



CITY OF BIG RAPIDS, MICHIGAN
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CITY OF BIG RAPIDS, MICHIGAN

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Prepared by: Finance Department

Carla Staffen- Treasurer

Britani Douglass- Assistant Treasurer

Paula Weipert- Income Tax Administrator

Gail Dolbee- Assessor

Melissa Hauger- Human Resources Coordinator

Amy Cole- Finance/Purchasing Clerk

Andrea Kuiawa- Finance/Utility Clerk

Simone Smith-Politz- 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 28, 2023

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

The Annual Comprehensive Financial Report of the City of Big Rapids, Michigan, for fiscal year ended June 30, 2023, is submitted herewith. The financial statements included in this report have been audited by Vredeveld & 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 fifty-five miles north of Grand Rapids, forty 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 2023 fall enrollment was 9,918 students, down slightly from 2022. Big Rapids also has a very active industrial park that accommodates businesses such as: Haworth, Big Rapids Products, Federal Screw Works and Original Footwear. Corewell 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 Jonathan Eppley, Karen Simmon, Amanda Johnson, and Lorraine James.

The City has 82 full-time employees and 143 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	Carla Staffen – Finance
Steve Schroeder – Fire Chief	Brad Fowler (Mika Meyers PLC) - Attorney
Danielle Haynes – Police Chief	Tammy Gillis – Clerk
Tim Moslener – Technology	Michelle Stenger – 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, Basketball 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 9,918 students, slightly down from the previous year. The University is the economic engine for the community. Ferris State continues to update its educational facilities aggressively. The University completed the construction of the Center for Virtual Learning. This 64,000 square foot facility serves as a core academic building and brings together some of Ferris' most acclaimed and cutting-edge programs. The \$29.5 million project was 75% funded by the State of Michigan with the remainder came 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.

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.

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.

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.

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. The airport is

planning to extend the runway to 5,000 feet with other improvements. The city was approved for \$1,800,000 as part of a federal infrastructure bill.

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. The city is currently looking at options to replace aging wastewater infrastructure.

3. Technology

The City's IT department partners and provides service to Mecosta County, Osceola County, Mecosta 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. Last fiscal year, new twinkle lights were installed downtown and are enjoyed all year.

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 Mechanic Street.

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, tennis courts, and pickleball 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. The city recently received a \$450,000 grant award for the

construction of the Depot Trailhead Park as part of the RAP program. It will be a nice addition to the White Pine trail.

9. Pool

The Fairman Pool is a great amenity for the community. The pool is open June – August and provides a wonderful swimming lesson program. The facility is aging and requires annual maintenance to continue to operate.

10. 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 during FY 21-22 included the basketball and pickleball courts. Financing was obtained in the form of bonds to complete the Hemlock Park Improvements, including a Splash Pad and new play structure.



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 eight full-time employees and one part-time employee. With the retirement of City Assessor Gail Dolbee, a decision was made to hire a contracted assessor. 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, receipts totaled \$28,406,218. The City began accepting credit cards online and onsite in December 2013. During the fiscal year ended June 30, 2023, a total of \$1,147,050 in credit card payments were received.

The General Fund's portion of total revenues collected during FY 2022/2023 was \$10,679,151. 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 81% of total General Fund revenue. Marihuana tax in the amount of \$881,632 was received in 2023.

Approximately \$933,437 was invested in the street paving program over the 2023 fiscal year. The Treasurer's Office processed 3,261 disbursements for a total of \$22,312,260.

General Fund expenditures for FY 2022/2023 were \$9,979,879 not including transfers to other funds in the amount of \$1,180,755. Transfers are made from the General Fund to subsidize the cost of providing a program or service.

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.

In January 2014, Fifth Third Bank offered a cash back credit card program for government users. Purchasing card transactions made up \$733,683 of total disbursements. The annual cash rebate received for the year 2022 was \$8,429. The use of the purchasing card will continue to be examined to maximize return.

The Finance Department also account for the capital assets of the City. Capital assets include land, buildings, equipment, vehicles, and infrastructure. Significant capital assets additions during the year included the following:

- Road construction projects - \$933,437
- Sewer Mains - \$380,652
- Water Mains - \$353,985

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 essential information related to the City's retirement plans.

Figure 2. 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
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	\$ 493,154	\$ 5,452,275	\$ 6,374,952	\$ 922,677	85.5%
2021	\$ 493,154	\$ 6,667,265	\$ 6,090,518	\$ (576,747)	109.5%
2022	\$ 493,154	\$ 5,839,029	\$ 5,951,564	\$ 112,535	98.1%
2023	\$ 0	\$ 6,475,714	\$ 5,585,028	\$ (890,686)	116.0%

Figure 3. MERS Pension Plan

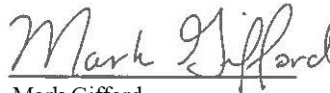
For the Year Ending June 30	Annual Recommended Contribution	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio
2017	\$ 728,574	\$ 9,795,252	\$ 15,306,198	\$ 5,510,946	64.0%
2018	\$ 664,168	\$ 9,996,216	\$ 14,965,464	\$ 4,969,248	66.7%
2019	\$ 565,704	\$ 9,851,635	\$ 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%
2022	\$ 908,340	\$10,443,895	\$ 16,049,603	\$ 5,605,708	65.1%
2023	\$ 911,196	\$10,643,623	\$ 16,117,979	\$ 5,474,356	72.0%

Looking forward into the upcoming year, the Treasurer’s Office plans to continue the trend of increasing customer service and operating more efficiently. The Treasurer’s Office now offers residents an automatic payment option for their utility bill at no charge. We continue to add auto pay customers. We are 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.

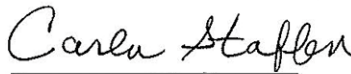
ACKNOWLEDGEMENTS

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, Carla Staffen. She has been ably assisted by other finance/management area personnel, which include Britani Douglass, Amy Cole, Andrea Kuiawa, Simone Smith-Politz, Gail Dolbee, Elizabeth Zalenski, Paula Weipert, Mercedes Anderson, and Melissa Hauger. Excellent working relationships were established and maintained between the auditors and the municipal staff in the preparation of this annual financial report.

Respectfully submitted,

A handwritten signature in cursive script, reading "Mark Gifford".

Mark Gifford
City Manager

A handwritten signature in cursive script, reading "Carla Staffen".

Carla Staffen
City Treasurer

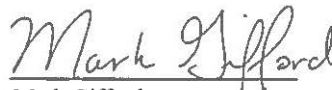
**STATEMENT OF MANAGEMENT'S
RESPONSIBILITY FOR FINANCIAL STATEMENTS**

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.

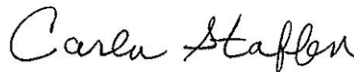
Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

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



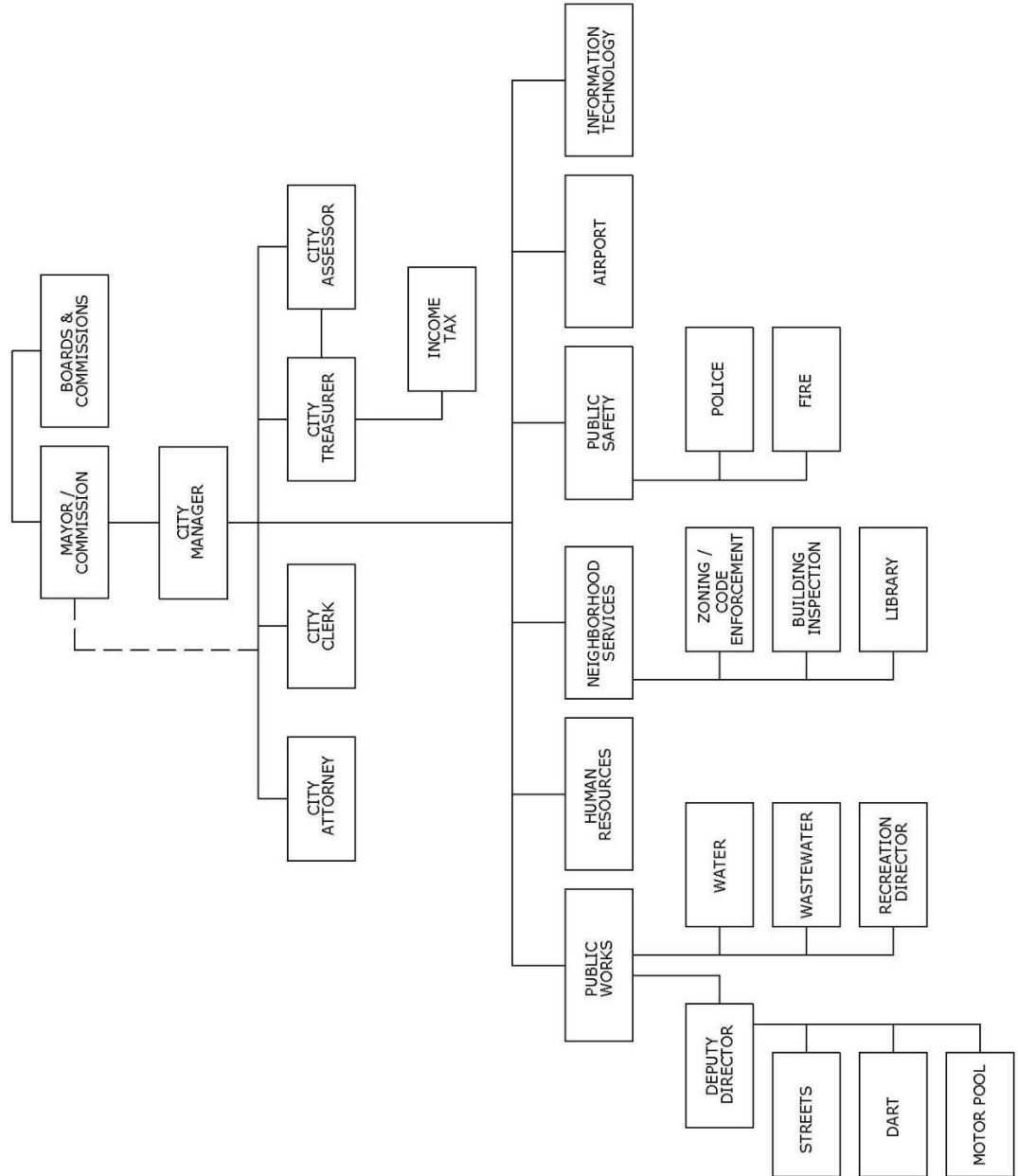
Carla Staffen
City Treasurer

CITY OF BIG RAPIDS, MICHIGAN

CITY OFFICIALS

City Commission	_____	Fred Guenther
	_____	Karen Simmon
	_____	Lorraine James
	_____	Jonathan Eppley
	_____	Amanda Johnson
City Manager	_____	Mark Gifford
City Attorney	_____	Brad Fowler
City Clerk	_____	Tammy Gillis
City Treasurer	_____	Carla Staffen
Income Tax Administrator	_____	Paula Weipert
Information Technology Manager	_____	Timothy Moslener
Library Director	_____	Lauren Perkins
Community Development Director	_____	Michelle Stenger
Transportation Supervisor	_____	Dawn Fuller
Police Chief	_____	Danielle Haynes
Fire Chief	_____	Steve Schroeder
Public Works Director	_____	Heather Bowman

ORGANIZATIONAL CHART



FINANCIAL SECTION



Vredeveld Haefner LLC

CPAs and Consultants
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Fax (616) 828-0307

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(616) 446-7474
Peter S. Haefner, CPA
(616) 460-9388

INDEPENDENT AUDITORS' REPORT

December 28, 2023

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 and budgetary comparison information on pages 49 through 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual 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 section balances at June 30, 2023, 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 section balances at June 30, 2022, 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 Dial-A-Ride transit schedules section balances at other than June 30, 2023, and the 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 Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Urederold Haefner LLC

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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, 2023.

Financial Highlights

The financial statements, which follow this Management's Discussion and Analysis, provide these significant key financial highlights for the 2023 fiscal year as follows:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$45,104,844. Of this amount, \$7,460,530 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors
- The City's total net position increased \$2,973,984, comprised of a \$2,080,124 increase in the governmental activities and an increase of \$893,860 in the business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending funds balance of \$5,978,696 an increase of \$1,313,390 in comparison to the prior year.
- At the end of the current fiscal year, the unassigned funds balance for the general fund was \$2,924,285 or 29% of total general fund expenditures.

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 fund which is considered to be a major fund. 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 general and special revenue 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 \$45,104,844 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>	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 9,258,131	\$ 7,566,887	\$ 7,412,722	\$ 7,208,580	\$16,670,853	\$14,775,467
Capital assets	25,598,219	22,430,846	18,726,733	18,617,979	44,324,952	41,048,825
Total assets	34,856,350	29,997,733	26,139,455	25,826,559	60,995,805	55,824,292
Deferred outflows	948,293	685,309	429,704	154,488	1,377,997	839,797
Liabilities						
Current liabilities	1,780,517	1,810,524	931,400	1,217,235	2,711,917	3,027,759
Long-term liabilities	8,162,220	4,613,215	5,397,339	5,163,891	13,559,559	9,777,106
Total liabilities	9,942,737	6,423,739	6,328,739	6,381,126	16,271,476	12,804,865
Deferred inflows	997,482	1,475,003	-	253,361	997,482	1,728,364
Net position						
Net investment in capital assets	21,687,422	21,182,846	14,679,625	14,542,979	36,367,047	35,725,825
Restricted	1,277,267	1,011,046	-	-	1,277,267	1,011,046
Unrestricted	1,899,735	590,408	5,560,795	4,803,581	7,460,530	5,393,989
Total net position	\$24,864,424	\$22,784,300	\$20,240,420	\$19,346,560	\$45,104,844	\$42,130,860

By far the largest portion of the City's net position in the amount of 81% 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 \$7,460,530, 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, governmental activities and the business-type activities.

Deferred outflows increased as a result of pension plan investment returns for 2023 while long-term liabilities increased due to issuance of new debt. Deferred inflows decreased to reflect the long-term nature of leases receivable and pension plan investment returns.

Statement of Activities The City's total revenue for the fiscal year ended June 30, 2023, was \$20,936,655 while total cost of all programs and services was \$17,962,671. This results in an increase in net position of \$2,973,984. The following table presents a summary of the changes in net position for the years ended June 30, 2023 and 2022.

City of Big Rapids Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 1,296,380	\$ 1,284,119	\$ 7,563,276	\$ 6,886,661	\$ 8,859,656	\$ 8,170,780
Operating grants and contributions	2,572,732	2,445,790	511,010	655,521	3,083,742	3,101,311
Capital grants and contributions	1,136	305,801	5,580	295,560	6,716	601,361
General revenues						
Property taxes	3,732,963	3,227,148	-	-	3,732,963	3,227,148
Income taxes	2,801,052	2,277,437	-	-	2,801,052	2,277,437
State shared revenues	1,330,074	1,454,479	-	-	1,330,074	1,454,479
Investment earnings	83,978	93,156	61,322	(5,950)	145,300	87,206
Other	970,102	771,202	7,050	-	977,152	771,202
Total revenues	12,788,417	11,859,132	8,148,238	7,831,792	20,936,655	19,690,924
Expenses						
General government	3,574,165	3,039,211	-	-	3,574,165	3,039,211
Public safety	3,944,022	3,983,771	-	-	3,944,022	3,983,771
Public works	1,895,744	2,002,515	-	-	1,895,744	2,002,515
Culture and recreation	1,811,415	1,714,871	-	-	1,811,415	1,714,871
Interest on long-term debt	85,647	46,827	-	-	85,647	46,827
Wastewater	-	-	2,146,213	2,145,496	2,146,213	2,145,496
Water	-	-	2,505,418	2,390,778	2,505,418	2,390,778
Sanitation	-	-	1,075,227	1,051,902	1,075,227	1,051,902
Dial a ride transportation	-	-	924,820	821,412	924,820	821,412
Total expenses	11,310,993	10,787,195	6,651,678	6,409,588	17,962,671	17,196,783
Increase (decrease) before transfers	1,477,424	1,071,937	1,496,560	1,422,204	2,973,984	2,494,141
Transfers in (out)	602,700	669,700	(602,700)	(669,700)	-	-
Increase (decrease) in net position	2,080,124	1,741,637	893,860	752,504	2,973,984	2,494,141
Net position – beginning, as restated	22,784,300	21,042,663	19,346,560	18,594,056	42,130,860	39,636,719
Net position – ending	\$24,864,424	\$22,784,300	\$20,240,420	\$19,346,560	\$45,104,844	\$42,130,860

Governmental Activities The preceding table shows that the governmental activities increased the City's net position by \$2,080,124 during this fiscal year. The increase is primarily the result of lower capital grants, additional marijuana tax, income tax and property tax revenues and continued control of expenditures by the City.

Business-type Activities Business-type activities increased the City's net position by \$893,860 during the year. This increase is primarily the result of lower capital grants, increased water and sewer rates and water and sewer operating expenses.

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 \$5,978,696, an increase of \$1,313,390 from the prior year. The general fund increased fund balance by \$879,846 primarily as a result of approximately \$500,000 in additional property taxes, \$500,000 in additional income tax and additional marihuana tax of approximately \$200,000.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$2,924,285. 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 26% 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, and sanitation funds increased net position by \$751,232, \$304,654, and \$13,030 respectively. The dial a ride transportation fund decreased net position by \$175,056.

Budgetary Highlights

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

- General fund
 - Marihuana Tax Revenue was higher than budgeted due to the city's conservative approach to the marihuana market.
 - Federal revenue exceeded budgeted due to approximately \$500,000 of the American Rescue Plan Act (ARPA) funding that was not budgeted.
 - Total expenditures in the general fund were slightly under budget due to conservative budgeting and projects not completed in the parks.

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, 2023, amounted to \$44,324,952 (net of accumulated depreciation). Of this amount, \$25,598,219 was for its governmental type activities and \$18,726,733 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 \$1,000,000, CIP of approximately \$1,500,000, and infrastructure of approximately \$3,000,000 for governmental activities and business-type activities.

Additional information on the City's capital assets can be found in note 5 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 \$4,970,159 for governmental activities and \$4,137,204 for business-type activities.

The City issued two new bonds for infrastructure totaling \$1,900,000 and entered into a debt agreement with Mecosta County for \$1,202,797 for drain improvements 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 \$19,738,050. Total City's long-term debt subject to this limit is \$3,050,000.

Additional information on the City's long-term debt can be found in note 7 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 2023-2024 fiscal year:

- The second installment of American Rescue Plan Act was received.
- The 2020 census numbers resulted in a loss of around 2,800 people due to university students being sent home during covid. The city is currently in discussion to have a special census conducted for a total recount of the community.
- The City received a \$150,000 grant from the State to help in the construction of a skate park at Swede Hill.
- The City also received a RAP grant for the construction of a Depot Trailhead Park.
- The City received a bid for the construction of a splash pad and playground at Hemlock Park.

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, 2023

	Primary Government			Component Unit
	Governmental	Business-Type	Total	Downtown
	Activities	Activities		Development
				Authority
Assets				
Cash and pooled investments	\$ 6,317,748	\$ 6,306,920	\$ 12,624,668	\$ 68,561
Accounts receivable	348,710	838,042	1,186,752	10,545
Prepaid and other assets	193,292	23,125	216,417	-
Due from other governments	451,429	210,761	662,190	-
Inventory	135,814	33,874	169,688	-
Net pension asset	890,686	-	890,686	-
Leases receivable	920,452	-	920,452	-
Capital assets				
Land	5,220,716	374,821	5,595,537	-
Construction in progress	1,525,456	402,445	1,927,901	-
Depreciable capital assets, net	18,852,047	17,949,467	36,801,514	-
Total assets	34,856,350	26,139,455	60,995,805	79,106
Deferred outflow				
Pension related	948,293	429,704	1,377,997	-
Liabilities				
Accounts payable	487,216	297,852	785,068	10,827
Accrued liabilities	312,283	70,966	383,249	-
Customer deposits	-	39,070	39,070	-
Unearned revenue	236,832	-	236,832	6,666
Current portion of compensated absences	490,646	76,912	567,558	-
Current portion of long-term debt	253,540	446,600	700,140	-
Noncurrent liabilities due in more than one year				
Compensated absences	568,716	53,292	622,008	-
Net pension liability	3,936,247	1,783,647	5,719,894	-
Long-term debt	3,657,257	3,560,400	7,217,657	-
Total liabilities	9,942,737	6,328,739	16,271,476	17,493
Deferred inflow				
Leases	920,452	-	920,452	-
Pension related	77,030	-	77,030	-
Total deferred inflow	997,482	-	997,482	-
Net position				
Net investment in capital assets	21,687,422	14,679,625	36,367,047	-
Restricted for				
Streets	1,254,470	-	1,254,470	-
Library	1	-	1	-
Restricted contributions and other	6,575	-	6,575	-
Permanent trust				
Playscape - nonspendable	16,221	-	16,221	-
Unrestricted	1,899,735	5,560,795	7,460,530	61,613
Total net position	\$ 24,864,424	\$ 20,240,420	\$ 45,104,844	\$ 61,613

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

CITY OF BIG RAPIDS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government					
Governmental activities					
General government	\$ 3,574,165	\$ 337,546	\$ 6,100	\$ -	\$ (3,230,519)
Public safety	3,944,022	416,916	1,095,320	-	(2,431,786)
Public works	1,895,744	1,716	1,303,910	-	(590,118)
Culture and recreation	1,811,415	540,202	167,402	1,136	(1,102,675)
Interest on long-term debt	85,647	-	-	-	(85,647)
Total governmental activities	11,310,993	1,296,380	2,572,732	1,136	(7,440,745)
Business-type activities					
Wastewater utility	2,146,213	3,197,733	-	-	1,051,520
Water utility	2,505,418	2,983,632	-	-	478,214
Sanitation	1,075,227	1,215,557	-	-	140,330
Dial a ride transportation	924,820	166,354	511,010	5,580	(241,876)
Total business-type activities	6,651,678	7,563,276	511,010	5,580	1,428,188
Total primary government	\$ 17,962,671	\$ 8,859,656	\$ 3,083,742	\$ 6,716	\$ (6,012,557)
Component units					
Downtown Development Authority	\$ 118,762	\$ 29,263	\$ -	\$ -	\$ (89,499)

(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, 2023

	Primary Government			Component Unit
	Governmental	Business-type		Downtown
	Activities	Activities	Total	Development
				Authority
Changes in net position				
Net (expense) revenue	<u>\$ (7,440,745)</u>	<u>\$ 1,428,188</u>	<u>\$ (6,012,557)</u>	<u>\$ (89,499)</u>
General revenues				
Property taxes	3,732,963	-	3,732,963	83,715
Income taxes	2,801,052	-	2,801,052	-
State shared revenues - unrestricted	1,330,074	-	1,330,074	-
Marijuana tax	881,632	-	881,632	-
Unrestricted investment earnings	83,978	61,322	145,300	-
Other general revenues	42,023	-	42,023	-
Gain (loss) on capital assets	46,447	7,050	53,497	-
Transfers - internal activities	<u>602,700</u>	<u>(602,700)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>9,520,869</u>	<u>(534,328)</u>	<u>8,986,541</u>	<u>83,715</u>
Change in net position	2,080,124	893,860	2,973,984	(5,784)
Net position, beginning of year	<u>22,784,300</u>	<u>19,346,560</u>	<u>42,130,860</u>	<u>67,397</u>
Net position, end of year	<u>\$ 24,864,424</u>	<u>\$ 20,240,420</u>	<u>\$ 45,104,844</u>	<u>\$ 61,613</u>

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

CITY OF BIG RAPIDS

GOVERNMENTAL FUNDS BALANCE SHEET

JUNE 30, 2023

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets			
Cash and pooled investments	\$ 3,815,246	\$ 2,110,615	\$ 5,925,861
Accounts receivable	339,870	6,617	346,487
Prepaid items	160,269	-	160,269
Due from other funds	155,106	-	155,106
Due from other governments	219,325	232,104	451,429
Inventory	55,482	-	55,482
Leases receivable	920,452	-	920,452
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 5,665,750</u>	<u>\$ 2,349,336</u>	<u>\$ 8,015,086</u>
Liabilities, deferred inflows, and fund balances			
Liabilities			
Accounts payable	\$ 309,145	\$ 169,259	\$ 478,404
Accrued liabilities	210,885	34,711	245,596
Due to other funds	-	155,106	155,106
Unearned revenue	236,832	-	236,832
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>756,862</u>	<u>359,076</u>	<u>1,115,938</u>
Deferred inflows			
Leases	920,452	-	920,452
Fund balances			
Nonspendable			
Nonmajor permanent fund nonexpendable	-	16,221	16,221
Inventory	55,482	-	55,482
Prepays	160,269	-	160,269
Restricted			
Streets	-	1,254,470	1,254,470
Library	-	1	1
Restricted contributions and other	-	6,575	6,575
Assigned			
Subsequent years expenditures	848,400	-	848,400
Pool operations	-	3	3
Recreation activities	-	39,043	39,043
Capital projects	-	673,947	673,947
Unassigned	2,924,285	-	2,924,285
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>3,988,436</u>	<u>1,990,260</u>	<u>5,978,696</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 5,665,750</u>	<u>\$ 2,349,336</u>	<u>\$ 8,015,086</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, 2023

Fund balances - total governmental funds	\$ 5,978,696
Amounts reported for <i>governmental activities</i> 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	5,220,716
Add - construction in progress	1,525,456
Add - capital assets (net of accumulated depreciation)	18,263,867
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	878,842
Deferred pension items are not reported in the funds.	
Add - deferred outflows	948,293
Less - deferred inflows	(77,030)
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - compensated absences payable	(883,238)
Deduct - net pension liability	(3,936,247)
Add - net pension asset	890,686
Deduct - bonds payable	(3,910,797)
Deduct - accrued interest on bonds payable	<u>(34,820)</u>
Net position of governmental activities	<u>\$ 24,864,424</u>

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, 2023

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues			
Taxes	\$ 6,329,307	\$ 204,708	\$ 6,534,015
Intergovernmental revenues			
Federal	555,749	-	555,749
State	1,869,645	1,315,339	3,184,984
Local	6,100	273,767	279,867
Marihuana tax	881,632	-	881,632
Licenses and permits	158,307	-	158,307
Charges for services	717,208	141,712	858,920
Fines	43,483	73,247	116,730
Investment earnings	75,697	19,600	95,297
Miscellaneous	42,023	119,020	161,043
Total revenues	<u>10,679,151</u>	<u>2,147,393</u>	<u>12,826,544</u>
Expenditures			
Current			
General government	3,515,563	-	3,515,563
Public safety	4,534,606	-	4,534,606
Public works	1,171,092	1,999,397	3,170,489
Culture and recreation	745,426	1,697,745	2,443,171
Debt service			
Principal	-	205,043	205,043
Interest	13,192	52,190	65,382
Total expenditures	<u>9,979,879</u>	<u>3,954,375</u>	<u>13,934,254</u>
Revenues over (under) expenditures	<u>699,272</u>	<u>(1,806,982)</u>	<u>(1,107,710)</u>
Other financing sources (uses)			
Issuance of bonds	-	1,558,000	1,558,000
Transfers in	1,361,329	1,502,155	2,863,484
Transfers out	(1,180,755)	(819,629)	(2,000,384)
Total other financing sources (uses)	<u>180,574</u>	<u>2,240,526</u>	<u>2,421,100</u>
Net changes in fund balances	879,846	433,544	1,313,390
Fund balances, beginning of year	<u>3,108,590</u>	<u>1,556,716</u>	<u>4,665,306</u>
Fund balances, end of year	<u>\$ 3,988,436</u>	<u>\$ 1,990,260</u>	<u>\$ 5,978,696</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, 2023

Net changes in fund balances - total governmental funds	\$ 1,313,390
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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	3,994,914
Deduct - depreciation expense	(774,003)

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 - special assessment receipts	(84,574)
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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	205,043
Deduct - issuance of bonds	(2,760,797)

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	(113,668)
Deduct - increase in net pension liability	(164,325)
Add - increase in deferred outflows	262,984
Add - decrease in deferred inflows	414,449
Deduct - increase in accrued interest	(20,265)

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>(193,024)</u>
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Change in net position of governmental activities	<u>\$ 2,080,124</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, 2023

	Enterprise Funds				Enterprise Fund Total	Governmental Activities Internal Service Funds
Assets	Wastewater	Water	Sanitation	Dial A Ride		
Current assets						
Cash and pooled investments	\$ 1,577,582	\$ 4,540,218	\$ 70,502	\$ 118,618	\$ 6,306,920	\$ 391,887
Accounts receivable	311,331	401,150	124,796	765	838,042	2,223
Due from other governments	-	-	-	210,761	210,761	-
Prepaid and other assets	4,716	10,515	-	7,894	23,125	33,023
Inventory	-	33,874	-	-	33,874	80,332
Total current assets	<u>1,893,629</u>	<u>4,985,757</u>	<u>195,298</u>	<u>338,038</u>	<u>7,412,722</u>	<u>507,465</u>
Capital assets						
Land	31,288	343,533	-	-	374,821	-
Construction in progress	137,550	264,895	-	-	402,445	-
Depreciable capital assets, net	<u>9,793,200</u>	<u>7,244,634</u>	<u>-</u>	<u>911,633</u>	<u>17,949,467</u>	<u>588,180</u>
Net capital assets	<u>9,962,038</u>	<u>7,853,062</u>	<u>-</u>	<u>911,633</u>	<u>18,726,733</u>	<u>588,180</u>
Total assets	<u>11,855,667</u>	<u>12,838,819</u>	<u>195,298</u>	<u>1,249,671</u>	<u>26,139,455</u>	<u>1,095,645</u>
Deferred outflow						
Pension related	<u>203,309</u>	<u>226,395</u>	<u>-</u>	<u>-</u>	<u>429,704</u>	<u>-</u>
Liabilities						
Current liabilities						
Accounts payable	75,433	138,118	81,349	2,952	297,852	8,812
Accrued liabilities	12,391	17,147	433	18,088	48,059	31,867
Customer deposits	-	39,070	-	-	39,070	-
Accrued interest	22,907	-	-	-	22,907	-
Current portion of compensated absences	32,307	36,234	-	8,371	76,912	80,623
Current portion of long-term debt	<u>436,100</u>	<u>10,500</u>	<u>-</u>	<u>-</u>	<u>446,600</u>	<u>-</u>
Total current liabilities	<u>579,138</u>	<u>241,069</u>	<u>81,782</u>	<u>29,411</u>	<u>931,400</u>	<u>121,302</u>
Noncurrent liabilities due in more than one year						
Compensated absences	12,003	30,774	-	10,515	53,292	95,501
Net pension liability	843,910	939,737	-	-	1,783,647	-
Long-term debt	<u>3,435,900</u>	<u>124,500</u>	<u>-</u>	<u>-</u>	<u>3,560,400</u>	<u>-</u>
Total long-term liabilities	<u>4,291,813</u>	<u>1,095,011</u>	<u>-</u>	<u>10,515</u>	<u>5,397,339</u>	<u>95,501</u>
Total liabilities	<u>4,870,951</u>	<u>1,336,080</u>	<u>81,782</u>	<u>39,926</u>	<u>6,328,739</u>	<u>216,803</u>
Net position						
Net investment in capital assets	6,083,156	7,684,836	-	911,633	14,679,625	588,180
Unrestricted	<u>1,104,869</u>	<u>4,044,298</u>	<u>113,516</u>	<u>298,112</u>	<u>5,560,795</u>	<u>290,662</u>
Total net position	<u>\$ 7,188,025</u>	<u>\$ 11,729,134</u>	<u>\$ 113,516</u>	<u>\$ 1,209,745</u>	<u>\$ 20,240,420</u>	<u>\$ 878,842</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, 2023

	Enterprise Funds				Enterprise Fund Total	Governmental Activities Internal Service Funds
	Wastewater	Water	Sanitation	Nonmajor Dial A Ride		
Operating revenue						
Charges for services	\$ 3,152,113	\$ 2,978,958	\$ 1,215,557	\$ 165,745	\$ 7,512,373	\$ 2,019,381
Other	45,620	4,674	-	609	50,903	-
Total operating revenue	<u>3,197,733</u>	<u>2,983,632</u>	<u>1,215,557</u>	<u>166,354</u>	<u>7,563,276</u>	<u>2,019,381</u>
Operating expense						
Salaries and wages	381,689	422,897	13,585	418,392	1,236,563	760,844
Benefits	109,986	261,818	8,132	136,412	516,348	511,968
DPW services	144,521	120,700	44,700	-	309,921	65,600
Materials and supplies	111,467	78,222	5,774	6,196	201,659	178,596
Gas and oil	-	-	-	90,963	90,963	140,178
Utilities	212,269	215,135	-	22,801	450,205	43,878
Repair and maintenance	138,661	516,690	-	64,677	720,028	33,056
Equipment rentals	47,853	67,335	33,925	1,810	150,923	90,344
Contracted services	179,307	237,949	967,875	260	1,385,391	4,269
Professional fees	3,084	71,937	1,236	5,458	81,715	2,770
Insurance	57,674	28,192	-	6,998	92,864	25,560
Depreciation	660,352	474,098	-	159,443	1,293,893	142,178
Miscellaneous	2,424	8,639	-	11,410	22,473	-
Total operating expense	<u>2,049,287</u>	<u>2,503,612</u>	<u>1,075,227</u>	<u>924,820</u>	<u>6,552,946</u>	<u>1,999,241</u>
Operating income (loss)	<u>1,148,446</u>	<u>480,020</u>	<u>140,330</u>	<u>(758,466)</u>	<u>1,010,330</u>	<u>20,140</u>
Non-operating revenue (expense)						
Federal grants	-	-	-	249,241	249,241	-
State grants	-	-	-	261,769	261,769	-
Gain (loss) on capital assets	-	-	-	7,050	7,050	46,447
Investment earnings	15,512	44,640	-	1,170	61,322	789
Interest expense	(96,926)	(1,806)	-	-	(98,732)	-
Total non-operating revenue (expense)	<u>(81,414)</u>	<u>42,834</u>	<u>-</u>	<u>519,230</u>	<u>480,650</u>	<u>47,236</u>
	<u>1,067,032</u>	<u>522,854</u>	<u>140,330</u>	<u>(239,236)</u>	<u>1,490,980</u>	<u>67,376</u>
Capital contributions and transfers						
Federal grants	-	-	-	4,464	4,464	-
State grants	-	-	-	1,116	1,116	-
Transfers in	-	-	-	121,600	121,600	-
Transfers out	(315,800)	(218,200)	(127,300)	(63,000)	(724,300)	(260,400)
Total capital contributions and transfers	<u>(315,800)</u>	<u>(218,200)</u>	<u>(127,300)</u>	<u>64,180</u>	<u>(597,120)</u>	<u>(260,400)</u>
Changes in net position	751,232	304,654	13,030	(175,056)	893,860	(193,024)
Net position, beginning of year	<u>6,436,793</u>	<u>11,424,480</u>	<u>100,486</u>	<u>1,384,801</u>	<u>19,346,560</u>	<u>1,071,866</u>
Net position, end of year	<u>\$ 7,188,025</u>	<u>\$ 11,729,134</u>	<u>\$ 113,516</u>	<u>\$ 1,209,745</u>	<u>\$ 20,240,420</u>	<u>\$ 878,842</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, 2023

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,019,795
Receipts from customers and users	3,158,299	2,939,652	1,212,671	229,238	7,539,860	-
Payments to employees	(648,778)	(699,947)	(21,766)	(544,733)	(1,915,224)	(1,237,912)
Payments to suppliers	(1,030,929)	(1,594,206)	(1,052,174)	(215,515)	(3,892,824)	(614,585)
Operating grants	-	-	-	511,010	511,010	-
Net cash provided by (used in) operating activities	<u>1,478,592</u>	<u>645,499</u>	<u>138,731</u>	<u>(20,000)</u>	<u>2,242,822</u>	<u>167,298</u>
Cash flows from non-capital financing activities						
Transfers in	-	-	-	121,600	121,600	-
Transfers out	(315,800)	(218,200)	(127,300)	(63,000)	(724,300)	(260,400)
Net cash provided by (used in) non-capital financing activities	<u>(315,800)</u>	<u>(218,200)</u>	<u>(127,300)</u>	<u>58,600</u>	<u>(602,700)</u>	<u>(260,400)</u>
Cash flows from capital and related financing activities						
Proceeds of loan issue	207,000	135,000	-	-	342,000	-
Interest expense	(101,987)	(1,806)	-	-	(103,793)	-
Capital grants	-	-	-	5,580	5,580	-
Principal paid on bonds	(410,000)	-	-	-	(410,000)	-
Proceeds on sale of capital assets	-	-	-	7,050	7,050	46,447
Acquisitions of capital assets	(819,304)	(577,428)	-	(5,915)	(1,402,647)	(88,640)
Net cash provided by (used in) capital and related financing activities	<u>(1,124,291)</u>	<u>(444,234)</u>	<u>-</u>	<u>6,715</u>	<u>(1,561,810)</u>	<u>(42,193)</u>
Cash flows from investing activities						
Interest income	15,512	44,640	-	1,170	61,322	789
Net increase (decrease) in cash and pooled investments	<u>54,013</u>	<u>27,705</u>	<u>11,431</u>	<u>46,485</u>	<u>139,634</u>	<u>(134,506)</u>
Cash and pooled investments, beginning of year	<u>1,523,569</u>	<u>4,512,513</u>	<u>59,071</u>	<u>72,133</u>	<u>6,167,286</u>	<u>526,393</u>
Cash and pooled investments, end of year	<u>\$ 1,577,582</u>	<u>\$ 4,540,218</u>	<u>\$ 70,502</u>	<u>\$ 118,618</u>	<u>\$ 6,306,920</u>	<u>\$ 391,887</u>
Cash flows from operating activities						
Operating income (loss)	\$ 1,148,446	\$ 480,020	\$ 140,330	\$ (758,466)	\$ 1,010,330	\$ 20,140
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	660,352	474,098	-	159,443	1,293,893	142,178
Net pension liability	120,734	235,625	-	-	356,359	-
Deferred inflows for pensions	(124,988)	(128,373)	-	-	(253,361)	-
Deferred outflows for pensions	(127,097)	(148,119)	-	-	(275,216)	-
Operating grants	-	-	-	511,010	511,010	-
Change in operating assets and liabilities which provided (used) cash						
Accounts receivable	(39,434)	(44,935)	(2,886)	62,884	(24,371)	414
Inventory	-	(17,012)	-	-	(17,012)	(4,322)
Prepaid assets and other items	(4,716)	(10,515)	-	(7,894)	(23,125)	(33,023)
Accounts payable	(128,953)	(221,880)	1,336	2,952	(346,545)	7,011
Customer deposits	-	955	-	-	955	-
Accrued liabilities	(2,741)	4,137	(49)	5,406	6,753	8,696
Compensated absences	(23,011)	21,498	-	4,665	3,152	26,204
Net cash provided by (used in) operating activities	<u>\$ 1,478,592</u>	<u>\$ 645,499</u>	<u>\$ 138,731</u>	<u>\$ (20,000)</u>	<u>\$ 2,242,822</u>	<u>\$ 167,298</u>

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

CITY OF BIG RAPIDS

FIDUCIARY FUNDS STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	Pension Trust Fund	Custodial Funds
Assets		
Cash and pooled investments	\$ 53,352	\$ 506
Investments		
Stock mutual funds and equity securities	5,508,811	-
Bond mutual funds and debt securities	913,551	-
Accounts receivable	<u>-</u>	<u>63,180</u>
Total assets	<u>6,475,714</u>	<u>63,686</u>
Liabilities		
Due to other governmental units	<u>-</u>	<u>63,686</u>
Total liabilities	<u>-</u>	<u>63,686</u>
Net position		
Net position restricted for pension	<u>6,475,714</u>	<u>-</u>
Total net position	<u>\$ 6,475,714</u>	<u>\$ -</u>

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

CITY OF BIG RAPIDS

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Pension Trust</u>	<u>Custodial Funds</u>
Additions		
Contributions:		
Employer	\$ 735,719	\$ -
Employee	<u>145,667</u>	<u>-</u>
Total contributions	881,386	-
Taxes collected for other entities	-	5,984,500
Investment earnings (losses)	<u>718,485</u>	<u>-</u>
Total additions	<u>1,599,871</u>	<u>5,984,500</u>
Deductions		
Benefits	539,371	-
Refunds and contributions to defined contribution plan	388,186	-
Taxes to other entities	-	5,984,500
Administrative expenses	<u>35,629</u>	<u>-</u>
Total deductions	<u>963,186</u>	<u>5,984,500</u>
Net increase (decrease)	636,685	-
Net position, beginning of year	<u>5,839,029</u>	<u>-</u>
Net position, end of year	<u>\$ 6,475,714</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, 2023

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, 2023

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, 2023

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 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 property taxes for other units of government funds.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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, 2023

- 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.

Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements following the consumption method.

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 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.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

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

Unearned revenue is reported in connection with payments received for fire protection and grants that have not yet been earned. At the end of the current fiscal year, the various components of unearned revenue reported in the funds were as follows:

Governmental funds	Unearned Revenue
Fire protection contracts	\$228,370
Grants	8,462
	<hr/>
Total governmental funds	\$236,832
	<hr/>
Downtown Development Authority	
Grants	\$6,666
	<hr/>
Total component units	\$6,666
	<hr/>

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, 2023

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 of the general fund including spendable amounts not contained in the other classifications. Unassigned fund balances in funds other than the general fund may only be reported when negative as a result of expenditures exceeding available balances.

Fund Balance can only be committed or assigned 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, 2023

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 custodial 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, 2023 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 assets 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 6.

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 assets 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 related to the net pension asset/liability and leases which are discussed in Notes 6 and 12 respectively.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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, 2023, 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>
General fund			
General government			
City commission	\$ 133,500	\$163,530	\$ (30,030)
City manager's office	208,650	220,166	(11,516)
Assessor	195,200	204,375	(9,175)
Clerk's office	218,800	240,077	(21,277)
Income tax administration	243,100	290,969	(47,869)
Public buildings	151,300	175,656	(24,356)
Public Safety			
Police department	2,374,140	2,420,679	(46,539)
Fire department	1,276,500	1,357,820	(81,320)
Other Public safety	730,800	756,107	(25,307)
Public works			
Parking	95,000	341,902	(246,902)
Culture and recreation			
Recreation program	140,300	150,870	(10,570)
Pool fund			
Culture and recreation	131,400	174,292	(42,892)
Library fund			
Culture and recreation	486,473	486,833	(360)
Dog park fund			
Culture and recreation	500	1,155	(655)
Skate park fund			
Culture and recreation	-	17,000	(17,000)

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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	\$12,624,668	\$68,561	\$ 53,858	\$12,747,087
Investments	-	-	6,422,362	6,422,362
	<u>\$12,624,668</u>	<u>\$68,561</u>	<u>\$6,476,220</u>	<u>\$19,169,449</u>

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

Deposits	\$11,406,024
Investments	7,760,625
Petty cash	<u>2,800</u>
Total	<u>\$19,169,449</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, \$7,940,992 of the City's bank balance of \$11,687,291 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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	\$1,162,718	Not Available	
GNMA pools	2025-2034	4,810	N/A	
GNMA unit investment trust	N/A	239,599	N/A	
Mutual funds				
Invesco Oppenheimer Global Strategic	N/A	151,200	4 Star	Morning Star
Invesco Quality Income	N/A	399,613	3 Star	Morning Star
Blackrock Floating Rate Income	N/A	11,660	N/A	
Blackrock Floating Rate Income Strat.	N/A	27,912	N/A	
Blackrock Low Duration Bond Portfolio	N/A	124,018	3 Star	Morning Star
First Trust Flat Rate Income	N/A	9,900	N/A	
Lord Abbett Short Duration Income Class A	N/A	18,014	4 Star	Morning Star
Nuveen Floating Rate Income	N/A	23,670	N/A	
Nuveen Credit Strategies Income	N/A	22,220	N/A	
Pimco Total Return Class A	N/A	14,672	N/A	
Virtus Conv & Income	N/A	5,220	N/A	
Western Asset – LKD Opportunities	N/A	39,870	N/A	
American US Gov't Money Market	N/A	399,995	N/A	
American Mutual Fund Class A	N/A	1,816,268	N/A	
Europacific Fund Class A	N/A	316,890	N/A	
Growth Fund of America Class A	N/A	551,963	N/A	
Investment Company of America Class A	N/A	2,024,193	N/A	
Small-Cap World Fund Class A	N/A	387,235	N/A	
Common stock				
General Motors Rights and Warrants		8,985	N/A	
Total		\$7,760,625		

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 such as fair value calculations for similar investments 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).

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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 \$7,760,625 of investments, the City has a custodial credit risk of \$253,393 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 money market and mutual funds do not consist of specifically identifiable securities to the City.

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.

4. INTERFUND TRANSACTIONS

Transfers in and out for the year ended June 30, 2023 are as follows:

<u>Transfers out</u>	<u>Transfers in</u>			<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor governmental</u>	<u>Dial a ride</u>	
General fund	\$ -	\$1,059,155	\$121,600	\$1,180,755
Nonmajor governmental	376,629	443,000	-	819,629
Wastewater	315,800	-	-	315,800
Water	218,200	-	-	218,200
Sanitation	127,300	-	-	127,300
Dial A Ride	63,000	-	-	63,000
Internal service funds	260,400	-	-	260,400
Total	\$1,361,329	\$1,502,155	\$121,600	\$2,985,084

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.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Interfund receivables and payables of individual funds at June 30, 2023 included a receivable balance in the general fund due from nonmajor governmental funds of \$155,106. Interfund balances reflect loans made from funds with cash and pooled investments to those funds requiring temporary cash flow.

5. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Balance July 1, 2022	Additions	Deletions	Adjust- ments	Balance June 30, 2023
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 5,220,716	\$ -	\$ -	\$ -	\$ 5,220,716
Construction in progress	490,167	1,092,769	-	(57,480)	1,525,456
Total capital assets, not being depreciated	5,710,883	1,092,769	-	(57,480)	6,746,172
Capital assets, being depreciated					
Buildings	12,038,016	-	-	-	12,038,016
Vehicles and equipment	8,403,393	451,013	201,932	-	8,652,474
Infrastructure	14,716,083	2,539,774	-	57,480	17,313,337
Total capital assets, being depreciated	35,157,492	2,990,787	201,932	57,480	38,003,827
Less accumulated depreciation for					
Buildings	8,263,598	163,951	-	-	8,427,549
Vehicles and equipment	6,022,162	326,948	201,932	-	6,147,178
Infrastructure	4,151,771	425,282	-	-	4,577,053
Total accumulated depreciation	18,437,531	916,181	201,932	-	19,151,780
Net capital assets, being depreciated	16,719,961	2,074,606	-	57,480	18,852,047
Governmental Activities capital assets, net	\$22,430,844	\$3,167,375	\$ -	\$ -	\$25,598,219
Business-type Activities					
Capital assets, not being depreciated					
Land	\$ 374,821	\$ -	\$ -	\$ -	\$ 374,821
Construction in progress	571,423	402,445	-	(571,423)	402,445
Total capital assets, not being depreciated	946,244	402,445	-	(571,423)	777,266
Capital assets being depreciated					
Buildings	13,746,822	-	-	-	13,746,822
Vehicles and equipment	8,054,216	596,191	383,447	11,380	8,278,340
Infrastructure	19,034,026	404,013	-	560,043	19,998,082
Total capital assets, being depreciated	40,835,064	1,000,204	383,447	571,423	42,023,244
Less accumulated depreciation for					
Buildings	7,409,695	417,145	-	-	7,826,840
Vehicles and equipment	5,069,560	418,719	383,447	-	5,104,832
Infrastructure	10,684,076	458,029	-	-	11,142,105
Total accumulated depreciation	23,163,331	1,293,893	383,447	-	24,073,777
Net capital assets, being depreciated	17,671,733	(293,689)	-	571,423	17,949,467
Business-type Activities capital assets, net	\$18,617,977	\$ 108,756	\$ -	\$ -	\$18,726,733

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

Governmental Activities	
General government	\$ 72,776
Public safety	147,229
Public works and streets	435,432
Culture and recreation	118,566
Capital assets held by the governments internal service funds are charged to the various functions based on their usage of the assets	142,178
Total depreciation expense - governmental activities	\$916,181
Business-type Activities	
Wastewater	\$ 660,352
Water	474,098
Dial A Ride	159,443
Total depreciation expense - business- type activities	\$1,293,893

6. 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 the defined benefit plans was \$789,003 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 required contributions range from 2% to 4.5% of salary. City contributions to the MERS plan is 10% of salary and participant required contributions range from 5% to 5.5% of salary. City contributions were \$497,092 and participant contributions were \$298,096 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, 2023

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. This plan is closed to additional participants.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2022):

Active plan members	6
Inactive employees entitled but not yet receiving benefits	3
Inactive employees or beneficiaries currently receiving benefits	<u>53</u>
Total	<u>62</u>

Contributions

The City is required to contribute at an actuarially determined rate, which for the current year was \$75,993 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, 2022, 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 December 31, 2022 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% annually

Investment rate of return: 7.00%, net of investment expense, including inflation

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Mortality rates used for non-disabled plan member were based on 106% of PubG-2010 tables with future mortality improvements using MP-2019 scale applied fully generationally from the Pub-2010 base year of 2010. Mortality rates used for disabled plan member were based on PubNS-2010 Disabled Retiree Tables.

The actuarial assumptions used in the valuation were based on the results of the 2018 actuarial experience study first used in the December 31, 2020 valuation.

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%	4.50%	2.70%
Global Fixed Income	20.0%	2.00%	0.40%
Private Investments	20.0%	7.00%	1.40%
Inflation			2.50%
Administrative fee			0.25%
Discount rate			7.25%

Discount rate

The discount rate used to measure the total pension liability is 7.25%. 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, 2023

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, 2021	\$15,494,541	\$11,298,552	\$4,195,989
Changes for the Year:			
Service cost	41,616	-	41,616
Interest	1,081,649	-	1,081,649
Change in benefits	-	-	-
Differences between expected and actual experience	147,309	-	147,309
Change in assumptions	-	-	-
Contributions: employer	-	909,768	(909,768)
Contributions: employee	-	26,017	(26,017)
Net investment income	-	(1,168,409)	1,168,409
Benefit payments, including refunds	(1,192,124)	(1,192,124)	-
Administrative expense	-	(20,706)	20,706
Other changes	1	-	1
Net changes	78,451	(1,445,454)	1,523,905
Balance at December 31, 2022	\$15,572,992	\$ 9,853,098	\$5,719,894

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 7.25%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (6.25%) or higher (8.25%) than the current rate.

	1% Decrease	Current Discount rate	1% Increase
Total pension liability	\$17,000,708	\$15,572,992	\$14,343,647
Fiduciary net position	9,853,098	9,853,098	9,853,098
Net pension liability	\$ 7,147,610	\$ 5,719,894	\$ 4,490,549

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

For the year ended June 30, 2023 the employer recognized pension expense of \$766,434. 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	\$ 922,399	\$ -
Contributions subsequent to the Measurement date*	455,598	-
Total	\$1,377,997	\$ -

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

* 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 2024.

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

2023	\$ 81,700
2024	181,097
2025	264,099
2026	395,503
Thereafter	<u>-</u>
Total	<u>\$922,399</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.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (June 30, 2022) which was rolled forward to the current fiscal year:

Active plan members	-
Inactive employees entitled but not yet receiving benefits	1
Inactive employees or beneficiaries currently receiving benefits	<u>20</u>
Total	<u>21</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 \$0, of which \$493,200 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.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date rolled forward to the current fiscal year.

The total pension liability in the June 30, 2022 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.5%
- Salary Increases: Not application, 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, MP17.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2021 through June 30, 2022.

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>
Domestic Fixed Income	20%	2%
International Fixed Income	5%	3%
Domestic Equity	50%	4%
International Equity	15%	5%
Cash	10%	0%

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a 12.2 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at July 1, 2022	\$5,951,564	\$5,839,029	\$112,535
Changes for the Year:			
Service cost	-	-	-
Interest	383,019	-	383,019
Change in benefits	-	-	-
Differences between expected and actual experience	(210,184)	-	(210,184)
Change in assumptions	-	-	-
Contributions: employer	-	735,719	(735,719)
Contributions: employee	-	145,667	(145,667)
Net investment income	-	718,485	(718,485)
Benefit payments, including refunds	(539,371)	(927,557)	388,186
Administrative expense	-	(25,275)	25,275
Other changes	-	(10,354)	10,354
Net changes	(366,536)	636,685	(1,003,221)
Balance at June 30, 2023	\$5,585,028	\$6,475,714	\$(890,686)

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

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	\$6,080,504	\$5,585,028	\$ 5,160,391
Fiduciary net position	6,475,714	6,475,714	6,475,714
Net pension liability	\$(395,210)	\$(890,686)	\$(1,315,323)

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

For the year ended June 30, 2023 the employer recognized pension expense of \$22,569. 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	\$ -	\$77,030
Difference between expected and actual experience	-	-
	<hr/>	<hr/>
Total	\$ -	\$77,030

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

2024	\$(2,938)
2025	(38,879)
2026	181,371
2027	(62,524)
Thereafter	-
	<hr/>
Total	\$77,030

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

7. LONG-TERM DEBT

The following is a summary of the debt transactions of the City for the year ended June 30, 2023:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Governmental Activities					
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%	\$1,063,000	\$ -	\$ 38,000	\$1,025,000	\$ 40,000
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%	185,000	-	60,000	125,000	60,000
2015 USDA \$158,972 Relending Program, due in annual installments of \$12,735 through 2040, plus interest of 1.00%	107,043	-	107,043	-	-
2022 Capital Improvement Bond (LTGO) bonds; due in annual installments of \$43,400 to \$68,200, plus interest of 2.95%	-	558,000	-	558,000	43,400
2022B Capital Improvement Bonds, due in annual installments of \$50,000 to \$150,000, plus interest at 2.72% to 3.31%	-	1,000,000	-	1,000,000	50,000
2023 Mecosta County Bonds; due in annual installments of \$60,140, plus interest of 5.75%	-	1,202,797	-	1,202,797	60,140
Total	1,355,043	2,760,797	205,043	3,910,797	253,540
Accrued employee benefits	919,490	882,979	743,107	1,059,362	490,646
Total Governmental Activities	\$2,274,533	\$3,643,776	\$948,150	\$4,970,159	\$744,186

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Business-type Activities					
Direct Placement:					
2009 Act 94 Sewage Disposal System Bonds, due in annual installments of \$310,000 to \$500,000 through 2030, plus interest at 2.5%	\$4,075,000	\$ -	\$410,000	\$3,665,000	\$420,000
2022 Capital Improvement Bond (LTGO) bonds; due in annual installments of \$26,600 to \$41,800, plus interest of 2.95%	-	342,000	-	342,000	26,600
Total	4,075,000	342,000	410,000	4,007,000	446,600
Accrued employee benefits	127,052	111,234	108,082	130,204	76,912
Total Business-type Activities	\$4,202,052	\$453,234	\$518,082	\$4,137,204	\$523,512

The annual requirements to amortize all debt outstanding (excluding accrued employee benefits) as of June 30, 2023 are as follows:

Year Ending June 30	Governmental Activities Direct placement		Business-type Activities Direct placement	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 253,540	\$ 132,384	\$ 446,600	\$ 96,071
2025	273,640	145,792	458,500	84,634
2026	222,740	136,310	470,400	72,890
2027	237,840	127,545	482,300	60,840
2028	249,840	118,345	497,300	48,451
2029-2033	1,528,799	431,430	1,651,900	69,976
2034-2038	620,699	210,773	-	-
2039-2043	523,699	64,507	-	-
Total	\$3,910,797	\$1,367,086	\$4,007,000	\$432,862

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.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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.

8. 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.

9. ECONOMIC DEPENDENCY

Ferris State University is a major customer of the City's wastewater and water funds. During the year ended June 30, 2023, revenue attributable to charges for these services was recognized in the City's wastewater and water funds in the amount of \$642,310 and \$655,639 respectively.

10. 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.

11. 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.

12. LEASES

Unregulated leases

The City has entered into three leasing arrangements for areas on and around the City's water towers and other facilities for installation of cellular equipment. Terms for the lease agreements generally provide for consistent fixed monthly payments with an initial 5-year term and an option to the lessee of 5 additional 5-year terms with a 10% to 15% rate increase. Current year payments under these lease agreements included principal of approximately \$33,600 and interest of \$29,500.

CITY OF BIG RAPIDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Regulated leases

The City has entered into multiple exclusive leasing arrangements for facilities and areas on and around the City's airport. Monthly fixed payments under these lease agreements during the year were approximately \$65,000. Terms for the lease agreements generally provide for consistent fixed monthly payments with an initial 5-year term and an option to the lessee of 5 additional 5-year terms. Future minimum payments under regulated lease agreements (including expected extensions for 20 years) are as follows:

Year Ending June 30	
2023	\$ 67,140
2024	67,387
2025	64,405
2026	62,200
2027	62,200
2028-2032	311,000
2033-2037	311,000
2038-2042	311,000
Total	<u>\$1,256,332</u>

13. COMMITMENTS

The City had outstanding commitments for water and sewer infrastructure projects of approximately \$350,000 at year end.

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, 2023 the amount of abated taxes was approximately \$3,600.

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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, 2023

	<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				
Taxes				
Property taxes	\$ 3,431,200	\$ 3,431,200	\$ 3,528,255	\$ 97,055
City income tax	2,404,100	2,404,100	2,801,052	396,952
Intergovernmental revenues				
Federal	300,000	300,000	555,749	255,749
State	1,757,200	1,757,200	1,869,645	112,445
Local	6,100	6,100	6,100	-
Marihuana Tax	340,000	340,000	881,632	541,632
Licenses and permits	214,100	214,100	158,307	(55,793)
Charges for services	766,500	766,500	717,208	(49,292)
Fines	43,500	43,500	43,483	(17)
Investment earnings	66,100	66,100	75,697	9,597
Miscellaneous	42,000	42,000	42,023	23
Total revenues	<u>9,370,800</u>	<u>9,370,800</u>	<u>10,679,151</u>	<u>1,308,351</u>
Expenditures				
Current				
General government	3,466,300	3,518,306	3,515,563	2,743
Public safety	4,195,500	4,381,440	4,534,606	(153,166)
Public works	985,600	1,069,600	1,171,092	(101,492)
Culture and recreation	668,900	844,900	745,426	99,474
Debt service				
Principal	127,900	127,900	-	127,900
Interest and fiscal charges	52,500	52,500	13,192	39,308
Total expenditures	<u>9,496,700</u>	<u>9,994,646</u>	<u>9,979,879</u>	<u>14,767</u>
Revenues over (under) expenditures	<u>(125,900)</u>	<u>(623,846)</u>	<u>699,272</u>	<u>1,293,584</u>
Other financing sources (uses)				
Transfers in	1,291,800	1,291,800	1,361,329	69,529
Transfers out	(1,111,700)	(1,193,600)	(1,180,755)	12,845
Total other financing sources (uses)	<u>180,100</u>	<u>98,200</u>	<u>180,574</u>	<u>82,374</u>
Net changes in fund balance	<u>54,200</u>	<u>(525,646)</u>	<u>879,846</u>	<u>1,405,492</u>
Fund balance, beginning of year	<u>3,108,590</u>	<u>3,108,590</u>	<u>3,108,590</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,162,790</u>	<u>\$ 2,582,944</u>	<u>\$ 3,988,436</u>	<u>\$ 1,405,492</u>

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, 2023

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 41,616	\$ 50,512	\$ 49,792	\$ 55,250	\$ 56,052	\$ 69,985	\$ 81,621	\$ 95,174	\$ 105,372
Interest	1,081,649	1,120,316	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	147,309	(263,179)	(450,248)	167,262	113,259	(486,289)	(144,180)	8,493	-
Changes in assumptions	-	458,978	333,210	467,561	-	-	-	687,015	-
Benefit payments including employee refunds	(1,192,124)	(1,175,680)	(1,222,892)	(1,215,291)	(1,100,733)	(1,080,637)	(993,980)	(926,917)	(867,951)
Other	1	-	(1)	-	-	-	-	-	-
Net change in total pension liability	78,451	190,947	(159,520)	616,616	198,621	(330,731)	96,993	975,863	326,269
Total pension liability, beginning of year	<u>15,494,541</u>	<u>15,303,594</u>	<u>15,463,114</u>	<u>14,846,498</u>	<u>14,647,877</u>	<u>14,978,608</u>	<u>14,881,615</u>	<u>13,905,752</u>	<u>13,579,483</u>
Total pension liability, end of year	<u>\$ 15,572,992</u>	<u>\$ 15,494,541</u>	<u>\$ 15,303,594</u>	<u>\$ 15,463,114</u>	<u>\$ 14,846,498</u>	<u>\$ 14,647,877</u>	<u>\$ 14,978,608</u>	<u>\$ 14,881,615</u>	<u>\$ 13,905,752</u>
Plan Fiduciary Net Position									
Contributions-employer	\$ 909,768	\$ 820,764	\$ 660,660	\$ 576,918	\$ 571,124	\$ 667,026	\$ 728,574	\$ 668,316	\$ 605,874
Contributions-employee	26,017	26,399	24,911	85,566	31,064	31,709	32,523	34,095	34,526
Net investment income	(1,168,409)	1,420,818	1,164,403	1,193,573	(372,796)	1,190,959	950,099	(130,422)	533,290
Benefit payments including employee refunds	(1,192,124)	(1,175,680)	(1,222,892)	(1,215,291)	(1,100,733)	(1,080,637)	(993,980)	(926,917)	(867,951)
Administrative expense	(20,706)	(16,298)	(18,881)	(20,536)	(18,858)	(18,915)	(18,722)	(19,126)	(19,570)
Net change in plan fiduciary net position	(1,445,454)	1,076,003	608,201	620,230	(890,199)	790,142	698,494	(374,054)	286,169
Plan fiduciary net position, beginning of year	<u>11,298,552</u>	<u>10,222,549</u>	<u>9,614,348</u>	<u>8,994,118</u>	<u>9,884,317</u>	<u>9,094,175</u>	<u>8,395,681</u>	<u>8,769,735</u>	<u>8,483,566</u>
Plan fiduciary net position, end of year	<u>\$ 9,853,098</u>	<u>\$ 11,298,552</u>	<u>\$ 10,222,549</u>	<u>\$ 9,614,348</u>	<u>\$ 8,994,118</u>	<u>\$ 9,884,317</u>	<u>\$ 9,094,175</u>	<u>\$ 8,395,681</u>	<u>\$ 8,769,735</u>
Employer net pension liability	<u>\$ 5,719,894</u>	<u>\$ 4,195,989</u>	<u>\$ 5,081,045</u>	<u>\$ 5,848,766</u>	<u>\$ 5,852,380</u>	<u>\$ 4,763,560</u>	<u>\$ 5,884,433</u>	<u>\$ 6,485,934</u>	<u>\$ 5,136,017</u>
Plan fiduciary net position as a percentage of the total pension liability	63%	73%	67%	62%	61%	67%	61%	56%	63%
Covered payroll	\$ 379,833	\$ 497,623	\$ 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	1506%	843%	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, 2023

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%
6/30/2022	908,340	908,340	-	497,623	183%
6/30/2023	911,196	911,196	-	379,833	240%

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 smothing 2014)
Inflation	2.5% (3.5% 2014)
Salary increases	3.00% (3.75% for 2015 through 2019)
Investment rate of return	7.00% (7.35 2020-2021, 7.75% for 2015-2019)
Retirement age	Varies depending on plan adoption
Mortality	50% female/ 50% male RP-2014 mortality table MP-2021

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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,580	\$ 14,096	\$ 13,406
Interest	383,019	407,220	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	(210,184)	-	-	(25,841)	-	(12,780)	-	-	-	-
Changes in assumptions	-	-	-	-	-	(38,919)	-	-	-	308,815
Benefit payments including employee refunds	(539,371)	(546,174)	(571,133)	(611,494)	(623,334)	(633,979)	(639,800)	(632,719)	(589,742)	(589,742)
Other	-	-	-	-	-	-	-	-	-	-
Net change in total pension liability	(366,536)	(138,954)	(154,006)	(207,122)	(180,874)	(227,655)	(170,075)	121,812	(104,863)	189,942
Total pension liability, beginning of year	5,951,564	6,090,518	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	\$ 5,585,028	\$ 5,951,564	\$ 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	\$ 735,719	\$ 725,856	\$ 720,807	\$ 709,810	\$ 731,376	\$ 718,277	\$ 691,687	\$ 457,500	\$ 701,837	\$ 656,937
Contributions-employee	145,667	160,019	140,806	134,378	136,617	127,763	124,056	2,559	136,602	128,514
Net investment income	718,485	(755,317)	1,469,364	184,839	291,517	440,312	504,671	110,794	154,466	629,077
Benefit payments including employee refunds	(927,557)	(938,849)	(939,646)	(962,582)	(983,627)	(972,319)	(974,690)	(632,719)	(923,914)	(913,264)
Administrative expense	(25,275)	(19,945)	(26,875)	(11,575)	(29,675)	(12,325)	(23,500)	(11,589)	(16,825)	(4,800)
Other	(10,354)	-	(16,467)	(16,978)	(22,426)	(16,408)	(21,279)	(19,414)	(17,907)	(15,679)
Net change in plan fiduciary net position	636,685	(828,236)	1,347,989	37,892	123,782	285,300	300,945	(92,869)	34,259	480,785
Plan fiduciary net position, beginning of year	5,839,029	6,667,265	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	\$ 6,475,714	\$ 5,839,029	\$ 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 (asset)	\$ (890,686)	\$ 112,535	\$ (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	116%	98%	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	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, 2023

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
6/30/2022	493,154	493,200	(46)	-	n/a
6/30/2023	-	493,200	(493,200)	-	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 MP17

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, 2023

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%
6/30/2022	-11.28%
6/30/2023	12.20%

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).

**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, 2023

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Expenditures				
Current				
General government				
City Commission	\$ 129,800	\$ 133,500	\$ 163,530	\$ (30,030)
City Managers office	205,100	208,650	220,166	(11,516)
Elections	34,300	34,300	26,801	7,499
Assessor	191,600	195,200	204,375	(9,175)
City Attorney	272,800	272,800	265,867	6,933
Clerks office	217,800	218,800	240,077	(21,277)
Treasurers office	490,900	485,350	453,596	31,754
Income tax administration	240,400	243,100	290,969	(47,869)
Information management	879,700	930,706	840,307	90,399
Public buildings	151,300	151,300	175,656	(24,356)
Personnel administration	296,000	296,000	292,803	3,197
Neighborhood services	353,900	345,900	340,107	5,793
Planning Board	2,700	2,700	1,309	1,391
	<u>3,466,300</u>	<u>3,518,306</u>	<u>3,515,563</u>	<u>2,743</u>
Public safety				
Police Department	2,368,200	2,374,140	2,420,679	(46,539)
Fire Department	1,096,500	1,276,500	1,357,820	(81,320)
Other public safety	730,800	730,800	756,107	(25,307)
	<u>4,195,500</u>	<u>4,381,440</u>	<u>4,534,606</u>	<u>(153,166)</u>
Public works				
Public service	548,100	548,100	544,758	3,342
Sidewalks, alleys and storm sewers	241,900	325,900	193,528	132,372
Parking	95,000	95,000	341,902	(246,902)
City decorations	100,600	100,600	90,904	9,696
	<u>985,600</u>	<u>1,069,600</u>	<u>1,171,092</u>	<u>(101,492)</u>
Culture and recreation				
Parks	528,600	704,600	594,556	110,044
Recreation program	140,300	140,300	150,870	(10,570)
	<u>668,900</u>	<u>844,900</u>	<u>745,426</u>	<u>99,474</u>
Debt service				
Principal	127,900	127,900	-	127,900
Interest and fiscal charges	52,500	52,500	13,192	39,308
	<u>180,400</u>	<u>180,400</u>	<u>13,192</u>	<u>167,208</u>
Total expenditures	<u>\$ 9,496,700</u>	<u>\$ 9,994,646</u>	<u>\$ 9,979,879</u>	<u>\$ 14,767</u>

CITY OF BIG RAPIDS

FUND AND COMPONENT UNIT DESCRIPTIONS

SPECIAL REVENUE FUNDS

Major 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 major 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.

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

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

The Roben-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 Fund - This fund is used to account for donations and expenditures related to the disk golf maintenance and improvements.

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

Debt Service

Relending Program Fund - This fund is used to account for the accumulation and disbursement of resources for the relending bond debt service.

Mechanic Street Fund - This fund is used to account for the accumulation and disbursement of resources for the bond that financed Mechanic Street development project.

CITY OF BIG RAPIDS

FUND AND COMPONENT UNIT DESCRIPTIONS

CAPITAL PROJECTS

Hemlock Park Infrastructure Fund - This fund is used to account for the accumulation and disbursement of resources for Hemlock Park infrastructure improvements.

Mechanics Street Development Fund - This fund is used to account for the accumulation and disbursement of resources for Mechanics Street development project.

City Hall Projects Fund - This fund is used to account for the accumulation and disbursement of resources for the renovation of the City Hall.

Library Improvements Fund - This fund is used to account for the accumulation and disbursement of resources for the renovation of the City library.

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.

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, 2023

	Special Revenue								
	<u>Major Streets</u>	<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	\$ 352,530	\$ 717,848	\$ 23,434	\$ 33,430	\$ -	\$ 122,995	\$ 6,575	\$ 10,808	\$ -
Accounts receivable	137	137	206	331	-	5,806	-	-	-
Due from other governments	<u>148,889</u>	<u>45,544</u>	<u>37,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 501,556</u>	<u>\$ 763,529</u>	<u>\$ 61,311</u>	<u>\$ 33,761</u>	<u>\$ -</u>	<u>\$ 128,801</u>	<u>\$ 6,575</u>	<u>\$ 10,808</u>	<u>\$ -</u>
Liabilities, deferred inflows, and fund balances									
Liabilities									
Accounts payable	\$ 4,024	\$ 6,591	\$ 9,967	\$ 14,785	\$ -	\$ 9,300	\$ -	\$ -	\$ -
Accrued liabilities	-	-	9,946	18,973	-	5,792	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>41,397</u>	<u>-</u>	<u>-</u>	<u>113,709</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,024</u>	<u>6,591</u>	<u>61,310</u>	<u>33,758</u>	<u>-</u>	<u>128,801</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances									
NonSpendable									
Permanent fund nonspendable	-	-	-	-	-	-	-	-	-
Restricted									
Streets	497,532	756,938	-	-	-	-	-	-	-
Library	-	-	1	-	-	-	-	-	-
Restricted contributions	-	-	-	-	-	-	6,575	-	-
Assigned									
Pool operations	-	-	-	3	-	-	-	-	-
Recreational activities	-	-	-	-	-	-	-	10,808	-
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>497,532</u>	<u>756,938</u>	<u>1</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>6,575</u>	<u>10,808</u>	<u>-</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 501,556</u>	<u>\$ 763,529</u>	<u>\$ 61,311</u>	<u>\$ 33,761</u>	<u>\$ -</u>	<u>\$ 128,801</u>	<u>\$ 6,575</u>	<u>\$ 10,808</u>	<u>\$ -</u>

			<u>Debt Service</u>		<u>Capital Projects</u>				<u>Permanent</u>		
Holland Park Veterans Memorial	Disc Golf	Skate Park	Relending Program	Mechanic Street	Hemlock Park Infrastructure	Mechanic Street Development	City Hall Project	Library Improvement	Playscape	Total	
\$ 16,644	\$ 1,612	\$ 9,979	\$ -	\$ -	\$ 707,764	\$ 52,325	\$ 36,859	\$ 1,591	\$ 16,221	\$ 2,110,615	
-	-	-	-	-	-	-	-	-	-	6,617	
-	-	-	-	-	-	-	-	-	-	232,104	
<u>\$ 16,644</u>	<u>\$ 1,612</u>	<u>\$ 9,979</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 707,764</u>	<u>\$ 52,325</u>	<u>\$ 36,859</u>	<u>\$ 1,591</u>	<u>\$ 16,221</u>	<u>\$ 2,349,336</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,592	\$ -	\$ -	\$ -	\$ -	\$ 169,259	
-	-	-	-	-	-	-	-	-	-	34,711	
-	-	-	-	-	-	-	-	-	-	155,106	
-	-	-	-	-	124,592	-	-	-	-	359,076	
-	-	-	-	-	-	-	-	-	16,221	16,221	
-	-	-	-	-	-	-	-	-	-	1,254,470	
-	-	-	-	-	-	-	-	-	-	1	
-	-	-	-	-	-	-	-	-	-	6,575	
-	-	-	-	-	-	-	-	-	-	3	
16,644	1,612	9,979	-	-	-	-	-	-	-	39,043	
-	-	-	-	-	583,172	52,325	36,859	1,591	-	673,947	
<u>16,644</u>	<u>1,612</u>	<u>9,979</u>	<u>-</u>	<u>-</u>	<u>583,172</u>	<u>52,325</u>	<u>36,859</u>	<u>1,591</u>	<u>16,221</u>	<u>1,990,260</u>	
<u>\$ 16,644</u>	<u>\$ 1,612</u>	<u>\$ 9,979</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 707,764</u>	<u>\$ 52,325</u>	<u>\$ 36,859</u>	<u>\$ 1,591</u>	<u>\$ 16,221</u>	<u>\$ 2,349,336</u>	

CITY OF BIG RAPIDS

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue								
	<u>Major Streets</u>	<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>
Revenues									
Taxes	\$ -	\$ -	\$ 204,708	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues									
State	1,018,125	278,728	17,031	-	-	-	-	1,455	-
Local	-	-	-	-	-	273,767	-	-	-
Charges for services	-	-	9,227	33,951	-	-	-	-	-
Fines	-	-	73,247	-	-	-	-	-	-
Investment earnings	3,465	7,053	-	191	-	(2)	65	107	-
Miscellaneous	<u>137</u>	<u>137</u>	<u>55,362</u>	<u>2,861</u>	<u>-</u>	<u>39,607</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,021,727</u>	<u>285,918</u>	<u>359,575</u>	<u>37,003</u>	<u>-</u>	<u>313,372</u>	<u>65</u>	<u>1,562</u>	<u>-</u>
Expenditures									
Current									
Public works	571,958	480,389	-	-	-	428,646	-	-	-
Culture and recreation	-	-	486,833	174,292	1,155	-	-	998	-
Debt Service									
Principal	-	-	-	-	-	38,000	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,150</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>571,958</u>	<u>480,389</u>	<u>486,833</u>	<u>174,292</u>	<u>1,155</u>	<u>505,796</u>	<u>-</u>	<u>998</u>	<u>-</u>
Revenues over (under) expenditures	<u>449,769</u>	<u>(194,471)</u>	<u>(127,258)</u>	<u>(137,289)</u>	<u>(1,155)</u>	<u>(192,424)</u>	<u>65</u>	<u>564</u>	<u>-</u>
Other financing sources (uses)									
Issuance of bonds	-	-	-	-	-	-	-	-	-
Transfers in	-	552,700	273,659	127,588	-	170,974	-	-	-
Transfers out	<u>(454,100)</u>	<u>(63,900)</u>	<u>(158,200)</u>	<u>(21,700)</u>	<u>-</u>	<u>(52,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(454,100)</u>	<u>488,800</u>	<u>115,459</u>	<u>105,888</u>	<u>-</u>	<u>118,774</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(4,331)	294,329	(11,799)	(31,401)	(1,155)	(73,650)	65	564	-
Fund balances, beginning of year	<u>501,863</u>	<u>462,609</u>	<u>11,800</u>	<u>31,404</u>	<u>1,155</u>	<u>73,650</u>	<u>6,510</u>	<u>10,244</u>	<u>-</u>
Fund balances, end of year	<u>\$ 497,532</u>	<u>\$ 756,938</u>	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,575</u>	<u>\$ 10,808</u>	<u>\$ -</u>

			Debt Service		Capital Projects				Permanent		
Holland Park Veterans Memorial			Relending Program	Mechanic Street	Hemlock Park Infrastructure	Mechanic Street Development	City Hall Project	Library Improvement	Playscape	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,708	
-	-	-	-	-	-	-	-	-	-	1,315,339	
-	-	-	-	-	-	-	-	-	-	273,767	
-	-	-	82,555	-	-	15,979	-	-	-	141,712	
-	-	-	-	-	-	-	-	-	-	73,247	
164	16	98	963	-	6,958	-	362	-	160	19,600	
(410)	-	75	-	-	21,251	-	-	-	-	119,020	
(246)	16	173	83,518	-	28,209	15,979	362	-	160	2,147,393	
-	-	-	-	-	-	518,404	-	-	-	1,999,397	
3,217	713	17,000	-	-	1,013,537	-	-	-	-	1,697,745	
-	-	-	107,043	-	-	-	-	60,000	-	205,043	
-	-	-	918	7,534	-	-	-	4,588	-	52,190	
3,217	713	17,000	107,961	7,534	1,013,537	518,404	-	64,588	-	3,954,375	
(3,463)	(697)	(16,827)	(24,443)	(7,534)	(985,328)	(502,425)	362	(64,588)	160	(1,806,982)	
-	-	-	-	-	1,000,000	558,000	-	-	-	1,558,000	
-	-	-	-	7,534	300,000	-	5,000	64,700	-	1,502,155	
-	-	-	(66,279)	-	-	(3,250)	-	-	-	(819,629)	
-	-	-	(66,279)	7,534	1,300,000	554,750	5,000	64,700	-	2,240,526	
(3,463)	(697)	(16,827)	(90,722)	-	314,672	52,325	5,362	112	160	433,544	
20,107	2,309	26,806	90,722	-	268,500	-	31,497	1,479	16,061	1,556,716	
\$ 16,644	\$ 1,612	\$ 9,979	\$ -	\$ -	\$ 583,172	\$ 52,325	\$ 36,859	\$ 1,591	\$ 16,221	\$ 1,990,260	

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, 2023

	Budget Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive (Negative)</u>
Revenues				
Intergovernmental revenues				
State	\$ 829,300	\$ 829,300	\$ 1,018,125	\$ 188,825
Investment earnings	500	500	3,465	2,965
Miscellaneous	500	500	137	(363)
Total revenues	<u>830,300</u>	<u>830,300</u>	<u>1,021,727</u>	<u>191,427</u>
Expenditures				
Current				
Public works	<u>607,700</u>	<u>611,577</u>	<u>571,958</u>	<u>39,619</u>
Total expenditures	<u>607,700</u>	<u>611,577</u>	<u>571,958</u>	<u>39,619</u>
Revenues over (under) expenditures	222,600	218,723	449,769	231,046
Other financing sources				
Transfers out	<u>(454,100)</u>	<u>(454,100)</u>	<u>(454,100)</u>	<u>-</u>
Net changes in fund balance	(231,500)	(235,377)	(4,331)	231,046
Fund balance, beginning of year	<u>501,863</u>	<u>501,863</u>	<u>501,863</u>	<u>-</u>
Fund balance, end of year	<u>\$ 270,363</u>	<u>\$ 266,486</u>	<u>\$ 497,532</u>	<u>\$ 231,046</u>

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, 2023

	<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	\$ 266,700	\$ 266,700	\$ 278,728	\$ 12,028
Investment earnings	1,000	1,000	7,053	6,053
Miscellaneous	500	500	137	(363)
Total revenues	<u>268,200</u>	<u>268,200</u>	<u>285,918</u>	<u>17,718</u>
Expenditures				
Current				
Public works	<u>853,600</u>	<u>1,053,300</u>	<u>480,389</u>	<u>572,911</u>
Total expenditures	<u>853,600</u>	<u>1,053,300</u>	<u>480,389</u>	<u>572,911</u>
Revenues over (under) expenditures	<u>(585,400)</u>	<u>(785,100)</u>	<u>(194,471)</u>	<u>590,629</u>
Other financing source (uses)				
Transfers in	552,700	552,700	552,700	-
Transfers out	<u>(63,900)</u>	<u>(63,900)</u>	<u>(63,900)</u>	<u>-</u>
Total other financing sources (uses)	<u>488,800</u>	<u>488,800</u>	<u>488,800</u>	<u>-</u>
Net changes in fund balance	(96,600)	(296,300)	294,329	590,629
Fund balance, beginning of year	<u>462,609</u>	<u>462,609</u>	<u>462,609</u>	<u>-</u>
Fund balance, end of year	<u>\$ 366,009</u>	<u>\$ 166,309</u>	<u>\$ 756,938</u>	<u>\$ 590,629</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, 2023

	<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				
Taxes	\$ 205,700	\$ 205,700	\$ 204,708	\$ (992)
Intergovernmental revenues				
State	14,400	14,400	17,031	2,631
Charges for services	8,500	8,500	9,227	727
Fines	103,000	103,000	73,247	(29,753)
Investment earnings	500	500	-	(500)
Miscellaneous	28,900	22,900	55,362	32,462
Total revenues	<u>361,000</u>	<u>355,000</u>	<u>359,575</u>	<u>4,575</u>
Expenditures				
Current				
Culture and recreation	<u>453,200</u>	<u>486,473</u>	<u>486,833</u>	<u>(360)</u>
Total expenditures	<u>453,200</u>	<u>486,473</u>	<u>486,833</u>	<u>(360)</u>
Revenues over (under) expenditures	<u>(92,200)</u>	<u>(131,473)</u>	<u>(127,258)</u>	<u>4,215</u>
Other financing source (uses)				
Transfers in	250,400	286,400	273,659	(12,741)
Transfers out	<u>(158,200)</u>	<u>(158,200)</u>	<u>(158,200)</u>	<u>-</u>
Total other financing sources (uses)	<u>92,200</u>	<u>128,200</u>	<u>115,459</u>	<u>(12,741)</u>
Net changes in fund balance	-	(3,273)	(11,799)	(8,526)
Fund balance, beginning of year	<u>11,800</u>	<u>11,800</u>	<u>11,800</u>	<u>-</u>
Fund balance, end of year	<u>\$ 11,800</u>	<u>\$ 8,527</u>	<u>\$ 1</u>	<u>\$ (8,526)</u>

CITY OF BIG RAPIDS

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

FOR THE YEAR ENDED JUNE 30, 2023

	<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				
Charges for services	\$ 37,300	\$ 37,300	\$ 33,951	\$ (3,349)
Investment earnings	300	300	191	(109)
Miscellaneous	1,400	1,400	2,861	1,461
Total revenues	<u>39,000</u>	<u>39,000</u>	<u>37,003</u>	<u>(1,997)</u>
Expenditures				
Current				
Culture and recreation	<u>131,400</u>	<u>131,400</u>	<u>174,292</u>	<u>(42,892)</u>
Total expenditures	<u>131,400</u>	<u>131,400</u>	<u>174,292</u>	<u>(42,892)</u>
Revenues over (under) expenditures	<u>(92,400)</u>	<u>(92,400)</u>	<u>(137,289)</u>	<u>(44,889)</u>
Other financing source (uses)				
Transfers in	114,100	114,100	127,588	13,488
Transfers out	<u>(21,700)</u>	<u>(21,700)</u>	<u>(21,700)</u>	<u>-</u>
Total other financing sources (uses)	<u>92,400</u>	<u>92,400</u>	<u>105,888</u>	<u>13,488</u>
Net changes in fund balance	-	-	(31,401)	(31,401)
Fund balance, beginning of year	<u>31,404</u>	<u>31,404</u>	<u>31,404</u>	<u>-</u>
Fund balance, end of year	<u>\$ 31,404</u>	<u>\$ 31,404</u>	<u>\$ 3</u>	<u>\$ (31,401)</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, 2023

	<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	\$ -	\$ (500)
Total revenues	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
Expenditures				
Current				
Culture and recreation	<u>500</u>	<u>500</u>	<u>1,155</u>	<u>(655)</u>
Total expenditures	<u>500</u>	<u>500</u>	<u>1,155</u>	<u>(655)</u>
Net changes in fund balance	-	-	(1,155)	(1,155)
Fund balance, beginning of year	<u>1,155</u>	<u>1,155</u>	<u>1,155</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,155</u>	<u>\$ 1,155</u>	<u>\$ -</u>	<u>\$ (1,155)</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, 2023

	Budget Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive (Negative)</u>
Revenues				
Charges for services	\$ 379,500	\$ 379,500	\$ 273,767	\$ (105,733)
Investment earnings	-	-	(2)	(2)
Miscellaneous	10,000	39,000	39,607	607
Total revenues	389,500	418,500	313,372	(105,128)
Expenditures				
Current				
Culture and recreation	364,800	439,700	428,646	11,054
Debt service				
Principal	38,000	38,000	38,000	-
Interest	39,200	39,200	39,150	50
Total expenditures	442,000	516,900	505,796	11,104
Revenues over (under) expenditures	(52,500)	(98,400)	(192,424)	(94,024)
Other financing source (uses)				
Transfers in	104,700	150,600	170,974	20,374
Transfers out	(52,200)	(52,200)	(52,200)	-
Total other financing sources (uses)	52,500	98,400	118,774	20,374
Net changes in fund balance	-	-	(73,650)	(73,650)
Fund balance, beginning of year	73,650	73,650	73,650	-
Fund balance, end of year	\$ 73,650	\$ 73,650	\$ -	\$ (73,650)

CITY OF BIG RAPIDS

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

FOR THE YEAR ENDED JUNE 30, 2023

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 100	\$ 100	\$ 65	\$ (35)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total revenues	<u>1,100</u>	<u>1,100</u>	<u>65</u>	<u>(1,035)</u>
Expenditures				
Current				
Culture and recreation	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net changes in fund balance	100	100	65	(35)
Fund balance, beginning of year	<u>6,510</u>	<u>6,510</u>	<u>6,510</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 6,610</u></u>	<u><u>\$ 6,610</u></u>	<u><u>\$ 6,575</u></u>	<u><u>\$ (35)</u></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, 2023

	<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	\$ -	\$ -	\$ 1,455	\$ 1,455
Investment earnings	100	100	107	7
Miscellaneous	11,000	11,000	-	(11,000)
Total revenues	<u>11,100</u>	<u>11,100</u>	<u>1,562</u>	<u>(9,538)</u>
Expenditures				
Current				
Culture and recreation	11,000	11,000	998	10,002
Total expenditures	<u>11,000</u>	<u>11,000</u>	<u>998</u>	<u>10,002</u>
Net changes in fund balance	100	100	564	464
Fund balance, beginning of year	<u>10,244</u>	<u>10,244</u>	<u>10,244</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,344</u>	<u>\$ 10,344</u>	<u>\$ 10,808</u>	<u>\$ 464</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, 2023

	<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	\$ 100	\$ 100	\$ -	\$ (100)
Total revenues	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
Expenditures				
Current				
Culture and recreation	<u>8,600</u>	<u>8,600</u>	<u>-</u>	<u>8,600</u>
Total expenditures	<u>8,600</u>	<u>8,600</u>	<u>-</u>	<u>8,600</u>
Net changes in fund balance	(8,500)	(8,500)	-	8,500
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ (8,500)</u>	<u>\$ (8,500)</u>	<u>\$ -</u>	<u>\$ 8,500</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, 2023

	<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	\$ -	\$ -	\$ 164	\$ 164
Miscellaneous	1,000	1,000	(410)	(1,410)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>(246)</u>	<u>(1,246)</u>
Expenditures				
Current				
Culture and recreation	5,000	5,000	3,217	1,783
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>3,217</u>	<u>1,783</u>
Net changes in fund balance	(4,000)	(4,000)	(3,463)	537
Fund balance, beginning of year	<u>20,107</u>	<u>20,107</u>	<u>20,107</u>	<u>-</u>
Fund balance, end of year	<u>\$ 16,107</u>	<u>\$ 16,107</u>	<u>\$ 16,644</u>	<u>\$ 537</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, 2023

	Budget Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive (Negative)</u>
Revenues				
Investment earnings	\$ -	\$ -	\$ 16	\$ 16
Total revenues	-	-	16	16
Expenditures				
Current				
Culture and recreation	1,600	1,600	713	887
Total expenditures	1,600	1,600	713	887
Net changes in fund balance	(1,600)	(1,600)	(697)	903
Fund balance, beginning of year	2,309	2,309	2,309	-
Fund balance, end of year	<u>\$ 709</u>	<u>\$ 709</u>	<u>\$ 1,612</u>	<u>\$ 903</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, 2023

	<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	\$ -	\$ -	\$ 98	\$ 98
Miscellaneous	-	-	75	75
Total revenues	-	-	173	173
Expenditures				
Current				
Culture and recreation	-	-	17,000	(17,000)
Total expenditures	-	-	17,000	(17,000)
Net changes in fund balance	-	-	(16,827)	(16,827)
Fund balance, beginning of year	26,806	26,806	26,806	-
Fund balance, end of year	<u>\$ 26,806</u>	<u>\$ 26,806</u>	<u>\$ 9,979</u>	<u>\$ (16,827)</u>

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

JUNE 30, 2023

Assets	Motor Pool	DPW Service	Total
Current assets			
Cash and pooled investments	\$ 80,266	\$ 311,621	\$ 391,887
Accounts receivable	2,223	-	2,223
Prepaid and other assets	3,818	29,205	33,023
Inventory	<u>80,332</u>	<u>-</u>	<u>80,332</u>
Total current assets	166,639	340,826	507,465
Capital assets			
Less accumulated depreciation	<u>588,180</u>	<u>-</u>	<u>588,180</u>
Total assets	<u>754,819</u>	<u>340,826</u>	<u>1,095,645</u>
Liabilities			
Current liabilities			
Accounts payable	8,812	-	8,812
Accrued liabilities	9,623	22,244	31,867
Current portion of compensated absences	<u>22,118</u>	<u>58,505</u>	<u>80,623</u>
Total current liabilities	40,553	80,749	121,302
Long-term liabilities			
Compensated absences	<u>33,487</u>	<u>62,014</u>	<u>95,501</u>
Total liabilities	<u>74,040</u>	<u>142,763</u>	<u>216,803</u>
Net position			
Net investment in capital assets	588,180	-	588,180
Unrestricted (deficit)	<u>92,599</u>	<u>198,063</u>	<u>290,662</u>
Total net position	<u>\$ 680,779</u>	<u>\$ 198,063</u>	<u>\$ 878,842</u>

CITY OF BIG RAPIDS

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

FOR THE YEAR ENDED JUNE 30, 2023

	Motor Pool	Buildings DPW Service	Total
Operating revenue			
Charges for services	\$ 916,881	\$ 1,102,500	\$ 2,019,381
Total operating revenue	<u>916,881</u>	<u>1,102,500</u>	<u>2,019,381</u>
Operating expense			
Salaries and wages	175,670	585,174	760,844
Benefits	113,055	398,913	511,968
DPW services	65,600	-	65,600
Materials and supplies	178,596	-	178,596
Gas and oil	140,178	-	140,178
Utilities	43,878	-	43,878
Repair and maintenance	33,056	-	33,056
Equipment rentals	5,344	85,000	90,344
Contracted services	4,269	-	4,269
Professional fees	1,387	1,383	2,770
Insurance	25,560	-	25,560
Depreciation	142,178	-	142,178
Total operating expense	<u>928,771</u>	<u>1,070,470</u>	<u>1,999,241</u>
Operating income (loss)	<u>(11,890)</u>	<u>32,030</u>	<u>20,140</u>
Non-operating revenue (expense)			
Gain (loss) on disposal of equipment	46,447	-	46,447
Interest income	789	-	789
Total non-operating revenue (expense)	<u>47,236</u>	<u>-</u>	<u>47,236</u>
Income (loss) before transfers	35,346	32,030	67,376
Transfers out	<u>(127,500)</u>	<u>(132,900)</u>	<u>(260,400)</u>
Changes in net position	(92,154)	(100,870)	(193,024)
Net position, beginning of year	<u>772,933</u>	<u>298,933</u>	<u>1,071,866</u>
Net position, end of year	<u><u>\$ 680,779</u></u>	<u><u>\$ 198,063</u></u>	<u><u>\$ 878,842</u></u>

CITY OF BIG RAPIDS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Motor Pool	Buildings DPW Service	Total
Cash flows from operating activities			
Receipts from internal services provided	\$ 917,295	\$ 1,102,500	\$ 2,019,795
Payments to employees	(277,393)	(960,519)	(1,237,912)
Payments to suppliers	(498,997)	(115,588)	(614,585)
Net cash provided by (used in) operating activities	<u>140,905</u>	<u>26,393</u>	<u>167,298</u>
Cash flows from non-capital financing activities			
Transfers out	(127,500)	(132,900)	(260,400)
Cash flows from capital and related financing activities			
Proceeds on sale of capital assets	46,447	-	46,447
Acquisitions of capital assets	(88,640)	-	(88,640)
Net cash provided by (used in) capital and related financing activities	<u>(42,193)</u>	<u>-</u>	<u>(42,193)</u>
Cash flows from investing activities			
Interest income	789	-	789
Net increase (decrease) in cash and pooled investments	(27,999)	(106,507)	(134,506)
Cash and pooled investments, beginning of year	108,265	418,128	526,393
Cash and pooled investments, end of year	<u>\$ 80,266</u>	<u>\$ 311,621</u>	<u>\$ 391,887</u>
Cash flows from operating activities			
Operating income (loss)	\$ (11,890)	\$ 32,030	\$ 20,140
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	142,178	-	142,178
Change in operating assets and liabilities which provided (used) cash			
Accounts receivable	414	-	414
Prepaid and other assets	(3,818)	(29,205)	(33,023)
Inventory	(4,322)	-	(4,322)
Accounts payable	7,011	-	7,011
Accrued liabilities	3,414	5,282	8,696
Compensated absences	7,918	18,286	26,204
Net cash provided by (used in) operating activities	<u>\$ 140,905</u>	<u>\$ 26,393</u>	<u>\$ 167,298</u>

CITY OF BIG RAPIDS

DOWNTOWN DEVELOPMENT AUTHORITY BALANCE SHEET/STATEMENT OF NET POSITION

JUNE 30, 2023

	Governmental		
	<u>Fund Type</u>		Statement
	<u>General</u>	<u>Adjustments</u>	<u>of</u>
	<u>Fund</u>		<u>Net Position</u>
Assets			
Cash and pooled investments	\$ 68,561	\$ -	\$ 68,561
Accounts receivable	<u>10,545</u>	<u>-</u>	<u>10,545</u>
Total assets	<u>\$ 79,106</u>	<u>-</u>	<u>79,106</u>
 Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 10,827	-	10,827
Unearned revenue	<u>6,666</u>	<u>-</u>	<u>6,666</u>
Total liabilities	17,493	-	<u>17,493</u>
 Fund balances			
Unrestricted			
Unassigned	<u>61,613</u>		
Total liabilities and fund balances	<u>\$ 79,106</u>		
 Net position			
Unrestricted			<u>\$ 61,613</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, 2023

	Governmental Fund Type General Fund	Adjustments	Statement of Activities
Revenues			
Taxes	\$ 83,715	\$ -	\$ 83,715
Miscellaneous	<u>29,263</u>	<u>-</u>	<u>29,263</u>
Total revenues	<u>112,978</u>	<u>-</u>	<u>112,978</u>
Expenditures/expenses			
Current			
Economic development	<u>118,762</u>	<u>-</u>	<u>118,762</u>
Total expenditures/expenses	<u>118,762</u>	<u>-</u>	<u>118,762</u>
Net changes in fund balance	(5,784)	5,784	
Change in net position		(5,784)	(5,784)
Fund balance/net position, beginning of year	<u>67,397</u>		<u>67,397</u>
Fund balance/net position, end of year	<u><u>\$ 61,613</u></u>		<u><u>\$ 61,613</u></u>

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 21,687,422	\$ 21,182,846	\$ 20,409,548	\$ 19,318,568	\$ 17,597,933	\$ 16,775,475	\$ 16,443,983	\$ 15,617,953	\$ 14,232,792	\$ 13,707,089
Restricted	1,277,267	1,011,046	1,267,556	1,076,341	1,055,603	985,239	1,009,983	1,329,329	854,979	728,452
Unrestricted	<u>1,899,735</u>	<u>590,408</u>	<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>
Total governmental activities net position	<u>\$ 24,864,424</u>	<u>\$ 22,784,300</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 14,679,625	\$ 14,542,979	\$ 13,473,692	\$ 13,592,127	\$ 12,277,620	\$ 11,248,854	\$ 11,011,005	\$ 11,343,149	\$ 11,200,834	\$ 11,262,916
Restricted	-	-	-	-	-	-	62,000	82,000	112,000	139,500
Unrestricted	<u>5,560,795</u>	<u>4,803,581</u>	<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>
Total business-type activities net position	<u>\$ 20,240,420</u>	<u>\$ 19,346,560</u>	<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>
Primary government										
Net investment in capital assets	\$ 36,367,047	\$ 35,725,825	\$ 33,883,240	\$ 32,910,695	\$ 29,875,553	\$ 28,024,329	\$ 27,454,988	\$ 26,961,102	\$ 25,433,626	\$ 24,970,005
Restricted	1,277,267	1,011,046	1,267,556	1,076,341	1,055,603	985,239	1,071,983	1,411,329	966,979	867,952
Unrestricted	<u>7,460,530</u>	<u>5,393,989</u>	<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>
Total primary government net position	<u>\$ 45,104,844</u>	<u>\$ 42,130,860</u>	<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>

CITY OF BIG RAPIDS

Table A-2

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities										
General government	\$ 3,574,165	\$ 3,039,211	\$ 2,693,406	\$ 3,470,656	\$ 3,595,203	\$ 2,591,149	\$ 2,479,130	\$ 2,502,846	\$ 2,385,960	\$ 2,272,594
Public safety	3,944,022	3,983,771	3,354,029	3,490,275	3,614,748	3,367,305	3,505,371	3,816,970	3,619,509	3,506,188
Public works	1,895,744	2,002,515	1,589,586	1,820,837	1,095,764	1,997,058	1,683,985	2,363,445	2,664,843	2,220,545
Culture and recreation	1,811,415	1,714,871	1,847,981	1,597,560	1,062,781	1,175,191	1,246,185	1,209,799	1,261,618	1,071,264
Economic development	-	-	-	-	-	5,000	-	-	172,500	-
Interest on long-term debt	85,647	46,827	61,443	95,126	118,948	148,937	154,087	164,957	186,074	186,621
Total governmental activities	11,310,993	10,787,195	9,546,445	10,474,454	9,487,444	9,284,640	9,068,758	10,058,017	10,290,504	9,257,212
Business-type activities										
Transportation	924,820	821,412	706,611	663,927	462,151	587,806	693,130	718,470	667,220	611,106
Wastewater utility	2,146,213	2,145,496	2,599,551	2,922,337	2,674,390	2,325,748	2,413,251	2,479,943	2,174,035	2,139,536
Water utility	2,505,418	2,390,778	1,870,067	1,248,922	2,416,749	1,766,359	1,776,740	2,416,646	1,686,449	1,943,722
Sanitation	1,075,227	1,051,902	994,031	965,178	895,345	1,064,271	1,050,625	1,057,089	1,055,438	1,024,686
Total business-type activities	6,651,678	6,409,588	6,170,260	5,800,364	6,448,635	5,744,184	5,933,746	6,672,148	5,583,142	5,719,050
Total primary government expenses	17,962,671	17,196,783	15,716,705	16,274,818	15,936,079	15,028,824	15,002,504	16,730,165	15,873,646	14,976,262
Program revenues										
Governmental activities										
Charges for services										
General Government	337,546	242,983	359,916	367,251	356,828	549,070	459,902	470,579	299,312	252,973
Public Safety	416,916	472,999	489,533	422,875	393,239	275,189	296,788	259,780	271,724	309,238
Public Works	1,716	42,022	4,368	8,988	7,777	47,286	14,710	35,124	21,391	139,736
Culture and recreation	540,202	526,115	247,936	263,451	361,545	223,088	253,017	220,757	248,517	185,564
Total charges for services	1,296,380	1,284,119	1,101,753	1,062,565	1,119,389	1,094,633	1,024,417	986,240	840,944	887,511
Operating grants and contributions	2,572,732	2,445,790	2,615,001	1,915,845	1,922,818	1,622,318	1,511,869	1,407,634	1,307,992	1,225,161
Capital grants and contributions	1,136	305,801	719,387	731,112	12,322	49,644	425,672	1,968,181	688,152	67,792
Total governmental activities program revenues	3,870,248	4,035,710	4,436,141	3,709,522	3,054,529	2,766,595	2,961,958	4,362,055	2,837,088	2,180,464
Business-type activities										
Charges for services										
Transportation	166,354	155,263	136,731	132,903	164,367	173,211	151,174	152,587	178,456	203,092
Wastewater utility	3,197,733	2,843,708	2,816,853	2,777,337	2,776,568	2,742,159	2,500,322	2,361,853	2,262,950	2,224,115
Water utility	2,983,632	2,707,148	2,879,088	2,776,176	2,709,534	2,703,426	2,609,258	2,540,350	2,265,628	2,433,496
Sanitation	1,215,557	1,180,542	1,123,062	1,076,512	1,055,904	1,230,071	1,186,435	1,172,273	1,184,165	1,120,275
Operating grants and contributions	511,010	655,521	993,481	988,789	614,675	384,906	341,398	329,424	296,430	302,610
Capital grants and contributions	5,580	295,560	60,297	1,154,102	259,338	-	-	-	-	6,499
Total business-type activities program revenues	8,079,866	7,837,742	8,009,512	8,905,819	7,580,386	7,233,773	6,788,587	6,556,487	6,187,629	6,290,087
Total primary government program revenues	11,950,114	11,873,452	12,445,653	12,615,341	10,634,915	10,000,368	9,750,545	10,918,542	9,024,717	8,470,551

CITY OF BIG RAPIDS

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net (expense) revenue										
Governmental activities	\$ (7,440,745)	\$ (6,751,485)	\$ (5,110,304)	\$ (6,764,932)	\$ (6,432,915)	\$ (6,518,045)	\$ (6,106,800)	\$ (5,695,962)	\$ (7,453,416)	\$ (7,076,748)
Business-type activities	1,428,188	1,428,154	1,839,252	3,105,455	1,131,751	1,489,589	854,841	(115,661)	604,487	571,037
Total primary government net (expense) revenue	(6,012,557)	(5,323,331)	(3,271,052)	(3,659,477)	(5,301,164)	(5,028,456)	(5,251,959)	(5,811,623)	(6,848,929)	(6,505,711)
General revenues and other changes in net position										
Governmental activities										
Property taxes	3,732,963	3,227,148	3,920,345	3,746,281	3,675,033	3,458,038	3,386,318	3,085,412	3,004,303	2,922,816
Income taxes	2,801,052	2,277,437	2,193,031	2,355,835	2,156,777	2,293,434	2,295,239	2,097,641	2,063,600	2,020,558
State shared revenues	1,330,074	1,454,479	1,549,400	1,333,533	1,368,359	1,364,709	1,310,231	1,347,107	1,457,698	1,468,828
Investment earnings	83,978	93,156	52,297	65,512	59,703	46,438	64,079	56,909	77,285	115,756
Other general revenues	970,102	771,202	10,565	40,744	47,571	-	-	-	325,766	77,385
Transfers	602,700	669,700	551,793	488,700	596,300	607,500	550,300	575,400	768,800	700,600
Total governmental activities	9,520,869	8,493,122	8,277,431	8,030,605	7,903,743	7,770,119	7,606,167	7,162,469	7,697,452	7,305,943
Business-type activities										
Investment earnings	61,322	(5,950)	16,075	68,213	49,420	9,814	17,554	36,722	32,508	33,320
Other general revenues	7,050	-	5,496	2,442	6,568	-	-	-	19,006	5,952
Transfers	(602,700)	(669,700)	(551,793)	(488,700)	(596,300)	(607,500)	(550,300)	(575,400)	(768,800)	(700,600)
Total business-type activities	(534,328)	(675,650)	(530,222)	(418,045)	(540,312)	(597,686)	(532,746)	(538,678)	(717,286)	(661,328)
Total primary government	8,986,541	7,817,472	7,747,209	7,612,560	7,363,431	7,172,433	7,073,421	6,623,791	6,980,166	6,644,615
Change in net position										
Governmental activities	2,080,124	1,741,637	3,167,127	1,265,673	1,470,828	1,252,074	1,499,367	1,466,507	244,036	229,195
Business-type activities	893,860	752,504	1,309,030	2,687,410	591,439	891,903	322,095	(654,339)	(112,799)	(90,291)
Total primary government	\$ 2,973,984	\$ 2,494,141	\$ 4,476,157	\$ 3,953,083	\$ 2,062,267	\$ 2,143,977	\$ 1,821,462	\$ 812,168	\$ 131,237	\$ 138,904

CITY OF BIG RAPIDS

Table A-3

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	215,751	84,262	150,000	150,000	150,000	150,000	150,000	150,000	152,500	87,693
Restricted	-	11,048	-	-	-	-	5,219	7,504	5,581	15,816
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	848,400	-	-	-	222,500	62,661	105,939	69,215	7,056	61,996
Unassigned	<u>2,924,285</u>	<u>3,013,280</u>	<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>
Total general fund	<u>\$ 3,988,436</u>	<u>\$ 3,108,590</u>	<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>
All other governmental funds										
Nonspendable	\$ 16,221	\$ 53,540	\$ 31,449	\$ 33,321	\$ 46,305	\$ 17,000	\$ 41,212	\$ 28,857	\$ 25,964	\$ 50,941
Restricted	1,261,046	983,937	1,250,556	1,059,341	1,038,603	966,615	987,192	1,304,365	832,210	692,036
Assigned	712,993	519,239	545,449	222,576	201,208	406,167	376,207	156,037	131,572	204,236
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 1,990,260</u>	<u>\$ 1,556,716</u>	<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>

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>2022</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues										
Taxes	\$ 6,534,015	\$ 5,504,585	\$ 6,113,376	\$ 6,102,116	\$ 5,831,810	\$ 5,751,472	\$ 5,681,557	\$ 5,183,053	\$ 5,067,903	\$ 4,943,374
Intergovernmental revenues										
Federal	555,749	572,523	714,361	713,492	12,419	94,930	376,753	1,932,829	746,693	54,453
State	3,184,984	3,156,072	3,474,047	3,055,680	3,061,909	2,742,508	2,546,421	2,496,233	2,267,955	2,282,816
Local	279,867	275,721	209,969	224,864	187,901	-	50,000	224,576	309,944	300,459
Licenses and permits	158,307	218,810	203,583	155,182	73,897	51,176	67,185	62,314	65,144	68,529
Charges for services	858,920	663,921	639,820	608,346	745,625	817,341	843,789	609,395	578,917	500,119
Fines and forfeits	116,730	103,488	133,091	152,421	182,861	188,928	216,672	186,611	201,937	189,148
Special assessment	-	-	9,129	6,957	6,593	10,410	10,771	7,373	11,864	8,204
Investment earnings	95,297	92,324	55,307	77,677	138,663	45,956	62,857	53,920	77,285	115,756
Miscellaneous	1,042,675	1,204,655	621,839	163,776	143,991	240,975	175,814	190,403	286,501	268,638
Total revenues	<u>12,826,544</u>	<u>11,792,099</u>	<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>
Expenditures										
Current										
General government	3,515,563	3,123,190	2,906,864	2,717,102	2,573,839	2,590,548	2,445,573	2,311,232	2,342,028	2,207,494
Public safety	4,534,606	4,232,748	3,935,135	3,820,972	4,371,891	3,653,641	3,604,584	3,550,472	3,591,993	3,356,747
Public works	3,170,489	2,644,694	2,634,265	3,151,071	2,564,753	2,261,099	1,799,252	2,125,635	2,535,543	2,053,078
Economic Development	-	-	-	-	-	5,000	-	-	172,500	-
Culture and recreation	2,443,171	1,759,088	1,513,802	1,156,539	1,231,965	989,880	1,049,247	971,283	1,078,606	883,239
Debt service										
Principal	205,043	97,853	823,682	935,221	630,169	587,666	554,474	530,044	415,160	378,000
Interest	65,382	47,571	72,162	105,778	125,789	150,377	160,850	174,772	176,590	189,536
Capital Outlay	-	-	-	-	-	285,429	919,692	1,668,433	1,143,259	1,354,230
Total expenditures	<u>13,934,254</u>	<u>11,905,144</u>	<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>
Revenues over (under) expenditures	<u>(1,107,710)</u>	<u>(113,045)</u>	<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>
Other financing sources (uses)										
Bond/note proceeds	-	-	-	-	120,000	-	-	-	-	530,000
Issuance of refunding bonds	1,558,000	-	-	-	-	-	-	-	-	-
Capital lease issued	-	-	-	-	-	-	-	-	278,491	-
Relending loan issued	-	-	-	-	-	-	-	-	158,972	-
Refunded bonds redeemed	-	-	-	-	-	-	-	-	-	-
Transfers in	2,863,484	2,616,970	2,207,493	2,191,200	2,500,892	1,808,142	1,741,700	1,918,213	2,534,736	1,747,666
Transfers out	(2,000,384)	(1,708,770)	(1,429,600)	(1,507,000)	(1,613,992)	(1,006,042)	(991,800)	(1,126,013)	(1,528,280)	(1,066,531)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,421,100</u>	<u>908,200</u>	<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>
Net changes in fund balances	<u>\$ 1,313,390</u>	<u>\$ 795,155</u>	<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>
Debt service as a percentage of noncapital expenditures	<u>2.7%</u>	<u>1.4%</u>	<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>

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			
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
2022	90,243,100	-	64,174,400	13,546,000	167,963,500	20,038,500	188,002,000	16.5002
2023	97,886,400	-	69,472,800	13,997,100	181,356,300	16,024,200	197,380,500	17.4753

*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	City of Big Rapids				Mecosta County				Big Rapids Public Schools (1)				Mecosta Osceola ISD				State		
	Operating Millage	Debt Millage	Library	Total City Millage	Operating 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	Education Tax Millage	Total
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
2022	16.4784	-	0.9969	17.4753	5.8765	0.4954	0.9342	7.3061	18.0000	1.6500	0.7488	2.9500	23.3488	0.2463	3.2984	1.4785	5.0232	6.0000	59.1534
2023	16.4784	-	0.9969	17.4753	5.8765	0.4954	0.5000	6.8719	18.0000	1.6200	0.7500	2.8800	23.2500	0.2463	3.2984	1.4785	5.0232	6.0000	58.6204

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**

	2022			2012		
			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	\$5,971,300	1	3.42%	\$ 7,958,651	1	4.79%
CONSUMERS ENERGY	5,098,540	2	2.92%	2,786,457	5	1.68%
GEN 3 INVESTMENTS LLC	4,147,012	3	2.38%	-		0.00%
DTE GAS COMPANY	2,855,165	4	1.64%	-		0.00%
ALEA PROPERTIES LLC	2,662,108	5	1.53%	-		0.00%
CAMPUS VILLAGE RAPIDS LLC	2,175,384	6	1.25%	2,080,400	7	1.25%
HILLCREST OAKWOOD PROPERTY LLC	2,116,495	7	1.21%	2,079,600	8	1.25%
SPECTRA BIG RAPIDS LLC	1,921,537	8	1.10%	-		0.00%
FEDERAL SCREW WORKS	1,905,500	9	1.09%	7,709,900	2	4.64%
BIG RAPIDS HOTEL GROUP	1,889,800	10	1.08%			
BIG RAPIDS COMPONENTS	-		0.00%	5,760,000	3	3.47%
AGREE LIMITED PARTNERSHIP	-		0.00%	4,980,889	4	3.00%
FLUID ROUTING SOLUTIONS	-		0.00%	2,151,400	6	1.30%
MICHIGAN RETAIL PARTNERS, LLC	-		0.00%	2,002,650	9	1.21%
MECOSTA COUNTY GENERAL HOSPITAL	-		0.00%	1,981,800	10	1.19%
Total	<u>\$ 30,742,841</u>		<u>17.63%</u>	<u>\$ 28,746,639</u>		<u>17.32%</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
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%
2022	2,848,967	2,722,667	95.57%	169,756	2,860,771	100.41%
2023	3,063,044	2,934,576	95.81%	128,468	3,063,044	100.00%

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 Bonds (2)	Amount Available	-	Net General Obligation Bonds	Loans Payable	Percentage of Property Value	Per Capita	Bonds	Total	Percentage of Personal Income (1)	Per Capita (1)
2014	\$ 4,871,000	\$ -	\$ -	\$ 4,871,000	\$ 505,000	1.69%	\$ 524	\$ 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
2022	1,248,000	-	-	1,248,000	107,043	0.36%	175.36	4,075,000	5,430,043	4.47%	703
2023	3,910,797	-	-	3,910,797	-	0.99%	506.12	4,007,000	7,917,797	6.11%	1,025

Note:

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

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

***DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023***

Governmental Unit	Debt Outstanding	Percentage Applicable To City	Amount Applicable To City
Overlapping Debt:			
Big Rapids Public Schools	\$ 23,151,480	34.51%	\$ 7,989,576
Mecosta County	-	11.21%	-
Mecosta Osceola Intermediate School District	-	7.21%	-
Total Overlapping Debt			7,989,576
City of Big Rapids Direct Debt *1			<u>3,910,979</u>
Total Direct and Overlapping Debt			<u>\$ 11,900,555</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.

**1 - Includes \$1,202,797 of Mecosta County Drain Bonds (City Share)*

Source: Entity audit reports

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

Total state equalized value (1)	<u>\$ 197,380,500</u>
Debt limitation - 10 percent of SEV	<u>\$ 19,738,050</u>
Debt applicable to limitation:	
Total bonded debt	6,715,000
Less:	
Revenue bonds	<u>3,665,000</u>
Total Debt Applicable to Limitation	<u>3,050,000</u>
Legal Debt Margin	<u>\$ 16,688,050</u>

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt limit	\$ 16,688,050	\$ 17,552,200	\$ 17,610,890	\$ 17,130,900	\$ 16,241,780	\$ 16,213,550	\$ 15,668,840	\$ 15,207,250	\$ 15,668,840	\$ 15,903,650
Total net debt applicable to limit	<u>3,050,000</u>	<u>1,248,000</u>	<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>
Legal debt margin	<u>\$ 13,638,050</u>	<u>\$ 16,304,200</u>	<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>
Total net debt applicable to limit as a percentage of debt limit	18.3%	7.1%	7.6%	11.0%	16.4%	19.6%	23.3%	26.9%	28.8%	30.6%

(1) Source: City assessors office

0.071102198

**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>
2014	10,517	\$ 132,756,091	\$ 12,623	8.7
2015	10,443	127,279,284	12,188	9.1
2016	10,601	134,706,907	12,707	5.5
2017	10,437	131,052,204	12,557	5.7
2018	10,378	139,988,842	13,489	5.5
2019	10,395	130,779,495	12,581	5.8
2020	10,363	156,636,745	15,115	5.8
2021	7,727	118,393,094	15,322	9.1
2022 (2)	7,727	121,592,072	15,736	7.0
2023 (2)	7,727	129,558,609	16,767	6.0

(1) *Per U.S. Census Bureau.*

(2) *Census information is only available for 2021 census at this time.*

(3) *Unemployment rate for Mecosta County*

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

<u>Employer</u>	<u>2023</u>			<u>2013</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	3461	1	*	4664	1	*
Spectrum Health	822	2		682	2	
Arch Staffing and Consulting	792	3		-	-	
Big Rapids Products	424	4		349	7	
Haworth Inc.	419	5		292	9	
Original Footwear Manufacturing**	338	6		-	-	
Mecosta County Courthouse	322	7		305	8	
Mecosta Osceola ISD	293	8		281	10	
Meijer Great Lakes Limited	285	9		-	-	
Big Rapids Public Schools	274	10		-	-	
Manpower International	-	-		547	3	
Wolverine World Wide	-	-		451	4	
Fluid Routing Solutions	-	-		435	5	
Midwest Publishing	-	-		395	6	

Source: City Income Tax Office

* information is not available

** formerly Wolverine World Wide

CITY OF BIG RAPIDS

Table E-1

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

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government										
Administration										
Full time	17	13	13	11	11	12	12	12	12	13
Part time	15	12	8	7	8	9	9	9	9	8
Finance										
Full time	10	8	8	8	8	8	8	8	8	8
Part time	1	1	1	1	1	1	1	1	1	2
Public works										
Full time	36	34	36	35	35	35	35	35	34	34
Part time	70	46	43	11	41	47	47	47	47	47
Library										
Full time	2	2	2	2	2	2	2	2	1	2
Part time	11	8	13	9	13	11	11	11	11	11
Public Safety										
Police										
Full time	18	15	17	17	17	16	16	16	17	18
Part time	5	5	3	3	5	3	3	3	3	3
Other public safety	4	4	4	3	3	3	3	3	3	3
Fire										
Full time	10	9	9	9	9	9	9	9	9	9
Part time	17	15	15	15	13	14	14	14	15	16
Dial-a-Ride										
Full time	2	2	2	2	2	2	1	1	1	1
Part time	20	16	17	12	15	11	11	12	13	15
Total	<u>238</u>	<u>190</u>	<u>191</u>	<u>145</u>	<u>183</u>	<u>183</u>	<u>182</u>	<u>183</u>	<u>184</u>	<u>190</u>

Source: Human Resource office

CITY OF BIG RAPIDS

Table E-2

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Arrests	563	603	427	548	612	612	544	653	804	709
Accident responses	250	398	239	290	345	353	365	457	448	471
Fire										
Fire calls	235	243	205	200	231	192	173	188	181	61
Rescue calls	9	24	22	35	37	66	43	39	34	56
MFR calls	1,027	972	857	926	937	915	868	834	804	833
Public service calls	82	95	90	77	60	63	52	38	43	36
Public works and streets										
Street resurfacing (in miles)	*	0.32	0.91	1.66	0.36	0.87	1.16	1.09	1.30	1.50
Culture and recreation										
Library books	44,627	40,929	55,574	58,007	64,995	61,396	55,615	56,096	55,379	54,605
Sewer system										
Number of service connections	2,716	2,690	2,688	2,683	2,682	2,672	2,626	2,610	2,607	2,601
Daily average treatment in millions of gallons	1.049	1.119	1.081	1.188	1.207	1.075	1.069	1.070	0.985	1.080
Water system										
Number of service connections	2,357	2,351	2,342	2,337	2,328	2,304	2,261	2,225	2,215	2,235
Daily average consumption in millions of gallons	1.145	0.962	0.907	0.940	1.010	1.083	1.093	1.120	1.167	1.390
Dial-a-Ride system										
Total transit miles	134,351	137,568	125,329	126,642	143,747	146,848	143,791	139,327	144,843	135,489
Passengers	95,197	77,556	53,787	109,895	140,308	136,816	134,092	156,409	139,593	145,975

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	9	9	9	9	9	10
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Emergency response vehicles	10	10	10	10	10	10	10	10	10	10
Public works and streets										
Buildings	28	28	28	28	28	28	28	28	28	28
Miles of streets	43.4	43.25	43.25	43.25	43.25	43.25	43.25	43.25	43.25	43.25
Number of street lights	477	476	475	475	475	475	475	475	475	475
Culture and recreation										
Park acreage	323	323	323	323	323	323	323	323	302	302
Sewer system										
Miles of sanitary sewers	34.93	34.78	34.78	34.78	34.78	34.78	34.78	34.78	34.78	34.78
Miles of storm sewers	20.46	20.31	20.31	20.31	20.31	20.31	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	59.53	59.38	59.38	59.38	59.38	59	58	58	58	58
Fire hydrants	512	510	510	510	510	504	491	491	491	491
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, 2023

	<u>7/1/22 to 9/30/2022</u>	<u>10/1/22 to 6/30/2023</u>	<u>Total</u>
Demand response (farebox)			
Regular service	\$ 16,978	\$ 74,786	\$ 91,764
Contracted Fares	-	\$ 73,981	73,981
Interest	609	561	1,170
Miscellaneous	-	609	609
Gain on disposal of capital asset	7,050	-	7,050
Transfer from general fund	<u>14,075</u>	<u>107,525</u>	<u>121,600</u>
Total local revenues	<u>\$ 38,712</u>	<u>\$ 257,462</u>	<u>\$ 296,174</u>

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

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>10/1/21 to 6/30/2022</u>	<u>7/1/22 to 9/30/2022</u>	<u>Total</u>
Local revenue			
Demand response (farebox)			
Regular service	\$ 59,192	\$ 16,978	\$ 76,170
Contracted Fares	73,756	-	73,756
Interest	(27)	609	582
Miscellaneous	4,920	-	4,920
Gain on disposal of capital asset	-	7,050	
Transfer from general fund	<u>42,225</u>	<u>14,075</u>	<u>56,300</u>
Total local revenues	<u>\$ 180,066</u>	<u>\$ 38,712</u>	<u>\$ 211,728</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, 2023

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									
Cares Act - section 5311 - 2020 accrual reversal	20.509	2017-0022/P10	\$ -	\$ (8,253)	\$ (8,253)	\$ -	\$ -	\$ -	\$ 8,253
Cares Act - section 5311 - 2021 accrual reversal	20.509	2017-0022/P10	-	(3,436)	(3,436)	-	-	-	3,436
Operating assistance - section 5311 - 2022 accrual reversal	20.509	2022-0021/P1	-	(120,814)	(120,814)	-	-	-	120,814
Operating assistance - section 5311 - 2022 receipt	20.509	2022-0021/P1	264,840	137,558	137,558	-	-	127,282	-
Operating assistance - section 5311 - 2023 receipt	20.509	2022-0021/P3	257,868	128,122	128,122	-	-	-	129,746
Operating assistance - section 5311 - 2023 accrual	20.509	2022-0021/P3	-	115,571	115,571	-	-	-	(115,571)
Training grants									
RTAP receipt	N/A		-	493	493	-	-	-	(493)
Capital grants									
Capital grant - section 5311	20.509	2017-0022/P14	93,750	5,580	4,464	1,116	-	-	88,170
			616,458	254,821	253,705	1,116	-	127,282	234,355
Michigan Department of Transportation									
Operating assistance									
Operating Assistance - Act 51 accrual reversal	N/A	FY19	N/A	(5,990)	-	(5,990)	-	-	-
Operating Assistance - Act 51 accrual reversal	N/A	FY20	N/A	(23,481)	-	(23,481)	-	-	-
Operating Assistance - Act 51 accrual reversal	N/A	FY21	N/A	(26,056)	-	(26,056)	-	-	-
Operating Assistance - Act 51 receipt	N/A	FY21	N/A	20,639	-	20,639	-	-	-
Operating Assistance - Act 51 accrual reversal	N/A	FY22	N/A	(42,240)	-	(42,240)	-	-	-
Operating Assistance - Act 51 receipt	N/A	FY22	N/A	57,911	-	57,911	-	-	-
Operating Assistance - Act 51 accrual	N/A	FY22	N/A	46,873	-	46,873	-	-	-
Operating Assistance - Act 51 receipt	N/A	FY23	N/A	185,796	-	185,796	-	-	-
Operating Assistance - Act 51 accrual	N/A	FY23	N/A	48,317	-	48,317	-	-	-
			-	261,769	-	261,769	-	-	-
Total Michigan Department of Transportation									
			-	261,769	-	261,769	-	-	-
Total			\$ 616,458	\$ 516,590	\$ 253,705	\$ 262,885	\$ -	\$ 127,282	\$ 234,355

CITY OF BIG RAPIDS
DIAL-A-RIDE TRANSIT FUND
SCHEDULE OF STATE AND FEDERAL AWARDS (2A)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Grant Number</u>	<u>7/1/22 to 9/30/2022</u>	<u>10/1/22 to 6/30/2023</u>	<u>Total</u>
Michigan Department of Transportation				
Operating Assistance - Act 51 accrual reversal	FY19	\$ (5,990)	\$ -	\$ (5,990)
Operating Assistance - Act 51 accrual reversal	FY20	(23,481)	-	(23,481)
Operating Assistance - Act 51 accrual reversal	FY21	(26,056)	-	(26,056)
Operating Assistance - Act 51 receipt	FY21	-	20,639	20,639
Operating Assistance - Act 51 accrual reversal	FY22	(42,240)	-	(42,240)
Operating Assistance - Act 51 receipt	FY22	57,911	-	57,911
Operating Assistance - Act 51 accrual	FY22	-	46,873	46,873
Operating Assistance - Act 51 receipt	FY23	-	185,796	185,796
Operating Assistance - Act 51 accrual	FY23	-	48,317	48,317
Capital grant - section 5311 state match	2017-0022/P14	-	1,116	1,116
Total Michigan Department of Transportation		<u>(39,856)</u>	<u>302,741</u>	<u>262,885</u>
Federal grants				
Cares Act - section 5311 - 2020 accrual reversal	2017-0022/P10	(8,253)	-	(8,253)
Cares Act - section 5311 - 2021 accrual reversal	2017-0022/P10	(3,436)	-	(3,436)
Operating assistance - section 5311 - 2022 accrual reversal	2022-0021/P1	(120,814)	-	(120,814)
Operating assistance - section 5311 - 2022 receipt	2022-0021/P1	66,210	71,348	137,558
Operating assistance - section 5311 - 2023 receipt	2022-0021/P3	-	128,122	128,122
Operating assistance - section 5311 - 2023 accrual	2022-0021/P3	-	115,571	115,571
Training grants				
RTAP receipt		493	-	493
Capital grants				
Capital grant - section 5311	2017-0022/P14	-	4,464	4,464
Total federal grants		<u>(65,800)</u>	<u>319,505</u>	<u>253,705</u>
Total		<u>\$ (105,656)</u>	<u>\$ 622,246</u>	<u>\$ 516,590</u>

DIAL-A-RIDE TRANSIT FUND
SCHEDULE OF STATE AND FEDERAL AWARDS (2B and 4R)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

		<u>10/1/21 to 6/30/2022</u>	<u>7/1/22 to 9/30/2022</u>	<u>Total</u>
Michigan Department of Transportation				
Operating Assistance - Act 51 accrual reversal	FY19	-	(5,990)	(5,990)
Operating Assistance - Act 51 accrual reversal	FY20	-	(23,481)	(23,481)
Operating Assistance - Act 51 accrual reversal	FY21	-	(26,056)	(26,056)
Operating Assistance - Act 51 accrual reversal	FY22	-	(42,240)	(42,240)
Operating Assistance - Act 51 receipt	FY22	173,727	57,911	231,638
Operating Assistance - Act 51 accrual	FY19	42,240	-	42,240
Capital grant - section 5311 state match	2017-0022/P8	29,231	-	29,231
Capital grant - section 5311 state match	2017-0022/P9	149,404	-	149,404
Total Michigan Department of Transportation		<u>394,602</u>	<u>(39,856)</u>	<u>354,746</u>
Federal grants				
Operating assistance - section 5311 - 2019 accrual reversal	2017-0022/P7	(12,001)	-	(12,001)
Operating assistance - section 5311 - 2019 receipt	2017-0022/P7	12,001	-	12,001
Operating assistance - section 5311 - 2021 receipt	2017-0022/P11	115,361	-	115,361
Cares Act - section 5311 - 2020 accrual reversal	2017-0022/P10	(8,253)	(8,253)	(16,506)
Cares Act - section 5311 - 2020 accrual	2017-0022/P10	8,253	-	8,253
Cares Act - section 5311 - 2021 accrual reversal	2017-0022/P10	(13,645)	(3,436)	(17,081)
Cares Act - section 5311 - 2021 accrual	2017-0022/P10	3,436	-	3,436
Operating assistance - section 5311 - 2022 accrual reversal	2022-0021/P1	-	(120,814)	(120,814)
Operating assistance - section 5311 - 2022 receipt	2022-0021/P1	-	66,210	66,210
Operating assistance - section 5311 - 2022 receipt	2022-0021/P3	127,282	-	127,282
Operating assistance - section 5311 - 2022 accrual	2022-0021/P3	120,814	-	120,814
Training grants				
RTAP receipt		9,266	493	9,759
Capital grants				
Capital grant - section 5311	2017-0022/P8	116,925	-	116,925
Total federal grants		<u>479,439</u>	<u>(65,800)</u>	<u>413,639</u>
Total		<u>\$ 874,041</u>	<u>\$ (105,656)</u>	<u>\$ 768,385</u>

CITY OF BIG RAPIDS
DIAL-A-RIDE TRANSIT FUND
SCHEDULE OF OPERATING AND CONTRACT EXPENSES (3)
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Regular service</u>		<u>Total</u>
	<u>FY 2022</u>	<u>FY 2023</u>	<u>System</u>
Operating expenses			
Labor			
Salaries and wages	\$ 72,411	\$ 345,981	\$ 418,392
Fringe benefits	24,218	112,194	136,412
Services			
Other services	29,199	106,006	135,205
Materials and supplies			
Fuel	19,100	69,808	88,908
Other materials and supplies	2,620	5,631	8,251
Casualty and liability costs			
Insurance	-	6,998	6,998
Utilities	4,103	18,698	22,801
Miscellaneous			
Other	987	10,423	11,410
Depreciation	<u>39,824</u>	<u>119,619</u>	<u>159,443</u>
Total operating expenses	<u>\$ 192,462</u>	<u>\$ 795,358</u>	<u>\$ 987,820</u>

The following cost allocation plans were adhered to in the preparation of the financial statements:
2006 Maintenance and Administrative Costs

The City does not have an other post-employment benefit plan.
All defined benefit and defined contribution plan expenses were paid to the plans.

Insurance pool dividends and claim reimbursement (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 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, 2023

	<u>7/1/22 to 9/30/2022</u>	<u>10/1/22 to 6/30/2023</u>	<u>Total</u>
Expenses			
Labor	\$ 72,411	\$ 345,981	\$ 418,392
Fringe benefits	24,218	112,194	136,412
Service	29,199	106,006	135,205
Materials and supplies	21,720	75,439	97,159
Casualty and liability costs+B54	-	6,998	6,998
Utilities	4,103	18,698	22,801
Miscellaneous	987	10,423	11,410
Depreciation	<u>39,824</u>	<u>119,619</u>	<u>159,443</u>
Total expenses	<u>\$ 192,462</u>	<u>\$ 795,358</u>	<u>\$ 987,820</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, 2022

	<u>10/1/21 to 6/30/2022</u>	<u>7/1/22 to 9/30/2022</u>	<u>Total</u>
Expenses			
Labor	\$ 323,536	\$ 72,411	\$ 395,947
Fringe benefits	97,038	24,218	121,256
Service	73,157	29,199	102,356
Materials and supplies	106,973	21,720	128,693
Casualty and liability costs	-	-	-
Utilities	15,206	4,103	19,309
Miscellaneous	11,137	987	12,124
Depreciation	<u>111,620</u>	<u>39,824</u>	<u>151,444</u>
Total expenses	<u>\$ 738,667</u>	<u>\$ 192,462</u>	<u>\$ 931,129</u>

CITY OF BIG RAPIDS

DIAL-A-RIDE TRANSIT FUND OPERATING ASSISTANCE CALCULATION 5

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Nonurban</u>
State eligible expenses	
Labor	\$ 395,947
Fringe benefits	121,256
Service	102,356
Materials and supplies	128,693
Casualty and liability costs	-
Utilities	19,309
Miscellaneous	12,124
Depreciation	<u>151,444</u>
Total expenses	<u>931,129</u>
Less ineligible expenses	
Ineligible depreciation	147,383
Ineligible insurance reimbursement	4,320
Eligible pension expense accrual	-
Ineligible RTAP	<u>9,759</u>
Total ineligible expenses	<u>161,462</u>
State eligible expenses	<u><u>\$ 769,667</u></u>
State operating assistance - 37.7685%	<u><u>\$ 290,692</u></u>
Federal eligible expenses	
State eligible expenses	\$ 769,667
Less additional federal ineligible expenses	
Audit costs	<u>5,000</u>
Federal eligible expenses	<u><u>\$ 764,667</u></u>
Setion 5311 reimbursement - 40%	<u><u>\$ 305,867</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, 2023

	<u>Miles</u> <u>Regular</u>	<u>Hours</u> <u>Regular</u>
Demand response		
Fourth quarter (7/1/22 to 9/30/22)	32,564	2,688
First quarter (10/1/22 to 12/31/22)	36,664	3,106
Second quarter (1/1/23 to 3/31/23)	37,980	3,196
Third quarter (4/1/23 to 6/30/23)	<u>34,220</u>	<u>2,859</u>
Total	<u>141,428</u>	<u>11,849</u>

DIAL-A-RIDE TRANSIT FUND
SCHEDULE OF NONFINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Miles</u> <u>Regular</u>	<u>Hours</u> <u>Regular</u>
Demand response		
First quarter (10/1/21 to 12/31/21)	35,736	2,735
Second quarter (1/1/22 to 3/31/22)	38,078	3,082
Third quarter (4/1/22 to 6/30/22)	33,255	3,043
Fourth quarter (7/1/22 to 9/30/22)	<u>32,564</u>	<u>2,688</u>
Total	<u>139,633</u>	<u>11,548</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.

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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 28, 2023

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, (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 28, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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's internal control. Accordingly, we do not express an opinion on the effectiveness of City 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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



Vredeveld 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 28, 2023

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

Report on Compliance for Each Major Federal Program

Opinion on 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, 2023. 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.

In our opinion, City of Big Rapids, Michigan 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

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.

Ordedveld Haefner LLC

CITY OF BIG RAPIDS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	COVID-19 Related	Grant Number	Assistance Listing Number	Federal Expenditures
U.S. Department of Agriculture Community Facilities outstanding bonds	No		10.780	<u>\$ 1,025,000</u>
U.S. Department of Treasury Michigan Department of Treasury ARPA State and Local Fiscal Recovery Funds	Yes		21.027	<u>544,511</u>
U.S. Department of Justice Bureau of Justice Assistance Supporting Small, Rural, and Tribal Law Enforcement Agency Body-Worn Camera Policy and Implementation Program	No	29015078	16.835	<u>11,238</u>
U.S. Department of Transportation Michigan Department of Transportation Federal Section 5311 Operating Federal Section 5311 Operating Federal Section 5311 Operating Federal Section 5311 Capital Total Federal Section 5311 RTAP Training Grant	 Yes Yes Yes No	 2017-0022/P10 2022-0021/P1 2022-0021/P3 2022-0021/P14	 20.509 20.509 20.509 20.509 20.509	 (11,689) 16,744 243,693 4,464 253,212 493
Total U.S. Department of Transportation				<u>253,705</u>
Total Federal Awards				<u>\$ 1,834,454</u>

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, 2023

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1. The Schedule of Expenditures of Federal Awards is prepared in accordance with the modified accrual basis of accounting with the exception of the Community Facilities Bonds which are required to be reported as expenditures until the bonds are repaid.

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	\$ 555,749
Federal revenue reported in proprietary funds	
Operating grant	249,241
Capital grant	4,464
Federal funds not reported as a revenue	
USDA Community Facilities Bonds outstanding	<u>1,025,000</u>
Expenditures reported on the schedule of expenditure of federal awards	<u>\$ 1,834,454</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, 2023

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no	
Significant deficiency(ies) identified?	<u> </u> 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?	<u> </u> yes	<u> X </u> no	

Identification of major programs:

CFDA Number(s)

10.780
20.509

Name of Federal Program or Cluster

Community Facilities outstanding bonds
USDOT Fed Section 5311

Dollar threshold used to distinguish between Type A and B programs:

 \$750,000

Auditee qualified as low-risk auditee?

 yes X 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

2022-001 was addressed for 2023