



CITY OF BIG RAPIDS, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

Prepared by Finance Department

CITY OF BIG RAPIDS, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

Prepared by: Finance Department

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Carla Staffen- Assistant Treasurer

Paula Weipert- Income Tax Administrator

Gail Dolbee- Assessor

Melissa Hauger- Human Resources Coordinator

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Becky Curtis- Administrative Assistant

Karen Manoski- Administrative Assistant

CITY OF BIG RAPIDS

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INTRODUCTORY SECTION



CITY OF BIG RAPIDS

226 North Michigan Avenue
Big Rapids, MI 49307

December 21, 2021

Members of the City Commission and Citizens of the City of Big Rapids:

The Comprehensive Annual Financial Report of the City of Big Rapids, Michigan, for fiscal year ended June 30, 2021, is submitted herewith. The financial statements included in this report have been audited by Vredevelt & Haefner LLC, an independent firm of certified public accountants. This report is prepared for the purpose of disclosing the City's financial condition to its residents, elected officials, and other interested parties.

The financial statements have been prepared in compliance with applicable State statutes and Generally Accepted Accounting Principles (GAAP) as stated in the Governmental Accounting Standards Board statements and interpretations. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects, and that it is presented in such a manner as to fairly set forth the financial position and results of operations of the City.

GAAP 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 MD&A and should be read in conjunction with it. The City of Big Rapids' MD&A can be found immediately following the report of the independent auditors.

www.cityofbr.org

REPORTING ENTITY AND ITS SERVICES

The City of Big Rapids is located 55 miles north of Grand Rapids, 40 miles south of Cadillac on U.S.-131. This route provides significant access and economic benefit to the area carrying, commerce and tourist traffic to both north and south portions of west Michigan. Big Rapids is the county seat of Mecosta County and is the regional center of the area.

Ferris State University is the largest employer in the area and is the economic engine for Big Rapids. Approximately 4,600 people work at the University and the 2021 enrollment is over 11,100 students. Big Rapids also has a very active industrial park that accommodates businesses such as: Haworth, Big Rapids Products, Fluid Routing Solutions, Federal Screw Works and Original Footwear. Spectrum Health Big Rapids provides a broad range of healthcare services to the area and is a vital component of the local economy.

The City's legislative body is a five-member Board of Commissioners which is elected by a vote of the public. The current City Commission is Mayor Fred Guenther, Commissioners Robert Andrews, Jennifer Cochran, Jonathan Eppley, and Karen Simmon.

The City has 91 full-time employees and 100 part-time employees. The City provides a wide range of services including, police, fire, water treatment, wastewater treatment, dial-a-ride, parks, library, airport, community pool, street maintenance, planning and zoning, and IT. The City has a talented work force that is dedicated to the best interest of its citizens.

The department staff includes the following:

Mark Gifford – City Manager	Aaron Kuhn – Finance
Steve Schroeder – Fire Chief	Eric Williams - Attorney
Danielle Haynes – Police Chief	Tammy Gillis – Clerk
Tim Moslener – Technology	Paula Priebe – Community Development
Lauren Perkins – Library	Melissa Hauger – Human Resources
Heather Bowman – Public Works	

The City is led by the administrative branch as approved by the Commission. This leadership is guided by a series of citizen committees. Most important in this process, these committees represent a cross section of the residents who serve without pay to recommend policy and make decisions and guide progress. Planning Board, Park Board, Tax Board of Review, and Board of Adjustment comprise the most active of these public boards.

ECONOMIC CONDITIONS AND OUTLOOK

Our local economy is comprised of a healthy mixture of manufacturing, recreation, retail, education, and professional services including major health care providers and a large state university. The manufacturing and education sectors continue to provide significant employment opportunities and are critical components of our overall local economic condition. Additionally, local recreation opportunities are vast. There are more than 323 acres of park land within the City, many of which are along the beautiful Muskegon River.

Park amenities include Riverwalk, Playscape, Disc Golf, Tennis Courts, Pickle Ball Courts, Softball Diamonds, Soccer Fields, Baseball Diamonds, Bandshell, Dog Park, Nature Area, Community Pool, Volleyball Courts, Playgrounds, Outdoor Ice Rink and access to the Fred Meijer White Pine Trail.

Big Rapids is home to Ferris State University and its approximate 11,100 students. The University is the economic engine for the community. Ferris State continues to update its educational facilities aggressively. The University recently demolished Vandercook Hall, a former residence hall, to make way for the Center for Virtual Learning. This 64,000 square foot facility will serve as a core academic building and bring together some of Ferris' most acclaimed and cutting-edge programs. This \$29.5 million project will be 75% funded by the State of Michigan with the remainder coming from the University.

Big Rapids continues to have a diverse range of manufacturing present in the community. There remains a significant concentration of automotive suppliers, furniture making, footwear manufacturing, and metal fabrication. The City's industrial base is comprised of companies that collectively employ thousands of people in the Mecosta County area. These companies are an incredibly valuable and important factor in the fiscal sustainability of our City.

The City acquired Hanchett Manufacturing in 2013, as part of the Baldwin Street Bridge replacement project. Aided by the EDA and a county grant, the 100-year-old manufacturing building was torn down, guided by the findings of environmental reviews. As the manufacturing location was just over 5 acres, the future plan is to sell the property, strategically located with a dramatic view of the Muskegon River, for private redevelopment. The expected tax value of this change should rise from a building of \$500,000 to over \$5,000,000 in value. The City continues to aggressively market this property to potential developers.

The Big Rapids Housing Commission has acquired acreage on the east side of town on Mechanic Street and is working on another affordable project on this land. The City is in the process of obtaining financing to construct infrastructure for this development which will add 25-30 single family homes to the community using a 'public/private' approach. Several other smaller 'surplus' parcels are owned by the City which are being reviewed by the Planning and Housing Commissions for development.

Prospective marihuana industry companies and entrepreneurs are still creating enthusiasm since the City opted into medical marihuana legislation, and legislatively agreed to regulate adult-use or recreational marihuana through the granting of licenses. The City has had several properties redeveloped to allow for the expansion of this industry in Big Rapids. All properties that have been renovated have dramatically improved the parcels/facilities on which they have been developed. The City will realize both property tax growth from improved properties and income tax collection from increased jobs brought to the area.

The COVID-19 pandemic continues to be a challenge for the City and its businesses from an economic perspective. The extent of the ultimate impact of the pandemic on the City's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers,

all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the City for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the City's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are still highly uncertain.

As a result of the pandemic, the City received significantly lower census numbers. The population decreased 27.1%, from 10,601 in 2010 to 7,727 in 2020. This drastically affects the revenue sharing allocation that the City will receive from the State of Michigan. The City is weighing options right now to appeal the results which could include a special census.

The City has received the first half of the stimulus funding for local governments passed by Congress in March 2021. The City will receive \$1.084 million over the two installments. Staff is discussing with the Commission appropriate and eligible uses of the funding.

In balance, Big Rapids appears to be on solid financial footing and its outlook appears very positive for the next several years. Continued forward planning and Commission support and conservatism will be important in the decision-making process. With measured spending, aggressive innovation, grant opportunities and hard work, Big Rapids will continue to be an oasis and model for west central Michigan.

MAJOR INITIATIVES

The City of Big Rapids Commission has begun several initiatives to enhance the quality of life and maximize the effectiveness of government in the City. The following is a listing and description of the major projects and goals.

1. Roben Hood Airport

The Federally funded airport gets \$150,000 per year to maintain and upgrade the facility. Management of the Airport has transitioned from a contract with a Fixed Base Operator (FBO) to being managed by municipal employees. Recently, the entire runway was resurfaced with the entitlement funds described above.

2. Wastewater Treatment Plant

The City contracts with Big Rapids and Green Townships to provide wastewater treatment services to the area. The City's wastewater staff is extremely knowledgeable and works hard to insure the processes are running efficiently.

3. Technology

The City's IT department partners and provides service to Mecosta County, Road Commission, County Park system and Housing Commission among others. In addition, the City provides its own forensic investigation services and assists other nearby agencies in investigation of their cases and helping to keep their Police operations up to date.

4. Streets and Alleys

The City Commission dedicates one mil of property tax exclusively to asphalt paving. These funds coupled with funding from the State ensures a paving program that addresses the needs of the community. Roads and alleys are systematically evaluated every year through the capital improvement process to determine where investment will be most effective.

5. Downtown

Big Rapids is very proud of its Historic Downtown. An active Downtown Business Association and Downtown Development Authority work every year to plan activities and improvements to the Downtown.

6. Housing

The Big Rapids Housing Commission services the community by providing quality housing opportunities to individuals and families. The City and the Housing Commission partner together on a variety of projects, most recently a single-family development on Woodward Avenue.

7. Parks

The City has a park system that has amenities to offer everyone. Sports fields, pavilions, Riverwalk, bandshell, public art, dog park, nature areas, river access points, playscape, community gardens and tennis courts are just some of the amenities that people can enjoy within the City's park system.

8. Depot

An historic depot sits on the east side of town along the White Pines Trail. For many years the City has tried to find a way to renovate and preserve this wonderful building. A private buyer purchased the property in 2021 at auction from the State of Michigan and has plans to renovate the facility. There is excitement to see what the renovated facility will add to the community.

9. Redevelopment

The City purchased Hanchett Manufacturing to make the Baldwin Street Bridge project a safer and more effective bridge. Hanchett's sits on 4 acres of river front property that has been rezoned and will be developed over time. Aggressive marketing to private developers continues by the City's real estate agent.

10. Pool

The Fairman Pool is a great amenity for the community. The pool is open June – August and provides a wonderful swimming lesson program and reopened for the 2021 season after being closed in 2020 due to the COVID-19 pandemic. The facility is aging and requires annual maintenance to continue to operate.

11. Hemlock Park Improvement Project

A citizen led initiative has begun raising funds to construct improvements in Hemlock Park. Improvements include the addition of basketball courts, pickleball courts, splash pad, kayak launch, and resurfacing of tennis courts. Construction should begin in the spring/summer of 2022.



CITY OF BIG RAPIDS
226 North Michigan Avenue
Big Rapids, MI 49307

DEPARTMENTAL FOCUS
Treasurer's Office

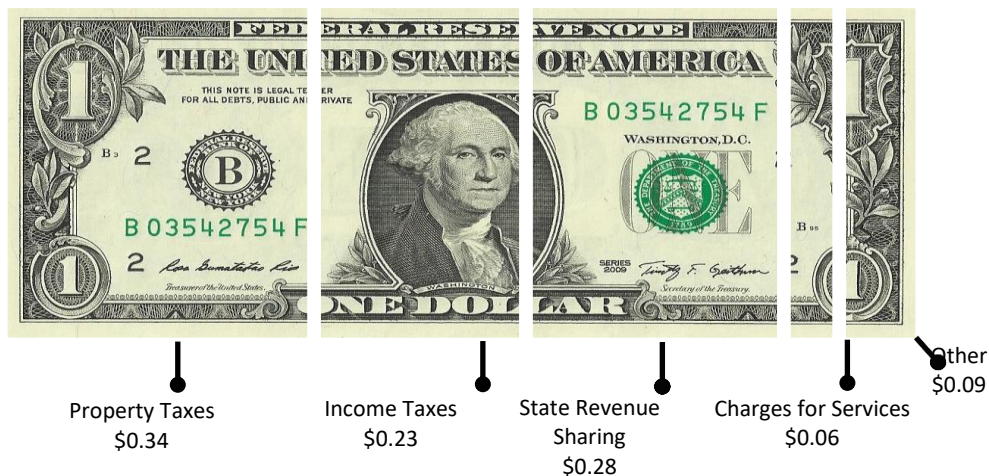


The Treasurer's Office is comprised of four service departments including Assessing, Income Tax, Finance, and Human Resources. There is a total of nine full-time employees and one part-time employee. Each department plays an integral part in the continued growth and success of the City.

The Finance Department is responsible for oversight of all City monetary transactions. Funds flowing through the City are closely monitored through a centralized accounting system administered by Finance. Last fiscal year there were 16,076 deposits received totaling \$26,467,998. The City began accepting credit cards online and onsite in December 2013. During the fiscal year ended June 30, 2021, a total of \$999,167 in credit card payments were received.

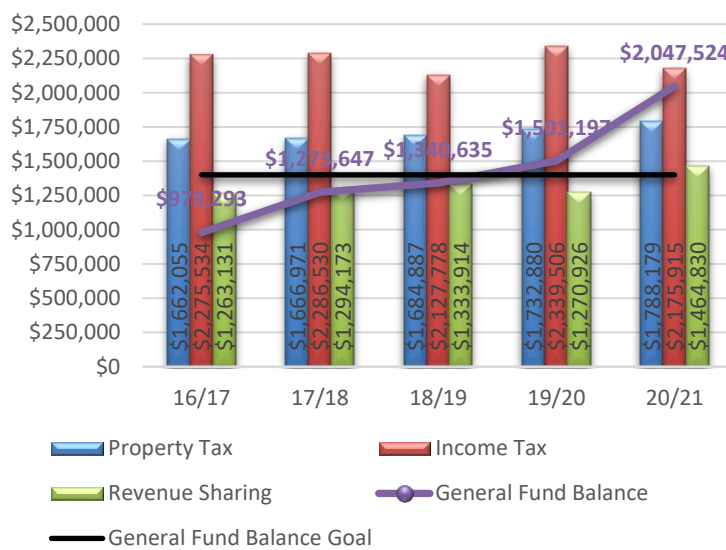
The General Fund's portion of total revenues collected during FY 2020/2021 was \$9,331,141. Excluding revenue from other financing sources, every dollar spent in the General Fund was generated by the amounts shown in Figure 1 below.

Figure 1. General Fund Revenue Sources



Property taxes, income taxes, and state revenue sharing made up 85% of total General Fund revenue. Figure 2 depicts these primary revenue sources (the amount shown for property tax excludes Public Safety voted millage), as well as the General Fund's unassigned fund balance over the past five fiscal years. During this period, the three primary revenue sources have collectively increased by 4.4%. The black line in the chart represents the fund balance goal for the General Fund. The recommended fund balance level is two months of operating expenses or approximately \$1,400,000.

Figure 2. General Fund Primary Revenue Sources



Property taxes are the largest source of revenue for the City. During FY 2019/2020, total property taxes collected were generated from the following uses:

- Residential 46%
- Commercial 36%
- Personal 10%
- Industrial 8%

Real property made up 91% and personal property 9% of total taxes received. The top 10 taxpayers made up 18.68% of the City's overall taxable value. However approximately 60% of the property within city limits remains tax exempt. Figure 3 below, shows the top taxpayers and the proportion of the tax base they comprise.

Figure 3. Principal Property Tax Payers

Taxpayer	Taxable Value	Percentage of Total City Taxable Value
HAWORTH INC	\$5,910,700	3.78%
CONSUMERS ENERGY	4,940,730	3.16%
GEN 3 INVESTMENTS LLC	3,887,124	2.49%
ALEA PROPERTIES LLC	2,503,615	1.60%
DTE GAS COMPANY	2,443,202	1.56%
CAMPUS VILLAGE RAPIDS LLC	2,076,815	1.33%
HILLCREST OAKWOOD PROPERTY LLC	2,020,594	1.29%
FEDERAL SCREW WORKS	1,905,886	1.22%
SPECTRA BIG RAPIDS LLC	1,898,400	1.21%
BIG RAPIDS HOTEL GROUP LLC	1,626,193	1.04%

Property tax revenue has remained static over the past five fiscal years. During that time, the City's operating millage has increased by half a mill from 10.7334 in FY 2012/2013 to 11.2334 in FY 2020/2021. There was a 0.5000 mill increase from FY 2012/2013 to FY 2013/2014 that continues to be dedicated to paving City streets. The City also devoted another 0.5000 mill from its operating millage to ensure that 1 mill of streets are being paved annually.

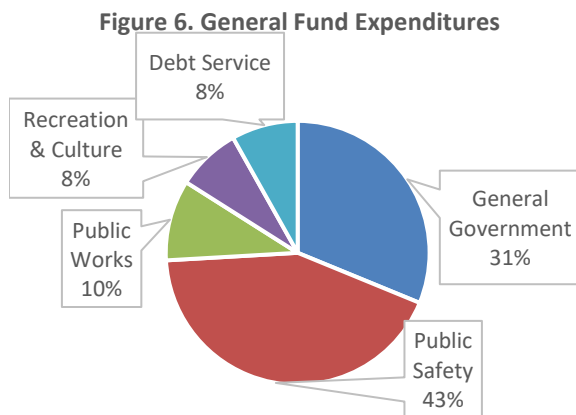
Levied July 1	City Operating	Public Safety Retirement	Public Safety Building	Library	Total City Millage Rate
2016	11.2334	4.5300	2.7412	1.0000	19.5046
2017	11.2334	4.8290	2.8304	1.0000	19.8928
2018	11.2334	4.8041	2.9043	1.0000	19.9418
2019	11.2334	4.6855	2.9321	1.0000	19.8510
2020	11.2334	4.5920	2.9535	1.0000	19.7789

Income tax is the only one of the three major revenue sources to experience any substantial increase over the past five years. State Revenue Sharing has seen a modest increase over the past couple fiscal years. With the recently enacted road funding legislation, the City has experienced moderate increases in Act 51 street funding.

Despite this loss of revenue, the City continues to meet the needs of the community. Approximately \$631,000 was invested in the street paving program over the 2021 fiscal year. The Treasurer's Office processed 2,795 disbursements for a total of \$17,081,016.

General Fund expenditures for FY 2020/2021 were \$9,190,045 not including transfers to other funds in the amount of \$671,900. Transfers are made from the General Fund to subsidize the cost of providing a program or service (See Figure 5).

The General Fund is responsible for a wide array of public services and activities. The largest portion of the City's General Fund budget goes toward public safety. Figure 6 below shows the percent of General Fund expenditures for the different service departments.



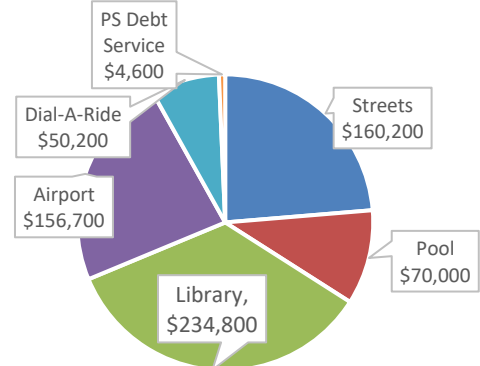
In January 2014, Fifth Third Bank offered a cash back credit card program for government users. Purchasing card transactions made up \$608,328 of total disbursements. The annual cash rebate that was received for the year 2020 is \$7,114. The use of the purchasing card will continue to be examined to maximize return.

The Finance Department also accounts for the capital assets of the City. Capital assets include land, buildings, equipment, vehicles, and infrastructure. At the end of FY 2020/2021 total capital assets amounted to \$39,698,240. Significant capital assets additions during the year included the following:

- Road construction projects - \$633,271
- Water and sewer improvements - \$583,191
- Library park improvements - \$201,301

These projects and capital acquisitions are being funded without overextending the City. The state-imposed debt limitation is 10 percent of the state equalized value (SEV). The SEV for FY 2020/2021 was \$176,108,900 setting the debt limitation at \$17,610,890 (See Figure 7). The total debt outstanding at the end of the fiscal year was \$5,927,917, of which

Figure 5. General Fund Transfers



only \$1,340,000 is applicable to the debt limitation. The other \$4,475,000 represent revenue bonds for wastewater improvements that are not considered against the debt threshold.

The revenue bonds are comprised of \$4,475,000 in sewer bonds. The loans on Fire Engine #2, the Hanchett Property, and the Department of Public Safety Building were paid off during the year. The \$1,340,000 of debt applicable to the debt ceiling includes the following:

- Community Hangar - \$1,100,000 (retires 2040)
- Library Renovation - \$240,000 (retires 2024)

Figure 7. Debt Limitation

	2020/2021	2019/2020	2018/2019	2017/2018
Debt Limit	\$ 17,610,890	\$ 17,130,900	\$ 16,241,780	\$ 16,213,550
Total debt applicable to limit	\$ 1,340,000	\$ 1,886,000	\$ 2,659,000	\$ 3,170,000
Legal debt margin	\$ 16,270,890	\$ 15,244,900	\$ 13,582,780	\$ 13,043,050
Percent of debt limit utilized	8%	11%	16%	20%
Percent of legal limit utilized	1%	1%	2%	2%

The City has two pension plans, a self-administered plan governed by Act 345 and an agent multi-employer plan through the Michigan Municipal Employees Retirement System (MERS). The Act 345 plan is designated for police and fire employees. The remaining employees participate in the MERS plan. Both plans provide eligible employees with either a defined benefit or defined contribution retirement. However, the defined benefit plans are closed to new participants.

The City makes an annual required contribution (ARC) to the defined benefit portion of both retirement plans. The ARC is determined by an actuarial study that is completed annually for the MERS plan and biannually for the Act 345 plan. Figures 8 and 9 below display the ARC and other important information related to the City's retirement plans.

Figure 8. Act 345 Pension Plan

For the Year Ending June 30	Annual Recommended Contribution	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio
2016	\$ 457,457	\$ 4,571,357	\$ 7,030,250	\$ 2,458,893	65.0%
2017	\$ 507,614	\$ 4,872,302	\$ 6,860,175	\$ 1,987,873	71.0%
2018	\$ 507,614	\$ 5,157,602	\$ 6,632,520	\$ 1,474,918	77.8%
2019	\$ 493,035	\$ 5,281,384	\$ 6,451,646	\$ 1,170,262	81.9%
2020	\$ 493,035	\$ 5,452,275	\$ 6,374,952	\$ 922,677	85.5%
2021	\$ 493,154	\$ 6,667,265	\$ 6,090,518	\$ (576,747)	109.5%

Figure 9. MERS Pension Plan

For the Year Ending June 30	Annual Recommended Contribution	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio
2016	\$ 668,316	\$ 9,532,263	\$ 15,214,961	\$ 5,682,698	62.7%
2017	\$ 728,574	\$ 9,795,252	\$ 15,306,198	\$ 5,510,946	64.0%
2018	\$ 664,168	\$ 9,996,216	\$ 14,965,464	\$ 4,969,248	66.7%
2019	\$ 565,704	\$ 9,851,635	\$ 15,164,131	\$ 5,312,496	65.0%
2020	\$ 588,132	\$ 9,741,056	\$ 15,797,460	\$ 6,056,404	61.7%
2021	\$ 733,188	\$ 9,939,967	\$ 15,639,207	\$ 5,699,240	63.6%

Looking forward into the upcoming year, the Treasurer's Office plans to continue the trend of increasing customer service and operating more efficiently. Improvements that are being considered include offering residents an automatic payment option for their utility bill at no charge, streamlining the accounts payable process to include the addition of a paperless system, and instituting a citywide payroll structure. These goals will improve service levels and recognize efficiencies for the City.

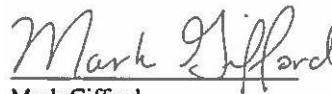
AWARDS AND ACKNOWLEDGEMENTS

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 Big Rapids for its comprehensive annual financial reporting for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements, and we will be submitting it to the GFOA.

It is very appropriate that appreciation be expressed for the efficient and dedicated services of the City's Department of Finance. The maintenance of the daily financial reports, all investments, and the preparation of this comprehensive report were the supervisory responsibilities of City Treasurer, Aaron Kuhn. He has been ably assisted by other finance/management area personnel, which include Carla Staffen, Ashley Dunkel, Andrea Kuiawa, Simone Smith-Politz, Becky Curtis, Karen Manoski, Gail Dolbee, Paula Weipert, and Melissa Hauger. City staff contributed the photos. PageWorks, Grand Rapids, Michigan was responsible for the reproduction of the covers and tabs. Aaron Kuhn authored the Departmental Focus. Excellent working relationships were established and maintained between the auditors and the municipal staff in the preparation of this annual financial report.

Respectfully submitted,



Mark Gifford
City Manager



Aaron Kuhn
City Treasurer

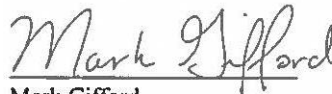
STATEMENT OF MANAGEMENT'S
RESPONSIBILITY FOR FINANCIAL STATEMENTS

Responsibility for the integrity of the financial data presented rests with the City. We believe the data to be accurate in all material respects. These financial statements are prepared in accordance with Generally Accepted Accounting Principles applicable to city government and State statutes.

Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Vredeveld Haefner LLC, independent certified public accountants, have audited the accompanying financial statements, and the supplemental financial information has been subjected to the auditing procedures applied in their audit. Vredeveld Haefner LLC's report is included in the financial section of this report.

Respectfully submitted,



Mark Gifford
City Manager



Aaron Kuhn
City Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Big Rapids
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

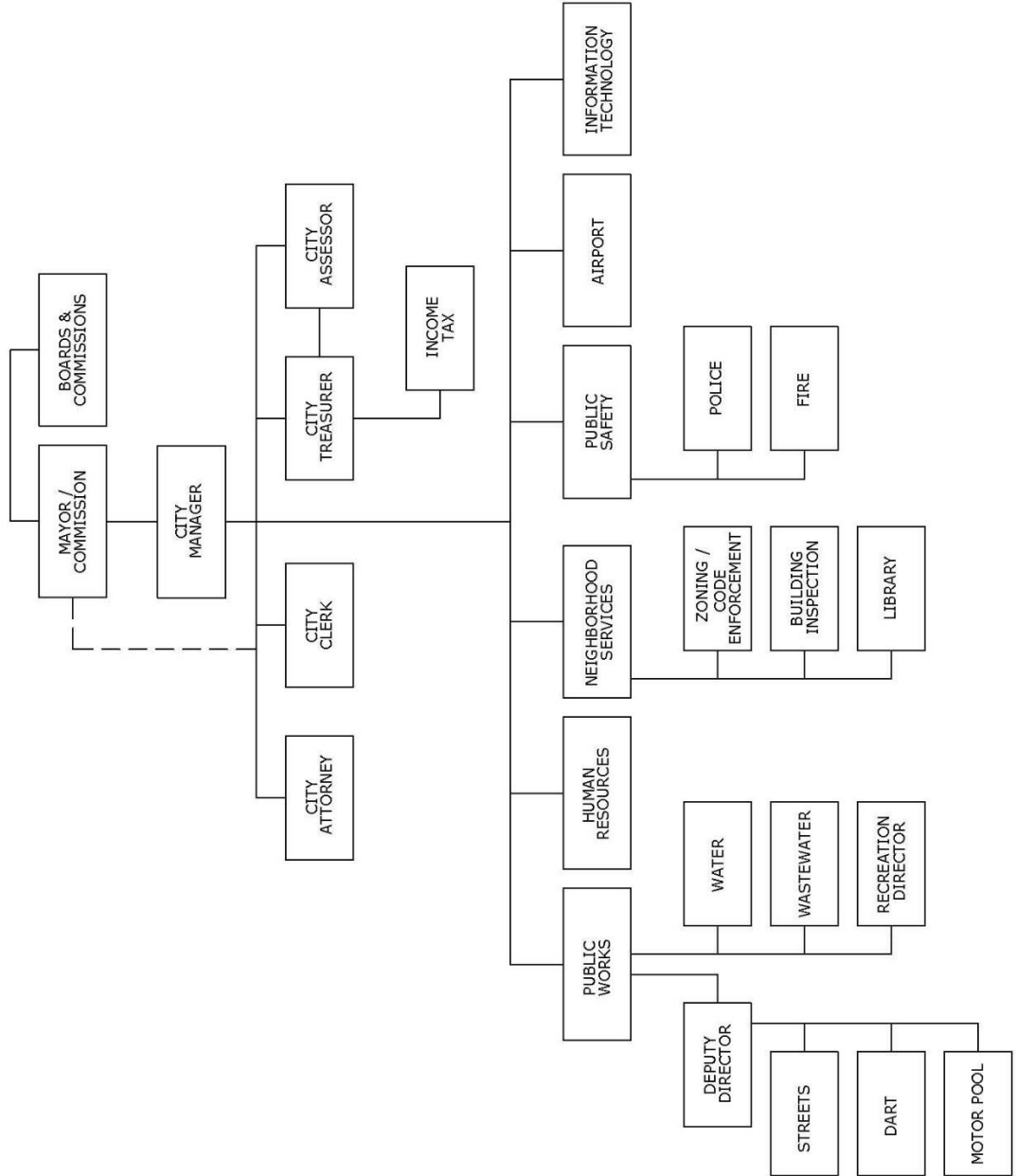
Executive Director/CEO

CITY OF BIG RAPIDS, MICHIGAN

CITY OFFICIALS

City Commission	_____	Fred Guenther
	_____	Karen Simmon
	_____	Robert Andrews
	_____	Jennifer Cochran
	_____	Jonathan Eppley
City Manager	_____	Mark Gifford
City Attorney	_____	Eric D. Williams
City Clerk	_____	Tammy Gillis
City Treasurer	_____	Aaron Kuhn
Income Tax Administrator	_____	Paula Weipert
Information Technology Manager	_____	Timothy Moslener
Library Director	_____	Lauren Perkins
Community Development Director	_____	Paula Priebe
Transportation Supervisor	_____	Dawn Fuller
Police Chief	_____	Danielle Haynes
Fire Chief	_____	Steve Schroeder
Public Works Director	_____	Heather Bowman

ORGANIZATIONAL CHART



FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

December 21, 2021

Honorable Mayor and Members of the City Commission
City of Big Rapids, Michigan

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 Big Rapids, Michigan, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Big Rapids, Michigan, as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, budgetary comparison information on pages 47 and 48, and the benefit plan schedules on pages 49 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Big Rapids, Michigan's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, statistical section, Dial A Ride transit schedules and continuing disclosures are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Dial A Ride transit schedules balances at June 30, 2021, are the responsibility of management and, except for the Schedule of Nonfinancial Information, were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Dial A Ride transit schedules balances at June 30, 2021, except for the Schedule of Nonfinancial Information, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical and continuing disclosure sections, the Dial A Ride transit schedules section balances at other than June 30, 2021, and the Dial A Ride Schedule of Nonfinancial Information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of the City of Big Rapids, Michigan'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Big Rapids, Michigan's internal control over financial reporting and compliance.

Uredewald Haefner LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the City of Big Rapids (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021.

Financial Highlights

The financial statements, which follow this Management's Discussion and Analysis, provide these significant key financial highlights for the 2021 fiscal year as follows:

- The City acquired several operational assets throughout the year, including new playground equipment for the Anna Howard Shaw Memorial Park Project and a wing mower for Public Works.
- The Police Department purchased a new police car and radar speed signs.
- The Fire Department was able to purchase a new rescue vehicle for medical call response.
- The City continued its street maintenance program and replaced nearly a mile of streets
- Continued aggressive work was done during the year to eliminate lead and copper services in the City's water infrastructure.
- Unreliable sections of watermain on Winter Avenue and Ives Avenue were replaced.
- Parking lots at the Water Treatment Plant and Northend Park were paved during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements The Government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) 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, and culture and recreation. The business-type activities of the City include wastewater, water, sanitation and dial a ride transportation operations.

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

Fund financial statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and major street funds which are considered to be major funds. Data is combined into a single aggregated presentation for the other governmental funds (non-major governmental funds). Individual fund data for each of the non-major governmental funds is provided in the form of combining statements and schedules.

The City adopts an annual appropriated budget for its general fund and all special revenue funds as required by state law. Budgetary comparison statements have been provided for the major funds to demonstrate legal compliance.

Proprietary funds The City maintains four separate enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its wastewater, water, and sanitation activity, as well as nonmajor enterprise operations (dial a ride transportation fund). Internal service funds are accounting devices used to accumulate and allocate costs internally among the City's various functions. The City utilizes internal service funds to account for its motor pool and DPW services. Because these services primarily benefit the City's governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the wastewater, water, and sanitation operations, which are considered to be major funds of the City. Conversely, nonmajor enterprise funds and internal service funds are combined into single, aggregate presentations in the proprietary fund financial statements.

Fiduciary funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This is limited to this discussion and analysis, required pension information and general and major special revenue fund budget and actual presentations. Supplemental information follows the required pension information and includes combining and individual fund statements and schedules.

Government-wide Financial Analysis

Statement of Net Position As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by \$39,422,192 at the close of the most recent fiscal year. The following chart illustrates the composition of net position.

City of Big Rapids Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 5,821,993	\$ 4,288,487	\$ 7,132,801	\$ 6,427,550	\$12,954,794	\$10,716,037
Capital assets	21,749,548	21,476,455	17,948,692	18,457,127	39,698,240	39,933,582
Total assets	27,571,541	25,764,942	25,081,493	24,884,677	52,653,034	50,649,619
Deferred outflows	377,232	322,204	122,648	112,231	499,880	434,435
Liabilities						
Current liabilities	1,139,903	1,820,416	729,164	1,237,613	1,869,067	3,058,029
Long-term liabilities	4,899,816	6,605,721	5,790,940	6,474,269	10,690,756	13,079,990
Total liabilities	6,039,719	8,426,137	6,520,104	7,711,882	12,559,823	16,138,019
Deferred inflows	1,080,918	-	89,981	-	1,170,899	-
Net position						
Net investment in capital assets	20,409,548	19,318,568	13,473,692	13,592,127	33,883,240	32,910,695
Restricted	1,267,556	1,076,341	-	-	1,267,556	1,076,341
Unrestricted	(848,968)	(2,733,900)	5,120,364	3,692,899	4,271,396	958,999
Total net position	\$20,828,136	\$17,661,009	\$18,594,056	\$17,285,026	\$39,422,192	\$34,946,035

By far the largest portion of the City's net position in the amount of 86% reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital 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.

An additional portion of the City's net position in the amount of 3% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position in the amount of \$4,271,396, or 11%, may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, for the government as a whole and the business-type activities. Governmental activities reported a deficit in unrestricted net position at year end.

Deferred outflows increased as a result of pension plan investment returns for 2021 while long-term liabilities declined due to early payments on several notes.

Statement of Activities The City's total revenue for the fiscal year ended June 30, 2021, was \$20,192,862 while total cost of all programs and services was \$15,716,705. This results in an increase in net position of \$4,476,157. The following table presents a summary of the changes in net position for the years ended June 30, 2021 and 2020.

City of Big Rapids Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 1,101,753	\$ 1,062,565	\$ 6,955,734	\$ 6,762,928	\$ 8,057,487	\$ 7,825,493
Operating grants and contributions	2,615,001	1,915,845	993,481	988,789	3,608,482	2,904,634
Capital grants and contributions	719,387	731,112	60,297	1,154,102	779,684	1,885,214
General revenues						
Property taxes	3,920,345	3,746,281	-	-	3,920,345	3,746,281
Income taxes	2,193,031	2,355,835	-	-	2,193,031	2,355,835
State shared revenues	1,549,400	1,333,533	-	-	1,549,400	1,333,533
Investment earnings	52,297	65,512	16,075	68,213	68,372	133,725
Other	10,565	40,744	5,496	2,442	16,061	43,186
Total revenues	12,161,779	11,251,427	8,031,083	8,976,474	20,192,862	20,227,901
Expenses						
General government	2,693,406	3,470,656	-	-	2,693,406	3,470,656
Public safety	3,354,029	3,490,275	-	-	3,354,029	3,490,275
Public works	1,589,586	1,820,837	-	-	1,589,586	1,820,837
Culture and recreation	1,847,981	1,597,560	-	-	1,847,981	1,597,560
Interest on long-term debt	61,443	95,126	-	-	61,443	95,126
Wastewater	-	-	2,599,551	2,922,337	2,599,551	2,922,337
Water	-	-	1,870,067	1,248,922	1,870,067	1,248,922
Sanitation	-	-	994,031	965,178	994,031	965,178
Dial a ride transportation	-	-	706,611	663,927	706,611	663,927
Total expenses	9,546,445	10,474,454	6,170,260	5,800,364	15,716,705	16,274,818
Increase (decrease) before transfers	2,615,334	776,973	1,860,823	3,176,110	4,476,157	3,953,083
Transfers in (out)	551,793	488,700	(551,793)	(488,700)	-	-
Increase (decrease) in net position	3,167,127	1,265,673	1,309,030	2,687,410	4,476,157	3,953,083
Net position – beginning	17,661,009	16,395,336	17,285,026	14,597,616	34,946,035	30,992,952
Net position – ending	\$20,828,136	\$17,661,009	\$18,594,056	\$17,285,026	\$39,422,192	\$34,946,035

Governmental Activities The preceding table shows that the governmental activities increased the City's net position by \$3,167,127 during this fiscal year. The increase is primarily the result of operating and capital grants and continued control of expenditures by the City.

Business-type Activities Business-type activities increased the City's net position by \$1,309,030 during the year. This increase is primarily the result of grant funded capital projects and water and sewer rates.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,870,151, an increase of \$1,066,505 from the prior year. The major streets fund reported restricted fund balance of \$594,140, a decrease in fund balance of \$124,993.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$1,892,697. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 19% of total general fund expenditures and transfers out.

Proprietary funds The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City of Big Rapids' enterprise operations consist of four separate and distinct activities. The wastewater, water, sanitation and dial a ride transportation funds provide service to most residents and businesses of the City. The wastewater, water, sanitation, and dial a ride transportation funds increased net position by \$363,550, \$854,159, \$76,031 and \$15,290 respectively.

Budgetary Highlights

Several budget amendments were made during the year to adjust for unexpected revenues or expenditures.

- General fund
 - The debt service budget was increased for the payoff of the loans on the Hanchett Manufacturing Property and Fire Engine #2.
 - Vacant land purchases led to the City Commission budget being increased.
 - Sidewalk, alley, and storm sewer expenditures were slightly less than budget due to the transition of work shifting to the City's Department of Public Works.
 - Marijuana excise tax revenues from the State of Michigan caused the revenue budget to be amended to expand the scope of the Anna Howard Shaw Memorial Park Project.
 - The Parks Department budget was increased to allow for the paving of the Northend Park parking lot.
 - CARES Act Funding passed through from the State of Michigan for various public safety grant programs caused the revenue budget to be increased.

Capital Asset and Debt Administration

Capital assets The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounted to \$39,698,240 (net of accumulated depreciation). Of this amount, \$21,749,548 was for its governmental type activities and \$17,948,692 was for its business-type activities. This investment in capital assets includes land, buildings, equipment and vehicles, and infrastructure. Significant current year additions to capital assets included vehicles and equipment of approximately \$450,000 and infrastructure of approximately \$1,550,000 for governmental activities and business-type activities.

Additional information on the City's capital assets can be found in note 6 to these financial statements.

Long-term debt At the end of the current fiscal year, the City had total long-term debt, including compensated absences, outstanding of \$2,018,420 for governmental activities and \$4,562,418 for business-type activities.

The City's entered into no new long-term debt agreements during the current fiscal year.

The City debt limit, as defined by statute, is ten percent (10%) of state equalized property values, which currently equals \$17,610,890. Total City's long-term debt subject to this limit is \$1,340,000.

Additional information on the City's long-term debt can be found in note 8 to these financial statements.

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered in preparing the City's budget for the 2021-2022 fiscal year:

- Due to uncertainty surrounding the COVID pandemic, the City chose a very conservative estimate of its income tax resources.
- Inflationary increases in wages and benefits
- Less than favorable census results have led the City to discuss how to replace the anticipated significant decline in state shared revenue
- The first installment of American Rescue Plan Act funding has been received.
 - The City will continue to evaluate how to best use this one-time funding to provide exceptional service to the community.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Treasurer, City of Big Rapids, 226 N. Michigan Avenue, Big Rapids, MI 49307.

BASIC FINANCIAL STATEMENTS

CITY OF BIG RAPIDS
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government			Component Unit
	Governmental	Business-Type		Downtown
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Development</u>
				<u>Authority</u>
Assets				
Cash and pooled investments	\$ 3,797,278	\$ 6,115,077	\$ 9,912,355	\$ 57,311
Accounts receivable	536,924	849,072	1,385,996	-
Special assessments receivable	2,510	-	2,510	-
Due from other governments	659,668	139,289	798,957	-
Inventory	98,866	29,363	128,229	-
Advance to custodial fund	150,000	-	150,000	-
Net pension asset	576,747	-	576,747	-
Capital assets				
Land	4,931,750	374,821	5,306,571	-
Construction in progress	64,905	25,888	90,793	-
Depreciable capital assets, net	16,752,893	17,547,983	34,300,876	-
Total assets	<u>27,571,541</u>	<u>25,081,493</u>	<u>52,653,034</u>	<u>57,311</u>
Deferred outflow				
Pension related	<u>377,232</u>	<u>122,648</u>	<u>499,880</u>	<u>-</u>
Liabilities				
Accounts payable	233,010	158,329	391,339	-
Accrued liabilities	196,429	63,929	260,358	-
Customer deposits	-	35,510	35,510	-
Unearned revenue	210,733	-	210,733	-
Current portion of compensated absences	401,878	71,396	473,274	-
Current portion of long-term debt	97,853	400,000	497,853	-
Noncurrent liabilities due in more than one year				
Compensated absences	163,646	16,022	179,668	-
Net pension liability	3,381,127	1,699,918	5,081,045	-
Long-term debt	1,355,043	4,075,000	5,430,043	-
Total liabilities	<u>6,039,719</u>	<u>6,520,104</u>	<u>12,559,823</u>	<u>-</u>
Deferred inflow				
Pension related	<u>1,080,918</u>	<u>89,981</u>	<u>1,170,899</u>	<u>-</u>
Net position				
Net investment in capital assets	20,409,548	13,473,692	33,883,240	-
Restricted for				
Streets	1,077,615	-	1,077,615	-
Library	162,984	-	162,984	-
Restricted contributions	9,281	-	9,281	-
Permanent trust				
Playscape - nonspendable	17,000	-	17,000	-
Playscape - expendable portion	676	-	676	-
Unrestricted	(848,968)	5,120,364	4,271,396	57,311
Total net position	<u>\$ 20,828,136</u>	<u>\$ 18,594,056</u>	<u>\$ 39,422,192</u>	<u>\$ 57,311</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BIG RAPIDS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General government	\$ 2,693,406	\$ 359,916	\$ 2,160	\$ -	\$ (2,331,330)
Public safety	3,354,029	489,533	902,652	-	(1,961,844)
Public works	1,589,586	4,368	1,260,642	274,456	(50,120)
Culture and recreation	1,847,981	247,936	449,547	444,931	(705,567)
Interest on long-term debt	61,443	-	-	-	(61,443)
Total governmental activities	9,546,445	1,101,753	2,615,001	719,387	(5,110,304)
Business-type activities					
Wastewater utility	2,599,551	2,816,853	401,556	-	618,858
Water utility	1,870,067	2,879,088	-	60,297	1,069,318
Sanitation	994,031	1,123,062	-	-	129,031
Dial a ride transportation	706,611	136,731	591,925	-	22,045
Total business-type activities	6,170,260	6,955,734	993,481	60,297	1,839,252
Total primary government	\$ 15,716,705	\$ 8,057,487	\$ 3,608,482	\$ 779,684	\$ (3,271,052)
Component units					
Downtown Development Authority	\$ 55,325	\$ 30,594	\$ -	\$ -	\$ (24,731)
Total component units	\$ 55,325	\$ 30,594	\$ -	\$ -	\$ (24,731)

(Continued)

The accompanying notes are an integral part of these financial statements.

CITY OF BIG RAPIDS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Changes in net position				
Net (expense) revenue	\$ (5,110,304)	\$ 1,839,252	\$ (3,271,052)	\$ (24,731)
General revenues				
Property taxes	3,920,345	-	3,920,345	46,531
Income taxes	2,193,031	-	2,193,031	-
State shared revenues - unrestricted	1,549,400	-	1,549,400	-
Unrestricted investment earnings	52,297	16,075	68,372	2
Other general revenues	10,565	3,571	14,136	-
Gain (loss) on capital assets	-	1,925	1,925	-
Transfers - internal activities	551,793	(551,793)	-	-
Total general revenues and transfers	8,277,431	(530,222)	7,747,209	46,533
Change in net position	3,167,127	1,309,030	4,476,157	21,802
Net position, beginning of year	17,661,009	17,285,026	34,946,035	35,509
Net position, end of year	<u>\$ 20,828,136</u>	<u>\$ 18,594,056</u>	<u>\$ 39,422,192</u>	<u>\$ 57,311</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BIG RAPIDS

GOVERNMENTAL FUNDS BALANCE SHEET

JUNE 30, 2021

	<u>General</u>	<u>Major Streets</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets				
Cash and pooled investments	\$ 1,764,418	\$ 441,881	\$ 1,015,498	\$ 3,221,797
Accounts receivable	375,242	100	159,850	535,192
Special assessment receivable	2,510	-	-	2,510
Due from other funds	6,500	-	-	6,500
Due from other governments	268,867	160,289	230,512	659,668
Advance to other funds	150,000	-	-	150,000
Inventory	-	-	14,449	14,449
Total assets	<u>\$ 2,567,537</u>	<u>\$ 602,270</u>	<u>\$ 1,420,309</u>	<u>\$ 4,590,116</u>
Liabilities, deferred inflows, and fund balances				
Liabilities				
Accounts payable	\$ 172,291	\$ 8,130	\$ 48,378	\$ 228,799
Accrued liabilities	139,306	-	19,492	158,798
Due to other funds	-	-	6,500	6,500
Unearned revenue	210,733	-	-	210,733
Total liabilities	<u>522,330</u>	<u>8,130</u>	<u>74,370</u>	<u>604,830</u>
Deferred inflows				
Unavailable revenue	2,510	-	112,625	115,135
Fund balances				
Nonspendable				
Advances	150,000	-	-	150,000
Nonmajor permanent fund nonexpendable	-	-	17,000	17,000
Inventory	-	-	14,449	14,449
Restricted				
Streets	-	594,140	483,475	1,077,615
Library	-	-	162,984	162,984
Restricted contributions	-	-	9,281	9,281
Permanent fund - expendable portion	-	-	676	676
Assigned				
Pool operations	-	-	7,226	7,226
Airport operations	-	-	22,714	22,714
Riverwalk and safety	-	-	106,513	106,513
Capital projects	-	-	408,996	408,996
Unassigned	1,892,697	-	-	1,892,697
Total fund balances	<u>2,042,697</u>	<u>594,140</u>	<u>1,233,314</u>	<u>3,870,151</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 2,567,537</u>	<u>\$ 602,270</u>	<u>\$ 1,420,309</u>	<u>\$ 4,590,116</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BIG RAPIDS

RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION

JUNE 30, 2021

Fund balances - total governmental funds	\$ 3,870,151
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Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.

Add - land	4,931,750
Add - construction in progress	64,905
Add - capital assets (net of accumulated depreciation)	16,061,101

Certain assets are not due and receivable in the current period and therefore are offset with deferred revenue in the funds.

Add - long-term portion of accounts receivable	115,135
--	---------

An internal service fund is used by management to charge the costs of centralized costs, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities.

Add - net position of governmental activities accounted for in the internal service funds	1,224,764
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Deferred pension items are not reported in the funds.

Add - deferred outflows	377,232
Less - deferred inflows	(1,080,918)

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.

Deduct - compensated absences payable	(463,408)
Deduct - net pension liability	(3,381,127)
Add - net pension asset	576,747
Deduct - bonds payable	(1,452,896)
Deduct - accrued interest on bonds payable	<u>(15,300)</u>

Net position of governmental activities	<u>\$ 20,828,136</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF BIG RAPIDS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General</u>	<u>Major Streets</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues				
Taxes	\$ 5,925,993	\$ -	\$ 187,383	\$ 6,113,376
Intergovernmental revenues				
Federal	406,291	278,070	30,000	714,361
State	2,043,791	955,793	474,463	3,474,047
Local	19,779	-	190,190	209,969
Licenses and permits	203,583	-	-	203,583
Charges for services	601,208	-	38,612	639,820
Fines	56,847	-	76,244	133,091
Special assessments	9,129	-	-	9,129
Investment earnings	36,168	1,517	17,622	55,307
Miscellaneous	28,352	100	593,387	621,839
Total revenues	<u>9,331,141</u>	<u>1,235,480</u>	<u>1,607,901</u>	<u>12,174,522</u>
Expenditures				
Current				
General government	2,870,635	-	36,229	2,906,864
Public safety	3,935,135	-	-	3,935,135
Public works	910,482	854,873	868,910	2,634,265
Culture and recreation	724,760	-	789,042	1,513,802
Debt service				
Principal	726,887	-	96,795	823,682
Interest	22,146	-	50,016	72,162
Total expenditures	<u>9,190,045</u>	<u>854,873</u>	<u>1,840,992</u>	<u>11,885,910</u>
Revenues over (under) expenditures	<u>141,096</u>	<u>380,607</u>	<u>(233,091)</u>	<u>288,612</u>
Other financing sources (uses)				
Transfers in	1,085,093	-	1,122,400	2,207,493
Transfers out	(671,900)	(505,600)	(252,100)	(1,429,600)
Total other financing sources (uses)	<u>413,193</u>	<u>(505,600)</u>	<u>870,300</u>	<u>777,893</u>
Net changes in fund balances	554,289	(124,993)	637,209	1,066,505
Fund balances, beginning of year	<u>1,488,408</u>	<u>719,133</u>	<u>596,105</u>	<u>2,803,646</u>
Fund balances, end of year	<u>\$ 2,042,697</u>	<u>\$ 594,140</u>	<u>\$ 1,233,314</u>	<u>\$ 3,870,151</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BIG RAPIDS

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, 2021

Net changes in fund balances - total governmental funds	\$ 1,066,505
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Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay	934,802
Deduct - depreciation expense	(663,141)

Some receivables are long-term in nature and are collectable over several years. However the current receipts are reflected as revenues on the fund statements.

Deduct - long-term receivable receipts	(12,743)
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Issuance of bonds or notes provides current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond or note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Add - principal payments on debt	823,682
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Deduct - increase in compensated absences	(29,998)
Add - decrease in net pension liability	1,996,697
Add - increase in deferred outflows	55,028
Deduct - increase in deferred inflows	(1,080,918)
Add - decrease in accrued interest	10,720

Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

Add - increase in net position from the internal service funds	<u>66,493</u>
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Change in net position of governmental activities	<u>\$ 3,167,127</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF BIG RAPIDS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021

	Enterprise Funds				Enterprise Fund Total	Governmental Activities Internal Service Funds
Assets	Wastewater	Water	Sanitation	Nonmajor Dial A Ride		
Current assets						
Cash and pooled investments	\$ 1,437,292	\$ 4,590,218	\$ 38,719	\$ 48,848	\$ 6,115,077	\$ 575,481
Accounts receivable	287,731	403,247	125,754	32,340	849,072	1,732
Due from other governments	-	-	-	139,289	139,289	-
Inventory	-	29,363	-	-	29,363	84,417
Total current assets	<u>1,725,023</u>	<u>5,022,828</u>	<u>164,473</u>	<u>220,477</u>	<u>7,132,801</u>	<u>661,630</u>
Capital assets						
Land	31,288	343,533	-	-	374,821	-
Construction in progress	-	25,888	-	-	25,888	-
Depreciable capital assets, net	<u>9,675,130</u>	<u>6,959,976</u>	<u>-</u>	<u>912,877</u>	<u>17,547,983</u>	<u>691,792</u>
Net capital assets	<u>9,706,418</u>	<u>7,329,397</u>	<u>-</u>	<u>912,877</u>	<u>17,948,692</u>	<u>691,792</u>
Total assets	<u>11,431,441</u>	<u>12,352,225</u>	<u>164,473</u>	<u>1,133,354</u>	<u>25,081,493</u>	<u>1,353,422</u>
Deferred outflow						
Pension related	<u>61,431</u>	<u>61,217</u>	<u>-</u>	<u>-</u>	<u>122,648</u>	<u>-</u>
Liabilities						
Current liabilities						
Accounts payable	39,275	41,696	75,135	2,223	158,329	4,211
Accrued liabilities	12,962	12,865	192	9,942	35,961	22,331
Customer deposits	-	35,510	-	-	35,510	-
Accrued interest	27,968	-	-	-	27,968	-
Current portion of compensated absences	28,468	39,781	-	3,147	71,396	68,009
Current portion of long-term debt	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Total current liabilities	<u>508,673</u>	<u>129,852</u>	<u>75,327</u>	<u>15,312</u>	<u>729,164</u>	<u>94,551</u>
Noncurrent liabilities due in more than one year						
Compensated absences	6,249	8,732	-	1,041	16,022	34,107
Net pension liability	851,447	848,471	-	-	1,699,918	-
Long-term debt	<u>4,075,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,075,000</u>	<u>-</u>
Total long-term liabilities	<u>4,932,696</u>	<u>857,203</u>	<u>-</u>	<u>1,041</u>	<u>5,790,940</u>	<u>34,107</u>
Total liabilities	<u>5,441,369</u>	<u>987,055</u>	<u>75,327</u>	<u>16,353</u>	<u>6,520,104</u>	<u>128,658</u>
Deferred inflow						
Pension related	<u>45,069</u>	<u>44,912</u>	<u>-</u>	<u>-</u>	<u>89,981</u>	<u>-</u>
Net position						
Net investment in capital assets	5,231,418	7,329,397	-	912,877	13,473,692	691,792
Restricted for revenue bond retirement	-	-	-	-	-	-
Unrestricted	<u>775,016</u>	<u>4,052,078</u>	<u>89,146</u>	<u>204,124</u>	<u>5,120,364</u>	<u>532,972</u>
Total net position	<u>\$ 6,006,434</u>	<u>\$ 11,381,475</u>	<u>\$ 89,146</u>	<u>\$ 1,117,001</u>	<u>\$ 18,594,056</u>	<u>\$ 1,224,764</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BIG RAPIDS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Funds				Enterprise Fund Total	Governmental Activities Internal Service Funds
	Wastewater	Water	Sanitation	Nonmajor Dial A Ride		
Operating revenue						
Charges for services	\$ 2,816,853	\$ 2,879,088	\$ 1,123,062	\$ 136,731	\$ 6,955,734	\$ 2,117,883
Other	-	-	-	1,191	1,191	4,966
Total operating revenue	<u>2,816,853</u>	<u>2,879,088</u>	<u>1,123,062</u>	<u>137,922</u>	<u>6,956,925</u>	<u>2,122,849</u>
Operating expense						
Salaries and wages	388,405	403,524	12,620	320,214	1,124,763	664,305
Benefits	124,307	161,621	6,643	109,514	402,085	541,205
DPW services	174,000	146,400	42,900	-	363,300	25,700
Materials and supplies	93,559	79,008	4,032	5,141	181,740	18,934
Gas and oil	-	-	-	35,414	35,414	64,961
Utilities	203,251	180,429	-	16,195	399,875	41,002
Repair and maintenance	310,144	310,340	-	72,527	693,011	176,287
Equipment rentals	42,250	51,037	36,471	4,146	133,904	93,749
Contracted services	544,096	57,014	890,224	350	1,491,684	2,504
Professional fees	2,743	23,505	1,141	6,450	33,839	1,204
Insurance	18,367	27,915	-	7,084	53,366	25,951
Depreciation	576,258	427,125	-	128,579	1,131,962	189,289
Miscellaneous	7,859	(231)	-	997	8,625	1,230
Total operating expense	<u>2,485,239</u>	<u>1,867,687</u>	<u>994,031</u>	<u>706,611</u>	<u>6,053,568</u>	<u>1,846,321</u>
Operating income (loss)	<u>331,614</u>	<u>1,011,401</u>	<u>129,031</u>	<u>(568,689)</u>	<u>903,357</u>	<u>276,528</u>
Non-operating revenue (expense)						
Federal grants	-	-	-	322,431	322,431	-
State grants	401,556	-	-	269,494	671,050	-
Gain (loss) on capital assets	-	-	-	1,925	1,925	15,617
Investment earnings	3,485	12,561	-	29	16,075	448
Interest expense	(114,312)	-	-	-	(114,312)	-
Total non-operating revenue (expense)	<u>290,729</u>	<u>12,561</u>	<u>-</u>	<u>593,879</u>	<u>897,169</u>	<u>16,065</u>
	<u>622,343</u>	<u>1,023,962</u>	<u>129,031</u>	<u>25,190</u>	<u>1,800,526</u>	<u>292,593</u>
Capital contributions and transfers						
Federal grants	-	60,297	-	-	60,297	-
Transfers in	-	-	-	50,200	50,200	-
Transfers out	(258,793)	(230,100)	(53,000)	(60,100)	(601,993)	(226,100)
Total capital contributions and transfers	<u>(258,793)</u>	<u>(169,803)</u>	<u>(53,000)</u>	<u>(9,900)</u>	<u>(491,496)</u>	<u>(226,100)</u>
Changes in net position	363,550	854,159	76,031	15,290	1,309,030	66,493
Net position, beginning of year	<u>5,642,884</u>	<u>10,527,316</u>	<u>13,115</u>	<u>1,101,711</u>	<u>17,285,026</u>	<u>1,158,271</u>
Net position, end of year	<u>\$ 6,006,434</u>	<u>\$ 11,381,475</u>	<u>\$ 89,146</u>	<u>\$ 1,117,001</u>	<u>\$ 18,594,056</u>	<u>\$ 1,224,764</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BIG RAPIDS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Funds				Enterprise Fund Total	Governmental Activities Internal Service Funds
	Wastewater	Water	Sanitation	Nonmajor Dial A Ride		
Cash flows from operating activities						
Receipts from internal services provided	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,122,916
Receipts from customers and users	3,025,839	3,059,252	1,123,047	166,939	7,375,077	-
Payments to employees	(617,756)	(635,811)	(19,383)	(427,928)	(1,700,878)	(1,206,092)
Payments to suppliers	(1,565,910)	(1,252,498)	(971,175)	(157,960)	(3,947,543)	(469,266)
Operating grants	401,556	-	-	591,925	993,481	-
Net cash provided by (used in) operating activities	1,243,729	1,170,943	132,489	172,976	2,720,137	447,558
Cash flows from non-capital financing activities						
Due to other funds	(138,400)	-	(45,411)	(116,298)	(300,109)	-
Transfers in	-	-	-	50,200	50,200	-
Transfers out	(258,793)	(230,100)	(53,000)	(60,100)	(601,993)	(226,100)
Net cash provided by (used in) non-capital financing activities	(397,193)	(230,100)	(98,411)	(126,198)	(851,902)	(226,100)
Cash flows from capital and related financing activities						
Interest expense	(116,750)	-	-	-	(116,750)	-
Capital grants	-	60,297	-	-	60,297	-
Principal paid on bonds	(390,000)	-	-	-	(390,000)	-
Proceeds on sale of capital assets	-	-	-	1,925	1,925	15,617
Acquisitions of capital assets	(273,462)	(350,067)	-	-	(623,529)	(190,721)
Net cash provided by (used in) capital and related financing activities	(780,212)	(289,770)	-	1,925	(1,068,057)	(175,104)
Cash flows from investing activities						
Interest income	3,486	12,562	-	29	16,077	449
Net cash provided by (used in) investing activities	3,486	12,562	-	29	16,077	449
Net increase (decrease) in cash and pooled investments	69,810	663,635	34,078	48,732	816,255	46,803
Cash and pooled investments, beginning of year	1,367,482	3,926,583	4,641	116	5,298,822	528,678
Cash and pooled investments, end of year	\$ 1,437,292	\$ 4,590,218	\$ 38,719	\$ 48,848	\$ 6,115,077	\$ 575,481
Cash flows from operating activities						
Operating income (loss)	\$ 331,614	\$ 1,011,401	\$ 129,031	\$ (568,689)	\$ 903,357	\$ 276,528
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	576,258	427,125	-	128,579	1,131,962	189,289
Net pension liability	(154,070)	(118,949)	-	-	(273,019)	-
Deferred inflows for pensions	45,069	44,912	-	-	89,981	-
Deferred outflows for pensions	(4,232)	(6,185)	-	-	(10,417)	-
Operating grants	401,556	-	-	591,925	993,481	-
Change in operating assets and liabilities which provided (used) cash						
Accounts receivable	208,986	178,964	(15)	29,017	416,952	67
Inventory	-	(5,839)	-	-	(5,839)	(10,394)
Accounts payable	(169,641)	(371,242)	3,593	(9,656)	(546,946)	(7,350)
Customer deposits	-	1,200	-	-	1,200	-
Accrued liabilities	3,787	4,054	(120)	3,282	11,003	6,455
Compensated absences	4,402	5,502	-	(1,482)	8,422	(7,037)
Net cash provided by (used in) operating activities	\$ 1,243,729	\$ 1,170,943	\$ 132,489	\$ 172,976	\$ 2,720,137	\$ 447,558

The accompanying notes are an integral part of these financial statements.

CITY OF BIG RAPIDS
FIDUCIARY FUNDS
STATEMENT OF NET POSITION/BALANCE SHEET
JUNE 30, 2021

	Pension Trust Fund	Custodial Funds
Assets		
Cash and pooled investments	\$ 38,249	\$ 195,047
Investments		
Stock mutual funds and equity securities	5,566,962	-
Bond mutual funds and debt securities	1,059,754	-
Accounts receivable	<u>2,300</u>	<u>61,706</u>
Total assets	<u>6,667,265</u>	<u>256,753</u>
Liabilities		
Accounts payable	-	51,054
Due to other governmental units	-	55,699
Advances from other funds	<u>-</u>	<u>150,000</u>
Total liabilities	<u>-</u>	<u>256,753</u>
Net position		
Net position restricted for pension	6,667,265	-
Net position other	<u>-</u>	<u>-</u>
Total net position	<u><u>\$ 6,667,265</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF BIG RAPIDS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Pension Trust</u>	<u>Custodial Funds</u>
Additions		
Contributions:		
Employer	\$ 720,807	\$ -
Employee	<u>140,806</u>	<u>-</u>
Total contributions	861,613	-
Taxes collected for other entities	-	5,602,143
Deductions collected for other entities	-	3,637,777
Investment earnings (losses)	<u>1,469,364</u>	<u>-</u>
Total additions	<u>2,330,977</u>	<u>9,239,920</u>
Deductions		
Benefits	577,787	-
Refunds and contributions to defined contribution plan	368,513	-
Taxes to other entities	-	5,602,143
Deductions paid to other entities	-	3,637,777
Administrative expenses	<u>36,689</u>	<u>-</u>
Total deductions	<u>982,989</u>	<u>9,239,920</u>
Net increase (decrease)	1,347,988	-
Net position, beginning of year	<u>5,319,277</u>	<u>-</u>
Net position, end of year	<u><u>\$ 6,667,265</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Big Rapids, Michigan (the "City") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

Reporting Entity

These financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations, so data from these units are combined with data of the primary government. The City has no blended component units. Discretely presented component units are reported in a separate column in the financial statements to emphasize they are legally separate from the City.

Discretely Presented Component Units

The component unit columns in the government-wide financial statements include the financial data of the Downtown Development Authority (DDA) and the Brownfield Redevelopment Authority. These component units provide services to the businesses located within the districts. They are reported in a separate column to emphasize they are legally separate from the City.

The DDA was created to correct and prevent deterioration and to promote economic growth within the downtown area. The DDA governing body consists of individuals that are appointed by the City's Commission. The City Commission approves the DDA's budget and has the ability to significantly influence operations of the DDA. Financial statements are not separately issued for the DDA.

The Brownfield Redevelopment Authority accounts for captured tax revenue on specific properties within the City that have been identified and approved by the State of Michigan as brownfields requiring site reclamation. These revenues are used to reimburse property owners for expenditures incurred for brownfield cleanup. The City Commission appoints the governing body of the brownfield redevelopment authority and has the ability to significantly influence operations of the brownfield redevelopment authority. Financial statements are not separately issued for the brownfield redevelopment authority. There was no current year activity in the Brownfield Redevelopment Authority.

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 component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between enterprise functions and other various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which normally are 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.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 properly included among program revenues are reported instead as *general revenues*.

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. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues 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*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for reimbursement-based grants, state shared revenue and interest which use a one year collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Taxes, state revenue, licenses, grants, 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues 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 revenues of the enterprise fund are charges for services. The principal operating revenues of the City's internal service funds are charges to City departments for repairs and equipment utilization and public works department services coverage. Operating expenses for the enterprise funds include depreciation on capital assets, labor, supplies and contracted services. Operating expenses for the internal funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

The City reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

The *Major Streets Fund* - is used to account for the receipt and expenditures of state shared gas and weight taxes under Act 51, P.A. 1951 as amended which are for use on major streets. Gas and weight taxes are distributed to cities and villages in Michigan on the basis of population and the number of miles of streets.

The City reports the following major proprietary funds:

The *Wastewater Enterprise Fund* is used to account for the operations of the City's wastewater department that provides sewer services on a user charge basis.

The *Water Enterprise Fund* is used to account for the operations of the City's water department that provides water services on a user charge basis.

The *Sanitation Fund* is used to account for the cost of collecting and disposing of refuse on a user charge basis.

Additionally, the City reports the following fund types:

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than permanent trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The *Capital Projects Funds* account for the accumulation and disbursement of resources for the construction of governmental fund capital projects.

The *Permanent Fund* is used to account for resources that are legally restricted to the extent that only earnings, and not principal may be used for purposes that support the City programs.

The *Enterprise Funds* are used to account for operations of the City that are financed by charges for the services provided.

The *Internal Service Funds* are used to account for shared services and equipment usage provided to the City departments and funds on a cost reimbursement basis.

The *Pension Trust Fund* is used to account for the operations of the City Act 345 Pension Plan which provides pension benefits to Public Safety Department employees.

The *Custodial Funds* are used to account for the collection and disbursement of funds that are collected on behalf of outside governments or other parties.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Budgets and Budgetary Accounting

Comparisons to budget are presented for the general and special revenue funds. General and special revenue funds adopt a legal budget with remaining funds maintaining budgets as a management control device. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following July 1. The operating budget is adopted by activity.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed for the governmental fund types as a management control device.
5. Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets lapse at fiscal year end.
6. Adoption and amendments of all budgets used by the City are governed by Michigan state law. The appropriations resolution is based on the projected expenditures budgets of the department heads of the City. Any amendment to the original budget must meet the requirements of Michigan law. Any revisions that alter the total expenditures of any department must be approved by the City Commission. The City Manager is authorized to transfer budgeted amounts within a department subject to the condition that the total expenditures do not exceed the approved appropriations by department. Thus the legal level of budgetary control is at the department level. Supplemental appropriations were necessary during the year.

Cash and Pooled Investments

For the purpose of the statement of cash flows, the City considers cash and pooled investments to be cash and cash equivalents because the pooling of these balances allows for withdrawal at any time similar to a demand deposit account.

Investments

Investments are stated at fair value at the balance sheet date.

City investment policy allows for all investment authorized by State statutes. State statutes authorize the City to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- d. Bankers acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.

The City pension plan is also allowed to invest in corporate debt and equity securities.

Receivables/Due from Other Governments

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible balances are immaterial to the financial statements.

Special Assessments Receivable

Special assessments receivable consist of long-term receivables from customers and benefited parties for various infrastructure improvement projects.

Inventory

All inventories are valued at original cost using the first-in/first-out (FIFO) and consumption methods. Inventory represents parts, materials, and supplies utilized in the various City operations.

Advances to Custodial Funds

Noncurrent portions of long-term interfund loans receivable in governmental funds are reported as advances and are offset by nonspendable fund balance which indicates that the balance does not represent expendable available financial resources.

Capital Assets

Capital assets, which include land, construction in progress, buildings, vehicles and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental and business-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 to \$7,500 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at acquisition value (the price that would be paid to acquire an asset with an equivalent service potential in an orderly market transaction) on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

No interest expense has been incurred or capitalized on capital assets reported in proprietary funds.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Depreciation on capital assets (including infrastructure) is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	10-50
Vehicles and equipment	5-50
Public domain and system infrastructure	20-50

Unearned Revenue / Deferred Inflows

Unearned revenue is reported in connection with payments received for fire protection that have not yet been earned.

Funds report *deferred inflows* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred inflows* reported in the funds were as follows:

Governmental funds	Unearned Revenue	Deferred inflows
Fire protection contracts	\$210,733	\$ -
Unavailable receivables	-	112,625
Special assessments	-	2,510
		<hr/>
Total governmental funds	<u>\$210,733</u>	<u>\$115,135</u>

Compensated Absences

Under contracts negotiated with employee groups and personnel policy, individual employees have a vested right to receive payments for unused vacation and other compensation depending on employment agreements. Accumulated compensated absences of governmental funds are recorded on the statement of net position and not on the governmental fund balance sheets because the balance is not expected to be liquidated with expendable available financial resources. Amounts accumulated for proprietary funds are reported on the statements of net position of the individual enterprise funds. Compensated absences reported for governmental activities are primarily liquidated from general fund resources.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Discounts on bonds are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures/expenses regardless of fund or activity.

Pensions

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 Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. 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.

Net Position and Fund Balance Reporting

Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed - the related assets can only be spent for a specific purpose identified by formal action of the governing board.
4. Assigned - the related assets can only be spent for a specific purpose identified by management as authorized by the governing board.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications.

Fund Balance can only be committed by resolution of the City Commission.

Net Position and Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position/fund balance and unrestricted – net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Property Taxes

City property taxes are attached as an enforceable lien on property as of December 31. Summer taxes are levied July 1 and are due without penalty on or before September 15. Winter taxes are levied December 1 and are due without penalty on or before February 14. Tax bills include the City's own property taxes and taxes billed on behalf of other taxing units. Real property taxes not collected as of March 1 are turned over to the County for collection, which advances the City 100% of the delinquent real property taxes. Collection of delinquent personal property taxes remains the responsibility of the City Treasurer. Taxes collected on behalf of other taxing units are accounted for in the agency funds. Property taxes levied in July of each year are recognized as revenue in the year in which they are levied.

Income Taxes

The City has a local income tax for all city residents, businesses, and individuals working in the City. Income taxes receivable represents estimated income taxes for wages and profits through June 30, 2021 net of estimated refunds.

Intergovernmental Revenues

Grants and assistance awards made on the basis of entitlement periods are recorded as due from other governments and revenue when entitlement occurs. Reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditure/expenses are incurred.

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. Changes between enterprise funds and other functions of the City are not reimbursements because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Remaining transactions are generally reflected as transfers.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has items that qualify for reporting in this category related to the net pension asset/liability which is discussed in Note 7.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has items that qualify for reporting in this category. The fund statements report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period, these items are scheduled below. The City also has items that qualify for reporting in this category related to the net pension asset/liability which is discussed in Note 7.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Governmental funds deferred inflows consist of the following:

Governmental funds	Deferred inflows
Unavailable receivables	\$112,625
Special assessments	<u>2,510</u>
Total governmental funds	<u>\$115,135</u>

2. STATUTORY COMPLIANCE

Excess of expenditures over appropriations in budgetary funds

Michigan law provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the City's actual expenditures and budgeted expenditures for the budgeted funds have been shown on a functional basis. The approved budgets of the City for these budgeted funds were adopted at the department level.

During the year ended June 30, 2021, the City incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance (Unfavorable)</u>
Pool fund			
Culture and recreation	\$155,000	\$169,499	\$ (14,499)
Roben-hood Airport fund			
Culture and recreation	428,400	447,522	(19,122)

At year-end the City reported the following deficit in unrestricted net position:

Governmental Activities	\$(848,968)
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CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

3. CASH AND INVESTMENTS

The captions on the financial statements relating to cash and pooled investments and investments are as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and pooled investments	\$9,912,355	\$57,311	\$ 233,296	\$10,202,962
Investments	-	-	6,626,716	6,626,716
	<u>\$9,912,355</u>	<u>\$57,311</u>	<u>\$6,860,012</u>	<u>\$16,829,678</u>

The cash and investments making up the above balances are as follows:

Deposits	\$ 8,662,965
Investments	8,163,913
Petty cash	<u>2,800</u>
Total	<u>\$16,829,678</u>

The deposits are in financial institutions in varying amounts. All accounts are in the name of the City and a specific fund or common account. They are recorded in City records at fair value. Interest is recorded when earned.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require, and the City does not have, a policy for deposit custodial credit risk. As of year-end, \$7,035,594 of the City's bank balance of \$9,066,590 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

Investments

The City chooses to disclose its investments by specifically identifying each. As of year-end, the City had the following investments:

	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
Money Market Accounts	N/A	\$1,146,314	Not Available	
GNMA pools	2025-2034	7,325	N/A	
GNMA unit investment trust	N/A	456,250	N/A	
Mutual funds				
Invesco Oppenheimer Global Strategic	N/A	166,588	1 Star	Morning Star
Invesco Quality Income	N/A	450,715	2 Star	Morning Star
Blackrock Low Duration Bond Portfolio	N/A	179,795	3 Star	Morning Star
Lord Abbett Short Duration Income Class A	N/A	18,705	4 Star	Morning Star
American Mutual Fund Class A	N/A	2,117,350	N/A	
Europacific Fund Class A	N/A	460,934	N/A	
Growth Fund of America Class A	N/A	602,237	N/A	
Investment Company of America Class A	N/A	1,888,252	N/A	
Small-Cap World Fund Class A	N/A	498,189	N/A	
Other Mutual funds	N/A	157,472	N/A	
Common stock				
General Motors Rights and Warrants		13,787	N/A	
Total		<u>\$8,163,913</u>		

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

The aforementioned investments do not include certificates of deposit which are classified as deposits for risk identification purposes.

The City categorizes its fair value measurements of investments 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 asset. 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 has the following recurring fair value measurements as of year-end.

- The equity mutual funds, common stock and preferred stock investments are valued using quoted market prices (Level 1 inputs).
- The remaining investments including fixed income mutual funds are valued using a pricing model utilizing observable fair value measures and other observable inputs to determining the fair value of the securities making up the of investments fund/pool (Level 2 inputs).
- No investments are valued based on significant unobservable inputs (Level 3 inputs).

Investment and deposit risk

Interest Rate Risk. State law and City policy limit the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity date for each investment is identified above for investments held at year-end.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. The investment policy does not have specific limits in excess of state law on investment credit risk. The rating for each investment is identified above for applicable investments held at year end.

Custodial Credit Risk - Investments. For an investment, 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. State law does not require and the City does not have a policy for investment custodial credit risk. Of the above \$8,163,913 of investments, the City has a custodial credit risk of \$477,362 because the related securities are uninsured, unregistered and held by the government's brokerage firm which is also the counterparty for these particular securities. Of the above mutual fund investments the City's custodial credit risk exposure cannot be determined because the mutual funds do not consist of specifically identifiable securities.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

4. ADVANCES BETWEEN FUNDS

Advances receivable and payable at June 30, 2021 were as follows:

<u>Receivable fund</u>	<u>Payroll Custodial Fund</u>
General fund	<u>\$150,000</u>

Advances represent long-term loans between the general fund and the payroll custodial fund primarily to provide cash flow for payroll clearing activities.

5. INTERFUND TRANSACTIONS

Transfers in and out for the year ended June 30, 2021 are as follows:

	<u>Transfers in</u>			
<u>Transfers out</u>	<u>General Fund</u>	<u>Nonmajor governmental</u>	<u>Dial a ride</u>	<u>Total</u>
General fund	\$ -	\$ 621,700	\$50,200	\$ 671,900
Major streets	66,900	438,700	-	505,600
Nonmajor governmental	190,100	62,000	-	252,100
Wastewater	258,793	-	-	258,793
Water	230,100	-	-	230,100
Sanitation	53,000	-	-	53,000
Dial A Ride	60,100	-	-	60,100
Internal service funds	226,100	-	-	226,100
Total	<u>\$1,085,093</u>	<u>\$1,122,400</u>	<u>\$50,200</u>	<u>\$2,257,693</u>

Transfers are used to (1) move unrestricted revenues collected in the general fund to finance capital and other various programs accounted for in other funds in accordance with budgetary authorizations and (2) move allocated cost of general operations to applicable funds.

Interfund receivables and payables of individual funds at June 30, 2021 were as follows:

<u>Receivable Fund</u>	<u>Payable fund Nonmajor Governmental</u>
General fund	<u>\$6,500</u>

Interfund balances reflect loans made from funds with cash and pooled investments to those funds requiring temporary cash flow.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

6. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 4,918,926	\$ 12,824	\$ -	\$ 4,931,750
Construction in progress	64,905	-	-	64,905
Total capital assets, not being depreciated	4,983,831	12,824	-	4,996,655
Capital assets, being depreciated				
Buildings	12,626,433	-	-	12,626,433
Vehicles and equipment	8,351,225	302,821	21,997	8,632,049
Infrastructure	12,720,937	809,878	-	13,530,815
Total capital assets, being depreciated	33,698,595	1,112,699	21,997	34,789,297
Less accumulated depreciation for				
Buildings	7,989,464	163,993	-	8,153,457
Vehicles and equipment	5,850,240	322,608	21,997	6,150,851
Infrastructure	3,366,267	365,829	-	3,732,096
Total accumulated depreciation	17,205,971	852,430	21,997	18,036,404
Net capital assets, being depreciated	16,492,624	260,269	-	16,752,893
Governmental Activities capital assets, net	\$21,476,455	\$273,093	\$ -	\$21,749,548
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 374,821	\$ -	\$ -	\$ 374,821
Construction in progress	302,251	-	276,363	25,888
Total capital assets, not being depreciated	677,072	-	276,363	400,709
Capital assets being depreciated				
Buildings	13,746,822	-	-	13,746,822
Vehicles and equipment	8,153,153	157,727	-	8,310,880
Infrastructure	17,881,538	742,165	-	18,623,703
Total capital assets, being depreciated	39,781,513	899,892	-	40,681,405
Less accumulated depreciation for				
Buildings	6,572,295	419,271	-	6,991,566
Vehicles and equipment	5,509,818	306,064	-	5,815,882
Infrastructure	9,919,347	406,627	-	10,325,974
Total accumulated depreciation	22,001,460	1,131,962	-	23,133,422
Net capital assets, being depreciated	17,780,053	(232,070)	-	17,547,983
Business-type Activities capital assets, net	\$18,457,125	\$(232,070)	\$276,363	\$17,948,692

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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

Governmental Activities	
General government	\$ 85,505
Public safety	113,545
Public works and streets	287,033
Culture and recreation	177,058
Capital assets held by the governments internal service funds are charged to the various functions based on their usage of the assets	<u>189,289</u>
Total depreciation expense - governmental activities	<u><u>\$852,430</u></u>
Business-type Activities	
Wastewater	\$ 576,258
Water	427,125
Nonmajor enterprise funds	<u>128,579</u>
Total depreciation expense - business- type activities	<u><u>\$1,131,962</u></u>

7. PENSION PLANS

The City provides the following pension plans to employees meeting specific requirements based on positions status, City policy and bargaining agreements:

Michigan Municipal Employees Retirement System (MERS)

Agent multiple employer defined benefit and defined contribution retirement plans

Self-administered Michigan Act 345 Retirement System

Single employer defined benefit and defined contribution retirement plans

Public Safety department bargaining unit employees and supervisory personnel (police and fire staff) participate in either the Act 345 Retirement System defined contribution or defined benefit plans. Remaining eligible employees participate in either the MERS defined contribution or defined benefit plans.

Total pension expense for all plans was \$512,000 for the year.

Defined Contribution Pension Plans

The City provides several defined contribution pension plans, which provide pension benefits to qualified employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City's contribution for employees eligible to participate in the plans vests based on year of service with 100% vesting occurring after 7 years of service. The City and participants contribute a percentage of participant salary to the plans based on the participant's position with the City. City contributions to the Act 345 plan range from 5.5% to 10% of salary and participants contributions range from 2% to 4.5% of salary. City contributions to the MERS plan range from are 10% of salary and participant contributions range from 5% to 5.5% of salary. City contributions were \$449,974 and participant contributions were \$217,664 to the plans. The plan provisions and contribution amounts were established by the City Commission and may be amended by the Commission. The plans are administered as noted above.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Defined Benefit Plans

MERS Plan Description

The employer's pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided

Benefits provided include a multiplier 2.5 times final average compensation. Vesting period is 10 years. Normal retirement age is 60 with a number of early retirement options available. Final average compensation is calculated based on 3 to 5 years.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2020):

Active plan members	8
Inactive employees entitled but not yet receiving benefits	3
Inactive employees or beneficiaries currently receiving benefits	<u>52</u>
Total	<u>63</u>

This plan is closed to additional participants.

Contributions

The City is required to contribute at an actuarially determined rate, which for the current year was \$61,099 per month. Participating employees are required to contribute from 5% to 5.5% percent of gross wages to the Plan based on position and classification. The contribution requirements of the City are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

The total pension liability in the December 31, 2020 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: base wage inflation of 3.00% in the long-term (plus merit and longevity from 0 to 11% based on age)

Investment rate of return: 7.35%, net of investment expense, including inflation

Mortality rates used for non-disabled plan member were based on a weighted blend of RP-2014 mortality tables of a 50% Male and 50% Female blend. Mortality rates used for disabled plan member were based on a blend of RP-2014 disabled retiree mortality tables of a 50% Male and 50% Female blend of disabled retirees

The actuarial assumptions used in the valuation were based on the results of the 2020 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Expected Money Weighted Rate of Return</u>
Global Equity	60.0%	7.75%	3.15%
Global Fixed Income	20.0%	3.75%	0.25%
Private Investments	20.0%	9.75%	1.45%
Inflation			2.50%
Administrative fee			0.25%
Investment rate of return			7.60%

Discount rate

The discount rate used to measure the total pension liability is 7.6%. 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 BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at December 31, 2019	\$15,463,114	\$9,614,348	\$5,848,766
Changes for the Year:			
Service cost	49,792	-	49,792
Interest	1,130,619	-	1,130,619
Change in benefits	-	-	-
Differences between expected and actual experience	(450,248)	-	(450,248)
Change in assumptions	333,210	-	333,210
Contributions: employer	-	660,660	(660,660)
Contributions: employee	-	24,911	(24,911)
Net investment income	-	1,164,403	(1,164,403)
Benefit payments, including refunds	(1,222,892)	(1,222,892)	-
Administrative expense	-	(18,881)	18,881
Other changes	(1)	-	(1)
Net changes	(159,520)	608,201	(767,721)
Balance at December 31, 2020	\$15,303,594	\$10,222,549	\$5,081,045

Funding of the MERS plan is provided primarily by the City general fund, wastewater and water funds.

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

The following presents the net pension liability of the employer, calculated using the discount rate of 7.6%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (6.6%) or higher (8.6%) than the current rate.

	1% Decrease	Current Discount rate	1% Increase
Total pension liability	\$16,726,796	\$15,303,594	\$14,079,019
Fiduciary net position	10,222,549	10,222,549	10,222,549
Net pension liability	\$ 6,504,247	\$ 5,081,045	\$ 3,856,470

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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

For the year ended June 30, 2021 the employer recognized pension expense of \$200,536. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Excess (deficit) investment returns	\$ -	\$ 268,953
Contributions subsequent to the Measurement date*	366,594	-
Total	<u>\$366,594</u>	<u>\$ 268,953</u>

* The amount reported as deferred outflows of resources resulting from the contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2022.

Amounts reported as deferred outflows and inflows of resources related to pensions (excluding subsequent contributions) will be recognized in pension expense as follows:

2022	\$ (49,719)
2023	46,171
2024	(182,401)
2025	(83,004)
Thereafter	-
Total	<u><u>\$(268,953)</u></u>

ACT 345 Plan Description

Act 345 assigns the authority to establish and amend benefit provisions and contribution requirements to the City, subject to the terms of collective bargaining agreements. The City Treasurer administers the City of Big Rapids Policemen and Firemen Retirement System - a single-employer defined benefit pension plan that provides pensions for eligible public safety employees of the City. Management of the City of Big Rapids Policemen and Firemen Retirement system ("PFRS") is vested in the Act 345 Board, which consists of five members – one fireman, one policeman, the City Treasurer, and two at-large members.

Benefits Provided

The City of Big Rapids Policeman and Firemen Retirement System is a single-employer defined benefit pension plan that covers policemen and firemen employees of the City of Big Rapids. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries. The City is able to establish and amend the types of benefits offered through the plan, subject to the terms of collective bargaining agreements. This plan is closed to additional participants.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (June 30, 2021):

Active plan members	-
Inactive employees entitled but not yet receiving benefits	1
Inactive employees or beneficiaries currently receiving benefits	<u>22</u>
Total	<u>23</u>

Contributions

Plan members are required to contribute 6% of their annual covered salary depending on the applicable collective bargaining agreement and/or unit assignment. The City is required to contribute at an actuarially determined rate of \$493,154, of which \$493,100 was contributed to the plan in the current year. The City establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

The total pension liability in the June 30, 2021 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.5%
- Salary Increases: N/A no active employees
- Investment rate of return: 7%, net of investment expense, including inflation
- Mortality: The RP-2014 generational mortality tables with blue collar adjustment and extended via cubic spline, The RP-2014 healthy annuitant generational mortality tables with blue collar adjustments and extended via cubic spline, and the RP-2014 disabled mortality table extended via cubic spline.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2020 through June 30, 2021.

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.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Fixed Income	20%	2%
International Fixed Income	5%	3%
Domestic Equity	50%	6%
International Equity	15%	6%
Cash	10%	0%

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 27.47 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate

The discount rate used to measure the total pension liability is 7% which did not change from the prior year. 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.

Changes in the Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balance at July 1, 2020	\$6,244,524	\$5,319,276	\$925,248
Changes for the Year:			
Service cost	-	-	-
Interest	417,127	-	417,127
Change in benefits	-	-	-
Differences between expected and actual experience	-	-	-
Change in assumptions	-	-	-
Contributions: employer	-	720,807	(720,807)
Contributions: employee	-	140,806	(140,806)
Net investment income	-	1,469,364	(1,469,364)
Benefit payments, including refunds	(571,133)	(939,646)	368,513
Administrative expense	-	(26,875)	26,875
Other changes	-	(16,467)	16,467
Net changes	(154,006)	1,347,989	(1,501,995)
Balance at June 30, 2021	\$6,090,518	\$6,667,265	\$(576,747)

Funding of the ACT 345 plan is provided by the City general fund.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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

The following presents the net pension liability of the employer, calculated using the discount rate of 8%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (6%) or higher (8%) than the current rate.

	1% Decrease	Current Discount rate	1% Increase
Total pension liability	\$6,636,082	\$6,090,518	\$ 5,624,381
Fiduciary net position	6,667,265	6,667,265	6,667,265
Net pension liability	<u>\$ (31,183)</u>	<u>\$ (576,747)</u>	<u>\$(1,042,884)</u>

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

For the year ended June 30, 2021 the employer recognized pension expense of \$(138,510). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Excess (deficit) investment returns	\$ -	\$901,946
Difference between expected and actual experience	133,286	-
Total	<u>\$133,286</u>	<u>\$901,946</u>

Amounts reported as deferred outflows and inflows of resources related to pensions (excluding subsequent contributions) will be recognized in pension expense as follows:

2022	\$(192,517)
2023	(171,582)
2024	(184,310)
2025	(220,251)
Thereafter	-
Total	<u>\$(768,660)</u>

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

8. LONG-TERM DEBT

The following is a summary of the debt transactions of the City for the year ended June 30, 2021:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
Governmental Activities					
Public Offerings:					
2010 \$3,345,000 Unlimited Tax General Obligation refunding bonds; due in annual installments of \$235,000 to \$455,000 through 2021, plus interest at 2.0% to 4.0%	\$ 455,000	\$ -	\$ 455,000	\$ -	\$ -
Direct Placement:					
2010 \$1,400,000 USDA Community Hangar General Obligation Bonds; due in annual installments of \$25,000 to \$77,000 through 2040, plus interest at 2.5%	1,136,000	-	36,000	1,100,000	37,000
2014 \$530,000 Limited Tax General Obligation bonds; due in annual installments of \$45,000 to \$65,000 through 2024, plus interest at 0.95% to 3.05%	295,000	-	55,000	240,000	55,000
2013 \$550,000 Installment Purchase Contract; due in annual installments of \$45,000 to \$66,000 through 2022, plus interest at 2.29%	191,000	-	191,000	-	-
2015 USDA \$158,972 Relending Program, due in annual installments of \$12,735 through 2040, plus interest of 1.00%	118,691	-	5,795	112,896	5,853
2018 \$120,000 Installment Purchase Contract, due in annual installments of \$41,813 through 2021, plus interest of 2.250%	80,887	-	80,887	-	-
Total	2,276,578	-	823,682	1,452,896	97,853
Accrued employee benefits	542,563	384,670	361,709	565,524	401,878
Total Governmental Activities	\$2,819,141	\$384,670	\$1,185,391	\$2,018,420	\$499,731

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2021</u>	Due Within One Year
Business-type Activities					
2009 Act 94 Sewage Disposal System Bonds, due in annual installments of \$310,000 to \$500,000 through 2030, plus interest at 2.5%	\$4,865,000	\$ -	\$390,000	\$4,475,000	\$400,000
Accrued employee benefits	78,996	61,086	52,664	87,418	71,396
Total Business-type Activities	\$4,943,996	\$61,086	\$442,664	\$4,562,418	\$471,396

The annual requirements to amortize all debt outstanding (excluding accrued employee benefits) as of June 30, 2021 are as follows:

Year Ending <u>June 30</u>	Governmental Activities			
	<u>Direct placement</u>		<u>Public Offerings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 97,853	\$ 47,322	\$ -	\$ -
2023	103,912	44,558	-	-
2024	105,971	41,490	-	-
2025	113,030	38,093		
2026	49,091	35,448	-	-
2027-2031	276,379	150,062	-	-
2032-2036	329,980	97,761	-	-
2037-2041	376,680	34,931	-	-
2042-2045	-	-	-	-
Total	\$1,452,896	\$489,665	\$ -	\$ -

Year Ending <u>June 30</u>	Business-type Activities	
	<u>Direct placement</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 400,000	\$106,875
2023	410,000	96,750
2024	420,000	86,375
2025	430,000	75,750
2026	440,000	64,875
2027-2031	2,375,000	151,438
2032-2035	-	-
Total	\$4,475,000	\$582,063

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

The outstanding direct placement debt contains the following provisions:

USDA related items: the entity shall be required to use money from its general fund or levy an ad valorem tax sufficient to pay the obligation, subject to applicable constitutional, statutory, and charter limitations.

Limited tax general obligation bonds: the entity shall be required to use money levied by an ad valorem tax sufficient to pay the obligation, subject to applicable constitutional, statutory, and charter limitations.

Act 94 bonds are primarily payable from system revenues, but, as additional security, the City also pledged its full faith and credit for repayment of the bond. So, if system revenues are insufficient to make debt service payments, the City is obligated under the bond documents to pay debt service from its general fund or any other legally available funds.

Installment note: the entity has pledged its limited full faith and credit

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the government carries commercial insurance and participates in the Michigan Municipal Liability and Property Pool (the Pool). The City is covered for property and liability coverage through the pool. The City's contributions to the Pool are combined with other member contributions to provide members with coverage for property and liability claims. Funds not needed to pay claims or maintain reserves are either distributed to the members or credited toward future contributions. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years. There were no changes in insurance coverage from the prior year.

10. ECONOMIC DEPENDENCY

Ferris State University is a major customer of the City's wastewater and water funds. During the year ended June 30, 2021, revenue attributable to charges for these services was recognized in the City's wastewater and water funds in the amount of \$559,899 and \$674,939 respectively.

11. DETACHMENT SETTLEMENT

As a result of an election on May 14, 1991, a total of 1,124 acres of City property was detached from the City and transferred to the adjoining Big Rapids Township. Various real property owned by the City of Big Rapids (airport, community swimming pool and cemetery) are located in the detached area. Ownership of the cemetery transferred to the Township by operation of law at the date of detachment.

Negotiations between the City and the Township regarding other City property, apportionment of City assets and debt, and other issues resulted in a Mutual Settlement Agreement between the two units on October 20, 1992. As a result of the settlement, no apportionment of City assets and debt as of the date of detachment was made; the City retained ownership of the airport and swimming pool. State revenue sharing is allocated to the City and Township based on corrected population after that date.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

12. LITIGATION

In the normal course of its operations, the City has become a party in various legal actions, including property tax appeals. Management of the City is of the opinion that the outcome of such actions will not have a material effect on the financial position of the City. Amounts reserved for losses related to legal actions have not been included as a liability in the financial statements.

13. COMMITMENTS

At June 30, 2021, the City had remaining commitments on construction contracts and purchase agreements totaling approximately \$154,636.

14. TAX ABATEMENTS

The City entered into property tax abatements agreements with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 12 years as determined by the local unit of government. The agreements entered into by the City include claw back provisions should the recipient of the tax abatement fail to fully meet its commitments, such as employment levels and timelines for relocation. The IFT is computed at half the local property tax millage rate. This amounts to a reduction in property taxes of approximately 50%.

For the year ended June 30, 2021 the amount of abated taxes was not significant.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BIG RAPIDS

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive (Negative)</u>
Revenues				
Taxes				
Property taxes	\$ 3,560,600	\$ 3,620,600	\$ 3,732,962	\$ 112,362
City income tax	2,135,500	2,135,500	2,193,031	57,531
Intergovernmental revenues				
Federal	61,100	296,100	406,291	110,191
State	1,834,600	1,879,600	2,043,791	164,191
Local	-	8,400	19,779	11,379
Licenses and permits	139,600	139,600	203,583	63,983
Charges for services	650,800	650,800	601,208	(49,592)
Fines	81,600	81,600	56,847	(24,753)
Special assessments	5,500	5,500	9,129	3,629
Investment earnings	60,000	60,000	36,168	(23,832)
Miscellaneous	49,800	62,600	28,352	(34,248)
Total revenues	8,579,100	8,940,300	9,331,141	390,841
Expenditures				
Current				
General government	2,907,900	3,015,369	2,870,635	144,734
Public safety	4,057,538	4,057,856	3,935,135	122,721
Public works	952,800	1,020,800	910,482	110,318
Culture and recreation	657,600	785,100	724,760	60,340
Debt service				
Principal	556,000	726,900	726,887	13
Interest and fiscal charges	23,800	22,300	22,146	154
Total expenditures	9,155,638	9,628,325	9,190,045	438,280
Revenues over (under) expenditures	(576,538)	(688,025)	141,096	(47,439)
Other financing sources (uses)				
Transfers in	1,133,900	1,138,100	1,085,093	(53,007)
Transfers out	(556,900)	(676,500)	(671,900)	4,600
Total other financing sources (uses)	577,000	461,600	413,193	(48,407)
Net changes in fund balance	462	(226,425)	554,289	780,714
Fund balance, beginning of year	1,488,408	1,488,408	1,488,408	-
Fund balance, end of year	\$ 1,488,870	\$ 1,261,983	\$ 2,042,697	\$ 780,714

CITY OF BIG RAPIDS

MAJOR STREETS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
Revenues				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ 278,070	\$ 278,070
State	928,100	928,100	955,793	27,693
Investment earnings	1,000	1,000	1,517	517
Miscellaneous	500	500	100	(400)
Total revenues	929,600	929,600	1,235,480	305,880
Expenditures				
Current				
Public works	705,500	1,456,000	854,873	601,127
Revenues over (under) expenditures	224,100	(526,400)	380,607	907,007
Other financing sources				
Transfers out	(505,600)	(505,600)	(505,600)	-
Net changes in fund balance	(281,500)	(1,032,000)	(124,993)	907,007
Fund balance, beginning of year	719,133	719,133	719,133	-
Fund balance, end of year	\$ 437,633	\$ (312,867)	\$ 594,140	\$ 907,007

CITY OF BIG RAPIDS

**DEFINED BENEFIT PENSION PLAN - MERS
SCHEDULE OF CHANGES IN EMPLOYERS NET PENSION LIABILITY AND RELATED RATIOS
LIABILITY AND RELATED RATIOS**

FOR THE YEAR ENDED JUNE 30, 2021

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 49,792	\$ 55,250	\$ 56,052	\$ 69,985	\$ 81,621	\$ 95,174	\$ 105,372
Interest	1,130,619	1,141,318	1,130,043	1,157,863	1,154,036	1,112,912	1,088,848
Changes in benefit terms	-	516	-	8,347	(504)	(814)	-
Difference between expected and actual experience	(450,248)	167,262	113,259	(486,289)	(144,180)	8,493	-
Changes in assumptions	333,210	467,561	-	-	-	687,015	-
Benefit payments including employee refunds	(1,222,892)	(1,215,291)	(1,100,733)	(1,080,637)	(993,980)	(926,917)	(867,951)
Other	(1)	-	-	-	-	-	-
Net change in total pension liability	(159,520)	616,616	198,621	(330,731)	96,993	975,863	326,269
Total pension liability, beginning of year	15,463,114	14,846,498	14,647,877	14,978,608	14,881,615	13,905,752	13,579,483
Total pension liability, end of year	\$ 15,303,594	\$ 15,463,114	\$ 14,846,498	\$ 14,647,877	\$ 14,978,608	\$ 14,881,615	\$ 13,905,752
Plan Fiduciary Net Position							
Contributions-employer	\$ 660,660	\$ 576,918	\$ 571,124	\$ 667,026	\$ 728,574	\$ 668,316	\$ 605,874
Contributions-employee	24,911	85,566	31,064	31,709	32,523	34,095	34,526
Net investment income	1,164,403	1,193,573	(372,796)	1,190,959	950,099	(130,422)	533,290
Benefit payments including employee refunds	(1,222,892)	(1,215,291)	(1,100,733)	(1,080,637)	(993,980)	(926,917)	(867,951)
Administrative expense	(18,881)	(20,536)	(18,858)	(18,915)	(18,722)	(19,126)	(19,570)
Net change in plan fiduciary net position	608,201	620,230	(890,199)	790,142	698,494	(374,054)	286,169
Plan fiduciary net position, beginning of year	9,614,348	8,994,118	9,884,317	9,094,175	8,395,681	8,769,735	8,483,566
Plan fiduciary net position, end of year	\$ 10,222,549	\$ 9,614,348	\$ 8,994,118	\$ 9,884,317	\$ 9,094,175	\$ 8,395,681	\$ 8,769,735
Employer net pension liability	\$ 5,081,045	\$ 5,848,766	\$ 5,852,380	\$ 4,763,560	\$ 5,884,433	\$ 6,485,934	\$ 5,136,017
Plan fiduciary net position as a percentage of the total pension liability	67%	62%	61%	67%	61%	56%	63%
Covered payroll	\$ 466,122	\$ 517,703	\$ 530,086	\$ 663,961	\$ 786,272	\$ 928,233	\$ 1,027,960
Employer's net pension liability as a percentage of covered payroll	1090%	1130%	1104%	717%	748%	699%	500%

Notes to schedule:

Above data is based on a December 31 measurement date.

This schedule is being accumulated prospectively until ten years of data is presented.

CITY OF BIG RAPIDS

DEFINED BENEFIT PENSION PLAN - MERS SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2021

Fiscal Year end	Actuarially determined contributions	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
6/30/2015	\$ 605,874	\$ 605,874	\$ -	\$ 1,027,960	59%
6/30/2016	668,316	668,316	-	928,233	72%
6/30/2017	758,703	758,703	-	786,272	96%
6/30/2018	698,735	698,735	-	663,961	105%
6/30/2019	565,704	565,704	-	602,037	94%
6/30/2020	588,132	588,132	-	514,703	114%
6/30/2021	733,188	733,188	-	451,122	163%

Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	10 years
Asset valuation method	5 year smoothed (10 year smoothing 2014)
Inflation	2.5% (3.5% 2014)
Salary increases	3.00% (3.75% for 2015 through 2019)
Investment rate of return	7.35% (7.75% for 2015 through 2019)
Retirement age	Varies depending on plan adoption
Mortality	50% female/ 50% male RP-2014 mortality table

Note to schedule:

The schedule is being accumulated prospectively until 10 years of information is presented

CITY OF BIG RAPIDS

**DEFINED BENEFIT PENSION PLAN - ACT 345
SCHEDULE OF CHANGES IN EMPLOYERS NET PENSION LIABILITY AND RELATED RATIOS
LIABILITY AND RELATED RATIOS**

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,580	\$ 14,096	\$ 13,406
Interest	417,127	430,213	442,460	458,023	469,725	461,921	470,783	457,463
Changes in benefit terms	-	-	-	-	-	279,030	-	-
Difference between expected and actual experience	-	(25,841)	-	(12,780)	-	-	-	-
Changes in assumptions	-	-	-	(38,919)	-	-	-	308,815
Benefit payments including employee refunds	(571,133)	(611,494)	(623,334)	(633,979)	(639,800)	(632,719)	(589,742)	(589,742)
Other	-	-	-	-	-	-	-	-
Net change in total pension liability	(154,006)	(207,122)	(180,874)	(227,655)	(170,075)	121,812	(104,863)	189,942
Total pension liability, beginning of year	6,244,524	6,451,646	6,632,520	6,860,175	7,030,250	6,908,438	7,013,301	6,823,359
Total pension liability, end of year	\$ 6,090,518	\$ 6,244,524	\$ 6,451,646	\$ 6,632,520	\$ 6,860,175	\$ 7,030,250	\$ 6,908,438	\$ 7,013,301
Plan Fiduciary Net Position								
Contributions-employer	\$ 720,807	\$ 709,810	\$ 731,376	\$ 718,277	\$ 691,687	\$ 457,500	\$ 701,837	\$ 656,937
Contributions-employee	140,806	134,378	136,617	127,763	124,056	2,559	136,602	128,514
Net investment income	1,469,364	184,839	291,517	440,312	504,671	110,794	154,466	629,077
Benefit payments including employee refunds	(939,646)	(962,582)	(983,627)	(972,319)	(974,690)	(632,719)	(923,914)	(913,264)
Administrative expense	(26,875)	(11,575)	(29,675)	(12,325)	(23,500)	(11,589)	(16,825)	(4,800)
Other	(16,467)	(16,978)	(22,426)	(16,408)	(21,279)	(19,414)	(17,907)	(15,679)
Net change in plan fiduciary net position	1,347,989	37,892	123,782	285,300	300,945	(92,869)	34,259	480,785
Plan fiduciary net position, beginning of year	5,319,276	5,281,384	5,157,602	4,872,302	4,571,357	4,664,226	4,629,967	4,149,182
Plan fiduciary net position, end of year	\$ 6,667,265	\$ 5,319,276	\$ 5,281,384	\$ 5,157,602	\$ 4,872,302	\$ 4,571,357	\$ 4,664,226	\$ 4,629,967
Employer net pension liability	\$ (576,747)	\$ 925,248	\$ 1,170,262	\$ 1,474,918	\$ 1,987,873	\$ 2,458,893	\$ 2,244,212	\$ 2,383,334
Plan fiduciary net position as a percentage of the total pension liability	109%	85%	82%	78%	71%	65%	68%	66%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,910	\$ 71,122	\$ 73,822
Employer's net pension liability as a percentage of covered payroll	n/a	n/a	n/a	n/a	n/a	17677%	3155%	3228%

Notes to schedule:

This schedule is being accumulated prospectively until ten years of data is presented.

CITY OF BIG RAPIDS

DEFINED BENEFIT PENSION PLAN - ACT 345 SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2021

Fiscal Year end	Actuarially determined contributions	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
6/30/2014	\$ 457,423	\$ 457,500	\$ (77)	\$ 73,822	620%
6/30/2015	457,457	500,000	(42,543)	71,122	703%
6/30/2016	457,457	457,500	(43)	13,910	3289%
6/30/2017	507,614	480,853	26,761	-	n/a
6/30/2018	507,614	507,700	(86)	-	n/a
6/30/2019	493,035	507,700	(14,665)	-	n/a
6/30/2020	493,035	493,100	(65)	-	n/a
6/30/2021	493,154	493,154	-	-	n/a

Notes to schedule

Actuarial cost method	N/A
Amortization method	Level Dollar, closed
Remaining amortization period	4 years
Asset valuation method	4 year smoothed market
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00%
Retirement age	N/A
Mortality	RP 2014 mortality tables

Note to schedule:

The schedule is being accumulated prospectively until 10 years of information is presented

CITY OF BIG RAPIDS

DEFINED BENEFIT PENSION PLAN - ACT 345 SCHEDULE OF INVESTMENT RETURNS

FOR THE YEAR ENDED JUNE 30, 2021

Fiscal Year end	Annual money-weighted rate of return net of investment expense
6/30/2014	15.12%
6/30/2015	2.64%
6/30/2016	1.73%
6/30/2017	9.95%
6/30/2018	8.33%
6/30/2019	5.62%
6/30/2020	3.46%
6/30/2021	27.47%

Note to schedule:

The schedule is being accumulated prospectively until 10 years of information is presented

Note to required supplementary information

Basis of Accounting

Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principals (GAAP).

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF BIG RAPIDS

GENERAL FUND SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current				
General government				
City Commission	\$ 121,300	\$ 140,100	\$ 135,081	\$ 5,019
City Managers office	191,700	194,700	191,236	3,464
Elections	20,600	29,000	25,343	3,657
Assessor	171,800	168,800	159,497	9,303
City Attorney	229,500	229,500	225,258	4,242
Clerks office	185,300	187,300	186,253	1,047
Treasurers office	456,800	456,800	448,390	8,410
Income tax administration	215,300	215,300	209,701	5,599
Information management	678,200	667,300	586,113	81,187
Public buildings	110,700	134,500	132,153	2,347
Personnel administration	253,500	260,869	244,229	16,640
Neighborhood services	271,700	329,700	326,171	3,529
Planning Board	1,500	1,500	1,210	290
	<u>2,907,900</u>	<u>3,015,369</u>	<u>2,870,635</u>	<u>144,734</u>
Public safety				
Police Department	2,458,700	2,456,600	2,385,474	71,126
Fire Department	1,063,938	1,062,397	1,016,231	46,166
Other public safety	534,900	538,859	533,430	5,429
	<u>4,057,538</u>	<u>4,057,856</u>	<u>3,935,135</u>	<u>122,721</u>
Public works				
Public service	508,600	503,600	497,743	5,857
Sidewalks, alleys and storm sewers	238,100	317,900	219,837	98,063
Parking	104,200	97,400	95,424	1,976
City decorations	101,900	101,900	97,478	4,422
	<u>952,800</u>	<u>1,020,800</u>	<u>910,482</u>	<u>110,318</u>
Culture and recreation				
Parks	522,700	670,800	631,124	39,676
Recreation program	134,900	114,300	93,636	20,664
	<u>657,600</u>	<u>785,100</u>	<u>724,760</u>	<u>60,340</u>
Debt service				
Principal	556,000	726,900	726,887	13
Interest and fiscal charges	23,800	22,300	22,146	154
	<u>579,800</u>	<u>749,200</u>	<u>749,033</u>	<u>167</u>
Total expenditures	<u>\$ 9,155,638</u>	<u>\$ 9,628,325</u>	<u>\$ 9,190,045</u>	<u>\$ 438,280</u>

CITY OF BIG RAPIDS

FUND AND COMPONENT UNIT DESCRIPTIONS

SPECIAL REVENUE FUNDS

Local Streets Fund - This fund is used to account for the receipt and expenditures of state shared gas and weight taxes under Act 51, P.A. 1951 as amended which are for use on local streets within the City. Gas and weight taxes are distributed to cities and villages in Michigan on the basis of population and the number of miles of streets.

Library Fund - This fund is used to account separately for activities of the City Library.

Pool - This fund is used to account for revenues and expenditures resulting from pool operations.

Dog Park - This fund is used to account for revenues and expenditures resulting from dog park operations.

The Robin-Hood Airport Fund is used to account for the revenues and expenditures of the Robin-Hood Airport.

Jennings Fund - This fund is used to account for donations and income which is legally restricted for the purpose of the gift which supports City activities.

Riverwalk Fund - This fund is used to account for donations and expenditures related to the City Riverwalk maintenance and improvements.

River Safety Fund - This fund is used to account for donations and expenditures related to river safety maintenance and improvements.

Holland Park Veterans Memorial - This fund is used to account for donations and expenditures related to the Holland Park Veterans Memorial maintenance and improvements.

Disc Golf - This fund is used to account for donations and expenditures related to the disk golf maintenance and improvements.

Skate Park - This fund is used to account for donations and expenditures related to the skate park maintenance and improvements.

Debt Service

Refunding Program - This fund is used to account for the accumulation and disbursement of resources for the refunding bond debt service.

CAPITAL PROJECTS

City Hall Projects - These funds are used to account for the accumulation and disbursement of resources for the renovation of the City Hall.

Library Improvements - These funds are used to account for the accumulation and disbursement of resources for the renovation of the City library.

CITY OF BIG RAPIDS

FUND AND COMPONENT UNIT DESCRIPTIONS

PERMANENT FUND

Playscape Fund - This fund is used to account for donations and expenditures related to the City playscape park for which only the interest on the corpus may be expended.

INTERNAL SERVICE FUNDS

Motor Pool Fund - This fund is used to account for the purchase, maintenance and operation of most motor vehicles and other equipment for City operations. The equipment is rented to the other operating funds at hourly rental rates to cover costs of the fund.

D.P.W Service Fund - This fund is used to facilitate the accounting for supervision, labor and fringe benefits of the Public Works Department. Revenues of this fund represent allocations of these costs to the various funds based on the actual salary cost of Public Works Department employees in each fund.

CUSTODIAL FUNDS

Current Tax Fund - This fund is used to record the receipt and transfers of property taxes collected by the City on behalf of the state county, school districts and other governments.

Payroll Fund - This fund is used to account for receipt and disbursement of payroll withholdings.

COMPONENT UNIT

Downtown Development Authority - The DDA is used to account for activities designed to correct and prevent deterioration in the downtown area and promote economic growth within downtown.

CITY OF BIG RAPIDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Special Revenue							
	<u>Local Streets</u>	<u>Library</u>	<u>Pool</u>	<u>Dog Park</u>	<u>Roben-Hood Airport</u>	<u>Jennings</u>	<u>Riverwalk</u>	<u>River Safety</u>
Assets								
Cash and pooled investments	\$ 434,242	\$ 29,700	\$ 17,976	\$ 2,765	\$ -	\$ 6,516	\$ 10,283	\$ 8,522
Accounts receivable	100	149	368	-	35,022	-	-	-
Due from other governments	49,133	181,379	-	-	-	-	-	-
Inventory	-	-	-	-	14,449	-	-	-
Total assets	<u>\$ 483,475</u>	<u>\$ 211,228</u>	<u>\$ 18,344</u>	<u>\$ 2,765</u>	<u>\$ 49,471</u>	<u>\$ 6,516</u>	<u>\$ 10,283</u>	<u>\$ 8,522</u>
Liabilities, deferred inflows, and fund balances								
Liabilities								
Accounts payable	\$ -	\$ 41,431	\$ 2,372	\$ -	\$ 1,875	\$ -	\$ -	\$ -
Accrued liabilities	-	6,813	8,746	-	3,933	-	-	-
Due to other funds	-	-	-	-	6,500	-	-	-
Total liabilities	<u>-</u>	<u>48,244</u>	<u>11,118</u>	<u>-</u>	<u>12,308</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows								
Unavailable revenue	-	-	-	-	-	-	-	-
Fund balances								
NonSpendable								
Permanent fund nonspendable	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	14,449	-	-	-
Restricted								
Streets	483,475	-	-	-	-	-	-	-
Library	-	162,984	-	-	-	-	-	-
Restricted contributions	-	-	-	2,765	-	6,516	-	-
Permanent fund - expendable	-	-	-	-	-	-	-	-
Assigned								
Pool operations	-	-	7,226	-	-	-	-	-
Airport operations	-	-	-	-	22,714	-	-	-
Riverwalk and safety	-	-	-	-	-	-	10,283	8,522
Capital projects	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>483,475</u>	<u>162,984</u>	<u>7,226</u>	<u>2,765</u>	<u>37,163</u>	<u>6,516</u>	<u>10,283</u>	<u>8,522</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 483,475</u>	<u>\$ 211,228</u>	<u>\$ 18,344</u>	<u>\$ 2,765</u>	<u>\$ 49,471</u>	<u>\$ 6,516</u>	<u>\$ 10,283</u>	<u>\$ 8,522</u>

		<u>Debt Service</u>		<u>Capital Projects</u>		<u>Permanent</u>		
Holland Park Veterans Memorial	Disc Golf	Skate Park	Relending Program	Hemlock Park Infrastructure	City Hall Project	Library Improvement	Playscape	Total
\$ 20,932	\$ 710	\$ 1,808	\$ 64,258	\$ 389,771	\$ 8,974	\$ 1,365	\$ 17,676	\$ 1,015,498
-	-	-	112,625	11,586	-	-	-	159,850
-	-	-	-	-	-	-	-	230,512
-	-	-	-	-	-	-	-	14,449
<u>\$ 20,932</u>	<u>\$ 710</u>	<u>\$ 1,808</u>	<u>\$ 176,883</u>	<u>\$ 401,357</u>	<u>\$ 8,974</u>	<u>\$ 1,365</u>	<u>\$ 17,676</u>	<u>\$ 1,420,309</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,700	\$ -	\$ -	\$ 48,378
-	-	-	-	-	-	-	-	19,492
-	-	-	-	-	-	-	-	6,500
-	-	-	-	-	2,700	-	-	74,370
-	-	-	112,625	-	-	-	-	112,625
-	-	-	-	-	-	-	17,000	17,000
-	-	-	-	-	-	-	-	14,449
-	-	-	-	-	-	-	-	483,475
-	-	-	-	-	-	-	-	162,984
-	-	-	-	-	-	-	-	9,281
-	-	-	-	-	-	-	676	676
-	-	-	-	-	-	-	-	7,226
-	-	-	-	-	-	-	-	22,714
20,932	710	1,808	64,258	-	-	-	-	106,513
-	-	-	-	401,357	6,274	1,365	-	408,996
-	-	-	-	-	-	-	-	-
<u>20,932</u>	<u>710</u>	<u>1,808</u>	<u>64,258</u>	<u>401,357</u>	<u>6,274</u>	<u>1,365</u>	<u>17,676</u>	<u>1,233,314</u>
<u>\$ 20,932</u>	<u>\$ 710</u>	<u>\$ 1,808</u>	<u>\$ 176,883</u>	<u>\$ 401,357</u>	<u>\$ 8,974</u>	<u>\$ 1,365</u>	<u>\$ 17,676</u>	<u>\$ 1,420,309</u>

CITY OF BIG RAPIDS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue						
	Local Streets	Library	Pool	Dog Park	Roben-Hood Airport	Jennings	Riverwalk
Revenues							
Taxes	\$ -	\$ 187,383	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues							
Federal	-	-	-	-	30,000	-	-
State	303,440	169,023	-	-	-	-	2,000
Local	-	-	-	-	190,190	-	-
Charges for services	-	4,809	33,803	-	-	-	-
Fines	-	76,244	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Investment earnings	700	430	166	-	9	19	35
Miscellaneous	610	37,920	212	1,109	131,637	-	20,145
Total revenues	<u>304,750</u>	<u>475,809</u>	<u>34,181</u>	<u>1,109</u>	<u>351,836</u>	<u>19</u>	<u>22,180</u>
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Public works	499,313	-	-	-	369,597	-	-
Culture and recreation	-	606,883	169,499	735	-	-	11,925
Debt Service							
Principal	-	-	-	-	36,000	-	-
Interest	-	-	-	-	41,925	-	-
Total expenditures	<u>499,313</u>	<u>606,883</u>	<u>169,499</u>	<u>735</u>	<u>447,522</u>	<u>-</u>	<u>11,925</u>
Revenues over (under) expenditures	<u>(194,563)</u>	<u>(131,074)</u>	<u>(135,318)</u>	<u>374</u>	<u>(95,686)</u>	<u>19</u>	<u>10,255</u>
Other financing sources (uses)							
Transfers in	598,900	234,800	70,000	-	156,700	-	-
Transfers out	(70,400)	(121,900)	(13,600)	-	(46,200)	-	-
Total other financing sources (uses)	<u>528,500</u>	<u>112,900</u>	<u>56,400</u>	<u>-</u>	<u>110,500</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	333,937	(18,174)	(78,918)	374	14,814	19	10,255
Fund balances, beginning of year	<u>149,538</u>	<u>181,158</u>	<u>86,144</u>	<u>2,391</u>	<u>22,349</u>	<u>6,497</u>	<u>28</u>
Fund balances, end of year	<u>\$ 483,475</u>	<u>\$ 162,984</u>	<u>\$ 7,226</u>	<u>\$ 2,765</u>	<u>\$ 37,163</u>	<u>\$ 6,516</u>	<u>\$ 10,283</u>

				<u>Debt</u>		<u>Capital</u>		<u>Permanent</u>	
				<u>Service</u>		<u>Projects</u>			
<u>River</u>	<u>Holland Park</u>			<u>Relending</u>	<u>Hemlock</u>	<u>City Hall</u>	<u>Library</u>		<u>Total</u>
<u>Safety</u>	<u>Veterans</u>	<u>Disc Golf</u>	<u>Skate Park</u>	<u>Program</u>	<u>Park</u>	<u>Project</u>	<u>Improvement</u>	<u>Playscape</u>	
	<u>Memorial</u>				<u>Infrastructure</u>				
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 187,383
-	-	-	-	-	-	-	-	-	30,000
-	-	-	-	-	-	-	-	-	474,463
-	-	-	-	-	-	-	-	-	190,190
-	-	-	-	-	-	-	-	-	38,612
-	-	-	-	-	-	-	-	-	76,244
-	-	-	-	-	-	-	-	-	-
25	62	2	6	15,494	532	89	1	52	17,622
-	-	-	-	929	400,825	-	-	-	593,387
25	62	2	6	16,423	401,357	89	1	52	1,607,901
-	-	-	-	-	-	36,229	-	-	36,229
-	-	-	-	-	-	-	-	-	868,910
-	-	-	-	-	-	-	-	-	789,042
-	-	-	-	5,795	-	-	55,000	-	96,795
-	-	-	-	1,187	-	-	6,904	-	50,016
-	-	-	-	6,982	-	36,229	61,904	-	1,840,992
25	62	2	6	9,441	401,357	(36,140)	(61,903)	52	(233,091)
-	-	-	-	-	-	-	62,000	-	1,122,400
-	-	-	-	-	-	-	-	-	(252,100)
-	-	-	-	-	-	-	62,000	-	870,300
25	62	2	6	9,441	401,357	(36,140)	97	52	637,209
8,497	20,870	708	1,802	54,817	-	42,414	1,268	17,624	596,105
\$ 8,522	\$ 20,932	\$ 710	\$ 1,808	\$ 64,258	\$ 401,357	\$ 6,274	\$ 1,365	\$ 17,676	\$ 1,233,314

CITY OF BIG RAPIDS

LOCAL STREETS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
Revenues				
Intergovernmental revenues				
State	\$ 237,300	\$ 237,300	\$ 303,440	\$ 66,140
Investment earnings	1,000	1,000	700	(300)
Miscellaneous	<u>500</u>	<u>500</u>	<u>610</u>	<u>110</u>
Total revenues	238,800	238,800	304,750	65,950
Expenditures				
Current				
Public works	<u>855,300</u>	<u>881,100</u>	<u>499,313</u>	<u>381,787</u>
Revenues over (under) expenditures	<u>(616,500)</u>	<u>(642,300)</u>	<u>(194,563)</u>	<u>447,737</u>
Other financing source (uses)				
Transfers in	598,900	598,900	598,900	-
Transfers out	<u>(70,400)</u>	<u>(70,400)</u>	<u>(70,400)</u>	<u>-</u>
Total other financing sources (uses)	<u>528,500</u>	<u>528,500</u>	<u>528,500</u>	<u>-</u>
Net changes in fund balance	(88,000)	(113,800)	333,937	447,737
Fund balance, beginning of year	<u>149,538</u>	<u>149,538</u>	<u>149,538</u>	<u>-</u>
Fund balance, end of year	<u>\$ 61,538</u>	<u>\$ 35,738</u>	<u>\$ 483,475</u>	<u>\$ 447,737</u>

CITY OF BIG RAPIDS

LIBRARY FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive (Negative)</u>
Revenues				
Taxes	\$ 188,300	\$ 188,300	\$ 187,383	\$ (917)
Intergovernmental revenues				
State	21,200	181,200	169,023	(12,177)
Charges for services	7,800	7,800	4,809	(2,991)
Fines	110,000	110,000	76,244	(33,756)
Investment earnings	500	500	430	(70)
Miscellaneous	13,400	28,600	37,920	9,320
Total revenues	341,200	516,400	475,809	(40,591)
Expenditures				
Current				
Culture and recreation	394,085	805,585	606,883	198,702
Revenues over (under) expenditures	(52,885)	(289,185)	(131,074)	158,111
Other financing source (uses)				
Transfers in	174,800	234,800	234,800	-
Transfers out	(121,900)	(121,900)	(121,900)	-
Total other financing sources (uses)	52,900	112,900	112,900	-
Net changes in fund balance	15	(176,285)	(18,174)	158,111
Fund balance, beginning of year	181,158	181,158	181,158	-
Fund balance, end of year	\$ 181,173	\$ 4,873	\$ 162,984	\$ 158,111

CITY OF BIG RAPIDS

POOL FUND **SCHEDULE OF REVENUES, EXPENDITURES** **AND CHANGES IN FUND BALANCE** **BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
Revenues				
Intergovernmental revenues				
Charges for services	\$ -	\$ -	\$ 33,803	\$ 33,803
Investment earnings	300	300	166	(134)
Miscellaneous	-	-	212	212
Total revenues	300	300	34,181	33,881
Expenditures				
Current				
Culture and recreation	20,900	155,000	169,499	(14,499)
Revenues over (under) expenditures	(20,600)	(154,700)	(135,318)	19,382
Other financing source (uses)				
Transfers in	40,000	70,000	70,000	-
Transfers out	(13,600)	(13,600)	(13,600)	-
Total other financing sources (uses)	26,400	56,400	56,400	-
Net changes in fund balance	5,800	(98,300)	(78,918)	19,382
Fund balance, beginning of year	86,144	86,144	86,144	-
Fund balance, end of year	<u>\$ 91,944</u>	<u>\$ (12,156)</u>	<u>\$ 7,226</u>	<u>\$ 19,382</u>

CITY OF BIG RAPIDS

DOG PARK FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
Revenues				
Miscellaneous	\$ 500	\$ 500	\$ 1,109	\$ 609
Expenditures				
Current				
Culture and recreation	<u>500</u>	<u>1,500</u>	<u>735</u>	<u>765</u>
Net changes in fund balance	-	(1,000)	374	1,374
Fund balance, beginning of year	<u>2,391</u>	<u>2,391</u>	<u>2,391</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,391</u>	<u>\$ 1,391</u>	<u>\$ 2,765</u>	<u>\$ 1,374</u>

CITY OF BIG RAPIDS

ROBEN-HOOD AIRPORT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
Revenues				
Intergovernmental revenues				
Federal	\$ -	\$ -	\$ 30,000	\$ 30,000
Charges for services	247,900	247,900	190,190	(57,710)
Investment earnings	-	-	9	9
Miscellaneous	<u>70,000</u>	<u>70,000</u>	<u>131,637</u>	<u>61,637</u>
Total revenues	<u>317,900</u>	<u>317,900</u>	<u>351,836</u>	<u>33,936</u>
Expenditures				
Current				
Culture and recreation	325,400	350,400	369,597	(19,197)
Debt service				
Principal	36,000	36,000	36,000	-
Interest	<u>42,000</u>	<u>42,000</u>	<u>41,925</u>	<u>75</u>
Total expenditures	<u>403,400</u>	<u>428,400</u>	<u>447,522</u>	<u>(19,122)</u>
Revenues over (under) expenditures	<u>(85,500)</u>	<u>(110,500)</u>	<u>(95,686)</u>	<u>14,814</u>
Other financing source (uses)				
Transfers in	131,700	156,700	156,700	-
Transfers out	<u>(46,200)</u>	<u>(46,200)</u>	<u>(46,200)</u>	<u>-</u>
Total other financing sources (uses)	<u>85,500</u>	<u>110,500</u>	<u>110,500</u>	<u>-</u>
Net changes in fund balance	-	-	14,814	14,814
Fund balance, beginning of year	<u>22,349</u>	<u>22,349</u>	<u>22,349</u>	<u>-</u>
Fund balance, end of year	<u>\$ 22,349</u>	<u>\$ 22,349</u>	<u>\$ 37,163</u>	<u>\$ 14,814</u>

CITY OF BIG RAPIDS

JENNINGS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive (Negative)</u>
Revenues				
Investment earnings	\$ 100	\$ 100	\$ 19	\$ (81)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total revenues	1,100	1,100	19	(1,081)
Expenditures				
Current				
Culture and recreation	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net changes in fund balance	100	100	19	(81)
Fund balance, beginning of year	<u>6,497</u>	<u>6,497</u>	<u>6,497</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,597</u>	<u>\$ 6,597</u>	<u>\$ 6,516</u>	<u>\$ (81)</u>

CITY OF BIG RAPIDS

RIVERWALK FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
Revenues				
Intergovernmental revenues				
State	\$ -	\$ -	\$ 2,000	\$ 2,000
Investment earnings	100	100	35	(65)
Miscellaneous	<u>11,000</u>	<u>11,000</u>	<u>20,145</u>	<u>9,145</u>
Total revenues	11,100	11,100	22,180	11,080
Expenditures				
Current				
Culture and recreation	<u>11,000</u>	<u>21,000</u>	<u>11,925</u>	<u>9,075</u>
Net changes in fund balance	100	(9,900)	10,255	20,155
Fund balance, beginning of year	<u>28</u>	<u>28</u>	<u>28</u>	<u>-</u>
Fund balance, end of year	<u>\$ 128</u>	<u>\$ (9,872)</u>	<u>\$ 10,283</u>	<u>\$ 20,155</u>

CITY OF BIG RAPIDS

RIVER SAFETY FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive (Negative)</u>
Revenues				
Investment earnings	\$ 100	\$ 100	\$ 25	\$ (75)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total revenues	1,100	1,100	25	(1,075)
Expenditures				
Current				
Public safety	<u>9,300</u>	<u>9,300</u>	<u>-</u>	<u>9,300</u>
Net changes in fund balance	(8,200)	(8,200)	25	8,225
Fund balance, beginning of year	<u>8,497</u>	<u>8,497</u>	<u>8,497</u>	<u>-</u>
Fund balance, end of year	<u>\$ 297</u>	<u>\$ 297</u>	<u>\$ 8,522</u>	<u>\$ 8,225</u>

CITY OF BIG RAPIDS

HOLLAND PARK VETERANS MEMORIAL SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive (Negative)</u>
Revenues				
Investment earnings	\$ 100	\$ 100	\$ 62	\$ (38)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total revenues	1,100	1,100	62	(1,038)
Expenditures				
Current				
Culture and recreation	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net changes in fund balance	(3,900)	(3,900)	62	3,962
Fund balance, beginning of year	<u>20,870</u>	<u>20,870</u>	<u>20,870</u>	<u>-</u>
Fund balance, end of year	<u>\$ 16,970</u>	<u>\$ 16,970</u>	<u>\$ 20,932</u>	<u>\$ 3,962</u>

CITY OF BIG RAPIDS

DISC GOLF **SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ 2	\$ 2
Expenditures				
Current				
Culture and recreation	<u>700</u>	<u>700</u>	<u>-</u>	<u>700</u>
Net changes in fund balance	(700)	(700)	2	702
Fund balance, beginning of year	<u>708</u>	<u>708</u>	<u>708</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 710</u>	<u>\$ 702</u>

CITY OF BIG RAPIDS

SKATE PARK SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ 6	\$ 6
Expenditures				
Current				
Culture and recreation	-	-	-	-
Net changes in fund balance	-	-	6	6
Fund balance, beginning of year	<u>1,802</u>	<u>1,802</u>	<u>1,802</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,802</u>	<u>\$ 1,802</u>	<u>\$ 1,808</u>	<u>\$ 6</u>

CITY OF BIG RAPIDS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

JUNE 30, 2021

	Motor Pool	DPW Service	Total
Assets			
Current assets			
Cash and pooled investments	\$ 156,532	\$ 418,949	\$ 575,481
Accounts receivable	1,732	-	1,732
Inventory	<u>84,417</u>	<u>-</u>	<u>84,417</u>
Total current assets	242,681	418,949	661,630
Capital assets			
Less accumulated depreciation	<u>691,792</u>	<u>-</u>	<u>691,792</u>
Net capital assets	<u>691,792</u>	<u>-</u>	<u>691,792</u>
Total assets	<u>934,473</u>	<u>418,949</u>	<u>1,353,422</u>
Liabilities			
Current liabilities			
Accounts payable	4,211	-	4,211
Accrued liabilities	4,975	17,356	22,331
Current portion of compensated absences	<u>12,457</u>	<u>55,552</u>	<u>68,009</u>
Total current liabilities	21,643	72,908	94,551
Long-term liabilities			
Compensated absences	<u>6,247</u>	<u>27,860</u>	<u>34,107</u>
Total liabilities	<u>27,890</u>	<u>100,768</u>	<u>128,658</u>
Net position			
Net investment in capital assets	691,792	-	691,792
Unrestricted (deficit)	<u>214,791</u>	<u>318,181</u>	<u>532,972</u>
Total net position	<u>\$ 906,583</u>	<u>\$ 318,181</u>	<u>\$ 1,224,764</u>

CITY OF BIG RAPIDS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

	Motor Pool	Buildings DPW Service	Total
Operating revenue			
Charges for services	\$ 892,983	\$ 1,224,900	\$ 2,117,883
Other	<u>3,440</u>	<u>1,526</u>	<u>4,966</u>
Total operating revenue	<u>896,423</u>	<u>1,226,426</u>	<u>2,122,849</u>
Operating expense			
Salaries and wages	141,075	523,230	664,305
Benefits	112,818	428,387	541,205
DPW services	25,700	-	25,700
Materials and supplies	18,934	-	18,934
Gas and oil	64,961	-	64,961
Utilities	41,002	-	41,002
Repair and maintenance	176,287	-	176,287
Equipment rentals	8,749	85,000	93,749
Contracted services	2,504	-	2,504
Professional fees	1,204	-	1,204
Insurance	25,951	-	25,951
Depreciation	189,289	-	189,289
Miscellaneous	<u>-</u>	<u>1,230</u>	<u>1,230</u>
Total operating expense	<u>808,474</u>	<u>1,037,847</u>	<u>1,846,321</u>
Operating income (loss)	<u>87,949</u>	<u>188,579</u>	<u>276,528</u>
Non-operating revenue (expense)			
Gain (loss) on disposal of equipment	15,617	-	15,617
Interest income	<u>448</u>	<u>-</u>	<u>448</u>
Total non-operating revenue (expense)	<u>16,065</u>	<u>-</u>	<u>16,065</u>
Income (loss) before transfers	104,014	188,579	292,593
Transfers out	<u>(111,800)</u>	<u>(114,300)</u>	<u>(226,100)</u>
Changes in net position	(7,786)	74,279	66,493
Net position, beginning of year	<u>914,369</u>	<u>243,902</u>	<u>1,158,271</u>
Net position, end of year	<u>\$ 906,583</u>	<u>\$ 318,181</u>	<u>\$ 1,224,764</u>

CITY OF BIG RAPIDS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Motor Pool	Buildings DPW Service	Total
Cash flows from operating activities			
Receipts from internal services provided	\$ 896,490	\$ 1,226,426	\$ 2,122,916
Payments to employees	(255,413)	(950,679)	(1,206,092)
Payments to suppliers	(376,331)	(92,935)	(469,266)
Net cash provided by (used in) operating activities	<u>264,746</u>	<u>182,812</u>	<u>447,558</u>
Cash flows from non-capital financing activities			
Transfers out	(111,800)	(114,300)	(226,100)
Cash flows from capital and related financing activities			
Proceeds on sale of capital assets	15,617	-	15,617
Acquisitions of capital assets	(190,721)	-	(190,721)
Net cash provided by (used in) capital and related financing activities	<u>(175,104)</u>	<u>-</u>	<u>(175,104)</u>
Cash flows from investing activities			
Interest income	449	-	449
Net increase (decrease) in cash and pooled investments	(21,709)	68,512	46,803
Cash and pooled investments, beginning of year	<u>178,241</u>	<u>350,437</u>	<u>528,678</u>
Cash and pooled investments, end of year	<u>\$ 156,532</u>	<u>\$ 418,949</u>	<u>\$ 575,481</u>
Cash flows from operating activities			
Operating income (loss)	\$ 87,949	\$ 188,579	\$ 276,528
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	189,289	-	189,289
Change in operating assets and liabilities which provided (used) cash			
Accounts receivable	67	-	67
Inventory	(10,394)	-	(10,394)
Accounts payable	(645)	(6,705)	(7,350)
Accrued liabilities	1,456	4,999	6,455
Compensated absences	(2,976)	(4,061)	(7,037)
Net cash provided by (used in) operating activities	<u>\$ 264,746</u>	<u>\$ 182,812</u>	<u>\$ 447,558</u>

CITY OF BIG RAPIDS

CUSTODIAL FUNDS COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	<u>Current Tax Fund</u>	<u>Payroll Fund</u>	<u>Total</u>
Assets			
Cash and pooled investments	\$ 275	\$ 194,772	\$ 195,047
Accounts receivable	<u>55,424</u>	<u>6,282</u>	<u>61,706</u>
Total assets	<u>55,699</u>	<u>201,054</u>	<u>256,753</u>
Liabilities			
Accounts payable	-	51,054	51,054
Due to other governmental units	55,699	-	55,699
Advances from other funds	<u>-</u>	<u>150,000</u>	<u>150,000</u>
Total liabilities	<u>55,699</u>	<u>201,054</u>	<u>256,753</u>
Net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BIG RAPIDS

CUSTODIAL FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

JUNE 30, 2021

	Current Tax Fund	Payroll Fund	Total
Additions			
Taxes collected for other entities	\$ 5,602,143	\$ -	\$ 5,602,143
Deductions collected for other entities	<u>-</u>	<u>3,637,777</u>	<u>3,637,777</u>
Total additions	<u>5,602,143</u>	<u>3,637,777</u>	<u>9,239,920</u>
Deductions			
Taxes to other entities	\$ 5,602,143	\$ -	\$ 5,602,143
Deductions paid to other entities	<u>-</u>	<u>3,637,777</u>	<u>3,637,777</u>
Total deductions	<u>5,602,143</u>	<u>3,637,777</u>	<u>9,239,920</u>
Changes in net position	-	-	-
Net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BIG RAPIDS

DOWNTOWN DEVELOPMENT AUTHORITY BALANCE SHEET/STATEMENT OF NET POSITION

JUNE 30, 2021

	Governmental <u>Fund Type</u> General <u>Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Cash and pooled investments	\$ 57,311	\$ -	\$ 57,311
Total assets	<u>\$ 57,311</u>	-	<u>57,311</u>
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ -	-	-
Total liabilities	-	-	<u>-</u>
Fund balances			
Unrestricted			
Unassigned	<u>57,311</u>		
Total liabilities and fund balances	<u>\$ 57,311</u>		
Net position			
Unrestricted			<u>\$ 57,311</u>

CITY OF BIG RAPIDS

DOWNTOWN DEVELOPMENT AUTHORITY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Governmental</u> <u>Fund Type</u> <u>General</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement</u> <u>of</u> <u>Activities</u>
Revenues			
Taxes	\$ 46,531	\$ -	\$ 46,531
Investment earnings	2	-	2
Miscellaneous	<u>30,594</u>	<u>-</u>	<u>30,594</u>
Total revenues	77,127	-	77,127
Expenditures/expenses			
Current			
Economic development	<u>55,325</u>	<u>-</u>	<u>55,325</u>
Total expenditures/expenses	<u>55,325</u>	<u>-</u>	<u>55,325</u>
Net changes in fund balance	21,802	(21,802)	
Change in net position		21,802	21,802
Fund balance/net position, beginning of year	<u>35,509</u>		<u>35,509</u>
Fund balance/net position, end of year	<u><u>\$ 57,311</u></u>		<u><u>\$ 57,311</u></u>

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STATISTICAL SECTION

CITY OF BIG RAPIDS

STATISTICAL SECTION

This part of the City of Big Rapids' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the city's overall financial health.

Contents

Table

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.

A-1 to A-4

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

B-1 to B-4

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.

C-1 to C-3

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.

D-1 to D-2

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

E-1 to E-3

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

CITY OF BIG RAPIDS

Table A-1

NET POSITIONS BY COMPONENT LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities										
Net investment in capital assets	\$ 20,409,548	\$ 19,318,568	\$ 17,597,933	\$ 16,775,475	\$ 16,443,983	\$ 15,617,953	\$ 14,232,792	\$ 13,707,089	\$ 13,026,458	\$ 12,780,359
Restricted	1,267,556	1,076,341	1,055,603	985,239	1,009,983	1,329,329	854,979	728,452	563,768	759,999
Unrestricted	<u>(848,968)</u>	<u>(2,733,900)</u>	<u>(2,258,200)</u>	<u>(2,759,129)</u>	<u>(3,704,455)</u>	<u>(4,697,138)</u>	<u>(4,364,681)</u>	<u>(3,956,487)</u>	<u>2,143,486</u>	<u>1,722,353</u>
Total governmental activities net position	<u>\$ 20,828,136</u>	<u>\$ 17,661,009</u>	<u>\$ 16,395,336</u>	<u>\$ 15,001,585</u>	<u>\$ 13,749,511</u>	<u>\$ 12,250,144</u>	<u>\$ 10,723,090</u>	<u>\$ 10,479,054</u>	<u>\$ 15,733,712</u>	<u>\$ 15,262,711</u>
Business-type activities										
Net investment in capital assets	\$ 13,473,692	\$ 13,592,127	\$ 12,277,620	\$ 11,248,854	\$ 11,011,005	\$ 11,343,149	\$ 11,200,834	\$ 11,262,916	\$ 11,503,740	\$ 11,769,588
Restricted	-	-	-	-	62,000	82,000	112,000	139,500	165,500	19,181
Unrestricted	<u>5,120,364</u>	<u>3,692,899</u>	<u>2,319,996</u>	<u>2,604,192</u>	<u>1,888,138</u>	<u>1,213,899</u>	<u>1,650,623</u>	<u>1,673,840</u>	<u>3,031,618</u>	<u>3,681,745</u>
Total business-type activities net position	<u>\$ 18,594,056</u>	<u>\$ 17,285,026</u>	<u>\$ 14,597,616</u>	<u>\$ 13,853,046</u>	<u>\$ 12,961,143</u>	<u>\$ 12,639,048</u>	<u>\$ 12,963,457</u>	<u>\$ 13,076,256</u>	<u>\$ 14,700,858</u>	<u>\$ 15,470,514</u>
Primary government										
Net investment in capital assets	\$ 33,883,240	\$ 32,910,695	\$ 29,875,553	\$ 28,024,329	\$ 27,454,988	\$ 26,961,102	\$ 25,433,626	\$ 24,970,005	\$ 24,530,198	\$ 24,549,947
Restricted	1,267,556	1,076,341	1,055,603	985,239	1,071,983	1,411,329	966,979	867,952	729,268	779,180
Unrestricted	<u>4,271,396</u>	<u>958,999</u>	<u>61,796</u>	<u>(154,937)</u>	<u>(1,816,317)</u>	<u>(3,483,239)</u>	<u>(2,714,058)</u>	<u>(2,282,647)</u>	<u>5,175,104</u>	<u>5,404,098</u>
Total primary government net position	<u>\$ 39,422,192</u>	<u>\$ 34,946,035</u>	<u>\$ 30,992,952</u>	<u>\$ 28,854,631</u>	<u>\$ 26,710,654</u>	<u>\$ 24,889,192</u>	<u>\$ 23,686,547</u>	<u>\$ 23,555,310</u>	<u>\$ 30,434,570</u>	<u>\$ 30,733,225</u>

CITY OF BIG RAPIDS

Table A-2

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities										
General government	\$ 2,693,406	\$ 3,470,656	\$ 3,595,203	\$ 2,591,149	\$ 2,479,130	\$ 2,502,846	\$ 2,385,960	\$ 2,272,594	\$ 2,260,252	\$ 2,188,459
Public safety	3,354,029	3,490,275	3,614,748	3,367,305	3,505,371	3,816,970	3,619,509	3,506,188	3,544,831	3,439,962
Public works	1,589,586	1,820,837	1,095,764	1,997,058	1,683,985	2,363,445	2,664,843	2,220,545	2,063,940	1,621,381
Culture and recreation	1,847,981	1,597,560	1,062,781	1,175,191	1,246,185	1,209,799	1,261,618	1,071,264	971,073	1,336,420
Economic development	-	-	-	5,000	-	-	172,500	-	-	-
Interest on long-term debt	61,443	95,126	118,948	148,937	154,087	164,957	186,074	186,621	188,025	177,278
Total governmental activities	9,546,445	10,474,454	9,487,444	9,284,640	9,068,758	10,058,017	10,290,504	9,257,212	9,028,121	8,763,500
Business-type activities										
Transportation	706,611	663,927	462,151	587,806	693,130	718,470	667,220	611,106	539,783	528,971
Wastewater utility	2,599,551	2,922,337	2,674,390	2,325,748	2,413,251	2,479,943	2,174,035	2,139,536	2,131,514	1,957,919
Water utility	1,870,067	1,248,922	2,416,749	1,766,359	1,776,740	2,416,646	1,686,449	1,943,722	2,072,511	1,739,822
Sanitation	994,031	965,178	895,345	1,064,271	1,050,625	1,057,089	1,055,438	1,024,686	1,008,973	980,675
Total business-type activities	6,170,260	5,800,364	6,448,635	5,744,184	5,933,746	6,672,148	5,583,142	5,719,050	5,752,781	5,207,387
Total primary government expenses	15,716,705	16,274,818	15,936,079	15,028,824	15,002,504	16,730,165	15,873,646	14,976,262	14,780,902	13,970,887
Program revenues										
Governmental activities										
Charges for services										
General Government	359,916	367,251	356,828	549,070	459,902	470,579	299,312	252,973	265,075	204,533
Public Safety	489,533	422,875	393,239	275,189	296,788	259,780	271,724	309,238	305,362	339,004
Public Works	4,368	8,988	7,777	47,286	14,710	35,124	21,391	139,736	106,816	9,258
Culture and recreation	247,936	263,451	361,545	223,088	253,017	220,757	248,517	185,564	189,597	358,857
Total charges for services	1,101,753	1,062,565	1,119,389	1,094,633	1,024,417	986,240	840,944	887,511	866,850	911,652
Operating grants and contributions	2,615,001	1,915,845	1,922,818	1,622,318	1,511,869	1,407,634	1,307,992	1,225,161	1,287,823	854,044
Capital grants and contributions	719,387	731,112	12,322	49,644	425,672	1,968,181	688,152	67,792	-	264,530
Total governmental activities program revenues	4,436,141	3,709,522	3,054,529	2,766,595	2,961,958	4,362,055	2,837,088	2,180,464	2,154,673	2,030,226
Business-type activities										
Charges for services										
Transportation	136,731	132,903	164,367	173,211	151,174	152,587	178,456	203,092	91,723	85,931
Wastewater utility	2,816,853	2,777,337	2,776,568	2,742,159	2,500,322	2,361,853	2,262,950	2,224,115	1,965,743	1,710,416
Water utility	2,879,088	2,776,176	2,709,534	2,703,426	2,609,258	2,540,350	2,265,628	2,433,496	2,265,744	2,029,711
Sanitation	1,123,062	1,076,512	1,055,904	1,230,071	1,186,435	1,172,273	1,184,165	1,120,275	1,112,436	1,109,714
Operating grants and contributions	993,481	988,789	614,675	384,906	341,398	329,424	296,430	302,610	239,092	233,010
Capital grants and contributions	60,297	1,154,102	259,338	-	-	-	-	6,499	-	247,166
Total business-type activities program revenues	8,009,512	8,905,819	7,580,386	7,233,773	6,788,587	6,556,487	6,187,629	6,290,087	5,674,738	5,415,948
Total primary government program revenues	12,445,653	12,615,341	10,634,915	10,000,368	9,750,545	10,918,542	9,024,717	8,470,551	7,829,411	7,446,174

CITY OF BIG RAPIDS

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net (expense) revenue										
Governmental activities	\$ (5,110,304)	\$ (6,764,932)	\$ (6,432,915)	\$ (6,518,045)	\$ (6,106,800)	\$ (5,695,962)	\$ (7,453,416)	\$ (7,076,748)	\$ (6,873,448)	\$ (6,733,274)
Business-type activities	1,839,252	3,105,455	1,131,751	1,489,589	854,841	(115,661)	604,487	571,037	(78,043)	208,561
Total primary government net (expense) revenue	(3,271,052)	(3,659,477)	(5,301,164)	(5,028,456)	(5,251,959)	(5,811,623)	(6,848,929)	(6,505,711)	(6,951,491)	(6,524,713)
General revenues and other changes in net position										
Governmental activities										
Property taxes	3,920,345	3,746,281	3,675,033	3,458,038	3,386,318	3,085,412	3,004,303	2,922,816	2,944,602	2,882,630
Income taxes	2,193,031	2,355,835	2,156,777	2,293,434	2,295,239	2,097,641	2,063,600	2,020,558	2,120,878	1,964,555
State shared revenues	1,549,400	1,333,533	1,368,359	1,364,709	1,310,231	1,347,107	1,457,698	1,468,828	1,409,847	1,145,136
Investment earnings	52,297	65,512	59,703	46,438	64,079	56,909	77,285	115,756	80,452	79,201
Other general revenues	10,565	40,744	47,571	-	-	-	325,766	77,385	189,670	73,530
Transfers	551,793	488,700	596,300	607,500	550,300	575,400	768,800	700,600	599,000	363,500
Total governmental activities	8,277,431	8,030,605	7,903,743	7,770,119	7,606,167	7,162,469	7,697,452	7,305,943	7,344,449	6,508,552
Business-type activities										
Investment earnings	16,075	68,213	49,420	9,814	17,554	36,722	32,508	33,320	13,604	49,681
Other general revenues	5,496	2,442	6,568	-	-	-	19,006	5,952	35,007	22,043
Transfers	(551,793)	(488,700)	(596,300)	(607,500)	(550,300)	(575,400)	(768,800)	(700,600)	(599,000)	(363,500)
Total business-type activities	(530,222)	(418,045)	(540,312)	(597,686)	(532,746)	(538,678)	(717,286)	(661,328)	(550,389)	(291,776)
Total primary government	7,747,209	7,612,560	7,363,431	7,172,433	7,073,421	6,623,791	6,980,166	6,644,615	6,794,060	6,216,776
Change in net position										
Governmental activities	3,167,127	1,265,673	1,470,828	1,252,074	1,499,367	1,466,507	244,036	229,195	471,001	(224,722)
Business-type activities	1,309,030	2,687,410	591,439	891,903	322,095	(654,339)	(112,799)	(90,291)	(628,432)	(83,215)
Total primary government	\$ 4,476,157	\$ 3,953,083	\$ 2,062,267	\$ 2,143,977	\$ 1,821,462	\$ 812,168	\$ 131,237	\$ 138,904	\$ (157,431)	\$ (307,937)

CITY OF BIG RAPIDS

Table A-3

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	150,000	150,000	150,000	150,000	150,000	150,000	152,500	87,693	76,468	50,000
Restricted	-	-	-	-	5,219	7,504	5,581	15,816	-	6,231
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	222,500	62,661	105,939	69,215	7,056	61,996	55,627	58,900
Unassigned	<u>1,892,697</u>	<u>1,338,408</u>	<u>1,087,002</u>	<u>1,264,775</u>	<u>979,293</u>	<u>681,037</u>	<u>774,549</u>	<u>1,214,331</u>	<u>1,555,261</u>	<u>1,317,118</u>
Total general fund	<u>\$ 2,042,697</u>	<u>\$ 1,488,408</u>	<u>\$ 1,459,502</u>	<u>\$ 1,477,436</u>	<u>\$ 1,240,451</u>	<u>\$ 907,756</u>	<u>\$ 939,686</u>	<u>\$ 1,379,836</u>	<u>\$ 1,687,356</u>	<u>\$ 1,432,249</u>
All other governmental funds										
Nonspendable	\$ 31,449	\$ 33,321	\$ 46,305	\$ 17,000	\$ 41,212	\$ 28,857	\$ 25,964	\$ 50,941	\$ 51,543	\$ 35,261
Restricted	1,250,556	1,059,341	1,038,603	966,615	987,192	1,304,365	832,210	692,036	545,215	491,484
Assigned	545,449	222,576	201,208	406,167	376,207	156,037	131,572	204,236	522,628	391,926
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,009)</u>
Total all other governmental funds	<u>\$ 1,827,454</u>	<u>\$ 1,315,238</u>	<u>\$ 1,286,116</u>	<u>\$ 1,389,782</u>	<u>\$ 1,404,611</u>	<u>\$ 1,489,259</u>	<u>\$ 989,746</u>	<u>\$ 947,213</u>	<u>\$ 1,119,386</u>	<u>\$ 909,662</u>

Notes:

- (1) Fund balance classification was changed in 2011 to comply with the requirements of GASB Statement Number 54.
 (2) Permanent Funds were established at the time the City implemented GASB 34.

CITY OF BIG RAPIDS

Table A-4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues										
Taxes	\$ 6,113,376	\$ 6,102,116	\$ 5,831,810	\$ 5,751,472	\$ 5,681,557	\$ 5,183,053	\$ 5,067,903	\$ 4,943,374	\$ 5,065,580	\$ 4,847,185
Intergovernmental revenues										
Federal	714,361	713,492	12,419	94,930	376,753	1,932,829	746,693	54,453	56,153	9,254
State	3,474,047	3,055,680	3,061,909	2,742,508	2,546,421	2,496,233	2,267,955	2,282,816	2,148,144	2,098,996
Local	209,969	224,864	187,901	-	50,000	224,576	309,944	300,459	293,181	260,158
Licenses and permits	203,583	155,182	73,897	51,176	67,185	62,314	65,144	68,529	65,545	63,219
Charges for services	639,820	608,346	745,625	817,341	843,789	609,395	578,917	500,119	604,958	473,146
Fines and forfeits	133,091	152,421	182,861	188,928	216,672	186,611	201,937	189,148	192,052	194,526
Special assessment	9,129	6,957	6,593	10,410	10,771	7,373	11,864	8,204	11,551	13,081
Investment earnings	55,307	77,677	138,663	45,956	62,857	53,920	77,285	115,756	80,352	86,182
Miscellaneous	621,839	163,776	143,991	240,975	175,814	190,403	286,501	268,638	389,862	127,231
Total revenues	<u>12,174,522</u>	<u>11,260,511</u>	<u>10,385,669</u>	<u>9,943,696</u>	<u>10,031,819</u>	<u>10,946,707</u>	<u>9,614,143</u>	<u>8,731,496</u>	<u>8,907,378</u>	<u>8,172,978</u>
Expenditures										
Current										
General government	2,906,864	2,717,102	2,573,839	2,590,548	2,445,573	2,311,232	2,342,028	2,207,494	2,202,031	2,119,152
Public safety	3,935,135	3,820,972	4,371,891	3,653,641	3,604,584	3,550,472	3,591,993	3,356,747	3,419,157	3,292,662
Public works	2,634,265	3,151,071	2,564,753	2,261,099	1,799,252	2,125,635	2,535,543	2,053,078	1,901,116	1,888,126
Economic Development	-	-	-	5,000	-	-	172,500	-	-	-
Culture and recreation	1,513,802	1,156,539	1,231,965	989,880	1,049,247	971,283	1,078,606	883,239	786,928	844,434
Debt service										
Principal	823,682	935,221	630,169	587,666	554,474	530,044	415,160	378,000	316,000	289,000
Interest	72,162	105,778	125,789	150,377	160,850	174,772	176,590	189,536	197,250	189,646
Capital Outlay	-	-	-	285,429	919,692	1,668,433	1,143,259	1,354,230	889,365	-
Total expenditures	<u>11,885,910</u>	<u>11,886,683</u>	<u>11,498,406</u>	<u>10,523,640</u>	<u>10,533,672</u>	<u>11,331,871</u>	<u>11,455,679</u>	<u>10,422,324</u>	<u>9,711,847</u>	<u>8,623,020</u>
Revenues over (under) expenditures	<u>288,612</u>	<u>(626,172)</u>	<u>(1,112,737)</u>	<u>(579,944)</u>	<u>(501,853)</u>	<u>(385,164)</u>	<u>(1,841,536)</u>	<u>(1,690,828)</u>	<u>(804,469)</u>	<u>(450,042)</u>
Other financing sources (uses)										
Bond/note proceeds	-	-	120,000	-	-	-	-	530,000	550,000	-
Issuance of refunding bonds	-	-	-	-	-	-	-	-	-	-
Capital lease issued	-	-	-	-	-	-	278,491	-	-	-
Refunding loan issued	-	-	-	-	-	-	158,972	-	-	-
Refunded bonds redeemed	-	-	-	-	-	-	-	-	-	-
Transfers in	2,207,493	2,191,200	2,500,892	1,808,142	1,741,700	1,918,213	2,534,736	1,747,666	1,715,056	1,443,000
Transfers out	(1,429,600)	(1,507,000)	(1,613,992)	(1,006,042)	(991,800)	(1,126,013)	(1,528,280)	(1,066,531)	(995,756)	(995,800)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>777,893</u>	<u>684,200</u>	<u>1,006,900</u>	<u>802,100</u>	<u>749,900</u>	<u>792,200</u>	<u>1,443,919</u>	<u>1,211,135</u>	<u>1,269,300</u>	<u>447,200</u>
Net changes in fund balances	<u>\$ 1,066,505</u>	<u>\$ 58,028</u>	<u>\$ (105,837)</u>	<u>\$ 222,156</u>	<u>\$ 248,047</u>	<u>\$ 407,036</u>	<u>\$ (397,617)</u>	<u>\$ (479,693)</u>	<u>\$ 464,831</u>	<u>\$ (2,842)</u>
Debt service as a percentage of noncapital expenditures	<u>8.2%</u>	<u>10.0%</u>	<u>7.3%</u>	<u>10.0%</u>	<u>9.8%</u>	<u>7.6%</u>	<u>6.4%</u>	<u>7.1%</u>	<u>6.5%</u>	<u>5.7%</u>

Table B-1

**ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Real property					Personal Property	Total Assessed Value	Total Direct Tax Rate
	Residential Property	Agricultural Property	Commercial Property	Industrial Property	Total			
2012	\$ 68,533,100	\$ -	\$ 53,777,600	\$ 15,814,000	\$ 138,124,700	\$ 27,887,000	\$ 166,011,700	16.6899
2013	66,757,100	-	54,819,600	13,869,600	135,446,300	31,296,200	166,742,500	17.2964
2014	65,675,700	-	54,306,200	13,637,800	133,619,700	25,416,800	159,036,500	17.9163
2015	65,772,800	-	52,365,100	13,431,800	131,569,700	25,118,700	156,688,400	17.9567
2016	69,725,600	-	52,097,000	13,268,900	135,091,500	16,981,000	152,072,500	19.5046
2017	68,942,896	-	54,840,940	14,101,956	137,885,792	18,802,608	156,688,400	19.5046
2018	73,987,400	-	58,583,200	13,237,600	145,808,200	16,327,300	162,135,500	19.8928
2019	75,857,900	-	58,785,300	12,927,800	147,571,000	14,846,800	162,417,800	19.9418
2020	81,770,600	-	61,751,600	13,042,300	156,564,500	14,744,500	171,309,000	19.8510
2021	85,849,900	-	62,056,200	13,265,100	161,171,200	14,937,700	176,108,900	19.7789

*Property is reassessed each year at actual value. Therefore, the assessed values are equal to the actual value.
Direct tax rate (millage) is per \$1,000 of taxable value, which is generally equal to one half of the assessed value.*

Source: City assessors office

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per \$1,000 of taxable value)

Fiscal Year Ended June 30	City of Big Rapids				Mecosta County					Big Rapids Public Schools (1)					Mecosta Osceola ISD				State		Total
	Operating Millage	Debt Millage	Library	Total City Millage	Operating Millage	Hospital Millage	Commission on Aging	Emergency Medical Services	Total County Millage	Non- Homestead Millage	Debt Millage	Sinking Fund Millage	Debt Millage	Total BRPS Millage	Operating Millage	Special Education	Vocational Education	Total MOISD Millage	State Education Tax Millage		
2012	14.5384	2.1515	-	16.6899	5.9299	0.6755	0.5000	0.1000	7.2054	18.0000	4.1500	-	-	22.1500	0.2494	3.3395	1.4970	5.0859	6.0000	57.1312	
2013	15.1059	2.1905	-	17.2964	5.9299	-	0.5000	0.3000	6.7299	18.0000	4.0000	0.7500	-	22.7500	0.2494	3.3395	1.4970	5.0859	6.0000	57.8622	
2014	15.5863	2.3300	-	17.9163	5.7859	-	0.5000	0.6000	6.8859	18.0000	3.2200	0.7500	-	21.9700	0.2494	3.3395	1.4970	5.0859	6.0000	57.8581	
2015	15.4573	2.4994	-	17.9567	5.9299	-	0.5000	0.7000	7.1299	18.0000	3.8000	0.7500	-	22.5500	0.2494	3.3395	1.4970	5.0859	6.0000	58.7225	
2016	15.7634	2.7412	1.0000	19.5046	5.9299	-	0.5000	0.9429	7.3728	18.0000	3.8000	0.7500	-	22.5500	0.2494	3.3395	1.4970	5.0859	6.0000	60.5133	
2017	16.0624	2.8304	1.0000	19.8928	5.9299	-	0.5000	0.9429	7.3728	18.0000	3.0500	0.7500	-	21.8000	0.2494	3.3395	1.4970	5.0859	6.0000	60.1515	
2018	16.0375	2.9043	1.0000	19.9418	5.9299	-	0.5000	0.9429	7.3728	18.0000	3.0500	0.7500	2.3500	24.1500	0.2494	3.3395	1.4970	5.0859	6.0000	62.5505	
2019	15.9189	2.9321	1.0000	19.8510	5.9299	-	0.5000	0.9429	7.3728	18.0000	2.6700	0.7500	2.7300	24.1500	0.2494	3.3395	1.4970	5.0859	6.0000	62.4597	
2020	15.8254	2.9535	1.0000	19.7789	5.9215	-	0.5000	0.9429	7.3644	18.0000	2.5000	0.7500	2.5000	23.7500	0.2494	3.3395	1.4970	5.0859	6.0000	61.9792	
2021	15.5033	-	0.9969	16.5002	5.8913	-	0.4967	0.5000	6.8880	18.0000	1.9200	0.7488	2.7800	23.4488	0.2475	3.3145	1.4858	5.0478	6.0000	57.8848	

Source: City assessors office

Notes:

- (1) In 1994, property tax reform was implemented in the State resulting in a 18 mill levy on non-homestead properties and 6.0 mills on all properties.
(2) Taxes rates (millages) are per \$1,000 of taxable value which is approximately equal to one-half of the assessed value.

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO**

	2020			2010		
			Percentage of Total City Taxable			Percentage of Total City Taxable
<u>Taxpayer</u>	<u>Taxable Value</u>	<u>Rank</u>	<u>Value</u>	<u>Taxable Value</u>	<u>Rank</u>	<u>Value</u>
HAWORTH INC	\$ 5,910,700	1	3.68%	\$ 10,163,997	2	5.44%
CONSUMERS ENERGY	4,940,730	2	3.08%	2,624,142	6	1.40%
GEN 3 INVESTMENTS LLC	3,887,124	3	2.42%	-		0.00%
ALEA PROPERTIES LLC	2,503,615	4	1.56%	-		0.00%
DTE GAS COMPANY	2,443,202	5	1.52%	-		0.00%
CAMPUS VILLAGE RAPIDS LLC	2,076,815	6	1.29%	2,338,100	9	1.25%
HILLCREST OAKWOOD PROPERTY LLC	2,020,594	7	1.26%	2,391,603	8	1.28%
FEDERAL SCREW WORKS	1,905,886	8	1.19%	13,921,814	1	7.45%
SPECTRA BIG RAPIDS LLC	1,898,400	9	1.18%	-		0.00%
ORIGINAL FOOTWEAR MANUFACTURING	1,798,000	10	1.12%			
BIG RAPIDS PRODUCTS	-		0.00%	2,394,536	7	1.28%
BIG RAPIDS COMPONENTS	-		0.00%	8,298,857	3	4.44%
FLUID ROUTING SOLUTIONS	-		0.00%	3,124,200	5	1.67%
AGREE LIMITED PARTNERSHIP	-		0.00%	5,484,980	4	2.94%
MICHIGAN RETAIL PARTNERS LLC	-		0.00%	2,320,100	10	1.24%
Total	<u>\$ 29,385,066</u>		<u>18.32%</u>	<u>\$ 53,062,329</u>		<u>28.40%</u>

Source: City assessors office

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the 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
2012	\$ 2,772,683	\$ 2,640,793	95.24%	\$ 131,890	\$ 2,772,683	100.00%
2013	2,792,147	2,695,499	96.54%	96,648	2,792,147	100.00%
2014	2,789,397	2,646,411	94.87%	131,751	2,789,331	100.00%
2015	2,874,646	2,746,754	95.55%	127,892	2,874,646	100.00%
2016	2,990,001	2,857,024	95.55%	132,977	2,990,001	100.00%
2017	2,886,719	2,747,915	95.19%	138,804	2,886,707	100.00%
2018	2,953,985	2,782,401	94.19%	171,584	2,950,086	99.87%
2019	2,996,241	2,845,205	94.96%	151,036	2,994,279	99.93%
2020	3,075,182	2,922,599	95.04%	152,583	3,067,515	99.75%
2021	3,163,355	3,005,223	95.00%	158,132	3,154,128	99.71%

Source: City Treasurer

Notes:

(1) Real and personal property taxes combined.

(2) Property taxes are levied July 1 and become delinquent March 1 of the following year.

Delinquent real property taxes are purchased by Mecosta County and are included in the collections in subsequent years column. Delinquent personal property taxes are collected by the City of Big Rapids.

CITY OF BIG RAPIDS

Table C-1

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities						Business-type Activities			
	General Obligation	Amount Available	Net General Obligation	Loans	Percentage of Property	Per	Bonds	Total	Percentage of Personal	Per
	Bonds (2)		Bonds	Payable	Value	Capita			Income (1)	Capita (1)
2012	\$ 4,990,000	\$ -	\$ 4,990,000	\$ -	1.50%	\$ 486.50	\$ 9,735,000	\$ 14,725,000	11.24%	1,398
2013	4,154,000	-	4,154,000	550,000	1.41%	458.61	8,990,000	13,694,000	10.32%	1,302
2014	4,871,000	-	4,871,000	505,000	1.69%	524.13	8,405,000	13,781,000	10.38%	1,310
2015	4,515,000	-	4,515,000	879,014	1.72%	525.89	7,795,000	13,189,014	10.36%	1,263
2016	14,093,000	-	4,093,000	770,970	1.60%	474.21	7,150,000	12,013,970	8.92%	1,133
2017	3,649,000	-	3,649,000	660,496	1.38%	420.15	6,595,000	10,904,496	8.32%	1,045
2018	3,475,000	-	3,475,000	252,593	1.15%	363.42	5,615,000	9,342,593	6.67%	900
2019	2,659,000	-	2,659,000	552,799	0.99%	308.98	5,245,000	8,456,799	6.47%	814
2020	2,046,000	-	2,046,000	390,578	0.71%	235.12	4,865,000	7,301,578	4.66%	705
2021	1,340,000	-	1,340,000	112,896	0.41%	188.03	4,475,000	5,927,896	5.01%	767

Note:

(1) 2000 census figures (2003-Present) can be found at Table D-1.

(2) Includes only bonds serviced from property tax revenues.

Table C-2

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

Governmental Unit	Debt Outstanding	Percentage Applicable To City	Amount Applicable To City
Overlapping Debt:			
Big Rapids Public Schools	\$ 26,492,960	34.19%	\$ 9,057,943
Mecosta County	559,241	11.12%	62,188
Mecosta Osceola Intermediate School District	-	7.19%	-
Total Overlapping Debt			9,120,131
City of Big Rapids Direct Debt			1,452,896
Total Direct and Overlapping Debt			<u>\$ 10,573,027</u>

Note:

The portion of the taxable value for each governmental unit located within the City of Big Rapids over the taxable value of the governmental unit as a whole is utilized to calculate overlapping debt percentages.

Source: Municipal Advisory Council (MAC)

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Total state equalized value (1)	<u>\$ 176,108,900</u>
Debt limitation - 10 percent of SEV	<u>\$ 17,610,890</u>
Debt applicable to limitation:	
Total bonded debt	5,927,896
Less:	
Relending program	112,896
Revenue bonds	<u>4,475,000</u>
Total Debt Applicable to Limitation	<u>1,340,000</u>
Legal Debt Margin	<u>\$ 16,270,890</u>

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limit	\$ 17,610,890	\$ 17,130,900	\$ 16,241,780	\$ 16,213,550	\$ 15,668,840	\$ 15,207,250	\$ 15,668,840	\$ 15,903,650	\$ 16,674,250	\$ 16,601,170
Total net debt applicable to limit	<u>1,340,000</u>	<u>1,886,000</u>	<u>2,659,000</u>	<u>3,170,000</u>	<u>3,649,000</u>	<u>4,093,000</u>	<u>4,515,000</u>	<u>4,871,000</u>	<u>4,674,000</u>	<u>4,990,000</u>
Legal debt margin	<u>\$ 16,270,890</u>	<u>\$ 15,244,900</u>	<u>\$ 13,582,780</u>	<u>\$ 13,043,550</u>	<u>\$ 12,019,840</u>	<u>\$ 11,114,250</u>	<u>\$ 11,153,840</u>	<u>\$ 11,032,650</u>	<u>\$ 12,000,250</u>	<u>\$ 11,611,170</u>
Total net debt applicable to limit as a percentage of debt limit	7.6%	11.0%	16.4%	19.6%	23.3%	26.9%	28.8%	30.6%	28.0%	30.1%

(1) Source: City assessors office

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Unemployment Rate (3)</u>
2012	10,530	\$ 131,028,360	\$ 12,443	10.1
2013	10,517	132,756,091	12,623	8.7
2014	10,517	132,756,091	12,623	8.7
2015 (2)	10,443	127,279,284	12,188	9.1
2016 (2)	10,601	134,706,907	12,707	5.5
2017 (2)	10,437	131,052,204	12,557	5.7
2018 (2)	10,378	139,988,842	13,489	5.5
2019 (2)	10,395	130,779,495	12,581	5.8
2020 (2)	10,363	156,636,745	15,115	5.8
2021	7,727	118,393,094	15,322	9.1

(1) Per U.S. Census Bureau.

(2) Census information is only available for 2019 census at this time.

(3) Unemployment rate for Mecosta County

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

<u>Employer</u>	<u>2021</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Ferris State University	3510	1	*	4766	1	*
Spectrum Health**	1160	2		-	-	
Arch Staffing and Consulting	473	3		-	-	
Haworth Inc.	402	4		334	6	
Big Rapids Products	369	5		-	-	
Original Footwear Manufacturing***	354	6		-	-	
OnPoint Employment Solutions	303	7		-	-	
Mecosta Osceola ISD	276	8		290	7	
Meijer Great Lakes Limited	252	9		-	-	
Big Rapids Public Schools	328	10		275	8	
Manpower US	-	-		840	2	
Wolverine World Wide	-	-		554	3	
Mecosta County General Hospital	-	-		552	4	
Fluid Routing Solutions	-	-		439	5	
Mecosta County Courthouse	-	-		260	9	
Midwest Publishing	-	-		244	10	

Source: City Income Tax Office

* information is not available

** formerly Mecosta County General Hospital

*** formerly Wolverine World Wide

CITY OF BIG RAPIDS

Table E-1

**CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government										
Administration										
Full time	13	11	11	12	12	12	12	13	13	14
Part time	8	7	8	9	9	9	9	8	8	4
Finance										
Full time	8	8	8	8	8	8	8	8	8	7
Part time	1	1	1	1	1	1	1	2	2	3
Public works										
Full time	36	35	35	35	35	35	34	34	34	34
Part time	43	11	41	47	47	47	47	47	57	56
Library										
Full time	2	2	2	2	2	2	1	2	2	2
Part time	13	9	13	11	11	11	11	11	9	10
Public Safety										
Police										
Full time	17	17	17	16	16	16	17	18	17	17
Part time	3	3	5	3	3	3	3	3	4	5
Other public safety	4	3	3	3	3	3	3	3	3	3
Fire										
Full time	9	9	9	9	9	9	9	9	9	9
Part time	15	15	13	14	14	14	15	16	13	15
Dial-a-Ride										
Full time	2	2	2	2	1	1	1	1	1	1
Part time	17	12	15	11	11	12	13	15	14	11
Total	<u>191</u>	<u>145</u>	<u>183</u>	<u>183</u>	<u>182</u>	<u>183</u>	<u>184</u>	<u>190</u>	<u>194</u>	<u>191</u>

Source: Human Resource office

CITY OF BIG RAPIDS

Table E-2

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Arrests	427	548	612	612	544	653	804	709	614	744
Accident responses	239	290	345	353	365	457	448	471	409	410
Fire										
Fire calls	205	200	231	192	173	188	181	61	166	146
Rescue calls	22	35	37	66	43	39	34	56	12	20
MFR calls	857	926	937	915	868	834	804	833	759	759
Public service calls	90	77	60	63	52	38	43	36	41	30
Public works and streets										
Street resurfacing (in miles)	0.91	1.66	0.36	0.87	1.16	1.09	1.30	1.50	2.00	0.25
Culture and recreation										
Library books	55,574	58,007	64,995	61,396	55,615	56,096	55,379	54,605	54,390	53,487
Sewer system										
Number of service connections	2,688	2,683	2,682	2,672	2,626	2,610	2,607	2,601	2,553	2,554
Daily average treatment in millions of gallons	1.081	1.188	1.207	1.075	1.069	1.070	0.985	1.080	1.026	1.095
Water system										
Number of service connections	2,342	2,337	2,328	2,304	2,261	2,225	2,215	2,235	2,187	2,187
Daily average consumption in millions of gallons	0.907	0.940	1.010	1.083	1.093	1.120	1.167	1.390	1.250	1.230
Dial-a-Ride system										
Total transit miles	125,329	126,642	143,747	146,848	143,791	139,327	144,843	135,489	112,661	111,694
Passengers	53,787	109,895	140,308	136,816	134,092	156,409	139,593	145,975	76,091	70,459

Source: Various City departments

* information is not available

CITY OF BIG RAPIDS

Table E-3

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	9	9	9	10	10	10
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Emergency response vehicles	10	10	10	10	10	10	10	10	12	12
Public works and streets										
Buildings	28	28	28	28	28	28	28	28	28	27
Miles of streets	43.25	43.25	43.25	43.25	43.25	43.25	43.25	43.25	42.50	42.50
Number of street lights	475	475	475	475	475	475	475	475	475	475
Culture and recreation										
Park acreage	323	323	323	323	323	323	302	302	302	302
Sewer system										
Miles of sanitary sewers	34.78	34.78	34.78	34.78	34.78	34.78	34.78	34.78	34.40	34.40
Miles of storm sewers	20.31	20.31	20.31	20.31	20.20	20.20	20.20	20.20	20.20	20.20
Maximum daily capacity in millions of gallons	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Water system										
Miles of water mains	59.38	59.38	59.38	59	58	58	58	58	58	58
Fire hydrants	510	510	510	504	491	491	491	491	488	488
In millions of gallons:										
Above ground storage capacity (at grade)	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Above ground storage capacity (elevated)	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Maximum daily capacity	5.40	5.40	5.40	5.40	5.40	5.40	5.40	5.40	5.40	5.40
Dial-a-Ride system										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	7	7	7	7	7	7	7	7	7	7

Source: City finance office

* information is not available

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DIAL-A-RIDE TRANSIT SCHEDULES

CITY OF BIG RAPIDS

DIAL-A-RIDE TRANSIT FUND SCHEDULE OF LOCAL REVENUES (1)

FOR THE YEAR ENDED JUNE 30, 2021

	<u>7/1/20 to 9/30/2020</u>	<u>10/1/20 to 6/30/2021</u>	<u>Total</u>
Demand response (farebox)			
Regular service	\$ 15,242	\$ 46,775	\$ 62,017
Contracted Fares	-	74,714	74,714
Interest	-	29	29
Miscellaneous	1,925	1,191	3,116
Transfer from general fund	<u>12,550</u>	<u>37,650</u>	<u>50,200</u>
Total local revenues	<u>\$ 29,717</u>	<u>\$ 160,359</u>	<u>\$ 190,076</u>

DIAL-A-RIDE TRANSIT FUND SCHEDULE OF LOCAL REVENUES (1A)

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>10/1/19 to 6/30/2020</u>	<u>7/1/20 to 9/30/2020</u>	<u>Total</u>
Local revenue			
Demand response (farebox)			
Regular service	\$ 47,548	\$ 15,242	\$ 62,790
Contracted Fares	64,869	-	64,869
Interest	-	-	-
Miscellaneous	(400)	1,925	1,525
Transfer from general fund	<u>122,750</u>	<u>12,550</u>	<u>135,300</u>
Total local revenues	<u>\$ 234,767</u>	<u>\$ 29,717</u>	<u>\$ 264,484</u>

CITY OF BIG RAPIDS
DIAL-A-RIDE TRANSIT FUND
SCHEDULE OF EXPENDITURES OF STATE AND FEDERAL AWARDS (2)
FOR THE YEAR ENDED JUNE 30, 2021

Federal and State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant No. Authorization Number	Program Award Amount	Current year expenditures				Prior Year's Expended	Award Amount Remaining
				Total	Federal	State	Local		
U.S. Department of Transportation									
Passed through Michigan Department of Transportation									
Formula Grants for Rural Areas									
Operating assistance - section 5311 - 2017 reverse deferred	20.509	2017-0022/P1	\$ -	\$ 9,284	\$ 9,284	\$ -	\$ -	\$ -	\$ (9,284)
Operating assistance - section 5311 - 2018 accrual reversal	20.509	2017-0022/P4	-	(9,272)	(9,272)	-	-	-	9,272
Operating assistance - section 5311 - 2018 receipt	20.509	2017-0022/P4	-	22,667	22,667	-	-	-	(22,667)
Operating assistance - section 5311 - 2019 accrual	20.509	2017-0022/P7	-	12,001	12,001	-	-	-	(12,001)
Operating assistance - section 5311 - 2020 accrual reversal	20.509	2017-0022/P10	232,344	(86,200)	(86,200)	-	-	86,200	232,344
Operating assistance - section 5311 - 2020 receipt	20.509	2017-0022/P10	-	114,878	114,878	-	-	-	(114,878)
Operating assistance - section 5311 - 2021 receipt	20.509	2017-0022/P11	241,236	111,253	111,253	-	-	-	129,983
Operating assistance - section 5311 - 2021 receipt	20.509	2017-0022/P13	58,098	58,098	58,098	-	-	-	-
Cares Act - section 5311 - 2020 accrual reversal	20.509	2017-0022/P10	-	(28,733)	(28,733)	-	-	28,733	-
Cares Act - section 5311 - 2020 receipt	20.509	2017-0022/P10	-	96,557	96,557	-	-	-	(96,557)
Cares Act - section 5311 - 2020 accrual	20.509	2017-0022/P10	-	8,253	8,253	-	-	-	(8,253)
Cares Act - section 5311 - 2021 accrual	20.509	2017-0022/P10	-	13,645	13,645	-	-	-	(13,645)
Training grants									
RTAP	N/A		-	-	-	-	-	-	-
Capital grants									
Capital grant - section 5311	20.509	2017-0022/P8	146,219	-	-	-	-	-	146,219
Capital grant - section 5311	20.509	2017-0022/P9	149,519	-	-	-	-	-	149,519
Capital grant - section 5311	20.509	2017-0022/P6	137,267	-	-	-	-	135,095	2,172
			964,683	322,431	322,431	-	-	250,028	392,224
Michigan Department of Transportation									
Operating assistance									
Operating Assistance - Act 51 accrual reversal	N/A	FY18	N/A	(20,180)	-	(20,180)	-	-	-
Operating Assistance - Act 51 accrual	N/A	FY18	N/A	26,776	-	26,776	-	-	-
Operating Assistance - Act 51 accrual reversal	N/A	FY19	N/A	(42,840)	-	(42,840)	-	-	-
Operating Assistance - Act 51 receipt preliminary	N/A	FY19	N/A	18,425	-	18,425	-	-	-
Operating Assistance - Act 51 accrual	N/A	FY19	N/A	24,415	-	24,415	-	-	-
Operating Assistance - Act 51 Accrual reversal	N/A	FY20	N/A	(11,061)	-	(11,061)	-	-	-
Operating Assistance - Act 51 receipt	N/A	FY20	N/A	38,823	-	38,823	-	-	-
Operating Assistance - Act 51 accrual	N/A	FY20	N/A	43,080	-	43,080	-	-	-
Operating Assistance - Act 51 receipt	N/A	FY21	N/A	180,937	-	180,937	-	-	-
Operating Assistance - Act 51 accrual	N/A	FY21	N/A	11,119	-	11,119	-	-	-
Total Michigan Department of Transportation			-	269,494	-	269,494	-		
Total			\$ 964,683	\$ 591,925	\$ 322,431	\$ 269,494	\$ -	\$ 250,028	\$ 392,224

CITY OF BIG RAPIDS
DIAL-A-RIDE TRANSIT FUND
SCHEDULE OF STATE AND FEDERAL AWARDS (2A)
FOR THE YEAR ENDED JUNE 30, 2021

	Grant Number	7/1/20 to 9/30/2020	10/1/20 to 6/30/2021	Total
Michigan Department of Transportation				
Formula operating assistance - Act 51 - accrual	FY18	\$ -	\$ (20,180)	\$ (20,180)
Formula operating assistance - Act 51 - receipt	FY18	-	26,776	26,776
Formula operating assistance - Act 51 - accrual reverse	FY19	-	(42,840)	(42,840)
Formula operating assistance - Act 51 - receipt	FY19	-	18,425	18,425
Formula operating assistance - Act 51 - accrual	FY19	-	24,415	24,415
Formula operating assistance - Act 51 - accrual reverse	FY20	-	(11,061)	(11,061)
Formula operating assistance - Act 51 - receipt	FY20	38,823	-	38,823
Formula operating assistance - Act 51 - accrual	FY20	-	43,080	43,080
Formula operating assistance - Act 51 - receipt	FY21	-	180,937	180,937
Formula operating assistance - Act 51 - accrual	FY21	-	11,119	11,119
Total Michigan Department of Transportation		<u>38,823</u>	<u>230,671</u>	<u>269,494</u>
Federal grants				
Operating assistance - section 5311 - 2017 reverse deferred	2017-0022/P1	-	9,284	9,284
Operating assistance - section 5311 - 2018 accrual reversal	2017-0022/P4	-	(9,272)	(9,272)
Operating assistance - section 5311 - 2018 receipt	2017-0022/P4	-	22,667	22,667
Operating assistance - section 5311 - 2019 accrual	2017-0022/P7	-	12,001	12,001
Operating assistance - section 5311 - 2020 accrual reversal	2017-0022/P10	-	(86,200)	(86,200)
Operating assistance - section 5311 - 2020 receipt	2017-0022/P10	106,888	7,990	114,878
Operating assistance - section 5311 - 2021 receipt	2017-0022/P11	-	111,253	111,253
Operating assistance - section 5311 - 2021 receipt	2017-0022/P13	-	58,098	58,098
Cares Act - section 5311 - 2020 accrual reversal	2017-0022/P10	-	(28,733)	(28,733)
Cares Act - section 5311 - 2020 receipt	2017-0022/P10	49,344	47,213	96,557
Cares Act - section 5311 - 2020 accrual	2017-0022/P10	-	8,253	8,253
Cares Act - section 5311 - 2021 accrual	2017-0022/P10	-	13,645	13,645
RTAP funding		-	-	-
Total federal grants		<u>156,232</u>	<u>166,199</u>	<u>322,431</u>
Total		<u>\$ 195,055</u>	<u>\$ 396,870</u>	<u>\$ 591,925</u>

DIAL-A-RIDE TRANSIT FUND
SCHEDULE OF STATE AND FEDERAL AWARDS (2B and 4R)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

		10/1/19 to 6/30/2020	7/1/20 to 9/30/2020	Total
Michigan Department of Transportation				
Formula operating Assistance - Act 51 - receipt	FY18	\$ 14,424	\$ -	\$ 14,424
Formula operating Assistance - Act 51 - accrual	FY18	20,180	-	20,180
Formula operating Assistance - Act 51 - accrual	FY19	42,840	-	-
Formula operating Assistance - Act 51 - receipt	FY20	165,773	38,823	204,596
Formula operating Assistance - Act 51 - accrual	FY20	11,061	-	11,061
Total Michigan Department of Transportation		<u>254,278</u>	<u>38,823</u>	<u>250,261</u>
Federal grants				
Operating assistance - section 5311 - 2018 receipt	2017-0022/P4	9,272	-	9,272
Operating assistance - section 5311 - 2019 receipt	2017-0022/P7	27,391	-	27,391
Operating assistance - section 5311 - 2020 accrual	2017-0022/P10	86,200	-	86,200
Operating assistance - section 5311 - 2020 receipt	2017-0022/P10	-	106,888	106,888
Cares Act - section 5311 - 2020 accrual	2017-0022/P10	28,733	-	28,733
Cares Act - section 5311 - 2020 receipt	2017-0022/P10	-	49,344	49,344
RTAP funding		301	-	301
Total federal grants		<u>151,897</u>	<u>156,232</u>	<u>308,129</u>
Total		<u>\$ 406,175</u>	<u>\$ 195,055</u>	<u>\$ 558,390</u>

CITY OF BIG RAPIDS
DIAL-A-RIDE TRANSIT FUND
SCHEDULE OF OPERATING AND CONTRACT EXPENSES (3)
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Regular service</u>		<u>Total</u>
	<u>FY 2020</u>	<u>FY 2021</u>	<u>System</u>
Operating expenses			
Labor			
Salaries and wages	\$ 46,531	\$ 273,683	\$ 320,214
Fringe benefits	25,087	84,427	109,514
Services			
Other services	16,150	50,750	66,900
Materials and supplies			
Fuel	12,828	42,157	54,985
Other materials and supplies	21,688	40,555	62,243
Casualty and liability costs			
Insurance	7,084	-	7,084
Utilities	2,680	13,515	16,195
Miscellaneous			
Other	144	853	997
Depreciation	<u>32,385</u>	<u>96,194</u>	<u>128,579</u>
Total operating expenses	<u>\$ 164,577</u>	<u>\$ 602,134</u>	<u>\$ 766,711</u>

The following cost allocation plans were adhered to in the preparation of the financial statements:

2006 Maintenance and Administrative Costs

The following cost allocation plans were not used in the current fiscal year:

2006 Utilities and Snow Removal

2009 Charter Service

The City does not have an other post-employment benefit plan.

All defined benefit and defined contribution plan expenses were paid to the plans.

\$891 of insurance pool dividends (miscellaneous revenue) are reported as ineligible expense.

Expenses associated with 406xx and 407xx revenues are subtracted out as ineligible expenses when required by Michigan Department of Transportation guidance.

The eligible depreciation of \$12,659 includes the depreciation of assets purchased with local funds where the useful life of the asset purchased has been approved by OPT.

Capital grant funding used for operating expenses has been reported as ineligible expenses.

CITY OF BIG RAPIDS

**DIAL-A-RIDE TRANSIT FUND
SCHEDULE OF OPERATING EXPENSE SPLIT
BETWEEN A JUNE 30 AND SEPTEMBER 30 YEAR END (3A)**

FOR THE YEAR ENDED JUNE 30, 2021

	<u>7/1/20 to 9/30/2020</u>	<u>10/1/20 to 6/30/2021</u>	<u>Total</u>
Expenses			
Labor	\$ 46,531	\$ 273,683	\$ 320,214
Fringe benefits	25,087	84,427	109,514
Service	16,150	50,750	66,900
Materials and supplies	34,516	82,712	117,228
Casualty and liability costs	7,084	-	7,084
Utilities	2,680	13,515	16,195
Miscellaneous	144	853	997
Depreciation	<u>32,385</u>	<u>96,194</u>	<u>128,579</u>
Total expenses	\$ <u>164,577</u>	\$ <u>602,134</u>	\$ <u>766,711</u>

**DIAL-A-RIDE TRANSIT FUND
SCHEDULE OF OPERATING EXPENSE SPLIT
BETWEEN A JUNE 30 AND SEPTEMBER 30 YEAR END (3B)**

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>10/1/19 to 6/30/2020</u>	<u>7/1/20 to 9/30/2020</u>	<u>Total</u>
Expenses			
Labor	\$ 257,006	\$ 46,531	\$ 303,537
Fringe benefits	70,954	25,087	96,041
Service	55,314	16,150	71,464
Materials and supplies	76,926	34,516	111,442
Casualty and liability costs	-	7,084	7,084
Utilities	12,780	2,680	15,460
Miscellaneous	253	144	397
Depreciation	<u>53,387</u>	<u>32,385</u>	<u>85,772</u>
Total expenses	\$ <u>526,620</u>	\$ <u>164,577</u>	\$ <u>691,197</u>

CITY OF BIG RAPIDS

DIAL-A-RIDE TRANSIT FUND SCHEDULE OF NONURBAN REGULAR SERVICE EXPENSES 4E

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Operations</u>	<u>Maintenance</u>	<u>General Administration</u>	<u>Total System</u>
Operating expenses				
Labor				
Salaries and wages	\$ 212,839	\$ 15,084	\$ 75,614	\$ 303,537
Fringe benefits	61,456	-	34,585	96,041
Services				
Other services	30,791	21,464	37,548	89,803
Materials and supplies				
Fuel	39,056	4,820	-	43,876
Other materials and supplies	2,923	46,304	-	49,227
Casualty and liability costs				
Insurance	-	-	7,084	7,084
Utilities	15,460	-	-	15,460
Miscellaneous				
Travel, meetings and training	-	-	99	99
Other	-	-	298	298
Depreciation	-	-	85,772	85,772
Total operating expenses	<u>\$ 362,525</u>	<u>\$ 87,672</u>	<u>\$ 241,000</u>	<u>691,197</u>
Ineligible expenses				
Ineligible depreciation	\$ -	\$ -	\$ 78,085	78,085
Ineligible insurance reimbursement	-	-	976	976
Eligible pension expense accrual	-	-	-	-
Ineligible RTAP	-	-	301	301
Total ineligible expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,362</u>	<u>79,362</u>
Total eligible expenses				<u>\$ 611,835</u>

CITY OF BIG RAPIDS

DIAL-A-RIDE TRANSIT FUND OPERATING ASSISTANCE CALCULATION 5

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Nonurban</u>
State eligible expenses	
Labor	\$ 303,537
Fringe benefits	96,041
Service	71,464
Materials and supplies	111,442
Casualty and liability costs	7,084
Utilities	15,460
Miscellaneous	397
Depreciation	<u>85,772</u>
Total expenses	<u>691,197</u>
Less ineligible expenses	
Ineligible depreciation	78,085
Ineligible insurance reimbursement	976
Eligible pension expense accrual	-
Ineligible RTAP	<u>301</u>
Total ineligible expenses	<u>79,362</u>
State eligible expenses	<u>\$ 611,835</u>
State operating assistance - 42.0509%	<u><u>\$ 257,282</u></u>
Federal eligible expenses	
State eligible expenses	\$ 611,835
Less additional federal ineligible expenses	
Audit costs	<u>1,750</u>
Federal eligible expenses	<u>\$ 610,085</u>
Setion 5311 reimbursement - 18.0% quarters 1 and 2; 36% quarters 3 and 4	<u><u>\$ 164,723</u></u>

Depreciation expense on all assets purchased with grant funding is excluded from eligible expense.

CITY OF BIG RAPIDS
DIAL-A-RIDE TRANSIT FUND
SCHEDULE OF NONFINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Miles</u> <u>Regular</u>	<u>Hours</u> <u>Regular</u>
Demand response		
Fourth quarter (7/1/20 to 9/30/20)	25,943	1,864
First quarter (10/1/20 to 12/31/20)	31,952	2,820
Second quarter (1/1/21 to 3/31/21)	35,450	2,781
Third quarter (4/1/21 to 6/30/21)	<u>31,984</u>	<u>2,867</u>
Total	<u>125,329</u>	<u>10,332</u>

DIAL-A-RIDE TRANSIT FUND
SCHEDULE OF NONFINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Miles</u> <u>Regular</u>	<u>Hours</u> <u>Regular</u>
Demand response		
First quarter (10/1/19 to 12/31/19)	31,619	2,822
Second quarter (1/1/20 to 3/31/20)	36,422	3,118
Third quarter (4/1/20 to 6/30/20)	17,104	1,739
Fourth quarter (7/1/20 to 9/30/20)	<u>25,943</u>	<u>1,864</u>
Total	<u>111,088</u>	<u>9,543</u>

The methodology used for compiling miles and other nonfinancial data information has been reviewed and the methodology has been found to be adequate and reliable.

CONTINUING DISCLOSURE FILING

CITY OF BIG RAPIDS
CONTINUING DISCLOSURE
Property Tax Rates - Five-Year History (1)

Levied July (1)	City Operating(2)	Special Revenue Funds(3)	DPS Ret(4)	DPS Bldg.(5)	Library(6)	Total
2016	11.2334	2.0000	4.5300	2.7412	1.0000	19.5046
2017	11.2334	2.0000	4.8290	2.8304	1.0000	19.8928
2018	11.2334	2.0000	4.8041	2.9043	1.0000	19.9418
2019	11.2334	1.9926	4.6855	2.9321	1.0000	19.8510
2020	11.2334	1.9926	4.5920	2.9535	1.0000	19.7789

Notes

(1) Per \$1,000 of State Equalized Valuation. Excludes taxes levied by other units of government.

(2) The City has the ability to levy up to 15 mills for operating purposes by a vote of the City Commission.

(3) Levied only in the City of Big Rapids Downtown Development Authority.

(4) Public Act 345, Police and Fire Retirement System.

(5) Levied for Department of Public Safety Building debt.

(6) Levied for Library operations.

Source: City of Big Rapids

CITY OF BIG RAPIDS
CONTINUING DISCLOSURE
City Wide Millages (1)
Fiscal Year 2021

	Homestead Properties(2)	Non-Homestead Properties
Big Rapids Public Schools	5.7500	23.7500
City of Big Rapids	19.7789	19.7789
County of Mecosta	7.3623	7.3623
Mecosta Osceola Intermediate School District	5.0780	5.0780
State Education Tax (SET)	6.0000	6.0000
Total	43.9692	61.9692

Notes

(1) Per \$1,000 of Taxable Value.

(2) Homestead means a dwelling or unit in a multiple-unit dwelling subject to ad valorem property taxes that is owned and occupied as a principal residence by the owner of the dwelling or unit. Homestead includes all unoccupied property classified as agricultural adjacent and contiguous to the home of the owner that is not leased or rented by the owner to another person if the gross receipts of the agricultural or horticultural operations, if any, exceed the household income of the owner. If the gross receipts of the agricultural or horticultural operations do not exceed the household income of the owner, the homestead includes only 5 acres adjacent and contiguous to the home of the owner. Homestead includes a life care facility registered under the living care disclosure act, Act 440, Public Acts of Michigan 1976, being sections 554.801 to 554.844 of the Michigan Compiled Laws. Homestead also includes property owned by a cooperative housing corporation and occupied as a principal residence by tenant stockholders. Nonhomestead is property not included in the above definition.

Industrial personal property is exempt from the SET and 18.00 mills of the Big Rapids Public Schools. Commercial personal property is subject to the SET, but is exempt from up to 12.00 of the 18.00 mills of the Big Rapids Public Schools.

Source: City of Big Rapids

CITY OF BIG RAPIDS
CONTINUING DISCLOSURE
Industrial Facilities Tax Abatement
City of Big Rapids Industrial Facilities Tax Roll

The following chart indicates the time schedule and dollar amounts of tax abatements granted to industrial facilities within the City. Once these tax abatements expire the facilities will be added back to the City's Ad Valorem tax roll.

Year of Transfer to Ad Valorem Tax Roll	I.F.T. S.E.V. Amount (1)
2016	\$ -
2017	-
2018	-
2019	-
2020	-
2021	-
2022	-
2023	76,216
2024	335,100
2025	218,300
Total	\$ 629,616

Notes

*(1) Represents current assessed value of abated property at time of assessment.
Personal property will be subject to depreciation in future years.*

Source: City of Big Rapids

CITY OF BIG RAPIDS
CONTINUING DISCLOSURE
SEV/Taxable Valuation - Five-Year History

Assessed Value as of December 31	Year of State Equalization and Tax Levy	City's Fiscal Year Ending June 30	State Equalized Valuation	Ad Valorem Taxable Valuation	Total Taxable Valuation (1)
2019	2020	2021	\$ 176,108,900	\$ 159,644,933	\$ 160,427,649
2018	2019	2020	171,309,000	154,499,019	155,484,519
2017	2018	2019	163,497,200	150,274,843	151,346,964
2016	2017	2018	162,135,500	147,770,354	152,727,408
2015	2016	2017	156,470,500	153,717,144	157,328,644

Per Capita 2021 SEV is \$22,791 and Per Capita 2020 Ad Valorem Taxable Valuation is \$20,661 based upon the 2020 US Census population of 7,727.

Notes

(1) Includes tax abatements only under Act 198 and Act 255. (IFT's Real and Personal)

Source: City of Big Rapids

CITY OF BIG RAPIDS
CONTINUING DISCLOSURE
Breakdown of 2020 Ad Valorem Taxable Valuation

By Use	Percent	By Class	Percent
Residential	46.00%	Real Property	91.00%
Commercial	36.00%	Personal Property	9.00%
Personal	10.00%	Total	<u>100.00%</u>
Industrial	8.00%		
Total	<u>100.00%</u>		

Source: City of Big Rapids

CITY OF BIG RAPIDS
CONTINUING DISCLOSURE
Property Tax Collection Record - Five-Year History

Fiscal Year Ended	Tax Levy (1)	Collections to June 30, Year Following Levy	Percent Collected	Collections Plus Funding to June 30, Year Following Levy	% Collected Plus Funding to June 30, Year Following Levy
2017	\$ 2,886,719	\$ 2,747,915	95.19%	\$ 2,886,707	100.00%
2018	2,953,985	2,782,401	94.19%	2,950,086	99.87%
2019	2,996,241	2,845,205	94.96%	2,994,279	99.93%
2020	3,075,182	2,922,599	95.04%	3,067,515	99.75%
2021	3,163,355	3,005,223	95.00%	3,154,128	99.71%

Notes

(1) Real and personal taxes combined.

Source: City of Big Rapids

CITY OF BIG RAPIDS
CONTINUING DISCLOSURE
Debt

Legal Debt Margin

Pursuant to the statutory and constitutional debt provision set forth above, the following table reflects the amount of additional debt the City may legally incur as of June 30, 2021.

2021 SEV	\$176,108,900
Debt Limit (1)	17,610,890
Total Debt Applicable to Limitation	1,340,000
Additional Debt which can be legally incurred	\$16,270,890
Debt applicable to limit as a percent of SEV %	0.8%

Notes

(1) 10% of 2020 SEV.

Source: City of Big Rapids

CITY OF BIG RAPIDS
CONTINUING DISCLOSURE

TOP TEN OWNERS BY TAXABLE VALUE	PRINCIPAL PRODUCT/SERVICE	2020 TV	2020 AV & SP ACTS MBOR TV	% of 2020 Total TV 160,427,649
HAWORTH INC	Manufacturing	\$ 5,910,700		3.68%
CONSUMERS ENERGY	Utility	4,940,730		3.08%
GEN 3 INVESTMENTS LLC	Strip Mall Retail	3,887,124		2.42%
ALEA PROPERTIES LLC	Strip Mall Retail	2,503,615		1.56%
DTE GAS COMPANY	Utility	2,443,202		1.52%
CAMPUS VILLAGE RAPIDS LLC	Apartments	2,076,815		1.29%
HILLCREST OAKWOOD PROPERTY LLC	Apartments	2,020,594		1.26%
FEDERAL SCREW WORKS	Manufacturing	1,905,886		1.19%
SPECTRA BIG RAPIDS LLC	Apartments	1,898,400		1.18%
ORIGINAL FOOTWEAR MANUFACTURING	Manufacturing	1,798,000		1.12%
		<hr/>		<hr/>
TOTAL		\$ 29,385,066		18.32%

SINGLE AUDIT SECTION



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 21, 2021

Honorable Mayor and Members of the City Council
City of Big Rapids, Michigan

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Big Rapids, Michigan, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Big Rapids, Michigan's basic financial statements, and have issued our report thereon dated December 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Big Rapids, Michigan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Big Rapids, Michigan's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Big Rapids, Michigan's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Big Rapids, Michigan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vrederseld Haefner LLC



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

December 21, 2021

Honorable Mayor and Members of the City Council
City of Big Rapids, Michigan

Report on Compliance for Each Major Federal Program

We have audited the City of Big Rapids, Michigan's, (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Uredaxeld Haefner LLC

CITY OF BIG RAPIDS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Grant Number	CFDA Number	Federal Expenditures
U.S. Department of Housing & Urban Development			
Michigan Economic Development Corporation			
Community Development Block Grant			
Frozen Water/Sewer Infrastructure	MSC 217046-FRZ	14.228	\$ 60,297
Frozen Water/Sewer Infrastructure	MSC 217046-FRZ	14.228	278,070
Total U.S. Department of Housing & Urban Development			<u>338,367</u>
Federal Aviation Administration			
Airport improvement program		20.106	<u>30,000</u>
U.S. Department of Treasury			
Michigan Department of Treasury			
CARES Act- PSPHPR ¹		21.019	260,662
CARES Act- FRHPP ²		21.019	34,000
CARES Act- CRLGG ³		21.019	111,629
Total U.S. Department of Treasury			<u>406,291</u>
U.S. Department of Transportation			
Michigan Department of Transportation			
Federal Section 5311 Operating	2017-0022/P1	20.509	9,284
Federal Section 5311 Operating	2017-0022/P4	20.509	13,395
Federal Section 5311 Operating	2017-0022/P7	20.509	12,001
Federal Section 5311 Operating	2017-0022/P10	20.509	28,678
Federal Section 5311 Operating	2017-0022/P11	20.509	111,253
Federal Section 5311 Operating	2017-0022/P13	20.509	58,098
Cares Act - Federal Section 5311 Operating	2017-0022/P10	20.509	89,722
Total U.S. Department of Transportation			<u>322,431</u>
Total Federal Awards			<u>\$ 1,097,089</u>
1-Public Safety Public Health Payroll Reimbursement			
2-First Responder Hazard Pay Premium			
3-Coronavirus Relief Local Government Grants			

See notes to schedule of expenditures of federal awards.

CITY OF BIG RAPIDS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2021

1. The Schedule of Expenditures of Federal Awards is prepared in accordance with the modified accrual basis of accounting.

2. Reconciliation of revenues from federal sources per financial statements and expenditures per the Schedule of Expenditures of Federal Awards:

Federal revenue reported in governmental funds	\$ 714,361
Federal revenue reported in proprietary funds	
Operating grant	322,431
Capital grant	<u>60,297</u>
Expenditures reported on the schedule of expenditure of federal awards	<u>\$ 1,097,089</u>

3. The City did not elect to use the 10% de minimis cost rate as covered in Uniform Guidance section 2 CFR 200.414 indirect costs.

CITY OF BIG RAPIDS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	<u> X </u> no	
Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported	
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ yes	<u> X </u> no	
Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported	
Type of auditors' report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance?	_____ yes	<u> X </u> no	
Identification of major programs:			

CFDA Number(s)

14.228
21.019

Name of Federal Program or Cluster

Frozen Water/Sewer Infrastructure
Cares Act

Dollar threshold used to distinguish between Type A and B programs:	<u> \$750,000 </u>	
Auditee qualified as low-risk auditee?	_____ yes	<u> X </u> no

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

2020-001 was addressed