurance	Site Remediation	Benefits Program	Security Cameras	DPW Building	Total
Operating revenue								
Charges for services	\$ 4,753,733	\$ 1,354,329	\$ 1,048,012	\$ -	\$ 9,358,757	\$ -	\$ -	\$ 16,514,831
Rental income	-	-	-	-	-	-	831,281	831,281
Other revenue	7,083	1,900	238,500	90,606	138,168	-	14,088	490,345
Total operating revenue	<u>4,760,816</u>	<u>1,356,229</u>	<u>1,286,512</u>	<u>90,606</u>	<u>9,496,925</u>	<u>-</u>	<u>845,369</u>	<u>17,836,457</u>
Operating expenses								
Administration	-	-	148,559	-	188,583	-	-	337,142
Cost of sales and service	3,210,819	1,239,245	-	219,991	45,908	-	178,075	4,894,038
Claims and benefits	-	-	891,109	-	9,467,645	-	-	10,358,754
Repairs and maintenance	-	-	-	-	-	-	4,827	4,827
Other expenses	9,047	-	-	-	-	-	5,659	14,706
Depreciation	1,059,249	149,908	-	-	-	12,832	186,910	1,408,899
Total operating expenses	<u>4,279,115</u>	<u>1,389,153</u>	<u>1,039,668</u>	<u>219,991</u>	<u>9,702,136</u>	<u>12,832</u>	<u>375,471</u>	<u>17,018,366</u>
Operating income (loss)	<u>481,701</u>	<u>(32,924)</u>	<u>246,844</u>	<u>(129,385)</u>	<u>(205,211)</u>	<u>(12,832)</u>	<u>469,898</u>	<u>818,091</u>
Nonoperating revenue (expenses)								
Investment gain	132,663	14,956	41,061	13,203	85,896	3,222	138,465	429,466
Gain on sale of assets	5,952	2,459	-	-	-	-	-	8,411
Loss on disposal of assets	(12,509)	-	-	-	-	-	-	(12,509)
Interest expense	(14,198)	-	-	-	-	-	(529,226)	(543,424)
Total nonoperating revenues (expenses)	<u>111,908</u>	<u>17,415</u>	<u>41,061</u>	<u>13,203</u>	<u>85,896</u>	<u>3,222</u>	<u>(390,761)</u>	<u>(118,056)</u>
Income (loss) before transfers and capital contributions	593,609	(15,509)	287,905	(116,182)	(119,315)	(9,610)	79,137	700,035
Capital contributions - state grants	-	-	-	-	-	-	274,505	274,505
Transfers in	18,427	53,861	-	121,066	2,748	-	-	196,102
Transfers out	-	-	-	-	(751,621)	(3,000)	-	(754,621)
Change in net position	612,036	38,352	287,905	4,884	(868,188)	(12,610)	353,642	416,021
Net position - beginning of year	<u>13,994,578</u>	<u>(90,833)</u>	<u>2,036,930</u>	<u>644,394</u>	<u>3,981,645</u>	<u>324,520</u>	<u>1,017,173</u>	<u>21,908,407</u>
Net position - end of year	<u>\$ 14,606,614</u>	<u>\$ (52,481)</u>	<u>\$ 2,324,835</u>	<u>\$ 649,278</u>	<u>\$ 3,113,457</u>	<u>\$ 311,910</u>	<u>\$ 1,370,815</u>	<u>\$ 22,324,428</u>

City of Bay City
Other Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Motor Equipment Revolving	Information Systems	Property/ Liability Self- Insurance	Site Remediation	Benefits Program	Security Cameras	DPW Building	Total
Cash flows from operating activities								
Receipts from customers	\$ 7,083	\$ 1,235	\$ 236,603	\$ 64,937	\$ 905,145	\$ 33	\$ -	\$ 1,215,036
Receipts from interfund users	4,759,804	1,354,329	883,688	-	9,358,757	-	831,281	17,187,859
Receipts from other funds	44,290	11,891	-	-	-	-	-	56,181
Payments to other funds	-	-	-	-	(20,125)	-	(1,293,497)	(1,313,622)
Payments to suppliers	(3,349,286)	(1,221,075)	(766,492)	(224,507)	-	(164)	-	(5,561,524)
Payments to employees	(114,909)	(221,115)	(148,559)	-	(9,652,129)	-	(188,561)	(10,325,273)
Net cash provided (used) by operating activities	<u>1,346,982</u>	<u>(74,735)</u>	<u>205,240</u>	<u>(159,570)</u>	<u>591,648</u>	<u>(131)</u>	<u>(650,777)</u>	<u>1,258,657</u>
Cash flows from noncapital financing activities								
Transfer from other funds	18,427	53,861	-	121,066	2,748	-	-	196,102
Transfers to other funds	-	-	-	-	(751,621)	(3,000)	-	(754,621)
Net cash provided (used) by noncapital financing activities	<u>18,427</u>	<u>53,861</u>	<u>-</u>	<u>121,066</u>	<u>(748,873)</u>	<u>(3,000)</u>	<u>-</u>	<u>(558,519)</u>
Cash flows from capital and related financing activities								
Capital contributions - state grants	-	-	-	-	-	-	274,505	274,505
Purchases/construction of capital assets	(3,074,197)	(129,595)	-	-	-	-	(10,076,632)	(13,280,424)
Principal and interest paid on long-term debt	(85,048)	-	-	-	-	-	-	(85,048)
Proceeds from sale of capital assets	5,952	2,459	-	-	-	-	-	8,411
Net cash provided (used) by capital and related financing activities	<u>(3,153,293)</u>	<u>(127,136)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,802,127)</u>	<u>(13,082,556)</u>
Cash flows from investing activities								
Interest earnings (loss)	132,663	14,956	68,368	13,203	(15,338)	3,222	(390,761)	(173,687)
Net change in cash and cash equivalents	(1,655,221)	(133,054)	273,608	(25,301)	(172,563)	91	(10,843,665)	(12,556,105)
Cash and cash equivalents - beginning of year	6,095,637	677,361	1,757,333	636,810	4,091,597	124,646	12,572,842	25,956,226
Cash and cash equivalents - end of year	<u>\$ 4,440,416</u>	<u>\$ 544,307</u>	<u>\$ 2,030,941</u>	<u>\$ 611,509</u>	<u>\$ 3,919,034</u>	<u>\$ 124,737</u>	<u>\$ 1,729,177</u>	<u>\$ 13,400,121</u>

City of Bay City
Other Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Motor Equipment Revolving	Information Systems	Property/ Liability Self- Insurance	Site Remediation	Benefits Program	Security Cameras	DPW Building	Total
Reconciliation of operating income (loss) to net cash provided from (used by) operating activities								
Operating income (loss)	\$ 481,701	\$ (32,924)	\$ 246,844	\$ (129,385)	\$ (205,211)	\$ (12,832)	\$ 469,898	\$ 818,091
Adjustments to reconcile operating income (loss) to net cash from (used by) operating activities								
Depreciation and amortization expense	1,059,249	149,908	-	-	-	12,832	186,910	1,408,899
Changes in assets and liabilities								
Receivables (net)	(15,753)	(665)	(1,897)	(25,669)	(3,761)	(131)	(7,380)	(55,256)
Due from other units of government	21,824	-	-	-	-	-	-	21,824
Due from other funds	-	-	-	-	(17,123)	-	-	(17,123)
Deposits	-	-	(164,324)	-	-	-	-	(164,324)
Inventories	(19,291)	13,308	-	-	-	-	-	(5,983)
Prepaid items	-	-	-	-	507,847	-	-	507,847
Accounts payable	(75,409)	4,862	(29,315)	(4,516)	263,515	-	(1,300,205)	(1,141,068)
Accrued and other liabilities	(2,247)	-	-	-	-	-	-	(2,247)
Due to other funds	11,817	11,891	-	-	(3,002)	-	-	20,706
Due to other units of government	-	-	-	-	(2,327)	-	-	(2,327)
Claims payable	-	-	153,932	-	47,611	-	-	201,543
Net pension liability and related deferrals	-	(35,657)	-	-	-	-	-	(35,657)
Net OPEB liability and related deferrals	(127,934)	(194,665)	-	-	-	-	-	(322,599)
Compensated absences	13,025	9,207	-	-	4,099	-	-	26,331
Net cash provided (used) by operating activities	<u>\$ 1,346,982</u>	<u>\$ (74,735)</u>	<u>\$ 205,240</u>	<u>\$ (159,570)</u>	<u>\$ 591,648</u>	<u>\$ (131)</u>	<u>\$ (650,777)</u>	<u>\$ 1,258,657</u>

City of Bay City
Other Supplementary Information
Combining Statement of Fiduciary Net Position
June 30, 2023

	Police & Fire Pension Trust Fund	Health Care Trust Fund	Total
Assets			
Cash and cash equivalents	\$ 1,029,066	\$ 1,142,105	\$ 2,171,171
Investments, at fair value			
Fixed income	9,795,009	8,790,606	18,585,615
Equities	34,920,389	21,227,184	56,147,573
Other investments	7,151,136	2,874,860	10,025,996
Accounts receivable	433,826	1,458	435,284
Interest receivable	78,925	2,414	81,339
Prepaid expenses	-	159,503	159,503
Total assets	<u>53,408,351</u>	<u>34,198,130</u>	<u>87,606,481</u>
Liabilities			
Accounts payable	<u>47,994</u>	<u>7,942</u>	<u>55,936</u>
Net Position			
Restricted for employees' pension benefits	53,360,357	-	53,360,357
Restricted for postemployment health care benefits	-	34,190,188	34,190,188
Total net position	<u>\$ 53,360,357</u>	<u>\$ 34,190,188</u>	<u>\$ 87,550,545</u>

City of Bay City
Other Supplementary Information
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Police & Fire Pension Trust Fund	Health Care Trust Fund	Total
Additions			
Contributions			
Employer	\$ 2,207,153	\$ 5,752,064	\$ 7,959,217
Plan members	608,759	313,941	922,700
Total contributions	<u>2,815,912</u>	<u>6,066,005</u>	<u>8,881,917</u>
Investment income (loss)			
Interest and dividends	1,108,154	-	1,108,154
Net change in fair value of investments	4,442,966	3,161,473	7,604,439
Other investment income	413,303	-	413,303
Investment expense	(202,349)	-	(202,349)
Net investment income	<u>5,762,074</u>	<u>3,161,473</u>	<u>8,923,547</u>
Total additions	<u>8,577,986</u>	<u>9,227,478</u>	<u>17,805,464</u>
Deductions			
Retiree healthcare premiums payments	-	5,052,563	5,052,563
Benefits and refunds paid to participants	6,586,708	14,100	6,600,808
Administrative expenses	171,708	81,688	253,396
Total deductions	<u>6,758,416</u>	<u>5,148,351</u>	<u>11,906,767</u>
Change in net position	1,819,570	4,079,127	5,898,697
Net position - beginning of year	<u>51,540,787</u>	<u>30,111,061</u>	<u>81,651,848</u>
Net position - end of year	<u>\$ 53,360,357</u>	<u>\$ 34,190,188</u>	<u>\$ 87,550,545</u>

City of Bay City
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Units
June 30, 2023

	Downtown Development Authority			Midland Street TIFA			Kresge's DDA		
	Balance Sheet	Adjustments	Statement of Net Position	Balance Sheet	Adjustments	Statement of Net Position	Balance Sheet	Adjustments	Statement of Net Position
Assets									
Cash and cash equivalents	\$ 33,761	\$ -	\$ 33,761	\$ 205,810	\$ -	\$ 205,810	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Receivables:									
Taxes, net	127	-	127	-	-	-	-	-	-
Customers	66,650	-	66,650	-	-	-	-	-	-
Accrued interest and other	23	-	23	192	-	192	-	-	-
Due from other units of government	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Net pension asset	-	-	-	-	-	-	-	-	-
Net OPEB asset	-	-	-	-	-	-	-	-	-
Capital assets not being depreciated	-	-	-	-	24,000	24,000	-	-	-
Capital assets being depreciated, net	-	148,982	148,982	-	633,305	633,305	-	9,521	9,521
Total assets	<u>100,561</u>	<u>148,982</u>	<u>249,543</u>	<u>206,002</u>	<u>657,305</u>	<u>863,307</u>	<u>-</u>	<u>9,521</u>	<u>9,521</u>
Deferred outflows of resources									
Deferred loss on refunding	-	-	-	-	26,611	26,611	-	-	-
Deferred amount relating to net pension and OPEB assets	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,611</u>	<u>26,611</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities									
Accounts payable	\$ 7,950	\$ -	\$ 7,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued and other liabilities	-	-	-	-	3,332	3,332	-	-	-
Due to primary government	-	-	-	-	-	-	-	-	-
Due to other units of government	-	-	-	-	-	-	-	-	-
Long-term debt:									
Compensated absences, current	-	-	-	-	-	-	-	-	-
Compensated absences, net of current portion	-	-	-	-	-	-	-	-	-
Due within one year	-	-	-	-	64,953	64,953	-	-	-
Due in more than one year	-	-	-	-	504,157	504,157	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Total liabilities	<u>7,950</u>	<u>-</u>	<u>7,950</u>	<u>-</u>	<u>572,442</u>	<u>572,442</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources									
Unavailable revenue - delinquent property taxes	126	(126)	-	-	-	-	-	-	-
Net Position									
Net investment in capital assets		148,982	148,982		114,806	114,806		9,521	9,521
Restricted		-	-		-	-		-	-
Unrestricted (deficit)		92,611	92,611		202,670	202,670		-	-
Total net position		<u>\$ 241,593</u>	<u>\$ 241,593</u>		<u>\$ 317,476</u>	<u>\$ 317,476</u>		<u>\$ 9,521</u>	<u>\$ 9,521</u>

City of Bay City
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Units
June 30, 2023

	Marquette District TIFA			Water Street DDA			Marina Development TIFA		
	Balance Sheet	Adjustments	Statement of Net Position	Balance Sheet	Adjustments	Statement of Net Position	Balance Sheet	Adjustments	Statement of Net Position
Assets									
Cash and cash equivalents	\$ 1,574,113	\$ -	\$ 1,574,113	\$ 416,349	\$ -	\$ 416,349	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Receivables:									
Taxes, net	-	-	-	-	-	-	-	-	-
Customers	-	-	-	-	-	-	-	-	-
Accrued interest and other	1,766	-	1,766	458	-	458	-	-	-
Due from other units of government	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Net pension asset	-	-	-	-	-	-	-	-	-
Net OPEB asset	-	-	-	-	-	-	-	-	-
Capital assets not being depreciated	-	30,136	30,136	-	-	-	-	-	-
Capital assets being depreciated, net	-	335,190	335,190	-	682,964	682,964	-	243,034	243,034
Total assets	<u>1,575,879</u>	<u>365,326</u>	<u>1,941,205</u>	<u>416,807</u>	<u>682,964</u>	<u>1,099,771</u>	<u>-</u>	<u>243,034</u>	<u>243,034</u>
Deferred outflows of resources									
Deferred loss on refunding	-	-	-	-	-	-	-	-	-
Deferred amount relating to net pension and OPEB assets	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities									
Accounts payable	\$ 671	\$ -	\$ 671	\$ 10,614	\$ -	\$ 10,614	\$ -	\$ -	\$ -
Accrued and other liabilities	-	-	-	-	8,050	8,050	-	-	-
Due to primary government	2,275	-	2,275	-	-	-	-	-	-
Due to other units of government	-	-	-	-	-	-	-	-	-
Long-term debt:									
Compensated absences, current	-	8,493	8,493	-	-	-	-	-	-
Compensated absences, net	-	21,931	21,931	-	-	-	-	-	-
Due within one year	-	-	-	-	330,000	330,000	-	-	-
Due in more than one year	-	-	-	-	495,082	495,082	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Total liabilities	<u>2,946</u>	<u>30,424</u>	<u>33,370</u>	<u>10,614</u>	<u>833,132</u>	<u>843,746</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources									
Unavailable revenue - delinquent property taxes	-	-	-	-	-	-	-	-	-
Net Position									
Net investment in capital assets		365,326	365,326		682,964	682,964		243,034	243,034
Restricted		-	-		-	-		-	-
Unrestricted (deficit)		1,542,509	1,542,509		(426,939)	(426,939)		-	-
Total net position		<u>\$ 1,907,835</u>	<u>\$ 1,907,835</u>		<u>\$ 256,025</u>	<u>\$ 256,025</u>		<u>\$ 243,034</u>	<u>\$ 243,034</u>

City of Bay City
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Units
June 30, 2023

	Knepp's DDA			Brownfield Redevelopment Authority			Columbus Avenue Management Board		
	Balance Sheet	Adjustments	Statement of Net Position	Balance Sheet	Adjustments	Statement of Net Position	Balance Sheet	Adjustments	Statement of Net Position
Assets									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 4,010,836	\$ -	\$ 4,010,836	\$ 20,433	\$ -	\$ 20,433
Investments	-	-	-	-	-	-	-	-	-
Receivables:									
Taxes, net	-	-	-	-	-	-	-	-	-
Customers	-	-	-	239,988	-	239,988	-	-	-
Accrued interest and other	-	-	-	5,266	-	5,266	17	-	17
Due from other units of government	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	1,000	-	1,000	-	-	-
Net pension asset	-	-	-	-	-	-	-	-	-
Net OPEB asset	-	-	-	-	-	-	-	-	-
Capital assets not being depreciated	-	-	-	-	14,155,418	14,155,418	-	-	-
Capital assets being depreciated, net	-	103,838	103,838	-	5,037,572	5,037,572	-	-	-
Total assets	-	103,838	103,838	4,257,090	19,192,990	23,450,080	20,450	-	20,450
Deferred outflows of resources									
Deferred loss on refunding	-	-	-	-	1,582,053	1,582,053	-	-	-
Deferred amount relating to net pension and OPEB assets	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	1,582,053	1,582,053	-	-	-
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ 197,602	\$ -	\$ 197,602	\$ 1,347	\$ -	\$ 1,347
Accrued and other liabilities	-	-	-	-	203,174	203,174	-	-	-
Due to primary government	-	-	-	1,936	-	1,936	-	-	-
Due to other units of government	-	-	-	14,265	-	14,265	-	-	-
Long-term debt:									
Compensated absences, current	-	-	-	-	2,156	2,156	-	-	-
Compensated absences, net	-	-	-	-	-	-	-	-	-
Due within one year	-	-	-	-	485,000	485,000	-	-	-
Due in more than one year	-	-	-	-	23,108,860	23,108,860	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	213,803	23,799,190	24,012,993	1,347	-	1,347
Deferred inflows of resources									
Unavailable revenue related to loans receivable	-	-	-	281,884	-	281,884	-	-	-
Net Position									
Net investment in capital assets		103,838	103,838		(2,818,817)	(2,818,817)		-	-
Restricted		-	-		-	-		-	-
Unrestricted (deficit)		-	-		3,556,073	3,556,073		19,103	19,103
Total net position		\$ 103,838	\$ 103,838		\$ 737,256	\$ 737,256		\$ 19,103	\$ 19,103

City of Bay City
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Units
June 30, 2023

	Midland Street Management Board			Downtown Management Board			Housing Commission		
	Balance Sheet	Adjustments	Statement of Net Position	Balance Sheet	Adjustments	Statement of Net Position	Balance Sheet	Adjustments	Statement of Net Position
Assets									
Cash and cash equivalents	\$ 162,761	\$ -	\$ 162,761	\$ 57,021	\$ -	\$ 57,021	\$ 8,376,806	\$ -	\$ 8,376,806
Investments	-	-	-	-	-	-	24,375	-	24,375
Receivables:									
Taxes, net	-	-	-	153,091	-	153,091	-	-	-
Customers	-	-	-	-	-	-	69,913	-	69,913
Accrued interest and other	185	-	185	-	-	-	-	-	-
Due from other units of government	-	-	-	97,285	-	97,285	-	-	-
Inventories	-	-	-	-	-	-	41,548	-	41,548
Prepaid items	-	-	-	-	-	-	119,561	-	119,561
Net pension asset	-	-	-	-	-	-	170,241	-	170,241
Net OPEB asset	-	-	-	-	-	-	908,897	-	908,897
Capital assets not being depreciated	-	-	-	-	-	-	2,262,976	-	2,262,976
Capital assets being depreciated, net	-	-	-	-	-	-	4,125,486	-	4,125,486
Total assets	<u>162,946</u>	<u>-</u>	<u>162,946</u>	<u>307,397</u>	<u>-</u>	<u>307,397</u>	<u>16,099,803</u>	<u>-</u>	<u>16,099,803</u>
Deferred outflows of resources									
Deferred loss on refunding	-	-	-	-	-	-	-	-	-
Deferred amount relating to net pension and OPEB assets	-	-	-	-	-	-	110,673	-	110,673
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,673</u>	<u>-</u>	<u>110,673</u>
Liabilities									
Accounts payable	\$ 20,512	\$ -	\$ 20,512	\$ -	\$ -	\$ -	\$ 265,348	\$ -	\$ 265,348
Accrued and other liabilities	-	-	-	668	-	668	265,302	-	265,302
Due to primary government	-	-	-	-	-	-	-	-	-
Due to other units of government	-	-	-	-	-	-	-	-	-
Long-term debt:									
Compensated absences, current	-	-	-	-	-	-	195,752	-	195,752
Compensated absences, net	-	-	-	-	-	-	-	-	-
Due within one year	-	-	-	-	-	-	-	-	-
Due in more than one year	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	36,520	-	36,520	24,698	-	24,698
Total liabilities	<u>20,512</u>	<u>-</u>	<u>20,512</u>	<u>37,188</u>	<u>-</u>	<u>37,188</u>	<u>751,100</u>	<u>-</u>	<u>751,100</u>
Deferred inflows of resources									
Deferred amount relating to net OPEB assets	-	-	-	-	-	-	668,364	-	668,364
Net Position									
Net investment in capital assets	-	-	-	-	-	-	-	6,388,462	6,388,462
Restricted	-	-	-	-	-	-	-	2,667,669	2,667,669
Unrestricted (deficit)	-	142,434	142,434	-	270,209	270,209	-	5,734,881	5,734,881
Total net position		<u>\$ 142,434</u>	<u>\$ 142,434</u>		<u>\$ 270,209</u>	<u>\$ 270,209</u>		<u>\$ 14,791,012</u>	<u>\$ 14,791,012</u>

City of Bay City
Other Supplementary Information
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances
Downtown Development Authority and Midland Street TIFA
For the Year Ended June 30, 2023

	Downtown Development Authority			Midland Street TIFA		
	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Revenues						
Tax increment	\$ -	\$ -	\$ -	\$ 118,056	\$ -	\$ 118,056
Special assessments	116,700	(1,246)	115,454	-	-	-
Other state grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income (loss)	608	-	608	3,447	-	3,447
Rental income	67,819	-	67,819	-	-	-
Other revenue	2,735	-	2,735	-	-	-
Total revenues	<u>187,862</u>	<u>(1,246)</u>	<u>186,616</u>	<u>121,503</u>	<u>-</u>	<u>121,503</u>
Expenditures						
Current						
Economic development	212,422	-	212,422	6,136	3,326	9,462
Capital outlay	-	-	-	-	-	-
Depreciation	-	23,997	23,997	-	79,397	79,397
Debt service						
Principal retirement	-	-	-	63,407	(63,407)	-
Interest and fiscal charges	-	-	-	14,059	(370)	13,689
Total expenditures / expense	<u>212,422</u>	<u>23,997</u>	<u>236,419</u>	<u>83,602</u>	<u>18,946</u>	<u>102,548</u>
Excess (deficiency) of revenues over expenditures / expense	(24,560)	(25,243)	(49,803)	37,901	(18,946)	18,955
Fund balances / net position - beginning of year	<u>117,045</u>	<u>174,351</u>	<u>291,396</u>	<u>168,101</u>	<u>130,420</u>	<u>298,521</u>
Fund balances / net position - end of year	<u>\$ 92,485</u>	<u>\$ 149,108</u>	<u>\$ 241,593</u>	<u>\$ 206,002</u>	<u>\$ 111,474</u>	<u>\$ 317,476</u>

City of Bay City
Other Supplementary Information
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances
Kresge's DDA and Marquette District TIFA
For the Year Ended June 30, 2023

	Kresge's Downtown Development Authority			Marquette District TIFA		
	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Revenues						
Tax increment	\$ -	\$ -	\$ -	\$ 256,467	\$ -	\$ 256,467
Special assessments	-	-	-	-	-	-
Other state grants	-	-	-	243,867	-	243,867
Charges for services	-	-	-	1,125	-	1,125
Investment income (loss)	-	-	-	34,828	-	34,828
Rental income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>536,287</u>	<u>-</u>	<u>536,287</u>
Expenditures						
Current						
Economic development	-	-	-	102,900	6,899	109,799
Capital outlay	-	-	-	-	-	-
Depreciation	-	912	912	-	106,955	106,955
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures / expense	<u>-</u>	<u>912</u>	<u>912</u>	<u>102,900</u>	<u>113,854</u>	<u>216,754</u>
Excess (deficiency) of revenues over expenditures / expense	-	(912)	(912)	433,387	(113,854)	319,533
Fund balances / net position - beginning of year	<u>-</u>	<u>10,433</u>	<u>10,433</u>	<u>1,139,546</u>	<u>448,756</u>	<u>1,588,302</u>
Fund balances / net position - end of year	<u>\$ -</u>	<u>\$ 9,521</u>	<u>\$ 9,521</u>	<u>\$ 1,572,933</u>	<u>\$ 334,902</u>	<u>\$ 1,907,835</u>

City of Bay City
Other Supplementary Information
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances
Water Street DDA and Marina Development TIFA, Allen Healthcare DDA, and Knepp's DDA
For the Year Ended June 30, 2023

	Water Street DDA			Marina Development TIFA			Knepp's DDA		
	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Revenues									
Tax increment	\$ 363,386	\$ -	\$ 363,386	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income (loss)	7,810	-	7,810	-	-	-	-	-	-
Other revenue	12,592	-	12,592	-	-	-	-	-	-
Total revenues	<u>383,788</u>	<u>-</u>	<u>383,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures									
Current									
Community and economic development	27,711	(10,041)	17,670	-	-	-	-	-	-
Depreciation	-	132,380	132,380	-	18,745	18,745	-	3,599	3,599
Debt service									
Principal retirement	230,000	(230,000)	-	-	-	-	-	-	-
Interest and fiscal charges	41,400	(2,300)	39,100	-	-	-	-	-	-
Total expenditures / expense	<u>299,111</u>	<u>(109,961)</u>	<u>189,150</u>	<u>-</u>	<u>18,745</u>	<u>18,745</u>	<u>-</u>	<u>3,599</u>	<u>3,599</u>
Excess (deficiency) of revenues over expenditures / expenses	84,677	109,961	194,638	-	(18,745)	(18,745)	-	(3,599)	(3,599)
Fund balances (deficits) / net position - beginning of year	<u>321,516</u>	<u>(260,129)</u>	<u>61,387</u>	<u>-</u>	<u>261,779</u>	<u>261,779</u>	<u>-</u>	<u>107,437</u>	<u>107,437</u>
Fund balances (deficits) / net position - end of year	<u>\$ 406,193</u>	<u>\$ (150,168)</u>	<u>\$ 256,025</u>	<u>\$ -</u>	<u>\$ 243,034</u>	<u>\$ 243,034</u>	<u>\$ -</u>	<u>\$ 103,838</u>	<u>\$ 103,838</u>

City of Bay City
Other Supplementary Information
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances
Brownfield Redevelopment Authority
For the Year Ended June 30, 2023

	Brownfield Redevelopment Authority		
	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Revenues			
Tax increment	\$ 2,746,095	\$ -	\$ 2,746,095
Other state grants	112,911	-	112,911
Local contributions	1,376	-	1,376
Investment income (loss)	107,955	-	107,955
Total revenues	<u>2,968,337</u>	<u>-</u>	<u>2,968,337</u>
Expenditures			
Current			
Economic development	1,415,394	(1,349)	1,414,045
Depreciation	-	404,758	404,758
Capital outlay	1,225,078	(1,225,078)	-
Debt service			
Principal retirement	445,000	(445,000)	-
Interest and fiscal charges	822,113	47,813	869,926
Total expenditures / expenses	<u>3,907,585</u>	<u>(1,218,856)</u>	<u>2,688,729</u>
Excess (deficiency) of revenues over expenditures / expenses	(939,248)	1,218,856	279,608
Fund balance / net position - beginning of year	<u>4,700,651</u>	<u>(4,243,003)</u>	<u>457,648</u>
Fund balance / net position - end of year	<u>\$ 3,761,403</u>	<u>\$ (3,024,147)</u>	<u>\$ 737,256</u>

City of Bay City
Other Supplementary Information
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances
Columbus Avenue Management Board and Midland Street Management Board
For the Year Ended June 30, 2023

	Columbus Avenue Management Board			Midland Street Management Board		
	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Revenues						
Tax increment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	18,150	-	18,150	25,190	-	25,190
Federal grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Local contribution	-	-	-	18,166	-	18,166
Investment income (loss)	314	-	314	3,329	-	3,329
Rental income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>18,464</u>	<u>-</u>	<u>18,464</u>	<u>46,685</u>	<u>-</u>	<u>46,685</u>
Expenditures						
Current						
Economic development	14,345	-	14,345	33,588	-	33,588
Depreciation	-	-	-	-	-	-
Total expenditures / expense	<u>14,345</u>	<u>-</u>	<u>14,345</u>	<u>33,588</u>	<u>-</u>	<u>33,588</u>
Excess of revenues over expenditures / expense	4,119	-	4,119	13,097	-	13,097
Fund balances / net position - beginning of year	<u>14,984</u>	<u>-</u>	<u>14,984</u>	<u>129,337</u>	<u>-</u>	<u>129,337</u>
Fund balances / net position - end of year	<u>\$ 19,103</u>	<u>\$ -</u>	<u>\$ 19,103</u>	<u>\$ 142,434</u>	<u>\$ -</u>	<u>\$ 142,434</u>

City of Bay City
Other Supplementary Information
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances
Downtown Management Board and Housing Commission
For the Year Ended June 30, 2023

	Downtown Management Board			Housing Commission		
	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Revenues						
Tax increment	\$ 150,418	\$ -	\$ 150,418	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Federal grants	-	-	-	2,714,498	-	2,714,498
Charges for services	55,962	-	55,962	-	-	-
Local contribution	-	-	-	140,000	-	140,000
Investment income (loss)	149	-	149	-	-	-
Rental income	-	-	-	1,882,981	-	1,882,981
Other revenue	-	-	-	465,497	-	465,497
Total revenues	<u>206,529</u>	<u>-</u>	<u>206,529</u>	<u>5,202,976</u>	<u>-</u>	<u>5,202,976</u>
Expenditures						
Current						
Economic development	172,896	-	172,896	5,331,204	-	5,331,204
Depreciation	-	-	-	583,011	-	583,011
Total expenditures / expense	<u>172,896</u>	<u>-</u>	<u>172,896</u>	<u>5,914,215</u>	<u>-</u>	<u>5,914,215</u>
Excess (deficiency) of revenues over expenditures / expense	33,633	-	33,633	(711,239)	-	(711,239)
Fund balances / net position - beginning of year	<u>236,576</u>	<u>-</u>	<u>236,576</u>	<u>15,502,251</u>	<u>-</u>	<u>15,502,251</u>
Fund balances / net position - end of year	<u>\$ 270,209</u>	<u>\$ -</u>	<u>\$ 270,209</u>	<u>\$ 14,791,012</u>	<u>\$ -</u>	<u>\$ 14,791,012</u>

City of Bay City
Other Supplementary Information
Combining Balance Sheet
Brownfield Redevelopment Authority Component Unit
June 30, 2023

	Brownfield Redevelopment General Fund	Local Site Remediation Revolving Fund	Uptown Capital Project Fund	Uptown Debt Service Fund	Total Brownfield Redevelopment
Assets					
Cash and cash equivalents	\$ 239,502	\$ 831,366	\$ 2,881,334	\$ 58,634	\$ 4,010,836
Loans receivable	-	239,988	-	-	239,988
Accrued interest and other	693	761	3,717	95	5,266
Prepaid items	-	-	-	1,000	1,000
Total assets	<u>\$ 240,195</u>	<u>\$ 1,072,115</u>	<u>\$ 2,885,051</u>	<u>\$ 59,729</u>	<u>\$ 4,257,090</u>
Liabilities					
Accounts payable	\$ 49,300	\$ -	\$ 148,302	\$ -	\$ 197,602
Due to primary government	1,936	-	-	-	1,936
Due to other units of government	14,265	-	-	-	14,265
Total liabilities	<u>65,501</u>	<u>-</u>	<u>148,302</u>	<u>-</u>	<u>213,803</u>
Deferred inflows of resources					
Unavailable revenue	-	281,884	-	-	281,884
Fund Balances					
Non-spendable					
Prepaid items	-	-	-	1,000	1,000
Committed	-	790,231	2,736,749	58,729	3,585,709
Unassigned	174,694	-	-	-	174,694
Total fund balances	<u>174,694</u>	<u>790,231</u>	<u>2,736,749</u>	<u>59,729</u>	<u>3,761,403</u>
Total liabilities and fund balances	<u>\$ 240,195</u>	<u>\$ 1,072,115</u>	<u>\$ 2,885,051</u>	<u>\$ 59,729</u>	<u>\$ 4,257,090</u>

City of Bay City
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Brownfield Redevelopment Authority Component Unit
For the Year Ended June 30, 2023

	Brownfield Redevelopment General Fund	Local Site Remediation Revolving Fund	Uptown Capital Project Fund	Uptown Debt Service Fund	Eliminations	Total Brownfield Redevelopment
Revenues						
Tax increment	\$ 200,785	\$ -	\$ 2,545,310	\$ -	\$ -	\$ 2,746,095
Other state grants	112,911	-	-	-	-	112,911
Local contributions	1,376	-	-	-	-	1,376
Investment income	12,367	15,228	78,330	2,030	-	107,955
Transfers in	-	-	-	1,267,113	(1,267,113)	-
Total revenues	<u>327,439</u>	<u>15,228</u>	<u>2,623,640</u>	<u>1,269,143</u>	<u>(1,267,113)</u>	<u>2,968,337</u>
Expenditures						
Current						
Economic development	540,827	-	874,567	-	-	1,415,394
Capital outlay	-	-	1,225,078	-	-	1,225,078
Debt service						
Principal retirement	-	-	-	445,000	-	445,000
Interest and fiscal charges	-	-	-	822,113	-	822,113
Transfers out	-	-	1,267,113	-	(1,267,113)	-
Total expenditures	<u>540,827</u>	<u>-</u>	<u>3,366,758</u>	<u>1,267,113</u>	<u>(1,267,113)</u>	<u>3,907,585</u>
Excess (deficiency) of revenues over expenditures	(213,388)	15,228	(743,118)	2,030	-	(939,248)
Fund balances - beginning of year	<u>388,082</u>	<u>775,003</u>	<u>3,479,867</u>	<u>57,699</u>	<u>-</u>	<u>4,700,651</u>
Fund balances - end of year	<u>\$ 174,694</u>	<u>\$ 790,231</u>	<u>\$ 2,736,749</u>	<u>\$ 59,729</u>	<u>\$ -</u>	<u>\$ 3,761,403</u>

City of Bay City, Michigan

Statistical Section

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

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.

Debt Capacity

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

Demographic and Economic Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Bay City
Net Position by Component
(Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 70,245,428	\$ 69,057,762	\$ 68,753,612	\$ 68,308,363	\$ 73,233,603	\$ 73,577,871	\$ 73,890,773	\$ 72,860,472	\$ 71,453,461	\$ 74,737,953
Restricted	11,226,225	10,827,652	9,654,415	7,372,266	6,299,674	8,202,910	8,747,777	9,383,300	11,360,877	6,284,268
Unrestricted (deficit)	<u>(16,042,766)</u>	<u>(33,884,105)</u>	<u>(33,637,328)</u>	<u>(35,096,237)</u>	<u>(83,286,382)</u>	<u>(69,091,296)</u>	<u>(61,658,982)</u>	<u>(54,908,728)</u>	<u>(51,914,586)</u>	<u>(44,700,196)</u>
Total governmental activities net position	<u>\$ 65,428,887</u>	<u>\$ 46,001,309</u>	<u>\$ 44,770,699</u>	<u>\$ 40,584,392</u>	<u>\$ (3,753,105)</u>	<u>\$ 12,689,485</u>	<u>\$ 20,979,568</u>	<u>\$ 27,335,044</u>	<u>\$ 30,899,752</u>	<u>\$ 36,322,025</u>
Business-type activities										
Net investment in capital assets	\$ 85,045,532	\$ 94,808,608	\$ 81,173,544	\$ 79,855,097	\$ 83,131,894	\$ 84,849,619	\$ 87,757,785	\$ 91,293,044	\$ 97,158,997	\$ 109,591,929
Restricted	9,869,290	2,083,275	2,042,275	1,999,775	955,275	955,275	955,275	955,275	955,275	955,275
Unrestricted	<u>43,486,135</u>	<u>20,431,532</u>	<u>24,615,784</u>	<u>32,730,757</u>	<u>(269,194)</u>	<u>20,241,939</u>	<u>36,341,061</u>	<u>43,428,272</u>	<u>49,243,601</u>	<u>53,354,451</u>
Total business-type activities net position	<u>\$ 138,400,957</u>	<u>\$ 117,323,415</u>	<u>\$ 107,831,603</u>	<u>\$ 114,585,629</u>	<u>\$ 83,817,975</u>	<u>\$ 106,046,833</u>	<u>\$ 125,054,121</u>	<u>\$ 135,676,591</u>	<u>\$ 147,357,873</u>	<u>\$ 163,901,655</u>
Primary government										
Net investment in capital assets	\$ 155,290,960	\$ 163,866,370	\$ 149,927,156	\$ 148,163,460	\$ 156,365,497	\$ 158,427,490	\$ 161,648,558	\$ 164,153,516	\$ 168,612,458	\$ 184,329,882
Restricted	21,095,515	12,910,927	11,696,690	9,372,041	7,254,949	9,158,185	9,703,052	10,338,575	12,316,152	7,239,543
Unrestricted (deficit)	<u>27,443,369</u>	<u>(13,452,573)</u>	<u>(9,021,544)</u>	<u>(2,365,480)</u>	<u>(83,555,576)</u>	<u>(48,849,357)</u>	<u>(25,317,921)</u>	<u>(11,480,456)</u>	<u>(2,670,985)</u>	<u>8,654,255</u>
Total primary government net position	<u>\$ 203,829,844</u>	<u>\$ 163,324,724</u>	<u>\$ 152,602,302</u>	<u>\$ 155,170,021</u>	<u>\$ 80,064,870</u>	<u>\$ 118,736,318</u>	<u>\$ 146,033,689</u>	<u>\$ 163,011,635</u>	<u>\$ 178,257,625</u>	<u>\$ 200,223,680</u>

City of Bay City
Changes in Net Position
(Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
Public safety	\$ 11,533	\$ 12,829	\$ 13,159	\$ 16,214	\$ 15,129	\$ 6,173	\$ 8,654	\$ 10,312	\$ 11,052	\$ 12,062
Community and economic development	1,962	2,082	3,265	1,188	1,340	712	459	1,684	1,898	2,759
Public works	10,232	10,629	9,948	10,375	9,625	9,004	12,115	11,559	15,188	11,466
General government	2,214	1,129	875	1,581	587	831	(35)	3,004	939	1,949
Recreation and culture	1,094	1,262	1,097	1,177	1,058	(33)	936	1,651	1,161	1,704
Interest on long-term debt	1,038	1,082	965	853	758	558	402	224	43	158
Total governmental activities expenses	28,073	29,013	29,308	31,388	28,497	17,245	22,531	28,434	30,281	30,098
Business-type activities:										
Electric	34,456	32,047	34,498	33,632	32,432	27,433	28,961	34,032	36,818	37,979
Water	8,929	11,160	10,279	8,267	8,792	5,883	7,782	7,761	7,845	8,505
Sewer	11,352	11,224	12,948	12,566	11,535	5,001	5,730	10,325	10,205	9,427
Public works	593	605	768	668	696	649	699	735	774	839
Total business-type activities expenses	55,330	55,035	58,493	55,133	53,455	38,966	43,172	52,853	55,642	56,750
Total primary government expenses	\$ 83,403	\$ 84,048	\$ 87,801	\$ 86,521	\$ 81,952	\$ 56,211	\$ 65,703	\$ 81,287	\$ 85,923	\$ 86,848
Program Revenues										
Governmental activities:										
Charges for services										
Public safety	\$ 886	\$ 1,193	\$ 1,017	\$ 928	\$ 1,446	\$ 1,441	\$ 1,125	\$ 1,538	\$ 1,324	\$ 1,496
General government	547	751	1,048	736	620	808	1,991	894	2,788	690
Public works	2,267	2,009	2,064	2,135	2,527	2,792	3,069	3,248	3,439	3,393
Recreation and culture	52	56	91	62	68	30	70	380	63	50
Other	275	9	4	4	4	4	4	4	2	-
Operating grants and contributions	4,540	6,194	6,096	6,110	8,401	8,791	6,312	9,622	8,543	12,408
Capital grants and contributions	1,403	486	13	7	2,923	145	-	-	-	-
Total governmental activities program revenues	9,970	10,699	10,333	9,982	15,989	14,011	12,571	15,686	16,159	18,037
Business-type activities:										
Charges for services										
Electric	34,367	35,175	35,417	38,148	35,910	37,876	37,528	38,252	42,794	45,111
Water	11,195	10,179	7,093	8,996	8,310	8,644	8,319	8,779	8,926	8,814
Sewer	13,451	13,106	12,924	13,430	12,814	12,958	12,966	12,866	12,577	11,938
Public works	321	299	337	339	361	348	339	323	331	366
Operating grants and contributions	30	291	207	30	4	148	191	1,376	879	97
Capital grants and contributions	-	-	-	-	5,565	-	896	106	19	2,572
Total business-type activities program revenues	59,364	59,050	55,980	60,943	62,964	59,974	60,239	61,702	65,526	68,898
Total primary government program revenues	\$ 69,334	\$ 69,749	\$ 66,313	\$ 70,925	\$ 78,953	\$ 73,985	\$ 72,810	\$ 77,388	\$ 81,685	\$ 86,935
Net (expense)/revenue										
Governmental activities	\$ (18,103)	\$ (18,314)	\$ (18,975)	\$ (21,406)	\$ (12,508)	\$ (3,234)	\$ (9,960)	\$ (12,748)	\$ (14,122)	\$ (12,061)
Business-type activities	4,034	4,015	(2,513)	5,810	9,509	21,008	17,067	8,849	9,884	12,148
Total primary government net expense	\$ (14,069)	\$ (14,299)	\$ (21,488)	\$ (15,596)	\$ (2,999)	\$ 17,774	\$ 7,107	\$ (3,899)	\$ (4,238)	\$ 87

City of Bay City
Changes in Net Position
(Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 12,389	\$ 12,288	\$ 12,559	\$ 12,539	\$ 13,592	\$ 14,420	\$ 13,974	\$ 14,175	\$ 12,243	\$ 12,555
Unrestricted grants and contributions	4,158	4,256	4,244	4,410	4,458	4,676	4,395	5,055	5,312	5,268
Investment earnings	171	62	66	72	187	412	287	83	-	1,481
Gain on sale of capital assets	5	-	-	28	136	37	63	13	57	35
Miscellaneous	590	143	587	129	48	57	152	580	1,052	1,119
Transfers	(39)	(109)	288	42	91	73	(621)	(802)	(1,299)	(2,974)
Total governmental activities	17,274	16,642	17,744	17,220	18,512	19,675	18,250	19,104	17,365	17,484
Business-type activities:										
Investment earnings	256	128	130	144	354	839	681	114	-	976
Miscellaneous	223	364	855	842	243	456	638	857	499	446
Transfers	39	109	(288)	(42)	(90)	(73)	621	802	1,299	2,974
Special item - loss on disposal	-	-	(7,676)	-	-	-	-	-	-	-
Total business-type activities	518	601	(6,979)	944	507	1,222	1,940	1,773	1,798	4,396
Total primary government	\$ 17,792	\$ 17,243	\$ 10,766	\$ 18,164	\$ 19,019	\$ 20,897	\$ 20,190	\$ 20,877	\$ 19,163	\$ 21,880
Change in Net Position										
Governmental activities	\$ (830)	\$ (1,675)	\$ (1,231)	\$ (4,186)	\$ 6,004	\$ 16,441	\$ 8,290	\$ 6,356	\$ 3,243	\$ 5,423
Business-type activities	4,552	4,615	(9,492)	6,754	10,016	22,230	19,007	10,622	11,682	16,544
Total primary government	\$ 3,722	\$ 2,940	\$ (10,722)	\$ 2,568	\$ 16,020	\$ 38,671	\$ 27,297	\$ 16,978	\$ 14,925	\$ 21,967

City of Bay City
Fund Balances of Governmental Funds
(Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Restricted	\$ 41	\$ 22	\$ 22	\$ 9	\$ 9	\$ 92	\$ -	\$ -	\$ -	\$ -
Committed	3,160	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	(23)	2,995	3,423	3,905	4,732	4,572	4,692	5,090	5,500	5,366
Total general fund	<u>\$ 3,179</u>	<u>\$ 3,116</u>	<u>\$ 3,544</u>	<u>\$ 3,914</u>	<u>\$ 4,741</u>	<u>\$ 4,664</u>	<u>\$ 4,692</u>	<u>\$ 5,090</u>	<u>\$ 5,500</u>	<u>\$ 5,366</u>
All other governmental funds										
Nonspendable	\$ 39	\$ 201	\$ 187	\$ 174	\$ 99	\$ 382	\$ 185	\$ 193	\$ 518	\$ 500
Restricted	3,766	3,398	2,073	1,416	2,831	4,201	4,160	5,746	6,591	5,699
Assigned	-	-	-	-	-	-	-	-	-	1,895
Unassigned (deficit)	(297)	-	-	(57)	(204)	(255)	(245)	-	-	(13)
Total all other governmental funds	<u>\$ 3,508</u>	<u>\$ 3,599</u>	<u>\$ 2,260</u>	<u>\$ 1,533</u>	<u>\$ 2,726</u>	<u>\$ 4,328</u>	<u>\$ 4,100</u>	<u>\$ 5,939</u>	<u>\$ 7,109</u>	<u>\$ 8,081</u>

City of Bay City
Changes in Fund Balances of Governmental Funds
(Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property taxes and other taxes	\$ 11,535	\$ 11,390	\$ 11,625	\$ 11,547	\$ 14,051	\$ 14,881	\$ 14,415	\$ 14,612	\$ 12,745	\$ 13,141
Licenses and permits	515	714	547	575	1,038	1,033	845	1,353	1,200	1,189
Federal grants	3,796	2,202	1,629	2,451	1,293	931	741	3,348	1,808	5,144
State shared revenues and grants	6,332	8,445	8,707	8,062	11,118	12,455	9,813	10,839	5,829	12,875
Local contributions	1,349	1,698	1,475	1,531	553	175	136	484	5,886	130
Interest, rents and royalties	88	28	38	41	110	227	164	198	662	1,055
Charges for services	4,789	5,266	5,285	5,147	5,715	5,642	5,959	6,208	6,622	6,916
Fines and forfeits	82	111	105	99	175	125	94	82	120	129
Reimbursements, refunds and other revenue	1,279	556	980	372	430	461	613	1,224	972	975
Total revenues	29,765	30,410	30,391	29,825	34,483	35,930	32,780	38,348	35,844	41,554
Expenditures										
General government	2,653	3,485	3,506	3,647	3,705	4,045	4,325	4,777	4,672	4,660
Public safety	10,746	12,427	12,115	12,422	12,590	12,913	13,344	13,941	14,178	15,100
Public works	6,599	7,150	7,404	7,152	8,026	9,597	8,709	9,164	9,028	9,967
Community and economic development	1,702	1,271	952	924	1,183	755	720	1,396	1,863	2,603
Recreation and culture	795	941	940	988	1,002	1,088	1,089	1,217	1,339	1,473
Post-retirement benefits	2,700	-	-	-	-	-	-	-	-	-
Capital outlay	2,417	2,187	3,312	2,079	2,680	2,556	2,056	1,730	2,445	4,288
Debt service:										
Principal	2,441	2,555	2,595	2,634	2,794	2,817	2,864	3,412	168	170
Interest and other fees	104	143	132	122	111	124	73	78	47	41
Total expenditures	30,157	30,159	30,958	29,968	32,091	33,895	33,180	35,715	33,740	38,302
Excess of revenues over (under) expenditures	(392)	251	(567)	(143)	2,392	2,035	(400)	2,633	2,104	3,252
Other financing sources (uses)										
Proceeds from sale of assets	13	-	-	-	-	-	-	26	22	-
Transfers in	1,165	1,327	849	962	1,219	1,585	1,533	2,508	1,677	2,485
Transfers (out)	(1,332)	(1,551)	(1,193)	(1,176)	(1,592)	(2,095)	(1,329)	(2,934)	(2,222)	(4,900)
Total other financing sources (uses)	(154)	(224)	(344)	(214)	(373)	(510)	204	(400)	(523)	(2,415)
Net change in fund balances	\$ (546)	\$ 27	\$ (911)	\$ (357)	\$ 2,019	\$ 1,525	\$ (196)	\$ 2,233	\$ 1,581	\$ 837
Debt service as a percentage of noncapital expenditures	9.43%	9.65%	9.64%	9.88%	9.88%	9.38%	9.44%	10.27%	0.69%	0.62%

**City of Bay City
Revenue by Source
(Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)**

<u>Year Ended June 30,</u>	<u>Property Taxes</u>	<u>Electric Operating</u>
2014	\$ 12,389,299	\$ 34,476,491
2015	12,287,683	35,346,665
2016	12,559,193	35,614,353
2017	12,539,095	38,438,745
2018	13,591,855	36,043,574
2019	14,420,291	38,029,392
2020	13,973,541	37,688,475
2021	14,174,994	38,344,938
2022	12,242,133	43,003,152
2023	13,140,694	45,266,681

City of Bay City
Assessed Value and Estimated Actual Value of Taxable Property
(Unaudited)
Last Ten Fiscal Years
(in thousands of dollars)

<u>Year Ended June 30</u>	<u>Residential</u>	<u>Real Property Commercial</u>	<u>Industrial</u>	<u>Personal Property</u>	<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Assessed Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2014	\$ 367,702	\$ 100,629	\$ 23,227	\$ 63,091	\$ 554,649	21.3365	\$ 1,109,298	50.00%
2015	392,971	93,913	25,540	55,523	567,947	21.3365	1,135,894	50.00%
2016	399,808	104,261	26,128	38,961	569,158	21.1865	1,138,316	50.00%
2017	388,404	119,384	29,132	36,842	573,762	21.4085	1,147,524	50.00%
2018	396,717	114,219	27,529	35,114	573,579	21.4615	1,147,158	50.00%
2019	405,133	122,252	25,383	35,712	588,480	20.7115	1,176,960	50.00%
2020	418,017	148,303	29,326	37,809	633,455	20.7115	1,266,910	50.00%
2021	460,194	147,752	32,243	37,543	677,732	16.9615	1,355,464	50.00%
2022	494,061	165,485	34,105	39,278	732,929	16.9615	1,465,858	50.00%
2023	554,077	200,653	42,489	41,717	838,936	16.9162	1,677,872	50.00%

Source: Bay City Assessor's Office

Note: Property in the City is reassessed annually. The City assesses property at approximately 50 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of taxable value.

**City of Bay City
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Year Ended June 30, Year (1) (2)	Bay City				Overlapping Rates			Total Direct & Overlapping Rates
	Operating Millage	Special Millage	Debt Millage	Total City Millage	School District	Community College	County	
2014	16.9615	0.0000	4.3750	21.3365	32.7157	2.0427	11.4638	67.5587
2015	16.9615	0.0000	4.3750	21.3365	31.9133	2.0427	11.4638	66.7563
2016	16.9615	0.0000	4.2250	21.1865	31.9133	2.0427	11.4638	66.6063
2017	16.9615	0.0000	4.4470	21.4085	31.9133	2.0427	11.6138	66.9783
2018	16.9615	0.0000	4.5000	21.4615	31.9133	2.0427	11.2138	66.6313
2019	16.9615	0.0000	3.7500	20.7115	31.9133	2.0427	11.3138	65.9813
2020	16.9615	0.0000	3.7500	20.7115	31.7909	2.0427	12.0685	66.6136
2021	16.9615	0.0000	0.0000	16.9615	31.7847	2.0427	12.0581	62.8470
2022	16.9615	0.0000	0.0000	16.9615	31.7725	2.0427	11.7994	62.5761
2023	16.9615	0.0000	0.0000	16.9615	31.7737	2.0427	13.6359	64.4138

Source: Bay City Assessor's Office

(1) Rates reduced to comply with the Headlee Amendment.

(2) This is the year in which the tax is levied. 2015 refers to the 2016 tax collection, 2016 refers to the 2017 tax collection, and so on.

City of Bay City
Principal Property Taxpayers and Electric Customers
(Unaudited)
June 30, 2023 and Ten Years Previous

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Consumers Energy Company	\$ 16,798,945	1	2.38%	\$ 8,528,650	1	1.56%
Dow Chemical	12,959,523	2	1.84%			
BRD Opportunity Zone Developer, LLC	10,651,430	3	1.51%			
SSP Development, LLC	8,331,623	4	1.18%	3,042,000	6	0.56%
Spectrum (formerly Charter Communications)	5,450,400	5	0.77%	3,155,950	4	0.58%
Mersen USA (formerly Carbone)	5,339,300	6	0.76%	1,856,400	9	0.34%
DOC - 4 Columbus Ave MOB, LLC	4,883,103	7	0.69%			
213 Development LLC	4,471,272	8	0.63%			
Main Street Uptown Development LLC	4,371,424	9	0.62%			
General Motors Corporation	3,274,271	10	0.46%	8,065,250	2	1.47%
SC Johnson				5,762,000	3	1.05%
Chev-Ponitas_Canada Group				2,655,345	7	0.48%
Wenonah Park Properties				1,563,627	10	0.29%
Bay City Housing Commission				1,858,050	8	0.34%
Nexteer						
Baldauf Enterprises Inc				3,083,350	5	0.56%
Totals	<u>\$ 76,531,291</u>		<u>10.86%</u>	<u>\$ 39,570,622</u>		<u>7.23%</u>

Electric Customer	2023			2014		
	Usage kWh	Rank	Percentage of Total Usage	Usage kWh	Rank	Percentage of Total Usage
Mersen USA (Carbone)	18,001,646	1	5.85%	9,295,600	3	2.93%
McLaren Bay Region (Bay Med)	15,038,841	2	4.89%	17,145,286	1	5.40%
S.C. Johnson & Sons	9,592,457	3	3.12%	6,792,030	4	2.14%
Bay County	8,273,174	4	2.69%	5,819,258	5	1.83%
Golden Harvest	6,901,600	5	2.24%			
City of Bay City	4,786,659	7	1.56%	12,844,943	2	4.05%
Bay City Schools	4,883,602	6	1.59%	4,129,072	7	1.30%
Doubletree Hotel	3,474,521	8	1.13%	3,567,975	8	1.12%
Kerkau Manufacturing	3,229,915	10	1.05%			
Bay Cast Inc	3,372,137	9	1.10%	4,185,827	6	1.32%
Menards				3,310,472	9	1.04%
Fabiano						
Valley Publishing				3,084,800	10	0.97%
Totals	<u>77,554,553</u>		<u>25.22%</u>	<u>70,175,263</u>		<u>22.10%</u>

Source: Bay City Assessor's Office and Electric Department

City of Bay City
Property Tax Levies and Collections
(Unaudited)
Last Ten Fiscal Years
(amounts expressed in thousands)

<u>Year Ended June 30,</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2014	\$ 11,468	\$ 10,525	91.78%	\$ 914	\$ 11,439	99.75%
2015	11,424	10,495	91.87%	875	11,370	99.53%
2016	11,556	10,661	92.26%	874	11,535	99.82%
2017	11,249	10,393	92.39%	837	11,230	99.83%
2018	11,396	10,505	92.18%	876	11,381	99.87%
2019	11,523	10,639	92.33%	864	11,503	99.83%
2020	11,420	10,584	92.68%	816	11,400	99.82%
2021	11,919	11,032	92.56%	861	11,893	99.78%
2022	10,099	9,444	93.51%	635	10,079	99.80%
2023	10,764	10,039	93.26%	703	10,742	99.80%

Tax levy value as of June 30th of each fiscal year end as surrendered to Bay County

City of Bay City
Ratios of Outstanding Debt by Type
(Unaudited)
Last Ten Fiscal Years

June 30,	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Installment Purchase Contracts	Term Loans	Leases	Revenue Bonds	General Obligation Bonds	Term Loans			
2014	\$ 14,324,644	\$ -	\$ 2,915,000	\$ -	\$ 15,505,000	\$ 13,218,701	\$ 25,590,000	\$ 71,553,345	18.46%	2,079
2015	12,876,529	-	2,750,000	-	14,970,000	11,523,603	23,120,000	65,240,132	16.20%	1,916
2016	11,292,069	-	2,575,000	-	14,390,000	10,342,403	20,590,000	59,189,472	14.34%	1,755
2017	9,582,934	-	2,385,000	-	13,790,000	9,537,047	21,657,615	56,952,596	13.32%	1,707
2018	7,690,361	-	2,087,174	985,739	13,160,000	8,665,674	15,875,167	48,464,115	11.18%	1,460
2019	5,638,157	-	2,457,696	-	12,970,000	7,785,962	13,290,137	42,141,952	9.36%	1,276
2020	3,415,000	-	2,081,379	-	12,320,000	6,874,610	10,680,167	35,371,156	7.23%	1,081
2021	1,010,000	-	1,178,449	-	11,640,000	6,053,351	10,317,084	30,198,884	6.14%	925
2022	15,782,212	-	1,021,879	-	10,935,000	5,208,639	9,034,433	41,982,163	(2)	1,296
2023	15,688,124	-	861,563	-	10,205,000	4,345,474	6,054,433	37,154,594	(2)	1,151

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Demographic and Economic Statistics Schedule for personal income and population data.

(2) This information is not yet available.

City of Bay City
Ratios of General Bonded Debt Outstanding
(Unaudited)
Last Ten Fiscal Years
(amounts expressed in thousands)

<u>June 30,</u>	<u>General Obligation Bonds (1)</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (2)</u>	<u>Per Capita (3)</u>
2014	\$ 27,543	\$ 77	\$ 27,466	4.95%	\$ 798
2015	24,400	84	24,316	4.28%	712
2016	21,634	261	21,373	3.76%	630
2017	19,120	75	19,045	3.32%	571
2018	16,356	225	16,131	2.81%	486
2019	13,424	590	12,834	2.18%	389
2020	10,290	475	9,815	1.55%	300
2021	7,063	419	6,644	0.98%	203
2022	20,991	554	20,437	3.02%	631
2023	20,034	478	19,556	2.89%	606

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
Taxable value provided by the Bay City Assessor's Office.

- (1) This is the general bonded debt of both governmental and business-type activities.
- (2) See Assessed Value and Estimated Actual Value of Taxable Property Schedule for taxable value of property data.
- (3) See Demographic and Economic Statistics Schedule for personal income and population data.

City of Bay City
Direct and Overlapping Governmental Activities Debt
(Unaudited)
As of June 30, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt:			
Bay County	\$ 3,354,695	22.57%	\$ 757,155
Bay City School District	42,670,000	34.22%	14,601,674
Bangor Township Schools	1,576,667	1.00%	15,767
Bay-Arenac Intermediate School District	935,000	19.01%	<u>177,744</u>
TOTAL OVERLAPPING DEBT			15,552,339
Direct Debt:			
City of Bay City		100.00%	<u>40,552,870</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$ 56,105,209</u></u>

Sources: Debt outstanding and estimated share of overlapping debt provided by Municipal Advisory Council of Michigan.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Bay City. This process recognizes that, when considering the government's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Bay City
Legal Debt Margin Information
(Unaudited)
Last Ten Fiscal Years
(amounts expressed in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$ 54,755	\$ 56,795	\$ 56,916	\$ 57,376	\$ 57,358	\$ 58,848	\$ 63,346	\$ 67,773	\$ 73,293	\$ 83,894
Total net debt applicable to limit	<u>27,466</u>	<u>24,316</u>	<u>21,373</u>	<u>19,045</u>	<u>16,131</u>	<u>12,834</u>	<u>9,815</u>	<u>6,644</u>	<u>20,413</u>	<u>19,078</u>
Legal debt margin	<u>\$ 27,289</u>	<u>\$ 32,479</u>	<u>\$ 35,543</u>	<u>\$ 38,331</u>	<u>\$ 41,227</u>	<u>\$ 46,014</u>	<u>\$ 53,531</u>	<u>\$ 61,129</u>	<u>\$ 52,880</u>	<u>\$ 64,816</u>
Total net debt applicable to the limit as a percentage of debt limit	50.16%	42.81%	37.55%	33.19%	28.12%	21.81%	15.49%	9.80%	27.85%	22.74%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed valuation, December 31, 2022	<u>\$ 838,936</u>
Debt limit (10% of assessed valuation)	\$ 83,894
Debt applicable to limit:	\$ 19,556
Less:	
Assets in Debt Service funds available for payment of principal	<u>478</u>
Total amount of debt applicable to debt limit	<u>19,078</u>
Legal debt margin	<u>\$ 64,816</u>

**City of Bay City
Pledged-Revenue Coverage
(Unaudited)
Last Ten Fiscal Years**

Year Ended June 30,	Gross Revenue	Operating Expenses (1)	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
Electric System Revenue Bonds							
2014	\$ 34,597,240	\$ 30,936,143	\$ 3,661,097	\$ 380,000	\$ 586,012	\$ 966,012	3.79
2015	35,420,455	28,975,124	6,445,331	535,000	591,492	1,126,492	5.72
2016	35,696,069	31,579,767	4,116,302	580,000	587,167	1,167,167	3.53
2017	38,501,727	30,629,611	7,872,116	600,000	529,355	1,129,355	6.97
2018	36,210,814	29,887,555	6,323,259	630,000	522,143	1,152,143	5.49
2019	38,514,695	25,653,698	12,860,997	190,000	505,830	695,830	18.48
2020	38,167,012	26,983,051	11,183,961	650,000	480,480	1,130,480	9.89
2021	38,845,119	31,295,893	7,549,226	680,000	453,960	1,133,960	6.66
2022	43,003,675	34,505,632	8,498,043	705,000	426,466	1,131,466	7.51
2023	45,266,681	35,464,698	9,801,983	730,000	397,995	1,127,995	8.69

Note: Details regarding Bay City's outstanding debt can be found in the notes to the financial statements.

(1) Net of depreciation expense.

City of Bay City
Demographic and Economic Statistics
(Unaudited)
Last Ten Fiscal Years

<u>Year Ended June 30,</u>	<u>Population (1)</u>	<u>Personal Income (2) (amounts expressed in thousands)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2014	34,351	\$ 3,876,836	\$ 36,486	4,695	7.40%
2015	34,049	4,026,590	38,146	4,483	6.00%
2016	33,727	4,127,462	39,404	4,185	5.60%
2017	33,356	4,276,300	41,024	4,138	5.60%
2018	33,188	4,393,535	42,367	4,049	5.10%
2019	33,019	4,502,212	43,657	3,970	5.00%
2020	32,717	4,892,672	47,786	3,831	17.30%
2021	32,661	4,916,000	50,396	3,777	7.80%
2022	32,404	(5)	(5)	3,685	7.10%
2023	32,268	(5)	(5)	3,360	6.60%

Data Sources:

(1) Population Division, U.S. Census Bureau

(2) Bureau of Economic Analysis, U.S. Department of Commerce

(3) Local school districts

(4) U.S. Department of Labor Bureau of Labor Statistics Data - Unemployment rate information is a yearly average not seasonally adjusted.

(5) This information is not yet available.

**City of Bay City
Principal Employers
(Unaudited)
2023 and Ten Years Previous**

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
McLaren Bay Region (Bay Regional) (2)	1,689	1	7.93%	1,960	1	11.29%
Bay City Public Schools (1) (2)	835	2	3.92%	956	2	5.51%
Bay County (2)	564	3	2.65%	526	3	3.03%
SC Johnson (2)	400	5	1.88%	360	5	2.07%
General Motors Powertrain	429	4	2.01%	365	4	2.10%
City of Bay City	282	6	1.32%	305	6	1.76%
Go to Transport	150	11	0.70%			
Dow Bay Area Family YMCA	217	9	1.02%			
Bay Arenac Behavioral Health	239	7	1.12%			
Mersen USA	229	8	1.08%	110	10	0.63%
Do-All						
Labadie Auto Group	195	10	0.92%	148	8	0.85%
Bay Shores Senior Care & Rehab Center						
F.P. Horak Co.				140	9	0.81%
Doubletree	128	12	0.60%	150	7	0.86%
Totals	<u>5,357</u>		<u>25.15%</u>	<u>5,020</u>		<u>28.93%</u>

Source:

Bay Future, U.S. Department of Labor Bureau of Labor Statistics, and Bay City Economic Development Department

(1) Excludes substitute teachers.

(2) Multiple locations within Bay County.

City of Bay City
Full-time Equivalent City of Bay City Employees by Function
(Unaudited)
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function										
General government (1)	36	37	37	38	37	37	38	38	39	40
Public safety (2)	89	89	90	86	83	85	82	82	86	89
Police	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Building Inspections	4	4	6	6	8	9	11	10	10	10
Public works	28	27	29	30	30	31	33	32	33	31
Recreation and culture	6	5	5	5	6	5	5	5	5	5
Community and economic development	10	10	9	8	8	8	9	8	8	8
Electric	49	49	50	51	50	52	51	53	52	53
Water	35	35	20	23	24	25	25	24	24	30
Sewer	<u>34</u>	<u>35</u>	<u>38</u>	<u>38</u>	<u>37</u>	<u>39</u>	<u>40</u>	<u>39</u>	<u>39</u>	<u>39</u>
Total	<u>291</u>	<u>291</u>	<u>284</u>	<u>285</u>	<u>283</u>	<u>291</u>	<u>293</u>	<u>291</u>	<u>296</u>	<u>306</u>

(1) Accounts Receivable and Meter Reader positions were incorporated into the three utility funds as of 2014.

(2) Police and Fire merged into Public Safety as of 2014.

Source: City of Bay City Accounting Department

City of Bay City
Operating Indicators by Function
(Unaudited)
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Elections										
Number of registered voters	23,692	23,438	23,620	23,161	22,605	22,953	23,896	24,845	25,203	26,265
Public safety										
Police Department										
Number of citations issued	2,579	2,861	1,517	2,294	2,088	2,501	2,082	2,704	2,362	1,905
Number of complaints filed	4,398	5,469	3,937	5,775	5,798	5,374	4,736	5,289	4,213	4,338
Number of calls for service	27,738	25,185	16,742	23,181	23,539	22,512	21,687	22,755	23,030	25,129
Number of DUI offenses	96	123	85	150	167	117	114	90	91	92
Fire Department										
Number of emergency runs	4,882	4,857	3,626	5,099	5,179	5,386	4,730	5,602	5,789	5,532
Number of fire prevention programs	195	183	81	81	10	29	10	11	2	17
Public works										
Streets -Tons of salt used	2,300	780	1,585	1,227	1,810	2,182	2,348	1,439	1,656	1,884
Recreation and culture										
Park acreage maintained	238	238	238	238	238	238	238	238	238	238
Special events	44	49	51	60	47	53	43	17	32	43
Shelter rentals	67	70	69	71	58	63	35	76	64	62
Community and Economic Development										
Housing units rehabilitated	0	0	2	2	4	2	0	0	0	0
Emergency housing units rehabilitated	46	47	52	44	44	19	17	0	2	4
Electric Department										
Generating capacity	33,295	33,295	28,295	28,295	28,295	27,000	27,000	27,000	27,000	27,000
Street trees removed	115	340	635	530	475	373	409	565	393	566
Sewer System										
Sanitary and storm sewer (miles)	320	320	320	320	320	320	320	320	320	320
Daily average treatment (million gallons)	7	8	7	8	7	8	9	6	7	7
Maximum daily capacity (million gallons)	18	18	18	18	18	18	18	18	18	18
Water system										
Miles of water mains	195	196	196	196	195	195	195	195	195	195
Daily average consumption (million gallons)	8	8	0	0	0	0	0	0	0	0
Maximum daily treatment (million gallons)	14	12	0	0	0	0	0	0	0	0
Airport										
Private hanger land leases	22	23	23	22	22	22	22	21	22	22
Public hanger lease	5	7	8	8	7	10	9	9	7	9
Aviation fuel sold (gallons)	16,616	13,687	14,016	20,621	26,605	17,027	26,813	19,984	16,356	17,471
Cemetery										
Interments	48	52	41	43	48	41	54	46	62	48
Grave sales	27	17	26	19	35	28	34	27	36	23
Foundations set	24	28	11	25	29	23	32	22	22	27
Right of 2nd Interment	4	7	1	3	6	4	3	4	9	6
Marina										
Seasonal Dock Leases	44	45	51	51	51	53	49	65	54	51
Transient Dock Rentals	306	271	330	287	173	338	267	586	852	1,077

Sources: Various city departments.

City of Bay City
Capital Asset Statistics by Function
(Unaudited)
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Stations	5	5	5	5	5	5	5	5	5	5
Vehicles	36	36	34	36	36	36	36	37	39	40
Public works										
Bascule span bridges	2	2	2	2	2	2	2	2	2	2
Streets (miles) (1)	181	181	181	181	181	181	181	181	181	181
Recreation and culture										
Park areas	25	25	25	25	25	25	25	25	25	25

(1) Provided by the State of Michigan as certified Act 51 miles.

Sources: Various city departments.

Note: No capital asset indicators are available for the general government and economic development functions.