



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



City of Bay City, Michigan
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

Prepared by the City of Bay City Fiscal Services Division

Table of Contents

Section		Page
	<u>Introductory Section</u>	
1	List of Principal Officials	1 – 1
	Letter of Transmittal	1 – 2
	Table of Organization	1 – 9
	GFOA Certificate of Achievement	1 – 10
	<u>Financial Section</u>	
2	Independent Auditors' Report	2 – 1
3	Management's Discussion and Analysis	3 – 1
4	Basic Financial Statements	
	Government-wide Financial Statements	
	Statement of Net Position	4 – 1
	Statement of Activities	4 – 3
	Fund Financial Statements	
	Governmental Funds	
	Balance Sheet	4 – 4
	Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities	4 – 6
	Statement of Revenues, Expenditures and Changes in Fund Balances	4 – 7
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4 – 10
	Proprietary Funds	
	Statement of Net Position	4 – 11
	Statement of Revenues, Expenses and Changes in Fund Net Position	4 – 14
	Statement of Cash Flows	4 – 15

Section		Page
4	Fiduciary Funds	
	Statement of Fiduciary Net Position	4 – 18
	Statement of Changes in Fiduciary Net Position	4 – 19
	Component Units	
	Combining Statement of Net Position	4 – 20
	Combining Statement of Activities	4 – 22
	Notes to the Financial Statements	4 – 23
5	Required Supplementary Information	
	Budgetary Comparison Schedules	
	General Fund	5 – 1
	Major Streets Fund	5 – 4
	Rehabilitation Fund	5 – 5
	American Rescue Plan Act Fund	5 – 6
	Municipal Employees Retirement System	
	Schedule of Changes in Net Pension Liability and Related Ratios	5 – 7
	Schedule of Employer Contributions	5 – 8
	Bay City Public Safety and Fire Pension Plan and Retirement System	
	Schedule of Changes in Net Pension Liability and Related Ratios	5 – 9
	Schedule of Employer Contributions	5 – 10
	Schedule of Investment Returns	5 – 11
	Other Postemployment Benefits	
	Schedule of Changes in Net OPEB Liability and Related Ratios	5 – 12
	Schedule of Employer Contributions	5 – 13
	Schedule of Investment Returns	5 – 14

Section	Page
6 Other Supplementary Information	
Nonmajor Governmental Funds	
Combining Balance Sheet	6 – 1
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	6 – 3
Budgetary Comparison Schedules	
Local Streets Fund	6 – 5
Solid Waste Management Fund	6 – 6
Community Development Block Grant Fund	6 – 7
Building Inspection Fund	6 – 8
Neighborhood Opportunity Fund	6 – 9
Drug Law Enforcement Fund	6 – 10
Nonmajor Enterprise Funds	
Combining Statement of Net Position	6 – 11
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	6 – 12
Combining Statement of Cash Flows	6 – 13
Internal Service Funds	
Combining Statement of Net Position	6 – 15
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	6 – 17
Combining Statement of Cash Flows	6 – 18
Fiduciary Funds	
Combining Statement of Fiduciary Net Position	
Pension and Other Postemployment Benefits Trust Funds	6 – 20
Combining Statement of Changes in Fiduciary Net Position	
Pension and Other Postemployment Benefits Trust Funds	6 – 21
Component Units	
Statement of Net Position and Governmental Fund Balance Sheet	6 – 22
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance	6 – 26
Brownfield Redevelopment Authority	
Combining Balance Sheet	6 – 32
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	6 – 33

Section	<u>Statistical Section (Unaudited)</u>	Page
7	Net Position by Component	7 – 1
	Changes in Net Position	7 – 2
	Fund Balances of Governmental Funds	7 – 4
	Changes in Fund Balances of Governmental Funds	7 – 5
	Revenue by Source	7 – 6
	Assessed Value and Estimated Actual Value of Taxable Property	7 – 7
	Property Tax Rates – Direct and Overlapping Governments	7 – 8
	Principal Property Taxpayers and Electric Customers	7 – 9
	Property Tax Levies and Collections	7 – 10
	Ratios of Outstanding Debt by Type	7 – 11
	Ratios of General Bonded Debt Outstanding	7 – 12
	Direct and Overlapping Governmental Activities Debt	7 – 13
	Legal Debt Margin Information	7 – 14
	Pledged-Revenue Coverage	7 – 15
	Demographic and Economic Statistics	7 – 16
	Principal Employers	7 – 17
	Full-time Equivalent City of Bay City Employees by Function	7 – 18
	Operating Indicators by Function	7 – 19
	Capital Assets Statistics by Function	7 – 20

City of Bay City
List of Principal Officials
June 30, 2022

Mayor

Kathleen L. Newsham

City Commission

1st Ward – Jesse Dockett
2nd Ward – Kristen McDonald Rivet
3rd Ward – Trey Pinkstock
4th Ward – Brentt A. Brunner
5th Ward – Rachelle Hilliker
6th Ward – Christopher Girard
7th Ward – Kerice Basmadjian
8th Ward – Ed Clements
9th Ward – Cordal D. 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 21, 2022

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, 2022, 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, 2022.

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, 2022. 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 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 also been very successful in bringing people to enjoy downtown offerings.

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 effects of the COVID-19 pandemic continue to lessen. The unemployment rate, which hovered around 5% for all of 2019 and in the beginning of 2020, skyrocketed to over 25% in April, 2020, is now at a level lower than pre-pandemic (4.5% as of September, 2022).

Despite the loss of one-time COVID related grants of nearly \$1.4 million, General Fund revenues only saw a decrease of approximately \$67,000. The drop in grant revenue was offset by increases in on-going revenues. State Shared Revenue Sharing increased nearly \$232,000, property taxes saw an increase of over \$178,000, and marijuana revenues were up over \$500,000. Expenditures were reasonably consistent with 2021 with total expenditures decreasing slightly less than \$79,000. While department budgets saw increases primarily related to salary and fringe benefit increases, there was a significant decrease in transfers-out to other funds. The City was still able to transfer \$394,279 of excess General Fund fund balance to the Public Improvement fund to fund future capital improvements, and to transfer \$575,956 to the Site Remediation fund in anticipation of significant PFAS cleanup costs. Despite these revenue and expenditure decreases, the City was still able to finish the fiscal year with a surplus over \$400,000. This continues numerous years of surpluses in the General Fund.

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 also been very successful in bringing people to enjoy downtown offerings.

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 Mill End Lofts project entailed demolition of an existing commercial building and replacement with a new mixed-use building overlooking the Saginaw River, featuring commercial spaces on the first floor and residential space located on the upper floors. A total of twenty-four (24) residential units were created with this development. Approximately \$7.5 million was spent to complete this development.

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 Dow Chemical, Michigan Sugar, Chemical 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>
Wilkinson Minerals	\$150,000,000	Wilkinson Minerals, a company that extracts brine to create salt products, will be located at 101 Picard in a new facility constructed at a cost of more than \$50 million dollars. The company plans to hire 50-75 people during construction and 60 -70 permanent, living wage jobs with a median hourly rate of \$25.00 per hour.
Bay Riverfront, LLC	\$16,000,000	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.
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.

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 \$3,409,908 and \$4,546,544. The total Unassigned General Fund fund balance at June 30, 2022 was \$5,491,783 or 24.2% of the previous years amended expenditure budget.

The 2022/2023 fiscal year budget, for the ninth 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.

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. It is expected that the City will complete the renovations and move into the building during the 2022/2023 fiscal year.

After the new facility is renovated and City Departments moved into the new facility, the existing facility will be vacated. This existing facility is located on the east shore of the Saginaw River and is adjacent to upscale residential housing and just south of the Uptown Development. This property will be attractive property for re-development and will likely expand the re-development of the City's riverfront property.

During the 2015/2016 fiscal year, the City completed an update to the City's Master Plan. This update addresses land use and infrastructure issues and may project strategies twenty (20) years or more into the future. The information provided in the master plan is descriptive with maps, charts, and actionable strategies to serve as policy guide-lines for local decisions about the physical, social, economic and environmental development of the City.

As part of the Master Plan process, the City, together with the Bay City Housing Commission, completed a study of Bay City's housing stock. The housing study, presented to the City Commission and other boards and commissions of the City in August of 2016, provided a comprehensive and frank assessment of the physical condition of the community's housing options, as well as a candid outline of the challenges and threats faced by the community if current housing trends continue.

The study recommended significant, proactive strategies to be undertaken to stop and reverse decades-long negative trends affecting housing conditions within Bay City. Following these recommendations, the City explored several regulatory tactics that were employed beginning in 2017 as well as targeted infrastructure projects to achieve the overall goal of improving the community's short- and long-term housing conditions.

Also, consistent with the housing study, the City has begun to be more aggressive tackling blight issues inside the City. Additional staff has been hired to seek greater compliance with property maintenance standards which are part of City ordinances.

Stabilizing and improving the city's housing stock will take years but continues as a Commission goal that receives consideration during the budget process to address these issues.

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, 2022, 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.

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, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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 Wilsie, 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.

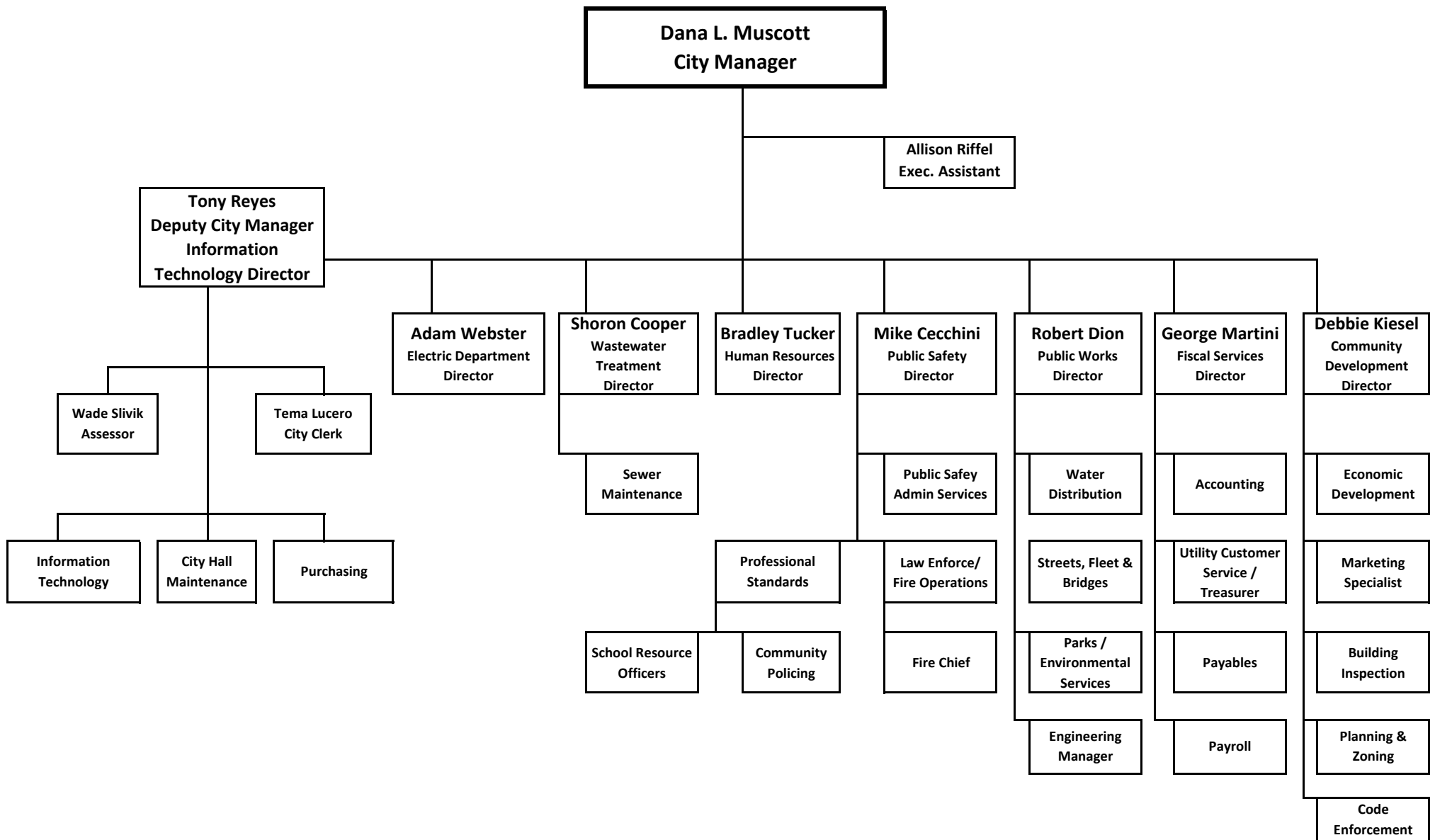
Respectfully submitted,



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, 2021

Christopher P. Morill

Executive Director, (CE)



800.968.0010 | yeoandyeo.com

Independent Auditors' Report

To the Honorable Mayor and the City Commission
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, 2022, 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, 2022, 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 and 46 percent of fund balance/net position of the aggregate remaining fund information or the Bay City Housing Commission component unit, which represents 36 percent of assets, 82 percent of net position and 55 percent of revenues of the aggregate discretely presented component units as of June 30, 2022. 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, during the year ended June 30, 2022, the City adopted GASBS Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

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 21, 2022 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 21, 2022

City of Bay City

Management's Discussion and Analysis

June 30, 2022

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, 2022. 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, 2022:

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$178,257,625 (net position). This balance is comprised of net investment in capital assets of \$168,612,458, \$12,316,152 restricted for specific purposes and a deficit unrestricted net position of \$2,670,985.
- Total net position related to the City's governmental activities increased by \$3,243,781 from the previous year. The business-type activities net position increased by \$11,681,282. 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 \$12,609,337, an increase of \$1,580,905 from prior year.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$5,491,783 or approximately 26% of total General Fund expenditures.
- The City's total liabilities balance increased by \$30,759,360, or 23%. The City's total liabilities in the governmental activities increased by \$39,901,684 or 54%. The largest increase in the governmental activities was for the debt; a total of \$19,360,034. This increase was for the issuance of debt for the DPW building in the amount of \$14,900,000 with the remainder being an

increase in the liability for the landfill for the remediation of the PFAS. The next was an increase on the net pension liability for the Public Safety and Fire Pension Plan and Retirement System; an increase of \$13,823,902. The last large increase was for unearned revenue for the ARPA funds the City received.

State shared revenue increased 4.6% or \$231,914 from the amount received in the 2020/2021 fiscal year, due primarily to the census adjustment from the State. This increase resulted in the City receiving a total of \$5,256,963. State Revenue Sharing received in 2021/2022 actually exceeded the amount received in 2009 for the first time since the State of Michigan made significant cuts to local government revenue sharing. The amount received in 2021/2022 was \$191,513 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 ended the year with several construction projects in process. Washington & 6th Streets, Wenona Street, Truman Parkway, McKinley Street, Center Avenue & Saginaw Street, Eddie Street, Clara & Dean Streets, and Kelton Street road projects had total capital outlay of \$1,838,849 at 6/30/2022. 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.

City of Bay City

Management's Discussion and Analysis

June 30, 2022

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, 2022, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$178,257,625. 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, 2022 and 2021:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current assets	\$ 64,578,335	\$ 38,503,018	\$ 79,399,829	\$ 77,991,792	\$ 143,978,164	\$ 116,494,810
Capital assets	78,994,728	75,369,948	122,131,214	119,064,914	201,125,942	194,434,862
Total assets	143,573,063	113,872,966	201,531,043	197,056,706	345,104,106	310,929,672
Deferred outflows	8,345,176	8,772,396	1,995,621	3,259,990	10,340,797	12,032,386
Current liabilities	35,350,009	22,059,267	7,320,292	6,142,188	42,670,301	28,201,455
Long-term liabilities	77,748,200	51,137,258	44,436,217	54,756,645	122,184,417	105,893,903
Total liabilities	113,098,209	73,196,525	51,756,509	60,898,833	164,854,718	134,095,358
Deferred inflows	7,920,278	21,792,866	4,412,282	3,741,272	12,332,560	25,534,138
Net position:						
Net investment in capital assets	71,453,461	73,181,499	97,158,997	91,293,044	168,612,458	164,474,543
Restricted	11,360,877	8,582,627	955,275	955,275	12,316,152	9,537,902
Unrestricted (deficit)	(51,914,586)	(54,108,155)	49,243,601	43,428,272	(2,670,985)	(10,679,883)
Total net position	\$ 30,899,752	\$ 27,655,971	\$ 147,357,873	\$ 135,676,591	\$ 178,257,625	\$ 163,332,562

The City's total combined net position increased by \$14,925,063 over the course of the fiscal year's operations to a total of \$178,257,625. Explanations for those changes are described below under the "Governmental Activities" sections of this Management and Discussion Analysis.

Within the governmental activities net position, \$71,453,461 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 \$97,158,997 is net investment in capital assets. These amounts represent an increase in the City's overall investment in capital assets of \$4,137,915. 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.

City of Bay City

Management's Discussion and Analysis

June 30, 2022

The following table shows the changes of the net position during fiscal years 2022 and 2021:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues:						
Charges for services	\$ 7,616,823	\$ 6,063,248	\$ 64,628,326	\$ 60,220,465	\$ 72,245,149	\$ 66,283,713
Operating grants & contributions	8,543,080	9,622,353	878,687	1,375,535	9,421,767	10,997,888
Capital grants & contributions	-	-	18,836	106,143	18,836	106,143
General Revenues:						
Property taxes	12,242,133	14,174,994	-	-	12,242,133	14,174,994
Grants not restricted	5,312,361	5,054,585	-	-	5,312,361	5,054,585
Unrestricted investment earnings	-	83,123	-	114,203	-	197,326
Gain on sale of capital assets	56,937	13,385	523	-	57,460	13,385
Miscellaneous	1,052,458	579,873	498,055	857,289	1,550,513	1,437,162
Total revenues	34,823,792	35,591,561	66,024,427	62,673,635	100,848,219	98,265,196
Expenses:						
General government	939,199	3,038,703	-	-	939,199	3,038,703
Public safety	11,049,814	10,107,312	-	-	11,049,814	10,107,312
Public works	15,188,477	11,546,850	774,355	735,043	15,962,832	12,281,893
Parks and recreation	1,161,446	1,683,562	-	-	1,161,446	1,683,562
Economic development	1,898,454	1,512,968	-	-	1,898,454	1,512,968
Interest on long term debt:	43,375	223,706	-	-	43,375	223,706
Electric	-	-	36,817,995	34,032,225	36,817,995	34,032,225
Water	-	-	7,845,238	7,760,664	7,845,238	7,760,664
Sewer	-	-	10,204,803	10,325,290	10,204,803	10,325,290
Total expenses	30,280,765	28,113,101	55,642,391	52,853,222	85,923,156	80,966,323
Excess or (deficiency) before transfers	4,543,027	7,478,460	10,382,036	9,820,413	14,925,063	17,298,873
Transfers	(1,299,246)	(802,057)	1,299,246	802,057	-	-
Changes in net position	3,243,781	6,676,403	11,681,282	10,622,470	14,925,063	17,298,873
Net position - beginning	27,655,971	20,979,568	135,676,591	125,054,121	163,332,562	146,033,689
Total net position	\$ 30,899,752	\$ 27,655,971	\$ 147,357,873	\$ 135,676,591	\$ 178,257,625	\$ 163,332,562

Governmental Activities

The governmental-type activities saw an overall increase in net position of \$3,243,781. The revenue and expense trends of the governmental activities are discussed below.

The governmental activity revenue decreased from the prior year by \$767,769. This decrease is detailed by major revenue categories as follows:

- Property taxes comprised the largest portion of governmental activity revenue at 35.15% of total revenues or \$12,242,133. This is a \$1,932,861 or 13.64% decrease from the prior year.
- Operating grants and contributions comprised \$8,543,080 or 24.53% of governmental activity revenue. This is a decrease of \$1,079,273 or 11.2% from the prior year. The decrease is in the economic development category; CDBG received funds to pay

off the HUD 108 loan and CDBG CV grant funds in the prior year.

- Grants and contributions not restricted to specific programs account comprised \$5,312,361 or 15.25% of governmental activity revenue, an increase of \$257,776 from the prior fiscal year. The City received an increase of \$231,914 in State revenue sharing compared to the 2020/2021 fiscal year.
- Charges for services comprise \$7,616,823 or 21.9% of governmental activity revenue. Charges for services increased by \$1,553,575; a 11.22% increase from the prior year.
- Total expenses for governmental activities increased by \$2,167,664 or 7.71% from the prior year. The significant increase in the governmental activities was in the public works category. Most of the increases consisted of inflationary costs and contractual wage increases.

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 \$11,681,282 primarily due to the following:

- The electric operations experienced an increase in revenues for sales to customers in the amount of \$4.5 million. The Electric Department had a rate increase beginning in April 2022. The average sales per month in the 2020/2021 fiscal year was \$3.09 million and in the 2021/2022 fiscal year the average sales per month was \$3.45 million.
- The electric operations also saw an increase in operating expenses of approximately \$3.2 million. The largest increase was related to the increased cost of purchased power. This was

City of Bay City
Management's Discussion and Analysis
June 30, 2022

offset by the decrease in the cost for retiree healthcare. This decrease was related to the decrease in the net OPEB liability.

- The water operations experienced an increase in revenues for sales to customers of \$146,540. The increase is primarily in meter and tap fees from new development at the Uptown site.
- The Water Fund experienced increases in expenses of approximately \$451,380. The largest increase was related to the increased cost of water purchased, followed by the increases in the building and MERF rental rates.
- The sewer operation sales to customers remained relatively flat. Total revenues for the sewer operations decreased by \$823,785, the decrease was primarily due to a reimbursement received in the prior year for the Johnson Street project.
- The Sewer Fund experienced a small increase in expenses. The increase was related to inflationary increases in the costs of gasoline, chemicals, supplies and utilities. This was offset by the reduction of the net OPEB liability and the net pension liability adjustments.

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 2022 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 \$11,947,501 in the current fiscal year. This is an increase of \$230,512 from the prior fiscal year.

- General Fund expenditures increased by \$632,626 and transfers out decreased by \$702,622 for a total decrease of \$69,996. There were several factors that led to the increase of expenditures in the General Fund. The largest increase in General Fund expenditures was in wages which were a direct result of union negotiations and a commission approved one time three percent payroll disbursement; an increase of \$679,936. Operating supplies increased by \$55,394 with gasoline being the largest contributor. Other services increased by \$234,316. There were various factors contributing to the increase include attorney fees, professional services, utilities and building rental costs. Capital outlay increased by \$29,183, which was land improvements. These increases were offset by decreases. The largest of these decreases was the City's contribution to the defined benefit retirement program in the amount of \$419,580. Other decreases include bank charges and information system charges; a decrease of \$109,030 and \$78,692, respectively. There were three large decreases in the transfers out category; the first was a decrease of the transfer to DPW Building, the second was a decrease in the transfer to Solid Waste Fund and the third decrease was to the Public Improvement Fund. The decreases were \$1,000,000, \$237,000 and \$150,000 respectively. The transfers out decreases were offset by the increases to transfers to the Building Inspection Fund and the Site Remediation Fund, \$125,000 and \$503,014, respectively.
- The most significant service accounted within the General fund is public safety, which incurred expenditures of \$13,082,486 in the current year. This expenditure increased by \$582,515 from the prior year. The largest portion of the increase is attributable to the wage increases and vacation payouts, an increase of \$441,911, the increase in police and fire retirement contribution due to the increase in the actuarial determined contribution and inflationary increases for operating supplies. This was offset by the decrease in the retiree healthcare costs due to the decrease in employees that are eligible to receive retiree healthcare upon retirement.

City of Bay City
Management's Discussion and Analysis
June 30, 2022

At the end of the fiscal year, the unassigned fund balance of the General Fund was \$5,491,783. 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 26% 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, 2022, the City received \$4,485,808 in grants and state maintenance funds and \$534,016 in property taxes and expended \$2,089,140 on capital outlay. This capital outlay was primarily for the rehabilitation of Washington & 6th Streets, Wenona Street, Truman Parkway, McKinley Street, Center Avenue & Saginaw Street, Eddie Street, Clara & Dean Streets, and Kelton Street road projects. The funds were also used for the preservation and maintenance of existing streets, sidewalks and the City owned bridge.

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, \$17,473 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 \$2,086,133, an increase of \$319,375 from fiscal year 2020/2021.

The Solid Waste Fund ended the fiscal year with a restricted fund balance of \$370,672; an increase in fund balance of \$173,720.

The Building Inspection Fund ended the fiscal year with restricted fund balance of \$736 a decrease of \$25,946 from fiscal year 2020/2021.

The Drug Law Enforcement Fund ended the fiscal year with restricted fund balance of \$92,025, a decrease of \$1,560 from fiscal year 2020/2021.

The Community Development Block Grant Fund expended \$274,385 on economic development activities. The City was awarded a CDBG-CV grant for utility, rent, and mortgage program which incurred expenditures of \$19,651.

General Fund Budgetary Highlights

The City of Bay City adopted a balanced budget for fiscal year 2021/2022. 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 Marihuana Excise Tax and the Medical Marihuana License. These amendments were in the amounts of \$342,100 and \$157,900, respectively
- 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 budget for a Purchasing Manager and to remediate PFAS from the Freemont Fire Station. The amendments were in the amounts of \$394,279, \$59,134, and \$39,961, respectively.
- The Public Safety Department within the General Fund was amended to reflect an increase in Federal Grants and for the purchase of mobile data terminals; also in State Grants and for fire academy training. The grants were in the amounts of \$24,107 and \$3,859, respectively. There was also an increase in donations from Bridge the Gap Organization to cover the cost of recruits at Delta College Police Academy and the Youth Leadership Academy totaling \$34,662.
- The Public Safety Department of Justice COVID19 Grant revenue and related expenses within the General Fund were

City of Bay City
Management's Discussion and Analysis
June 30, 2022

amended in the amount of \$55,814 for reimbursement of costs related to COVID19.

- The Fire Department revenue and expense within the General Fund was amended to reflect a FEMA Assistance to Firefighters Grant for the purchase of turnout gear. The grant was in the amount of \$41,319.
- The City Manager Department was amended to cover the costs for increased wages and fringe benefits related to contractual increases and retirement vacation/sick payouts in the amount of \$70,500.
- The Elections Department within the General Fund was amended to reflect the increase in postage. The budget was amended in the amount of \$7,400.
- 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 \$70,000.
- 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 \$78,000.
- The Payroll Department within the General Fund was amended to move the budget out of the Payroll Department and into the Accounting and Human Resources departments.
- The Purchasing Department within the General Fund was amended to reflect the addition of a Purchasing Manager position increasing wages and fringe benefits for a six-month period in the amount of \$53,634.
- The City Hall and Grounds Department within the General Fund was amended to cover the cost of increased utilities in the amount of \$15,000
- The Public Safety Department within the General Fund was amended to reflect a decrease in the budget due to vacancies throughout the year in the amount of \$342,730.
- 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 \$66,900. There was also an amendment to reduce the health insurance by \$64,000.
- 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 \$9,495.
- The Engineering Department within the General Fund was amended to reflect an increase in traffic maintenance supplies, an increase in software maintenance and a decrease in professional services. The amendments were in the amounts of \$7,000; \$11,000 and (\$39,266) respectively.
- The Contingencies budget was amended for the decrease in the Fund Balance Reserves; this was used to the PFAS removal at the fire station. The amendment was in the amount of \$26,939.
- 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 \$394,279. There was an increase to Transfer to Site Remediation Fund for the additional cost of PFAS monitoring, in the amount of \$500,000. There were also amendments to increase the transfers to the Building Inspection Fund and the

City of Bay City

Management's Discussion and Analysis

June 30, 2022

Airport. The amendments were in the amounts of \$125,000 and \$10,000 respectively.

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 \$59,305. 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 \$542,755 more than anticipated for the fiscal year.
- The City received Local Community Stabilization Share funds in an amount of \$65,961 more than anticipated for the fiscal year.
- The City received more than anticipated for medical marijuana licenses; the overages were in the amount of \$61,400.
- The City received more contributions from the Bay Area Community Foundation in fiscal year 2022. This was delayed projects moving forward that were originally budgeted in fiscal year 2021. The amount was \$117,900 more than anticipated.
- The City received reimbursements for special events as many of the events began to take place after the pandemic. The receipts were \$45,407 more than the budgeted amount.
- The City did not receive all the anticipated tax revenue. The amount was \$63,140 less than budgeted.
- The City budgeted amount in interest earnings and investment in market gain was less than anticipated. This was attributable to the downturn in the economy. The receipts were \$50,362 and \$36,962 less than budgeted, respectively.

- Transfer from CDBG was \$190,000 less than anticipated. This amount is for reimbursement of playground equipment. The equipment did not arrive prior to the fiscal year end and is budgeted for reimbursement in FY 22/23.

Actual expenditures and transfers out were less than budgetary estimates by \$903,854. The Public Safety departments in General Fund and capital outlay were large contributors of savings, as the departments were underspent by \$112,072 and \$153,585, respectively. The City did have a few budget variances within the General Fund. These budget variances were a result of receiving invoices 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, 2022 amounted to \$201,125,942 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, sidewalks, and bridges.

Additional information on the City's capital assets can be found in note 6; capital assets, beginning on page 4-35 in the notes to the financial statements.

Long-term Debt. At year end, the City has total outstanding debt of \$54,465,411, which included a current portion of \$9,153,769. Of this amount, \$31,370,712 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	
	2022	2021	2022	2021	2022	2021
Bonds and notes payable	\$ 16,804,091	\$ 2,188,449	\$ 25,178,072	\$ 28,010,435	\$ 41,982,163	\$ 30,198,884
Compensated absences	3,011,759	2,927,232	1,072,196	1,206,190	4,083,955	4,133,422
Landfill	8,399,293	3,739,428	-	-	8,399,293	3,739,428
Total	<u>\$ 28,215,143</u>	<u>\$ 8,855,109</u>	<u>\$ 26,250,268</u>	<u>\$ 29,216,625</u>	<u>\$ 54,465,411</u>	<u>\$ 38,071,734</u>

City of Bay City

Management's Discussion and Analysis

June 30, 2022

The City's total debt increased by \$16,933,677 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 \$52,880,000 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 8; the long-term debt, beginning on page 4-41 in the footnote in the financial statements.

Economic Factors

Despite continuing budget challenges, the City of Bay City has been able to once again adopt a balanced City budget for the 2022/2023 fiscal year that did not require the use of any General Fund reserves. This is the ninth 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.

During the 2021/2022 fiscal year, the City transferred the amount in General Fund balance that was over the recommended 20% upper limit of the Commission policy, \$394,279, to the Public Improvement fund for possible use for capital improvement projects in the City. In addition to the transfer to the Public Improvement Fund, an additional transfer of \$500,000 was made to Middlegrounds Remediation Fund in anticipation of increasing remediation costs related to PFAS contamination. Also, a \$125,000 transfer was made to the Building Fund because of decreasing revenues in the fund to pay for the costs of this function.

The City's largest General Fund revenue source, Property Taxes saw a small increase; from \$11,716,989 in 2021 to \$11,879,900 in 2022, an increase of \$162,911 or approximately 1.4%. The increase in ad valorem tax revenues exceeded \$178,000 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, increased \$231,914 to \$5,256,963 compared to the amount received in 2020/2021.

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 older cities in Michigan and other states have been facing.

The 2021/2022 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 is looking at additional options for additional staffing increases as well as funding for emergency home repairs.

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, 2022, 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.

City of Bay City
Management's Discussion and Analysis
June 30, 2022

The City continues to review options for savings in health care costs. The renewal effective January 1, 2023 for Medicare eligible retirees saw a significant decrease in premiums. 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, 2022 was 43.0%; 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 2021/2022 for the Water and the Sewer utility. The City will continue to review the rates for all the utilities 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 (19) 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 12/31/2021, the latest actuarial date, the plan was 98.8% funded with an unfunded actuarial liability of \$882,368.

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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 68,816,944	\$ 41,510,030	\$ 110,326,974	\$ 12,055,154
Equity in pooled cash and investments	-	-	-	105,420
Investments	-	-	-	24,374
Receivables				
Taxes	28,943	-	28,943	673
Accounts, net	1,089,286	9,362,479	10,451,765	150,982
Special assessments	59,159	241,347	300,506	-
Leases	-	443,063	443,063	-
Accrued interest and other	6,230	9,253	15,483	1,680
Notes, net	7,383,564	-	7,383,564	-
Due from other units of government	2,027,766	4,065,166	6,092,932	103,545
Internal balances	(17,035,975)	17,035,975	-	-
Due from component unit	3,783	-	3,783	-
Inventories	366,337	3,574,892	3,941,229	42,173
Prepaid items and other assets	1,832,298	2,202,349	4,034,647	123,646
Restricted assets				
Cash and cash equivalents	-	955,275	955,275	3,202,225
Net OPEB asset	-	-	-	2,040,143
Capital assets not being depreciated	24,360,350	10,673,282	35,033,632	15,211,671
Capital assets, net of accumulated depreciation	54,634,378	111,457,932	166,092,310	11,749,162
Total assets	<u>143,573,063</u>	<u>201,531,043</u>	<u>345,104,106</u>	<u>44,810,848</u>
Deferred Outflows of Resources				
Deferred charges on refunding	-	205,855	205,855	1,691,100
Deferred amount on special assessments	-	-	-	702
Deferred amount relating to net pension liability - MERS	197,974	1,133,545	1,331,519	49,836
Deferred amount relating to net pension liability - Police and Fire	7,306,207	-	7,306,207	-
Deferred amount relating to net OPEB liability	840,995	656,221	1,497,216	-
Total deferred outflows of resources	<u>8,345,176</u>	<u>1,995,621</u>	<u>10,340,797</u>	<u>1,741,638</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Statement of Net Position
June 30, 2022

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
Liabilities				
Accounts payable	\$ 3,424,279	\$ 5,684,775	\$ 9,109,054	\$ 663,159
Accrued and other liabilities	1,532,544	416,547	1,949,091	476,958
Deposits	68,970	1,094,957	1,163,927	-
Due to primary government	-	-	-	3,783
Due to other units of government	438,282	124,013	562,295	15,059
Unearned revenue	29,885,934	-	29,885,934	52,684
Noncurrent liabilities due within one year				
Debt due within one year	3,901,031	5,252,738	9,153,769	749,997
Noncurrent liabilities due in more than one year				
Debt due in more than one year	24,314,112	20,997,530	45,311,642	25,230,009
Net pension liability - MERS	155,296	727,072	882,368	139,815
Net pension liability - Police and Fire	27,002,948	-	27,002,948	-
Net OPEB liability	22,374,813	17,458,877	39,833,690	-
Total liabilities	<u>113,098,209</u>	<u>51,756,509</u>	<u>164,854,718</u>	<u>27,331,464</u>
Deferred Inflows of Resources				
Deferred amount relating to leases receivable	-	443,063	443,063	-
Deferred amount relating to net pension liability - MERS	1,665,913	3,969,219	5,635,132	260,971
Deferred amount relating to net pension liability - Police and Fire	6,254,365	-	6,254,365	-
Total deferred inflows of resources	<u>7,920,278</u>	<u>4,412,282</u>	<u>12,332,560</u>	<u>260,971</u>
Net Position				
Net investment in capital assets	71,453,461	97,158,997	168,612,458	5,526,054
Restricted for				
Debt service	554,274	955,275	1,509,549	3,202,225
Community and economic development	6,991,870	-	6,991,870	-
Solid waste management	395,804	-	395,804	-
Capital projects	1,036,129	-	1,036,129	-
Highways and streets	2,382,800	-	2,382,800	-
Wayfinding grant	-	-	-	3,783
Unrestricted (deficit)	(51,914,586)	49,243,601	(2,670,985)	10,227,989
Total net position	<u>\$ 30,899,752</u>	<u>\$ 147,357,873</u>	<u>\$ 178,257,625</u>	<u>\$ 18,960,051</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Indirect	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
						Governmental Activities	Business-type Activities	Total	
Primary government									
Governmental activities									
General government	\$ 3,168,254	\$ (2,229,055)	\$ 2,787,827	\$ 40,314	\$ -	\$ 1,888,942	\$ -	\$ 1,888,942	\$ -
Public safety	10,888,282	161,532	1,324,430	1,310,817	-	(8,414,567)	-	(8,414,567)	-
Public works	14,870,995	317,482	3,439,375	6,546,463	-	(5,202,639)	-	(5,202,639)	-
Economic development	1,856,476	41,978	1,909	468,486	-	(1,428,059)	-	(1,428,059)	-
Parks and recreation	1,161,446	-	63,282	177,000	-	(921,164)	-	(921,164)	-
Interest and fiscal charges on long-term debt	43,375	-	-	-	-	(43,375)	-	(43,375)	-
Total governmental activities	<u>31,988,828</u>	<u>(1,708,063)</u>	<u>7,616,823</u>	<u>8,543,080</u>	<u>-</u>	<u>(14,120,862)</u>	<u>-</u>	<u>(14,120,862)</u>	<u>-</u>
Business-type activities									
Electric	36,074,335	743,660	42,793,854	-	3,238	-	5,979,097	5,979,097	-
Water	7,450,980	394,258	8,926,199	504,453	1,298	-	1,586,712	1,586,712	-
Sewer	9,763,795	441,008	12,576,616	374,234	890	-	2,746,937	2,746,937	-
Cemetery	120,837	26,982	62,841	-	13,410	-	(71,568)	(71,568)	-
Airport	363,343	9,533	139,301	-	-	-	(233,575)	(233,575)	-
Marina	236,234	17,426	129,515	-	-	-	(124,145)	(124,145)	-
Total business-type activities	<u>54,009,524</u>	<u>1,632,867</u>	<u>64,628,326</u>	<u>878,687</u>	<u>18,836</u>	<u>-</u>	<u>9,883,458</u>	<u>9,883,458</u>	<u>-</u>
Total primary government	<u>\$ 85,998,352</u>	<u>\$ (75,196)</u>	<u>\$ 72,245,149</u>	<u>\$ 9,421,767</u>	<u>\$ 18,836</u>	<u>(14,120,862)</u>	<u>9,883,458</u>	<u>(4,237,404)</u>	<u>-</u>
Component units									
Downtown Development Authority	\$ 87,178	\$ 6,510	\$ 154,086	\$ 106,150	\$ -				166,548
Midland Street TIFA	102,887	447	-	-	-				(103,334)
Kresge's DDA	912	-	-	-	-				(912)
Marquette District TIFA	1,222,688	12,068	2,887	237,947	-				(993,922)
Water Street DDA	175,824	938	-	-	-				(176,762)
Marina Development TIFA	18,745	-	-	-	-				(18,745)
Knepp's DDA	3,599	-	-	-	-				(3,599)
Brownfield Redevelopment Authority	1,695,537	52,725	173,143	35,224	-				(1,539,895)
Columbus Avenue Management Board	8,423	1,818	13,120	-	-				2,879
Midland Street Management Board	7,168	690	25,190	-	-				17,332
Downtown Management Board	227,324	-	92,490	37,176	-				(97,658)
Housing Commission	2,658,693	-	1,823,634	2,708,244	-				1,873,185
Total Component units	<u>\$ 6,208,978</u>	<u>\$ 75,196</u>	<u>\$ 2,284,550</u>	<u>\$ 3,124,741</u>	<u>\$ -</u>				<u>(874,883)</u>
General revenues									
Property taxes - unrestricted						12,242,133	-	12,242,133	3,127,673
Grants and contributions not restricted to specific programs						5,312,361	-	5,312,361	-
Unrestricted investment earnings						-	-	-	35,117
Gain on sale of capital assets						56,937	523	57,460	-
Miscellaneous						1,052,458	498,055	1,550,513	486,931
Transfers						<u>(1,299,246)</u>	<u>1,299,246</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers						<u>17,364,643</u>	<u>1,797,824</u>	<u>19,162,467</u>	<u>3,649,721</u>
Change in net position						3,243,781	11,681,282	14,925,063	2,774,838
Net position - beginning of year						<u>27,655,971</u>	<u>135,676,591</u>	<u>163,332,562</u>	<u>16,185,213</u>
Net position - end of year						<u>\$ 30,899,752</u>	<u>\$ 147,357,873</u>	<u>\$ 178,257,625</u>	<u>\$ 18,960,051</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Governmental Funds
Balance Sheet
June 30, 2022

	Special Revenue Funds					
	General	Major Streets Fund	Rehabilitation Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 5,105,146	\$ 2,089,301	\$ 48,046	\$ 29,947,375	\$ 5,670,850	\$ 42,860,718
Receivables						
Delinquent taxes	24,972	-	-	-	3,971	28,943
Accounts	140,814	136,919	-	-	745,988	1,023,721
Special assessments	31,084	-	-	-	28,075	59,159
Accrued interest and other	1,434	425	-	-	1,116	2,975
Notes, net	-	-	7,383,564	-	-	7,383,564
Due from other units of government	1,027,385	636,466	-	-	218,446	1,882,297
Due from other funds	913,230	-	-	-	-	913,230
Due from component unit	3,783	-	-	-	-	3,783
Inventories	-	132,426	-	-	-	132,426
Prepaid items	-	385,822	-	-	-	385,822
Total assets	<u>\$ 7,247,848</u>	<u>\$ 3,381,359</u>	<u>\$ 7,431,610</u>	<u>\$ 29,947,375</u>	<u>\$ 6,668,446</u>	<u>\$ 54,676,638</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Governmental Funds
Balance Sheet
June 30, 2022

		Special Revenue Funds				
	General	Major Streets Fund	Rehabilitation Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
Liabilities						
Accounts payable	\$ 1,102,579	\$ 369,276	\$ -	\$ 4,796	\$ 79,861	\$ 1,556,512
Accrued and other liabilities	-	-	-	56,645	-	56,645
Due to other funds	122,843	37,888	-	-	302,268	462,999
Deposits payable	6,439	-	-	-	62,531	68,970
Due to other units of government	435,955	-	-	-	-	435,955
Unearned revenue	-	-	-	29,885,934	-	29,885,934
Total liabilities	<u>1,667,816</u>	<u>407,164</u>	<u>-</u>	<u>29,947,375</u>	<u>444,660</u>	<u>32,467,015</u>
Deferred Inflows of Resources						
Unavailable revenue	<u>79,653</u>	<u>82,151</u>	<u>7,431,610</u>	<u>-</u>	<u>2,006,872</u>	<u>9,600,286</u>
Fund Balances						
Non-spendable	-	518,248	-	-	-	518,248
Restricted for						
Road maintenance and repairs	-	2,373,796	-	-	2,086,133	4,459,929
Community and economic development	8,596	-	-	-	68,952	77,548
Solid waste management	-	-	-	-	370,672	370,672
Public safety	-	-	-	-	94,288	94,288
Debt service	-	-	-	-	578,391	578,391
Capital projects	-	-	-	-	40,637	40,637
Assigned for capital projects	-	-	-	-	977,841	977,841
Unassigned	<u>5,491,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,491,783</u>
Total fund balances	<u>5,500,379</u>	<u>2,892,044</u>	<u>-</u>	<u>-</u>	<u>4,216,914</u>	<u>12,609,337</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,247,848</u>	<u>\$ 3,381,359</u>	<u>\$ 7,431,610</u>	<u>\$ 29,947,375</u>	<u>\$ 6,668,446</u>	<u>\$ 54,676,638</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, 2022

Total fund balances for governmental funds	\$ 12,609,337
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.	43,296,272
Capital assets not being depreciated used in governmental activities are not financial resources and therefore are not reported in the funds.	19,113,147
Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	9,600,286
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(28,087)
Compensated absences	(2,795,244)
Landfill closure and post closure costs	(8,399,293)
Deferred inflows of resources resulting from net pension liability - MERS	(1,418,228)
Deferred outflows of resources resulting from net pension liability - MERS	127,239
Deferred inflows of resources resulting from net pension liability - Police and Fire	(6,254,365)
Deferred outflows of resources resulting from net pension liability - Police and Fire	7,306,207
Deferred outflows of resources resulting from net OPEB liability	773,707
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	(1,135,124)
Unamortized bond discounts/premiums	(352,212)
Net pension liability - MERS	(122,648)
Net pension liability - Police and Fire	(27,002,948)
Net OPEB liability	(20,584,629)
Internal service funds are included as part of governmental activities.	6,166,335
Net position of governmental activities	<u>\$ 30,899,752</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, 2022

	General	Special Revenue Funds			Nonmajor Governmental Funds	Total Governmental Funds
		Major Streets Fund	Rehabilitation Fund	American Rescue Plan Act Fund		
Revenues						
Taxes	\$ 11,947,501	\$ 534,016	\$ -	\$ -	\$ 263,164	\$ 12,744,681
Licenses and permits	397,857	-	-	-	801,859	1,199,716
Federal grants	154,735	-	-	1,189,848	463,883	1,808,466
State-shared revenue	5,829,486	-	-	-	-	5,829,486
Other state grants	-	4,485,808	-	-	1,400,491	5,886,299
Local contributions	-	432,059	-	-	229,950	662,009
Charges for services	3,231,627	-	-	-	3,390,485	6,622,112
Fines and forfeitures	61,625	32	-	-	58,553	120,210
Interest income (loss)	(9,224)	777	4,656	-	(8,743)	(12,534)
Program income	-	-	104,436	-	-	104,436
Other revenue	337,009	414,047	-	-	128,537	879,593
Total revenues	<u>21,950,616</u>	<u>5,866,739</u>	<u>109,092</u>	<u>1,189,848</u>	<u>6,728,179</u>	<u>35,844,474</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, 2022

	General	Special Revenue Funds			Nonmajor Governmental Funds	Total Governmental Funds
		Major Streets Fund	Rehabilitation Fund	American Rescue Plan Act Fund		
Expenditures						
Current						
General government	\$ 4,671,623	\$ -	\$ -	\$ -	\$ -	\$ 4,671,623
Public safety	13,082,486	-	-	-	1,095,103	14,177,589
Public works	1,285,736	3,258,734	-	-	4,483,601	9,028,071
Economic development	338,855	-	17,472	1,016,087	490,896	1,863,310
Recreation and culture	1,339,000	-	-	-	-	1,339,000
Capital outlay	174,615	2,089,140	-	-	181,653	2,445,408
Debt service						
Principal retirement	-	-	-	-	168,144	168,144
Interest and fiscal charges	-	-	-	-	47,255	47,255
Total expenditures	<u>20,892,315</u>	<u>5,347,874</u>	<u>17,472</u>	<u>1,016,087</u>	<u>6,466,652</u>	<u>33,740,400</u>
Excess of revenues over expenditures	<u>1,058,301</u>	<u>518,865</u>	<u>91,620</u>	<u>173,761</u>	<u>261,527</u>	<u>2,104,074</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, 2022

	General	Special Revenue Funds			Nonmajor Governmental Funds	Total Governmental Funds
		Major Streets Fund	Rehabilitation Fund	American Rescue Plan Act Fund		
Other financing sources (uses)						
Transfers in	\$ 841,409	\$ 48,539	\$ 17,473	\$ -	\$ 769,788	\$ 1,677,209
Transfers out	(1,489,366)	-	(109,093)	(173,761)	(450,508)	(2,222,728)
Sale of capital assets	-	-	-	-	22,350	22,350
Total other financing sources and uses	<u>(647,957)</u>	<u>48,539</u>	<u>(91,620)</u>	<u>(173,761)</u>	<u>341,630</u>	<u>(523,169)</u>
Net change in fund balances	410,344	567,404	-	-	603,157	1,580,905
Fund balances - beginning of year	<u>5,090,035</u>	<u>2,324,640</u>	<u>-</u>	<u>-</u>	<u>3,613,757</u>	<u>11,028,432</u>
Fund balances - end 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>

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, 2022

Net change in fund balances - total governmental funds	\$ 1,580,905
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	(3,681,426)
Capital outlay	2,342,941
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	1,643,864
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	3,666
Compensated absences	(109,995)
Landfill closure and post closure costs	(4,659,865)
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	1,416,221
Net change in the deferred inflows and outflows of resources related to the net pension liability - MERS	(1,627,611)
Net change in net pension liability - Police and Fire	(13,823,905)
Net change in the deferred inflows and outflows of resources related to the net pension liability - Police and Fire	12,409,240
Net change in net OPEB liability	4,314,276
Net change in the deferred inflows and outflows of resources related to the net OPEB liability	2,648,205
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	168,144
Internal service funds are also included as governmental activities	619,121
Change in net position of governmental activities	<u>\$ 3,243,781</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Proprietary Funds
Statement of Net Position
June 30, 2022

	Enterprise Funds					Internal
	Electric	Water	Sewer	Nonmajor Enterprise Funds	Total	Service Funds
Assets						
Current assets						
Cash and cash equivalents	\$ 24,284,346	\$ 3,675,809	\$ 13,193,391	\$ 356,484	\$ 41,510,030	\$ 25,956,226
Receivables						
Accounts, net	6,301,303	1,260,138	1,747,186	53,852	9,362,479	65,565
Special assessments	41,746	25,223	174,378	-	241,347	-
Leases	133,455	-	-	309,608	443,063	-
Accrued interest and other	5,708	723	2,754	68	9,253	3,255
Due from other units of government	173,999	3,878,167	-	13,000	4,065,166	145,469
Due from other funds	-	-	6,283	-	6,283	272,464
Inventories	2,589,994	697,743	245,393	41,762	3,574,892	233,911
Prepaid items	2,762	97,181	57,911	-	157,854	517,652
Deposits	2,044,495	-	-	-	2,044,495	928,825
Advances to other funds	1,594,598	-	-	-	1,594,598	-
Total current assets	<u>37,172,406</u>	<u>9,634,984</u>	<u>15,427,296</u>	<u>774,774</u>	<u>63,009,460</u>	<u>28,123,367</u>
Noncurrent assets						
Restricted assets						
Cash and cash equivalents	955,275	-	-	-	955,275	-
Advances to other funds	1,763,588	-	-	-	1,763,588	-
Capital assets not being depreciated	5,406,033	2,549,420	2,163,532	554,297	10,673,282	5,247,203
Capital assets, net of accumulated depreciation	<u>32,173,664</u>	<u>18,967,407</u>	<u>56,959,631</u>	<u>3,357,230</u>	<u>111,457,932</u>	<u>11,338,106</u>
Total noncurrent assets	<u>40,298,560</u>	<u>21,516,827</u>	<u>59,123,163</u>	<u>3,911,527</u>	<u>124,850,077</u>	<u>16,585,309</u>
Total assets	<u>77,470,966</u>	<u>31,151,811</u>	<u>74,550,459</u>	<u>4,686,301</u>	<u>187,859,537</u>	<u>44,708,676</u>
Deferred Outflows of Resources						
Deferred amount on refunding	-	65,760	140,095	-	205,855	-
Deferred amount relating to net pension liability - MERS	657,462	324,338	151,745	-	1,133,545	70,735
Deferred amount relating to net OPEB liability	<u>277,627</u>	<u>145,603</u>	<u>232,351</u>	<u>640</u>	<u>656,221</u>	<u>67,288</u>
Total deferred outflows of resources	<u>935,089</u>	<u>535,701</u>	<u>524,191</u>	<u>640</u>	<u>1,995,621</u>	<u>138,023</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Proprietary Funds
Statement of Net Position
June 30, 2022

	Enterprise Funds					Internal
	Electric	Water	Sewer	Nonmajor Enterprise Funds	Total	Service Funds
Liabilities						
Current liabilities						
Accounts payable	\$ 2,453,515	\$ 2,292,893	\$ 905,896	\$ 32,471	\$ 5,684,775	\$ 1,867,768
Accrued and other liabilities	72,868	-	43,362	-	116,230	14,733
Due to other funds	389,164	89,684	140,399	53,721	672,968	56,010
Deposits	897,269	182,688	-	15,000	1,094,957	-
Due to other units of government	124,013	-	-	-	124,013	2,327
Current portion of long-term debt	730,000	523,000	3,288,594	-	4,541,594	70,850
Claims payable, current	-	-	-	-	-	1,315,050
Compensated absences, current	370,183	137,601	202,471	889	711,144	102,600
Advances from other funds	-	-	1,397,598	-	1,397,598	197,000
Total current liabilities	<u>5,037,012</u>	<u>3,225,866</u>	<u>5,978,320</u>	<u>102,081</u>	<u>14,343,279</u>	<u>3,626,338</u>
Noncurrent liabilities						
Compensated absences, net of current portion	217,133	80,734	62,710	475	361,052	113,915
Long-term debt, net of current portion	10,205,000	7,179,199	3,252,279	-	20,636,478	15,245,905
Accrued interest payable	213,233	42,297	44,787	-	300,317	118,029
Advances from other funds	-	-	-	-	-	1,763,588
Net pension liability - MERS	405,007	198,533	123,532	-	727,072	32,648
Net OPEB liability	<u>7,386,317</u>	<u>3,873,799</u>	<u>6,181,741</u>	<u>17,020</u>	<u>17,458,877</u>	<u>1,790,184</u>
Total noncurrent liabilities	<u>18,426,690</u>	<u>11,374,562</u>	<u>9,665,049</u>	<u>17,495</u>	<u>39,483,796</u>	<u>19,064,269</u>
Total liabilities	<u>23,463,702</u>	<u>14,600,428</u>	<u>15,643,369</u>	<u>119,576</u>	<u>53,827,075</u>	<u>22,690,607</u>
Deferred Inflows of Resources						
Deferred amount relating to leases receivable	133,455	-	-	309,608	443,063	-
Deferred amount relating to net pension liability - MERS	<u>2,302,168</u>	<u>1,135,701</u>	<u>531,350</u>	<u>-</u>	<u>3,969,219</u>	<u>247,685</u>
Total deferred inflows of resources	<u>2,435,623</u>	<u>1,135,701</u>	<u>531,350</u>	<u>309,608</u>	<u>4,412,282</u>	<u>247,685</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Proprietary Funds
Statement of Net Position
June 30, 2022

	Enterprise Funds					Internal Service Funds
	Electric	Water	Sewer	Nonmajor Enterprise Funds	Total	
Net Position						
Net investment in capital assets	\$ 26,644,697	\$ 13,880,388	\$ 52,722,385	\$ 3,911,527	\$ 97,158,997	\$ 1,268,554
Restricted for						
Debt service	955,275	-	-	-	955,275	-
Unrestricted	<u>24,906,758</u>	<u>2,070,995</u>	<u>6,177,546</u>	<u>346,230</u>	<u>33,501,529</u>	<u>20,639,853</u>
Total net position	<u>\$ 52,506,730</u>	<u>\$ 15,951,383</u>	<u>\$ 58,899,931</u>	<u>\$ 4,257,757</u>	131,615,801	<u>\$ 21,908,407</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>15,742,072</u>	
Net position of business-type activities					<u>\$ 147,357,873</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, 2022

	Enterprise Funds					
	Electric	Water	Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenue						
Charges for services	\$ 42,793,854	\$ 8,926,199	\$ 12,576,616	\$ 331,657	\$ 64,628,326	\$ 16,803,201
Rental income	-	-	-	-	-	725,000
Other revenue	209,298	253,643	31,810	4,442	499,193	479,782
Total operating revenue	<u>43,003,152</u>	<u>9,179,842</u>	<u>12,608,426</u>	<u>336,099</u>	<u>65,127,519</u>	<u>18,007,983</u>
Operating expenses						
Administration	3,328,337	517,268	446,576	-	4,292,181	359,906
Cost of sales and services	31,177,295	6,879,211	5,921,328	562,005	44,539,839	3,782,022
Claims and benefits	-	-	-	-	-	8,836,000
Repairs and maintenance	-	-	-	6,470	6,470	892
Other operating costs	-	-	-	-	-	4,684
Depreciation	2,733,834	770,798	4,095,657	215,972	7,816,261	1,122,259
Total operating expenses	<u>37,239,466</u>	<u>8,167,277</u>	<u>10,463,561</u>	<u>784,447</u>	<u>56,654,751</u>	<u>14,105,763</u>
Operating income (loss)	<u>5,763,686</u>	<u>1,012,565</u>	<u>2,144,865</u>	<u>(448,348)</u>	<u>8,472,768</u>	<u>3,902,220</u>
Nonoperating revenue (expenses)						
Local contribution	-	504,453	374,234	-	878,687	-
Investment loss	(178,086)	(5,966)	(22,742)	(526)	(207,320)	(43,321)
Gain on sale of assets	523	-	-	-	523	29,922
Bond issuance costs	-	-	-	-	-	(338,511)
Amortization of bond premium / discount	-	(3,499)	2,361	-	(1,138)	-
Interest expense	(426,466)	(162,787)	(234,068)	-	(823,321)	(134,726)
Total nonoperating revenues (expenses)	<u>(604,029)</u>	<u>332,201</u>	<u>119,785</u>	<u>(526)</u>	<u>(152,569)</u>	<u>(486,636)</u>
Income (loss) before transfers and capital contributions	5,159,657	1,344,766	2,264,650	(448,874)	8,320,199	3,415,584
Capital contributions - federal grants	3,238	1,298	890	13,410	18,836	265
Transfers in	328,430	298,780	186,617	567,606	1,381,433	820,903
Transfers out	(34,519)	(23,834)	(23,834)	-	(82,187)	(1,574,630)
Change in net position	<u>5,456,806</u>	<u>1,621,010</u>	<u>2,428,323</u>	<u>132,142</u>	<u>9,638,281</u>	<u>2,662,122</u>
Net position - beginning of year	<u>47,049,924</u>	<u>14,330,373</u>	<u>56,471,608</u>	<u>4,125,615</u>		<u>19,246,285</u>
Net position - end of year	<u>\$ 52,506,730</u>	<u>\$ 15,951,383</u>	<u>\$ 58,899,931</u>	<u>\$ 4,257,757</u>		<u>\$ 21,908,407</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					<u>2,043,001</u>	
Change in net position of business-type activities					<u>\$ 11,681,282</u>	

See Accompanying Notes to the Financial Statements

City of Bay City
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	Enterprise Funds					Internal Service Funds
	Electric	Water	Sewer	Nonmajor Enterprise Funds	Total	
Cash flows from operating activities						
Receipts from customers	\$ 42,343,332	\$ 9,464,035	\$ 12,752,711	\$ 341,790	\$ 64,901,868	\$ 1,928,143
Receipts from interfund users	-	-	-	-	-	17,470,738
Receipts from other funds	185,609	13,789	-	218	199,616	33,229
Payments to other funds	-	-	-	(14,850)	(14,850)	(131,320)
Payments to suppliers	(25,012,253)	(4,584,487)	(6,239,739)	(613,976)	(36,450,455)	(5,298,911)
Payments to employees	(6,288,075)	(1,807,709)	(2,314,112)	-	(10,409,896)	(9,057,884)
Payments for interfund services used	(4,383,909)	(2,203,131)	-	-	(6,587,040)	-
Net cash provided (used) by operating activities	<u>6,844,704</u>	<u>882,497</u>	<u>4,198,860</u>	<u>(286,818)</u>	<u>11,639,243</u>	<u>4,943,995</u>
Cash flows from noncapital financing activities						
Local contributions	-	504,453	374,234	-	878,687	-
Transfer from other funds	328,430	298,780	186,617	567,606	1,381,433	820,903
Transfers to other funds	(34,519)	(23,834)	(23,834)	-	(82,187)	(1,574,630)
Net cash provided (used) by noncapital financing activities	<u>293,911</u>	<u>779,399</u>	<u>537,017</u>	<u>567,606</u>	<u>2,177,933</u>	<u>(753,727)</u>
Cash flows from capital and related financing activities						
Proceeds from sale of bonds and notes	-	1,627,349	-	-	1,627,349	14,500,000
Capital contributions - federal grants	3,238	1,298	890	-	5,426	265
Advances from other funds	-	-	1,397,598	-	1,397,598	-
Purchases/construction of capital assets	(5,030,863)	(3,654,523)	(1,956,696)	(240,479)	(10,882,561)	(5,683,589)
Principal and interest paid on long-term debt	(1,131,466)	(675,868)	(3,442,208)	-	(5,249,542)	(423,634)
Proceeds from sale of capital assets	-	-	-	-	-	29,922
Net cash provided (used) by capital and related financing activities	<u>(6,159,091)</u>	<u>(2,701,744)</u>	<u>(4,000,416)</u>	<u>(240,479)</u>	<u>(13,101,730)</u>	<u>8,422,964</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	Enterprise Funds					Internal Service Funds
	Electric	Water	Sewer	Nonmajor Enterprise Funds	Total	
Cash flows from investing activities						
Advances to other funds	\$ (1,397,598)	\$ -	\$ -	\$ -	\$ (1,397,598)	\$ -
Interest paid	(170,329)	(6,690)	(18,626)	(116)	(195,761)	(332,365)
Net cash used by investing activities	(1,567,927)	(6,690)	(18,626)	(116)	(1,593,359)	(332,365)
Net change in cash and cash equivalents	(588,403)	(1,046,538)	716,835	40,193	(877,913)	12,280,867
Cash and cash equivalents - beginning of year	25,828,024	4,722,347	12,476,556	316,291	43,343,218	13,675,359
Cash and cash equivalents - end 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>
Reconciliation to the statement of net position						
Cash and cash equivalents	\$ 24,284,346	\$ 3,675,809	\$ 13,193,391	\$ 356,484	\$ 41,510,030	\$ 25,956,226
Restricted cash	955,275	-	-	-	955,275	-
Cash and cash equivalents	<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>

See Accompanying Notes to the Financial Statements

City of Bay City
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	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)	\$ 5,763,686	\$ 1,012,565	\$ 2,144,865	\$ (448,348)	\$ 8,472,768	\$ 3,902,220
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation and amortization expense	2,733,834	770,798	4,095,657	215,972	7,816,261	1,122,259
Changes in assets and liabilities						
Receivables (net)	(767,295)	123,193	119,460	5,691	(518,951)	(16,759)
Due from other units of government	107,475	161,000	-	-	268,475	43,647
Due from other funds	-	-	826	-	826	(30,350)
Inventories	149,842	10,632	121,655	(20,067)	262,062	(90,934)
Prepaid items	622	(97,181)	(57,911)	27	(154,443)	(363,769)
Deposits	133,989	-	-	-	133,989	(102,263)
Accounts payable	1,414,179	95,701	(382,155)	(26,628)	1,101,097	1,124,153
Accrued and other liabilities	(38,100)	2,151	(56,236)	-	(92,185)	(2,170)
Due to other funds	185,609	13,789	23,999	(14,786)	208,611	(93,904)
Due to other units of government	37,424	-	-	-	37,424	1
Estimated claims payable	-	-	-	-	-	28,204
Customer deposits payable	45,077	82,441	-	4,250	131,768	-
Net pension liability and related deferrals	(1,201,509)	(569,974)	(217,825)	-	(1,989,308)	(223,207)
Net OPEB liability and related deferrals	(1,664,087)	(711,844)	(1,526,098)	(3,083)	(3,905,112)	(327,665)
Compensated absences	(56,042)	(10,774)	(67,377)	154	(134,039)	(25,468)
Net cash provided (used) by operating activities	<u>\$ 6,844,704</u>	<u>\$ 882,497</u>	<u>\$ 4,198,860</u>	<u>\$ (286,818)</u>	<u>\$ 11,639,243</u>	<u>\$ 4,943,995</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022

	Pension and Other Post- Employment Benefits Trust Funds	Custodial Fund
Assets		
Cash and cash equivalents	\$ 940,913	\$ -
Investments, at fair value		
Fixed income	11,100,154	-
Equities	62,978,896	-
Other investments	6,413,809	-
Accounts receivable	192,401	-
Interest receivable	78,882	-
Total assets	<u>81,705,055</u>	<u>-</u>
Liabilities		
Accounts payable	<u>53,207</u>	<u>-</u>
Net Position		
Restricted for employees' pension benefits	51,540,787	-
Restricted for postemployment health care benefits	30,111,061	-
Total net position	<u>\$ 81,651,848</u>	<u>\$ -</u>

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, 2022

	Pension and Other Post- Employment Benefits Trust Funds	Custodial Fund
Additions		
Contributions		
Employer	\$ 7,633,609	\$ -
Plan member	<u>837,936</u>	<u>-</u>
Total contributions	<u>8,471,545</u>	<u>-</u>
Investment income (loss)		
Interest and dividends	1,141,786	-
Net depreciation in fair value of investments	(10,463,359)	-
Other investment income	341,395	-
Investment expense	<u>(130,106)</u>	<u>-</u>
Net investment income (loss)	<u>(9,110,284)</u>	<u>-</u>
Property tax collections for other governments	<u>-</u>	<u>18,271,532</u>
Total additions	<u>(638,739)</u>	<u>18,271,532</u>
Deductions		
Retiree healthcare premiums payments	5,924,811	-
Benefits and refunds paid to participants	6,462,249	-
Administrative expenses	267,654	-
Payments of property taxes to other governments	<u>-</u>	<u>18,271,532</u>
Total deductions	<u>12,654,714</u>	<u>18,271,532</u>
Change in net position	(13,293,453)	-
Net position - beginning of year	<u>94,945,301</u>	<u>-</u>
Net position - end of year	<u>\$ 81,651,848</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, 2022

	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	\$ 59,532	\$ 168,076	\$ -	\$ 1,141,687	\$ 321,718	\$ -
Investments	-	-	-	-	-	-
Equity in pooled cash and investments	-	-	-	-	-	-
Receivables:						
Taxes, net	673	-	-	-	-	-
Customers	66,650	-	-	-	-	-
Accrued interest and other	9	25	-	361	42	-
Due from other units of government	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Capital assets not being depreciated	-	24,000	-	30,136	-	-
Capital assets being depreciated, net	172,979	712,702	10,433	442,145	815,344	261,779
Net OPEB asset	-	-	-	-	-	-
Restricted assets						
Cash and cash equivalents	-	-	-	-	-	-
Total assets	<u>299,843</u>	<u>904,803</u>	<u>10,433</u>	<u>1,614,329</u>	<u>1,137,104</u>	<u>261,779</u>
Deferred Outflows of Resources						
Deferred loss on refunding	-	29,937	-	-	-	-
Deferred amount related to special assessments	702	-	-	-	-	-
Deferred amount relating to net OPEB asset	-	-	-	-	-	-
Total deferred outflows of resources	<u>702</u>	<u>29,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities						
Accounts payable	9,149	-	-	-	244	-
Accrued and other liabilities	-	3,702	-	476	10,350	-
Due to primary government	-	-	-	2,026	-	-
Due to other units of government	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Long-term debt						
Compensated absences, current	-	-	-	8,078	-	-
Compensated absences, net of current portion	-	-	-	15,447	-	-
Due within one year	-	63,407	-	-	230,000	-
Due in more than one year	-	569,110	-	-	835,123	-
Net pension liability due in more than one year	-	-	-	-	-	-
Total liabilities	<u>9,149</u>	<u>636,219</u>	<u>-</u>	<u>26,027</u>	<u>1,075,717</u>	<u>-</u>
Deferred Inflows of Resources						
Deferred amount relating to net pension liability	-	-	-	-	-	-
Net Position						
Net investment in capital assets	172,979	134,122	10,433	472,281	815,344	261,779
Restricted	-	-	-	-	-	-
Unrestricted (deficit)	<u>118,417</u>	<u>164,399</u>	<u>-</u>	<u>1,116,021</u>	<u>(753,957)</u>	<u>-</u>
Total net position	<u>\$ 291,396</u>	<u>\$ 298,521</u>	<u>\$ 10,433</u>	<u>\$ 1,588,302</u>	<u>\$ 61,387</u>	<u>\$ 261,779</u>

See Accompanying Notes to the Financial Statements

City of Bay City
Discretely Presented Component Units
Combining Statement of Net Position
June 30, 2022

	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	\$ -	\$ 4,913,726	\$ 15,689	\$ 129,669	\$ 178,246	\$ 5,126,811	\$ 12,055,154
Investments	-	-	-	-	-	24,374	24,374
Equity in pooled cash and investments	-	105,420	-	-	-	-	105,420
Receivables:							
Taxes, net	-	-	-	-	-	-	673
Customers	-	-	-	-	-	84,332	150,982
Accrued interest and other	-	1,216	2	25	-	-	1,680
Due from other units of government	-	3,047	-	-	100,498	-	103,545
Inventories	-	-	-	-	-	42,173	42,173
Prepaid items	-	-	-	-	-	123,646	123,646
Capital assets not being depreciated	-	12,930,340	-	-	-	2,227,195	15,211,671
Capital assets being depreciated, net	107,437	5,442,330	-	-	-	3,784,013	11,749,162
Net OPEB asset	-	-	-	-	-	2,040,143	2,040,143
Restricted assets							
Cash and cash equivalents	-	-	-	-	-	3,202,225	3,202,225
Total assets	<u>107,437</u>	<u>23,396,079</u>	<u>15,691</u>	<u>129,694</u>	<u>278,744</u>	<u>16,654,912</u>	<u>44,810,848</u>
Deferred Outflows of Resources							
Deferred loss on refunding	-	1,661,163	-	-	-	-	1,691,100
Deferred amount related to special assessments	-	-	-	-	-	-	702
Deferred amount relating to net OPEB asset	-	-	-	-	-	49,836	49,836
Total deferred outflows of resources	<u>-</u>	<u>1,661,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,836</u>	<u>1,741,638</u>
Liabilities							
Accounts payable	-	305,942	707	357	3,968	342,792	663,159
Accrued and other liabilities	-	206,432	-	-	1,680	254,318	476,958
Due to primary government	-	1,757	-	-	-	-	3,783
Due to other units of government	-	15,059	-	-	-	-	15,059
Unearned revenue	-	-	-	-	36,520	16,164	52,684
Long-term debt							
Compensated absences, current	-	3,512	-	-	-	-	11,590
Compensated absences, net of current portion	-	-	-	-	-	188,437	203,884
Due within one year	-	445,000	-	-	-	-	738,407
Due in more than one year	-	23,621,892	-	-	-	-	25,026,125
Net pension liability due in more than one year	-	-	-	-	-	139,815	139,815
Total liabilities	<u>-</u>	<u>24,599,594</u>	<u>707</u>	<u>357</u>	<u>42,168</u>	<u>941,526</u>	<u>27,331,464</u>
Deferred Inflows of Resources							
Unavailable revenue - delinquent property taxes	-	-	-	-	-	260,971	260,971
Net Position							
Net investment in capital assets	107,437	(2,459,529)	-	-	-	6,011,208	5,526,054
Restricted	-	-	-	-	-	3,202,225	3,202,225
Unrestricted (deficit)	-	2,917,177	14,984	129,337	236,576	6,288,818	10,231,772
Total net position	<u>\$ 107,437</u>	<u>\$ 457,648</u>	<u>\$ 14,984</u>	<u>\$ 129,337</u>	<u>\$ 236,576</u>	<u>\$ 15,502,251</u>	<u>\$ 18,960,051</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, 2022

	Expenses	Indirect	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue							
			Charges for Services	Operating Grants and Contributions									
Component units													
Downtown Development Authority	\$ 87,178	\$ 6,510	\$ 154,086	\$ 106,150	\$ -	\$ 166,548							
Midland Street TIFA	102,887	447	-	-	-	(103,334)							
Kresge's Downtown Development Authority	912	-	-	-	-	(912)							
Marquette District TIFA	1,222,688	12,068	2,887	237,947	-	(993,922)							
Water Street Downtown Development Authority	175,824	938	-	-	-	(176,762)							
Marina Development TIFA	18,745	-	-	-	-	(18,745)							
Knepp's Downtown Development Authority	3,599	-	-	-	-	(3,599)							
Brownfield Redevelopment Authority	1,695,537	52,725	173,143	35,224	-	(1,539,895)							
Columbus Avenue Management Board	8,423	1,818	13,120	-	-	2,879							
Midland Street Management Board	7,168	690	25,190	-	-	17,332							
Downtown Management Board	227,324	-	92,490	37,176	-	(97,658)							
Housing Commission	2,658,693	-	1,823,634	2,708,244	-	1,873,185							
Total component units	6,208,978	75,196	2,284,550	3,124,741	-	(874,883)							
	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	\$ 166,548	\$ (103,334)	\$ (912)	\$ (993,922)	\$ (176,762)	\$ (18,745)	\$ (3,599)	\$ (1,539,895)	\$ 2,879	\$ 17,332	\$ (97,658)	\$ 1,873,185	\$ (874,883)
General revenues													
Property taxes	-	104,265	-	196,399	323,630	-	-	2,371,028	-	-	132,351	-	3,127,673
Unrestricted investment earnings (loss)	(74)	(204)	-	(2,973)	(344)	-	-	(6,772)	(21)	(203)	11	45,697	35,117
Miscellaneous	-	-	-	-	11,804	-	-	-	-	-	25,253	449,874	486,931
Total general revenues	(74)	104,061	-	193,426	335,090	-	-	2,364,256	(21)	(203)	157,615	495,571	3,649,721
Change in net position	166,474	727	(912)	(800,496)	158,328	(18,745)	(3,599)	824,361	2,858	17,129	59,957	2,368,756	2,774,838
Net position - beginning of year	124,922	297,794	11,345	2,388,798	(96,941)	280,524	111,036	(366,713)	12,126	112,208	176,619	13,133,495	16,185,213
Net position - end 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

See Accompanying Notes to the Financial Statements

City of Bay City
Notes to the Financial Statements
June 30, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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. 87, *Leases* increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reporting in a business-type activity or enterprise fund. Interest cost

incurred before the end of a construction period should be recognized as an expenditure for financial statements prepared using the current financial resources measurement.

Statement No. 92, *Omnibus 2020* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan. (3) The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits. (4) The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements. (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition. (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers. (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. (8) Terminology used to refer to derivative instruments.

Statement No. 99, *2022 Omnibus* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

City of Bay City
Notes to the Financial Statements
June 30, 2022

Upcoming Accounting and Reporting Changes

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

Statement No. 91, *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement is effective for the year ending June 30, 2023.

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. This statement is effective for the year ending June 30, 2023.

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. This statement is effective for the year ending June 30, 2023.

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.

City of Bay City

Notes to the Financial Statements

June 30, 2022

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.

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			
General government			
Elections	\$ 27,022	\$ 30,488	\$ 3,466
Fiscal services	202,609	226,463	23,854
Parks and recreation	1,289,997	1,339,000	49,003
Neighborhood Opportunity Fund			
Economic development	132,127	138,381	6,254

Deficits

The Water Street Downtown Development Authority component unit reported a deficit in unrestricted net position in the amount of \$753,957 at year end. The Information Systems internal service fund reported a deficit in unrestricted net position in the amount of \$457,503 at year end. The Liberty Harbor Marina Fund reported a deficit unrestricted net position of \$11,205 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.

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.

City of Bay City
Notes to the Financial Statements
June 30, 2022

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

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Total
Governmental activities	\$ 68,816,944	\$ -	\$ -	\$ 68,816,944
Business-type activities	41,510,030	-	955,275	42,465,305
Total	110,326,974	-	955,275	111,282,249
Fiduciary funds	940,913	80,492,859	-	81,433,772
Component units	12,160,574	24,374	3,202,225	15,387,173
Total	<u>\$ 123,428,461</u>	<u>\$ 80,517,233</u>	<u>\$ 4,157,500</u>	<u>\$ 208,103,194</u>

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)	\$ 111,276,334	\$ 940,913	\$ 15,362,799	\$ 127,580,046
Investments in securities, mutual funds and similar vehicles	-	80,492,859	24,374	80,517,233
Petty cash and cash on hand	5,915	-	-	5,915
	<u>\$ 111,282,249</u>	<u>\$ 81,433,772</u>	<u>\$ 15,387,173</u>	<u>\$ 208,103,194</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	2.28%	\$ 241,088	\$ -	\$ -	\$ 241,088
1 - 5	59.25%	3,269,052	2,974,777	25,013	6,268,842
6 - 10	30.09%	2,310,551	872,695	-	3,183,246
11 - 15	5.21%	150,028	401,350	-	551,378
16 or more	3.18%	-	312,441	23,754	336,195
Total		<u>\$ 5,970,719</u>	<u>\$ 4,561,263</u>	<u>\$ 48,767</u>	<u>\$ 10,580,749</u>

Rating	% of Debt Securities	Fair Value
Moody's Aaa	39.31%	\$ 4,158,893
Moody's Aa2	0.52%	54,741
Moody's Aa3	0.73%	76,741
Moody's A1	5.53%	584,864
Other	53.91%	5,705,510
Total		<u>\$ 10,580,749</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.

City of Bay City
Notes to the Financial Statements
June 30, 2022

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, 2022, \$9,113,600 of the City's \$90,807,002 bank balance was covered by federal depository insurance, including balances invested in the certificate of deposit account registry service (CDARS), therefore, \$81,693,401 is uninsured.

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

	Trust Funds		
	Police & Fire		
	Pension	Health Care	Total
Fixed income	\$ 11,100,154	\$ -	\$ 11,100,154
Equities	33,094,903	29,883,993	62,978,896
Other investments:			
Real estate investment funds	6,413,809	-	6,413,809
Total	<u>\$ 50,608,866</u>	<u>\$ 29,883,993</u>	<u>\$ 80,492,859</u>

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, 2022, 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	\$ -	\$ 5,131,851	\$ -	\$ 5,131,851
Treasury bonds	3,556,228	-	-	3,556,228
Asset backed securities	-	838,868	-	838,868
Agency bonds	-	1,005,034	-	1,005,034
Mortgages	-	48,767	-	48,767
Mutual funds - fixed income	519,406	-	-	519,406
	<u>4,075,634</u>	<u>7,024,520</u>	<u>-</u>	<u>11,100,154</u>
Equities				
Corporate stock	8,697,654	-	-	8,697,654
Mutual funds - equity	50,226,922	-	-	50,226,922
Other	-	52,763	-	52,763
	<u>58,924,576</u>	<u>52,763</u>	<u>-</u>	<u>58,977,339</u>
Total investments by fair value level	<u>\$ 63,000,210</u>	<u>\$ 7,077,283</u>	<u>-</u>	<u>70,077,493</u>
Investments measured at the net asset value (NAV)				
Hedge funds - Millennium			1,875,150	1,875,150
Other alternative investments				
WCM Focused International Growth Fund			3,278,234	3,278,234
Private Equity				
Alidade Capital Fund			1,191,387	1,191,387
Real estate investment funds				
H.I.G. Bayside Loan Opportunity Fund			935,020	935,020
Real Estate Global Partnership Fund			278,783	278,783
American Realty Advisors Core Property Fund			2,856,792	2,856,792
Total investments at the net asset value			<u>\$ 10,415,366</u>	<u>10,415,366</u>
Total investments				<u>\$ 80,492,859</u>

City of Bay City
Notes to the Financial Statements
June 30, 2022

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	Business-type	Component
	Activities	Activities	Units
Accounts	\$ 1,313,221	\$ 12,019,826	\$ 150,982
Delinquent taxes	68,560	-	1,330
Special assessments	59,159	241,347	-
Due from other units of government	2,027,766	4,065,166	103,545
Leases receivable	-	443,063	-
Accrued interest and other	6,230	9,253	1,680
Notes	12,056,605	-	-
Gross receivables	15,531,541	16,778,655	257,537
Allowance for taxes	(39,617)	-	(657)
Allowance for notes	(4,673,041)	-	-
Allowance for accounts	(223,935)	(2,657,347)	-
Total receivables, net	<u>\$ 10,594,948</u>	<u>\$ 14,121,308</u>	<u>\$ 256,880</u>

Receivables not expected to be collected within one year are approximately \$7.4 million of the notes receivable reported in the Rehabilitation Fund.

City of Bay City
Notes to the Financial Statements
June 30, 2022

Note 6 - Capital Assets

Capital asset activity of the City's governmental activities for the year ended June 30, 2022, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 17,844,703	\$ -	\$ 114,591	\$ 17,730,112
Construction-in-progress	1,483,369	5,733,805	962,936	6,254,238
Other intangible assets	376,000	-	-	376,000
Total capital assets not being depreciated	<u>19,704,072</u>	<u>5,733,805</u>	<u>1,077,527</u>	<u>24,360,350</u>
Capital assets being depreciated				
Land improvements	98,029	-	-	98,029
Infrastructure	153,522,987	2,201,068	-	155,724,055
Buildings, additions and improvements	18,250,436	202,185	-	18,452,621
Office furnishings	39,293	-	-	39,293
Machinery and equipment	3,753,043	342,638	103,248	3,992,433
Vehicles	19,364,419	1,147,898	995,720	19,516,597
Total capital assets being depreciated	<u>195,028,207</u>	<u>3,893,789</u>	<u>1,098,968</u>	<u>197,823,028</u>
Less accumulated depreciation for				
Land improvements	114,390	-	-	114,390
Infrastructure	118,895,318	3,187,186	-	122,082,504
Buildings, additions and improvements	7,105,402	405,002	-	7,510,404
Office furnishings	38,568	730	-	39,298
Machinery and equipment	2,887,882	289,601	103,249	3,074,234
Vehicles	10,320,771	921,166	874,117	10,367,820
Total accumulated depreciation	<u>139,362,331</u>	<u>4,803,685</u>	<u>977,366</u>	<u>143,188,650</u>
Net capital assets being depreciated	<u>55,665,876</u>	<u>(909,896)</u>	<u>121,602</u>	<u>54,634,378</u>
Governmental activities capital assets, net	<u>\$ 75,369,948</u>	<u>\$ 4,823,909</u>	<u>\$ 1,199,129</u>	<u>\$ 78,994,728</u>

City of Bay City
Notes to the Financial Statements
June 30, 2022

Capital asset activity of the City's business-type activities for the year ended June 30, 2022, 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	4,261,715	6,362,007	926,898	9,696,824
Other intangible assets	181,234	-	-	181,234
Total capital assets not being depreciated	<u>5,238,173</u>	<u>6,362,007</u>	<u>926,898</u>	<u>10,673,282</u>
Capital assets being depreciated				
Land improvements	47,191,519	2,525,713	-	49,717,232
Utility plant and systems	264,638,719	2,493,110	471,602	266,660,227
Buildings, additions and improvements	2,957,715	195,866	-	3,153,581
Machinery and equipment	8,589,507	232,763	-	8,822,270
Total capital assets being depreciated	<u>323,377,460</u>	<u>5,447,452</u>	<u>471,602</u>	<u>328,353,310</u>
Less accumulated depreciation for				
Land improvements	11,511,588	1,039,970	-	12,551,558
Infrastructure	189,788,457	6,362,027	471,602	195,678,882
Buildings, additions and improvements	1,774,304	74,502	-	1,848,806
Machinery and equipment	6,476,370	339,762	-	6,816,132
Total accumulated depreciation	<u>209,550,719</u>	<u>7,816,261</u>	<u>471,602</u>	<u>216,895,378</u>
Net capital assets being depreciated	<u>113,826,741</u>	<u>(2,368,809)</u>	<u>-</u>	<u>111,457,932</u>
Business-type capital assets, net	<u>\$ 119,064,914</u>	<u>\$ 3,993,198</u>	<u>\$ 926,898</u>	<u>\$ 122,131,214</u>

City of Bay City
Notes to the Financial Statements
June 30, 2022

Capital asset activity of the City's component units for the year ended June 30, 2022, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Units				
Capital assets not being depreciated				
Land	\$ 1,634,796	\$ 91,520	\$ -	\$ 1,726,316
Construction-in-progress	9,721,381	3,763,974	-	13,485,355
Total capital assets not being depreciated	<u>11,356,177</u>	<u>3,855,494</u>	<u>-</u>	<u>15,211,671</u>
Capital assets being depreciated				
Land improvements	45,952	93,649	-	139,601
Infrastructure	17,331,662	-	-	17,331,662
Buildings, additions and improvements	30,118,957	318,147	-	30,437,104
Machinery and equipment	923,572	76,930	-	1,000,502
Total capital assets being depreciated	<u>48,420,143</u>	<u>488,726</u>	<u>-</u>	<u>48,908,869</u>
Less accumulated depreciation for				
Land improvements	24,489	8,365	-	32,854
Infrastructure	8,730,616	748,632	-	9,479,248
Buildings, additions and improvements	27,023,637	603,743	-	27,627,380
Machinery and equipment	19,305	920	-	20,225
Total accumulated depreciation	<u>35,798,047</u>	<u>1,361,660</u>	<u>-</u>	<u>37,159,707</u>
Net capital assets being depreciated	<u>12,622,096</u>	<u>(872,934)</u>	<u>-</u>	<u>11,749,162</u>
Component unit capital assets, net	<u>\$ 23,978,273</u>	<u>\$ 2,982,560</u>	<u>\$ -</u>	<u>\$ 26,960,833</u>

City of Bay City
Notes to the Financial Statements
June 30, 2022

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

Governmental activities

General government	\$ 118,861
Public safety	68,260
Public works	3,021,708
Community and economic development	236,913
Recreation and culture	235,684

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

1,122,259

Total governmental activities

4,803,685

Business-type activities

Electric	2,733,834
Water	770,798
Sewer	4,095,657
Other business-type activities	215,972
Total business-type activities	<u>7,816,261</u>

Total primary government

\$ 12,619,946

Component units

\$ 1,361,660

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
Sewer Fund	Electric Fund	\$ 6,283
Internal Service Funds in the Aggregate	General Fund	122,843
Internal Service Funds in the Aggregate	Major Streets Fund	7,779
Internal Service Funds in the Aggregate	Electric Fund	60,791
Internal Service Funds in the Aggregate	Sewer Fund	30,796
Internal Service Funds in the Aggregate	Water Fund	20,565
Internal Service Funds in the Aggregate	Nonmajor Governmental Funds in the Aggregate	16,476
Internal Service Funds in the Aggregate	Internal Service Funds in the Aggregate	13,113
Internal Service Funds in the Aggregate	Nonmajor Enterprise Funds in the Aggregate	101
General Fund	Nonmajor Governmental Funds in the Aggregate	285,792
General Fund	Nonmajor Enterprise Funds in the Aggregate	53,620
General Fund	Major Streets Fund	30,109
General Fund	Electric Fund	322,090
General Fund	Sewer Fund	109,603
General Fund	Water Fund	69,119
General Fund	Internal Service Funds in the Aggregate	42,897
		<u>\$ 1,191,977</u>

Receivable Fund	Payable Fund	Amount
General Fund	Brownfield Redevelopment Authority	\$ 1,757
General Fund	Marquette District TIFA	2,026
		<u>\$ 3,783</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, 2022

The composition of interfund advances is as follows:

Receivable Fund	Payable Fund	Amount
Electric Fund	Internal Service Funds in the Aggregate	\$ 1,960,588
Electric Fund	Sewer Fund	<u>1,397,598</u>
		<u>\$ 3,358,186</u>

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
2023	\$ 197,000
2024	197,000
2025	197,000
2026	197,000
2027	197,000
2028 - 2032	<u>975,588</u>
	<u>\$ 1,960,588</u>

The advance from the Electric Fund to the Sewer Fund was to provide funding to purchase a new generator. It will be repaid as follows:

Fiscal Year	Principal
2023	<u>\$ 1,397,598</u>

City of Bay City
Notes to the Financial Statements
June 30, 2022

The composition of interfund transfers is as follows:

	Transfer To									
							Nonmajor Governmental Funds in the	Nonmajor Enterprise Funds in the	Internal Service Funds in the	
Transfer from	General Fund	Major Streets Fund	Rehabilitation Fund	Electric Fund	Sewer Fund	Water Fund	Aggregate	Aggregate	Aggregate	Total
General Fund	\$ -	\$ -	\$ -	\$ 12,131	\$ -	\$ -	\$ 534,279	\$ 367,000	\$ 575,956	\$ 1,489,366
Rehabilitation Fund	-	-	-	-	-	-	109,093	-	-	109,093
American Rescue Plan Act Fund	-	-	-	-	-	165,507	8,254	-	-	173,761
Electric Fund	-	-	-	-	-	-	-	-	34,519	34,519
Sewer Fund	-	-	-	-	-	-	-	-	23,834	23,834
Water Fund	-	-	-	-	-	-	-	-	23,834	23,834
Nonmajor Governmental Funds in the Aggregate	157,079	-	17,473	-	-	-	-	200,000	75,956	450,508
Internal Service Funds in the Aggregate	684,330	-	-	316,299	186,617	133,273	118,162	606	86,804	1,574,630
Total	\$ 841,409	\$ 48,539	\$ 17,473	\$ 328,430	\$ 186,617	\$ 298,780	\$ 769,788	\$ 567,606	\$ 820,903	\$ 3,879,545

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	Interest Rate	Total Lease
			Amount		Receivable
Cell tower	8/1/2008	30 years	\$21,042 - \$24,198	2.05%	\$ 309,608
Conduit crossing	7/1/2012	20 years	13,675	2.05%	133,455
					<u>\$ 443,063</u>

The City collected \$34,717 from the lessees for the year ended June 30, 2022, which includes \$34,346 in lease revenue and \$371 in lease interest revenue.

City of Bay City
Notes to the Financial Statements
June 30, 2022

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
2023	\$ 25,634
2024	26,160
2025	26,696
2026	27,243
2027	27,802
2028 - 2032	160,813
2033 - 2037	125,003
2038	23,712
	<u>\$ 443,063</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	2.30 - 3.65%	\$80,000 - \$110,000	\$ 1,010,000	-	\$ 80,000	\$ 930,000	\$ 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%	89,466 - 96,382	645,480	-	88,144	557,336	89,466
Installment Note - Fire Truck (MERF)	985,739	2027	3.54%	70,850 - 84,310	532,969	-	68,426	464,543	70,850
Premiums					-	352,212	-	352,212	-
Total bonds and notes payable					2,188,449	14,852,212	236,570	16,804,091	240,316
Landfill remediation liability					3,739,428	4,826,236	166,371	8,399,293	648,956
Compensated absences					2,927,232	1,628,884	1,544,357	3,011,759	3,011,759
Total governmental activities					<u>\$ 8,855,109</u>	<u>\$ 21,307,332</u>	<u>\$ 1,947,298</u>	<u>\$ 28,215,143</u>	<u>\$ 3,901,031</u>

City of Bay City
Notes to the Financial Statements
June 30, 2022

	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	3.00% - 4.00%	\$360,000 - \$400,000	\$ 1,865,000	\$ -	\$ 350,000	\$ 1,515,000	\$ 360,000
2016 Limited Tax Refunding	1,392,000	2028	2.00% - 3.00%	132,000 - 150,000	982,000	-	130,000	852,000	132,000
2017 Capital Improvement Refunding	1,574,796	2030	2.34%	141,594 - 172,673	1,550,621	-	138,140	1,412,481	141,594
Notes from direct borrowings and direct placements									
State Revolving Fund	42,435,000	2023	2.50%	2,655,000	5,245,000	-	2,590,000	2,655,000	2,655,000
Premiums					130,503	-	24,111	106,392	-
Total Sewer Fund					<u>9,773,124</u>	<u>-</u>	<u>3,232,251</u>	<u>6,540,873</u>	<u>3,288,594</u>
Electric Fund									
Revenue bonds									
2013 Electric Utility System	13,830,000	2033	3.90%	730,000 - 1,115,000	<u>11,640,000</u>	<u>-</u>	<u>705,000</u>	<u>10,935,000</u>	<u>730,000</u>
Water Fund									
General obligation bonds									
2016 Limited Tax Refunding	2,088,000	2028	2.00% - 3.00%	198,000 - 225,000	1,473,000	-	195,000	1,278,000	198,000
Notes from direct borrowings and direct placements									
DWRf 7393-01	3,575,167	2035	2.50%	160,000 - 215,167	2,755,167	-	155,000	2,600,167	160,000
DWRf 2021	4,000,000	2042	2.00%	165,000 - 237,266	2,316,917	1,627,349	165,000	3,779,266	165,000
Premiums					52,227	-	7,461	44,766	-
Total Water Fund					<u>6,597,311</u>	<u>1,627,349</u>	<u>522,461</u>	<u>7,702,199</u>	<u>523,000</u>
Total bonds and notes payable					<u>28,010,435</u>	<u>1,627,349</u>	<u>4,459,712</u>	<u>25,178,072</u>	<u>4,541,594</u>
Compensated absences					<u>1,206,190</u>	<u>792,714</u>	<u>926,708</u>	<u>1,072,196</u>	<u>711,144</u>
Total business-type activities					<u>\$ 29,216,625</u>	<u>\$ 2,420,063</u>	<u>\$ 5,386,420</u>	<u>\$ 26,250,268</u>	<u>\$ 5,252,738</u>

City of Bay City
Notes to the Financial Statements
June 30, 2022

	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%	\$230,000 - \$475,000	\$ 1,145,000	\$ -	\$ 110,000	\$ 1,035,000	\$ 230,000
Premiums					40,164	-	10,041	30,123	-
Total Water Street DDA					<u>1,185,164</u>	<u>-</u>	<u>120,041</u>	<u>1,065,123</u>	<u>230,000</u>
Midland Street TIFA									
General obligation bonds									
2017 Capital Improvement Refunding	705,204	2030	2.34%	63,407 - 77,322	<u>694,379</u>	<u>-</u>	<u>61,862</u>	<u>632,517</u>	<u>63,407</u>
Brownfield Redevelopment Authority									
Revenue bonds									
2013 Tax Increment	9,200,000	2043	4.25% - 4.50%	45,000 - 55,000	140,000	-	40,000	100,000	45,000
2014 Tax Increment	7,085,000	2042	3.00% - 4.25%	60,000 - 700,000	6,810,000	-	45,000	6,765,000	60,000
2020 Tax Increment	6,120,000	2043	4.00%	190,000 - 435,000	6,120,000	-	170,000	5,950,000	190,000
2020 Tax Increment	10,860,000	2043	1.148% - 3.710%	150,000 - 830,000	10,635,000	-	150,000	10,485,000	150,000
Premiums					959,420	-	43,610	915,810	-
Discounts					<u>(164,496)</u>	<u>-</u>	<u>(15,578)</u>	<u>(148,918)</u>	<u>-</u>
Total Brownfield Redevelopment Authority					<u>24,499,924</u>	<u>-</u>	<u>433,032</u>	<u>24,066,892</u>	<u>445,000</u>
Total bonds and notes payable					<u>26,379,467</u>	<u>-</u>	<u>614,935</u>	<u>25,764,532</u>	<u>738,407</u>
Other Component Units									
Compensated absences - Housing Commission					156,362	32,075	-	188,437	188,437
Compensated absences - other component units					<u>25,754</u>	<u>14,452</u>	<u>13,169</u>	<u>27,037</u>	<u>27,037</u>
Total component units					<u>\$ 26,561,583</u>	<u>\$ 46,527</u>	<u>\$ 628,104</u>	<u>\$ 25,980,006</u>	<u>\$ 953,881</u>

City of Bay City
Notes to the Financial Statements
June 30, 2022

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		Bonds		Notes from Direct Borrowings and		Bonds	
			Direct Placements				Direct Placements			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 80,000	\$ 29,728	\$ 160,316	\$ 24,805	\$ 1,561,594	\$ 552,025	\$ 2,980,000	\$ 202,224	\$ 738,407	\$ 875,574
2024	80,000	27,328	164,166	20,955	1,620,047	496,917	325,000	131,290	879,953	851,180
2025	520,000	562,240	168,126	16,996	1,676,954	437,767	337,000	123,928	1,073,046	821,984
2026	540,000	537,490	172,196	12,924	1,731,954	380,116	347,000	116,301	638,046	786,420
2027	550,000	511,792	176,383	8,737	1,380,408	328,657	352,000	108,448	689,593	767,668
2028-2032	3,060,000	2,146,108	180,692	4,431	5,831,524	921,669	1,890,000	418,428	4,608,472	3,453,268
2033-2037	2,985,000	1,598,679	-	-	2,190,000	284,336	1,882,167	198,146	6,075,000	2,590,819
2038-2042	3,505,000	1,071,284	-	-	-	46,541	921,266	46,541	8,300,000	1,285,845
2043-2047	4,110,000	394,288	-	-	-	-	-	-	1,965,000	65,945
	\$ 15,430,000	\$ 6,878,937	\$ 1,021,879	\$ 88,848	\$ 15,992,481	\$ 3,448,028	\$ 9,034,433	\$ 1,345,306	\$ 24,967,517	\$ 11,498,703

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 (DWRF 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	\$ (238,565)	\$ -	\$ (32,710)	\$ (205,855)
Deferred amount on refunding - component units	(1,773,529)	-	(82,429)	(1,691,100)
Total	<u>\$ (2,012,094)</u>	<u>\$ -</u>	<u>\$ (115,139)</u>	<u>\$ (1,896,955)</u>

City of Bay City
Notes to the Financial Statements
June 30, 2022

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, 2022 was \$8,995,000.

Note 10 - Net Investment in Capital Assets

The composition of net investment in capital assets as of June 30, 2022 was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets			
Capital assets not being depreciated	\$ 24,360,350	\$ 10,673,282	\$ 15,211,671
Capital assets - net of accumulated depreciation	54,634,378	111,457,932	11,749,162
Deferred outflows of resources (capital related)	-	205,855	1,691,100
Total capital assets	78,994,728	122,337,069	28,651,933
Related debt:			
Bonds and notes payable	(16,804,091)	(25,178,072)	(25,764,532)
Unspent bond proceeds	9,262,824	-	1,573,530
Non-capital debt	-	-	1,065,123
Net investment in capital assets	\$ 71,453,461	\$ 97,158,997	\$ 5,526,054

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, 2021 and 2022, are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2021	\$ 314,619	\$ 187,818	\$ 151,889	\$ 350,548
2022	350,548	412,257	209,067	553,738

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 \$125,000 and Blue Cross is responsible for paying claims above this amount. There

City of Bay City
Notes to the Financial Statements
June 30, 2022

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, 2021 and 2022, are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2021	\$ 182,833	\$ 3,834,009	\$ 3,766,413	\$ 250,429
2022	250,429	2,929,079	2,851,682	327,826

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, 2021 and 2022, are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2021	\$ 440,562	\$ 735,411	\$ 490,104	\$ 685,869
2022	685,869	(279,349)	(26,966)	433,486

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.

City of Bay City
Notes to the Financial Statements
June 30, 2022

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	274
Inactive employees entitled to, but not yet receiving benefits	13
Active employees	<u>19</u>
	<u>306</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 5.5%. Six of the seven divisions are closed to new entrants.

Net pension liability – The employer's net pension liability was measured as of December 31, 2021, 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, 2021 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%	7.75%	4.65%	2.50%	3.15%
Global fixed income	20.00%	3.75%	0.75%	2.50%	0.25%
Private investments	20.00%	9.75%	1.95%	2.50%	1.45%
	<u>100.00%</u>		<u>7.35%</u>		<u>4.85%</u>

Discount rate – The discount rate used to measure the total pension liability is 7.60% for the December 31, 2021 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.

City of Bay City
Notes to the Financial Statements
June 30, 2022

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

Changes in Net Pension Liability

Total Pension Liability

Service cost	\$ 125,161
Interest on the total pension liability	5,423,754
Experience differences	(522,650)
Benefit payments and refunds	(6,422,165)
Changes in actuarial assumptions	2,195,121
Net change in total pension liability	799,221
Total pension liability - beginning	74,513,684
Total pension liability - ending (a)	<u>\$ 75,312,905</u>

Plan Fiduciary Net Position

Employer contributions	\$ 4,772,132
Employee contributions	58,677
Pension plan net investment gain	9,831,121
Benefit payments and refunds	(6,422,165)
Pension plan administrative expense	(106,845)
Net change in plan fiduciary net position	8,132,920
Plan fiduciary net position - beginning	66,297,617
Plan fiduciary net position - ending (b)	<u>\$ 74,430,537</u>
Net pension liability (a-b)	<u>\$ 882,368</u>

Plan fiduciary net position as a percentage of total pension liability	98.83%
Covered payroll	<u>\$ 1,189,894</u>
Net pension liability as a percentage of covered payroll	74.16%

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 (6.25%) or 1% higher (8.25%) than the current rate:

1% Decrease	Current Discount Rate	1% Increase
<u>\$ 7,859,703</u>	<u>\$ 882,368</u>	<u>\$ (5,093,674)</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, deferred outflows and deferred inflows of resources related to pensions – For the year ended June 30, 2022 the City recognized pension expense of \$904,102. The City reported deferred outflows and deferred inflows of resources related to the MERS pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total	Total to Amortize
Net difference between projected and actual earnings on plan investments	\$ -	\$ (5,635,132)	\$ (5,635,132)	\$ (5,635,132)
Contributions subsequent to the measurement date*	1,331,519	-	1,331,519	-
Total	<u>\$ 1,331,519</u>	<u>\$ (5,635,132)</u>	<u>\$ (4,303,613)</u>	<u>\$ (5,635,132)</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.

City of Bay City
Notes to the Financial Statements
June 30, 2022

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

Year Ended	
2023	\$ (874,828)
2024	(2,187,036)
2025	(1,601,860)
2026	(971,408)
	<u>\$ (5,635,132)</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.

City of Bay City
Notes to the Financial Statements
June 30, 2022

Employees Covered by Benefit Terms – At June 30, 2022, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	185
Inactive employees entitled to, but not yet receiving benefits	15
Active employees	<u>73</u>
	<u><u>273</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, 2022 was 37.71% of covered payroll for firefighters, 35.61% for police patrol, and 39.18% 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, 2022 is as follows:

Beginning reserve balance	\$ 61,486,075
Employee contributions	506,341
Employer contributions	1,907,561
Net investment loss	(5,908,641)
Pension benefit payments	<u>(6,450,549)</u>
Ending reserve balance	<u><u>\$ 51,540,787</u></u>

Net Pension Liability – The City's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions – The total pension liability was determined by an annual actuarial valuation as of June 30, 2022, 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	17 years
Asset valuation method	5 years smoothed market
Inflation	3.375%
Salary increases	4.50% - 26.30% based on seniority
Investment rate of return	7.50%, net of expenses

Mortality rates were based on the RP 2000 Combined Healthy Mortality table projected to 2014.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2010 through June 30, 2016.

City of Bay City
Notes to the Financial Statements
June 30, 2022

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, 2022 for each major asset class included in the System's target asset allocation as disclosed above are summarized as follows:

Asset Class	Long-term		Asset Group Contribution
	Expected Real Rate of Return	Target Allocation	
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 7.22%. 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	\$ 872,059
Interest on the total pension liability	5,222,140
Experience differences	1,595,804
Changes in assumptions	2,580,883
Other changes	58,280
Benefit payments and refunds	<u>(6,450,549)</u>
Net change in total pension liability	3,878,617
Total pension liability - beginning	74,665,118
Total pension liability - ending (a)	<u>\$ 78,543,735</u>

Plan Fiduciary Net Position

Employer contributions	\$ 1,907,562
Employee contributions	506,341
Pension plan net investment loss	(5,721,797)
Benefit payments and refunds	(6,450,549)
Pension plan administrative expense	<u>(186,845)</u>
Net change in plan fiduciary net position	(9,945,288)
Plan fiduciary net position - beginning	61,486,075
Plan fiduciary net position - ending (b)	<u>\$ 51,540,787</u>

Net pension liability (a-b)	<u>\$ 27,002,948</u>
-----------------------------	----------------------

Plan fiduciary net position as a percentage of total pension liability	65.62%
Covered payroll	<u>\$ 4,871,983</u>
Net pension liability as a percentage of covered payroll	554.25%

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

City of Bay City
Notes to the Financial Statements
June 30, 2022

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 7.22%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.22%) or 1% higher (8.22%) than the current rate:

1% Decrease	Current Discount Rate	1% Increase
\$ 34,967,703	\$ 27,002,948	\$ 20,253,223

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended June 30, 2022, the City recognized pension expense of \$3,322,228. At June 30, 2022, 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	\$ 3,792,345	\$ -	\$ 3,792,345	\$ 3,792,345
Differences in assumptions	2,135,041	(6,254,365)	(4,119,324)	(4,119,324)
Net difference between projected and actual earnings on plan investments	1,378,821	-	1,378,821	1,378,821
Total	\$ 7,306,207	\$ (6,254,365)	\$ 1,051,842	\$ 1,051,842

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,	
2023	\$ (571,113)
2024	(920,317)
2025	508,298
2026	2,034,974
	<u>\$ 1,051,842</u>

The City recognized a total pension expense for both defined benefit pension plans of \$4,226,330 for the year ended June 30, 2022.

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, 2022, the City's required and actual contributions amounted to \$832,076. Employees made contributions amounting to \$428,462. There were 182 active employees in the Plans.

City of Bay City
Notes to the Financial Statements
June 30, 2022

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, 2021, the date of the latest actuarial valuation:

Retiree and beneficiaries currently receiving benefits	419
Active plan members	117
Total membership	<u>536</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 \$705.22 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, 2022, were \$5,604,916. 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	50.0%	40% - 60%	Russell 3000
International Equity	15.0%	0% - 20%	MSCI ACWI ex US
Core Fixed Income	25.0%	20% - 35%	BB US Aggregate
Non-Core Fixed Income	5.0%	0% - 10%	Based on Strategy
Real Estate	5.0%	0% - 10%	NPI - ODCE
Cash	0.0%	0% - 10%	90 Day T-Bill

Rate of return – For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -10.35%. 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, 2022 were as follows:

Total OPEB liability	\$ 69,944,751
Plan fiduciary net position	<u>30,111,061</u>
Net OPEB liability	<u>\$ 39,833,690</u>

City of Bay City
Notes to the Financial Statements
June 30, 2022

Plan fiduciary net position as a percentage of the total OPEB liability is 43.05%.

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, 2021
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% - 14.00%
Inflation rate	3.00% per year
Healthcare inflation rate	8.00% 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	\$ 535,055
Interest on the total OPEB liability	5,436,640
Experience differences	(10,308,313)
Benefit payments and refunds	<u>(5,604,916)</u>
Net change in total OPEB liability	(9,941,534)
Total OPEB liability - beginning	<u>79,886,285</u>
Total OPEB liability - ending (a)	<u>\$ 69,944,751</u>

Plan Fiduciary Net Position

Employer contributions	\$ 5,726,048
OPEB plan net investment loss	(3,388,490)
Benefit payments and refunds	(5,604,916)
OPEB plan administrative expense	<u>(80,807)</u>
Net change in plan fiduciary net position	(3,348,165)
Plan fiduciary net position - beginning	<u>33,459,226</u>
Plan fiduciary net position - ending (b)	<u>\$ 30,111,061</u>

Net OPEB liability (a-b)	<u>\$ 39,833,690</u>
--------------------------	----------------------

Plan fiduciary net position as a percentage of total OPEB liability	43.05%
Covered payroll	<u>\$ 8,526,950</u>
Net OPEB liability as a percentage of covered payroll	467.15%

City of Bay City
Notes to the Financial Statements
June 30, 2022

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 (6.00%) or 1% higher (8.00%) than the current discount rate.

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
<u>\$ 48,213,556</u>	<u>\$ 39,833,690</u>	<u>\$ 32,878,775</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 (6.50%) or 1% higher (8.50%) than the current healthcare cost trend rates:

1% Decrease (6.50%)	Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
<u>\$ 32,114,230</u>	<u>\$ 39,833,690</u>	<u>\$ 49,092,107</u>

OPEB expense and deferred outflows and inflows of resources related to OPEB – For the year ended June 30, 2022 the employer recognized OPEB expense of (\$5,861,532). The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Total to Amortize
Net difference between projected and actual earnings on plan investments	<u>\$ 1,497,216</u>	<u>\$ 1,497,216</u>

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

Year ended,	
2023	\$ 73,662
2024	92,574
2025	184,577
2026	1,146,403
	<u>\$ 1,497,216</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, 2022

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	\$ 713,443	\$ 227,470	\$ 940,913
Investments	50,608,866	29,883,993	80,492,859
Accounts receivable	192,401	-	192,401
Interest receivable	73,665	5,217	78,882
Total assets	<u>51,588,375</u>	<u>30,116,680</u>	<u>81,705,055</u>
Liabilities			
Accounts payable	<u>47,588</u>	<u>5,619</u>	<u>53,207</u>
Net Position			
Restricted for employees' pension benefits	51,540,787	-	51,540,787
Restricted for employees' pension benefits	-	30,111,061	30,111,061
Total net position	<u>\$ 51,540,787</u>	<u>\$ 30,111,061</u>	<u>\$ 81,651,848</u>
Statement of Changes in Net Position			
Additions			
Contributions	\$ 2,413,902	\$ 6,057,643	\$ 8,471,545
Net investment loss	<u>(5,721,796)</u>	<u>(3,388,488)</u>	<u>(9,110,284)</u>
Total additions	<u>(3,307,894)</u>	<u>2,669,155</u>	<u>(638,739)</u>
Deductions			
Retiree healthcare premium payments	-	5,924,811	5,924,811
Benefits and refunds paid to participants	6,450,549	11,700	6,462,249
Administrative expenses	<u>186,845</u>	<u>80,809</u>	<u>267,654</u>
Total deductions	<u>6,637,394</u>	<u>6,017,320</u>	<u>12,654,714</u>
Change in net position	<u>\$ (9,945,288)</u>	<u>\$ (3,348,165)</u>	<u>\$ (13,293,453)</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, 2022

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 a undivided ownership interest in a certain Consumers' (now METC) 345

City of Bay City
Notes to the Financial Statements
June 30, 2022

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 3 plant. Conversely, the City is obligated to pay its share of the operating 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 ITC) provides MPPA with undivided ownership interest in certain ITC 345 kV transmission lines, for ITC 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 and receive the utilization revenues from the transmission system. Conversely, the City is obligated to pay its share of the operating and debt service costs of the Project. During the fiscal year ended June 30, 2018, the final debt payment was made on the Belle River project.

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 giving rights to use of the bulk transmission system.

City of Bay City
Notes to the Financial Statements
June 30, 2022

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 committed to power purchases under the AFEC project. MPPA issued \$32,520,000 in revenue bonds to finance the purchase. During 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 to purchase 19.59% of the energy generated by the AFEC plant and will pay the corresponding share of the operating and debt service costs associated with the Project.

Debt Service Under the Projects

The estimated remaining debt service payments for the Campbell Unit No. 3 Project and the AFEC Project with interest included are as follows:

Fiscal Year Ending	AFEC Project
2023	\$ 524,784
2024	525,532
2025	525,177
2026	524,713
2027	525,121
2028-2032	2,624,522
	<u>\$ 5,249,849</u>

The City's portion of the future interest expense as of June 30, 2022 is \$428,750.

Other Power Purchase Commitments

In addition to participating in the projects listed above, the City's electric department has secured Power Purchase Commitments (PPC) with MPPA that includes renewable energy purchase entitlements of 20.33% of the energy generated by the Granger/NANR Landfill Gas Project, 15.38% of energy generated by the Beebe Wind Project, and up-to 13.15% of energy generated by the Pegasus Wind Project. The City's electric department has also secured Solar PPCs' with MPPA that includes renewable energy purchase entitlements of 5.80% of the energy generated by Assembly Solar 1, 7.20% of energy generated by Hart Solar, 7.60% of energy generated by Savion Calhoun Solar, and 5.80% of the energy generated by Invenergy Calhoun Solar. In addition to the City's long-term renewable PPCs, the City routinely makes PPCs under MPPA's Five 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 plans, expand existing plans, 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

City of Bay City
Notes to the Financial Statements
June 30, 2022

facility are not exempt. Likewise, any structures or equipment added after completion of the project are fully taxable. The IFT on new plant 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 \$213,795 related to PA 198 during fiscal year 2022.

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 \$2,409,555 related to PA 381 during fiscal year 2022.

Note 17 - Change in Accounting Principle

As indicated in Note 1, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This statement enhances the relevance and consistency of information of the City's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. The 2022 financial statements include a prior period adjustment for the lease receivable. This adjustment had no effect on the beginning net position of the Electric Fund, nonmajor enterprise funds in the aggregate or business-type activities since the deferred inflows equal the amount of the lease receivable.

City of Bay City
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Taxes	\$ 11,498,541	\$ 12,010,641	\$ 11,947,501	\$ (63,140)
Licenses and permits	179,130	337,030	397,857	60,827
Federal grants	14,382	135,622	154,735	19,113
State-shared revenue and grants	5,367,749	5,201,608	5,829,486	627,878
Charges for services	3,205,163	3,209,778	3,231,627	21,849
Fines and forfeitures	75,828	75,828	61,625	(14,203)
Interest and rental income (loss)	77,900	77,900	(9,224)	(87,124)
Other revenue	117,664	159,394	337,009	177,615
Transfers in	1,031,409	1,031,409	841,409	(190,000)
Total revenues	<u>21,567,766</u>	<u>22,239,210</u>	<u>22,792,025</u>	<u>552,815</u>

City of Bay City
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Final Budget
Expenditures				
General government				
City Commission	\$ 97,168	\$ 98,568	\$ 95,492	\$ (3,076)
Mayor	14,834	14,834	12,594	(2,240)
City Manager	784,670	855,220	839,784	(15,436)
Elections	19,622	27,022	30,488	3,466
Auditing	64,000	64,000	61,980	(2,020)
Assessor	379,451	455,551	429,264	(26,287)
Attorney	160,000	238,000	231,310	(6,690)
City Clerk	334,193	324,443	322,862	(1,581)
Payroll/payables	166,559	126,009	124,514	(1,495)
Fiscal services	185,709	202,609	226,463	23,854
Accounting	627,932	648,582	641,571	(7,011)
Human resources	329,952	366,952	359,502	(7,450)
Purchasing	330,639	360,473	352,905	(7,568)
Treasurer	476,760	483,040	478,526	(4,514)
Public relations	32,169	33,519	29,321	(4,198)
Contingency	26,939	-	-	-
Planning and zoning	438,760	446,255	435,047	(11,208)
Total general government	<u>4,469,357</u>	<u>4,745,077</u>	<u>4,671,623</u>	<u>(73,454)</u>
Public safety	<u>13,342,953</u>	<u>13,194,558</u>	<u>13,082,486</u>	<u>(112,072)</u>

City of Bay City
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Public works				
City hall and grounds	\$ 336,386	\$ 341,505	\$ 336,984	\$ (4,521)
Construction and engineering	283,270	269,770	253,472	(16,298)
Street lighting	676,234	676,234	650,051	(26,183)
Neighborhood maintenance	57,400	57,400	45,229	(12,171)
Total public works	<u>1,353,290</u>	<u>1,344,909</u>	<u>1,285,736</u>	<u>(59,173)</u>
Economic development	<u>337,218</u>	<u>340,613</u>	<u>338,855</u>	<u>(1,758)</u>
Parks and recreation	<u>1,283,292</u>	<u>1,289,997</u>	<u>1,339,000</u>	<u>49,003</u>
Capital outlay	<u>333,700</u>	<u>328,200</u>	<u>174,615</u>	<u>(153,585)</u>
Transfers out	<u>447,956</u>	<u>1,489,366</u>	<u>1,489,366</u>	<u>-</u>
Total expenditures	<u>21,567,766</u>	<u>22,732,720</u>	<u>22,381,681</u>	<u>(351,039)</u>
Excess (deficiency) of revenues over expenditures	-	(493,510)	410,344	903,854
Fund balance - beginning of year	<u>5,090,035</u>	<u>5,090,035</u>	<u>5,090,035</u>	<u>-</u>
Fund balance - end of year	<u>\$ 5,090,035</u>	<u>\$ 4,596,525</u>	<u>\$ 5,500,379</u>	<u>\$ 903,854</u>

City of Bay City
Required Supplementary Information
Budgetary Comparison Schedule
Major Streets
For the Year Ended June 30, 2022

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Taxes	\$ 483,045	\$ 483,045	\$ 534,016	\$ 50,971
Other - intergovernmental	5,464,913	5,935,515	4,485,808	(1,449,707)
Local contributions	-	432,059	432,059	-
Fines and forfeitures	-	-	32	32
Interest income	12,000	12,000	777	(11,223)
Other revenue	425,600	425,600	414,047	(11,553)
Transfers in	225,294	5,398,664	48,539	(5,350,125)
Total revenues	<u>6,610,852</u>	<u>12,686,883</u>	<u>5,915,278</u>	<u>(6,771,605)</u>
Expenditures				
Current				
Public works	3,480,617	3,462,956	3,258,734	(204,222)
Capital outlay	<u>3,830,189</u>	<u>10,239,057</u>	<u>2,089,140</u>	<u>(8,149,917)</u>
Total expenditures	<u>7,310,806</u>	<u>13,702,013</u>	<u>5,347,874</u>	<u>(8,354,139)</u>
Excess (deficiency) of revenues over expenditures	(699,954)	(1,015,130)	567,404	1,582,534
Fund balance - beginning of year	<u>2,324,640</u>	<u>2,324,640</u>	<u>2,324,640</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,624,686</u>	<u>\$ 1,309,510</u>	<u>\$ 2,892,044</u>	<u>\$ 1,582,534</u>

City of Bay City
Required Supplementary Information
Budgetary Comparison Schedule
Rehabilitation Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Federal grants	\$ 748,120	\$ 748,120	\$ -	\$ (748,120)
Interest income	9,000	9,000	4,656	(4,344)
Program income	85,798	101,598	104,436	2,838
Transfers in	100,000	100,000	17,473	(82,527)
Total revenues	<u>942,918</u>	<u>958,718</u>	<u>126,565</u>	<u>(832,153)</u>
Expenditures				
Current				
Economic development	848,120	848,120	17,472	(830,648)
Transfers out	94,798	110,598	109,093	(1,505)
Total expenditures	<u>942,918</u>	<u>958,718</u>	<u>126,565</u>	<u>(832,153)</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, 2022

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Federal grants	\$ -	\$ 31,076,578	\$ 1,189,848	\$ (29,886,730)
Expenditures				
Current				
Economic development	-	7,397,767	1,016,087	(6,381,680)
Transfers out	-	13,032,722	173,761	(12,858,961)
Total expenditures	-	20,430,489	1,189,848	(19,240,641)
Excess of revenues over expenditures	-	10,646,089	-	(10,646,089)
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ 10,646,089	\$ -	\$ (10,646,089)

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, 2022

Fiscal year ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service cost	\$ 125,161	\$ 159,322	\$ 189,778	\$ 200,524	\$ 240,463	\$ 292,662	\$ 323,154	\$ 353,816
Interest on the total pension liability	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	(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	(6,422,165)	(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	799,221	433,466	1,936,150	(822,610)	(126,644)	331,693	2,560,867	188,952
Total pension liability - beginning	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)	\$ 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	\$ 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	58,677	76,903	64,365	117,646	97,748	139,768	298,856	218,513
Pension plan net investment income (loss)	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	(6,422,165)	(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	(106,845)	(119,087)	(122,505)	(106,362)	(102,730)	(99,798)	(100,164)	(102,890)
Net change in plan fiduciary net position	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	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)	\$ 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)	\$ 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	98.83%	88.97%	79.85%	72.84%	75.41%	67.36%	61.34%	65.74%
Covered payroll	\$ 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	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, 2022

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%

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, 2022

Fiscal year ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 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	5,222,140	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	58,280	-	-	-	-	-	-	-	(301,242)
Experience differences	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	2,580,883	(12,508,731)	6,180,673	(469,909)	928,112	8,045,729	-	-	-
Benefit payments and refunds	<u>(6,450,549)</u>	<u>(6,187,667)</u>	<u>(7,383,170)</u>	<u>(5,979,812)</u>	<u>(5,705,932)</u>	<u>(5,679,596)</u>	<u>(4,710,583)</u>	<u>(5,288,925)</u>	<u>(4,770,135)</u>
Net change in total pension liability	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	<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>	<u>64,852,922</u>
Total pension liability - ending (a)	<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	\$ 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	506,341	653,785	471,350	514,532	480,790	456,986	469,924	562,736	834,201
Pension plan net investment income (loss)	(5,721,797)	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	(6,450,549)	(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	(186,845)	(144,022)	(136,949)	(118,859)	(148,829)	(160,372)	(142,325)	(167,467)	(141,341)
Other	<u>-</u>	<u>-</u>	<u>(11,266)</u>	<u>(34,014)</u>	<u>(1)</u>	<u>-</u>	<u>15,999</u>	<u>-</u>	<u>11,063</u>
Net change in plan fiduciary net position	(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	<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>	<u>48,538,226</u>
Plan fiduciary net position - ending (b)	<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>\$ 27,002,948</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	65.62%	82.35%	59.31%	71.06%	73.72%	75.04%	81.94%	85.83%	84.35%
Covered payroll	<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	554.25%	291.78%	761.21%	532.40%	481.49%	432.71%	263.10%	209.35%	224.75%

Notes: GASB Statement No. 67 was implemented in fiscal year 2014. 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
Bay City Public Safety and Fire Pension Plan and Retirement System
Schedule of Employer Contributions
June 30, 2022

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%

Notes: GASB Statement No. 67 was implemented in fiscal year 2014. 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

Actuarial valuation information relative to the determination of contributions in fiscal year 2021/22:

Valuation date June 30, 2020

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, 2022

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%

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

Notes: GASB Statement No. 67 was implemented in fiscal year 2014. 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
Other Post Employment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2022

Fiscal year ended June 30	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 535,055	\$ 611,031	\$ 620,846	\$ 1,535,003	\$ 1,651,710	\$ 1,833,556
Interest	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	(10,308,313)	(1,540,938)	1,388,712	(31,991,432)	(7,746,934)	4,316,030
Changes in assumptions	-	3,045,741	-	(20,294,729)	(3,664,637)	1,543,813
Benefit payments	<u>(5,604,916)</u>	<u>(4,464,819)</u>	<u>(4,509,832)</u>	<u>(5,486,933)</u>	<u>(5,039,104)</u>	<u>(4,821,533)</u>
Net change in total OPEB liability	(9,941,534)	3,055,919	2,585,174	(49,820,854)	(8,226,208)	8,632,520
Total OPEB liability - beginning	<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>	<u>123,659,734</u>
Total OPEB liability - ending (a)	<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	\$ 5,726,048	\$ 5,847,967	\$ 6,100,003	\$ 6,025,491	\$ 6,328,317	\$ 5,213,485
Net investment income (loss)	(3,388,490)	6,639,676	2,047,575	1,506,633	1,675,971	1,661,536
Benefit payments and refunds	(5,604,916)	(4,464,819)	(4,509,832)	(5,486,933)	(5,039,104)	(4,821,533)
Administrative expense	(80,807)	(67,094)	(63,396)	(46,655)	(36,171)	(35,099)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Net change in plan fiduciary net position	(3,348,165)	7,955,730	3,574,350	1,998,536	2,929,013	2,018,390
Plan fiduciary net position - beginning	<u>33,459,226</u>	<u>25,503,496</u>	<u>21,929,146</u>	<u>19,930,610</u>	<u>17,001,597</u>	<u>14,983,208</u>
Plan fiduciary net position - ending (b)	<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>\$ 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	43.05%	41.88%	33.19%	29.54%	16.06%	12.85%
Covered payroll	<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	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, 2022

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%

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, 2021
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 14.00%
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, 2022

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%

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

City of Bay City
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds					
	Local Streets	Solid Waste Management	Community Development Block Grant	Building Inspection	Neighborhood Opportunity	Drug Law Enforcement
Assets						
Cash and cash equivalents	\$ 1,921,368	\$ -	\$ -	\$ -	\$ 87,007	\$ 92,005
Receivables						
Taxes	-	-	-	-	-	-
Accounts	-	491,963	-	254,025	-	-
Special assessments	-	23,638	-	4,437	-	-
Accrued interest and other	360	-	-	2	42	20
Notes and accrued interest	-	-	-	-	-	-
Less allowance for uncollectible accounts	-	-	-	-	-	-
Due from other units of government	188,427	1,494	28,525	-	-	-
Total assets	<u>\$ 2,110,155</u>	<u>\$ 517,095</u>	<u>\$ 28,525</u>	<u>\$ 258,464</u>	<u>\$ 87,049</u>	<u>\$ 92,025</u>
Liabilities						
Accounts payable	\$ 8,643	\$ 58,776	\$ 1,028	\$ 1,356	\$ 9,097	\$ -
Due to other funds	15,379	62,515	27,497	196,877	-	-
Deposits payable	-	-	-	53,531	9,000	-
Total liabilities	<u>24,022</u>	<u>121,291</u>	<u>28,525</u>	<u>251,764</u>	<u>18,097</u>	<u>-</u>
Deferred inflows of resources						
Unavailable revenue	-	25,132	-	4,437	-	-
Fund Balances						
Restricted						
Local Streets	2,086,133	-	-	-	-	-
Solid Waste Management	-	370,672	-	-	-	-
Building Inspection	-	-	-	2,263	-	-
Neighborhood Opportunity	-	-	-	-	68,952	-
Drug Law Enforcement	-	-	-	-	-	92,025
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Assigned to capital projects	-	-	-	-	-	-
Total fund balances	<u>2,086,133</u>	<u>370,672</u>	<u>-</u>	<u>2,263</u>	<u>68,952</u>	<u>92,025</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,110,155</u>	<u>\$ 517,095</u>	<u>\$ 28,525</u>	<u>\$ 258,464</u>	<u>\$ 87,049</u>	<u>\$ 92,025</u>

City of Bay City
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
	City Loans and Collections	Bond Sinking Fund	Economic Opportunities	Public Improvement	Playscape	
Assets						
Cash and cash equivalents	\$ -	\$ 578,299	\$ 41,576	\$ 2,950,595	\$ -	\$ 5,670,850
Receivables						
Taxes	-	3,971	-	-	-	3,971
Accounts	-	-	-	-	-	745,988
Special assessments	-	-	-	-	-	28,075
Accrued interest and other	-	91	22	579	-	1,116
Notes and accrued interest	4,673,041	-	-	-	-	4,673,041
Less allowance for uncollectible accounts	(4,673,041)	-	-	-	-	(4,673,041)
Due from other units of government	-	-	-	-	-	218,446
Total assets	<u>\$ -</u>	<u>\$ 582,361</u>	<u>\$ 41,598</u>	<u>\$ 2,951,174</u>	<u>\$ -</u>	<u>\$ 6,668,446</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ 961	\$ -	\$ -	\$ 79,861
Due to other funds	-	-	-	-	-	302,268
Deposits payable	-	-	-	-	-	62,531
Total liabilities	<u>-</u>	<u>-</u>	<u>961</u>	<u>-</u>	<u>-</u>	<u>444,660</u>
Deferred inflows of resources						
Unavailable revenue	-	3,970	-	1,973,333	-	2,006,872
Fund Balances						
Restricted						
Local Streets	-	-	-	-	-	2,086,133
Solid Waste Management	-	-	-	-	-	370,672
Building Inspection	-	-	-	-	-	2,263
Neighborhood Opportunity	-	-	-	-	-	68,952
Drug Law Enforcement	-	-	-	-	-	92,025
Debt service	-	578,391	-	-	-	578,391
Capital projects	-	-	40,637	-	-	40,637
Assigned to capital projects	-	-	-	977,841	-	977,841
Total fund balances	<u>-</u>	<u>578,391</u>	<u>40,637</u>	<u>977,841</u>	<u>-</u>	<u>4,216,914</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 582,361</u>	<u>\$ 41,598</u>	<u>\$ 2,951,174</u>	<u>\$ -</u>	<u>\$ 6,668,446</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, 2022

	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	-	-	-	801,859	-	-
Federal grants	814	341	462,728	-	-	-
Other state grants	1,393,399	4,092	-	-	-	3,000
Local contributions and donations	132,123	-	-	-	-	-
Charges for services	-	3,375,830	-	12,746	-	-
Fines and forfeitures	21	53,757	-	4,775	-	-
Investment income (loss)	(2,979)	(12)	-	(18)	(344)	315
Other revenue	1,950	4,254	-	87,294	-	-
Total revenues	<u>1,525,328</u>	<u>3,438,262</u>	<u>462,728</u>	<u>906,656</u>	<u>(344)</u>	<u>3,315</u>
Expenditures						
Current						
Public safety	-	-	-	1,090,188	-	4,915
Public works	1,177,171	-	-	-	-	-
Environmental	-	3,267,430	-	-	-	-
Economic development	-	-	274,385	-	138,381	-
Capital outlay	57,123	-	124,530	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>1,234,294</u>	<u>3,267,430</u>	<u>398,915</u>	<u>1,090,188</u>	<u>138,381</u>	<u>4,915</u>
Excess (deficiency) of revenues over expenditures	<u>291,034</u>	<u>170,832</u>	<u>63,813</u>	<u>(183,532)</u>	<u>(138,725)</u>	<u>(1,600)</u>
Other financing sources (uses)						
Transfers in	28,341	78,844	110,739	157,585	-	-
Transfers out	-	(75,956)	(174,552)	-	-	-
Sale of capital assets	-	-	-	-	22,350	-
Total other financing sources and uses	<u>28,341</u>	<u>2,888</u>	<u>(63,813)</u>	<u>157,585</u>	<u>22,350</u>	<u>-</u>
Net change in fund balances	319,375	173,720	-	(25,947)	(116,375)	(1,600)
Fund balances - beginning of year	<u>1,766,758</u>	<u>196,952</u>	<u>-</u>	<u>28,210</u>	<u>185,327</u>	<u>93,625</u>
Fund balances - end 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>

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, 2022

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
	City Loans and Collections	Bond Sinking Fund	Economic Opportunities	Public Improvement	Playscape	
Revenues						
Taxes	\$ -	\$ 263,164	\$ -	\$ -	\$ -	\$ 263,164
Licenses, permits and registration	-	-	-	-	-	801,859
Federal grants	-	-	-	-	-	463,883
Other state grants	-	-	-	-	-	1,400,491
Local contributions and donations	-	97,827	-	-	-	229,950
Charges for services	-	-	1,909	-	-	3,390,485
Fines and forfeitures	-	-	-	-	-	58,553
Investment income (loss)	-	(743)	(184)	(4,778)	-	(8,743)
Other revenue	-	-	8,372	26,667	-	128,537
Total revenues	-	360,248	10,097	21,889	-	6,728,179
Expenditures						
Current						
Public safety	-	-	-	-	-	1,095,103
Public works	-	-	-	39,000	-	1,216,171
Environmental	-	-	-	-	-	3,267,430
Economic development	-	-	78,130	-	-	490,896
Capital outlay	-	-	-	-	-	181,653
Debt service						
Principal retirement	-	168,144	-	-	-	168,144
Interest and fiscal charges	-	47,255	-	-	-	47,255
Total expenditures	-	215,399	78,130	39,000	-	6,466,652
Excess (deficiency) of revenues over expenditures	-	144,849	(68,033)	(17,111)	-	261,527
Other financing sources (uses)						
Transfers in	-	-	-	394,279	-	769,788
Transfers out	-	-	-	(200,000)	-	(450,508)
Sale of capital assets	-	-	-	-	-	22,350
Total other financing sources and uses	-	-	-	194,279	-	341,630
Net change in fund balances	-	144,849	(68,033)	177,168	-	603,157
Fund balances - beginning of year	-	433,542	108,670	800,673	-	3,613,757
Fund balances - end of year	\$ -	\$ 578,391	\$ 40,637	\$ 977,841	\$ -	\$ 4,216,914

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Local Streets Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Federal grants	\$ -	\$ -	\$ 814	\$ 814
Other state grants	1,396,672	1,396,672	1,393,399	(3,273)
Local contributions	-	-	132,123	132,123
Fines and forfeitures	2,668	2,668	21	(2,647)
Investment income	3,000	3,000	(2,979)	(5,979)
Other revenue	700	700	1,950	1,250
Transfers in	28,341	674,788	28,341	(646,447)
Total revenues	1,431,381	2,077,828	1,553,669	(524,159)
Expenditures				
Current				
Public works	1,431,381	1,431,381	1,177,171	(254,210)
Capital outlay	-	646,447	57,123	(589,324)
Total expenditures	1,431,381	2,077,828	1,234,294	(843,534)
Excess of revenues over expenditures	-	-	319,375	319,375
Fund balance - beginning of year	1,766,758	1,766,758	1,766,758	-
Fund balance - end of year	<u>\$ 1,766,758</u>	<u>\$ 1,766,758</u>	<u>\$ 2,086,133</u>	<u>\$ 319,375</u>

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Solid Waste Management Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Federal grants	\$ -	\$ -	\$ 341	\$ 341
Other state grants	4,000	4,000	4,092	92
Charges for services	3,355,634	3,355,634	3,375,830	20,196
Fines and forfeitures	10,000	10,000	53,757	43,757
Investment loss	-	-	(12)	(12)
Other revenue	3,500	3,500	4,254	754
Transfers in	78,844	78,844	78,844	-
Total revenues	<u>3,451,978</u>	<u>3,451,978</u>	<u>3,517,106</u>	<u>65,128</u>
Expenditures				
Current				
Environmental	3,376,022	3,390,474	3,267,430	(123,044)
Transfers out	75,956	75,956	75,956	-
Total expenditures	<u>3,451,978</u>	<u>3,466,430</u>	<u>3,343,386</u>	<u>(123,044)</u>
Excess (deficiency) of revenues over expenditures	-	(14,452)	173,720	188,172
Fund balance - beginning of year	<u>196,952</u>	<u>196,952</u>	<u>196,952</u>	<u>-</u>
Fund balance - end of year	<u>\$ 196,952</u>	<u>\$ 182,500</u>	<u>\$ 370,672</u>	<u>\$ 188,172</u>

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Community Development Block Grant Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Federal grants	\$ 1,932,195	\$ 1,952,195	\$ 462,728	\$ (1,489,467)
Transfers in	96,444	112,244	110,739	(1,505)
Total revenues	<u>2,028,639</u>	<u>2,064,439</u>	<u>573,467</u>	<u>(1,490,972)</u>
Expenditures				
Current				
Economic development	446,597	482,397	274,385	(208,012)
Capital outlay	375,000	375,000	124,530	(250,470)
Debt service				
Principal retirement	250,000	250,000	-	(250,000)
Interest and fiscal charges	9,963	9,963	-	(9,963)
Transfers out	947,079	947,079	174,552	(772,527)
Total expenditures	<u>2,028,639</u>	<u>2,064,439</u>	<u>573,467</u>	<u>(1,490,972)</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
Other Supplementary Information
Budgetary Comparison Schedule
Building Inspection Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Licenses and permits	\$ 986,750	\$ 862,855	\$ 801,859	\$ (60,996)
Fines and forfeitures	6,000	6,000	4,775	(1,225)
Investment income (loss)	-	-	(18)	(18)
Other revenue	135,100	135,100	87,294	(47,806)
Charges for services	10,000	10,000	12,746	2,746
Transfers in	24,331	1,185,481	157,585	(1,027,896)
Total revenues	1,162,181	2,199,436	1,064,241	(1,135,195)
Expenditures				
Current				
Public safety	1,265,896	2,227,646	1,090,188	(1,137,458)
Excess (deficiency) of revenues over expenditures	(103,715)	(28,210)	(25,947)	2,263
Fund balance - beginning of year	28,210	28,210	28,210	-
Fund balance - end of year	<u>\$ (75,505)</u>	<u>\$ -</u>	<u>\$ 2,263</u>	<u>\$ 2,263</u>

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Neighborhood Opportunity Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Investment loss	\$ -	\$ -	\$ (344)	\$ (344)
Other revenue	2,000	23,500	22,350	(1,150)
Total revenues	2,000	23,500	22,006	(1,494)
Expenditures				
Current				
Economic development	2,000	132,127	138,381	6,254
Deficiency of revenues over expenditures	-	(108,627)	(116,375)	(7,748)
Fund balance - beginning of year	185,327	185,327	185,327	-
Fund balance - end of year	<u>\$ 185,327</u>	<u>\$ 76,700</u>	<u>\$ 68,952</u>	<u>\$ (7,748)</u>

City of Bay City
Other Supplementary Information
Budgetary Comparison Schedule
Drug Law Enforcement Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Other state grants	\$ 16,348	\$ 16,348	\$ 3,000	\$ (13,348)
Investment income	1,185	1,185	315	(870)
Total revenues	17,533	17,533	3,315	(14,218)
Expenditures				
Current				
Public safety	9,980	9,980	4,915	(5,065)
Deficiency of revenues over expenditures	7,553	7,553	(1,600)	(9,153)
Fund balance - beginning of year	93,625	93,625	93,625	-
Fund balance - end of year	<u>\$ 101,178</u>	<u>\$ 101,178</u>	<u>\$ 92,025</u>	<u>\$ (9,153)</u>

City of Bay City
Other Supplementary Information
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2022

	Oak Ridge Cemetery	James Clements Airport	Liberty Harbor Marina	Total
Assets				
Current assets				
Cash and investments	\$ 324,598	\$ -	\$ 31,886	\$ 356,484
Accounts receivable, net	6,660	47,119	73	53,852
Accrued interest and other	63	-	5	68
Leases receivable	-	309,608	-	309,608
Due from other units of government	-	13,000	-	13,000
Inventories	-	41,762	-	41,762
Total current assets	<u>331,321</u>	<u>411,489</u>	<u>31,964</u>	<u>774,774</u>
Noncurrent assets				
Restricted assets				
Capital assets not being depreciated	144,898	409,399	-	554,297
Capital assets, net of accumulated depreciation	<u>34,407</u>	<u>1,869,660</u>	<u>1,453,163</u>	<u>3,357,230</u>
Total noncurrent assets	<u>179,305</u>	<u>2,279,059</u>	<u>1,453,163</u>	<u>3,911,527</u>
Total assets	<u>510,626</u>	<u>2,690,548</u>	<u>1,485,127</u>	<u>4,686,301</u>
Deferred Outflows of Resources				
Deferred amount relating to net OPEB liability	-	-	640	640
Liabilities				
Current liabilities				
Accounts payable	5,774	1,784	24,913	32,471
Due to other funds	-	53,209	512	53,721
Deposits	-	15,000	-	15,000
Compensated absences, current	-	-	889	889
Total current liabilities	<u>5,774</u>	<u>69,993</u>	<u>26,314</u>	<u>102,081</u>
Noncurrent liabilities				
Compensated absences, net of current portion	-	-	475	475
Net OPEB liability	-	-	17,020	17,020
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>17,495</u>	<u>17,495</u>
Total liabilities	<u>5,774</u>	<u>69,993</u>	<u>43,809</u>	<u>119,576</u>
Deferred Inflows of Resources				
Deferred amount relating to leases receivable	-	309,608	-	309,608
Net Position				
Investment in capital assets	179,305	2,279,059	1,453,163	3,911,527
Unrestricted (deficit)	<u>325,547</u>	<u>31,888</u>	<u>(11,205)</u>	<u>346,230</u>
Total net position	<u>\$ 504,852</u>	<u>\$ 2,310,947</u>	<u>\$ 1,441,958</u>	<u>\$ 4,257,757</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, 2022

	Oak Ridge Cemetery	James Clements Airport	Liberty Harbor Marina	Total
Operating revenue				
Charges for services				
Sales	\$ 62,841	\$ 76,228	\$ 1,230	\$ 140,299
Rents	-	63,073	128,285	191,358
Other revenue	182	2,227	2,033	4,442
Total operating revenue	63,023	141,528	131,548	336,099
Operating expenses				
Cost of sales and service	138,841	232,400	190,764	562,005
Repairs and maintenance	6,470	-	-	6,470
Depreciation	2,417	149,128	64,427	215,972
Total operating expenses	147,728	381,528	255,191	784,447
Operating loss	(84,705)	(240,000)	(123,643)	(448,348)
Nonoperating revenue (expenses)				
Investment loss	(484)	-	(42)	(526)
Loss before transfers and capital contributions	(85,189)	(240,000)	(123,685)	(448,874)
Capital contributions - federal grants	-	13,410	-	13,410
Transfers in	162,000	115,000	290,606	567,606
Change in net position	76,811	(111,590)	166,921	132,142
Net position - beginning of year	428,041	2,422,537	1,275,037	4,125,615
Net position - end of year	\$ 504,852	\$ 2,310,947	\$ 1,441,958	\$ 4,257,757

City of Bay City
Other Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2022

	Oak Ridge Cemetery	James Clements Airport	Liberty Harbor Marina	Total
Cash flows from operating activities				
Receipts from customers	\$ 62,021	\$ 148,250	\$ 131,519	\$ 341,790
Receipts from other funds	-	-	218	218
Payments to other funds	-	(14,850)	-	(14,850)
Payments to suppliers	(185,062)	(248,810)	(180,104)	(613,976)
Net cash used by operating activities	(123,041)	(115,410)	(48,367)	(286,818)
Cash flows from noncapital financing activities				
Transfer from other funds	162,000	115,000	290,606	567,606
Cash flows from capital and related financing activities				
Purchases/construction of capital assets	-	-	(240,479)	(240,479)
Cash flows from investing activities				
Interest received (paid)	(484)	410	(42)	(116)
Net change in cash and cash equivalents	38,475	-	1,718	40,193
Cash and cash equivalents - beginning of year	286,123	-	30,168	316,291
Cash and cash equivalents - end of year	\$ 324,598	\$ -	\$ 31,886	\$ 356,484

City of Bay City
Other Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2022

	Oak Ridge Cemetery	James Clements Airport	Liberty Harbor Marina	Total
Reconciliation of operating loss to net cash used by operating activities				
Operating loss	\$ (84,705)	\$ (240,000)	\$ (123,643)	\$ (448,348)
Adjustments to reconcile operating loss to net cash used by operating activities				
Depreciation and amortization expense	2,417	149,128	64,427	215,972
Changes in assets and liabilities				
Receivables (net)	(1,002)	6,722	(29)	5,691
Inventories	-	(20,067)	-	(20,067)
Prepaid items	-	27	-	27
Accounts payable	(39,751)	(620)	13,743	(26,628)
Due to other funds	-	(14,850)	64	(14,786)
Deposits payable	-	4,250	-	4,250
Compensated absences	-	-	154	154
Net OPEB liability and related deferrals	-	-	(3,083)	(3,083)
Net cash used by operating activities	<u>\$ (123,041)</u>	<u>\$ (115,410)</u>	<u>\$ (48,367)</u>	<u>\$ (286,818)</u>

City of Bay City
Other Supplementary Information
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Motor Equipment Revolving	Information Systems	Property/ Liability Self- Insurance	Site Remediation	Benefits Program	Security Cameras	DPW Building	Total
Assets								
Current assets								
Cash and investments	\$ 6,095,637	\$ 677,361	\$ 1,757,333	\$ 636,810	\$ 4,091,597	\$ 124,646	\$ 12,572,842	\$ 25,956,226
Accounts receivable, net	-	-	31,101	33,504	960	-	-	65,565
Accrued interest and other	1,162	131	332	26	833	33	738	3,255
Due from other units of government	145,469	-	-	-	-	-	-	145,469
Due from other funds	-	-	-	-	272,464	-	-	272,464
Inventories	206,742	27,169	-	-	-	-	-	233,911
Prepaid items	-	-	-	-	517,652	-	-	517,652
Deposits	-	-	841,825	-	87,000	-	-	928,825
Total current assets	<u>6,449,010</u>	<u>704,661</u>	<u>2,630,591</u>	<u>670,340</u>	<u>4,970,506</u>	<u>124,679</u>	<u>12,573,580</u>	<u>28,123,367</u>
Noncurrent assets								
Capital assets not being depreciated	-	-	-	-	-	-	5,247,203	5,247,203
Capital assets, net of accumulated depreciation	<u>9,152,138</u>	<u>366,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,841</u>	<u>1,619,457</u>	<u>11,338,106</u>
Total noncurrent assets	<u>9,152,138</u>	<u>366,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,841</u>	<u>6,866,660</u>	<u>16,585,309</u>
Total assets	<u>15,601,148</u>	<u>1,071,331</u>	<u>2,630,591</u>	<u>670,340</u>	<u>4,970,506</u>	<u>324,520</u>	<u>19,440,240</u>	<u>44,708,676</u>
Deferred Outflows of Resources								
Deferred amount relating to net pension liability - MERS	-	70,735	-	-	-	-	-	70,735
Deferred amount relating to net OPEB liability	<u>31,347</u>	<u>31,987</u>	<u>-</u>	<u>-</u>	<u>3,954</u>	<u>-</u>	<u>-</u>	<u>67,288</u>
Total deferred outflows of resources	<u>31,347</u>	<u>102,722</u>	<u>-</u>	<u>-</u>	<u>3,954</u>	<u>-</u>	<u>-</u>	<u>138,023</u>

City of Bay City
Other Supplementary Information
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Motor Equipment Revolving	Information Systems	Property/ Liability Self- Insurance	Site Remediation	Benefits Program	Security Cameras	DPW Building	Total
Liabilities								
Current liabilities								
Accounts payable	\$ 190,756	\$ 4,862	\$ 39,923	\$ 25,946	\$ 114,043	\$ -	\$ 1,492,238	\$ 1,867,768
Accrued and other liabilities	14,733	-	-	-	-	-	-	14,733
Due to other funds	32,473	18,920	-	-	4,617	-	-	56,010
Due to other units of government	-	-	-	-	2,327	-	-	2,327
Current portion of long-term debt	70,850	-	-	-	-	-	-	70,850
Claims payable	-	-	553,738	-	761,312	-	-	1,315,050
Compensated absences, current	55,087	47,513	-	-	-	-	-	102,600
Advances from other funds	-	-	-	-	-	-	197,000	197,000
Total current liabilities	<u>363,899</u>	<u>71,295</u>	<u>593,661</u>	<u>25,946</u>	<u>882,299</u>	<u>-</u>	<u>1,689,238</u>	<u>3,626,338</u>
Noncurrent liabilities								
Long-term debt, net of current portion	393,693	-	-	-	-	-	14,852,212	15,245,905
Accrued interest payable	-	-	-	-	-	-	118,029	118,029
Advances from other funds	-	-	-	-	-	-	1,763,588	1,763,588
Compensated absences, net of current portion	46,337	62,250	-	-	5,328	-	-	113,915
Net pension liability - MERS	-	32,648	-	-	-	-	-	32,648
Net OPEB liability	833,988	851,008	-	-	105,188	-	-	1,790,184
Total noncurrent liabilities	<u>1,274,018</u>	<u>945,906</u>	<u>-</u>	<u>-</u>	<u>110,516</u>	<u>-</u>	<u>16,733,829</u>	<u>19,064,269</u>
Total liabilities	<u>1,637,917</u>	<u>1,017,201</u>	<u>593,661</u>	<u>25,946</u>	<u>992,815</u>	<u>-</u>	<u>18,423,067</u>	<u>22,690,607</u>
Deferred Inflows of Resources								
Deferred amount relating to net pension liability - MERS	-	247,685	-	-	-	-	-	247,685
Net Position								
Net investment in capital assets	8,687,595	366,670	-	-	-	199,841	(7,985,552)	1,268,554
Unrestricted (deficit)	5,306,983	(457,503)	2,036,930	644,394	3,981,645	124,679	9,002,725	20,639,853
Total net position	<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>

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, 2022

	Motor Equipment Revolving	Information Systems	Property/ Liability Self- Insurance	Site Remediation	Benefits Program	Security Cameras	DPW Building	Total
Operating revenue								
Charges for services	\$ 5,005,491	\$ 1,447,667	\$ 1,049,659	\$ -	\$ 9,300,384	\$ -	\$ -	\$ 16,803,201
Rental income	-	-	-	-	-	-	725,000	725,000
Other revenue	174,761	-	135,042	65,676	104,303	-	-	479,782
Total operating revenue	5,180,252	1,447,667	1,184,701	65,676	9,404,687	-	725,000	18,007,983
Operating expenses								
Administration	-	-	131,327	-	228,579	-	-	359,906
Cost of sales and service	2,476,735	980,765	-	152,539	36,091	-	135,892	3,782,022
Claims and benefits	-	-	976,390	-	7,859,610	-	-	8,836,000
Repairs and maintenance	-	-	-	-	-	-	892	892
Other expenses	-	-	-	-	-	-	4,684	4,684
Depreciation	925,059	147,419	-	-	-	11,640	38,141	1,122,259
Total operating expenses	3,401,794	1,128,184	1,107,717	152,539	8,124,280	11,640	179,609	14,105,763
Operating income (loss)	1,778,458	319,483	76,984	(86,863)	1,280,407	(11,640)	545,391	3,902,220
Nonoperating revenue (expenses)								
Investment loss	(26,065)	(1,021)	(2,747)	(214)	(6,873)	(274)	(6,127)	(43,321)
Gain on sale of assets	29,922	-	-	-	-	-	-	29,922
Bond issuance costs	-	-	-	-	-	-	(338,511)	(338,511)
Interest expense	(16,697)	-	-	-	-	-	(118,029)	(134,726)
Total nonoperating revenues (expenses)	(12,840)	(1,021)	(2,747)	(214)	(6,873)	(274)	(462,667)	(486,636)
Income (loss) before transfers and capital contributions	1,765,618	318,462	74,237	(87,077)	1,273,534	(11,914)	82,724	3,415,584
Capital contributions - federal grants	265	-	-	-	-	-	-	265
Transfers in	47,276	114,663	-	651,912	7,052	-	-	820,903
Transfers out	-	-	-	-	(1,574,630)	-	-	(1,574,630)
Change in net position	1,813,159	433,125	74,237	564,835	(294,044)	(11,914)	82,724	2,662,122
Net position - beginning of year	12,181,419	(523,958)	1,962,693	79,559	4,275,689	336,434	934,449	19,246,285
Net position - end of year	\$ 13,994,578	\$ (90,833)	\$ 2,036,930	\$ 644,394	\$ 3,981,645	\$ 324,520	\$ 1,017,173	\$ 21,908,407

City of Bay City
Other Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	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	\$ 174,761	\$ 141	\$ 135,367	\$ 46,049	\$ 106,205	\$ 118	\$ 1,465,502	\$ 1,928,143
Receipts from interfund users	5,050,291	1,447,667	947,396	-	9,300,384	-	725,000	17,470,738
Receipts from other funds	32,473	756	-	-	-	-	-	33,229
Payments to other funds	-	-	-	-	(31,372)	-	(99,948)	(131,320)
Payments to suppliers	(2,478,288)	(993,506)	(742,225)	(173,731)	(911,128)	(33)	-	(5,298,911)
Payments to employees	(394,700)	(287,550)	(131,327)	-	(8,102,839)	-	(141,468)	(9,057,884)
Net cash provided (used) by operating activities	<u>2,384,537</u>	<u>167,508</u>	<u>209,211</u>	<u>(127,682)</u>	<u>361,250</u>	<u>85</u>	<u>1,949,086</u>	<u>4,943,995</u>
Cash flows from noncapital financing activities								
Transfer from other funds	47,276	114,663	-	651,912	7,052	-	-	820,903
Transfers to other funds	-	-	-	-	(1,574,630)	-	-	(1,574,630)
Net cash provided (used) by noncapital financing activities	<u>47,276</u>	<u>114,663</u>	<u>-</u>	<u>651,912</u>	<u>(1,567,578)</u>	<u>-</u>	<u>-</u>	<u>(753,727)</u>
Cash flows from capital and related financing activities								
Proceeds from capital debt	-	-	-	-	-	-	14,500,000	14,500,000
Capital contributions - federal grants	265	-	-	-	-	-	-	265
Purchases/construction of capital assets	(1,195,114)	(129,744)	-	-	-	(47,716)	(4,311,015)	(5,683,589)
Principal and interest paid on long-term debt	(85,123)	-	-	-	-	-	(338,511)	(423,634)
Proceeds from sale of capital assets	<u>29,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,922</u>
Net cash provided (used) by capital and related financing activities	<u>(1,250,050)</u>	<u>(129,744)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,716)</u>	<u>9,850,474</u>	<u>8,422,964</u>
Cash flows from investing activities								
Interest paid	<u>(26,065)</u>	<u>(1,021)</u>	<u>(33,848)</u>	<u>(214)</u>	<u>(146,759)</u>	<u>(302)</u>	<u>(124,156)</u>	<u>(332,365)</u>
Net change in cash and cash equivalents	1,155,698	151,406	175,363	524,016	(1,353,087)	(47,933)	11,675,404	12,280,867
Cash and cash equivalents - beginning of year	<u>4,939,939</u>	<u>525,955</u>	<u>1,581,970</u>	<u>112,794</u>	<u>5,444,684</u>	<u>172,579</u>	<u>897,438</u>	<u>13,675,359</u>
Cash and cash equivalents - end of year	<u>\$ 6,095,637</u>	<u>\$ 677,361</u>	<u>\$ 1,757,333</u>	<u>\$ 636,810</u>	<u>\$ 4,091,597</u>	<u>\$ 124,646</u>	<u>\$ 12,572,842</u>	<u>\$ 25,956,226</u>

City of Bay City
Other Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	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)	\$ 1,778,458	\$ 319,483	\$ 76,984	\$ (86,863)	\$ 1,280,407	\$ (11,640)	\$ 545,391	\$ 3,902,220
Adjustments to reconcile operating income (loss) to net cash from (used by) operating activities								
Depreciation and amortization expense	925,059	147,419	-	-	-	11,640	38,141	1,122,259
Changes in assets and liabilities								
Receivables (net)	1,153	141	325	(19,627)	1,902	85	(738)	(16,759)
Due from other units of government	43,647	-	-	-	-	-	-	43,647
Due from other funds	-	-	-	-	(30,350)	-	-	(30,350)
Deposits	-	-	(102,263)	-	-	-	-	(102,263)
Inventories	(82,563)	(8,371)	-	-	-	-	-	(90,934)
Prepaid items	-	-	-	-	(363,769)	-	-	(363,769)
Accounts payable	109,343	(4,370)	30,975	(21,192)	(456,843)	-	1,466,240	1,124,153
Accrued and other liabilities	(2,170)	-	-	-	-	-	-	(2,170)
Due to other funds	6,310	756	-	-	(1,022)	-	(99,948)	(93,904)
Due to other units of government	-	-	-	-	1	-	-	1
Claims payable	-	-	203,190	-	(174,986)	-	-	28,204
Net pension liability and related deferrals	-	(223,207)	-	-	-	-	-	(223,207)
Net OPEB liability and related deferrals	(396,424)	(51,801)	-	-	120,560	-	-	(327,665)
Compensated absences	1,724	(12,542)	-	-	(14,650)	-	-	(25,468)
Net cash provided (used) by operating activities	<u>\$ 2,384,537</u>	<u>\$ 167,508</u>	<u>\$ 209,211</u>	<u>\$ (127,682)</u>	<u>\$ 361,250</u>	<u>\$ 85</u>	<u>\$ 1,949,086</u>	<u>\$ 4,943,995</u>

City of Bay City
Other Supplementary Information
Combining Statement of Fiduciary Net Position
June 30, 2022

	Police & Fire Pension Trust Fund	Health Care Trust Fund	Total
Assets			
Cash and cash equivalents	\$ 713,443	\$ 227,470	\$ 940,913
Investments, at fair value			
Fixed income	11,100,154	-	11,100,154
Equities	33,094,903	29,883,993	62,978,896
Other investments	6,413,809	-	6,413,809
Accounts receivable	192,401	-	192,401
Interest receivable	73,665	5,217	78,882
Total assets	<u>51,588,375</u>	<u>30,116,680</u>	<u>81,705,055</u>
Liabilities			
Accounts payable	<u>47,588</u>	<u>5,619</u>	<u>53,207</u>
Net Position			
Restricted for employees' pension benefits	51,540,787	-	51,540,787
Restricted for postemployment health care benefits	<u>-</u>	<u>30,111,061</u>	<u>30,111,061</u>
Total net position	<u>\$ 51,540,787</u>	<u>\$ 30,111,061</u>	<u>\$ 81,651,848</u>

City of Bay City
Other Supplementary Information
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Police & Fire Pension Trust Fund	Health Care Trust Fund	Total
Additions			
Contributions			
Employer	\$ 1,907,561	\$ 5,726,048	\$ 7,633,609
Plan members	506,341	331,595	837,936
Total contributions	<u>2,413,902</u>	<u>6,057,643</u>	<u>8,471,545</u>
Investment income (loss)			
Interest and dividends	1,141,786	-	1,141,786
Net depreciation in fair value of investments	(7,074,871)	(3,388,488)	(10,463,359)
Other investment income	341,395	-	341,395
Investment expense	(130,106)	-	(130,106)
Net investment loss	<u>(5,721,796)</u>	<u>(3,388,488)</u>	<u>(9,110,284)</u>
Total additions	<u>(3,307,894)</u>	<u>2,669,155</u>	<u>(638,739)</u>
Deductions			
Retiree healthcare premiums payments	-	5,924,811	5,924,811
Benefits and refunds paid to participants	6,450,549	11,700	6,462,249
Administrative expenses	186,845	80,809	267,654
Total deductions	<u>6,637,394</u>	<u>6,017,320</u>	<u>12,654,714</u>
Change in net position	(9,945,288)	(3,348,165)	(13,293,453)
Net position - beginning of year	<u>61,486,075</u>	<u>33,459,226</u>	<u>94,945,301</u>
Net position - end of year	<u>\$ 51,540,787</u>	<u>\$ 30,111,061</u>	<u>\$ 81,651,848</u>

City of Bay City
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Units
June 30, 2022

	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	\$ 59,532	\$ -	\$ 59,532	\$ 168,076	\$ -	\$ 168,076	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Equity in pooled cash and investments	-	-	-	-	-	-	-	-	-
Receivables:									
Taxes, net	673	-	673	-	-	-	-	-	-
Customers	66,650	-	66,650	-	-	-	-	-	-
Accrued interest and other	9	-	9	25	-	25	-	-	-
Due from other units of government	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Net OPEB asset	-	-	-	-	-	-	-	-	-
Capital assets not being depreciated	-	-	-	-	24,000	24,000	-	-	-
Capital assets being depreciated, net	-	172,979	172,979	-	712,702	712,702	-	10,433	10,433
Restricted assets	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-	-	-	-
Total assets	<u>126,864</u>	<u>172,979</u>	<u>299,843</u>	<u>168,101</u>	<u>736,702</u>	<u>904,803</u>	<u>-</u>	<u>10,433</u>	<u>10,433</u>
Deferred outflows of resources									
Deferred loss on refunding	-	-	-	-	29,937	29,937	-	-	-
Deferred amount relating to net OPEB asset	-	-	-	-	-	-	-	-	-
Deferred amount on special assessments	-	702	702	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>702</u>	<u>702</u>	<u>-</u>	<u>29,937</u>	<u>29,937</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities									
Accounts payable	\$ 9,149	\$ -	\$ 9,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued and other liabilities	-	-	-	-	3,702	3,702	-	-	-
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	-	-	-	-	63,407	63,407	-	-	-
Due in more than one year	-	-	-	-	569,110	569,110	-	-	-
Net pension liability due in more than one year	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Deferred inflows of resources									
Unavailable revenue - delinquent property taxes	670	(670)	-	-	-	-	-	-	-
Fund Balances									
Non-spendable									
Inventory	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Committed for community and economic development	-	-	-	-	-	-	-	-	-
Unassigned	117,045	(117,045)	-	168,101	(168,101)	-	-	-	-
Total fund balances	<u>117,045</u>	<u>(117,045)</u>	<u>-</u>	<u>168,101</u>	<u>(168,101)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 126,864</u>			<u>\$ 168,101</u>			<u>\$ -</u>		
Net Position									
Net investment in capital assets		172,979	172,979		134,122	134,122		10,433	10,433
Restricted		-	-		-	-		-	-
Unrestricted (deficit)		118,417	118,417		164,399	164,399		-	-
Total net position		<u>\$ 291,396</u>	<u>\$ 291,396</u>		<u>\$ 298,521</u>	<u>\$ 298,521</u>		<u>\$ 10,433</u>	<u>\$ 10,433</u>

City of Bay City
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Units
June 30, 2022

	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	\$ 1,141,687	\$ -	\$ 1,141,687	\$ 321,718	\$ -	\$ 321,718	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Equity in pooled cash and investments	-	-	-	-	-	-	-	-	-
Receivables:									
Taxes, net	-	-	-	-	-	-	-	-	-
Customers	-	-	-	-	-	-	-	-	-
Accrued interest and other	361	-	361	42	-	42	-	-	-
Due from other units of government	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Net OPEB asset	-	-	-	-	-	-	-	-	-
Capital assets not being depreciated	-	30,136	30,136	-	-	-	-	-	-
Capital assets being depreciated, net	-	442,145	442,145	-	815,344	815,344	-	261,779	261,779
Restricted assets									
Cash and cash equivalents	-	-	-	-	-	-	-	-	-
Total assets	<u>1,142,048</u>	<u>472,281</u>	<u>1,614,329</u>	<u>321,760</u>	<u>815,344</u>	<u>1,137,104</u>	<u>-</u>	<u>261,779</u>	<u>261,779</u>
Deferred outflows of resources									
Deferred loss on refunding	-	-	-	-	-	-	-	-	-
Deferred amount relating to net OPEB asset	-	-	-	-	-	-	-	-	-
Deferred amount on special assessments	-	-	-	-	-	-	-	-	-
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	\$ -	\$ -	\$ -	\$ 244	\$ -	\$ 244	\$ -	\$ -	\$ -
Accrued and other liabilities	476	-	476	-	10,350	10,350	-	-	-
Due to primary government	2,026	-	2,026	-	-	-	-	-	-
Due to other units of government	-	-	-	-	-	-	-	-	-
Long-term debt:									
Compensated absences, current	-	8,078	8,078	-	-	-	-	-	-
Compensated absences, net	-	15,447	15,447	-	-	-	-	-	-
Due within one year	-	-	-	-	230,000	230,000	-	-	-
Due in more than one year	-	-	-	-	835,123	835,123	-	-	-
Net pension liability due in more than one year	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Deferred inflows of resources									
Unavailable revenue - delinquent property taxes	-	-	-	-	-	-	-	-	-
Fund Balances									
Non-spendable									
Inventory	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Committed for community and economic development	-	-	-	-	-	-	-	-	-
Unassigned	<u>1,139,546</u>	<u>(1,139,546)</u>	<u>-</u>	<u>321,516</u>	<u>(321,516)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,139,546</u>	<u>(1,139,546)</u>	<u>-</u>	<u>321,516</u>	<u>(321,516)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,142,048</u>			<u>\$ 321,760</u>			<u>\$ -</u>		
Net Position									
Net investment in capital assets		472,281	472,281		815,344	815,344		261,779	261,779
Restricted		-	-		-	-		-	-
Unrestricted (deficit)		<u>1,116,021</u>	<u>1,116,021</u>		<u>(753,957)</u>	<u>(753,957)</u>		<u>-</u>	<u>-</u>
Total net position		<u>\$ 1,588,302</u>	<u>\$ 1,588,302</u>		<u>\$ 61,387</u>	<u>\$ 61,387</u>		<u>\$ 261,779</u>	<u>\$ 261,779</u>

City of Bay City
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Units
June 30, 2022

	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	\$ -	\$ -	\$ -	\$ 4,913,726	\$ -	\$ 4,913,726	\$ 15,689	\$ -	\$ 15,689
Investments	-	-	-	-	-	-	-	-	-
Equity in pooled cash and investments	-	-	-	105,420	-	105,420	-	-	-
Receivables:									
Taxes, net	-	-	-	-	-	-	-	-	-
Customers	-	-	-	-	-	-	-	-	-
Accrued interest and other	-	-	-	1,216	-	1,216	2	-	2
Due from other units of government	-	-	-	3,047	-	3,047	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Net OPEB asset	-	-	-	-	-	-	-	-	-
Capital assets not being depreciated	-	-	-	-	12,930,340	12,930,340	-	-	-
Capital assets being depreciated, net	-	107,437	107,437	-	5,442,330	5,442,330	-	-	-
Restricted assets									
Cash and cash equivalents	-	-	-	-	-	-	-	-	-
Total assets	-	107,437	107,437	5,023,409	18,372,670	23,396,079	15,691	-	15,691
Deferred outflows of resources									
Deferred loss on refunding	-	-	-	-	1,661,163	1,661,163	-	-	-
Deferred amount relating to net OPEB asset	-	-	-	-	-	-	-	-	-
Deferred amount on special assessments	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	1,661,163	1,661,163	-	-	-
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ 305,942	\$ -	\$ 305,942	\$ 707	\$ -	\$ 707
Accrued and other liabilities	-	-	-	-	206,432	206,432	-	-	-
Due to primary government	-	-	-	1,757	-	1,757	-	-	-
Due to other units of government	-	-	-	15,059	-	15,059	-	-	-
Long-term debt:									
Compensated absences, current	-	-	-	-	3,512	3,512	-	-	-
Compensated absences, net	-	-	-	-	-	-	-	-	-
Due within one year	-	-	-	-	445,000	445,000	-	-	-
Due in more than one year	-	-	-	-	23,621,892	23,621,892	-	-	-
Net pension liability due in more than one year	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Deferred inflows of resources									
Unavailable revenue - delinquent property taxes	-	-	-	-	-	-	-	-	-
Fund Balances									
Non-spendable									
Inventory	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Committed for community and economic development	-	-	-	4,312,569	(4,312,569)	-	-	-	-
Unassigned	-	-	-	388,082	(388,082)	-	14,984	(14,984)	-
Total fund balances	-	-	-	4,700,651	(4,700,651)	-	14,984	(14,984)	-
Total liabilities and fund balances	\$ -			\$ 5,023,409			\$ 15,691		
Net Position									
Net investment in capital assets		107,437	107,437		(2,459,529)	(2,459,529)		-	-
Restricted		-	-		-	-		-	-
Unrestricted (deficit)		-	-		2,917,177	2,917,177		14,984	14,984
Total net position		\$ 107,437	\$ 107,437		\$ 457,648	\$ 457,648		\$ 14,984	\$ 14,984

City of Bay City
Other Supplementary Information
Statement of Net Position and Governmental Fund Balance Sheet
Component Units
June 30, 2021

	Midland Street Downtown 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	\$ 129,669	\$ -	\$ 129,669	\$ 178,246	\$ -	\$ 178,246	\$ 5,126,811	\$ -	\$ 5,126,811
Investments	-	-	-	-	-	-	24,374	-	24,374
Equity in pooled cash and investments	-	-	-	-	-	-	-	-	-
Receivables:									
Taxes, net	-	-	-	-	-	-	-	-	-
Customers	-	-	-	-	-	-	84,332	-	84,332
Accrued interest and other	25	-	25	-	-	-	-	-	-
Due from other units of government	-	-	-	100,498	-	100,498	-	-	-
Inventories	-	-	-	-	-	-	42,173	-	42,173
Prepaid items	-	-	-	-	-	-	123,646	-	123,646
Net OPEB asset	-	-	-	-	-	-	2,040,143	-	2,040,143
Capital assets not being depreciated	-	-	-	-	-	-	2,227,195	-	2,227,195
Capital assets being depreciated, net	-	-	-	-	-	-	3,784,013	-	3,784,013
Restricted assets									
Cash and cash equivalents	-	-	-	-	-	-	3,202,225	-	3,202,225
Total assets	<u>129,694</u>	<u>-</u>	<u>129,694</u>	<u>278,744</u>	<u>-</u>	<u>278,744</u>	<u>16,654,912</u>	<u>-</u>	<u>16,654,912</u>
Deferred outflows of resources									
Deferred loss on refunding	-	-	-	-	-	-	-	-	-
Deferred amount relating to net OPEB asset	-	-	-	-	-	-	49,836	-	49,836
Deferred amount on special assessments	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,836</u>	<u>-</u>	<u>49,836</u>
Liabilities									
Accounts payable	\$ 357	\$ -	\$ 357	\$ 3,968	\$ -	\$ 3,968	\$ 342,792	\$ -	\$ 342,792
Accrued and other liabilities	-	-	-	1,680	-	1,680	254,318	-	254,318
Due to primary government	-	-	-	-	-	-	-	-	-
Due to other units of government	-	-	-	-	-	-	-	-	-
Long-term debt:									
Compensated absences, current	-	-	-	-	-	-	-	-	-
Compensated absences, net	-	-	-	-	-	-	188,437	-	188,437
Due within one year	-	-	-	-	-	-	-	-	-
Due in more than one year	-	-	-	-	-	-	-	-	-
Net pension liability due in more than one year	-	-	-	-	-	-	139,815	-	139,815
Unearned revenue	-	-	-	36,520	-	36,520	16,164	-	16,164
Deferred inflows of resources									
Unavailable revenue - delinquent property taxes	-	-	-	-	-	-	260,971	-	260,971
Fund Balances									
Non-spendable									
Inventory	-	-	-	-	-	-	42,173	(42,173)	-
Prepaid items	-	-	-	-	-	-	123,646	(123,646)	-
Committed for community and economic development	-	-	-	-	-	-	-	-	-
Unassigned	<u>129,337</u>	<u>(129,337)</u>	<u>-</u>	<u>236,576</u>	<u>(236,576)</u>	<u>-</u>	<u>15,336,432</u>	<u>(15,336,432)</u>	<u>-</u>
Total fund balances	<u>129,337</u>	<u>(129,337)</u>	<u>-</u>	<u>236,576</u>	<u>(236,576)</u>	<u>-</u>	<u>15,502,251</u>	<u>(15,502,251)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 129,694</u>			<u>\$ 278,744</u>			<u>\$ 16,704,748</u>		
Net Position									
Net investment in capital assets		-	-		-	-		6,011,208	6,011,208
Restricted		-	-		-	-		3,202,225	3,202,225
Unrestricted (deficit)		<u>129,337</u>	<u>129,337</u>		<u>236,576</u>	<u>236,576</u>		<u>6,288,818</u>	<u>6,288,818</u>
Total net position		<u>\$ 129,337</u>	<u>\$ 129,337</u>		<u>\$ 236,576</u>	<u>\$ 236,576</u>		<u>\$ 15,502,251</u>	<u>\$ 15,502,251</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, 2022

	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	\$ -	\$ -	\$ -	\$ 104,265	\$ -	\$ 104,265
Special assessments	110,949	(33)	110,916	-	-	-
Other state grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income (loss)	(74)	-	(74)	(204)	-	(204)
Rental income	43,170	-	43,170	-	-	-
Other revenue	106,150	-	106,150	-	-	-
Total revenues	<u>260,195</u>	<u>(33)</u>	<u>260,162</u>	<u>104,061</u>	<u>-</u>	<u>104,061</u>
Expenditures						
Current						
Economic development	83,330	-	83,330	5,447	3,326	8,773
Capital outlay	93,650	(93,650)	-	-	-	-
Depreciation	-	10,358	10,358	-	79,398	79,398
Debt service						
Principal retirement	-	-	-	61,860	(61,860)	-
Interest and fiscal charges	-	-	-	15,525	(362)	15,163
Total expenditures / expense	<u>176,980</u>	<u>(83,292)</u>	<u>93,688</u>	<u>82,832</u>	<u>20,502</u>	<u>103,334</u>
Excess (deficiency) of revenues over expenditures / expense	83,215	83,259	166,474	21,229	(20,502)	727
Fund balances / net position - beginning of year	<u>33,830</u>	<u>91,092</u>	<u>124,922</u>	<u>146,872</u>	<u>150,922</u>	<u>297,794</u>
Fund balances / net position - end 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>

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, 2022

	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	\$ -	\$ -	\$ -	\$ 196,399	\$ -	\$ 196,399
Special assessments	-	-	-	-	-	-
Other state grants	-	-	-	237,947	-	237,947
Charges for services	-	-	-	2,887	-	2,887
Investment income (loss)	-	-	-	(2,973)	-	(2,973)
Rental income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	-	-	434,260	-	434,260
Expenditures						
Current						
Economic development	-	-	-	1,126,321	1,480	1,127,801
Capital outlay	-	-	-	-	-	-
Depreciation	-	912	912	-	106,955	106,955
Debt service	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures / expense	-	912	912	1,126,321	108,435	1,234,756
Excess (deficiency) of revenues over expenditures / expense	-	(912)	(912)	(692,061)	(108,435)	(800,496)
Fund balances / net position - beginning of year	-	11,345	11,345	1,831,607	557,191	2,388,798
Fund balances / net position - end of year	\$ -	\$ 10,433	\$ 10,433	\$ 1,139,546	\$ 448,756	\$ 1,588,302

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, 2022

	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	\$ 323,630	\$ -	\$ 323,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income (loss)	(344)	-	(344)	-	-	-	-	-	-
Other revenue	11,804	-	11,804	-	-	-	-	-	-
Total revenues	<u>335,090</u>	<u>-</u>	<u>335,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures									
Current									
Community and economic development	10,479	(10,041)	438	-	-	-	-	-	-
Depreciation	-	133,192	133,192	-	18,745	18,745	-	3,599	3,599
Debt service									
Principal retirement	110,000	(110,000)	-	-	-	-	-	-	-
Interest and fiscal charges	<u>43,710</u>	<u>(578)</u>	<u>43,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures / expense	<u>164,189</u>	<u>12,573</u>	<u>176,762</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	170,901	(12,573)	158,328	-	(18,745)	(18,745)	-	(3,599)	(3,599)
Fund balances (deficits) / net position - beginning of year	<u>150,615</u>	<u>(247,556)</u>	<u>(96,941)</u>	<u>-</u>	<u>280,524</u>	<u>280,524</u>	<u>-</u>	<u>111,036</u>	<u>111,036</u>
Fund balances (deficits) / net position - end 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>

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, 2022

	Brownfield Redevelopment Authority		
	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Revenues			
Tax increment	\$ 2,371,028	\$ -	\$ 2,371,028
Other state grants	35,224	-	35,224
Local contributions	173,143	-	173,143
Investment income (loss)	(6,772)	-	(6,772)
Total revenues	<u>2,572,623</u>	<u>-</u>	<u>2,572,623</u>
Expenditures			
Current			
Economic development	459,171	(197)	458,974
Depreciation	-	404,758	404,758
Capital outlay	3,508,108	(3,508,108)	-
Debt service			
Principal retirement	405,000	(405,000)	-
Interest and fiscal charges	<u>836,309</u>	<u>48,221</u>	<u>884,530</u>
Total expenditures / expenses	<u>5,208,588</u>	<u>(3,460,326)</u>	<u>1,748,262</u>
Excess (deficiency) of revenues over expenditures / expenses	(2,635,965)	3,460,326	824,361
Fund balance / net position - beginning of year	<u>7,336,616</u>	<u>(7,703,329)</u>	<u>(366,713)</u>
Fund balance / net position - end of year	<u>\$ 4,700,651</u>	<u>\$ (4,243,003)</u>	<u>\$ 457,648</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, 2022

	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	13,120	-	13,120	25,190	-	25,190
Other state grants	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Local contribution	-	-	-	-	-	-
Investment income (loss)	(21)	-	(21)	(203)	-	(203)
Rental income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>13,099</u>	<u>-</u>	<u>13,099</u>	<u>24,987</u>	<u>-</u>	<u>24,987</u>
Expenditures						
Current						
Economic development	10,241	-	10,241	7,858	-	7,858
Depreciation	-	-	-	-	-	-
Total expenditures / expense	<u>10,241</u>	<u>-</u>	<u>10,241</u>	<u>7,858</u>	<u>-</u>	<u>7,858</u>
Excess of revenues over expenditures / expense	2,858	-	2,858	17,129	-	17,129
Fund balances / net position - beginning of year	<u>12,126</u>	<u>-</u>	<u>12,126</u>	<u>112,208</u>	<u>-</u>	<u>112,208</u>
Fund balances / net position - end of year	<u>\$ 14,984</u>	<u>\$ -</u>	<u>\$ 14,984</u>	<u>\$ 129,337</u>	<u>\$ -</u>	<u>\$ 129,337</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, 2022

	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	\$ 132,351	\$ -	\$ 132,351	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Other state grants	-	-	-	2,708,244	-	2,708,244
Charges for services	92,490	-	92,490	-	-	-
Local contribution	37,176	-	37,176	-	-	-
Investment income (loss)	11	-	11	45,697	-	45,697
Rental income	-	-	-	1,823,634	-	1,823,634
Other revenue	25,253	-	25,253	449,874	-	449,874
Total revenues	<u>287,281</u>	<u>-</u>	<u>287,281</u>	<u>5,027,449</u>	<u>-</u>	<u>5,027,449</u>
Expenditures						
Current						
Economic development	227,324	-	227,324	2,054,950	-	2,054,950
Depreciation	-	-	-	603,743	-	603,743
Total expenditures / expense	<u>227,324</u>	<u>-</u>	<u>227,324</u>	<u>2,658,693</u>	<u>-</u>	<u>2,658,693</u>
Excess (deficiency) of revenues over expenditures / expense	59,957	-	59,957	2,368,756	-	2,368,756
Fund balances / net position - beginning of year	<u>176,619</u>	<u>-</u>	<u>176,619</u>	<u>13,133,495</u>	<u>-</u>	<u>13,133,495</u>
Fund balances / net position - end of year	<u>\$ 236,576</u>	<u>\$ -</u>	<u>\$ 236,576</u>	<u>\$ 15,502,251</u>	<u>\$ -</u>	<u>\$ 15,502,251</u>

City of Bay City
Other Supplementary Information
Combining Balance Sheet
Brownfield Redevelopment Authority Component Unit
June 30, 2022

	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	\$ 686,328	\$ 492,954	\$ 3,676,771	\$ 57,673	\$ 4,913,726
Equity in pooled cash and investments	-	-	105,420	-	105,420
Accrued interest and other	86	165	939	26	1,216
Due from other units of government	3,047	-	-	-	3,047
Advances to other funds	-	281,884	-	-	281,884
Total assets	<u>\$ 689,461</u>	<u>\$ 775,003</u>	<u>\$ 3,783,130</u>	<u>\$ 57,699</u>	<u>\$ 5,305,293</u>
Liabilities					
Accounts payable	\$ 2,679	\$ -	\$ 303,263	\$ -	\$ 305,942
Advances from other funds	281,884	-	-	-	281,884
Due to primary government	1,757	-	-	-	1,757
Due to other units of government	15,059	-	-	-	15,059
Total liabilities	<u>301,379</u>	<u>-</u>	<u>303,263</u>	<u>-</u>	<u>604,642</u>
Fund Balances					
Committed	-	775,003	3,479,867	57,699	4,312,569
Unassigned	388,082	-	-	-	388,082
Total fund balances	<u>388,082</u>	<u>775,003</u>	<u>3,479,867</u>	<u>57,699</u>	<u>4,700,651</u>
Total liabilities and fund balance	<u>\$ 689,461</u>	<u>\$ 775,003</u>	<u>\$ 3,783,130</u>	<u>\$ 57,699</u>	<u>\$ 5,305,293</u>

City of Bay City
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Brownfield Redevelopment Authority Component Unit
For the Year Ended June 30, 2022

	Brownfield Redevelopment General Fund	Local Site Remediation Revolving Fund	Uptown Capital Project Fund	Uptown Debt Service Fund	Eliminations	Total Brownfield Redevelopment
Revenues						
Tax increment	\$ 273,955	\$ -	\$ 2,097,073	\$ -	\$ -	\$ 2,371,028
Other state grants	35,224	-	-	-	-	35,224
Local contributions	3,530	-	169,613	-	-	173,143
Investment income (loss)	(711)	1,840	(7,686)	(215)	-	(6,772)
Transfers in	-	-	-	1,238,604	(1,238,604)	-
Total revenues	<u>311,998</u>	<u>1,840</u>	<u>2,259,000</u>	<u>1,238,389</u>	<u>(1,238,604)</u>	<u>2,572,623</u>
Expenditures						
Current						
Economic development	333,458	-	125,713	-	-	459,171
Capital outlay	-	-	3,508,108	-	-	3,508,108
Debt service						
Principal retirement	-	-	-	405,000	-	405,000
Interest and fiscal charges	3,206	-	-	833,103	-	836,309
Transfers out	-	-	1,238,604	-	(1,238,604)	-
Total expenditures	<u>336,664</u>	<u>-</u>	<u>4,872,425</u>	<u>1,238,103</u>	<u>(1,238,604)</u>	<u>5,208,588</u>
Excess (deficiency) of revenues over expenditures	(24,666)	1,840	(2,613,425)	286	-	(2,635,965)
Fund balance - beginning of year	<u>412,748</u>	<u>773,163</u>	<u>6,093,292</u>	<u>57,413</u>	<u>-</u>	<u>7,336,616</u>
Fund balance - end 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>

City of Bay City, Michigan

Statistical Section

This part of the City's annual comprehensive annual 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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 70,001,070	\$ 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
Restricted	34,813	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
Unrestricted (deficit)	(3,777,530)	(16,042,766)	(33,884,105)	(33,637,328)	(35,096,237)	(83,286,382)	(69,091,296)	(61,658,982)	(54,908,728)	(51,914,586)
Total governmental activities net position	<u>\$ 66,258,353</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 91,958,470	\$ 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
Restricted	8,569,445	9,869,290	2,083,275	2,042,275	1,999,775	955,275	955,275	955,275	955,275	955,275
Unrestricted	33,321,454	43,486,135	20,431,532	24,615,784	32,730,757	(269,194)	20,241,939	36,341,061	43,428,272	49,243,601
Total business-type activities net position	<u>\$ 133,849,369</u>	<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>
Primary government										
Net investment in capital assets	\$ 161,959,540	\$ 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
Restricted	8,604,258	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
Unrestricted (deficit)	29,543,924	27,443,369	(13,452,573)	(9,021,544)	(2,365,480)	(83,555,576)	(48,849,357)	(25,317,921)	(11,480,456)	(2,670,985)
Total primary government net position	<u>\$ 200,107,722</u>	<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>

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

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
Public safety	\$ 13,499	\$ 11,533	\$ 12,829	\$ 13,159	\$ 16,214	\$ 15,129	\$ 6,173	\$ 8,654	\$ 10,312	\$ 11,052
Community and economic development	3,581	1,962	2,082	3,265	1,188	1,340	712	459	1,684	1,898
Public works	9,863	10,232	10,629	9,948	10,375	9,625	9,004	12,115	11,559	15,188
General government	1,516	2,214	1,129	875	1,581	587	831	(35)	3,004	939
Recreation and culture	1,092	1,094	1,262	1,097	1,177	1,058	(33)	936	1,651	1,161
Interest on long-term debt	1,160	1,038	1,082	965	853	758	558	402	224	43
Total governmental activities expenses	30,711	28,073	29,013	29,308	31,388	28,497	17,245	22,531	28,434	30,281
Business-type activities:										
Electric	33,545	34,456	32,047	34,498	33,632	32,432	27,433	28,961	34,032	36,818
Water	9,215	8,929	11,160	10,279	8,267	8,792	5,883	7,782	7,761	7,845
Sewer	11,612	11,352	11,224	12,948	12,566	11,535	5,001	5,730	10,325	10,205
Public works	604	593	605	768	668	696	649	699	735	774
Total business-type activities expenses	54,976	55,330	55,035	58,493	55,133	53,455	38,966	43,172	52,853	55,642
Total primary government expenses	\$ 85,687	\$ 83,403	\$ 84,048	\$ 87,801	\$ 86,521	\$ 81,952	\$ 56,211	\$ 65,703	\$ 81,287	\$ 85,923
Program Revenues										
Governmental activities:										
Charges for services										
Public safety	\$ 914	\$ 886	\$ 1,193	\$ 1,017	\$ 928	\$ 1,446	\$ 1,441	\$ 1,125	\$ 1,538	\$ 1,324
General government	815	547	751	1,048	736	620	808	1,991	894	2,788
Public works	2,112	2,267	2,009	2,064	2,135	2,527	2,792	3,069	3,248	3,439
Recreation and culture	120	52	56	91	62	68	30	70	380	63
Other	485	275	9	4	4	4	4	4	4	2
Operating grants and contributions	4,757	4,540	6,194	6,096	6,110	8,401	8,791	6,312	9,622	8,543
Capital grants and contributions	1,303	1,403	486	13	7	2,923	145	-	-	-
Total governmental activities program revenues	10,506	9,970	10,699	10,333	9,982	15,989	14,011	12,571	15,686	16,159
Business-type activities:										
Charges for services										
Electric	32,933	34,367	35,175	35,417	38,148	35,910	37,876	37,528	38,252	42,794
Water	9,394	11,195	10,179	7,093	8,996	8,310	8,644	8,319	8,779	8,926
Sewer	13,421	13,451	13,106	12,924	13,430	12,814	12,958	12,966	12,866	12,577
Public works	220	321	299	337	339	361	348	339	323	331
Operating grants and contributions	397	30	291	207	30	4	148	191	1,376	879
Capital grants and contributions	-	-	-	-	-	5,565	-	896	106	19
Total business-type activities program revenues	56,365	59,364	59,050	55,980	60,943	62,964	59,974	60,239	61,702	65,526
Total primary government program revenues	\$ 66,871	\$ 69,334	\$ 69,749	\$ 66,313	\$ 70,925	\$ 78,953	\$ 73,985	\$ 72,810	\$ 77,388	\$ 81,685
Net (expense)/revenue										
Governmental activities	\$ (20,205)	\$ (18,103)	\$ (18,314)	\$ (18,975)	\$ (21,406)	\$ (12,508)	\$ (3,234)	\$ (9,960)	\$ (12,748)	\$ (14,122)
Business-type activities	1,389	4,034	4,015	(2,513)	5,810	9,509	21,008	17,067	8,849	9,884
Total primary government net expense	\$ (18,816)	\$ (14,069)	\$ (14,299)	\$ (21,488)	\$ (15,596)	\$ (2,999)	\$ 17,774	\$ 7,107	\$ (3,899)	\$ (4,238)

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

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 12,379	\$ 12,389	\$ 12,288	\$ 12,559	\$ 12,539	\$ 13,592	\$ 14,420	\$ 13,974	\$ 14,175	\$ 12,243
Unrestricted grants and contributions	4,113	4,158	4,256	4,244	4,410	4,458	4,676	4,395	5,055	5,312
Investment earnings	103	171	62	66	72	187	412	287	83	-
Gain on sale of capital assets	-	5	-	-	28	136	37	63	13	57
Miscellaneous	241	590	143	587	129	48	57	152	580	1,052
Transfers	(41)	(39)	(109)	288	42	91	73	(621)	(802)	(1,299)
Total governmental activities	<u>16,795</u>	<u>17,274</u>	<u>16,642</u>	<u>17,744</u>	<u>17,220</u>	<u>18,512</u>	<u>19,675</u>	<u>18,250</u>	<u>19,104</u>	<u>17,365</u>
Business-type activities:										
Investment earnings		256	128	130	144	354	839	681	114	-
Miscellaneous	208	223	364	855	842	243	456	638	857	499
Transfers	41	39	109	(288)	(42)	(90)	(73)	621	802	1,299
Special item - loss on disposal	-	-	-	(7,676)	-	-	-	-	-	-
Total business-type activities	<u>249</u>	<u>518</u>	<u>601</u>	<u>(6,979)</u>	<u>944</u>	<u>507</u>	<u>1,222</u>	<u>1,940</u>	<u>1,773</u>	<u>1,798</u>
Total primary government	<u>\$ 17,044</u>	<u>\$ 17,792</u>	<u>\$ 17,243</u>	<u>\$ 10,766</u>	<u>\$ 18,164</u>	<u>\$ 19,019</u>	<u>\$ 20,897</u>	<u>\$ 20,190</u>	<u>\$ 20,877</u>	<u>\$ 19,163</u>
Change in Net Position										
Governmental activities	\$ (3,411)	\$ (830)	\$ (1,675)	\$ (1,231)	\$ (4,186)	\$ 6,004	\$ 16,441	\$ 8,290	\$ 6,356	\$ 3,243
Business-type activities	1,638	4,552	4,615	(9,492)	6,754	10,016	22,230	19,007	10,622	11,682
Total primary government	<u>\$ (1,772)</u>	<u>\$ 3,722</u>	<u>\$ 2,940</u>	<u>\$ (10,722)</u>	<u>\$ 2,568</u>	<u>\$ 16,020</u>	<u>\$ 38,671</u>	<u>\$ 27,297</u>	<u>\$ 16,978</u>	<u>\$ 14,925</u>

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,									
	<u>2013</u>	<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>
General fund										
Restricted	\$ 9	\$ 41	\$ 22	\$ 22	\$ 9	\$ 9	\$ 92	\$ -	\$ -	\$ -
Committed	3,978	3,160	-	-	-	-	-	-	-	-
Unassigned (deficit)	<u>382</u>	<u>(23)</u>	<u>2,995</u>	<u>3,423</u>	<u>3,905</u>	<u>4,732</u>	<u>4,572</u>	<u>4,692</u>	<u>5,090</u>	<u>5,500</u>
Total general fund	<u>\$ 4,369</u>	<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>
All other governmental funds										
Nonspendable	\$ 76	\$ 39	\$ 201	\$ 187	\$ 174	\$ 99	\$ 382	\$ 185	\$ 193	\$ 518
Restricted	2,830	3,766	3,398	2,073	1,416	2,831	4,201	4,160	5,746	6,591
Unassigned (deficit)	<u>(41)</u>	<u>(297)</u>	<u>-</u>	<u>-</u>	<u>(57)</u>	<u>(204)</u>	<u>(255)</u>	<u>(245)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 2,865</u>	<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>

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property taxes and other taxes	\$ 11,496	\$ 11,535	\$ 11,390	\$ 11,625	\$ 11,547	\$ 14,051	\$ 14,881	\$ 14,415	\$ 14,612	\$ 12,745
Licenses and permits	577	515	714	547	575	1,038	1,033	845	1,353	1,200
Federal grants	4,339	3,796	2,202	1,629	2,451	1,293	931	741	3,348	1,808
State shared revenues and grants	5,904	6,332	8,445	8,707	8,062	11,118	12,455	9,813	10,839	5,829
Local contributions	1,437	1,349	1,698	1,475	1,531	553	175	136	484	5,886
Interest, rents and royalties	55	88	28	38	41	110	227	164	198	662
Charges for services	4,539	4,789	5,266	5,285	5,147	5,715	5,642	5,959	6,208	6,622
Fines and forfeits	90	82	111	105	99	175	125	94	82	120
Reimbursements, refunds and other revenue	604	1,279	556	980	372	430	461	613	1,224	972
Total revenues	<u>29,041</u>	<u>29,765</u>	<u>30,410</u>	<u>30,391</u>	<u>29,825</u>	<u>34,483</u>	<u>35,930</u>	<u>32,780</u>	<u>38,348</u>	<u>35,844</u>
Expenditures										
General government	2,716	2,653	3,485	3,506	3,647	3,705	4,045	4,325	4,777	4,672
Public safety	12,354	10,746	12,427	12,115	12,422	12,590	12,913	13,344	13,941	14,178
Public works	6,199	6,599	7,150	7,404	7,152	8,026	9,597	8,709	9,164	9,028
Community and economic development	2,568	1,702	1,271	952	924	1,183	755	720	1,396	1,863
Recreation and culture	781	795	941	940	988	1,002	1,088	1,089	1,217	1,339
Post-retirement benefits	2,356	2,700	-	-	-	-	-	-	-	-
Capital outlay	4,104	2,417	2,187	3,312	2,079	2,680	2,556	2,056	1,730	2,445
Debt service:										
Principal	2,326	2,441	2,555	2,595	2,634	2,794	2,817	2,864	3,412	168
Interest and other fees	58	104	143	132	122	111	124	73	78	47
Total expenditures	<u>33,462</u>	<u>30,157</u>	<u>30,159</u>	<u>30,958</u>	<u>29,968</u>	<u>32,091</u>	<u>33,895</u>	<u>33,180</u>	<u>35,715</u>	<u>33,740</u>
Excess of revenues over (under) expenditures	<u>(4,421)</u>	<u>(392)</u>	<u>251</u>	<u>(567)</u>	<u>(143)</u>	<u>2,392</u>	<u>2,035</u>	<u>(400)</u>	<u>2,633</u>	<u>2,104</u>
Other financing sources (uses)										
Issuance of long-term debt	1,000	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	453	13	-	-	-	-	-	-	26	22
Transfers in	998	1,165	1,327	849	962	1,219	1,585	1,533	2,508	1,677
Transfers (out)	(1,110)	(1,332)	(1,551)	(1,193)	(1,176)	(1,592)	(2,095)	(1,329)	(2,934)	(2,222)
Total other financing sources (uses)	<u>1,341</u>	<u>(154)</u>	<u>(224)</u>	<u>(344)</u>	<u>(214)</u>	<u>(373)</u>	<u>(510)</u>	<u>204</u>	<u>(400)</u>	<u>(523)</u>
Net change in fund balances	<u>\$ (3,080)</u>	<u>\$ (546)</u>	<u>\$ 27</u>	<u>\$ (911)</u>	<u>\$ (357)</u>	<u>\$ 2,019</u>	<u>\$ 1,525</u>	<u>\$ (196)</u>	<u>\$ 2,233</u>	<u>\$ 1,581</u>
Debt service as a percentage of noncapital expenditures	7.88%	9.43%	9.65%	9.64%	9.88%	9.88%	9.38%	9.44%	10.27%	0.69%

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

Year Ended June 30,	Property Taxes	Electric Operating
2013	\$ 12,378,917	\$ 33,104,126
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

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

Year Ended June 30	Residential	Real Property Commercial	Industrial	Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Assessed Value	Assessed Value as a Percentage of Actual Value
2013	\$ 405,281	\$ 93,352	\$ 23,958	\$ 62,467	\$ 585,058	21.3365	\$ 1,170,116	50.00%
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%

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	
2013	16.9615	0.0000	4.3750	21.3365	31.9133	2.0427	10.8138	66.1063
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

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, 2022 and Ten Years Previous

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Consumers Energy Company	\$ 13,286,483	1	1.81%	\$ 5,846,650	2	1.07%
Dow Chemical	12,389,590	2	1.69%			
BRD Opportunity Zone Developer, LLC	8,381,320	3	1.14%			
SSP Development, LLC	5,388,504	4	0.74%			
Spectrum (formerly Charter Communications)	5,202,100	5	0.71%	4,610,300	3	0.84%
Mersen USA (formerly Carbone)	4,893,850	6	0.67%	1,534,500	10	0.28%
DOC - 4 Columbus Ave MOB, LLC	4,844,900	7	0.66%			
213 Development LLC	4,463,144	8	0.61%			
Main Street Uptown Development LLC	4,015,005	9	0.55%			
General Motors Corporation	3,756,347	10	0.51%	8,788,600	1	1.61%
SC Johnson				3,885,300	4	0.71%
General Motors Corporation				3,273,318	5	0.60%
Wenonah Park Properties				1,539,003	9	0.28%
Bay City Housing Commission				1,893,800	6	0.35%
Nexteer				1,636,900	7	0.30%
Baldauf Enterprises Inc				1,585,500	8	0.29%
Totals	<u>\$ 66,621,243</u>		<u>9.09%</u>	<u>\$ 34,593,871</u>		<u>6.32%</u>
Electric Customer	2022			2013		
	Usage kWh	Rank	Percentage of Total Usage	Usage kWh	Rank	Percentage of Total Usage
Mersen USA (Carbone)	18,237,632	1	5.79%	9,894,000	3	3.10%
McLaren Bay Region (Bay Med)	15,252,047	2	4.84%	16,495,387	1	5.10%
S.C. Johnson & Sons	10,019,441	3	3.18%	6,636,640	4	2.10%
Bay County	8,169,175	4	2.59%	6,266,808	5	1.90%
Golden Harvest	5,125,600	5	1.63%			
City of Bay City	4,941,254	6	1.57%	12,440,496	2	3.90%
Bay City Schools	4,837,277	7	1.53%			
Doubletree Hotel	3,554,938	8	1.13%	3,709,113	7	1.20%
Kerkau Manufacturing	3,417,531	9	1.08%	3,188,120	10	1.00%
Bay Cast Inc	3,300,454	10	1.05%	3,960,134	6	1.20%
Menards				3,343,144	8	1.00%
Fabiano						
Valley Publishing				3,307,520	9	1.00%
Totals	<u>76,855,349</u>		<u>24.39%</u>	<u>69,241,362</u>		<u>21.50%</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)

Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 11,296	\$ 10,336	91.50%	\$ 946	\$ 11,282	99.88%
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%

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

<u>June 30,</u>	<u>Governmental Activities</u>				<u>Business-type Activities</u>			<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
	<u>General Obligation Bonds</u>	<u>Installment Purchase Contracts</u>	<u>Term Loans</u>	<u>Capital Leases</u>	<u>Revenue Bonds</u>	<u>General Obligation Bonds</u>	<u>Term Loans</u>			
2013	\$ 15,659,562	\$ -	\$ 3,000,000	\$ 800	\$ 2,055,000	\$ 14,852,702	\$ 28,000,000	\$ 63,568,064	16.86%	1,841
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	(2)	925
2022	15,782,212	-	1,021,879	-	10,935,000	5,208,639	9,034,433	41,982,163	(2)	1,296

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

(1) See Statistical Table Number 15 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)

June 30,	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
2013	\$ 30,513	\$ -	\$ 30,513	5.22%	\$ 884
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

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 Statistical Table Number 6 for taxable value of property data.
(3) See Statistical Table Number 15 for population data.

City of Bay City
Direct and Overlapping Governmental Activities Debt
(Unaudited)
As of June 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt:			
Bay County	\$ 4,300,668	19.70%	\$ 847,232
Bay City School District	47,185,000	30.64%	14,457,484
Bangor Township Schools	2,900,000	1.08%	31,320
Bay-Arenac Intermediate School District	1,155,000	16.62%	<u>191,961</u>
TOTAL OVERLAPPING DEBT			15,527,997
Direct Debt:			
City of Bay City		100.00%	<u>16,804,091</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$ 32,332,088</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>2013</u>	<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>
Debt limit	\$ 58,506	\$ 54,755	\$ 56,795	\$ 56,916	\$ 57,376	\$ 57,358	\$ 58,848	\$ 63,346	\$ 67,773	\$ 73,293
Total net debt applicable to limit	<u>30,513</u>	<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>
Legal debt margin	<u>\$ 27,993</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	52.15%	50.16%	42.81%	37.55%	33.19%	28.12%	21.81%	15.49%	9.80%	27.85%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed valuation, December 31, 2021	<u><u>\$ 732,929</u></u>
Debt limit (10% of assessed valuation)	\$ 73,293
Debt applicable to limit:	\$ 20,991
Less:	
Assets in Debt Service funds available for payment of principal	<u>578</u>
Total amount of debt applicable to debt limit	<u>20,413</u>
Legal debt margin	<u><u>\$ 52,880</u></u>

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

<u>Year Ended June 30,</u>	<u>Gross Revenue</u>	<u>Operating Expenses (1)</u>	<u>Net Available Revenue</u>	<u>Debt Service Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
Electric System Revenue Bonds							
2013	\$ 33,125,115	\$ 31,372,020	\$ 1,753,095	\$ 365,000	\$ 85,625	\$ 450,625	3.89
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

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

Year Ended June 30,	Population (1)	Personal Income (2) (amounts expressed in thousands)	Per Capita Personal Income	School Enrollment (3)	Unemployment Rate (4)
2013	34,500	\$ 3,770,457	\$ 35,293	4,803	9.30%
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	(5)	(5)	3,777	7.80%
2022	32,404	(5)	(5)	3,685	7.10%

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)
2022 and Ten Years Previous**

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
McLaren Bay Region (Bay Regional) (2)	1,880	1	4.18%	1,839	1	10.60%
Bay City Public Schools (1) (2)	792	2	1.76%	900	2	5.19%
Bay County (2)	589	3	1.31%	500	3	2.88%
SC Johnson (2)	450	4	1.00%	340	5	1.96%
General Motors Powertrain	432	5	0.96%	374	4	2.16%
City of Bay City	291	6	0.65%	274	6	1.58%
Go to Transport	250	7	0.56%			
Dow Bay Area Family YMCA	239	8	0.53%			
Bay Arenac Behavioral Health	229	9	0.51%			
Mersen USA	170	10	0.38%	107	10	0.62%
Do-All	164	11	0.36%			
Labadie Auto Group	156	12	0.35%	145	9	0.84%
Bay Shores Senior Care & Rehab Center	154	13	0.34%	150	8	0.86%
Doubletree	150	14	0.33%	180	7	1.04%
Totals	<u>5,946</u>		<u>13.22%</u>	<u>4,809</u>		<u>27.71%</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>2013</u>	<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>
Function										
General government (1)	51	36	37	37	38	37	37	38	38	39
Public safety (2)	N/A	89	89	90	86	83	85	82	82	86
Police	60	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire	44	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Building Inspections	4	4	4	6	6	8	9	11	10	10
Public works	30	28	27	29	30	30	31	33	32	33
Recreation and culture	6	6	5	5	5	6	5	5	5	5
Community and economic development	13	10	10	9	8	8	8	9	8	8
Electric	41	49	49	50	51	50	52	51	53	52
Water	35	35	35	20	23	24	25	25	24	24
Sewer	<u>28</u>	<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>
Total	<u>312</u>	<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>

(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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Elections										
Number of registered voters	23,674	23,692	23,438	23,620	23,161	22,605	22,953	23,896	24,845	25,203
Public safety										
Police Department										
Number of citations issued	3,723	2,579	2,861	1,517	2,294	2,088	2,501	2,082	2,704	2,362
Number of complaints filed	4,934	4,398	5,469	3,937	5,775	5,798	5,374	4,736	5,289	4,213
Number of calls for service	33,039	27,738	25,185	16,742	23,181	23,539	22,512	21,687	22,755	23,030
Number of DUI offenses	143	96	123	85	150	167	117	114	90	91
Fire Department										
Number of emergency runs	4,677	4,882	4,857	3,626	5,099	5,179	5,386	4,730	5,602	5,789
Number of fire prevention programs	115	195	183	81	81	10	29	10	11	2
Public works										
Streets -Tons of salt used	1,914	2,300	780	1,585	1,227	1,810	2,182	2,348	1,439	1,656
Recreation and culture										
Park acreage maintained	238	238	238	238	238	238	238	238	238	238
Special events	43	44	49	51	60	47	53	43	17	32
Shelter rentals	59	67	70	69	71	58	63	35	76	64
Community and Economic Development										
Housing units rehabilitated	0	0	0	2	2	4	2	0	0	0
Emergency housing units rehabilitated	40	46	47	52	44	44	19	17	0	2
Electric Department										
Generating capacity	33,295	33,295	33,295	28,295	28,295	28,295	27,000	27,000	27,000	27,000
Street trees removed	134	115	340	635	530	475	373	409	565	393
Sewer System										
Sanitary and storm sewer (miles)	320	320	320	320	320	320	320	320	320	320
Daily average treatment (million gallons)	7	7	8	7	8	7	8	9	6	7
Maximum daily capacity (million gallons)	18	18	18	18	18	18	18	18	18	18
Water system										
Miles of water mains	195	195	196	196	196	195	195	195	195	195
Daily average consumption (million gallons)	8	8	8	0	0	0	0	0	0	0
Maximum daily treatment (million gallons)	14	14	12	0	0	0	0	0	0	0
Airport										
Private hanger land leases	22	22	23	23	22	22	22	22	21	22
Public hanger lease	3	5	7	8	8	7	10	9	9	7
Aviation fuel sold (gallons)	13,000	16,616	13,687	14,016	20,621	26,605	17,027	26,813	19,984	16,356
Cemetery										
Interments	37	48	52	41	43	48	41	54	46	62
Grave sales	19	27	17	26	19	35	28	34	27	36
Foundations set	20	24	28	11	25	29	23	32	22	22
Right of 2nd Interment	2	4	7	1	3	6	4	3	4	9
Marina										
Seasonal Dock Leases	50	44	45	51	51	51	53	49	65	54
Transient Dock Rentals	340	306	271	330	287	173	338	267	586	852

Sources: Various city departments.

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety (1)										
Stations		5	5	5	5	5	5	5	5	5
Vehicles		36	36	34	36	36	36	36	37	39
Police										
Stations	1									
Vehicles	22									
Fire										
Stations	3									
Vehicles	12									
Public works										
Bascule span bridges	2	2	2	2	2	2	2	2	2	2
Streets (miles) (2)	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) Police and Fire merged into Public Safety as of 2014.

(2) 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.