



CITY OF BATTLE CREEK MICHIGAN

ANNUAL COMPREHENSIVE FINANCIAL REPORT

2024

Prepared by the
Finance Department

FISCAL YEAR ENDED JUNE 30, 2024

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City of Battle Creek, Michigan

For the Year Ended
June 30, 2024

Annual
Comprehensive
Financial Report

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CITY OF BATTLE CREEK, MICHIGAN

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INTRODUCTORY SECTION

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CITY OF BATTLE CREEK

OFFICE OF THE CITY MANAGER

December 23, 2024

**To the Honorable Mayor, Members of the City Commission
and Citizens of the City of Battle Creek, Michigan:**

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Battle Creek, Michigan (the "City") for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. 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. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Rehmann Robson LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Battle Creek, incorporated as a City in 1859 and as a Home Rule City in 1913, is located in southwest Michigan, approximately 115 miles west of Detroit and 160 miles northeast of Chicago. It is the largest city in Calhoun County, encompassing an area of 44 square miles, with a current population of 52,721. The City is well known as the breakfast food capital of the world.

The government has operated under the commission-manager form of government since 1961. Policymaking and legislative authorities are vested in the City Commission, which is comprised of nine members including the mayor. The governing commission is responsible, among other things, for passing ordinances and resolutions, making public policy decisions, adopting the budget, appointing boards, commissions, and committees, approving contracts, authorizing real estate transactions, awarding bids, selling property, and hiring the government's manager and attorney. Four Commissioners are elected at-large for two-year terms and five Commissioners are elected from the five wards representing various geographic areas within the City, also serving two-year terms. The mayor is elected by popular vote for a two-year term and the vice mayor is selected by the City Commissioners from among themselves.

The City Manager is the chief administrative officer of the City and is appointed by and serves at the pleasure of the City Commission. The City Manager is responsible for carrying out the policies and ordinances of the City Commission, for overseeing the day-to-day operations of the government, and appointing the government's department heads.

The City of Battle Creek provides a full range of services by more than 500 employees located at various locations throughout the City including: police and fire protection; the construction and maintenance of highways, streets and other infrastructure; a general aviation airport; wastewater treatment and disposal; water treatment and distribution; community services, economic development; recreational activities and public transportation services.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Battle Creek operates.

Local economy. The City's economy is diverse with a sizable, mature tax base valued at over \$3.2 billion for the year ended June 30, 2024. The residential amenities provide area residents with convenient and affordable housing to take advantage of the City's industrial, commercial, cultural, educational and recreational opportunities. The City is home to W.K. Kellogg Company/Kellanova and their Research & Development facility, the W.K. Kellogg Foundation, and the Hart-Dole-Inouye Federal Center. Battle Creek has many other major corporate community members including Post Cereals, Denso, Il Stanley, Duncan Aviation, and Bronson Hospital. Downtown Battle Creek features unique residential, commercial, and retail spaces; activities include the annual Cereal Festival, Spring and Fall into the Arts art walks, a Farmers Market, and free outdoor concerts. Battle Creek's general aviation airport and industrial park are diversifying the economy and attracting worldwide business for military, aviation, logistics, aerospace and alternative energy.

Long-term financial planning. The City of Battle Creek believes long-term financial planning has been and will continue to be an important component to ensure the City's fiscal health. Economic development and downtown development continue to be high priorities for the City. Battle Creek Unlimited, a non-profit organization partnering with the City to perform economic development, continues to promote and develop the City's Fort Custer Industrial Park (FCIP).

Along with efforts to ensure a future growth in tax revenue, the City has developed a Capital Improvements Program (CIP) to identify its long-term capital needs and ability to fund the program. Identified in the CIP for the six years 2025-2030 are almost \$500 million in capital needs including airport development and maintenance projects as well as fire station replacements. During the fiscal year ended June 30, 2024, \$2.2 million was used to fund repair and replacement of major and local streets. This year is the ninth year in which Priority Based Budgeting (PBB) scoring was used to evaluate capital improvement projects in relation to the City's PBB Community Results. The prioritization of projects included in the CIP continues to guide what new projects will be evaluated for inclusion in the budget in the near term.

From an operational perspective, the City's general fund revenue profile is diverse. Because income tax revenues exceeded expectations, there was a slight addition to fund balance in the general fund for the year ended June 30, 2024. Income tax revenue accounted for 33.0% of total general fund revenues for the year ending June 30, 2024 and has increased 6.5% (\$1,168,335) over the prior year. The original income tax budget was increased 1.8% with a year-end adjustment after evaluation of expected year end results. Property tax revenue makes up another 29.6% of general fund revenues for the year ending June 30, 2024, and the City has 1.375-mill (12.1%) margin available under the Headlee rollback limit for operation. This could generate approximately \$2.0 million in additional property tax revenue.

The federal government's American Rescue Plan Act of 2021, in part, established emergency funding for state, local territorial, and Tribal governments. The goal of this funding is to support our response to the COVID-19 pandemic and the economic impacts. The City of Battle Creek has received a total of \$30,545,339, half of which was received in May 2021 and the other half in May 2022. These funds must be obligated by December 31, 2024 and expended by December 31, 2026. The City Commission and administration have appropriated these funds by facilitating community conversations to ensure these funds are used to respond to acute pandemic-response needs, fill revenue shortfalls, and support the populations hardest-hit by the COVID-19 crisis. This support represents a once-in-a-generation opportunity to reflect on community needs and strategically invest these resources in our future.

The priority based budgeting methodology has been fully implemented using FY21 updated community results and definitions and basic program attributes. Updates to program identification and costing, prioritization by departments and scoring teams, and analysis of mandated programs and partnership opportunities, to identify potential savings, is on-going. This strategic tool has assisted in the identification of actionable opportunities. Insights into programmatic improvements continues using the PBB methodology and tool. The legal level of budgetary control is the department level.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. This was the twenty-fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the City of Battle Creek. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and City Commission for their support for maintaining the highest standards of professionalism in the management of the City of Battle Creek's finances.

Ted E. Dearing
Interim City Manager

Aaron B. Kuhn
Revenue Services Director

[Signatures omitted for security purposes.]

CITY OF BATTLE CREEK, MICHIGAN

GFOA Certificate of Achievement



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Battle Creek
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

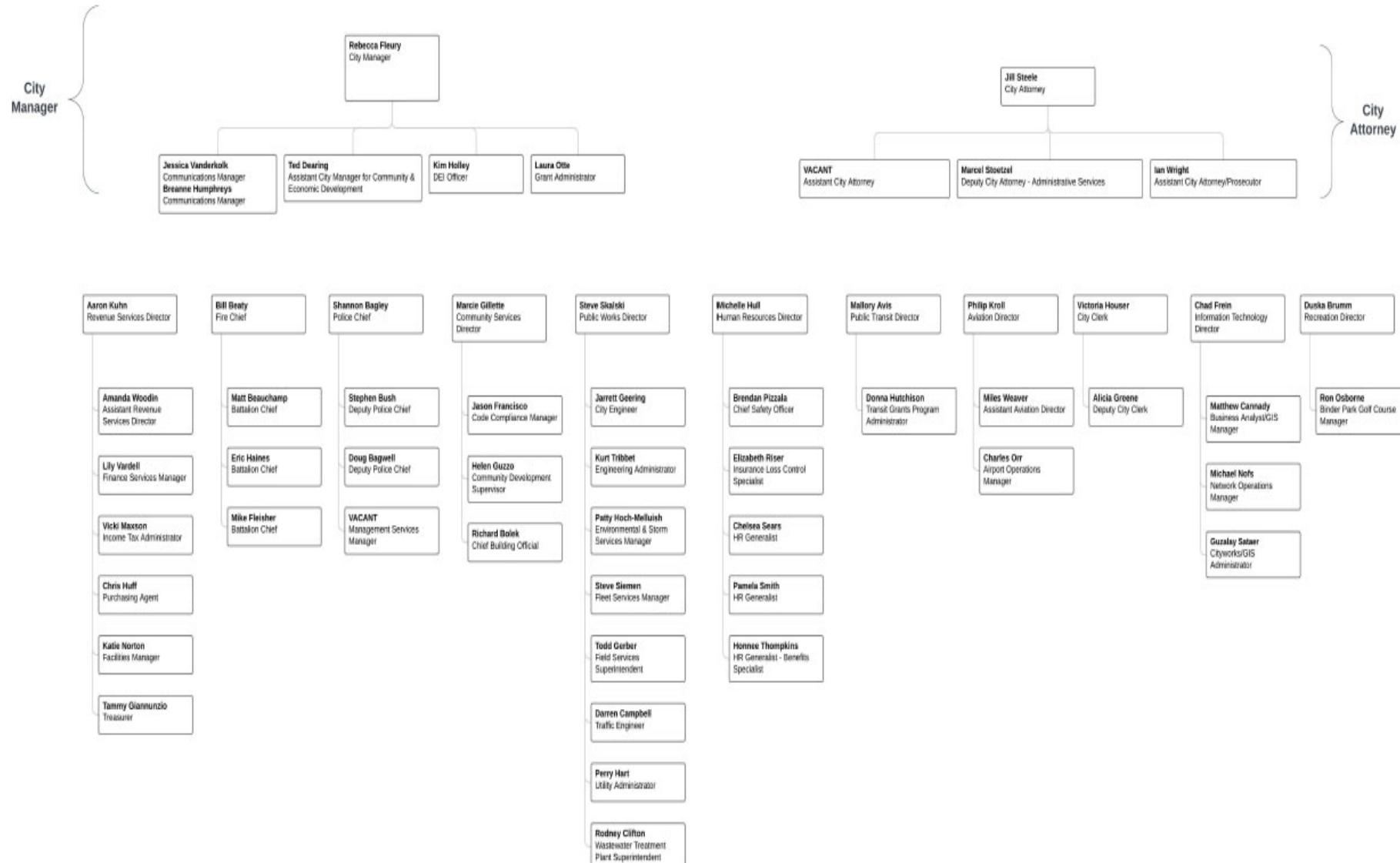
June 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF BATTLE CREEK, MICHIGAN

Organizational Chart



CITY OF BATTLE CREEK, MICHIGAN

List of Principal City Officials

CITY COMMISSION:

Mark Behnke
Mayor

Sherry Sofia
Vice Mayor

Roger Ballard
Jenasia Morris
Patrick O'Donnell
Carla Reynolds
Jim Lance
Christopher Simmons
Jake Smith

Administration

Ted E. Dearing
Interim City Manager William Y. Kim
City Attorney

Aaron B. Kuhn
Revenue Services Director

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

December 23, 2024

Honorable Mayor and
Members of the City Commission
City of Battle Creek, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the **City of Battle Creek, Michigan** (the "City"), as of and for the year ended June 30, 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and each major special revenue fund 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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



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📞 517.787.6503

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.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules for the pension and other postemployment benefits plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 combining and individual fund financial statements and schedules 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 were derived from and relate 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated December 23, 2024, 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.

A handwritten signature in black ink that reads "Lehmann Loham LLC". The signature is fluid and cursive, with "Lehmann" and "Loham" stacked vertically and "LLC" to the right.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF BATTLE CREEK, MICHIGAN

Management's Discussion and Analysis

As management of the ***City of Battle Creek, Michigan***, 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, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, as noted in the table of contents.

Financial Highlights

· Total net position	\$ 180,321,593
· Change in total net position	10,661,179
· Fund balances, governmental funds	31,796,897
· Change in fund balances, governmental funds	2,660,048
· Unassigned fund balance, general fund	12,595,157
· Change in fund balance, general fund	19,754
· General obligation and revenue bonds outstanding	41,955,000
· Change in general obligation and revenue bonds outstanding	(2,685,000)

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 are comprised of 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the residual 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 on how the government'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 vacation leave).

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, highways and streets, recreation and community development. The business-type activities of the City include water and wastewater, public transit, solid waste collection, airport, parking, economic development, and intermodal facility.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also legally separate entities for which the City is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself. These component units include the Battle Creek Downtown Development Authority, the Lakeview Downtown Development Authority, the Battle Creek Tax Increment Financing Authority, the Brownfield Redevelopment Authority, the Local Development Finance Authority, and the Cereal City Development Corporation. The Building Authority, although also legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

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.

CITY OF BATTLE CREEK, MICHIGAN

Management's Discussion and Analysis

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 government'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 government'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*.

The City maintains numerous individual governmental funds. 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, major street and trunkline maintenance special revenue fund, the special grants special revenue fund, and the ARPA special revenue fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its wastewater, water, public transit, solid waste collection and other operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment center, self-insurance, information services and reproduction services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within 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 water and wastewater system, Battle Creek Transit System, and Battle Creek Executive Airport/FAA which are considered to be major funds of the City. Conversely, all of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

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 statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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 includes schedules for the City's pension and other postemployment benefits to its employees.

The combined statements referred to earlier in connection with nonmajor, internal service and fiduciary funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Battle Creek, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$180,321,593 at the close of the most recent fiscal year.

CITY OF BATTLE CREEK, MICHIGAN

Management's Discussion and Analysis

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, construction in progress, land improvements, buildings, vehicles, equipment, systems, infrastructure, and subscription assets), less any related debt used to acquire those assets that are 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.

	Net Position					
	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 69,581,878	\$ 71,757,839	\$ 59,647,323	\$ 62,803,312	\$ 129,229,201	\$ 134,561,151
Capital assets, net	206,031,685	207,598,792	99,534,675	94,872,454	305,566,360	302,471,246
Total assets	275,613,563	279,356,631	159,181,998	157,675,766	434,795,561	437,032,397
Deferred outflows of resources	13,021,340	26,374,973	4,927,172	7,009,889	17,948,512	33,384,862
Liabilities						
Long-term liabilities	151,270,626	167,933,061	59,517,135	63,923,803	210,787,761	231,856,864
Other liabilities	34,027,978	39,137,058	3,326,102	2,575,286	37,354,080	41,712,344
Total liabilities	185,298,604	207,070,119	62,843,237	66,499,089	248,141,841	273,569,208
Deferred inflows of resources	17,021,604	17,499,724	7,259,035	9,687,913	24,280,639	27,187,637
Net position						
Net investment in capital assets	182,545,424	182,987,646	78,304,443	72,743,638	260,849,867	255,731,284
Restricted	10,418,139	9,608,841	-	-	10,418,139	9,608,841
Unrestricted (deficit)	(106,648,868)	(111,434,726)	15,702,455	15,755,015	(90,946,413)	(95,679,711)
Total net position	\$ 86,314,695	\$ 81,161,761	\$ 94,006,898	\$ 88,498,653	\$ 180,321,593	\$ 169,660,414

An additional portion of the City's net position (5.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position (deficit)* may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City reported positive balances in the net investment of capital assets and restricted net position, however, the unrestricted deficit was a result of the City's net pension liability and net other postemployment benefit liability.

The City's net position increased by \$10,661,179 from the prior year net position. This is an increase from the prior year's \$5,889,181 decrease. Compared to the prior year, the current year change can be attributed to a decrease of \$1.7 million in expense and an increase of \$14.8 million in revenue. Revenue increased due to the continued upward trajectory for two of the City's three major revenue sources: income tax and property tax. Additionally, there was a \$2.7 million positive swing from the prior year to the current year in investment earnings. The increase in investment earnings was a result of a continued strong interest rate environment as well a more proactive approach to investing. Expense decreases in general government are reflective of a decrease in both the net pension liability and the net OPEB liability. There was nearly \$10.9 million in capital asset additions for governmental activities which included: City Hall Terra Cotta, Full Blast Chiller, and Retaining Wall and First Floor Renovations. All combining to result in a net position increase of \$10.7 million. More detailed descriptions of changes are in the following sections.

CITY OF BATTLE CREEK, MICHIGAN

Management's Discussion and Analysis

	Changes in Net Position					
	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 10,136,088	\$ 9,712,103	\$ 39,150,727	\$ 36,802,112	\$ 49,286,815	\$ 46,514,215
Grants and contributions -						
Operating	25,385,838	21,993,718	10,435,802	7,228,329	35,821,640	29,222,047
General revenues:						
Property taxes	20,172,115	18,746,435	320,000	320,000	20,492,115	19,066,435
Income taxes	19,571,637	18,064,459	-	-	19,571,637	18,064,459
Grants and contributions not restricted to specific programs	13,982,508	13,649,313	-	-	13,982,508	13,649,313
Unrestricted investment earnings	3,030,658	1,241,325	1,267,504	401,777	4,298,162	1,643,102
Total revenues	92,278,844	83,407,353	51,174,033	44,752,218	143,452,877	128,159,571
Expenses						
General government	13,838,843	16,608,276	-	-	13,838,843	16,608,276
Public safety	40,144,690	40,768,365	-	-	40,144,690	40,768,365
Public works	2,028,257	3,914,084	-	-	2,028,257	3,914,084
Highways and streets	18,390,465	17,094,295	-	-	18,390,465	17,094,295
Recreation	4,150,773	4,084,510	-	-	4,150,773	4,084,510
Community development	5,382,916	4,176,418	-	-	5,382,916	4,176,418
Interest on long-term debt	1,079,092	1,172,026	-	-	1,079,092	1,172,026
Water and wastewater	-	-	33,079,786	31,410,582	33,079,786	31,410,582
Public transit	-	-	4,436,174	4,845,778	4,436,174	4,845,778
Solid waste collection	-	-	4,432,603	4,344,640	4,432,603	4,344,640
Airport	-	-	3,282,257	3,263,805	3,282,257	3,263,805
Parking	-	-	1,397,152	1,287,064	1,397,152	1,287,064
Economic development	-	-	984,394	905,251	984,394	905,251
Intermodal facility	-	-	164,296	173,658	164,296	173,658
Total expenses	85,015,036	87,817,974	47,776,662	46,230,778	132,791,698	134,048,752
Change in net position, before transfers	7,263,808	(4,410,621)	3,397,371	(1,478,560)	10,661,179	(5,889,181)
Transfers	(2,110,874)	(1,629,186)	2,110,874	1,629,186	-	-
Change in net position	5,152,934	(6,039,807)	5,508,245	150,626	10,661,179	(5,889,181)
Net position, beginning of year	81,161,761	87,201,568	88,498,653	88,348,027	169,660,414	175,549,595
Net position, end of year	\$ 86,314,695	\$ 81,161,761	\$ 94,006,898	\$ 88,498,653	\$ 180,321,593	\$ 169,660,414

Governmental activities. Governmental activities increased the City's net position by \$5,152,934 (as compared to a prior year decrease of \$6,039,807). Key elements of this increase and the change from the prior year include:

The total revenue increase of \$8,871,491 is primarily due to a rise in both property tax and income tax revenue. Additionally, there was a substantial shift in investment earnings from the prior year as interest rates continue to remain elevated. On the expense side, the decrease of \$2,802,938 is primarily the result of decreases to the net pension liability and related deferral adjustments as well as depreciation expense decreases for the public works function.

CITY OF BATTLE CREEK, MICHIGAN

Management's Discussion and Analysis

Business-type activities. Business-type activities increased the City's net position by \$5,508,245 as compared to an increase of \$150,626 in the prior year. Key elements of this change from the prior year include:

Charges for services revenues increased \$2,348,615, primarily in the water and wastewater fund. This was the result of an increase in rates. Year four of a five year rate study was in effect which included rate increases with a long term view of capital improvement coverage. Expenses increased during the year for the water and wastewater fund as a result of an increase in costs for contracted and professional services related to capital projects.

Financial Analysis of the City's Governmental 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 government'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 \$31,796,897 an increase of \$2,660,048. The nonspendable portion of fund balance decreased from \$1,253,243 to \$1,198,855. Nonspendable fund balance is not available for new spending because it has been set aside for the following purposes:

- to generate income for the support and maintenance of the youth center and Kellogg Arena (\$879,909); and
- for inventories and prepaid items (\$318,946).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance (which is only reported in the general fund) was \$12,595,157, while total fund balance was \$15,454,241. In accordance with the City's adopted fund balance policy, the minimum unassigned fund balance in the general fund of no less than 17% of current year budgeted operating revenue has been met. The percent as of June 30, 2024 is 22.8%.

The fund balance of the City's general fund increased by \$19,754 during the current fiscal year compared to a decrease of \$361,794 in the prior year. This fluctuation is primarily the result of transfers out of \$500,000 at June 30, 2023 to resolve a deficit net position in an internal service fund. Income tax has rebounded to pre-pandemic levels, increasing to over \$19.2 million for the year ended June 30, 2024. Property tax revenue experienced modest growth, a trend which is expected to continue with rising inflation. Recreation revenue continues to rebound with a 4.6% increase from the prior year. On the expenditure side, police and fire department expenditures continue to rise (\$1.3 million increase) due to successful staffing initiatives to fill vacant positions.

The major street and trunkline maintenance special revenue fund has a fund balance of \$4,356,618 at year end. The fund is used to account for the repair and maintenance of streets and sidewalks. The fund experienced a decrease of \$170,683 in fund balance in the current year. This decrease was a result of the continued \$2.0 million in support to the local street fund. Revenues increased year over year by \$367,241 due to a 3.9% increase to Act 51 revenues and \$48,000 positive swing in investment earnings.

The special grants special revenue fund was created to account for various grants received by the City and has a total fund balance of \$445,893 at year end. The committed fund balance of \$445,893 is comprised of promissory note proceeds in excess of expenditures for the Milton Tower economic development project (primarily in prior years). This multi-year project has been funded through the W.K. Kellogg Foundation and the excess promissory note proceeds are being held for future expenditures. The fund balance decreased \$312,768 primarily due to drawdowns of \$296,071 on the project mentioned above.

The ARPA special revenue fund was created to account for the American Rescue Plan Act grants received by the City and has a total fund balance of \$933,542 at year end. Total receipts for this long-term federal grant were \$30.5 million which must be committed by December 31, 2024 and expended by December 31, 2026. At year end, \$11,909,373 remains to be expended and is included in unearned revenue.

CITY OF BATTLE CREEK, MICHIGAN

Management's Discussion and Analysis

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

Unrestricted net position of the water and wastewater system fund at the end of the year amounted to a \$10,123,093. The fund had an increase in total net position for the year of \$4,804,476. Factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

The Battle Creek Transit System reported a net position deficit of \$5,611,996. The fund reported an increase in net position of \$919,068. The deficit net position is primarily a result of the change in the net pension liability, net other postemployment benefit liability and related deferred outflows/inflows.

The Battle Creek Executive Airport / FAA fund reported a net position of \$9,986,081. The fund reported a decrease in net position of \$15,468. The net position decrease is a result of depreciation on capital assets (\$906,744), of which there were \$377,734 in asset additions during the year.

General Fund Budgetary Highlights

The general fund ended the year with a positive net change in fund balance of \$19,754. This is a positive change compared to the general fund original adopted budget with expenditures in excess of revenues and a use of fund balance of \$630,610. The City had budget adjustments totaling \$1,123,554 which resulted in a final budgeted increase to fund balance in the amount of \$492,944. The original adopted budget maintained a very conservative approach to income tax revenues due to the unknown continued impact of the pandemic on remote work situations; actual results for city income tax revenue exceeded the original budget by \$881,794. State intergovernmental revenues exceeded expectations with actual results exceeding the original budget by \$1,584,768 as a result of better than expected revenue from state income tax, sales tax, marijuana-related registrations, and the unexpected Protect MI Pension Grant, at the State level that were passed through. Recreation revenue exceeded the adjusted budget by \$368,959 (16.2%) due to better than expected performance at the Binder Park Golf Course. A transfer from the ARPA fund for lost revenue in the amount of \$1,700,000 was included in the original budget, of which only \$574,000 was utilized, due to the positive actual results for the fiscal year. Continued diligence by departments for expenditure control, compounded by difficulty retaining and recruiting staff, is reflected in the addition of only \$19,754 to fund balance for the fiscal year.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounted to \$305,566,360 (net of accumulated depreciation/amortization). This investment in capital assets includes land and land improvements, construction in progress, buildings, vehicles, equipment, infrastructure, subscription assets, and systems. Net capital assets for governmental activities decreased by 0.8%, and for business-type activities increased by 4.9%.

City of Battle Creek's Capital Assets (Net of Depreciation/Amortization)							
	Governmental activities		Business-type activities		Total		
	2024	2023	2024	2023	2024	2023	
Land and land improvements	\$ 6,708,884	\$ 7,766,954	\$ 4,869,764	\$ 4,985,361	\$ 11,578,648	\$ 12,752,315	
Construction in progress	2,876,522	1,966,327	12,206,132	2,643,485	15,082,654	4,609,812	
Buildings	35,628,550	35,186,271	32,240,887	33,281,238	67,869,437	68,467,509	
Vehicles	9,907,820	9,311,565	839,908	1,079,563	10,747,728	10,391,128	
Equipment	3,312,071	2,950,027	803,226	969,539	4,115,297	3,919,566	
Infrastructure	146,372,813	150,417,648	-	-	146,372,813	150,417,648	
Subscription assets	1,225,025	-	-	-	1,225,025	-	
Systems	-	-	48,574,758	51,913,268	48,574,758	51,913,268	
Total	\$ 206,031,685	\$ 207,598,792	\$ 99,534,675	\$ 94,872,454	\$ 305,566,360	\$ 302,471,246	

CITY OF BATTLE CREEK, MICHIGAN

Management's Discussion and Analysis

Major capital asset events during the current fiscal year included:

- Vehicle additions in the current year included multiple police cars, multiple dump trucks, and a sewer VAC truck. Façade work to repair the terra cotta at City Hall was finished during the year. Work is nearly complete on the Edgebrook and Minges Brook Pump Station improvements at a cost of \$6.2 million.
- The chiller replacement at Full Blast was completed during the year at a cost of \$551,311. Also, \$2.2 million was invested into the repair and replacement of major and local streets. Lead service replacements totaling \$445,675 were also completed during the year ended June 30, 2024.

Additional information on the City's capital assets can be found in Note 9 to the financial statements.

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$41,955,000. Of this amount, \$21,360,000 is comprised of debt backed by the full faith and credit of the government. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources.

	General Obligation and Revenue Bonds					
	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 21,360,000	\$ 23,195,000	\$ -	\$ -	\$ 21,360,000	\$ 23,195,000
Revenue bonds	-	-	20,595,000	21,445,000	20,595,000	21,445,000
Total	\$ 21,360,000	\$ 23,195,000	\$ 20,595,000	\$ 21,445,000	\$ 41,955,000	\$ 44,640,000

The City's total bonded debt decreased by \$2,685,000 (6 percent) during the current fiscal year as a result of scheduled debt payments.

The following chart depicts the City's credit rating for the various outstanding debt and the different rating agencies:

	Moody's	S&P	Fitch
General obligation limited tax bonds	A1	AA-	AA-
Water and wastewater revenue bonds	N/A	AA-	N/A

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The City's current outstanding general obligation debt is substantially below the current debt limit of \$162,198,545.

Additional information on the City's long-term debt can be found in Note 12 to the financial statements.

Economic Factors

One of the biggest economic challenges facing the City is inflation. As the cost of doing business continues to rise, this will put constraints on the City's already tight budget. City staff continue to monitor for long-term impacts to income tax revenue as it relates to remote work.

CITY OF BATTLE CREEK, MICHIGAN

Management's Discussion and Analysis

Next Year's Budgets and Rates

The following factors were considered in preparing the City's budget for the 2024/25 fiscal year:

- Continuing the conservative approach to budgeting, the fiscal year 2025 adopted budget included anticipated use of fund balance in the amount of \$547,101. The budget includes \$2.126 million in ARPA lost revenue funding. A mid-year adjustment is anticipated as additional unspent American Rescue Plan Act lost revenue funds from previous years are utilized. Administration continues to search for efficiencies using the priority based budgeting model.
- Efforts continue to fund pension and other postemployment benefit liabilities with strategies recommended by the Legacy Cost Committee. The current investment climate has had a negative effect on both pension plans.
- The property tax millage rate was increased after two consecutive years of decreases, with a 0.093 increase in the police and fire pension component and no corresponding increase in the general fund operating component.
- An investment policy statement revision has been approved, and administration is continually looking to make positive improvements to increase investment returns on City funds.

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 government's finances. The financial statements are available on the City's website: www.battlecreekmi.gov. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Revenue Services Director, P.O. Box 1717, Battle Creek, Michigan 49016-1717.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF BATTLE CREEK, MICHIGAN

Statement of Net Position

June 30, 2024

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Pooled cash and investments	\$ 38,660,610	\$ 35,092,780	\$ 73,753,390	\$ 12,339,094
Restricted cash and investments	12,904,499	-	12,904,499	-
Receivables, net	21,798,153	17,509,239	39,307,392	6,234,973
Internal balances	(4,670,482)	4,670,482	-	-
Inventories and prepaid items	889,098	2,374,822	3,263,920	23,126
Capital assets not being depreciated/amortized	5,215,733	15,766,586	20,982,319	14,282,857
Capital assets being depreciated/amortized, net	200,815,952	83,768,089	284,584,041	9,476,829
Total assets	<u>275,613,563</u>	<u>159,181,998</u>	<u>434,795,561</u>	<u>42,356,879</u>
Deferred outflows of resources				
Deferred charge on refunding	514,744	-	514,744	745,496
Deferred pension amounts	11,186,877	4,274,217	15,461,094	-
Deferred other postemployment benefit amounts	1,319,719	652,955	1,972,674	-
Total deferred outflows of resources	<u>13,021,340</u>	<u>4,927,172</u>	<u>17,948,512</u>	<u>745,496</u>
Liabilities				
Accounts payable and accrued liabilities	9,845,370	3,088,824	12,934,194	4,275,323
Unearned revenue	24,182,608	237,278	24,419,886	25,357
Bonds, notes and other long-term liabilities:				
Due within one year	6,844,136	1,764,411	8,608,547	2,434,484
Due in more than one year	29,922,000	20,377,854	50,299,854	28,759,862
Net pension liability (due in more than one year)	102,900,868	31,633,766	134,534,634	-
Net other postemployment benefit liability (due in more than one year)	11,603,622	5,741,104	17,344,726	-
Total liabilities	<u>185,298,604</u>	<u>62,843,237</u>	<u>248,141,841</u>	<u>35,495,026</u>
Deferred inflows of resources				
Deferred lease amounts	687,652	1,827,131	2,514,783	200,604
Deferred pension amounts	5,474,959	59,218	5,534,177	-
Deferred other postemployment benefit amounts	10,858,993	5,372,686	16,231,679	-
Total deferred inflows of resources	<u>17,021,604</u>	<u>7,259,035</u>	<u>24,280,639</u>	<u>200,604</u>
Net position				
Net investment in capital assets	182,545,424	78,304,443	260,849,867	23,759,686
Restricted for:				
Major streets	4,356,618	-	4,356,618	-
Local streets	1,586,942	-	1,586,942	-
Michigan justice training	28,652	-	28,652	-
Narcotics forfeiture	412,115	-	412,115	-
Building inspection	1,329,015	-	1,329,015	-
Special projects	622,163	-	622,163	-
Endowment - nonexpendable	879,909	-	879,909	-
Endowment - expendable	117,862	-	117,862	-
Opioid settlement	1,084,863	-	1,084,863	-
Loan commitments and lending activity	-	-	-	1,241,039
Unrestricted (deficit)	(106,648,868)	15,702,455	(90,946,413)	(17,593,980)
Total net position	<u>\$ 86,314,695</u>	<u>\$ 94,006,898</u>	<u>\$ 180,321,593</u>	<u>\$ 7,406,745</u>

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

CITY OF BATTLE CREEK, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2024

Functions / Programs	Program Revenues					Net (Expense) Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Primary government							
Governmental activities:							
General government	\$ 13,838,843	\$ 5,001,288	\$ 7,563,737	\$ -	\$ (1,273,818)		
Public safety	40,144,690	2,109,098	852,830	-	(37,182,762)		
Public works	2,028,257	108,021	107,849	-	(1,812,387)		
Highways and streets	18,390,465	3,507	11,466,576	-	(6,920,382)		
Recreation	4,150,773	2,794,871	25,000	-	(1,330,902)		
Community development	5,382,916	119,303	5,369,846	-	106,233		
Interest on long-term debt	1,079,092	-	-	-	(1,079,092)		
Total governmental activities	85,015,036	10,136,088	25,385,838	-	(49,493,110)		
Business-type activities:							
Water and wastewater	33,079,786	33,800,169	2,994,333	-	3,714,716		
Public transit	4,436,174	309,413	4,388,217	-	261,456		
Solid waste collection	4,432,603	4,371,477	59,247	-	(1,879)		
Airport	3,282,257	213,520	2,116,947	-	(951,790)		
Parking	1,397,152	424,536	1,721	-	(970,895)		
Economic development	984,394	-	747,576	-	(236,818)		
Intermodal facility	164,296	31,612	127,761	-	(4,923)		
Total business-type activities	47,776,662	39,150,727	10,435,802	-	1,809,867		
Total primary government	\$ 132,791,698	\$ 49,286,815	\$ 35,821,640	\$ -	\$ (47,683,243)		
Component units							
Community development	<u>\$ 12,493,942</u>	<u>\$ 1,378,930</u>	<u>\$ 3,479,585</u>	<u>\$ 2,424,586</u>	<u>\$ (5,210,841)</u>		

continued...

CITY OF BATTLE CREEK, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2024

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Changes in net position				
Net (expense) revenues	\$ (49,493,110)	\$ 1,809,867	\$ (47,683,243)	\$ (5,210,841)
General revenues:				
Property taxes	20,172,115	320,000	20,492,115	6,392,564
Income taxes	19,571,637	-	19,571,637	-
Grants and contributions not restricted to specific programs	13,982,508	-	13,982,508	-
Unrestricted investment earnings	3,030,658	1,267,504	4,298,162	1,164,562
Gain on sale of capital assets	-	-	-	63,224
Transfers	(2,110,874)	2,110,874	-	-
Total general revenues and transfers	54,646,044	3,698,378	58,344,422	7,620,350
Change in net position	5,152,934	5,508,245	10,661,179	2,409,509
Net position, beginning of year	81,161,761	88,498,653	169,660,414	4,997,236
Net position, end of year	<u>\$ 86,314,695</u>	<u>\$ 94,006,898</u>	<u>\$ 180,321,593</u>	<u>\$ 7,406,745</u>

concluded.

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

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FUND FINANCIAL STATEMENTS

CITY OF BATTLE CREEK, MICHIGAN

■ Balance Sheet

Governmental Funds
June 30, 2024

	General	Major Street and Trunkline Maintenance	Special Grants	ARPA	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Pooled cash and investments	\$ 15,053,753	\$ 3,187,793	\$ -	\$ -	\$ 11,107,901	\$ 29,349,447
Restricted cash and investments	-	-	-	12,904,499	-	12,904,499
Receivables:						
Interest	187	-	-	-	10,054	10,241
Accounts, net	2,426,206	-	-	-	-	2,426,206
Special assessments	281,185	-	-	-	183,671	464,856
Due from other governments	1,379,136	1,307,885	1,734,350	-	937,476	5,358,847
Taxes, net	338,843	-	-	-	-	338,843
Leases, current portion	20,699	15,013	-	-	29,454	65,166
Leases, long-term portion	196,993	179,260	-	-	246,233	622,486
Loans, long-term portion	-	-	9,173,972	-	2,730,197	11,904,169
Inventories	154,885	-	-	-	-	154,885
Prepaid items	164,061	-	-	-	-	164,061
Interfund receivable	2,288,585	-	-	-	-	2,288,585
Total assets	\$ 22,304,533	\$ 4,689,951	\$ 10,908,322	\$ 12,904,499	\$ 15,244,986	\$ 66,052,291
Liabilities						
Accounts payable	\$ 2,340,438	\$ 135,398	\$ 554,965	\$ 61,584	\$ 795,014	\$ 3,887,399
Accrued payroll	2,921,545	1,746	-	-	13,103	2,936,394
Retentions, deposits and other liabilities	-	-	-	-	209,635	209,635
Interfund payable	-	-	526,776	-	431,076	957,852
Unearned revenue	14,315	1,916	9,380,688	11,909,373	2,730,197	24,036,489
Total liabilities	5,276,298	139,060	10,462,429	11,970,957	4,179,025	32,027,769
Deferred inflows of resources						
Unavailable revenue:						
Opioid settlement	804,019	-	-	-	-	804,019
Special assessments	213,440	-	-	-	183,671	397,111
Income taxes	338,843	-	-	-	-	338,843
Deferred lease amounts	217,692	194,273	-	-	275,687	687,652
Total deferred inflows of resources	1,573,994	194,273	-	-	459,358	2,227,625
Fund balances						
Nonspendable	318,946	-	-	-	879,909	1,198,855
Restricted	903,007	4,356,618	-	-	3,474,586	8,734,211
Committed	1,436,975	-	445,893	933,542	3,747,134	6,563,544
Assigned	200,156	-	-	-	2,504,974	2,705,130
Unassigned	12,595,157	-	-	-	-	12,595,157
Total fund balances	15,454,241	4,356,618	445,893	933,542	10,606,603	31,796,897
Total liabilities, deferred inflows of resources and fund balances	\$ 22,304,533	\$ 4,689,951	\$ 10,908,322	\$ 12,904,499	\$ 15,244,986	\$ 66,052,291

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

CITY OF BATTLE CREEK, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2024

Fund balances - total governmental funds	\$ 31,796,897
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	5,215,733
Capital assets being depreciated, net	200,815,952
Less: capital assets being accounted for in internal service funds	(10,985,217)
Internal service funds are used by management to charge the costs of certain equipment usage to individual governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Net position of governmental internal service funds	17,072,478
Portion of internal service funds cumulative net operating income attributed to business-type funds	(4,670,482)
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, not included in fund balance.	
Unavailable opioid settlement receivable	804,019
Unavailable special assessments	397,111
Unavailable income taxes receivable	338,843
Gains and losses on refunding are not reported in the governmental funds, whereas they are capitalized and amortized for net position.	
Deferred charge on refunding	514,744
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds and related premiums/discounts and notes from direct borrowings and direct placements payable	(32,060,389)
Accrued interest on long-term debt	(1,142,273)
Net pension liability	(102,900,868)
Deferred outflows of resources related to the net pension liability	11,186,877
Deferred inflows of resources related to the net pension liability	(5,474,959)
Net other postemployment benefit liability	(11,603,622)
Deferred outflows of resources related to the net other postemployment benefit liability	1,319,719
Deferred inflows of resources related to the net other postemployment benefit liability	(10,858,993)
Compensated absences	<u>(3,450,875)</u>
Net position of governmental activities	<u>\$ 86,314,695</u>

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

CITY OF BATTLE CREEK, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2024

	General	Major Street and Trunkline Maintenance	Special Grants	ARPA	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 37,391,365	\$ -	\$ -	\$ -	\$ 2,013,544	\$ 39,404,909
Licenses and permits	986,968	-	-	-	-	986,968
Intergovernmental:						
Federal	86,191	-	3,664,657	6,471,523	2,338,105	12,560,476
State	10,479,213	9,049,696	472,413	-	2,476,214	22,477,536
Local	2,924,746	-	-	-	180,000	3,104,746
Charges for services	3,930,557	-	-	-	868,504	4,799,061
Fines and forfeitures	98,359	-	-	-	-	98,359
Investment earnings	1,277,048	110,558	-	933,542	331,290	2,652,438
Contributions	42,931	-	539,706	-	30,561	613,198
Rents and leases	36,841	15,914	-	-	45,996	98,751
Other	1,033,259	24,830	47,162	-	222,005	1,327,256
Total revenues	58,287,478	9,200,998	4,723,938	7,405,065	8,506,219	88,123,698
Expenditures						
Current expenditures:						
General government	7,184,845	-	1,529,973	3,381,888	1,536,409	13,633,115
Public safety	36,596,277	-	1,053,346	396,953	129,449	38,176,025
Public works	3,415,685	-	-	-	-	3,415,685
Highway and streets	-	6,871,681	-	-	6,491,227	13,362,908
Recreation	3,488,238	-	25,000	385,650	-	3,898,888
Community development	879,930	-	3,357,815	-	2,457,408	6,695,153
Inspections	-	-	-	-	1,017,766	1,017,766
Non-departmental	437,440	-	-	-	-	437,440
Debt service:						
Principal	367,460	-	-	234,614	1,615,000	2,217,074
Interest and other fiscal charges	19,235	-	-	-	922,696	941,931
Total expenditures	52,389,110	6,871,681	5,966,134	4,399,105	14,169,955	83,795,985
Revenue over (under) expenditures	5,898,368	2,329,317	(1,242,196)	3,005,960	(5,663,736)	4,327,713
Other financing sources (uses)						
Issuance of other long-term liabilities	-	-	-	234,614	-	234,614
Transfers in	574,000	-	949,246	-	8,615,366	10,138,612
Transfers out	(6,452,614)	(2,500,000)	(19,818)	(2,307,032)	(761,427)	(12,040,891)
Total other financing sources (uses)	(5,878,614)	(2,500,000)	929,428	(2,072,418)	7,853,939	(1,667,665)
Net change in fund balances	19,754	(170,683)	(312,768)	933,542	2,190,203	2,660,048
Fund balances, beginning of year	15,434,487	4,527,301	758,661	-	8,416,400	29,136,849
Fund balances, end of year	\$ 15,454,241	\$ 4,356,618	\$ 445,893	\$ 933,542	\$ 10,606,603	\$ 31,796,897

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

CITY OF BATTLE CREEK, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$ 2,660,048
Amounts reported for <i>governmental activities</i> 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 is allocated over their estimated useful lives and reported as depreciation/amortization expense.	
Acquisition/construction of capital assets	10,877,212
Less: acquisition/construction of capital assets being accounted for in internal service funds	(4,234,218)
Depreciation/amortization expense	(12,424,509)
Less: depreciation/amortization expense being accounted for in internal service funds	2,614,099
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather deferred to subsequent fiscal years.	
Change in unavailable revenues related to opioid settlement receivables	408,873
Change in long-term special assessments receivable	122,184
Change in unavailable revenues related to income taxes receivable	338,843
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position.	
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Issuance of other long-term liabilities	(234,614)
Principal payments on bonds, notes and other long-term liabilities	2,217,074
Amortization of bond premium	130,573
Amortization of bond discount	(6,169)
Amortization of deferred charge on refunding	(75,229)
Internal service funds are used by management to charge the costs of certain equipment usage to individual governmental funds. The net revenues (expense) attributable to those funds is reported with governmental activities.	
Net operating loss from governmental activities in internal service funds	(373,963)
Less: net operating loss from business-type activities in internal service funds	124,011
Intergovernmental subsidies from governmental internal service funds	468,261
Interest earnings from governmental internal service funds	378,220
Loss on disposal of capital assets from governmental internal service funds	(19,810)
Transfers received in governmental internal service funds	515,000
Transfers made from governmental internal services funds	(723,595)
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.	
Change in accrued interest payable on long-term debt	(186,336)
Change in the net pension liability and related deferred amounts	(1,730,354)
Change in net other postemployment benefit liability and related deferred amounts	4,498,112
Change in the accrual for compensated absences	<u>(190,779)</u>
Change in net position of governmental activities	<u>\$ 5,152,934</u>

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

CITY OF BATTLE CREEK, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
City income	\$ 18,351,000	\$ 18,680,500	\$ 19,232,794	\$ 552,294
Real estate	15,380,162	15,388,362	15,209,285	(179,077)
Personal property	2,311,991	2,058,291	2,069,663	11,372
Administration fees	802,742	802,742	814,361	11,619
Other	69,529	69,529	65,262	(4,267)
Total taxes	<u>36,915,424</u>	<u>36,999,424</u>	<u>37,391,365</u>	<u>391,941</u>
Licenses and permits	<u>907,335</u>	<u>973,835</u>	<u>986,968</u>	<u>13,133</u>
Intergovernmental:				
Federal	35,000	35,000	86,191	51,191
State	8,894,445	9,192,645	10,479,213	1,286,568
Local	2,643,181	2,643,181	2,924,746	281,565
Total intergovernmental	<u>11,572,626</u>	<u>11,870,826</u>	<u>13,490,150</u>	<u>1,619,324</u>
Charges for services:				
Recreation	2,105,150	2,274,250	2,643,209	368,959
Police services	1,558,283	1,603,283	1,287,348	(315,935)
Total charges for services	<u>3,663,433</u>	<u>3,877,533</u>	<u>3,930,557</u>	<u>53,024</u>
Fines and forfeitures	<u>50,000</u>	<u>100,000</u>	<u>98,359</u>	<u>(1,641)</u>
Investment earnings	<u>400,000</u>	<u>1,050,000</u>	<u>1,277,048</u>	<u>227,048</u>
Contributions	<u>500</u>	<u>10,500</u>	<u>42,931</u>	<u>32,431</u>
Rent and leases	<u>51,001</u>	<u>51,001</u>	<u>36,841</u>	<u>(14,160)</u>
Other	<u>405,169</u>	<u>405,169</u>	<u>1,033,259</u>	<u>628,090</u>
Total revenues	<u>53,965,488</u>	<u>55,338,288</u>	<u>58,287,478</u>	<u>2,949,190</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures				
Current:				
General government:				
Administration:				
Mayor and city commission	\$ 159,492	\$ 213,492	\$ 210,472	\$ (3,020)
City clerk and elections	974,093	692,693	702,949	10,256
City manager	1,358,368	1,444,468	1,753,328	308,860
Neighborhood code compliance	350,160	350,160	394,200	44,040
Labor relations	301,382	63,482	63,418	(64)
Human resources	567,787	567,787	559,508	(8,279)
Legal department	1,244,406	1,244,406	1,454,184	209,778
Civil service	160,214	124,614	114,036	(10,578)
Administrative reimbursements	(2,438,882)	(2,438,882)	(2,438,765)	117
Total administration	<u>2,677,020</u>	<u>2,262,220</u>	<u>2,813,330</u>	<u>551,110</u>
Revenue services:				
Finance	1,420,716	1,378,716	1,379,115	399
Purchasing	352,179	352,179	371,046	18,867
Treasurer's office	406,104	471,104	550,100	78,996
Assessing	614,709	629,709	625,484	(4,225)
City hall maintenance	676,694	686,694	719,396	32,702
Income tax division	608,098	633,098	726,374	93,276
Total revenue services	<u>4,078,500</u>	<u>4,151,500</u>	<u>4,371,515</u>	<u>220,015</u>
Total general government	<u>6,755,520</u>	<u>6,413,720</u>	<u>7,184,845</u>	<u>771,125</u>
Public safety:				
Police department	23,368,898	23,096,352	22,401,694	(694,658)
Fire department	13,797,631	13,542,141	13,478,827	(63,314)
Dispatch	716,700	716,700	715,756	(944)
Total public safety	<u>37,883,229</u>	<u>37,355,193</u>	<u>36,596,277</u>	<u>(758,916)</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Public works -				
Street and storm sewers	\$ 3,186,641	\$ 3,230,387	\$ 3,415,685	\$ 185,298
Recreation	2,919,269	3,069,269	3,488,238	418,969
Community development	841,950	929,148	879,930	(49,218)
Non-departmental:				
Special projects	167,204	177,204	161,069	(16,135)
AccessVision	313,735	313,735	276,371	(37,364)
Total non-departmental	480,939	490,939	437,440	(53,499)
Debt service:				
Principal	367,460	367,460	367,460	-
Interest and other fiscal charges	19,235	19,235	19,235	-
Total debt service	386,695	386,695	386,695	-
Total expenditures	52,454,243	51,875,351	52,389,110	513,759
Revenue over expenditures	1,511,245	3,462,937	5,898,368	2,435,431
Other financing sources (uses)				
Transfers in	1,700,000	574,000	574,000	-
Transfers out	(3,841,855)	(3,543,993)	(6,452,614)	2,908,621
Total other financing sources (uses)	(2,141,855)	(2,969,993)	(5,878,614)	(2,908,621)
Net change in fund balance	(630,610)	492,944	19,754	(473,190)
Fund balance, beginning of year	15,434,487	15,434,487	15,434,487	-
Fund balance, end of year	\$ 14,803,877	\$ 15,927,431	\$ 15,454,241	\$ (473,190)

concluded.

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

CITY OF BATTLE CREEK, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - Major Street and Trunkline Maintenance Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental - state	\$ 8,540,000	\$ 8,540,000	\$ 9,049,696	\$ 509,696
Investment earnings	-	-	110,558	110,558
Rents and leases	20,000	20,000	15,914	(4,086)
Other	-	-	24,830	24,830
Total revenues	8,560,000	8,560,000	9,200,998	640,998
Expenditures				
Current -				
Highways and streets	9,690,007	9,704,383	6,871,681	(2,832,702)
Revenues over (under) expenditures	(1,130,007)	(1,144,383)	2,329,317	3,473,700
Other financing uses				
Transfers out	(2,500,000)	(2,500,000)	(2,500,000)	-
Net change in fund balance	(3,630,007)	(3,644,383)	(170,683)	3,473,700
Fund balance, beginning of year	4,527,301	4,527,301	4,527,301	-
Fund balance, end of year	\$ 897,294	\$ 882,918	\$ 4,356,618	\$ 3,473,700

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

CITY OF BATTLE CREEK, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - Special Grants Special Revenue Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental:				
Federal	\$ -	\$ 7,922,526	\$ 3,664,657	\$ (4,257,869)
State	-	2,139,643	472,413	(1,667,230)
Contributions	-	635,154	539,706	(95,448)
Other	-	44,737	47,162	2,425
Total revenues	-	10,742,060	4,723,938	(6,018,122)
Expenditures				
Current:				
General government	-	3,615,391	1,529,973	(2,085,418)
Public safety	1,066,202	4,028,054	1,053,346	(2,974,708)
Recreation	-	25,832	25,000	(832)
Community development	354,255	5,207,454	3,357,815	(1,849,639)
Total expenditures	1,420,457	12,876,731	5,966,134	(6,910,597)
Revenues under expenditures	(1,420,457)	(2,134,671)	(1,242,196)	892,475
Other financing sources (uses)				
Transfers in	-	2,097,602	949,246	(1,148,356)
Transfers out	-	(1,500)	(19,818)	18,318
Total other financing sources (uses)	-	2,096,102	929,428	(1,166,674)
Net change in fund balance	(1,420,457)	(38,569)	(312,768)	(274,199)
Fund balance, beginning of year	758,661	758,661	758,661	-
Fund balance, end of year	\$ (661,796)	\$ 720,092	\$ 445,893	\$ (274,199)

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

CITY OF BATTLE CREEK, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - ARPA Special Revenue Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental - federal	\$ 2,922,167	\$ 18,380,896	\$ 6,471,523	\$ (11,909,373)
Investment earnings	150,000	150,000	933,542	783,542
Total revenues	3,072,167	18,530,896	7,405,065	(11,125,831)
Expenditures				
Current:				
General government	91,167	13,098,019	3,381,888	(9,716,131)
Public safety	-	447,945	396,953	(50,992)
Recreation	-	385,650	385,650	-
Debt service -				
Principal	-	-	234,614	234,614
Total expenditures	91,167	13,931,614	4,399,105	(9,532,509)
Revenues over expenditures	2,981,000	4,599,282	3,005,960	(1,593,322)
Other financing sources (uses)				
Issuance of other long-term liabilities	-	-	234,614	234,614
Transfers out	(2,831,000)	(3,308,538)	(2,307,032)	(1,001,506)
Total other financing sources (uses)	(2,831,000)	(3,308,538)	(2,072,418)	1,236,120
Net change in fund balance	150,000	1,290,744	933,542	(357,202)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ 150,000	\$ 1,290,744	\$ 933,542	\$ (357,202)

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

CITY OF BATTLE CREEK, MICHIGAN

Statement of Net Position

Proprietary Funds
June 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Water and Wastewater System	Battle Creek Transit System	Battle Creek Executive Airport / FAA	Nonmajor Enterprise Funds	Total	Internal Service Funds	
Assets							
Current assets:							
Pooled cash and investments	\$ 31,518,231	\$ -	\$ 1,009,226	\$ 3,896,056	\$ 36,423,513	\$ 7,980,430	
Receivables:							
Interest	-	-	15,419	22,774	38,193	85,448	
Accounts, net	5,321,449	55,830	44,440	1,316,272	6,737,991	521,891	
Special assessments	535,475	-	-	-	535,475	-	
Due from other governments	9,288	2,060,728	-	-	2,070,016	-	
Leases, current portion	165,120	-	-	-	165,120	-	
Loans, current portion	-	-	-	215,550	215,550	-	
Inventories	2,264,611	105,936	-	-	2,370,547	569,902	
Prepaid items	-	4,275	-	-	4,275	250	
Total current assets	39,814,174	2,226,769	1,069,085	5,450,652	48,560,680	9,157,921	
Noncurrent assets:							
Leases receivable	1,662,011	-	-	-	1,662,011	-	
Loans receivable	-	-	-	6,084,883	6,084,883	-	
Capital assets not being depreciated/amortized	12,094,042	66,499	2,100,920	1,505,125	15,766,586	48,823	
Capital assets being depreciated/amortized, net	71,666,314	1,337,662	9,796,290	967,823	83,768,089	10,936,394	
Total noncurrent assets	83,760,356	1,404,161	11,897,210	8,557,831	105,619,558	10,985,217	
Total assets	125,236,541	3,630,930	12,966,295	14,008,483	155,842,249	20,143,138	
Deferred outflows of resources							
Deferred pension amounts	2,963,873	946,359	322,387	41,598	4,274,217	-	
Deferred other postemployment benefit amounts	477,387	138,087	37,481	-	652,955	-	
Total deferred outflows of resources	3,441,260	1,084,446	359,868	41,598	4,927,172	-	
Liabilities							
Current liabilities:							
Accounts payable and accrued liabilities	1,754,777	60,591	115,407	733,502	2,664,277	516,890	
Retentions, deposits and other liabilities	250,085	-	-	99,256	349,341	-	
Accrued interest payable	75,206	-	-	-	75,206	-	
Interfund payable	-	808,014	-	522,719	1,330,733	-	
Unearned revenue	132,140	6,553	93,085	5,500	237,278	146,119	
Compensated absences, current portion	587,374	76,214	92,851	64,388	820,827	268,293	
Claims payable, current portion	-	-	-	-	-	846,039	
Installment obligations payable, current portion	-	-	-	-	-	31,027	
Subscription liability, current portion	-	-	-	-	-	242,053	
Bonds payable, current portion	943,584	-	-	-	943,584	-	
Total current liabilities	3,743,166	951,372	301,343	1,425,365	6,421,246	2,050,421	
Noncurrent liabilities:							
Compensated absences	65,263	8,469	10,319	7,155	91,206	-	
Claims payable	-	-	-	-	-	306,740	
Installment obligations payable	-	-	-	-	-	18,546	
Subscription liability	-	-	-	-	-	694,953	
Bonds payable	20,286,648	-	-	-	20,286,648	-	
Net pension liability	21,935,823	7,004,070	2,386,002	307,871	31,633,766	-	
Net other postemployment benefit liability	4,197,423	1,214,131	329,550	-	5,741,104	-	
Total noncurrent liabilities	46,485,157	8,226,670	2,725,871	315,026	57,752,724	1,020,239	
Total liabilities	50,228,323	9,178,042	3,027,214	1,740,391	64,173,970	3,070,660	
Deferred inflows of resources							
Deferred lease amounts	1,827,131	-	-	-	1,827,131	-	
Deferred pension amounts	41,064	13,112	4,466	576	59,218	-	
Deferred other postemployment benefit amounts	3,928,066	1,136,218	308,402	-	5,372,686	-	
Total deferred inflows of resources	5,796,261	1,149,330	312,868	576	7,259,035	-	
Net position							
Net investment in capital assets	62,530,124	1,404,161	11,897,210	2,472,948	78,304,443	9,998,638	
Unrestricted (deficit)	10,123,093	(7,016,157)	(1,911,129)	9,836,166	11,031,973	7,073,840	
Total net position (deficit)	\$ 72,653,217	\$ (5,611,996)	\$ 9,986,081	\$ 12,309,114	\$ 89,336,416	\$ 17,072,478	

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

CITY OF BATTLE CREEK, MICHIGAN

Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
June 30, 2024

Net position - total enterprise funds	\$ 89,336,416
----------------------------------------------	---------------

Amounts reported for *business-type activities* in the statement of net position
are different because:

Internal service funds are used by management to charge the costs of certain services
to individual governmental and enterprise funds. The net revenues (expense) of
the internal service funds are allocated to governmental and business-type activities.

Portion of internal service funds cumulative net operating income
attributed to enterprise funds.

4,670,482

Net position of business-type activities	<u>\$ 94,006,898</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF BATTLE CREEK, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Water and Wastewater System	Battle Creek Transit System	Battle Creek Executive Airport / FAA	Nonmajor Enterprise Funds	Total	Internal Service Funds	
Operating revenues							
Charges for services	\$ 33,800,169	\$ 309,413	\$ 213,520	\$ 4,827,625	\$ 39,150,727	\$ 23,165,207	
Rents and leases	224,128	-	1,374,028	119,883	1,718,039	1,815,000	
Other	911,887	127,682	399,837	152,270	1,591,676	226,908	
Total operating revenues	34,936,184	437,095	1,987,385	5,099,778	42,460,442	25,207,115	
Operating expenses							
Personnel services	10,920,353	2,966,170	1,213,517	1,049,646	16,149,686	4,711,641	
Materials and supplies	3,482,203	525,480	136,353	58,311	4,202,347	2,415,555	
Contractual and other	11,519,378	618,509	1,022,069	5,508,735	18,668,691	15,839,783	
Depreciation/amortization	6,353,641	312,885	906,744	360,450	7,933,720	2,614,099	
Total operating expenses	32,275,575	4,423,044	3,278,683	6,977,142	46,954,444	25,581,078	
Operating income (loss)	2,660,609	(3,985,949)	(1,291,298)	(1,877,364)	(4,494,002)	(373,963)	
Nonoperating revenues (expenses)							
Property taxes	-	-	-	320,000	320,000	-	
Intergovernmental subsidies:							
Federal	26,246	2,003,207	59,000	-	2,088,453	-	
State	1,832,072	1,872,257	182,644	533,652	4,420,625	468,261	
Local	-	385,071	101,438	130,500	617,009	-	
Investment earnings	1,139,001	-	21,174	107,329	1,267,504	378,220	
Interest expense	(698,207)	-	-	-	(698,207)	-	
Loss on disposal of capital assets	-	-	-	-	-	(19,810)	
Total nonoperating revenues (expenses)	2,299,112	4,260,535	364,256	1,091,481	8,015,384	826,671	
Income (loss) before transfers	4,959,721	274,586	(927,042)	(785,883)	3,521,382	452,708	
Transfers in	19,755	644,482	911,574	710,063	2,285,874	515,000	
Transfers out	(175,000)	-	-	-	(175,000)	(723,595)	
Change in net position	4,804,476	919,068	(15,468)	(75,820)	5,632,256	244,113	
Net position (deficit), beginning of year	67,848,741	(6,531,064)	10,001,549	12,384,934	83,704,160	16,828,365	
Net position (deficit), end of year	\$ 72,653,217	\$ (5,611,996)	\$ 9,986,081	\$ 12,309,114	\$ 89,336,416	\$ 17,072,478	

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

CITY OF BATTLE CREEK, MICHIGAN

Reconciliation

Change in Net Position of Enterprise Funds
to Change in Net Position of Business-type Activities
For the Year Ended June 30, 2024

Change in net position - total enterprise funds	\$ 5,632,256
--------------------------------------------------------	--------------

Amounts reported for *business-type activities* in the statement of activities
are different because:

Internal service funds are used by management to charge the costs of certain services
to individual governmental and enterprise funds. The current year net operating loss
of the internal service funds are allocated to governmental and business-type activities.

(124,011)

Change in net position of business-type activities	<u>\$ 5,508,245</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF BATTLE CREEK, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Wastewater System	Battle Creek Transit System	Battle Creek Executive Airport / FAA	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 33,618,637	\$ 390,279	\$ 2,081,844	\$ 4,801,107	\$ 40,891,867	\$ -
Loans collected from borrowers	-	-	-	999,046	999,046	-
Receipts from interfund services	-	-	-	-	-	25,207,115
Payments to suppliers and contractors	(14,106,948)	(1,189,734)	(1,114,126)	(5,516,308)	(21,927,116)	(18,780,791)
Payments to employees	(13,591,252)	(4,021,550)	(1,443,357)	(897,438)	(19,953,597)	(4,654,832)
Payments for interfund services	(106,004)	(13,130)	(3,574)	(1,303)	(124,011)	-
Net cash provided by (used in) operating activities	5,814,433	(4,834,135)	(479,213)	(614,896)	(113,811)	1,771,492
Cash flows from noncapital financing activities						
Transfers in	19,755	644,482	911,574	710,063	2,285,874	515,000
Transfers out	(175,000)	-	-	-	(175,000)	(723,595)
Property taxes	-	-	-	320,000	320,000	-
Intergovernmental subsidies	1,858,318	4,213,235	343,082	664,152	7,078,787	468,261
Net cash provided by (used in) noncapital financing activities	1,703,073	4,857,717	1,254,656	1,694,215	9,509,661	259,666
Cash flows from capital and related financing activities						
Issuance of subscription liabilities	-	-	-	-	-	982,031
Principal and interest paid on debt	(1,579,898)	-	-	-	(1,579,898)	-
Principal paid on installment obligations payable	-	-	-	-	-	(30,256)
Principal paid on subscription liability	-	-	-	-	-	(45,025)
Purchase of capital assets	(12,194,625)	(23,582)	(377,734)	-	(12,595,941)	(4,234,218)
Net cash provided by (used in) capital and related financing activities	(13,774,523)	(23,582)	(377,734)	-	(14,175,839)	(3,327,468)
Cash flows from investing activities						
Investment earnings	1,139,001	-	21,922	94,970	1,255,893	384,930
Net change in pooled cash and investments	(5,118,016)	-	419,631	1,174,289	(3,524,096)	(911,380)
Pooled cash and investments, beginning of year	36,636,247	-	589,595	2,721,767	39,947,609	8,891,810
Pooled cash and investments, end of year	\$ 31,518,231	\$ -	\$ 1,009,226	\$ 3,896,056	\$ 36,423,513	\$ 7,980,430

continued...

CITY OF BATTLE CREEK, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Water and Wastewater System	Battle Creek Transit System	Battle Creek Executive Airport / FAA	Nonmajor Enterprise Funds	Total	Internal Service Funds	
Cash flows from operating activities							
Operating income (loss)	\$ 2,660,609	\$ (3,985,949)	\$ (1,291,298)	\$ (1,877,364)	\$ (4,494,002)	\$ (373,963)	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation/amortization	6,353,641	312,885	906,744	360,450	7,933,720	2,614,099	
Changes in assets and liabilities:							
Accounts receivable	(960,256)	(46,816)	99,045	(298,671)	(1,206,698)	146,816	
Special assessments receivable	(259,795)	-	-	-	(259,795)	-	
Due from other governments	(9,288)	-	-	-	(9,288)	-	
Leases receivable	153,490	-	-	-	153,490	-	
Loans receivable	-	-	-	999,046	999,046	-	
Inventories	1,325	15,197	-	-	16,522	(16,920)	
Prepaid items	4,493	(4,275)	110	286	614	4,760	
Accounts payable and accrued liabilities	776,439	(52,579)	40,612	54,622	819,094	(421,805)	
Compensated absences	18,452	(568)	13,451	25,281	56,616	56,809	
Retentions, deposits and other liabilities	6,372	-	-	1,251	7,623	-	
Claims payable	-	-	-	-	-	(243,824)	
Interfund payable	-	(262,209)	-	135,111	(127,098)	-	
Unearned revenue	(88,208)	-	(4,586)	-	(92,794)	5,520	
Deferred lease amounts	(153,490)	-	-	-	(153,490)	-	
Net pension liability	(1,943,272)	(620,483)	(211,373)	(27,274)	(2,802,402)	-	
Deferred outflows related to the net pension liability	1,003,132	320,299	109,111	14,080	1,446,622	-	
Deferred inflows related to the net pension liability	(122,090)	(38,983)	(13,280)	(1,714)	(176,067)	-	
Net other postemployment benefit liability	(557,330)	(161,211)	(43,757)	-	(762,298)	-	
Deferred outflows related to the net other postemployment benefit liability	465,060	134,522	36,513	-	636,095	-	
Deferred inflows related to the net other postemployment benefit liability	(1,534,851)	(443,965)	(120,505)	-	(2,099,321)	-	
Net cash provided by (used in) operating activities	\$ 5,814,433	\$ (4,834,135)	\$ (479,213)	\$ (614,896)	\$ (113,811)	\$ 1,771,492	

concluded.

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

CITY OF BATTLE CREEK, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
Assets		
Pooled cash and investments	\$ -	\$ 543,653
Cash and cash equivalents	3,996,008	-
Investments:		
Fixed income:		
Corporate bonds	7,891,315	-
Foreign bonds	1,969,621	-
Private placements	49,536	-
U.S. federal agencies	40,278	-
U.S. government securities	19,599,721	-
Asset backed securities	1,206,414	-
Collateralized mortgage obligations	3,519,969	-
Mortgage backed securities	8,852,863	-
Mutual funds	138,731,110	-
MERS total market portfolio	10,187,534	-
Taxes receivable	-	35,856
Interest receivable	408,325	-
Pension contributions receivable	177,082	-
Delinquent taxes receivable	-	618,026
Total assets	<u>196,629,776</u>	<u>1,197,535</u>
Liabilities		
Due to other governments	202,528	-
Undistributed receipts	-	988,732
Total liabilities	<u>202,528</u>	<u>988,732</u>
Net position		
Restricted for:		
Pension	186,091,419	-
Other postemployment healthcare benefits	10,335,829	-
Individuals, organizations, and other governments	-	208,803
Total net position	<u>\$ 196,427,248</u>	<u>\$ 208,803</u>

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

CITY OF BATTLE CREEK, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
Additions		
Investment income:		
Net change in fair value of investments	\$ 19,133,556	\$ -
Interest and dividends	4,956,739	-
Less investment expenses	(124,296)	-
	<hr/>	<hr/>
Total net investment income	<hr/>	-
	23,965,999	<hr/>
Contributions:		
Employer	7,732,050	-
Employee	2,401,152	-
	<hr/>	<hr/>
Total contributions	<hr/>	-
	10,133,202	<hr/>
Fire insurance collections	-	118,721
Taxes collected for other governments	-	81,609,963
	<hr/>	<hr/>
Total additions	<hr/>	81,728,684
Deductions		
Benefit payments and refunds	15,137,589	-
Administrative expenses	237,183	-
Fire insurance distributions	-	99,590
Payments of taxes to other governments	-	81,609,963
	<hr/>	<hr/>
Total deductions	<hr/>	81,709,553
Change in net position	18,724,429	19,131
Net position, beginning of year	<hr/>	189,672
Net position, end of year	<hr/>	\$ 208,803

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

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COMPONENT UNITS FINANCIAL STATEMENTS

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Net Position

Component Units

June 30, 2024

	Battle Creek Downtown Development Authority	Lakeview Downtown Development Authority	Battle Creek Tax Increment Financing Authority	Brownfield Redevelopment Authority
Assets				
Pooled cash and investments	\$ 2,797,500	\$ 1,098,858	\$ 5,084,115	\$ 2,805,838
Receivables, net	374,396	799	603,843	1,096
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Leases receivable:				
Due within one year	31,315	20,697	-	-
Due in more than one year	32,527	116,065	-	-
Loans receivable:				
Due within one year	89,450	-	-	-
Due in more than one year	373,443	-	4,499,862	-
Capital assets not being depreciated	-	-	14,282,857	-
Capital assets being depreciated, net	-	-	9,461,764	-
Total assets	<u>3,698,631</u>	<u>1,236,419</u>	<u>33,932,441</u>	<u>2,806,934</u>
Deferred outflows of resources				
Deferred charge on refunding	<u>724,857</u>	<u>-</u>	<u>20,639</u>	<u>-</u>
Liabilities				
Accounts payable and accrued liabilities	22,051	881,314	2,830,832	341,319
Accrued interest payable	139,902	-	12,236	-
Unearned revenue	3,667	-	-	-
Long-term liabilities:				
Due within one year	1,879,484	-	555,000	-
Due in more than one year	<u>20,500,000</u>	<u>-</u>	<u>4,110,000</u>	<u>2,749,862</u>
Total liabilities	<u>22,545,104</u>	<u>881,314</u>	<u>7,508,068</u>	<u>3,091,181</u>
Deferred inflows of resources				
Deferred lease amounts	<u>63,842</u>	<u>136,762</u>	<u>-</u>	<u>-</u>
Net position				
Investment in capital assets	-	-	23,744,621	-
Restricted for loan commitments and lending activity	1,241,039	-	-	-
Unrestricted (deficit)	<u>(19,426,497)</u>	<u>218,343</u>	<u>2,700,391</u>	<u>(284,247)</u>
Total net position (deficit)	<u>\$ (18,185,458)</u>	<u>\$ 218,343</u>	<u>\$ 26,445,012</u>	<u>\$ (284,247)</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Net Position

Component Units

June 30, 2024

	Local Development Finance Authority	Cereal City Development Corporation	Total
Assets			
Pooled cash and investments	\$ 401,014	\$ 151,769	\$ 12,339,094
Receivables, net	-	91,480	1,071,614
Inventories	-	13,043	13,043
Prepaid items	-	10,083	10,083
Leases receivable:			
Due within one year	-	-	52,012
Due in more than one year	-	-	148,592
Loans receivable:			
Due within one year	-	-	89,450
Due in more than one year	-	-	4,873,305
Capital assets not being depreciated	-	-	14,282,857
Capital assets being depreciated, net	-	15,065	9,476,829
Total assets	401,014	281,440	42,356,879
Deferred outflows of resources			
Deferred charge on refunding	-	-	745,496
Liabilities			
Accounts payable and accrued liabilities	1,332	46,337	4,123,185
Accrued interest payable	-	-	152,138
Unearned revenue	-	21,690	25,357
Long-term liabilities:			
Due within one year	-	-	2,434,484
Due in more than one year	1,400,000	-	28,759,862
Total liabilities	1,401,332	68,027	35,495,026
Deferred inflows of resources			
Deferred lease amounts	-	-	200,604
Net position			
Investment in capital assets	-	15,065	23,759,686
Restricted for loan commitments and lending activity	-	-	1,241,039
Unrestricted (deficit)	(1,000,318)	198,348	(17,593,980)
Total net position (deficit)	\$ (1,000,318)	\$ 213,413	\$ 7,406,745

concluded.

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

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Activities

Component Units

For the Year Ended June 30, 2024

	Battle Creek Downtown Development Authority	Lakeview Downtown Development Authority	Battle Creek Tax Increment Financing Authority	Brownfield Redevelopment Authority
Expenses				
Community development	\$ 2,860,784	\$ 2,434,956	\$ 4,581,385	\$ 625,282
Program revenues				
Charges for services	61,778	25,000	39,263	-
Operating grants and contributions	2,960,995	-	-	86,819
Capital grants and contributions	-	-	2,424,586	-
Total program revenues	3,022,773	25,000	2,463,849	86,819
Net program revenues (expenses)	161,989	(2,409,956)	(2,117,536)	(538,463)
General revenues				
Property taxes	1,716,028	2,372,988	1,281,432	616,798
Unrestricted investment earnings	338,572	98,478	603,021	101,791
Gain on sale of capital assets	-	-	63,224	-
Total general revenues	2,054,600	2,471,466	1,947,677	718,589
Change in net position	2,216,589	61,510	(169,859)	180,126
Net position (deficit), beginning of year	(20,402,047)	156,833	26,614,871	(464,373)
Net position (deficit), end of year	\$ (18,185,458)	\$ 218,343	\$ 26,445,012	\$ (284,247)

continued...

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Activities

Component Units

For the Year Ended June 30, 2024

	Local Development Finance Authority	Cereal City Development Corporation	Total
Expenses			
Community development	\$ 144,231	\$ 1,847,304	\$ 12,493,942
Program revenues			
Charges for services	-	1,252,889	1,378,930
Operating grants and contributions	-	431,771	3,479,585
Capital grants and contributions	-	-	2,424,586
Total program revenues	-	1,684,660	7,283,101
Net program revenues (expenses)	(144,231)	(162,644)	(5,210,841)
General revenues			
Property taxes	405,318	-	6,392,564
Unrestricted investment earnings	22,700	-	1,164,562
Gain on sale of capital assets	-	-	63,224
Total general revenues	428,018	-	7,620,350
Change in net position	283,787	(162,644)	2,409,509
Net position (deficit), beginning of year	(1,284,105)	376,057	4,997,236
Net position (deficit), end of year	<u>\$ (1,000,318)</u>	<u>\$ 213,413</u>	<u>\$ 7,406,745</u>

concluded.

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

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NOTES TO FINANCIAL STATEMENTS

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements present the activities of the City of Battle Creek, Michigan (the "City") and its seven component units, legally separate organizations for which the City is financially accountable. The activities of the Building Authority are so intertwined with the City that it is, in substance, the same as the City and, therefore, is blended and reported as if it were part of the City. The other six component units are not so intertwined and, therefore, are discretely presented in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. The component units each have a June 30 year end.

Component Unit	Included in the Reporting Entity Because	Separate Financial Statements Available
Building Authority (BA); finances and constructs the City's public buildings	City Commission appoints, may remove BA board and would be financially responsible for any debt of the BA	Not prepared
Battle Creek Downtown Development Authority (DDA); corrects and prevents deterioration in the downtown district, encourages historical preservation and promotes economic development	City Commission appoints, may remove DDA board and would be financially responsible for any debt of the DDA	Finance Department in City Hall
Lakeview Downtown Development Authority (LDDA); promotes development of the Lakeview district	City Commission appoints, may remove LDDA board and would be financially responsible for any debt of the LDDA	Finance Department in City Hall
Battle Creek Tax Increment Financing Authority (TIFA); administers the Fort Custer Industrial Park development district	City Commission appoints, may remove TIFA board and would be financially responsible for any debt of the TIFA	Finance Department in City Hall
Brownfield Redevelopment Authority (BRA); administers brownfield redevelopment projects	City Commission appoints, may remove BRA board and would be financially responsible for any debt of the BRA	Finance Department in City Hall
Local Development Finance Authority (LDFA); encourages technological development through the City's "SmartZone"	City Commission appoints, may remove LDFA board and would be financially responsible for any debt of the LDFA	Finance Department in City Hall
Cereal City Development Corporation (CCDC); promotes community and economic development through the organization and management of events in the City	City Commission appoints, may remove CCDC board and would be financially responsible for any debt of the CCDC	CCDC Administration Office

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Fiduciary Component Units

The *City of Battle Creek, Michigan Police and Fire Retirement System* (the "System") is a single-employer defined benefit contributory pension plan which provides retirement, disability and death benefits to, and contributes toward postemployment healthcare benefits for, plan members and their beneficiaries in accordance with the City's pension ordinance. The System is included as a fiduciary component unit of the City because (1) the System is a legally separate entity; (2) the City Commission appoints a voting majority of the Board of Trustees; and (3) the City makes contributions to the System on behalf of its participants. Plan amendments are under the authority of the City. Changes in required contributions are subject to collective bargaining agreements and approval by the City Commission.

The *Single-Employer Other Postemployment Benefit Plan* (the "Plan") is a single-employer defined benefit postemployment healthcare plan provides health care benefits to certain full-time employees upon retirement, in accordance with labor agreements and/or the City Administrative Code, or in the case of police and fire personnel according to City Commission resolution. The Plan is included as a fiduciary component unit of the City because: (1) the Plan is a legally separate entity; (2) the City Commission appoints a voting majority of the trustees; and (3) the City makes contributions to the Plan on behalf of its participants. The Plan provisions are established and may be amended by the City Commission, subject to the City's various collective bargaining agreements.

Basis of Presentation

Government-wide Financial Statements. The statements of net position and activities display information about the primary government (the "City") and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the City's *governmental* and *business-type activities*. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental*, *proprietary* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

The City reports the following major governmental funds:

General fund. This is the government's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Major street and trunkline maintenance special revenue fund. This fund is used to control the expenditures of motor fuel taxes which are earmarked by law for major street and highway purposes.

Special grants special revenue fund. This fund is used to account for grant revenues and expenditures received for various projects throughout the City.

ARPA special revenue fund. This fund is used to account for American Rescue Plan Act (ARPA) grant revenues and expenditures received for various projects throughout the City.

The City has the following major enterprise funds:

Water and wastewater system fund. This fund accounts for the activities of the City's water distribution, water treatment, sewage disposal and sewage treatment systems.

Battle Creek transit system fund. This fund accounts for the activities of the City's transit system.

Battle Creek executive airport / FAA fund. This fund accounts for the activities of the City's airport.

Additionally, the City reports the following fund types:

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

Debt service funds. These funds account for all financial resources restricted, committed or assigned to expenditure for principal and interest.

Capital projects funds. These funds account for all financial resources restricted to expenditure for the acquisition or construction of capital assets.

Permanent funds. These funds account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's purposes.

Enterprise funds. These funds account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal service funds. These funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. This includes machinery, equipment and building space management services; liability, auto, health, dental, life and workers' compensation self-insurance; information technology services; and printing, mailing and reproduction services.

Custodial funds. These funds account for assets held for other governments in a custodial capacity, including property tax collections and fire insurance escrows held for third-parties.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide, proprietary and fiduciary fund financial statements. The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for custodial funds, which do not have a measurement focus. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating expenses for proprietary funds include the cost of sales/services, administration and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year end, except for income tax revenue for which a 15-day collection period is used. Property taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual.

Expenditures generally are recorded when a related fund liability is incurred, except for debt service expenditures, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under leases, if any, are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues, subject to satisfying any grant program matching provisions.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Deposits and Investments

The City maintains a cash and investment pool for all City monies. Each fund's portion of the cash and investment pool is displayed on the statement of net position or balance sheet as "pooled cash and investments". The cash resources of the pension and other employee benefits trust funds are invested separately. The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments. The State's Pension Investment Act, as amended, authorizes the pension trust fund to invest in common stocks, real estate, and various other investment instruments, subject to certain limitations.

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

Unrealized appreciation or depreciation on pension trust fund investments due to changes in fair value are recognized each year.

Receivables and Payables

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

Certain loans receivable in governmental funds consist of rehabilitation and redevelopment loans that are generally not expected or scheduled to be collected in the subsequent year.

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

Leases Receivable

The City is a lessor for several noncancelable leases related to buildings, a billboard, cell towers, and a baseball stadium. The City recognizes a lease receivable and a deferred inflow of resources in the statement of net position and governmental funds financial statements.

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

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Subscription-Based Information Technology Arrangements (SBITA)

The City has noncancelable subscription-based information technology arrangements. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) subscription term, and (3) subscription payments. The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancelable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price (if applicable) that the City is reasonably certain to exercise.

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

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of governmental funds are recorded using the consumption method and include the cost of inventory in fund balance.

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

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

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	5-50
Buildings	50
Vehicles	7-10
Equipment	3-10
Public domain infrastructure	50
Water and wastewater system infrastructure	25-50

Deferred Outflows 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 represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until then. The City reports a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports deferred outflows of resources related to the net pension and other postemployment benefit liabilities. A portion of these costs represent contributions to the plan subsequent to the plan measurement date.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and compensatory time benefits, subject to certain limitations. Certain bargaining unit employees (i.e., firefighters) are also permitted to accumulate earned but unused sick leave. All vacation and compensatory time pay and fifty percent of sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements. Liability accruals for vacation and compensatory time in the government-wide and proprietary fund financial statements are allocated between current and long-term liabilities; the liability for sick leave in the governmental activities is allocated between current and long-term. The classifications between current and long-term are based on approximate recent historical usage.

Long-term Obligations

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

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

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 while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds, are reported as debt service expenditures.

Deferred Inflows of Resources

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 represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arise only under the modified accrual basis of accounting, from opioid settlement, special assessments and income taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension and other postemployment benefits plans. The City also reports a deferred inflow related to leases receivable.

Fund Balances

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of the resources by grantors, contributors, or laws or regulations of other governments. The *committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, the City Commission. The City Commission is the highest level of decision-making authority for the government that can authorize a resolution prior to the end of the fiscal year to commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. *Assigned fund balance* is reported for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Commission has by resolution authorized City management to assign fund balance. *Unassigned fund balance* is the residual classification used only for the general fund and any deficits reported in other governmental funds.

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

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The City utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

2. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. Annual appropriations lapse at year end, except for those approved by the City Commission for carry forward. The legal level of budgetary control is the department level.

The City Commission requires the City Manager to submit an estimate of revenues and anticipated expenditures for the succeeding fiscal year in June. The City Manager is then authorized to assign and transfer budget amounts within each fund to the extent that the net total fund appropriation (which the City defines as gross authorized expenditures less related revenues that are specifically designated to fund those activities) is not exceeded. City Commission approval is required for any budgetary changes that result in an increase to net appropriations.

Formal budgetary integration is employed as a management control during the year. Supplemental appropriations were approved by the City Commission in the form of budget amendment resolutions or as part of special authorizing motions for grants.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the City were adopted on a department level basis.

During the year ended June 30, 2024, the City incurred expenditures in excess of the amounts appropriated at the legal level of budgetary control as follows:

	Amended Budget	Actual	Over Budget
General fund			
General government:			
Administration:			
City clerk and elections	\$ 692,693	\$ 702,949	\$ 10,256
City manager	1,444,468	1,753,328	308,860
Neighborhood code compliance	350,160	394,200	44,040
Legal department	1,244,406	1,454,184	209,778
Revenue services:			
Finance	1,378,716	1,379,115	399
Purchasing	352,179	371,046	18,867
Treasurer's office	471,104	550,100	78,996
City hall maintenance	686,694	719,396	32,702
Income tax division	633,098	726,374	93,276
Public works -			
Street and storm sewers	3,230,387	3,415,685	185,298
Recreation	3,069,269	3,488,238	418,969
Transfers out	3,543,993	6,452,614	2,908,621
Special grants fund			
Transfers out	1,500	19,818	18,318
ARPA fund			
Debt service -			
Principal	-	234,614	234,614
Local street fund			
Highways and streets	3,837,167	4,204,488	367,321
Narcotics forfeiture fund			
General government	111,372	135,019	23,647
Building inspection fund			
Inspections	973,775	1,017,766	43,991

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

4. DEPOSITS AND INVESTMENTS - POOLED CASH AND INVESTMENTS

Following is a reconciliation of deposit and investment balances, including both pooled cash and investments as well as pension and other employee benefits trust fund balances, as of June 30, 2024:

	Primary Government	Component Units	Total
Statement of net position			
Pooled cash and investments	\$ 73,753,390	\$ 12,339,094	\$ 86,092,484
Restricted cash and investments	12,904,499	-	12,904,499
Statement of fiduciary net position			
Pooled cash and investments -			
Custodial funds	543,653	-	543,653
Cash and cash equivalents - pension	3,996,008	-	3,996,008
Investments	192,048,361	-	192,048,361
Total	\$ 283,245,911	\$ 12,339,094	\$ 295,585,005
Deposits and investments:			
Bank deposits:			
Checking and savings		\$ 19,660,557	
Certificates of deposit		258,283	
Portfolio cash - pension		3,996,008	
Investments in securities, mutual funds and similar vehicles:			
Pool	79,275,843		
Pension	181,860,827		
Other employee benefits	10,187,534		
Cash on deposit with third party		332,848	
Cash on hand		13,105	
Total		\$ 295,585,005	

Custodial Credit Risk - Deposits. For deposits, custodial credit risk is the risk, that in the event of a bank failure, the City's deposits may not be returned to the government. As of June 30, 2024, \$18,468,055 of the City's total bank balance of \$19,128,107 (total book balance was \$19,918,840) was exposed to custodial credit risk as it was uninsured and uncollateralized.

The City's investment policy does not specifically address this risk, although the City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk – Investments. Following is a summary of the City's pooled investments as of June 30, 2024:

U.S. treasury notes, bonds, and bills	\$ 37,351,666
U.S. agencies	14,838,289
Money market funds	27,085,888
Total investments	\$ 79,275,843

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that investment securities be held in third-party safekeeping by a designated institution and that the safekeeping agent follow the procedure of delivery vs. payment. As of June 30, 2024, none of the City's investments, excluding the money market accounts which are not subject to custodial credit risk, were exposed to risk since the securities are held in the City's name by the counterparty.

Credit Risk. As of June 30, 2024, \$918,690 of the City's investments in securities of U.S. agencies were rated AAA by Standard and Poor's and \$51,271,265 of the City's investments in U.S. agencies and U.S. treasury notes, bonds, and bills were rated Aaa by Moody's. The City's investments in money market funds were not rated. All of the City's investments comply with its policy regarding the types of investments it may hold.

Concentration of Credit Risk. At June 30, 2024, the investment portfolio was concentrated as follows:

	% of portfolio
U.S. agencies	
Federal Farm Credit Banks	9.9%
Federal Home Loan Bank	5.5%

The City's investment policy does not address concentration of credit risk.

Interest Rate Risk. As of June 30, 2024, maturities of the City's investments in the debt securities were as follows:

	Investment Maturities (fair value by years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
U.S. treasury notes, bonds, and bills	\$ 37,351,666	\$ 10,472,359	\$ 26,879,307	\$ -	\$ -
U.S. agencies	<u>14,838,289</u>	<u>2,081,726</u>	<u>11,837,873</u>	<u>71,762</u>	<u>846,928</u>
	<u><u>\$ 52,189,955</u></u>	<u><u>\$ 12,554,085</u></u>	<u><u>\$ 38,717,180</u></u>	<u><u>\$ 71,762</u></u>	<u><u>\$ 846,928</u></u>

The City's investment policy does not address interest rate risk.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs. These levels are determined by the City's investment manager and are determined at the fund level based on a review of the investment's class, structure and what kind of securities are held in the funds.

Level 2 inputs use one of the following valuation techniques depending on the investment: a) traditional net asset valuation (dividing the asset value by the number of units owned), b) matrix pricing technique (relying on the securities' relationship to other benchmark quoted securities instead of exclusively on quoted prices for specific securities), or c) quoted market prices for similar assets in active markets or quoted prices for identical or similar assets in markets that are not active.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

The City's recurring fair value measurements as of June 30, 2024 for its investments in the money market funds are valued using quoted prices in active markets (Level 1 inputs). U.S. treasury notes, bonds, and bills and U.S. agencies are valued by a pricing service that uses matrix pricing. Observable inputs consist of the price or yield of the underlying securities and bonds as the investments are only traded in secondary markets (Level 2 inputs).

5. DEPOSITS, INVESTMENTS AND SECURITIES LENDING - PENSION AND OPEB TRUST FUNDS

The deposits and investments of the Police and Fire Retirement System Trust Fund (the "System") and of the other employee benefits trust fund are maintained separately from the City's pooled cash and investments, and are subject to separate investment policies and state statutes. Accordingly, the required disclosures for these deposits and investments are presented separately.

Deposits - The System and the other employee benefits trust funds do not maintain any checking or other demand/time deposit accounts. Amounts reported as cash and cash equivalents in the statement of plan net position are composed entirely of short-term investments in money market accounts.

Investments - The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the System to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Retirement Board has the responsibility and authority to oversee the investment portfolio. Various professional investment managers are contracted to assist in managing the System's assets. All investment decisions are subject to Michigan law and the investment policy established by the Retirement Board.

Investments at fair value, as determined by quoted market price

Fixed income:

Corporate bonds	\$ 7,891,315
Foreign bonds	1,969,621
Private placements	49,536
U.S. federal agencies	40,278
U.S. government securities	19,599,721
Asset backed securities	1,206,414
Collateralized mortgage obligations	3,519,969
Mortgage backed securities	<u>8,852,863</u>
	<u>43,129,717</u>

Mutual funds	<u>138,731,110</u>
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Total investments	<u><u>\$ 181,860,827</u></u>
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In addition to the above, the System and the other employee benefits trust funds had short-term investments of \$3,996,008 held in money market accounts as of June 30, 2024. Also, the other postemployment benefit plan trust fund had \$10,187,534 held in the MERS total market portfolio at year end.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Credit Risk. The System's investment policy provides that its investments in fixed income securities be limited to those rated Ba2 or better by a nationally recognized statistical rating organization. The System's investments in all other securities (not fixed income) are not rated by Moody's. The System's investments in fixed income securities were rated by Moody's as follows:

Rating	
Aaa	\$ 16,754,062
Aa1	14,865
A1	600,280
A2	250,692
A3	435,022
Baa1 and below	2,801,196
Not rated	<u>22,273,600</u>
 Totals	 <u>\$ 43,129,717</u>

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System's investment policy requires that investment securities be held in trust by a third-party institution in the System's name. As such, although uninsured and unregistered, the System's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the System's name. Investments in money market accounts and mutual funds are not subject to custodial credit risk.

Concentration of Credit Risk. At June 30, 2024, the System's investment portfolio was concentrated as follows:

% of portfolio	
Fidelity - mutual funds	40.0%
John Hancock - mutual funds	7.9%
Europac growth - mutual funds	7.7%
United States Treasury	7.2%
PIMCO - mutual funds	7.0%

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Interest Rate Risk. As of June 30, 2024, maturities of the System's fixed income securities were as follows:

	Fair Value	Investment Maturities (fair value by years)				
		Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	
Corporate bonds	\$ 7,891,315	\$ 383,512	\$ 3,292,506	\$ 2,161,071	\$ 2,054,226	
Foreign bonds	1,969,621	276,454	836,552	401,126	455,489	
Private placements	49,536	49,536	-	-	-	
U.S. federal agencies	40,278	-	40,278	-	-	
U.S. government securities	19,599,721	-	12,272,058	1,608,113	5,719,550	
Asset backed securities	1,206,414	-	1,055,151	151,263	-	
Collateralized mortgage obligations	3,519,969	212,165	315,384	120,563	2,871,857	
Mortgage backed securities	8,852,863	177,580	88,166	3,696	8,583,421	
	<u>\$ 43,129,717</u>	<u>\$ 1,099,247</u>	<u>\$ 17,900,095</u>	<u>\$ 4,445,832</u>	<u>\$ 19,684,543</u>	

None of the above securities are callable.

The System's investment policy does not place limits on the maximum maturity for any single fixed income security or the weighted average for the portfolio maturity or a particular segment thereof. At June 30, 2024, the actual weighted average maturity was 14.06 years.

Foreign Currency Risk. Foreign currency risk is the risk that significant fluctuations in exchange rates may adversely affect the fair value of an investment. The System has various investment holdings in foreign bonds of \$1,969,621; these holdings are primarily in common and preferred stocks of Canadian (dollars) and European (euros) companies along with various other global companies.

Rate of return. For the year ended June 30, 2024, the annual money-weighted rate of return on plan investments, net of investment expenses, was 13.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Securities Lending. A contract approved by the System's Board permits the System to lend its securities to broker-dealers and banks (borrowers) for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives cash as collateral. The collateral securities cannot be pledged or sold by the System unless the borrower defaults. Collateral cash is initially pledged at 100 percent of the fair value and reported amounts for lent securities, and may not fall below 100 percent during the term of the loan. There are no restrictions on the amount of securities that can be loaned. Securities on loan at year end are classified in the preceding schedule of investments according to the category for the collateral received on the securities lent.

At year end, the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. The contract with the System's custodian requires it to indemnify the System if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Fair Value Measurements. The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System had the following recurring fair value measurements as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Fixed income:				
Corporate bonds	\$ -	\$ 7,891,315	\$ -	\$ 7,891,315
Foreign bonds	-	1,969,621	-	1,969,621
Private placements	-	49,536	-	49,536
U.S. federal agencies	-	40,278	-	40,278
U.S. government securities	19,599,721	-	-	19,599,721
Asset backed securities	-	1,206,414	-	1,206,414
Collateralized mortgage obligations	-	3,519,969	-	3,519,969
Mortgage backed securities	-	8,852,863	-	8,852,863
Mutual funds	138,731,110	-	-	138,731,110
	<u>\$ 158,330,831</u>	<u>\$ 23,529,996</u>	<u>\$ -</u>	<u>\$ 181,860,827</u>

The City's recurring fair value measurements as of June 30, 2024 for its investments listed as Level 2 inputs in the table above were valued by a pricing service that uses matrix pricing. Observable inputs consist of the price or yield of the underlying securities and bonds as the investments are only traded in secondary markets.

The Retiree Health Funding Vehicle fund's recurring fair value measurements as of June 30, 2024 were related to its investments in the MERS total market portfolio. These investments were valued using quoted prices in active markets for identical assets (Level 1 inputs).

6. RECEIVABLES

Receivables in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Interest	\$ 95,689	\$ 38,193
Accounts	2,981,191	8,330,525
Special assessments, due within one year	464,856	535,475
Due from other governments	5,358,847	2,070,016
Taxes	1,504,843	-
Leases, due within one year	65,166	165,120
Loans, due within a year	-	215,550
Allowance for uncollectible accounts	(1,199,094)	(1,592,534)
Subtotal	9,271,498	9,762,345
Loans, long-term portion	11,904,169	6,084,883
Leases, long-term portion	622,486	1,662,011
	<u>\$ 21,798,153</u>	<u>\$ 17,509,239</u>

At year end, the City's governmental activities reported accounts receivable of \$2,981,191 of which \$705,512 is not expected to be collected in one year.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

7. LEASES

The City and its component units are involved in 20 agreements as a lessor that qualify as long-term lease agreements. Below is a summary of the agreements. The agreements qualify as long-term lease agreements as the City will not surrender control of the assets at the end of the term and the noncancelable term of the agreements surpasses one year. Total lease revenue for the year ended June 30, 2024 was \$426,829.

Asset Type	Remaining Term of Agreements
Buildings	2 years
Billboard	5 years
Baseball stadium	8 years
Cell towers	5-14 years

Regulated lease agreements - In accordance with GASB No. 87, the City's Airport (the "Airport") does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, regulated aviation leases between airports and aeronautical users. The leasing operations of the Airport consist principally of the leasing of land, hangars, and office space. The Airport has six lease agreements that consist of noncancelable agreements and permit the Airport to periodically adjust rents and maximize operational flexibility. Leased land and buildings are leased on an exclusive basis.

Asset Type	Remaining Terms of Agreements
Land	13-21 years
Buildings	9-21 years

Minimum future rentals under such noncancelable regulated lease agreements as of June 30, 2024 are as follows:

Year Ended June 30,	Amount
2025	\$ 770,514
2026	782,962
2027	808,002
2028	821,207
2029	834,809
2030-2034	4,532,007
2035-2039	4,062,998
2040-2044	1,331,458
2045	<u>156,766</u>
	<u>\$ 14,100,723</u>

The Airport recognized \$793,364 of rental income for the year ended June 30, 2024.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City is involved in two arrangements that qualify as long-term subscription-based information technology arrangements ("SBITA"). Below is a summary of the nature of these arrangements. The arrangements qualify as an intangible, right-to-use subscription asset as the City has the control of the right to use another party's IT software and the noncancelable term of the arrangements surpass one year.

Asset Type	Remaining Term of Arrangements	
Subscription assets	2-4 years	
The right-to-use asset and the related activity are included in Note 9, Capital Assets. The subscription liability and related activity are presented in Note 12, Bonds, Notes, and Other Long-term Liabilities.		
The net present value of future minimum payments as of June 30, 2024, were as follows:		
Year Ended June 30,	Principal	Interest
2025	\$ 242,053	\$ 38,886
2026	253,398	28,841
2027	216,289	18,325
2028	<u>225,266</u>	<u>9,349</u>
Total	<u>\$ 937,006</u>	<u>\$ 95,401</u>

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

9. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated/amortized:					
Land	\$ 2,339,211	\$ -	\$ -	\$ -	\$ 2,339,211
Construction in progress	1,966,327	2,921,978	-	(2,011,783)	2,876,522
	<u>4,305,538</u>	<u>2,921,978</u>	<u>-</u>	<u>(2,011,783)</u>	<u>5,215,733</u>
Capital assets being depreciated/amortized:					
Land improvements	26,244,503	218,050	-	-	26,462,553
Buildings	75,006,512	47,283	-	1,958,495	77,012,290
Vehicles	24,063,576	2,993,191	(655,185)	-	26,401,582
Equipment	29,724,074	1,210,355	(133,856)	53,288	30,853,861
Infrastructure	313,346,593	2,244,530	-	-	315,591,123
Subscription assets (Note 8)	-	1,241,825	-	-	1,241,825
	<u>468,385,258</u>	<u>7,955,234</u>	<u>(789,041)</u>	<u>2,011,783</u>	<u>477,563,234</u>
Less accumulated depreciation/amortization for:					
Land improvements	(20,816,760)	(1,276,120)	-	-	(22,092,880)
Buildings	(39,820,241)	(1,563,499)	-	-	(41,383,740)
Vehicles	(14,752,011)	(2,377,126)	635,375	-	(16,493,762)
Equipment	(26,774,047)	(901,599)	133,856	-	(27,541,790)
Infrastructure	(162,928,945)	(6,289,365)	-	-	(169,218,310)
Subscription assets (Note 8)	-	(16,800)	-	-	(16,800)
	<u>(265,092,004)</u>	<u>(12,424,509)</u>	<u>769,231</u>	<u>-</u>	<u>(276,747,282)</u>
Total capital assets being depreciated/amortized, net					
	<u>203,293,254</u>	<u>(4,469,275)</u>	<u>(19,810)</u>	<u>2,011,783</u>	<u>200,815,952</u>
Governmental activities capital assets, net					
	<u>\$ 207,598,792</u>	<u>\$ (1,547,297)</u>	<u>\$ (19,810)</u>	<u>\$ -</u>	<u>\$ 206,031,685</u>

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

Governmental activities:	
General government	\$ 484,011
Public safety	1,135,504
Public works, including depreciation of general infrastructure assets	7,183,733
Recreation	1,007,162
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>2,614,099</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 12,424,509</u>

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 3,560,454	\$ -	\$ -	\$ -	\$ 3,560,454
Construction in progress	2,643,485	9,939,780	-	(377,133)	12,206,132
	<u>6,203,939</u>	<u>9,939,780</u>	<u>-</u>	<u>(377,133)</u>	<u>15,766,586</u>
Capital assets being depreciated:					
Land improvements	6,964,812	-	-	-	6,964,812
Buildings	96,405,687	833,874	(12,098)	99,852	97,327,315
Vehicles	4,319,674	5,750	(696,981)	-	3,628,443
Equipment	14,429,092	97,821	(59,385)	-	14,467,528
Systems	211,942,362	1,718,716	(110,375)	277,281	213,827,984
	<u>334,061,627</u>	<u>2,656,161</u>	<u>(878,839)</u>	<u>377,133</u>	<u>336,216,082</u>
Less accumulated depreciation for:					
Land improvements	(5,539,905)	(115,597)	-	-	(5,655,502)
Buildings	(63,124,449)	(1,974,077)	12,098	-	(65,086,428)
Vehicles	(3,240,111)	(245,405)	696,981	-	(2,788,535)
Equipment	(13,459,553)	(264,134)	59,385	-	(13,664,302)
Systems	(160,029,094)	(5,334,507)	110,375	-	(165,253,226)
	<u>(245,393,112)</u>	<u>(7,933,720)</u>	<u>878,839</u>	<u>-</u>	<u>(252,447,993)</u>
Total capital assets being depreciated, net	<u>88,668,515</u>	<u>(5,277,559)</u>	<u>-</u>	<u>377,133</u>	<u>83,768,089</u>
Business-type activities					
capital assets, net	\$ 94,872,454	\$ 4,662,221	\$ -	\$ -	\$ 99,534,675
Business-type activities:					
Wastewater				\$ 4,598,031	
Water				1,755,610	
Public transit				312,885	
Airport				906,744	
Parking				330,476	
Intermodal facility				<u>29,974</u>	
Total depreciation expense - business-type activities				\$ 7,933,720	

At June 30, 2024, the City had outstanding commitments through construction contracts of approximately \$6.6 million in relation to the various building, street and equipment improvements.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component unit - TIFA					
Capital assets not being depreciated:					
Land	\$ 13,238,577	\$ -	\$ (284,526)	\$ -	\$ 12,954,051
Construction in progress	1,979,058	1,532,997	-	(2,183,249)	1,328,806
	<u>15,217,635</u>	<u>1,532,997</u>	<u>(284,526)</u>	<u>(2,183,249)</u>	<u>14,282,857</u>
Capital assets being depreciated:					
Land improvements	8,458,179	-	-	2,183,249	10,641,428
Equipment	388,323	-	-	-	388,323
	<u>8,846,502</u>	<u>-</u>	<u>-</u>	<u>2,183,249</u>	<u>11,029,751</u>
Less accumulated depreciation for:					
Land improvements	(1,001,534)	(192,812)	-	-	(1,194,346)
Equipment	(363,852)	(9,789)	-	-	(373,641)
	<u>(1,365,386)</u>	<u>(202,601)</u>	<u>-</u>	<u>-</u>	<u>(1,567,987)</u>
Total capital assets being depreciated, net	<u>7,481,116</u>	<u>(202,601)</u>	<u>-</u>	<u>2,183,249</u>	<u>9,461,764</u>
TIFA capital assets, net	<u>\$ 22,698,751</u>	<u>\$ 1,330,396</u>	<u>\$ (284,526)</u>	<u>\$ -</u>	<u>\$ 23,744,621</u>
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component unit - CCDC					
Capital assets being depreciated -					
Equipment	\$ 53,149	\$ 5,085	\$ -	\$ -	\$ 58,234
Less accumulated depreciation for -					
Equipment	(33,290)	(9,879)	-	-	(43,169)
CCDC capital assets, net	<u>\$ 19,859</u>	<u>\$ (4,794)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,065</u>

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

10. PAYABLES

Accounts payable and accrued liabilities in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Accounts payable and accrued liabilities	\$ 4,404,289	\$ 2,664,277
Accrued interest payable	1,142,273	75,206
Accrued payroll	2,936,394	-
Retentions, deposits and other liabilities	209,635	349,341
Claims payable, current portion	846,039	-
Claims payable, long-term portion	<u>306,740</u>	<u>-</u>
	<u>\$ 9,845,370</u>	<u>\$ 3,088,824</u>

11. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2024, the following interfund balances were outstanding:

Receivable Fund	Payable Funds					Total
	Special Grants Fund	Nonmajor Governmental Funds	Battle Creek Transit System Fund	Nonmajor Enterprise Funds		
General fund	\$ 526,776	\$ 431,076	\$ 808,014	\$ 522,719	\$ 2,288,585	

These balances result from negative cash balances in the respective funds with interfund payables, also to move charges for services from the general to nonmajor funds.

For the year ended June 30, 2024, interfund transfers consisted of the following:

Transfers Out	Transfers In				
	General Fund	Special Grants Fund	Nonmajor Governmental Funds	Water and Wastewater Fund	Battle Creek Transit System
General fund	\$ -	\$ 317,518	\$ 4,651,614	\$ -	\$ 644,482
Major street and trunkline maintenance fund	-	-	2,500,000	-	-
Special grants fund	-	-	-	19,755	-
ARPA fund	574,000	527,368	99,664	-	-
Nonmajor governmental funds	-	104,360	657,067	-	-
Water and wastewater fund	-	-	-	-	-
Internal service funds	-	-	707,021	-	-
	<u>\$ 574,000</u>	<u>\$ 949,246</u>	<u>\$ 8,615,366</u>	<u>\$ 19,755</u>	<u>\$ 644,482</u>

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Transfers Out	Transfers In				Total
	Battle Creek Executive Airport / FAA	Nonmajor Enterprise Funds	Internal Service Funds		
General fund	\$ 499,000	\$ -	\$ 340,000	\$	6,452,614
Major street and trunkline maintenance fund	-	-	-		2,500,000
Special grants fund	-	63	-		19,818
ARPA fund	396,000	710,000	-		2,307,032
Nonmajor governmental funds	-	-	-		761,427
Water and wastewater fund	-	-	175,000		175,000
Internal service funds	<u>16,574</u>	<u>-</u>	<u>-</u>		<u>723,595</u>
	<u><u>\$ 911,574</u></u>	<u><u>\$ 710,063</u></u>	<u><u>\$ 515,000</u></u>		<u><u>\$ 12,939,486</u></u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The more significant of these transfers are from the general fund to the nonmajor governmental funds and major street and trunkline maintenance fund to the nonmajor governmental funds for various projects, initiatives and debt service.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

12. BONDS, NOTES AND OTHER LONG-TERM LIABILITIES

General obligation bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are issued as five to 25 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

	Year of Maturity	Interest Rates	Original Amount	Amount
Governmental activities				
2009 building authority - golf course refunding	2025	3.000% - 4.200%	\$ 2,240,000	\$ 230,000
2011 building authority limited tax refunding	2026	3.000% - 4.125%	6,725,000	865,000
2016 capital improvement - refunding	2033	2.500% - 4.000%	12,605,000	7,930,000
2016 general obligation limited tax bonds	2042	4.000% - 5.000%	15,265,000	<u>12,335,000</u>
Total governmental activities				<u>\$ 21,360,000</u>
Discretely presented component units				
2021 tax increment - refunding airport	2029	1.350%	\$ 1,765,000	\$ 1,280,000
2022 tax increment - refunding airport hangar	2030	1.500%	1,560,000	1,110,000
2022 tax increment - airport hangar	2037	4.980%	2,500,000	<u>2,275,000</u>
Total component units				<u>\$ 4,665,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended June 30,	Governmental Activities		Component Units	
	Principal	Interest	Principal	Interest
2025	\$ 1,920,000	\$ 865,691	\$ 555,000	\$ 145,191
2026	1,735,000	787,456	570,000	132,759
2027	1,345,000	723,406	580,000	119,970
2028	1,400,000	676,031	595,000	106,824
2029	1,465,000	625,219	605,000	93,147
2030-2034	7,075,000	2,164,188	1,100,000	306,954
2035-2039	3,720,000	1,124,200	660,000	66,732
2040-2042	<u>2,700,000</u>	<u>207,000</u>	-	-
	<u>\$ 21,360,000</u>	<u>\$ 7,173,191</u>	<u>\$ 4,665,000</u>	<u>\$ 971,577</u>

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Revenue bonds. The City issues revenue bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. Revenue bonds currently outstanding are as follows:

	Year of Maturity	Interest Rates	Original Amount	Amount
Business-type activities				
2016A water and wastewater system	2036	4.000% - 5.000%	\$ 7,725,000	\$ 5,280,000
2016B water and wastewater system	2036	1.660% - 4.460%	8,890,000	5,415,000
2023 water and wastewater system	2043	4.000% - 5.000%	10,000,000	9,900,000
Total business-type activities				<u>\$ 20,595,000</u>
Discretely presented component units				
2017 downtown development refunding	2034	2.836% - 3.984%	\$ 22,260,000	\$ 21,105,000
2018 downtown development refunding	2025	2.000% - 5.000%	9,260,000	1,155,000
Total component units				<u>\$ 22,260,000</u>

Revenue bond debt service requirements to maturity are as follows:

Year Ended June 30,	Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest
2025	\$ 895,000	\$ 902,467	\$ 1,760,000	\$ 839,413
2026	915,000	867,861	1,970,000	762,703
2027	940,000	827,830	2,040,000	697,023
2028	965,000	786,181	2,110,000	626,969
2029	990,000	742,903	2,180,000	552,402
2030-2034	5,430,000	2,999,717	12,200,000	1,469,946
2035-2039	5,600,000	1,682,417	-	-
2040-2043	4,860,000	509,657	-	-
	<u>\$ 20,595,000</u>	<u>\$ 9,319,033</u>	<u>\$ 22,260,000</u>	<u>\$ 4,948,456</u>

The City has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay \$16,615,000 in water and wastewater system revenue bonds issued December 2016 and \$10,000,000 in water and wastewater system revenue bonds issued May 2023. Proceeds from the bonds provided financing for various water main and sewer projects. The bonds are payable solely from water and wastewater customer net revenues and are payable through 2043. Annual principal and interest payments on the bonds are expected to require approximately 20% of net revenues. The total principal and interest remaining to be paid on the bonds is \$29,914,033. Principal and interest paid for the current year and total customer net revenues were \$1,761,854 and \$10,872,568, respectively.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Notes from direct borrowings and direct placements - installment obligations. The City has entered into various long-term installment payment agreements.

	Year of Maturity	Interest Rates	Original Amount	Amount
Governmental activities				
2021 police equipment	2025	n/a	\$ 737,299	\$ 147,460
2021 city hall copiers	2026	2.500%	149,882	<u>49,573</u>
Total governmental activities				
				<u><u>\$ 197,033</u></u>

Annual debt service requirements to maturity for the installment obligations are as follows:

Year Ended June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 178,487	\$ 893
2026	<u>18,546</u>	<u>229</u>
	<u><u>\$ 197,033</u></u>	<u><u>\$ 1,122</u></u>

Loans payable. During the year ended June 30, 2008, the Brownfield Redevelopment Authority entered into a loan with the Battle Creek Tax Increment Finance Authority (both component units of the City of Battle Creek) to borrow up to \$3,530,000 for use with a particular brownfield project. As of June 30, 2024, the Brownfield Redevelopment Authority had drawn a total of \$2,560,708 on the authorized amount, and there was no balance outstanding. During the year ended June 30, 2010, another loan was made between the two component units in the total amount of \$5,500,000 to be used in accordance with another particular brownfield plan. As of June 30, 2024, a total of \$2,749,862 had been drawn on the authorized amount and is currently outstanding.

Since repayment between the two component units is based on the future collection of incremental tax revenues, the loans are reported as a long-term liability by the Brownfield and a noncurrent receivable by the TIFA. The repayment obligations include interest at 5% per annum.

During the year ended June 30, 2022, the Local Development Finance Authority entered into a loan with the Battle Creek Tax Increment Finance Authority (both component units of the City of Battle Creek) to borrow \$1,700,000 for the Watkins Road Improvement Project. As of June 30, 2024, \$1,400,000 is outstanding. Accordingly, this balance is reported as long-term liabilities in the statement of net position; no amount is presently reported as due within one year since repayment is based on the future collection of incremental tax revenues. The repayment obligation includes interest at 3% per annum.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Loans outstanding at year end are as follows:

	Year of Maturity	Interest Rate	Original Amount	Amount
Discretely presented component units				
Brownfield redevelopment loans	n/a	5.000%	\$ 9,030,000	\$ 2,749,862
Local development finance loan	n/a	3.000%	1,700,000	<u>1,400,000</u>
Total component units				
				\$ 4,149,862

Notes from direct borrowings and direct placements - promissory note. During the year ended June 30, 2019, the City entered into a promissory note with the W.K. Kellogg Foundation to borrow up to \$9,200,000 to fund the redevelopment of the Milton building. As of June 30, 2024, the City had drawn a total of \$9,045,963 on the authorized amount, which is the outstanding balance at year end. Principal and interest payments are due beginning fiscal year 2025.

The promissory note outstanding at year end is as follows:

	Year of Maturity	Interest Rate	Original Amount	Amount
Governmental Activities				
2019 W.K. Kellogg Foundation note	2033	2.000%	\$ 9,200,000	<u>\$ 9,045,963</u>

Annual debt service requirements to maturity for the promissory note are as follows:

Year Ended June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 1,005,107	\$ 1,238,286
2026	1,005,107	150,766
2027	1,005,107	130,664
2028	1,005,107	110,562
2029	1,005,107	90,460
2030-2033	<u>4,020,428</u>	<u>160,820</u>
	<u>\$ 9,045,963</u>	<u>\$ 1,881,558</u>

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Changes in bonds, notes and other long-term liabilities. Bonds, notes and other long-term liability activity for fiscal year 2024 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Primary government					
Governmental activities					
General obligation bonds	\$ 23,195,000	\$ -	\$ (1,835,000)	\$ 21,360,000	\$ 1,920,000
Notes from direct borrowings and direct placements:					
Installment obligations	374,749	-	(177,716)	197,033	178,487
Promissory note	9,045,963	-	-	9,045,963	1,005,107
Subscription liability (Note 8)	-	1,216,645	(279,639)	937,006	242,053
Compensated absences	3,471,580	2,107,172	(1,859,584)	3,719,168	3,374,085
Deferred amounts:					
For issuance premiums	1,693,066	-	(130,573)	1,562,493	130,573
For issuance discounts	(61,696)	-	6,169	(55,527)	(6,169)
Total governmental activities	\$ 37,718,662	\$ 3,323,817	\$ (4,276,343)	\$ 36,766,136	\$ 6,844,136
Business-type activities					
Revenue bonds	\$ 21,445,000	\$ -	\$ (850,000)	\$ 20,595,000	\$ 895,000
Compensated absences	855,417	923,047	(866,431)	912,033	820,827
Deferred amounts -					
For issuance premiums	683,816	-	(48,584)	635,232	48,584
Total business-type activities	\$ 22,984,233	\$ 923,047	\$ (1,765,015)	\$ 22,142,265	\$ 1,764,411
Component units					
DDA					
Revenue bonds	\$ 23,950,000	\$ -	\$ (1,690,000)	\$ 22,260,000	\$ 1,760,000
Deferred amounts -					
For issuance premiums	238,968	-	(119,484)	119,484	119,484
Total DDA	\$ 24,188,968	\$ -	\$ (1,809,484)	\$ 22,379,484	\$ 1,879,484
TIFA					
General obligation bonds	\$ 5,205,000	\$ -	\$ (540,000)	\$ 4,665,000	\$ 555,000
Brownfield					
Loans payable	\$ 2,749,862	\$ -	\$ -	\$ 2,749,862	\$ -
LDFA					
Loans payable	\$ 1,550,000	\$ -	\$ (150,000)	\$ 1,400,000	\$ -

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is \$162.2 million, which significantly exceeds the City's outstanding general obligation debt subject to limitation of \$63.5 million.

For the governmental activities, compensated absences, net pension liability and net other postemployment benefit liability are generally liquidated by the general fund.

13. SEGMENT INFORMATION - ENTERPRISE FUNDS

The government issued revenue bonds to finance certain improvements to its water and wastewater system. Because the water and wastewater fund, an individual fund that accounts entirely for the government's water and wastewater activities, is a segment and is reported as a major fund in the fund financial statements, segment disclosures herein are not required.

14. ENDOWMENTS

Youth Center Endowment Permanent Trust Fund. For the year ended June 30, 2024, the net earnings on investments of donor-restricted endowments was \$11,129. Under the terms of the endowment, and consistent with State statutes, the City is authorized based on a total-return policy to spend the net appreciation for the benefit of the youth center. At year end, accumulated available net appreciation of \$17,954 is reported in restricted fund balance/net position; the nonspendable endowment balance is \$256,376.

Kellogg Arena Endowment Permanent Trust Fund. For the year ended June 30, 2024, the net earnings on investments of donor-restricted endowments was \$29,902. Under the terms of the endowment, and consistent with State statutes, the City is authorized based on a total-return policy to spend the net appreciation for the benefit of the Kellogg Arena. At year end, accumulated available net appreciation of \$99,908 is reported in restricted fund balance/net position; the nonspendable endowment balance is \$623,533.

15. RISK MANAGEMENT

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries, as well as medical, dental and death benefits provided to employees. The City has purchased commercial insurance for employee dental and life coverages, certain property and inland marine exposures, airport liability, and liquor liability. The City's workers' compensation exposure is handled on a self-funded basis using a third-party administrator, with excess insurance for claims greater than a self-insured retention (SIR) of \$650,000 per occurrence. As of July 1, 1986, the City's general and related liability insurance was allowed to expire; any occurrences prior to that date may be covered by liability policies previously in effect. At that time the City began self-administering general liability and related exposures, utilizing excess liability insurance for losses greater than a SIR of \$1 million per occurrence. On July 1, 2016 the City became a member of the public-entity self-insurance pool, Michigan Municipal Risk Management Authority for excess coverage related to both property and liability losses. The limits of the excess liability insurance have been as follows: \$15 million per occurrence effective September 1, 1999; \$5 million per occurrence effective October 1, 2002; \$9 million per occurrence effective November 14, 2003; then \$10 million per occurrence effective July 1, 2016.

Settled claims related to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Effective October 1, 2003, the City converted from a premium-based policy for employee medical coverage to a self-funded plan, with specific stop-loss insurance that limits claim exposure to \$120,000 per contract (i.e., employee and dependents), annually.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

The City makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from the governmental activities using premiums paid into it by other funds of the City. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members' self insured retention limits along with certain other member specific costs. Accordingly, the City records an asset for its portion of the unexpended member retention fund. At June 30, 2024, the balance of the City's member retention fund was \$332,848.

The City estimates its self-insured liability for workers' compensation, medical and comprehensive general liability claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. These estimates are prepared by the City's Risk Management Department and recorded in the self-insurance internal service fund. Changes in the estimated liability for the fiscal years ended June 30 were as follows:

	2024	2023
Estimated liability, beginning of year	\$ 1,396,603	\$ 1,001,764
Estimated claims incurred, including		
changes in estimates	6,603,678	7,453,983
Claim payments	<u>(6,847,502)</u>	<u>(7,059,144)</u>
Estimated liability, end of year	<u>\$ 1,152,779</u>	<u>\$ 1,396,603</u>

16. PROPERTY TAXES

The government's property taxes are levied each July 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through August 20; as of March 1 of the succeeding year, unpaid real property taxes are sold to and collected by Calhoun County. Assessed values, as established annually by the government and subject to acceptance by the County, are equalized by the State at an estimated 50% of current market value. The taxable value of real and personal property in the City for the 2023 levy, including industrial facilities and neighborhood enterprise zone properties, but net of renaissance zones, was \$1,436,984,832. The government's general operating tax rate for fiscal 2023-24 was 9.487 mills with an additional 5.771 mills for police and fire pension and 0.5 mills for debt service.

Property taxes for the DDA, LDDA, LDFA, TIFA and BRA are derived from tax increment financing agreements with the various applicable taxing authorities. Under these arrangements, the tax increment finance entities receive the property taxes levied on the increment of current taxable values over the base year values on those properties located within the established tax increment financing district.

Property taxes are recognized in the fiscal year in which they are levied.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

17. TAX ABATEMENTS

The City received reduced property tax revenues during 2024 as a result of industrial facilities tax exemptions (IFT's) and brownfield redevelopment agreements entered into by the City.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide 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. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the City. The abatements amounted to \$81,072 in reduced City tax revenues for 2024.

Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. These agreements were entered into based upon the Brownfield Redevelopment Act, PA 381 of 1996, as amended. Under this Act, a municipality may create a brownfield redevelopment authority to develop and implement brownfield projects. Tax increment financing may be used as a tool for property redevelopment. The abatements amounted to \$200,798 in reduced City tax revenues for 2024.

18. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

The City has filed various tax increment capture and personal property tax exemption loss forms with the Michigan Department of Treasury for their review and have received reimbursement. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Any amounts which may be adjusted by the Department of Treasury cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The City is currently involved in various tax appeals pending before the Michigan Tax Tribunal. The appeals cover various commercial and industrial properties for 2024. Due to the large number of appeals currently before the Tribunal, the time frame for resolution of these matters is unknown at this time. The City has an estimated maximum exposure of approximately \$2.1 million in taxable value. The City is vigorously defending all litigation.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

19. DEFINED BENEFIT PENSION PLANS

Police and Fire Retirement System

The Police and Fire Retirement System (the "System") is a single-employer defined benefit pension plan that provides retirement, health, disability and death benefits to all full-time police and fire personnel of the City, subject to the limitations on health care benefits described in Note 20. The System is administered by the Retirement Board of the Police and Fire Retirement System. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the System at 10 North Division Street, Battle Creek, MI 49014 or is available on the City's website: www.battlecreekmi.gov.

The financial statements of the System are prepared using the accrual basis of accounting. System member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

System investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Retirement Board, with the assistance of a valuation service. Administrative costs are financed through investment earnings.

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

Retirees and beneficiaries currently receiving benefits	293
Terminated employees entitled to but not yet receiving benefits	10
Vested and non-vested active participants	<u>183</u>
 Total membership	 <u>486</u>

Benefits Provided. The System provides retirement, disability, and death benefits. Retirement benefits for police and fire members are generally calculated as 3.00% of the member's final three or five-year average salary (depending on the group) times the member's years of service up to a maximum of 25 years, plus an additional 1.00% of final average compensation times the number of years of service in excess of 25 years. Retirement benefits cannot exceed 80% of final average compensation. Members with 25 years of service or who are age 60 are eligible to retire and receive benefits.

Contributions. Plan members are required to contribute between 10.00% and 13.22% of their annual covered salary to the System for pension benefits, depending on bargaining unit. The City contributes such additional amounts as necessary, based on actuarial determinations, to provide assets sufficient to pay for member benefits. The City's pension contribution for the year ended June 30, 2024 represented 37.48% of the annual covered payroll.

Rate of Return. For the year ended June 30, 2024, the annual money-weighted rate of return on plan investments, net of investment expenses, was 13.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Deferred Retirement Option Program (DROP). In lieu of retiring and receiving a monthly benefit, an eligible participant may elect to participate in the DROP by making an irrevocable election to terminate employment with the City and retire upon ceasing participation in the DROP. The DROP election must specify the future retirement date which must be within the maximum time period permitted (typically 3 to 5 years, based on bargaining unit and hire date). Upon entry in the DROP, the participant ceases to accrue years of service in the defined benefit pension plan. The participant remains an employee of the City for all other purposes, but the retirement benefit payment is calculated and payments commence into a separate, restricted account. These monthly payments, along with interest earnings thereon, are not distributed to the participant until employment has terminated. DROP activity is summarized as follows as of June 30:

Year Ended June 30,	Beginning Balance	Credits	Interest	Distributions	Ending Balance
2024	\$ 1,768,304	\$ 1,121,419	\$ 47,182	\$ 461,541	\$ 2,475,364

Net Pension Liability of the City. The City's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 (rolled forward to June 30, 2024). The components of the net pension liability of the City were as follows:

Total pension liability	\$ 243,806,548
Plan fiduciary net position	<u>(186,239,714)</u>
City's net pension liability	<u>\$ 57,566,834</u>
Plan fiduciary net position as percentage of total pension liability	76.39%

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

Wage inflation	3.50%
Salary increases	3.50 to 15.75%, including inflation
Investment rate of return	6.25%
Retirement age	Age and service-based tables of rates that are specific to the type of eligibility condition. Last updated for the 2022 valuation.

PubS-2010 Mortality Tables with projected mortality improvements using scale MP-2021.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2016 to June 30, 2021. From time to time one or more of the assumptions is modified to reflect experience trends (but not random or temporary year-to-year fluctuations).

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 (see the discussion of the System's investment allocation policy) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
U.S. agencies	32.00%	2.30%	0.74%
Domestic corporate securities	38.00%	4.95%	1.88%
Domestic equities	11.50%	5.20%	0.60%
American depositary receipts	3.00%	1.10%	0.03%
International equities	<u>15.50%</u>	4.23%	0.66%
	<u><u>100.00%</u></u>		
Inflation		2.30%	
Administrative expenses netted above		<u>0.04%</u>	
Investment rate of return		<u><u>6.25%</u></u>	

Discount Rate. A single discount rate of 6.25% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on the plan investments of 6.25%. The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 6.25% percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
City's net pension liability	\$ 88,440,490	\$ 57,566,834	\$ 32,256,907

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Changes in the Net Pension Liability. The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 236,518,564	\$ 168,798,632	\$ 67,719,932
Changes for the year:			
Service cost	5,015,797	-	5,015,797
Interest on total pension liability	14,524,313	-	14,524,313
Differences between expected and actual experience	1,022,782	-	1,022,782
Employer contributions	-	6,140,034	(6,140,034)
Employee contributions	-	1,965,479	(1,965,479)
Net investment income	-	23,030,283	(23,030,283)
Benefit payments	(13,274,908)	(13,274,908)	-
Administrative expense	-	(217,278)	217,278
Medical insurance premiums	-	(202,528)	202,528
Net changes	<u>7,287,984</u>	<u>17,441,082</u>	<u>(10,153,098)</u>
Balances at June 30, 2024	\$ 243,806,548	\$ 186,239,714	\$ 57,566,834

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the combining statements for the pension.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2024, the City recognized pension expense of \$10,058,886. At June 30, 2024, the City reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 1,820,366	\$ 128,069	\$ 1,692,297
Changes in assumptions	3,241,170	-	3,241,170
Net difference between projected and actual earnings on pension plan investments	-	5,262,025	(5,262,025)
Total	\$ 5,061,536	\$ 5,390,094	\$ (328,558)

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

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

Year Ended June 30,	Amount
2025	\$ 1,962,578
2026	3,797,490
2027	(3,668,377)
2028	<u>(2,420,249)</u>
Total	\$ (328,558)

Municipal Employees Retirement System of Michigan

Plan Description. The City participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. 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. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at www.mersofmich.com.

Benefits Provided. Pension benefits vary by division/bargaining unit and are calculated based on final average compensation (based on a 3 or 5 year period) and multipliers ranging from 1.25% to 2.50%. Participants are considered to be fully vested in the plan after 6 to 10 years, depending on division/bargaining unit. Normal retirement age is 60 with early retirement at age 50 with 25 years of service, age 55 with 15 years of service, or age 55 with 25 years of service, depending on division/bargaining unit.

Contributions. The City is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions range from 0.00% to 128.63% of annual payroll, or monthly amounts ranging from \$7,346 to \$150,577 depending on division/bargaining unit.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the City were as follows:

Total pension liability	\$ 174,512,030
Plan fiduciary net position	<u>(97,544,230)</u>
City's net pension liability	<u>\$ 76,967,800</u>
Plan fiduciary net position as percentage of total pension liability	55.90%

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Actuarial Assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	6.93%, net of investment and administrative expense including inflation

The base mortality tables used are constructed as described below and are based on are amount weighted sex distinct rates:

- Pre-retirement mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 100% of PubG-2010 Employee Mortality Tables for Ages 18-80, and 100% of PubG-2010 Healthy Retiree Tables for ages 81-120
- Non-disabled retired plan members and beneficiaries mortality based on 106% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, and 106% of PubG-2010 Healthy Retiree Tables for ages 50-120
- Disables retired plan members mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, and 100% of PubNS-2010 Disabled Retiree Tables for ages 18-120

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

Employees Covered by Benefit Terms. At the December 31, 2023 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	454
Inactive employees entitled to but not yet receiving benefits	174
Active employees	<u>347</u>
Total membership	<u>975</u>

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.0%	4.50%	2.70%
Global fixed income	20.0%	2.00%	0.40%
Private investments	<u>20.0%</u>	<u>7.00%</u>	<u>1.40%</u>
	<u>100.0%</u>		
Inflation			2.50%
Dedicated gains adjustment			-0.07%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u>7.18%</u>

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

In February 2022, the MERS Retirement Board adopted a Dedicated Gains Policy. The purpose of the Policy is to automatically reduce the assumed rate of investment return for annual actuarial valuation purposes if the plan year's market value of investment income exceeds the expected investment income. Investment performance measured for the one-year period ending December 31, 2023 resulted in current year excess gains for use in lowering the assumed rate of investment return, as reflected above.

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2023 was 7.18% (down from 7.25% at December 31, 2022). 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 Net Pension Liability

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2022	\$ 170,059,654	\$ 86,273,357	\$ 83,786,297
Changes for the year:			
Service cost	2,300,754	-	2,300,754
Interest	11,966,730	-	11,966,730
Changes in benefits	(139,098)	-	(139,098)
Differences between expected and actual experience	1,437,040	-	1,437,040
Changes in assumptions	1,190,317	-	1,190,317
Employer contributions	-	12,785,652	(12,785,652)
Employee contributions	-	1,296,678	(1,296,678)
Net investment income	-	9,695,071	(9,695,071)
Benefit payments, including refunds of employee contributions	(12,303,367)	(12,303,367)	-
Administrative expense	-	(203,161)	203,161
Net changes	<u>4,452,376</u>	<u>11,270,873</u>	<u>(6,818,497)</u>
Balances at December 31, 2023	\$ 174,512,030	\$ 97,544,230	\$ 76,967,800

For the year ended June 30, 2024, the City reported \$5,116,280 as revenue for support provided by nonemployer contributing entities, which represents amounts received from the State of Michigan Protecting MI Pension Grant Program.

Changes in assumptions. Amounts reported as changes in assumptions resulted from a decrease in the assumed rate of return from 7.00% to 6.93%.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.18%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.18%) or 1% higher (8.18%) than the current rate:

	1% Decrease (6.18%)	Current Discount Rate (7.18%)	1% Increase (8.18%)
Net pension liability	\$ 95,625,178	\$ 76,967,800	\$ 61,201,027

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

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

For the year ended June 30, 2024, the City recognized pension expense of \$8,999,407. The City reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 958,027	\$ 144,083	\$ 813,944
Changes in assumptions	793,545	-	793,545
Net difference between projected and actual earnings on pension plan investments	4,606,718	-	4,606,718
Contributions subsequent to the measurement date	6,358,290	144,083	6,214,207
	4,041,268	-	4,041,268
Total	\$ 10,399,558	\$ 144,083	\$ 10,255,475

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2025. Other amounts reported as deferred outflows/inflows of resources related to the pension will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2025	\$ 1,557,069
2026	2,521,141
2027	2,812,623
2028	(676,626)
Total	\$ 6,214,207

Payable to the Pension Plan. At June 30, 2024, the City had \$1,372,713 payable for contributions to the pension plan.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Summary of Pension Plans

	MERS	Police and Fire Retirement System	Total
Net pension liability (NPL)	\$ 76,967,800	\$ 57,566,834	\$ 134,534,634
Deferred outflows of resources related to the NPL	10,399,558	5,061,536	15,461,094
Deferred inflows of resources related to the NPL	144,083	5,390,094	5,534,177
Pension expense	8,999,407	10,058,886	19,058,293

20. POSTEMPLOYMENT BENEFITS

General Information about the Plan

The City provides health care benefits under a single-employer plan (the "Plan") to certain full-time employees upon retirement, in accordance with labor agreements and/or the City Administrative Code, or in the case of police and fire personnel according to City Commission resolution. The City includes pre-Medicare retirees and their dependents in its insured health care plan, with contributions required in varying amounts. The City purchases Medicare supplemental insurance for retirees eligible for Medicare. Complete details on the City's retiree healthcare benefits are available in the actuarial valuation or the plan document located on the City's website.

For police and fire employees, the obligation for police and fire personnel retiree health care, prior to fiscal 2007, was entirely advance-funded through the Police and Fire Retirement System (the "System"). Beginning in fiscal 2007, following negotiations and arbitration, the System became responsible for only the first \$202,528 of health care costs of the then current retirees. Police personnel retiring on or after July 1, 2007 and fire personnel retiring on or after July 1, 2021 receive their health care benefits through either the Retiree Health Funding Vehicle (RHFV) or Fire Retiree Health Care trust fund, which are employee contributory plans (that are presented as other employee benefit trust funds herein; these two trust funds constitute the financial statements for the City's postemployment benefits plan). The System does not issue a separate financial report.

For fire personnel, retired between July 1, 2004 and July 1, 2021, the City contributes between \$200 and \$700 per month, but no more than the cost of insurance, on a pay-as-you-go basis towards the purchase of retiree health care. For other eligible City employees, the City contributes a maximum of \$200 per month on a pay-as-you-go basis towards the purchase of retiree health care.

The System's financial statements are prepared using the accrual basis of accounting. System contributions are recognized in the period in which the contributions are due and the employer has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Investments that do not have established market values are reported at estimated fair values as determined by the custodian under the direction of the Retirement Board with the assistance of a valuation service. Administrative costs are financed through investment earnings. The RHFV portion of the System's plan utilizes a retirement health funding vehicle trust established with the Municipal Employees Retiree System of Michigan to invest plan assets.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Plan Membership. Membership of the Plan consisted of the following at June 30, 2024, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	302
Vested and non-vested active participants	<u>313</u>
Total membership	<u>615</u>

Contributions. The City contributes 3% of pay during active employment for the police members. Administrative costs of the plan are paid for by the City's general fund and internal service self-insurance fund. Certain plan participants are required to contribute to the plan ranging from 1% to 3.75% of annual pay. For the year ended June 30, 2024, plan participant and City contributions towards the cost of benefits and funding the plan were \$435,673 and \$1,592,016, respectively.

The components of the net OPEB liability of the City at June 30, 2024, were as follows:

Total OPEB liability	\$ 27,532,260
Plan fiduciary net position	<u>10,187,534</u>
Net OPEB liability	<u>\$ 17,344,726</u>
Plan fiduciary net position as a percentage of the total OPEB liability	37.00%

Actuarial Assumptions. The City's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024 using the following actuarial assumptions, applied consistently to all periods included in the measurement:

Actuarial cost method	Entry Age Normal (level percentage of compensation)
Actuarial assumptions:	
Inflation	2.50%
Salary increases	3.25%
Investment rate of return	7.00%, including inflation
20-year Aa municipal bond rate	4.00%
Mortality	2010 Public General Employees and Healthy Retirees, Headcount weighted with IRS 2024 Adjusted Scale MP-2021
Health care trend rates	Pre-Medicare: 7.25% graded down to 4.50% by 0.25% per year; Post-Medicare: 5.50% graded down to 4.50% by 0.25% per year.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study completed in 2023.

Investment Policy. The OPEB Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment processes that the Board deems appropriate. The OPEB Plan's asset allocation policy is shown on the following pages.

Rate of Return. For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 10.12%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Long-term Expected Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Money-Weighted Rate of Return
Global equity	60.00%	4.50%	2.70%
Global fixed income	20.00%	2.00%	0.40%
Private assets	<u>20.00%</u>	<u>7.00%</u>	<u>1.40%</u>
	<u><u>100.00%</u></u>		4.50%
Inflation			<u>2.50%</u>
Investment rate of return			<u>7.00%</u>

Discount Rate. A single discount rate of 6.02% was used to measure the total OPEB liability. This was an increase over the single discount rate of 5.70% at June 30, 2023. This single discount rate was based on an expected rate of return on OPEB plan investments of 7.00% and a municipal bond rate of 4.00%. The projection of cash flows used to determine the discount rate included reported, projected contributions while assets are drawn down to pay retiree benefits. Based on those assumptions, the retirement plan's fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members until 2057. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Changes in Net OPEB Liability

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 28,551,927	\$ 8,904,187	\$ 19,647,740
Changes for the year:			
Service cost	464,214	-	464,214
Interest	1,606,606	-	1,606,606
Differences between expected and actual experience	(2,012,347)	-	(2,012,347)
Changes in assumptions	582,013	-	582,013
Employer contributions	-	1,592,016	(1,592,016)
Employee contributions	-	435,673	(435,673)
Net investment income	-	935,716	(935,716)
Benefit payments, including refunds of employee contributions	(1,660,153)	(1,660,153)	-
Administrative expense	-	(19,905)	19,905
Net changes	<u>(1,019,667)</u>	<u>1,283,347</u>	<u>(2,303,014)</u>
Balances at June 30, 2024	\$ 27,532,260	\$ 10,187,534	\$ 17,344,726

Changes in assumptions. In 2024, amounts reported as changes of assumptions resulted from the mortality improvement scale was updated from MP-2021 to the IRS 2024 Adjusted Scale MP-2021, retirement rates updated based on analysis results completed for the actuarial experience study, initial trend rate kept at same level as prior year instead of decreasing by 0.25% as initially scheduled, and discount rate updated from 5.70% to 6.02%.

Sensitivity of the Net OPEB Liability to Single Discount Rate Assumption. The following presents the net OPEB liability of the City, calculated using the discount rate of 6.02%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.02%) or 1% higher (7.02%) than the current rate:

	1% Decrease (5.02%)	Current Discount Rate (6.02%)	1% Increase (7.02%)
Net OPEB liability	\$ 20,483,293	\$ 17,344,726	\$ 14,734,481

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the net OPEB liability of the City calculated using the current healthcare cost trend rate assumption, as well as, what the City's net OPEB liability would be if it were calculated using a trend rate of 1% lower or 1% higher than the current rate assumption:

	1% Decrease (6.25% graded down to 3.50%)	Current Healthcare Cost Trend Rate (7.25% graded down to 4.50%)	1% Increase (8.25% graded down to 5.50%)
Net OPEB liability	\$ 16,763,020	\$ 17,344,726	\$ 17,870,237

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$(5,131,619). The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 8,779,140	\$ (8,779,140)
Changes in assumptions	1,966,141	7,452,539	(5,486,398)
Net difference between projected and actual earnings on OPEB plan investments	<u>6,533</u>	<u>-</u>	<u>6,533</u>
Total	<u>\$ 1,972,674</u>	<u>\$ 16,231,679</u>	<u>\$ (14,259,005)</u>

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

Year Ended June 30,	Amount
2025	\$ (4,113,099)
2026	(5,292,255)
2027	(4,366,198)
2028	(443,104)
2029	<u>(44,349)</u>
Total	<u>\$ (14,259,005)</u>

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

21. OTHER POSTEMPLOYMENT BENEFIT PLAN TRUST FUND

Financial Statements

Financial statements for the individual other postemployment benefits plan is as follows:

Statement of Fiduciary Net Position

	Other Postemployment Benefit Plan Trust
Assets	
Investments -	
MERS total market portfolio	<u>\$ 10,187,534</u>
Net position	
Restricted for postemployment healthcare benefits	<u>\$ 10,187,534</u>

Statement of Changes in Fiduciary Net Position

	Other Postemployment Benefit Plan Trust
Additions	
Investment income -	
Investment earnings and dividends	<u>\$ 935,716</u>
Contributions:	
Employer	1,592,016
Employee	435,673
Total contributions	<u>2,027,689</u>
Total additions	<u>2,963,405</u>
Deductions	
Benefit payments	1,660,153
Administrative expenses	<u>19,905</u>
Total deductions	<u>1,680,058</u>
Net change to net position	1,283,347
Net position, beginning of year	<u>8,904,187</u>
Net position, end of year	<u>\$ 10,187,534</u>

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

22. NET INVESTMENT IN CAPITAL ASSETS

Following is a summary of net investment in capital assets, as presented in the government-wide statement of net position:

	Governmental Activities	Business-type Activities
Capital assets:		
Capital assets not being depreciated/amortized	\$ 5,215,733	\$ 15,766,586
Capital assets being depreciated/amortized	<u>200,815,952</u>	<u>83,768,089</u>
	<u>206,031,685</u>	<u>99,534,675</u>
Long-term debt related to capital assets:		
General obligation bonds	21,360,000	-
Revenue bonds	-	20,595,000
Notes from direct borrowings and direct placements	197,033	-
Subscription liability	937,006	-
Deferred amounts:		
For issuance premiums	1,562,493	635,232
For issuance discounts	(55,527)	-
Deferred charge on refunding	<u>(514,744)</u>	<u>-</u>
Net long-term debt related to capital assets	<u>23,486,261</u>	<u>21,230,232</u>
Net investment in capital assets	<u>\$ 182,545,424</u>	<u>\$ 78,304,443</u>

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

23. OPIOID SETTLEMENT

The City is part of a \$21 billion nationwide settlement reached in July 2021 to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health, and AmerisourceBergen (Distributors), and a \$5 billion nationwide settlement with manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (Janssen). The term of the settlement varies by entity; however, the City expects to receive eighteen (18) installments from the Distributors with the first two installments being paid early in 2023 and the remaining 16 installments expected to be made annually beginning in 2024. Additionally, the City expects to receive eleven (11) installments from Janssen with the first five installments being paid early in 2023 and the remaining installments expected to be made annually beginning in 2026. The City is currently allocated approximately 0.192% of the total State of Michigan local unit settlement and the total amount of the settlement is expected to be \$544,548 and \$128,003 from the Distributors and Janssen, respectively.

In 2022, additional settlements with pharmacies and manufacturers were announced, including CVS, Walgreens, Walmart, Allergan, and Teva, and the associated state-subdivision agreement was finalized in 2023. In 2023, additional settlements with Mallinckrodt and Meijer were announced. The term of the settlement varies by pharmacy and manufacturer; however, the City expects to receive installment payments beginning in 2024. The total amount of these settlements is expected to be \$577,859. Additional settlements with other pharmacies and manufacturers may be forthcoming as well. However, as of June 30, 2024, the amounts to be allocated to and collected by the City were not able to be determined, and as such, no amounts have been reported related to these settlements in the financial statements.

The receivable for the various settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2024 of 3%. The net present value of the combined settlement payments to be received as of June 30, 2024 is \$804,019.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Financial Statements

24. FUND BALANCES - GOVERNMENTAL FUNDS

	General	Major Street and Trunkline Maintenance	Special Grants	ARPA	Nonmajor Governmental Funds	Total Governmental
Nonspendable:						
Inventories	\$ 154,885	\$ -	\$ -	\$ -	\$ -	\$ 154,885
Prepaid items	164,061	-	-	-	-	164,061
Endowments	-	-	-	-	879,909	879,909
	<u>318,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>879,909</u>	<u>1,198,855</u>
Restricted for:						
Major streets	-	4,356,618	-	-	-	4,356,618
Local streets	-	-	-	-	1,586,942	1,586,942
Michigan justice training	-	-	-	-	28,652	28,652
Narcotics forfeiture	-	-	-	-	412,115	412,115
Building inspection	-	-	-	-	1,329,015	1,329,015
Youth center	-	-	-	-	17,954	17,954
Kellogg arena	-	-	-	-	99,908	99,908
Special projects	622,163	-	-	-	-	622,163
Opioid settlement	280,844	-	-	-	-	280,844
	<u>903,007</u>	<u>4,356,618</u>	<u>-</u>	<u>-</u>	<u>3,474,586</u>	<u>8,734,211</u>
Committed for:						
Special grants	-	-	445,893	-	-	445,893
Debt service	-	-	-	-	64,356	64,356
Capital projects	-	-	-	-	3,682,778	3,682,778
Special projects	1,436,975	-	-	933,542	-	2,370,517
	<u>1,436,975</u>	<u>-</u>	<u>445,893</u>	<u>933,542</u>	<u>3,747,134</u>	<u>6,563,544</u>
Assigned for:						
Departmental appropriations	-	-	-	-	2,504,974	2,504,974
Capital outlay and projects (encumbrances)	200,156	-	-	-	-	200,156
	<u>200,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,504,974</u>	<u>2,705,130</u>
Unassigned	12,595,157	-	-	-	-	12,595,157
Total fund balances, governmental funds	\$ 15,454,241	\$ 4,356,618	\$ 445,893	\$ 933,542	\$ 10,606,603	\$ 31,796,897



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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BATTLE CREEK, MICHIGAN

Required Supplementary Information

Police and Fire Retirement System

Schedule of Changes in Net Pension Liability and Related Ratios

	Fiscal Year Ended June 30,				
	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 5,015,797	\$ 4,315,718	\$ 4,153,430	\$ 3,784,164	\$ 4,041,341
Interest on total pension liability	14,524,313	14,082,332	13,460,908	12,950,656	12,839,189
Benefit changes	-	(33,713)	(26,483)	(23,512)	(108,003)
Difference between expected and actual experience	1,022,782	1,780,898	676,786	(2,568,605)	(3,167,079)
Assumption changes	-	-	12,871,400	5,687,254	(336,475)
Benefit payments	(13,274,908)	(13,572,258)	(12,409,271)	(11,919,837)	(10,931,209)
Net change in total pension liability	7,287,984	6,572,977	18,726,770	7,910,120	2,337,764
Total pension liability, beginning of year	236,518,564	229,945,587	211,218,817	203,308,697	200,970,933
Total pension liability, end of year	243,806,548	236,518,564	229,945,587	211,218,817	203,308,697
Plan fiduciary net position					
Employer contributions	6,140,034	6,323,009	6,368,077	6,353,070	5,869,972
Employee contributions	1,965,479	1,922,364	1,725,254	1,593,679	1,580,109
Net investment income (loss)	23,030,283	16,666,426	(23,240,398)	35,530,257	8,960,637
Benefit payments and refunds	(13,274,908)	(13,572,258)	(12,409,271)	(11,919,837)	(10,931,209)
Administrative expense	(217,278)	(196,493)	(231,962)	(164,187)	(203,023)
Medical insurance premiums	(202,528)	(271,367)	(304,595)	(331,308)	(428,009)
Net change in plan fiduciary net position	17,441,082	10,871,681	(28,092,895)	31,061,674	4,848,477
Plan fiduciary net position, beginning of year	168,798,632	157,926,951	186,019,846	154,958,172	150,109,695
Plan fiduciary net position, end of year	186,239,714	168,798,632	157,926,951	186,019,846	154,958,172
Net pension liability	\$ 57,566,834	\$ 67,719,932	\$ 72,018,636	\$ 25,198,971	\$ 48,350,525
Plan fiduciary net position as a percentage of total pension liability	76.39%	71.37%	68.68%	88.07%	76.22%
Covered payroll	\$ 16,381,903	\$ 14,045,794	\$ 13,766,610	\$ 14,616,125	\$ 14,766,506
Net pension liability as a percentage of covered payroll	351.41%	482.14%	523.14%	172.41%	327.43%

Fiscal Year Ended June 30,

2019	2018	2017	2016	2015
\$ 4,068,824	\$ 4,070,388	\$ 3,637,644	\$ 3,649,198	\$ 3,460,667
12,286,062	11,769,474	11,630,004	11,317,045	10,533,430
405,223	1,505,727	1,062,436	704,651	2,043,014
2,789,999	1,955,535	(5,040,576)	(119,463)	-
-	6,224,926	-	4,988,871	4,476,291
(10,617,625)	(10,066,683)	(10,375,906)	(9,444,578)	(9,381,779)
8,932,483	15,459,367	913,602	11,095,724	11,131,623
<u>192,038,450</u>	<u>176,579,083</u>	<u>175,665,481</u>	<u>164,569,757</u>	<u>153,438,134</u>
<u>200,970,933</u>	<u>192,038,450</u>	<u>176,579,083</u>	<u>175,665,481</u>	<u>164,569,757</u>
5,544,586	5,180,487	4,746,323	4,664,957	4,612,446
1,473,592	1,478,257	1,215,059	1,077,632	1,076,523
9,782,101	10,201,971	11,593,876	2,617,277	4,868,622
(10,617,625)	(10,066,683)	(10,375,906)	(9,444,578)	(9,381,779)
(177,368)	(214,905)	(219,010)	(216,729)	(181,572)
(484,052)	(500,000)	(500,000)	(500,000)	(1,040,952)
5,521,234	6,079,127	6,460,342	(1,801,441)	(46,712)
<u>144,588,461</u>	<u>138,509,334</u>	<u>132,048,992</u>	<u>133,850,433</u>	<u>133,897,145</u>
<u>150,109,695</u>	<u>144,588,461</u>	<u>138,509,334</u>	<u>132,048,992</u>	<u>133,850,433</u>
<u>\$ 50,861,238</u>	<u>\$ 47,449,989</u>	<u>\$ 38,069,749</u>	<u>\$ 43,616,489</u>	<u>\$ 30,719,324</u>
74.69%	75.29%	78.44%	75.17%	81.33%
<u>\$ 14,897,135</u>	<u>\$ 14,718,606</u>	<u>\$ 14,043,138</u>	<u>\$ 14,069,533</u>	<u>\$ 13,495,955</u>
341.42%	322.38%	271.09%	310.01%	227.62%

CITY OF BATTLE CREEK, MICHIGAN

■ Required Supplementary Information

Police and Fire Retirement System

Schedule of Contributions

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2015	\$ 4,612,446	\$ 4,612,446	\$ -	\$ 13,495,955	34.18%
2016	4,664,957	4,664,957	-	14,069,533	33.16%
2017	4,746,323	4,746,323	-	14,043,138	33.80%
2018	5,180,487	5,180,487	-	14,718,606	35.20%
2019	5,544,586	5,544,586	-	14,897,135	37.22%
2020	5,869,972	5,869,972	-	14,766,506	39.75%
2021	6,353,070	6,353,070	-	14,616,125	43.47%
2022	6,368,077	6,368,077	-	13,766,610	46.26%
2023	6,323,009	6,323,009	-	14,045,794	45.02%
2024	6,140,034	6,140,034	-	16,381,903	37.48%

CITY OF BATTLE CREEK, MICHIGAN

■ Required Supplementary Information

Police and Fire Retirement System

Schedule of Investment Returns

Fiscal Year Ending June 30,	Annual Return ⁽¹⁾
2015	3.44%
2016	15.82%
2017	9.02%
2018	6.89%
2019	6.81%
2020	6.17%
2021	23.22%
2022	-12.76%
2023	11.06%
2024	13.92%

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

CITY OF BATTLE CREEK, MICHIGAN

Required Supplementary Information

Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios

	Fiscal Year Ended June 30,				
	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 2,300,754	\$ 2,126,033	\$ 1,902,272	\$ 2,020,330	\$ 2,050,623
Interest on total pension liability	11,966,730	11,855,263	11,899,966	11,338,841	11,458,164
Benefit changes	(139,098)	(60,553)	(145,429)	(95,157)	(47,708)
Difference between expected and actual experience	1,437,040	(432,249)	(852,912)	154,694	(829,069)
Assumption changes	1,190,317	-	5,647,905	5,342,989	4,356,282
Benefit payments and refunds	(12,303,367)	(11,773,359)	(11,469,313)	(11,169,576)	(10,840,207)
Net change in total pension liability	4,452,376	1,715,135	6,982,489	7,592,121	6,148,085
Total pension liability, beginning of year	<u>170,059,654</u>	<u>168,344,519</u>	<u>161,362,030</u>	<u>153,769,909</u>	<u>147,621,824</u>
Total pension liability, end of year	<u>174,512,030</u>	<u>170,059,654</u>	<u>168,344,519</u>	<u>161,362,030</u>	<u>153,769,909</u>
Plan fiduciary net position					
Employer contributions	12,785,652	6,978,264	6,632,649	5,881,291	5,530,584
Employee contributions	1,296,678	1,125,745	1,053,757	828,777	999,077
Net investment income (loss)	9,695,071	(10,304,735)	12,656,350	10,450,840	10,596,861
Benefit payments and refunds	(12,303,367)	(11,773,359)	(11,469,313)	(11,169,576)	(10,840,207)
Administrative expense	(203,161)	(181,752)	(145,187)	(169,019)	(182,419)
Net change in plan fiduciary net position	11,270,873	(14,155,837)	8,728,256	5,822,313	6,103,896
Plan fiduciary net position, beginning of year	<u>86,273,357</u>	<u>100,429,194</u>	<u>91,700,938</u>	<u>85,878,625</u>	<u>79,774,729</u>
Plan fiduciary net position, end of year	<u>97,544,230</u>	<u>86,273,357</u>	<u>100,429,194</u>	<u>91,700,938</u>	<u>85,878,625</u>
Net pension liability	<u>\$ 76,967,800</u>	<u>\$ 83,786,297</u>	<u>\$ 67,915,325</u>	<u>\$ 69,661,092</u>	<u>\$ 67,891,284</u>
Plan fiduciary net position as a percentage of total pension liability	55.90%	50.73%	59.66%	56.83%	55.85%
Covered payroll	<u>\$ 21,720,998</u>	<u>\$ 20,097,332</u>	<u>\$ 19,426,766</u>	<u>\$ 19,314,680</u>	<u>\$ 19,515,143</u>
Net pension liability as a percentage of covered payroll	354.35%	416.90%	349.60%	360.66%	347.89%

Fiscal Year Ended June 30,

2019	2018	2017	2016	2015
\$ 2,056,135	\$ 1,998,171	\$ 1,934,782	\$ 1,843,040	\$ 1,869,998
11,210,574	10,978,431	10,808,541	10,393,511	10,141,309
(25,969)	(17,297)	(2,988)	(11,965)	-
533,140	194,046	(833,627)	(626,575)	-
-	-	-	6,823,847	-
(10,512,334)	(10,048,722)	(9,580,787)	(9,105,154)	(8,776,472)
3,261,546	3,104,629	2,325,921	9,316,704	3,234,835
<u>144,360,278</u>	<u>141,255,649</u>	<u>138,929,728</u>	<u>129,613,024</u>	<u>126,378,189</u>
<u>147,621,824</u>	<u>144,360,278</u>	<u>141,255,649</u>	<u>138,929,728</u>	<u>129,613,024</u>
5,598,951	5,382,451	4,375,156	4,104,291	3,776,983
701,481	546,534	521,222	495,986	618,872
(3,297,646)	10,481,265	8,589,468	(1,203,250)	5,143,720
(10,512,334)	(10,048,722)	(9,580,787)	(9,105,154)	(8,776,472)
(166,380)	(166,302)	(169,762)	(178,504)	(188,145)
(7,675,928)	6,195,226	3,735,297	(5,886,631)	574,958
<u>87,450,657</u>	<u>81,255,431</u>	<u>77,520,134</u>	<u>83,406,765</u>	<u>82,831,807</u>
<u>79,774,729</u>	<u>87,450,657</u>	<u>81,255,431</u>	<u>77,520,134</u>	<u>83,406,765</u>
<u>\$ 67,847,095</u>	<u>\$ 56,909,621</u>	<u>\$ 60,000,218</u>	<u>\$ 61,409,594</u>	<u>\$ 46,206,259</u>
54.04%	60.58%	57.52%	55.80%	64.35%
<u>\$ 19,275,745</u>	<u>\$ 18,317,097</u>	<u>\$ 17,452,775</u>	<u>\$ 17,263,618</u>	<u>\$ 17,200,636</u>
351.98%	310.69%	343.79%	355.72%	268.63%

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CITY OF BATTLE CREEK, MICHIGAN

■ Required Supplementary Information

Municipal Employees Retirement System of Michigan Schedule of Contributions

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as Percentage of Covered Payroll
2015	\$ 3,948,830	\$ 3,948,830	\$ -	\$ 17,543,028	22.51%
2016	4,134,354	4,134,354	-	17,777,859	23.26%
2017	4,865,316	4,865,316	-	18,269,545	26.63%
2018	5,729,486	5,729,486	-	19,014,825	30.13%
2019	5,407,865	5,407,865	-	18,355,363	29.46%
2020	5,607,397	5,607,397	-	18,071,110	31.03%
2021	6,267,154	6,267,154	-	18,788,375	33.36%
2022	6,811,550	6,811,550	-	18,138,900	37.55%
2023	7,630,946	8,111,998	(481,052)	20,491,941	39.59%
2024	7,224,995	7,819,830	(594,835)	20,749,303	37.69%

CITY OF BATTLE CREEK, MICHIGAN

Required Supplementary Information

Single-Employer Other Postemployment Benefit Plan

Schedule of Changes in Net OPEB Liability and Related Ratios

	Fiscal Year Ended June 30,			
	2024	2023	2022	2021
Total OPEB liability				
Service cost	\$ 464,214	\$ 508,405	\$ 1,763,720	\$ 1,624,371
Interest on total OPEB liability	1,606,606	1,553,798	1,703,634	1,903,031
Benefit changes	-	-	(17,240,898)	-
Difference between expected and actual experience	(2,012,347)	(314,481)	(14,402,629)	(190,185)
Assumption changes	582,013	(1,022,209)	(14,205,569)	2,464,152
Benefit payments	(1,660,153)	(1,307,876)	(1,582,598)	(1,572,949)
Net change in total OPEB liability	(1,019,667)	(582,363)	(43,964,340)	4,228,420
Total OPEB liability, beginning of year	<u>28,551,927</u>	<u>29,134,290</u>	<u>73,098,630</u>	<u>68,870,210</u>
Total OPEB liability, end of year	<u>27,532,260</u>	<u>28,551,927</u>	<u>29,134,290</u>	<u>73,098,630</u>
Plan fiduciary net position				
Employer contributions	1,592,016	1,249,439	1,605,523	1,334,149
Employee contributions	435,673	431,617	437,388	370,676
Net investment income (loss)	935,716	608,612	(710,476)	1,772,773
Benefit payments and refunds	(1,660,153)	(1,307,876)	(1,582,598)	(1,572,949)
Administrative expense	(19,905)	(15,313)	(15,160)	(13,816)
Net change in plan fiduciary net position	1,283,347	966,479	(265,323)	1,890,833
Plan fiduciary net position, beginning of year	<u>8,904,187</u>	<u>7,937,708</u>	<u>8,203,031</u>	<u>6,312,198</u>
Plan fiduciary net position, end of year	<u>10,187,534</u>	<u>8,904,187</u>	<u>7,937,708</u>	<u>8,203,031</u>
Net OPEB liability	<u>\$ 17,344,726</u>	<u>\$ 19,647,740</u>	<u>\$ 21,196,582</u>	<u>\$ 64,895,599</u>
Plan fiduciary net position as a percentage of total OPEB liability	37.00%	31.19%	27.25%	11.22%
Covered payroll	<u>\$ 26,690,539</u>	<u>\$ 27,665,341</u>	<u>\$ 25,809,821</u>	<u>\$ 25,614,713</u>
Net OPEB liability as a percentage of covered payroll	64.98%	71.02%	82.13%	253.35%

Fiscal Year Ended June 30,							
	2020		2019		2018		2017
\$	1,217,385	\$	1,519,101	\$	2,444,926	\$	2,866,687
	2,024,859		2,087,663		2,752,781		2,366,860
	-		-		-		-
	(271,616)		-		(1,747,090)		-
	5,092,881		4,524,282		(21,345,849)		(8,351,874)
	(1,875,778)		(1,920,528)		(2,178,985)		(1,600,811)
	6,187,731		6,210,518		(20,074,217)		(4,719,138)
	<u>62,682,479</u>		<u>56,471,961</u>		<u>76,546,178</u>		<u>81,265,316</u>
	<u>68,870,210</u>		<u>62,682,479</u>		<u>56,471,961</u>		<u>76,546,178</u>
	1,410,390		1,446,699		1,734,099		1,204,642
	390,550		318,750		439,777		228,042
	147,822		177,435		365,451		807,558
	(1,875,778)		(1,920,528)		(2,178,985)		(1,600,811)
	(11,266)		(12,876)		(14,677)		(10,920)
	61,718		9,480		345,665		628,511
	<u>6,250,480</u>		<u>6,241,000</u>		<u>5,895,335</u>		<u>5,266,824</u>
	<u>6,312,198</u>		<u>6,250,480</u>		<u>6,241,000</u>		<u>5,895,335</u>
	<u>\$ 62,558,012</u>		<u>\$ 56,431,999</u>		<u>\$ 50,230,961</u>		<u>\$ 70,650,843</u>
	9.17%		9.97%		11.05%		7.70%
	<u>\$ 25,494,729</u>		<u>\$ 29,984,686</u>		<u>\$ 28,970,711</u>		<u>\$ 30,761,954</u>
	245.38%		188.20%		173.39%		229.67%

CITY OF BATTLE CREEK, MICHIGAN

Required Supplementary Information

Single-Employer Other Postemployment Benefit Plan
Schedule of Contributions

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as of % of Covered Payroll
2017	\$ 3,823,865	\$ 1,204,642	\$ 2,619,223	\$ 30,761,954	3.92%
2018	2,723,435	1,734,099	989,336	28,970,711	5.99%
2019	2,819,532	1,446,699	1,372,833	29,984,686	4.82%
2020	5,676,569	1,410,390	4,266,179	25,494,729	5.53%
2021	7,295,382	1,334,149	5,961,233	25,614,713	5.21%
2022	8,100,160	1,605,523	6,494,637	25,809,821	6.22%
2023	2,700,340	1,249,439	1,450,901	27,665,341	4.52%
2024	2,722,211	1,592,016	1,130,195	26,690,539	5.96%

CITY OF BATTLE CREEK, MICHIGAN

■ Required Supplementary Information

Single-Employer Other Postemployment Benefit Plan Schedule of Investment Returns

Fiscal Year Ending June 30,	Annual Return ⁽¹⁾
2017	12.99%
2018	6.59%
2019	2.67%
2020	2.15%
2021	28.17%
2022	-8.67%
2023	3.95%
2024	10.12%

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

CITY OF BATTLE CREEK, MICHIGAN

Notes to Required Supplementary Information

Pension Information

Police and Fire Retirement System

Assumption Changes 2015: Changes include a decrease in wage inflation, decrease in projected salary increases, and the mortality tables were updated to RP-2014.

Assumption Changes 2016: Changes include an increase in wage inflation, increase in projected salary increases, and decrease in the investment rate of return.

Assumption Changes 2018: Changes include a decrease in the wage inflation, decrease in salary increases and decrease in the investment rate of return.

Assumption Changes 2020: The only change was the mortality rates were updated using a projection scale MIP-2019.

Assumption Changes 2021: The only change is the wage inflation rate was lowered from 4.0% to 3.5%.

Assumption Changes 2022: Changes include a decrease in the investment return assumption from 6.50% to 6.25%, increase in the merit and longevity pay assumption, increase in rates of retirement, increase in rate of withdrawal for police groups, increase in rates of disability retirements, and update in the amortization method periods of the unfunded actuarial accrued liability.

Notes to Schedule of Contributions

Valuation date	June 30, 2022
Notes	Actuarially determined contribution amounts are calculated as of June 30 of each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage-of-payroll
Remaining amortization period	Closed 15 years for benefit improvements and assumption changes Closed 20 years for assumption changes, method changes, and experience deviations Closed 25 years for all other liabilities
Asset valuation method	5-year smoothed fair value, with 20% corridor
Inflation	3.50%
Salary increases	4.25%-15.75%, including inflation
Investment rate of return	6.25%
Retirement age	Age and service-based tables of rates that are specific to the type of eligibility condition. Last updated for the 2022 valuation.
Mortality rates	PubS-2010 Standard Mortality Tables with generation mortality improvement using projection scale MP-2021.

CITY OF BATTLE CREEK, MICHIGAN

Notes to Required Supplementary Information

Municipal Employees Retirement System of Michigan

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

Assumption Changes 2016: Based on the 2009-2013 Experience Study the following assumptions were changed starting with the December 31, 2015 valuation: (1) mortality table was adjusted to reflect longer lifetimes, (2) assumed annual rate of return of investment return, net of all expenses, was lowered from 8% to 7.75% (3) asset smoothing period was changed from 10 years to 5 years (4) the amortization period was moved to a fixed period amortization for the December 31, 2015 annual valuations.

Assumption Changes 2020: Amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

Assumption Changes 2021: Amounts reported as changes of assumptions resulted primarily from updates to demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

Assumption Changes 2022: Amounts reported as changes of assumptions resulted from a decrease in the assumed rate of return from 7.35% to 7.00%.

Assumption Changes 2024: Amounts reported as changes in assumptions resulted from a decrease in the assumed rate of return from 7.00% to 6.93%.

Notes to Schedule of Contributions

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

Methods and assumptions used to determine contribution rates (2024, based on the 12/31/2021 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, open
Remaining amortization period	10-15 years, depending on division
Asset valuation method	5-year smoothed fair value
Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.00%, net of investment and administrative expense including inflation
Normal retirement age	Age 60
Mortality	<ul style="list-style-type: none"> Pre-retirement mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 100% of PubG-2010 Employee Mortality Tables for Ages 18-80, and 100% of PubG-2010 Healthy Retiree Tables for ages 81-120 Non-disabled retired plan members and beneficiaries mortality based on 106% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, and 106% of PubG-2010 Healthy Retiree Tables for ages 50-120 Disabled retired plan members mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, and 100% of PubNS-2010 Disabled Retiree Tables for ages 18-120

CITY OF BATTLE CREEK, MICHIGAN

Notes to Required Supplementary Information

OPEB Information

Single-Employer Other Postemployment Benefit Plan

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

Assumption Changes 2017: Changes include a decrease in the investment return assumption for the General group, an increase in the investment return assumption for the Police and Fire groups, decrease in the wage inflation assumption, decrease to the healthcare cost trend rate, increase in the number of remaining years of decreasing healthcare cost trend rate, the General group is using updated Merit and Seniority wage increase assumptions, mortality rates, early retirement rates, withdrawal rates, and disability rates, and an elimination of the excise tax adjustment.

Assumption Changes 2018: Changes include a decrease in the single discount rate, decrease in the wage inflation assumption, decrease to the healthcare cost trend rate, increase in the number of remaining years of decreasing healthcare cost trend rate, the General group is using updated Merit and Seniority wage increase assumptions, mortality rates, early retirement rates, withdrawal rates, and disability rates, and an elimination of the excise tax adjustment.

Assumption Changes 2019: Changes include a decrease in the single discount rate and an elimination of the implicit benefit payments method.

Assumption Changes 2020: Changes include updating the mortality tables from RP-2014 with MP-2014 improvement scale to Public employer tables with MP-2019 improvements scale, an increase in the medical trend rates, and lowering the discount rate from 3.22% to 2.73%.

Assumption Changes 2021: Changes include a decrease in the medical trend rates, and lowering the discount rate from 2.73% to 2.30%.

Assumption Changes 2022: Changes include an increase in the discount rate from 2.30% to 5.36%, an increase in the salary scale from 3.50% to 4.00%, and an update to the mortality improvement scale from MP-2019 to MP-2021.

Assumption Changes 2023: Changes include trend rates were updated to those prescribed by PA 202 for year 2023 and discount rate was increased from 5.36% to 5.70%.

Assumption Changes 2024: Changes include mortality improvement scale updated from MP-2021 to the IRS 2024 Adjusted Scale MP-2021, retirement rates updated based on analysis results completed for the actuarial experience study, initial trend rate kept at same level as prior year instead of decreasing by 0.25% as initially scheduled, and discount rate updated from 5.70% to 6.02%.

Notes to Schedule of Contributions

Actuarial valuation date	June 30, 2024
Actuarial cost method	Entry Age Normal (level percentage of compensation)
Remaining amortization period	10 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	4.00%
Investment rate of return	7.00%

CITY OF BATTLE CREEK, MICHIGAN

■ Notes to Required Supplementary Information

Discount rate	5.70% for 2024 contribution; 6.02% for June 30, 2024 liability and 2025 contribution
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Marital assumption	70% of active employees will have a covered spouse at retirement with females 3 years younger than males; Actual spouse data used for retirees.
Mortality	2010 Public General and Public Safety Employees and Healthy Retirees, Headcount weighted, IRS 2024 Adjusted Scale MP-2021; Disabled lives version used for disability contingency.
Health care trend rates	Pre-Medicare: 7.25% graded down to 4.50% by 0.25% per year; Post-Medicare: 5.50% graded down to 4.50% by 0.25% per year.
Utilization	90% of eligible employees will elect same retiree plan as active plan at retirement; Actual coverage used for non-active

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

CITY OF BATTLE CREEK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
June 30, 2024

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals
Assets					
Pooled cash and investments	\$ 3,274,070	\$ 64,876	\$ 6,777,601	\$ 991,354	\$ 11,107,901
Receivables:					
Interest	3,637	-	-	6,417	10,054
Special assessments	-	183,671	-	-	183,671
Due from other governments	937,476	-	-	-	937,476
Leases, current portion	-	-	29,454	-	29,454
Leases, long-term portion	-	-	246,233	-	246,233
Loans, long-term portion	2,730,197	-	-	-	2,730,197
Total assets	\$ 6,945,380	\$ 248,547	\$ 7,053,288	\$ 997,771	\$ 15,244,986
Liabilities					
Accounts payable	\$ 216,079	\$ 520	\$ 578,415	\$ -	\$ 795,014
Accrued payroll	1,669	-	11,434	-	13,103
Retentions, deposits and other liabilities	209,635	-	-	-	209,635
Interfund payable	431,076	-	-	-	431,076
Unearned revenue	2,730,197	-	-	-	2,730,197
Total liabilities	3,588,656	520	589,849	-	4,179,025
Deferred inflows of resources					
Unavailable revenue:					
Special assessments	-	183,671	-	-	183,671
Deferred lease amounts	-	-	275,687	-	275,687
Total deferred inflows of resources	-	183,671	275,687	-	459,358
Fund balances					
Nonspendable	-	-	-	879,909	879,909
Restricted	3,356,724	-	-	117,862	3,474,586
Committed	-	64,356	3,682,778	-	3,747,134
Assigned	-	-	2,504,974	-	2,504,974
Total fund balances	3,356,724	64,356	6,187,752	997,771	10,606,603
Total liabilities, deferred inflows of resources and fund balances	\$ 6,945,380	\$ 248,547	\$ 7,053,288	\$ 997,771	\$ 15,244,986

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2024

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals
Revenues					
Taxes	\$ -	\$ -	\$ 2,013,544	\$ -	\$ 2,013,544
Intergovernmental:					
Federal	2,338,105	-	-	-	2,338,105
State	2,443,356	-	32,858	-	2,476,214
Local	-	180,000	-	-	180,000
Charges for services	868,504	-	-	-	868,504
Investment earnings	287,752	2,507	-	41,031	331,290
Contributions	-	-	30,561	-	30,561
Rents and leases	-	-	45,996	-	45,996
Other	123,317	-	98,688	-	222,005
Total revenues	6,061,034	182,507	2,221,647	41,031	8,506,219
Expenditures					
Current:					
General government	182,123	-	1,354,286	-	1,536,409
Public safety	-	-	129,449	-	129,449
Highway and streets	4,204,488	-	2,286,739	-	6,491,227
Community development	2,457,408	-	-	-	2,457,408
Inspections	1,017,766	-	-	-	1,017,766
Debt service:					
Principal	-	1,615,000	-	-	1,615,000
Interest and other fiscal charges	-	922,696	-	-	922,696
Total expenditures	7,861,785	2,537,696	3,770,474	-	14,169,955
Revenues over (under) expenditures	(1,800,751)	(2,355,189)	(1,548,827)	41,031	(5,663,736)
Other financing sources (uses)					
Transfers in	2,000,000	2,356,931	4,258,435	-	8,615,366
Transfers out	-	-	(761,427)	-	(761,427)
Total other financing sources (uses)	2,000,000	2,356,931	3,497,008	-	7,853,939
Net change in fund balances	199,249	1,742	1,948,181	41,031	2,190,203
Fund balances, beginning of year	3,157,475	62,614	4,239,571	956,740	8,416,400
Fund balances, end of year	\$ 3,356,724	\$ 64,356	\$ 6,187,752	\$ 997,771	\$ 10,606,603

CITY OF BATTLE CREEK, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2024

	Community Development	Local Street	HOME Program	Michigan Justice Training
Assets				
Pooled cash and investments	\$ -	\$ 1,282,430	\$ -	\$ 28,652
Receivables:				
Interest	-	3,522	-	-
Due from other governments	468,527	338,238	130,711	-
Loans, long-term portion	2,642,471	-	87,726	-
Total assets	\$ 3,110,998	\$ 1,624,190	\$ 218,437	\$ 28,652
Liabilities				
Accounts payable	\$ 68,108	\$ 35,579	\$ 100,054	\$ -
Accrued payroll	-	1,669	-	-
Retentions, deposits and other liabilities	-	-	-	-
Interfund payable	400,419	-	30,657	-
Unearned revenue	2,642,471	-	87,726	-
Total liabilities	3,110,998	37,248	218,437	-
Fund balances				
Restricted	-	1,586,942	-	28,652
Total liabilities and fund balances	\$ 3,110,998	\$ 1,624,190	\$ 218,437	\$ 28,652

continued...

CITY OF BATTLE CREEK, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2024

	Narcotics Forfeiture	Building Inspection	Total
Assets			
Pooled cash and investments	\$ 629,067	\$ 1,333,921	\$ 3,274,070
Receivables:			
Interest	115	-	3,637
Due from other governments	-	-	937,476
Loans, long-term portion	-	-	2,730,197
Total assets	<u>\$ 629,182</u>	<u>\$ 1,333,921</u>	<u>\$ 6,945,380</u>
Liabilities			
Accounts payable	\$ 7,432	\$ 4,906	\$ 216,079
Accrued payroll	-	-	1,669
Retentions, deposits and other liabilities	209,635	-	209,635
Interfund payable	-	-	431,076
Unearned revenue	-	-	2,730,197
Total liabilities	<u>217,067</u>	<u>4,906</u>	<u>3,588,656</u>
Fund balances			
Restricted	<u>412,115</u>	<u>1,329,015</u>	<u>3,356,724</u>
Total liabilities and fund balances	<u><u>\$ 629,182</u></u>	<u><u>\$ 1,333,921</u></u>	<u><u>\$ 6,945,380</u></u>

concluded.

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	Community Development	Local Street	HOME Program	Michigan Justice Training
Revenues				
Intergovernmental:				
Federal	\$ 1,876,869	\$ -	\$ 461,236	\$ -
State	-	2,361,484	-	38,264
Charges for services	-	-	-	-
Investment earnings	-	210,821	-	-
Other	111,305	1,786	7,998	-
Total revenues	1,988,174	2,574,091	469,234	38,264
Expenditures				
Current:				
General government	-	-	-	47,104
Highways and streets	-	4,204,488	-	-
Community development	1,988,174	-	469,234	-
Inspections	-	-	-	-
Total expenditures	1,988,174	4,204,488	469,234	47,104
Revenues under expenditures	-	(1,630,397)	-	(8,840)
Other financing sources				
Transfers in	-	2,000,000	-	-
Net change in fund balances	-	369,603	-	(8,840)
Fund balances, beginning of year	-	1,217,339	-	37,492
Fund balances, end of year	\$ -	\$ 1,586,942	\$ -	\$ 28,652

continued...

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

	Narcotics Forfeiture	Building Inspection	Total
Revenues			
Intergovernmental:			
Federal	\$ -	\$ -	\$ 2,338,105
State	-	43,608	2,443,356
Charges for services	-	868,504	868,504
Investment earnings	25,088	51,843	287,752
Other	-	2,228	123,317
Total revenues	25,088	966,183	6,061,034
Expenditures			
Current:			
General government	135,019	-	182,123
Highways and streets	-	-	4,204,488
Community development	-	-	2,457,408
Inspections	-	1,017,766	1,017,766
Total expenditures	135,019	1,017,766	7,861,785
Revenues under expenditures	(109,931)	(51,583)	(1,800,751)
Other financing sources			
Transfers in	-	-	2,000,000
Net change in fund balances	(109,931)	(51,583)	199,249
Fund balances, beginning of year	522,046	1,380,598	3,157,475
Fund balances, end of year	\$ 412,115	\$ 1,329,015	\$ 3,356,724

concluded.

CITY OF BATTLE CREEK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Final Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	Community Development		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Intergovernmental:			
Federal	\$ 2,525,831	\$ 1,876,869	\$ (648,962)
State	-	-	-
Charges for services	-	-	-
Investment earnings	-	-	-
Other	-	111,305	111,305
Total revenues	2,525,831	1,988,174	(537,657)
Expenditures			
Current:			
General government	-	-	-
Highways and streets	-	-	-
Community development	2,525,831	1,988,174	(537,657)
Inspections	-	-	-
Total expenditures	2,525,831	1,988,174	(537,657)
Revenues over (under) expenditures	-	-	-
Other financing sources			
Transfers in	-	-	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances (deficits), end of year	\$ -	\$ -	\$ -

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Final Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	Local Street Fund		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Intergovernmental:			
Federal	\$ -	\$ -	\$ -
State	2,234,000	2,361,484	127,484
Charges for services	-	-	-
Investment earnings	-	210,821	210,821
Other	-	1,786	1,786
Total revenues	2,234,000	2,574,091	340,091
Expenditures			
Current:			
General government	-	-	-
Highways and streets	3,837,167	4,204,488	367,321
Community development	-	-	-
Inspections	-	-	-
Total expenditures	3,837,167	4,204,488	367,321
Revenues over (under) expenditures	(1,603,167)	(1,630,397)	(27,230)
Other financing sources			
Transfers in	2,000,000	2,000,000	-
Net change in fund balances	396,833	369,603	(27,230)
Fund balances, beginning of year	1,217,339	1,217,339	-
Fund balances (deficits), end of year	\$ 1,614,172	\$ 1,586,942	\$ (27,230)

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Final Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	HOME Program Fund		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Intergovernmental:			
Federal	\$ 1,104,425	\$ 461,236	\$ (643,189)
State	-	-	-
Charges for services	-	-	-
Investment earnings	-	-	-
Other	-	7,998	7,998
Total revenues	1,104,425	469,234	(635,191)
Expenditures			
Current:			
General government	-	-	-
Highways and streets	-	-	-
Community development	1,104,425	469,234	(635,191)
Inspections	-	-	-
Total expenditures	1,104,425	469,234	(635,191)
Revenues over (under) expenditures	-	-	-
Other financing sources			
Transfers in	-	-	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances (deficits), end of year	\$ -	\$ -	\$ -

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Final Budget and Actual - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

	Michigan Justice Training Fund		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Intergovernmental:			
Federal	\$ -	\$ -	\$ -
State	10,000	38,264	28,264
Charges for services	-	-	-
Investment earnings	-	-	-
Other	-	-	-
Total revenues	10,000	38,264	28,264
Expenditures			
Current:			
General government	50,000	47,104	(2,896)
Highways and streets	-	-	-
Community development	-	-	-
Inspections	-	-	-
Total expenditures	50,000	47,104	(2,896)
Revenues over (under) expenditures	(40,000)	(8,840)	31,160
Other financing sources			
Transfers in	-	-	-
Net change in fund balances	(40,000)	(8,840)	31,160
Fund balances, beginning of year	37,492	37,492	-
Fund balances (deficits), end of year	\$ (2,508)	\$ 28,652	\$ 31,160

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Final Budget and Actual - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

Narcotics Forfeiture Fund			
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Intergovernmental:			
Federal	\$ -	\$ -	\$ -
State		110,000	(110,000)
Charges for services	-	-	-
Investment earnings	-	25,088	25,088
Other	-	-	-
Total revenues	110,000	25,088	(84,912)
Expenditures			
Current:			
General government	111,372	135,019	23,647
Highways and streets	-	-	-
Community development	-	-	-
Inspections	-	-	-
Total expenditures	111,372	135,019	23,647
Revenues over (under) expenditures	(1,372)	(109,931)	(108,559)
Other financing sources			
Transfers in	-	-	-
Net change in fund balances	(1,372)	(109,931)	(108,559)
Fund balances, beginning of year	522,046	522,046	-
Fund balances (deficits), end of year	\$ 520,674	\$ 412,115	\$ (108,559)

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Final Budget and Actual - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

Building Inspection Fund			
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Intergovernmental:			
Federal	\$ -	\$ -	\$ -
State	- -	43,608	43,608
Charges for services	924,575	868,504	(56,071)
Investment earnings	1,300	51,843	50,543
Other	200	2,228	2,028
Total revenues	926,075	966,183	40,108
Expenditures			
Current:			
General government	- -	- -	- -
Highways and streets	- -	- -	- -
Community development	- -	- -	- -
Inspections	973,775	1,017,766	43,991
Total expenditures	973,775	1,017,766	43,991
Revenues over (under) expenditures	(47,700)	(51,583)	(3,883)
Other financing sources			
Transfers in	- -	- -	- -
Net change in fund balances	(47,700)	(51,583)	(3,883)
Fund balances, beginning of year	1,380,598	1,380,598	- -
Fund balances (deficits), end of year	\$ 1,332,898	\$ 1,329,015	\$ (3,883)

concluded.

CITY OF BATTLE CREEK, MICHIGAN

Combining Balance Sheet

Nonmajor Debt Service Funds

June 30, 2024

	DPW Building	Special Assessment Debt Service	Capital Improvement Bonds	Police Station Bonds	Total
Assets					
Pooled cash and investments	\$ 944	\$ 62,929	\$ 1,003	\$ -	\$ 64,876
Receivables -					
Special assessments	-	183,671	-	-	183,671
Total assets	\$ 944	\$ 246,600	\$ 1,003	\$ -	\$ 248,547
Liabilities					
Accounts payable	\$ -	\$ 520	\$ -	\$ -	\$ 520
Deferred inflows of resources					
Unavailable revenue -					
Special assessments	-	183,671	-	-	183,671
Fund balances					
Committed	944	62,409	1,003	-	64,356
Total liabilities, deferred inflows of resources and fund balances	\$ 944	\$ 246,600	\$ 1,003	\$ -	\$ 248,547

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended June 30, 2024

	DPW Building	Special Assessment Debt Service	Capital Improvement Bonds	Police Station Bonds	Total
Revenues					
Intergovernmental - local	\$ -	\$ -	\$ 180,000	\$ -	\$ 180,000
Investment earnings	<u>-</u>	<u>2,507</u>	<u>-</u>	<u>-</u>	<u>2,507</u>
Total revenues	<u>-</u>	<u>2,507</u>	<u>180,000</u>	<u>-</u>	<u>182,507</u>
Expenditures					
Debt service:					
Principal	405,000	<u>-</u>	740,000	470,000	1,615,000
Interest and other fiscal charges	<u>43,515</u>	<u>-</u>	<u>296,681</u>	<u>582,500</u>	<u>922,696</u>
Total expenditures	<u>448,515</u>	<u>-</u>	<u>1,036,681</u>	<u>1,052,500</u>	<u>2,537,696</u>
Revenues over (under) expenditures	(448,515)	2,507	(856,681)	(1,052,500)	(2,355,189)
Other financing sources					
Transfers in	<u>448,250</u>	<u>-</u>	<u>856,181</u>	<u>1,052,500</u>	<u>2,356,931</u>
Net change in fund balances	<u>(265)</u>	<u>2,507</u>	<u>(500)</u>	<u>-</u>	<u>1,742</u>
Fund balances, beginning of year	<u>1,209</u>	<u>59,902</u>	<u>1,503</u>	<u>-</u>	<u>62,614</u>
Fund balances, end of year	<u>\$ 944</u>	<u>\$ 62,409</u>	<u>\$ 1,003</u>	<u>\$ -</u>	<u>\$ 64,356</u>

CITY OF BATTLE CREEK, MICHIGAN

Combining Balance Sheet

Nonmajor Capital Projects Funds
June 30, 2024

	Street Projects	General Capital Improvement	Total
Assets			
Pooled cash and investments	\$ 4,011,291	\$ 2,766,310	\$ 6,777,601
Receivables:			
Leases, current portion	-	29,454	29,454
Leases, long-term portion	-	246,233	246,233
Total assets	<u>\$ 4,011,291</u>	<u>\$ 3,041,997</u>	<u>\$ 7,053,288</u>
Liabilities			
Accounts payable	\$ 317,079	\$ 261,336	\$ 578,415
Accrued payroll	<u>11,434</u>	<u>-</u>	<u>11,434</u>
Total liabilities	<u>328,513</u>	<u>261,336</u>	<u>589,849</u>
Deferred inflows of resources			
Deferred lease amounts	-	275,687	275,687
Fund balances			
Committed	3,682,778	-	3,682,778
Assigned	<u>-</u>	<u>2,504,974</u>	<u>2,504,974</u>
Total fund balances	<u>3,682,778</u>	<u>2,504,974</u>	<u>6,187,752</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,011,291</u>	<u>\$ 3,041,997</u>	<u>\$ 7,053,288</u>

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds
For the Year Ended June 30, 2024

	Street Projects	General Capital Improvement	Total
Revenues			
Taxes	\$ 2,013,544	\$ -	\$ 2,013,544
Intergovernmental - state	32,854	4	32,858
Contributions	-	30,561	30,561
Rents and leases	-	45,996	45,996
Other	24,263	74,425	98,688
Total revenues	<u>2,070,661</u>	<u>150,986</u>	<u>2,221,647</u>
Expenditures			
Current expenditures:			
General government	-	1,354,286	1,354,286
Public safety	-	129,449	129,449
Highways and streets	2,286,739	-	2,286,739
Total expenditures	<u>2,286,739</u>	<u>1,483,735</u>	<u>3,770,474</u>
Revenue under expenditures	<u>(216,078)</u>	<u>(1,332,749)</u>	<u>(1,548,827)</u>
Other financing sources (uses)			
Transfers in	1,350,000	2,908,435	4,258,435
Transfers out	(157,067)	(604,360)	(761,427)
Total other financing sources (uses)	<u>1,192,933</u>	<u>2,304,075</u>	<u>3,497,008</u>
Net change in fund balances	976,855	971,326	1,948,181
Fund balances, beginning of year	<u>2,705,923</u>	<u>1,533,648</u>	<u>4,239,571</u>
Fund balances, end of year	<u>\$ 3,682,778</u>	<u>\$ 2,504,974</u>	<u>\$ 6,187,752</u>

CITY OF BATTLE CREEK, MICHIGAN

Combining Balance Sheet

Nonmajor Permanent Funds

June 30, 2024

	Youth Center Endowment	Kellogg Arena Endowment	Total
Assets			
Pooled cash and investments	\$ 269,946	\$ 721,408	\$ 991,354
Interest receivable	4,384	2,033	6,417
Total assets	\$ 274,330	\$ 723,441	\$ 997,771
Fund balances			
Nonspendable	\$ 256,376	\$ 623,533	\$ 879,909
Restricted	17,954	99,908	117,862
Total fund balances	\$ 274,330	\$ 723,441	\$ 997,771

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Permanent Funds
For the Year Ended June 30, 2024

	Youth Center Endowment	Kellogg Arena Endowment	Total
Revenues			
Investment earnings	\$ 11,129	\$ 29,902	\$ 41,031
Fund balances, beginning of year	<u>263,201</u>	<u>693,539</u>	<u>956,740</u>
Fund balances, end of year	<u>\$ 274,330</u>	<u>\$ 723,441</u>	<u>\$ 997,771</u>

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2024

	Automobile Parking System	Solid Waste Collection	Economic Development Loan	Economic Development
Assets				
Current assets:				
Pooled cash and investments	\$ 228,668	\$ -	\$ 3,138,888	\$ 528,500
Receivables:				
Interest	-	-	22,774	-
Accounts, net	-	1,211,265	-	1,918
Loans, current portion	-	-	215,550	-
Total current assets	228,668	1,211,265	3,377,212	530,418
Noncurrent assets:				
Loans receivable	-	-	6,084,883	-
Capital assets not being depreciated	1,505,125	-	-	-
Capital assets being depreciated, net	784,532	-	-	-
Total noncurrent assets	2,289,657	-	6,084,883	-
Total assets	2,518,325	1,211,265	9,462,095	530,418
Deferred outflows of resources				
Deferred pension amounts	-	41,598	-	-
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	109,911	323,650	277,866	14,052
Retentions, deposits and other liabilities	-	98,356	-	900
Interfund payable	-	454,228	-	-
Unearned revenue	5,000	-	-	-
Compensated absences, current portion	1,043	18,877	-	44,468
Total current liabilities	115,954	895,111	277,866	59,420
Noncurrent liabilities:				
Compensated absences	116	2,097	-	4,942
Net pension liability	-	307,871	-	-
Total noncurrent liabilities	116	309,968	-	4,942
Total liabilities	116,070	1,205,079	277,866	64,362
Deferred inflows of resources				
Deferred pension amounts	-	576	-	-
Net position				
Net investment in capital assets	2,289,657	-	-	-
Unrestricted	112,598	47,208	9,184,229	466,056
Total net position	\$ 2,402,255	\$ 47,208	\$ 9,184,229	\$ 466,056

Intermodal Facility

Intermodal Facility	Total
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\$	-	\$	3,896,056
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-	22,774
103,089	1,316,272
-	215,550
<u>103,089</u>	<u>5,450,652</u>

-	6,084,883
-	1,505,125
<u>183,291</u>	<u>967,823</u>
<u>183,291</u>	<u>8,557,831</u>
<u>286,380</u>	<u>14,008,483</u>

<u>-</u>	<u>41,598</u>
----------	---------------

8,023	733,502
-	99,256
68,491	522,719
500	5,500
-	64,388
<u>77,014</u>	<u>1,425,365</u>

-	7,155
-	307,871
-	315,026
<u>77,014</u>	<u>1,740,391</u>

<u>-</u>	<u>576</u>
----------	------------

183,291	2,472,948
<u>26,075</u>	<u>9,836,166</u>
<u>\$ 209,366</u>	<u>\$ 12,309,114</u>

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

	Automobile Parking System	Solid Waste Collection	Economic Development Loan	Economic Development
Operating revenues				
Charges for services	\$ 424,536	\$ 4,371,477	\$ -	\$ -
Rents and leases	-	-	-	2,300
Other	-	1,750	138,518	12,002
Total operating revenues	424,536	4,373,227	138,518	14,302
Operating expenses				
Personnel services	12,823	572,777	-	457,487
Materials and supplies	-	46,586	-	10,707
Contractual and other	1,053,853	3,811,937	102,460	413,740
Depreciation	330,476	-	-	-
Total operating expenses	1,397,152	4,431,300	102,460	881,934
Operating income (loss)	(972,616)	(58,073)	36,058	(867,632)
Nonoperating revenues (expenses)				
Property taxes	-	-	-	320,000
Intergovernmental subsidies:				
State	1,721	56,997	-	474,756
Local	-	500	-	120,000
Investment earnings (loss)	2,547	(13,248)	97,799	21,916
Total nonoperating revenues (expenses)	4,268	44,249	97,799	936,672
Income (loss) before transfers	(968,348)	(13,824)	133,857	69,040
Transfers in	560,000	150,063	-	-
Change in net position	(408,348)	136,239	133,857	69,040
Net position (deficit), beginning of year	2,810,603	(89,031)	9,050,372	397,016
Net position, end of year	\$ 2,402,255	\$ 47,208	\$ 9,184,229	\$ 466,056

INTERMODAL FACILITY RENTALS

Intermodal Facility	Total
\$ 31,612	\$ 4,827,625
117,583	119,883
-	<u>152,270</u>
<u>149,195</u>	<u>5,099,778</u>
6,559	1,049,646
1,018	58,311
126,745	5,508,735
29,974	<u>360,450</u>
<u>164,296</u>	<u>6,977,142</u>
<u>(15,101)</u>	<u>(1,877,364)</u>
-	320,000
178	533,652
10,000	130,500
<u>(1,685)</u>	<u>107,329</u>
<u>8,493</u>	<u>1,091,481</u>
(6,608)	(785,883)
<u>-</u>	<u>710,063</u>
(6,608)	(75,820)
<u>215,974</u>	<u>12,384,934</u>
<u>\$ 209,366</u>	<u>\$ 12,309,114</u>

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended June 30, 2024

	Automobile Parking System	Solid Waste Collection	Economic Development Loan	Economic Development
Cash flows from operating activities				
Receipts from customers and users	\$ 424,536	\$ 4,093,062	\$ 138,518	\$ 14,302
Loans collected from borrowers	-		999,046	-
Payments to suppliers and contractors	(1,014,263)	(3,841,784)	(101,678)	(425,960)
Payments to employees	(12,642)	(444,287)	-	(433,950)
Payments for interfund services	-	(1,303)	-	-
Net cash provided by (used in) operating activities	(602,369)	(194,312)	1,035,886	(845,608)
Cash flows from noncapital financing activities				
Transfers in	560,000	150,063	-	-
Property taxes	-	-	-	320,000
Intergovernmental subsidies	1,721	57,497	-	594,756
Net cash provided by noncapital financing activities	561,721	207,560	-	914,756
Cash flows from investing activities				
Investment earnings (loss)	2,547	(13,248)	85,440	21,916
Net change in pooled cash and investments	(38,101)	-	1,121,326	91,064
Pooled cash and investments, beginning of year	266,769	-	2,017,562	437,436
Pooled cash and investments, end of year	\$ 228,668	\$ -	\$ 3,138,888	\$ 528,500
Cash flows from operating activities				
Operating income (loss)	\$ (972,616)	\$ (58,073)	\$ 36,058	\$ (867,632)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	330,476	-	-	-
Changes in assets and liabilities:				
Accounts receivable	-	(280,165)	-	-
Loans receivable	-		999,046	-
Prepaid items	-	276	-	10
Accounts payable and accrued liabilities	39,590	14,359	782	(1,973)
Retentions, deposits and other liabilities	-	801	-	450
Compensated absences	181	1,563	-	23,537
Interfund payable	-	141,835	-	-
Net pension liability	-	(27,274)	-	-
Deferred outflows of resources related to the net pension liability	-	14,080	-	-
Deferred inflows of resources related to the net pension liability	-	(1,714)	-	-
Net cash provided by (used in) operating activities	\$ (602,369)	\$ (194,312)	\$ 1,035,886	\$ (845,608)

INTERMODAL FACILITY

Intermodal Facility	Total
---------------------	-------

\$ 130,689	\$ 4,801,107
-	999,046
(132,623)	(5,516,308)
(6,559)	(897,438)
<u>-</u>	<u>(1,303)</u>
<u>(8,493)</u>	<u>(614,896)</u>

-	710,063
-	320,000
<u>10,178</u>	<u>664,152</u>
<u>10,178</u>	<u>1,694,215</u>

<u>(1,685)</u>	<u>94,970</u>
-	1,174,289
<u>-</u>	<u>2,721,767</u>
<u>\$ -</u>	<u>\$ 3,896,056</u>

\$ (15,101) \$ (1,877,364)

29,974	360,450
(18,506)	(298,671)
-	999,046
-	286
1,864	54,622
-	1,251
-	25,281
(6,724)	135,111
-	(27,274)
-	14,080
<u>-</u>	<u>(1,714)</u>
<u>\$ (8,493)</u>	<u>\$ (614,896)</u>

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

June 30, 2024

	Equipment Center	Self- Insurance	Information Technology	Reproduction	Total
Assets					
Current assets:					
Pooled cash and investments	\$ 285,323	\$ 5,970,590	\$ 1,700,379	\$ 24,138	\$ 7,980,430
Receivables:					
Interest	1,787	83,661	-	-	85,448
Accounts, net	8,151	513,740	-	-	521,891
Inventories	569,902	-	-	-	569,902
Prepaid items	-	-	250	-	250
Total current assets	<u>865,163</u>	<u>6,567,991</u>	<u>1,700,629</u>	<u>24,138</u>	<u>9,157,921</u>
Noncurrent assets:					
Capital assets not being depreciated/amortized	31,708	17,115	-	-	48,823
Capital assets being depreciated/amortized, net	9,348,107	-	1,570,801	17,486	10,936,394
Total noncurrent assets	<u>9,379,815</u>	<u>17,115</u>	<u>1,570,801</u>	<u>17,486</u>	<u>10,985,217</u>
Total assets	10,244,978	6,585,106	3,271,430	41,624	20,143,138
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	357,662	141,490	12,631	5,107	516,890
Unearned revenue	-	146,119	-	-	146,119
Compensated absences, current portion	86,841	62,239	109,504	9,709	268,293
Claims payable, current portion	-	846,039	-	-	846,039
Installment obligations payable, current portion	-	-	-	31,027	31,027
Subscription liability, current portion	-	-	242,053	-	242,053
Total current liabilities	<u>444,503</u>	<u>1,195,887</u>	<u>364,188</u>	<u>45,843</u>	<u>2,050,421</u>
Noncurrent liabilities:					
Claims payable	-	306,740	-	-	306,740
Installment obligations payable	-	-	-	18,546	18,546
Subscription liability	-	-	694,953	-	694,953
Total noncurrent liabilities	<u>-</u>	<u>306,740</u>	<u>694,953</u>	<u>18,546</u>	<u>1,020,239</u>
Total liabilities	444,503	1,502,627	1,059,141	64,389	3,070,660
Net position					
Net investment in capital assets	9,379,815	17,115	633,795	(32,087)	9,998,638
Unrestricted	<u>420,660</u>	<u>5,065,364</u>	<u>1,578,494</u>	<u>9,322</u>	<u>7,073,840</u>
Total net position (deficit)	\$ 9,800,475	\$ 5,082,479	\$ 2,212,289	\$ (22,765)	\$ 17,072,478

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Year Ended June 30, 2024

	Equipment Center	Self- Insurance	Information Technology	Reproduction	Total
Operating revenues					
Charges for services	\$ 7,432,339	\$ 13,670,463	\$ 1,793,941	\$ 268,464	\$ 23,165,207
Rents and leases	1,815,000	-	-	-	1,815,000
Other	4,499	218,639	3,770	-	226,908
Total operating revenues	9,251,838	13,889,102	1,797,711	268,464	25,207,115
Operating expenses					
Personnel services	1,457,693	1,553,531	1,562,413	138,004	4,711,641
Materials and supplies	1,941,428	24,549	367,363	82,215	2,415,555
Contractual and other	2,051,838	13,230,961	461,010	95,974	15,839,783
Depreciation/amortization	2,415,793	-	168,329	29,977	2,614,099
Total operating expenses	7,866,752	14,809,041	2,559,115	346,170	25,581,078
Operating income (loss)	1,385,086	(919,939)	(761,404)	(77,706)	(373,963)
Nonoperating revenues (expenses)					
Intergovernmental subsidies - state	110,369	144,726	200,435	12,731	468,261
Investment earnings	3,620	374,600	-	-	378,220
Loss on disposal of capital assets	(19,810)	-	-	-	(19,810)
Total nonoperating revenues (expenses)	94,179	519,326	200,435	12,731	826,671
Income (loss) before transfers	1,479,265	(400,613)	(560,969)	(64,975)	452,708
Transfers in	-	-	445,000	70,000	515,000
Transfers out	(448,250)	(275,345)	-	-	(723,595)
Change in net position	1,031,015	(675,958)	(115,969)	5,025	244,113
Net position (deficit), beginning of year	8,769,460	5,758,437	2,328,258	(27,790)	16,828,365
Net position (deficit), end of year	\$ 9,800,475	\$ 5,082,479	\$ 2,212,289	\$ (22,765)	\$ 17,072,478

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2024

	Equipment Center	Self- Insurance	Information Technology	Reproduction	Total
Cash flows from operating activities					
Receipts from interfund services	\$ 9,251,838	\$ 13,889,102	\$ 1,797,711	\$ 268,464	\$ 25,207,115
Payments to suppliers and contractors	(4,114,263)	(13,635,776)	(853,510)	(177,242)	(18,780,791)
Payments to employees	(1,454,381)	(1,528,045)	(1,538,710)	(133,696)	(4,654,832)
Net cash provided by (used in) operating activities	3,683,194	(1,274,719)	(594,509)	(42,474)	1,771,492
Cash flows from noncapital financing activities					
Transfers in	-	-	445,000	70,000	515,000
Transfers out	(448,250)	(275,345)	-	-	(723,595)
Intergovernmental subsidies	110,369	144,726	200,435	12,731	468,261
Net cash provided by (used in) noncapital financing activities	(337,881)	(130,619)	645,435	82,731	259,666
Cash flows from capital and related financing activities					
Issuance of subscription liability	-	-	982,031	-	982,031
Principal paid on installment obligations payable	-	-	-	(30,256)	(30,256)
Principal paid on subscription liability	-	-	(45,025)	-	(45,025)
Purchase of capital assets	(3,113,928)	-	(1,120,290)	-	(4,234,218)
Net cash used in capital and related financing activities	(3,113,928)	-	(183,284)	(30,256)	(3,327,468)
Cash flows from investing activities					
Investment earnings	3,740	381,190	-	-	384,930
Net change in pooled cash and investments	235,125	(1,024,148)	(132,358)	10,001	(911,380)
Pooled cash and investments, beginning of year	50,198	6,994,738	1,832,737	14,137	8,891,810
Pooled cash and investments, end of year	\$ 285,323	\$ 5,970,590	\$ 1,700,379	\$ 24,138	\$ 7,980,430
Cash flows from operating activities					
Operating income (loss)	\$ 1,385,086	\$ (919,939)	\$ (761,404)	\$ (77,706)	\$ (373,963)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation/amortization	2,415,793	-	168,329	29,977	2,614,099
Changes in assets and liabilities:					
Accounts receivable	157,124	(11,321)	1,013	-	146,816
Inventories	(16,920)	-	-	-	(16,920)
Prepaid items	-	5,010	(250)	-	4,760
Accounts payable and accrued liabilities	(261,201)	(135,651)	(25,900)	947	(421,805)
Compensated absences	3,312	25,486	23,703	4,308	56,809
Claims payable	-	(243,824)	-	-	(243,824)
Unearned revenue	-	5,520	-	-	5,520
Net cash provided by (used in) operating activities	\$ 3,683,194	\$ (1,274,719)	\$ (594,509)	\$ (42,474)	\$ 1,771,492

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Fiduciary Net Position

Pension and Other Employee Benefits Trust Funds
June 30, 2024

	Pension Police and Fire Retirement System	Other Postemployment Benefit Plan Trust	Total
Assets			
Cash and cash equivalents	\$ 3,996,008	\$ -	\$ 3,996,008
Investments:			
Fixed income:			
Corporate bonds	7,891,315	-	7,891,315
Foreign bonds	1,969,621	-	1,969,621
Private placements	49,536	-	49,536
U.S. federal agencies	40,278	-	40,278
U.S. government securities	19,599,721	-	19,599,721
Asset backed securities	1,206,414	-	1,206,414
Collateralized mortgage obligations	3,519,969	-	3,519,969
Mortgage backed securities	8,852,863	-	8,852,863
Mutual funds	138,731,110	-	138,731,110
MERS total market portfolio	-	10,187,534	10,187,534
Interest receivable	408,325	-	408,325
Pension contributions receivable	177,082	-	177,082
Total assets	186,442,242	10,187,534	196,629,776
Liabilities			
Due to other governments	202,528	-	202,528
Net position			
Restricted for pension and postemployment healthcare benefits	\$ 186,239,714	\$ 10,187,534	\$ 196,427,248

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Pension and Other Employee Benefits Trust Funds

For the Year Ended June 30, 2024

	Pension Police and Fire Retirement System	Other Postemployment Benefit Plan Trust	Total
Additions			
Investment income:			
Net change in fair value of investments	\$ 19,133,556	\$ -	\$ 19,133,556
Interest and dividends	4,021,023	935,716	4,956,739
Less investment expenses	(124,296)	-	(124,296)
	<hr/>	<hr/>	<hr/>
Total net investment income	23,030,283	935,716	23,965,999
Contributions:			
Employer	6,140,034	1,592,016	7,732,050
Employee	1,965,479	435,673	2,401,152
	<hr/>	<hr/>	<hr/>
Total contributions	8,105,513	2,027,689	10,133,202
Total additions	31,135,796	2,963,405	34,099,201
Deductions			
Benefit payments and refunds	13,477,436	1,660,153	15,137,589
Administrative expenses	217,278	19,905	237,183
	<hr/>	<hr/>	<hr/>
Total deductions	13,694,714	1,680,058	15,374,772
Net change to net position	17,441,082	1,283,347	18,724,429
Net position, beginning of year	168,798,632	8,904,187	177,702,819
Net position, end of year	\$ 186,239,714	\$ 10,187,534	\$ 196,427,248

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2024

	Fire Insurance Escrow	Delinquent Personal Property Taxes	Summer Property Tax Collection	Winter Property Tax Collection	Total
Assets					
Pooled cash and investments	\$ 208,803	\$ 6,980	\$ 209,223	\$ 118,647	\$ 543,653
Taxes receivable	-	-	17,928	17,928	35,856
Delinquent taxes receivable	-	618,026	-	-	618,026
Total assets	208,803	625,006	227,151	136,575	1,197,535
Liabilities					
Undistributed receipts	-	625,006	227,151	136,575	988,732
Net position					
Restricted for individuals, organizations, and other governments	<u>\$ 208,803</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,803</u>

CITY OF BATTLE CREEK, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended June 30, 2024

	Fire Insurance Escrow	Delinquent Personal Property Taxes	Summer Property Tax Collection	Winter Property Tax Collection	Total
Additions					
Fire insurance collections	\$ 118,721	\$ -	\$ -	\$ -	\$ 118,721
Taxes collected for other governments	-	261,652	59,099,832	22,248,479	81,609,963
Total additions	118,721	261,652	59,099,832	22,248,479	81,728,684
Deductions					
Fire insurance distributions	99,590	-	-	-	99,590
Payments of taxes to other governments	-	261,652	59,099,832	22,248,479	81,609,963
Total deductions	99,590	261,652	59,099,832	22,248,479	81,709,553
Change in net position	19,131	-	-	-	19,131
Net position, beginning of year	189,672	-	-	-	189,672
Net position, end of year	\$ 208,803	\$ -	\$ -	\$ -	\$ 208,803

STATISTICAL SECTION

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CITY OF BATTLE CREEK, MICHIGAN

Statistical Section Table of Contents

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

	<u>Page</u>	
Financial Trends (Schedules 1-5)	These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	160
Revenue Capacity (Schedules 6-28)	These schedules contain information to help the reader assess the government's most significant local revenue sources: property taxes and water and wastewater usage fees.	172
Debt Capacity (Schedules 29-32)	These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	216
Demographic and Economic Information (Schedules 33 & 34)	These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	223
Operating Information (Schedules 35-38)	These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	226

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

CITY OF BATTLE CREEK, MICHIGAN

Schedule 1
Unaudited

Net Position by Component

Last Ten Fiscal Years
(*accrual basis of accounting*)

	2015	2016	2017	2018	2019
Governmental activities					
Net investment in capital assets	\$ 212,763,742	\$ 209,385,180	\$ 204,289,221	\$ 202,996,774	\$ 196,784,239
Restricted	6,422,246	10,573,097	9,498,489	11,428,992	17,761,851
Unrestricted (deficit)	(39,592,709)	(56,384,540)	(66,228,790)	(108,310,558)	(120,784,656)
Total governmental activities	\$ 179,593,279	\$ 163,573,737	\$ 147,558,920	\$ 106,115,208	\$ 93,761,434
Business-type activities					
Net investment in capital assets	\$ 91,757,657	\$ 94,256,830	\$ 77,696,600	\$ 84,440,617	\$ 88,322,398
Unrestricted (deficit)	6,044,949	6,738,128	18,432,807	(13,736,110)	(13,127,722)
Total business-type activities	\$ 97,802,606	\$ 100,994,958	\$ 96,129,407	\$ 70,704,507	\$ 75,194,676
Primary government					
Net investment in capital assets	\$ 304,521,399	\$ 303,642,010	\$ 281,985,821	\$ 287,437,391	\$ 285,106,637
Restricted	6,422,246	10,573,097	9,498,489	11,428,992	17,761,851
Unrestricted (deficit)	(33,547,760)	(49,646,412)	(47,795,983)	(122,046,668)	(133,912,378)
Total primary government	\$ 277,395,885	\$ 264,568,695	\$ 243,688,327	\$ 176,819,715	\$ 168,956,110

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule 1
Unaudited

Net Position by Component

Last Ten Fiscal Years
(*accrual basis of accounting*)

	2020	2021	2022	2023	2024
Governmental activities					
Net investment in capital assets	\$ 191,520,117	\$ 185,862,504	\$ 184,578,767	\$ 182,987,646	\$ 182,545,424
Restricted	18,202,625	20,375,257	8,454,546	9,608,841	10,418,139
Unrestricted (deficit)	(122,403,144)	(114,958,702)	(105,831,745)	(111,434,726)	(106,648,868)
Total governmental activities	\$ 87,319,598	\$ 91,279,059	\$ 87,201,568	\$ 81,161,761	\$ 86,314,695
Business-type activities					
Net investment in capital assets	\$ 91,403,421	\$ 88,369,618	\$ 86,184,982	\$ 72,743,638	\$ 78,304,443
Unrestricted (deficit)	(12,750,203)	(8,716,059)	2,163,045	15,755,015	15,702,455
Total business-type activities	\$ 78,653,218	\$ 79,653,559	\$ 88,348,027	\$ 88,498,653	\$ 94,006,898
Primary government					
Net investment in capital assets	\$ 282,923,538	\$ 274,232,122	\$ 270,763,749	\$ 255,731,284	\$ 260,849,867
Restricted	18,202,625	20,375,257	8,454,546	9,608,841	10,418,139
Unrestricted (deficit)	(135,153,347)	(123,674,761)	(103,668,700)	(95,679,711)	(90,946,413)
Total primary government	\$ 165,972,816	\$ 170,932,618	\$ 175,549,595	\$ 169,660,414	\$ 180,321,593

concluded.

Source: City of Battle Creek Finance Department

Note: GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018. This resulted in presentation of the City's net pension liability on the statement of net position. Prior years were not restated.

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 2
 Unaudited

Changes in Net Position

 Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 8,841,596	\$ 13,522,067	\$ 13,804,561	\$ 12,298,063	\$ 13,560,047
Public safety	29,790,342	38,643,958	38,272,687	37,754,399	39,249,188
Public works	2,239,223	2,016,152	1,925,529	2,848,257	2,818,928
Highways and streets	14,960,926	11,759,289	12,962,951	14,614,111	14,773,886
Recreation	6,491,021	7,662,739	7,549,260	6,786,153	5,324,142
Community development	2,709,435	2,960,152	2,575,566	2,582,810	7,103,236
Interest on long-term debt	1,307,722	1,193,277	1,383,774	1,576,922	1,508,678
Total governmental activities	<u>66,340,265</u>	<u>77,757,634</u>	<u>78,474,328</u>	<u>78,460,715</u>	<u>84,338,105</u>
Business-type activities:					
Water and wastewater	23,714,281	25,024,426	29,865,464	27,208,769	26,135,213
Public transit	4,551,257	4,519,401	4,787,343	4,763,055	4,819,992
Solid waste collection	2,977,648	3,021,188	3,327,216	3,418,516	3,539,162
Airport	2,512,780	2,566,234	2,620,027	2,684,727	2,919,251
Parking	1,369,956	1,475,329	1,418,990	1,378,093	1,520,256
Economic development	124,121	183,616	296,334	593,984	698,406
Intermodal facility	-	-	-	-	-
Total business-type activities	<u>35,250,043</u>	<u>36,790,194</u>	<u>42,315,374</u>	<u>40,047,144</u>	<u>39,632,280</u>
Total primary government expenses	<u>101,590,308</u>	<u>114,547,828</u>	<u>120,789,702</u>	<u>118,507,859</u>	<u>123,970,385</u>
Program revenues					
Governmental activities:					
Charges for services:					
General government	3,442,117	3,598,573	3,188,666	4,404,461	4,661,434
Public safety	900,686	907,947	1,119,088	1,463,042	1,633,937
Public works	120,379	144,941	118,886	116,923	116,846
Highways and streets	13,953	6,932	4,559	2,494	749
Recreation	3,400,581	3,822,885	3,511,655	3,670,917	2,340,253
Community development	135,693	57,780	78,892	41,774	53,650
Operating grants and contributions	12,533,025	14,753,846	15,546,274	17,633,267	22,433,015
Capital grants and contributions	762,199	34,404	320,769	3,391,624	338,769
Total governmental activities	<u>21,308,633</u>	<u>23,327,308</u>	<u>23,888,789</u>	<u>30,724,502</u>	<u>31,578,653</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 2
 Unaudited

Changes in Net Position

 Last Ten Fiscal Years
(accrual basis of accounting)

	2020	2021	2022	2023	2024
Expenses					
Governmental activities:					
General government	\$ 10,686,689	\$ 10,896,106	\$ 10,649,011	\$ 16,608,276	\$ 13,838,843
Public safety	34,220,728	26,917,782	31,585,548	40,768,365	40,144,690
Public works	2,674,653	3,044,775	2,634,719	3,914,084	2,028,257
Highways and streets	15,801,903	15,516,910	16,442,194	17,094,295	18,390,465
Recreation	4,357,976	3,972,724	3,869,221	4,084,510	4,150,773
Community development	2,881,623	4,421,780	2,332,533	4,176,418	5,382,916
Interest on long-term debt	1,506,833	1,394,090	1,317,802	1,172,026	1,079,092
Total governmental activities	<u>72,130,405</u>	<u>66,164,167</u>	<u>68,831,028</u>	<u>87,817,974</u>	<u>85,015,036</u>
Business-type activities:					
Water and wastewater	26,172,350	28,255,466	23,892,416	31,410,582	33,079,786
Public transit	5,084,066	5,214,313	3,635,378	4,845,778	4,436,174
Solid waste collection	3,665,768	4,026,661	4,068,181	4,344,640	4,432,603
Airport	3,050,388	3,198,782	2,868,764	3,263,805	3,282,257
Parking	1,324,223	1,102,095	1,304,102	1,287,064	1,397,152
Economic development	950,621	1,235,819	839,017	905,251	984,394
Intermodal facility	114,057	463,037	355,384	173,658	164,296
Total business-type activities	<u>40,361,473</u>	<u>43,496,173</u>	<u>36,963,242</u>	<u>46,230,778</u>	<u>47,776,662</u>
Total primary government expenses	<u>112,491,878</u>	<u>109,660,340</u>	<u>105,794,270</u>	<u>134,048,752</u>	<u>132,791,698</u>
Program revenues					
Governmental activities:					
Charges for services:					
General government	4,601,421	4,678,274	4,969,411	5,204,440	5,001,288
Public safety	1,556,763	1,495,221	1,465,126	1,870,204	2,109,098
Public works	134,530	41,676	71,703	27,619	108,021
Highways and streets	5,921	12,805	10,670	6,000	3,507
Recreation	1,717,759	1,848,686	2,403,737	2,563,239	2,794,871
Community development	46,454	82,995	10,121	40,601	119,303
Operating grants and contributions	16,942,788	22,383,284	14,148,336	21,993,718	25,385,838
Capital grants and contributions	-	-	-	-	-
Total governmental activities	<u>25,005,636</u>	<u>30,542,941</u>	<u>23,079,104</u>	<u>31,705,821</u>	<u>35,521,926</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 2
 Unaudited

Changes in Net Position

 Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019
Business-type activities:					
Charges for services:					
Water and wastewater	\$ 26,556,368	\$ 28,161,891	\$ 26,479,609	\$ 25,613,729	\$ 26,192,910
Public transit	430,572	407,480	378,300	366,930	339,299
Solid waste collection	3,094,738	3,212,994	3,407,372	3,389,107	3,512,255
Airport	1,389,514	1,354,099	1,459,032	1,666,987	1,309,971
Parking	1,398,498	1,384,948	1,333,331	1,131,526	1,171,483
Economic development	55,703	7,636	6,270	-	-
Intermodal facility	-	-	-	-	-
Operating grants and contributions	3,987,451	4,336,403	3,698,755	4,664,524	9,873,639
Total business-type activities	<u>36,912,844</u>	<u>38,865,451</u>	<u>36,762,669</u>	<u>36,832,803</u>	<u>42,399,557</u>
 Total primary government					
Program revenues	<u>58,221,477</u>	<u>62,192,759</u>	<u>60,651,458</u>	<u>67,557,305</u>	<u>73,978,210</u>
 Net (expense)/revenue					
Government activities	(45,031,632)	(54,430,326)	(54,585,539)	(47,736,213)	(52,759,452)
Business-type activities	<u>1,662,801</u>	<u>2,075,257</u>	<u>(5,552,705)</u>	<u>(3,214,341)</u>	<u>2,767,277</u>
 Total primary government net expense	<u>(43,368,831)</u>	<u>(52,355,069)</u>	<u>(60,138,244)</u>	<u>(50,950,554)</u>	<u>(49,992,175)</u>
 General revenues					
Governmental activities:					
General revenues:					
Property taxes	16,028,806	16,189,320	16,457,014	17,109,789	16,993,111
Income taxes	16,475,837	16,414,572	16,581,118	16,718,592	17,664,804
Grants and contributions not restricted to specific programs	5,441,022	5,637,815	5,678,681	5,822,141	6,116,033
Unrestricted investment earnings (loss)	856,338	770,022	293,860	125,428	366,154
Transfers - internal activities	(453,061)	(600,945)	(439,951)	(631,231)	(734,424)
Total governmental activities	<u>38,348,942</u>	<u>38,410,784</u>	<u>38,570,722</u>	<u>39,144,719</u>	<u>40,405,678</u>
 Business-type activities:					
General revenues:					
Property taxes	-	-	-	321,410	363,711
Unrestricted investment earnings (loss)	74,665	269,643	49,396	8,976	624,757
Rents and leases	-	246,507	197,807	213,253	-
Transfers - internal activities	453,061	600,945	439,951	631,231	734,424
Total business-type activities	<u>527,726</u>	<u>1,117,095</u>	<u>687,154</u>	<u>1,174,870</u>	<u>1,722,892</u>
 Total primary government	<u>38,876,668</u>	<u>39,527,879</u>	<u>39,257,876</u>	<u>40,319,589</u>	<u>42,128,570</u>
 Change in net position					
Government activities	(6,682,690)	(16,019,542)	(16,014,817)	(8,591,494)	(12,353,774)
Business-type activities	<u>2,190,527</u>	<u>3,192,352</u>	<u>(4,865,551)</u>	<u>(2,039,471)</u>	<u>4,490,169</u>
 Total primary government	<u>\$ (4,492,163)</u>	<u>\$ (12,827,190)</u>	<u>\$ (20,880,368)</u>	<u>\$ (10,630,965)</u>	<u>\$ (7,863,605)</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 2
 Unaudited

Changes in Net Position

 Last Ten Fiscal Years
 (accrual basis of accounting)

	2020	2021	2022	2023	2024
Business-type activities:					
Charges for services:					
Water and wastewater	\$ 28,081,728	\$ 30,518,398	\$ 32,928,185	\$ 31,693,051	\$ 33,800,169
Public transit	288,168	251,862	277,628	273,927	309,413
Solid waste collection	3,641,860	3,769,920	3,899,425	4,084,477	4,371,477
Airport	141,486	168,459	208,766	222,356	213,520
Parking	1,063,764	776,968	628,973	501,126	424,536
Economic development	-	-	-	-	-
Intermodal facility	4,831	10,383	21,683	27,175	31,612
Operating grants and contributions	8,866,555	8,676,463	7,723,222	7,228,329	10,435,802
Total business-type activities	42,088,392	44,172,453	45,687,882	44,030,441	49,586,529
Total primary government					
Program revenues	67,094,028	74,715,394	68,766,986	75,736,262	85,108,455
Net (expense)/revenue					
Government activities	(47,124,769)	(35,621,226)	(45,751,924)	(56,112,153)	(49,493,110)
Business-type activities	1,726,919	676,280	8,724,640	(2,200,337)	1,809,867
Total primary government net expense	(45,397,850)	(34,944,946)	(37,027,284)	(58,312,490)	(47,683,243)
General revenues					
Governmental activities:					
General revenues:					
Property taxes	17,730,992	18,116,070	18,098,314	18,746,435	20,172,115
Income taxes	17,655,425	15,367,014	17,837,502	18,064,459	19,571,637
Grants and contributions not restricted to specific programs	5,801,172	6,647,453	7,184,032	13,649,313	13,982,508
Unrestricted investment earnings (loss)	304,794	(482,855)	(1,264,047)	1,241,325	3,030,658
Transfers - internal activities	(809,450)	(66,995)	(181,368)	(1,629,186)	(2,110,874)
Total governmental activities	40,682,933	39,580,687	41,674,433	50,072,346	54,646,044
Business-type activities:					
General revenues:					
Property taxes	331,350	262,590	320,000	320,000	320,000
Unrestricted investment earnings (loss)	590,823	(5,524)	(531,540)	401,777	1,267,504
Rents and leases	-	-	-	-	-
Transfers - internal activities	809,450	66,995	181,368	1,629,186	2,110,874
Total business-type activities	1,731,623	324,061	(30,172)	2,350,963	3,698,378
Total primary government	42,414,556	39,904,748	41,644,261	52,423,309	58,344,422
Change in net position					
Government activities	(6,441,836)	3,959,461	(4,077,491)	(6,039,807)	5,152,934
Business-type activities	3,458,542	1,000,341	8,694,468	150,626	5,508,245
Total primary government	\$ (2,983,294)	\$ 4,959,802	\$ 4,616,977	\$ (5,889,181)	\$ 10,661,179

concluded.

Source: City of Battle Creek Finance Department

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 3
 Unaudited

■ Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2015	2016	2017	2018	2019
General fund					
Nonspendable	\$ 455,414	\$ 508,342	\$ 376,049	\$ 457,410	\$ 183,770
Restricted	103,499	384,726	241,186	229,368	234,490
Committed	891,241	936,502	1,313,835	1,347,241	1,383,226
Assigned	101,236	61,973	96,131	130,763	117,019
Unassigned	<u>6,417,328</u>	<u>6,181,573</u>	<u>5,958,796</u>	<u>5,958,796</u>	<u>6,221,349</u>
Total general fund	<u>\$ 7,968,718</u>	<u>\$ 8,073,116</u>	<u>\$ 7,985,997</u>	<u>\$ 8,123,578</u>	<u>\$ 8,139,854</u>
All other governmental funds					
Nonspendable	\$ 1,011,593	\$ 1,019,048	\$ 1,024,394	\$ 932,537	\$ 879,909
Restricted	6,468,777	4,791,668	16,317,974	7,278,525	6,033,641
Committed	2,418,119	1,727,350	2,504,157	805,359	2,848,023
Assigned	454,581	354,092	248,647	282,439	473,038
Unassigned (deficit)	<u>(9,922)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 10,343,148</u>	<u>\$ 7,892,158</u>	<u>\$ 20,095,172</u>	<u>\$ 9,298,860</u>	<u>\$ 10,234,611</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 3
 Unaudited

■ Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2020	2021	2022	2023	2024
General fund					
Nonspendable	\$ 241,416	\$ 192,313	\$ 260,977	\$ 370,213	\$ 318,946
Restricted	247,563	246,617	482,079	572,386	903,007
Committed	1,373,506	1,522,791	1,377,803	1,425,626	1,436,975
Assigned	390	109,498	123,348	199,525	200,156
Unassigned	<u>7,784,247</u>	<u>12,193,420</u>	<u>13,552,074</u>	<u>12,866,737</u>	<u>12,595,157</u>
Total general fund	<u>\$ 9,647,122</u>	<u>\$ 14,264,639</u>	<u>\$ 15,796,281</u>	<u>\$ 15,434,487</u>	<u>\$ 15,454,241</u>
All other governmental funds					
Nonspendable	\$ 885,303	\$ 892,407	\$ 984,939	\$ 883,030	\$ 879,909
Restricted	6,180,972	7,620,523	7,092,558	7,758,860	7,831,204
Committed	3,450,657	2,188,942	2,874,373	3,526,824	5,126,569
Assigned	492,747	423,846	2,325,896	1,533,648	2,504,974
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 11,009,679</u>	<u>\$ 11,125,718</u>	<u>\$ 13,277,766</u>	<u>\$ 13,702,362</u>	<u>\$ 16,342,656</u>

concluded.

Source: City of Battle Creek Finance Department

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 4
 Unaudited

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2015	2016	2017	2018	2019
Revenues					
Income taxes	\$ 16,475,837	\$ 16,414,572	\$ 16,581,118	\$ 16,718,592	\$ 17,664,804
Property taxes	16,028,806	16,189,320	16,457,014	17,109,789	16,993,111
Licenses and permits	965,987	1,029,815	1,019,433	1,057,206	1,197,941
Intergovernmental	17,614,000	20,026,447	21,084,486	21,598,338	22,537,392
Charges for services	4,778,052	5,082,714	4,879,599	5,448,749	4,479,349
Fines and forfeitures	127,535	129,805	125,194	116,581	118,908
Investment earnings (loss)	555,685	501,922	157,485	3,800	750,741
Other	2,026,275	1,914,836	1,972,148	4,479,724	1,800,126
Total revenues	<u>58,572,177</u>	<u>61,289,431</u>	<u>62,276,477</u>	<u>66,532,779</u>	<u>65,542,372</u>
Expenditures					
General government	8,934,304	9,999,068	13,203,880	9,706,024	8,671,057
Public safety	26,469,518	27,427,085	29,417,044	41,320,776	35,080,658
Public works	2,103,888	2,571,981	2,463,778	2,873,537	2,817,820
Highway and streets	14,242,456	10,667,566	9,568,383	9,569,149	9,312,518
Recreation	5,438,183	5,495,002	5,012,445	5,220,992	3,424,227
Community development	1,452,582	1,853,905	1,126,055	1,987,820	7,707,306
Inspections	580,355	616,610	625,830	673,614	725,683
Non-departmental	1,350,777	1,286,389	1,330,575	1,323,813	1,211,464
Debt service:					
Principal	2,342,497	2,539,826	2,072,734	2,701,249	2,690,397
Interest and other fiscal charges	1,346,762	1,207,672	1,367,461	1,649,639	1,508,685
Total expenditures	<u>64,261,322</u>	<u>63,665,104</u>	<u>66,188,185</u>	<u>77,026,613</u>	<u>73,149,815</u>
Revenues over (under) expenditures	<u>(5,689,145)</u>	<u>(2,375,673)</u>	<u>(3,911,708)</u>	<u>(10,493,834)</u>	<u>(7,607,443)</u>
Other financing sources (uses)					
Issuance of bonds, notes and other liabilities	-	12,605,000	15,265,000	-	8,620,963
Premium on bonds	-	860,638	1,489,463	-	-
Payment to refunding bond escrow agent	-	(13,548,312)	-	-	-
Transfers in	6,559,688	5,406,192	6,588,752	5,240,901	5,693,706
Transfers out	(6,246,861)	(5,294,437)	(7,315,611)	(5,405,798)	(5,755,199)
Total other financing sources (uses)	<u>312,827</u>	<u>29,081</u>	<u>16,027,604</u>	<u>(164,897)</u>	<u>8,559,470</u>
Net changes in fund balances	<u>\$ (5,376,318)</u>	<u>\$ (2,346,592)</u>	<u>\$ 12,115,896</u>	<u>\$ (10,658,731)</u>	<u>\$ 952,027</u>
Debt services as a percentage of noncapital expenditures	<u>6.8%</u>	<u>6.5%</u>	<u>5.9%</u>	<u>7.1%</u>	<u>6.3%</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 4
 Unaudited

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2020	2021	2022	2023	2024
Revenues					
Income taxes	\$ 17,655,425	\$ 15,367,014	\$ 17,837,502	\$ 18,064,459	\$ 19,232,794
Property taxes	17,730,992	18,116,070	18,098,314	18,746,435	20,172,115
Licenses and permits	1,207,799	1,097,170	1,248,324	1,105,180	986,968
Intergovernmental	22,041,015	26,556,969	32,305,053	34,374,622	38,142,758
Charges for services	3,995,008	4,064,133	4,702,993	4,758,761	4,799,061
Fines and forfeitures	88,956	58,055	70,956	64,408	98,359
Investment earnings (loss)	650,868	42,482	(570,061)	1,942,307	2,652,438
Other	1,276,232	1,301,942	1,295,953	1,479,041	2,039,205
 Total revenues	 64,646,295	 66,603,835	 74,989,034	 80,535,213	 88,123,698
Expenditures					
General government	5,908,695	6,318,790	11,335,087	12,603,402	13,633,115
Public safety	32,315,635	31,986,670	35,002,131	37,593,083	38,176,025
Public works	2,735,534	2,565,138	2,663,402	2,649,249	3,415,685
Highway and streets	9,371,605	9,356,150	11,699,016	11,784,526	13,362,908
Recreation	2,751,357	2,092,693	3,230,870	3,071,554	3,898,888
Community development	3,460,685	4,938,909	3,456,894	5,084,272	6,695,153
Inspections	782,807	840,235	923,756	856,847	1,017,766
Non-departmental	1,142,697	1,120,340	983,967	978,126	437,440
Debt service:					
Principal	2,820,215	3,088,186	3,223,556	2,815,760	2,217,074
Interest and other fiscal charges	1,402,951	1,288,109	1,166,772	1,046,602	941,931
 Total expenditures	 62,692,181	 63,595,220	 73,685,451	 78,483,421	 83,795,985
 Revenues over (under) expenditures	 1,954,114	 3,008,615	 1,303,583	 2,051,792	 4,327,713
Other financing sources (uses)					
Issuance of bonds, notes and other liabilities	-	737,299	425,000	-	234,614
Premium on bonds	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Transfers in	5,817,544	5,826,413	8,274,784	7,266,114	10,138,612
Transfers out	(5,489,322)	(4,838,771)	(6,319,677)	(9,255,104)	(12,040,891)
 Total other financing sources (uses)	 328,222	 1,724,941	 2,380,107	 (1,988,990)	 (1,667,665)
 Net changes in fund balances	 <u>\$ 2,282,336</u>	 <u>\$ 4,733,556</u>	 <u>\$ 3,683,690</u>	 <u>\$ 62,802</u>	 <u>\$ 2,660,048</u>
 Debt services as a percentage of noncapital expenditures	 <u>7.4%</u>	 <u>7.4%</u>	 <u>6.7%</u>	 <u>5.2%</u>	 <u>4.1%</u>

concluded.

Source: City of Battle Creek Finance Department

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 5
 Unaudited

Changes in Fund Balance - General Fund

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2015	2016	2017	2018	2019
Revenues					
Income taxes	\$ 16,475,837	\$ 16,414,572	\$ 16,581,118	\$ 16,718,592	\$ 17,664,804
Property taxes	14,504,834	14,668,381	14,950,795	15,657,346	15,437,292
Licenses and permits	868,181	1,021,229	1,019,433	1,057,206	1,197,941
Intergovernmental	6,809,508	8,698,540	11,717,251	10,361,118	8,538,406
Charges for services	2,040,194	2,378,225	2,482,779	4,310,766	3,774,648
Fines and forfeitures	127,535	129,805	125,194	116,581	118,908
Investment earnings (loss)	516,880	426,096	145,145	(4,463)	596,605
Contributions	-	-	-	3,407	2,878
Rents and leases	-	-	-	213,991	160,897
Other	872,559	1,034,513	928,761	1,601,274	445,622
Total revenues	42,215,528	44,771,361	47,950,476	50,035,818	47,938,001
Expenditures					
General government	6,371,999	6,772,153	6,648,823	6,757,373	5,353,716
Public safety	25,835,041	27,204,080	29,009,596	30,488,624	31,208,161
Public works	2,103,888	2,571,981	2,463,778	2,873,537	2,817,820
Recreation	3,001,790	3,301,833	3,036,624	4,322,645	3,353,181
Community development	-	-	-	607,252	686,024
Non-departmental	1,350,777	1,286,389	1,330,575	1,323,813	1,211,464
Debt service:					
Principal	-	-	-	345,000	180,000
Interest and other fiscal charges	-	-	-	98,183	57,514
Total expenditures	38,663,495	41,136,436	42,489,396	46,816,427	44,867,880
Revenues over expenditures	3,552,033	3,634,925	5,461,080	3,219,391	3,070,121
Other financing sources (uses)					
Transfers in	-	106,731	21,113	201,565	-
Transfers out	(3,732,337)	(3,637,258)	(5,569,312)	(3,283,375)	(3,053,845)
Total other financing sources (uses)	(3,732,337)	(3,530,527)	(5,548,199)	(3,081,810)	(3,053,845)
Net changes in fund balances	\$ (180,304)	\$ 104,398	\$ (87,119)	\$ 137,581	\$ 16,276

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CITY OF BATTLE CREEK, MICHIGAN

 Schedule 5
 Unaudited

Changes in Fund Balance - General Fund

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2020	2021	2022	2023	2024
Revenues					
Income taxes	\$ 17,655,425	\$ 15,367,014	\$ 17,837,502	\$ 18,064,459	\$ 19,232,794
Property taxes	16,177,669	16,335,534	16,271,718	16,836,340	18,158,571
Licenses and permits	1,207,799	1,097,170	1,248,324	1,105,180	986,968
Intergovernmental	8,820,790	13,067,217	10,931,428	11,040,065	13,490,150
Charges for services	3,013,652	3,196,560	3,674,706	3,781,871	3,930,557
Fines and forfeitures	88,956	58,055	70,956	64,408	98,359
Investment earnings (loss)	464,299	45,958	(390,999)	940,518	1,277,048
Contributions	10,988	5,629	7,980	2,650	42,931
Rents and leases	54,001	56,261	34,569	35,425	36,841
Other	693,008	408,035	474,648	597,574	1,033,259
Total revenues	48,186,587	49,637,433	50,160,832	52,468,490	58,287,478
Expenditures					
General government	5,232,787	4,653,682	4,653,720	5,311,372	7,184,845
Public safety	31,502,922	31,253,817	33,832,162	35,672,263	36,596,277
Public works	2,735,534	2,565,138	2,663,402	2,649,249	3,415,685
Recreation	2,741,065	2,092,693	2,818,081	3,012,761	3,488,238
Community development	668,190	564,752	410,812	703,216	879,930
Non-departmental	1,142,697	1,120,340	983,967	978,126	437,440
Debt service:					
Principal	185,000	195,000	347,460	357,460	367,460
Interest and other fiscal charges	50,314	43,191	35,635	27,635	19,235
Total expenditures	44,258,509	42,488,613	45,745,239	48,712,082	52,389,110
Revenues over expenditures	3,928,078	7,148,820	4,415,593	3,756,408	5,898,368
Other financing sources (uses)					
Transfers in	-	62,711	-	100,528	574,000
Transfers out	(2,420,810)	(2,594,014)	(2,883,951)	(4,218,730)	(6,452,614)
Total other financing sources (uses)	(2,420,810)	(2,531,303)	(2,883,951)	(4,118,202)	(5,878,614)
Net changes in fund balances	\$ 1,507,268	\$ 4,617,517	\$ 1,531,642	\$ (361,794)	\$ 19,754

concluded.

Source: City of Battle Creek Finance Department

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 6
 Unaudited

■ Assessed and Taxable Value of Property

 Last Ten Fiscal Years
 (in thousands of dollars)

Fiscal Year Ended June 30,	Tax Year	Valued as of December 31,	(1) Total Assessed Value (S.E.V.)	Taxable Value	
				Real Property	Personal Property
2024	2023	2022	\$ 1,621,985,453	\$ 1,301,825,550	\$ 124,409,702
2023	2022	2021	1,445,989,341	1,214,530,872	132,542,460
2022	2021	2020	1,375,375,519	1,163,656,168	124,748,999
2021	2020	2019	1,329,501,813	1,136,179,631	129,844,418
2020	2019	2018	1,281,987,110	1,104,909,615	148,389,245
2019	2018	2017	1,257,426,739	1,076,813,647	155,035,548
2018	2017	2016	1,394,675,388	1,063,247,903	150,132,197
2017	2016	2015	1,374,803,682	1,056,829,386	162,533,256
2016	2015	2014	1,597,755,968	1,058,229,131	331,368,399
2015	2014	2013	1,580,734,432	1,071,816,975	323,079,746

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule 6
Unaudited

■ Assessed and Taxable Value of Property

Last Ten Fiscal Years

(in thousands of dollars)

Fiscal Year Ended June 30,	Taxable Value			Total Estimated Actual Value of Taxable Property	Total Direct Tax Rate
	(2) Industrial Facilities	(2) Neighborhood Enterprise Zone	Total		
2024	\$ 16,457,268	\$ 156,965	\$ 1,442,849,485	\$ 3,243,970,906	15.7580
2023	24,114,003	156,965	1,371,344,300	2,891,978,682	15.5030
2022	21,890,719	187,103	1,310,482,989	2,750,751,038	15.7650
2021	25,109,886	30,138	1,291,164,073	2,659,003,626	15.9340
2020	32,840,820	40,104	1,286,179,784	2,563,974,220	15.9340
2019	51,542,516	40,104	1,283,431,815	2,514,853,478	15.7490
2018	58,777,497	52,084	1,272,209,681	2,789,350,776	15.7490
2017	67,913,737	52,084	1,287,328,463	2,749,607,364	15.4190
2016	149,463,733	52,084	1,539,113,347	3,195,511,936	14.7360
2015	146,581,873	62,440	1,541,541,034	3,161,468,864	14.7360

concluded.

Notes: Property in the City of Battle Creek is assessed every year representing approximately 50% of the actual value for all real and personal property. Taxable value is the figure used to calculate property taxes. The taxable value is limited to annual increases of 5% or the State of Michigan Consumer Price Index, whichever is less, except if a property is sold. The assessed value becomes the taxable value in the year following a sale. Property taxes are levied July 1 of the succeeding fiscal year based on taxable values as of December 31.

(1) Assessed value is ad valorem property only and does not include tax abated properties (see #2 below).

(2) Represents current values of tax abated properties.

Source: City of Battle Creek Assessor's Office.

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 7
 Unaudited

■ Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of taxable value)

Fiscal Year Ended June 30,	Levied July 1,	(1) City of Battle Creek			Total Direct Rate	Battle Creek Public Schools	State Education Tax
		Operating	Debt	Pension			
2024	2023	9.4870	0.5000	5.7710	15.7580	25.5000	6.0000
2023	2022	9.4870	0.5000	5.5160	15.5030	25.5000	6.0000
2022	2021	9.4870	0.5000	5.7780	15.7650	24.0000	6.0000
2021	2020	9.4870	0.5000	5.9470	15.9340	24.0000	6.0000
2020	2019	9.8460	0.5000	5.5880	15.9340	24.0000	6.0000
2019	2018	9.8460	0.5000	5.4030	15.7490	24.0000	6.0000
2018	2017	10.2400	0.5000	5.0090	15.7490	24.0000	6.0000
2017	2016	10.2400	0.5000	4.6790	15.4190	24.0000	6.0000
2016	2015	10.2400	-	4.4960	14.7360	24.3200	6.0000
2015	2014	10.3070	-	4.4290	14.7360	24.6000	6.0000

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 7
 Unaudited

■ Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of taxable value)

Fiscal Year Ended June 30,	Calhoun Intermediate School District	Kellogg Community College	District Library	County	Totals	
					Non-Homestead	Homestead (2)
2024	6.1946	3.6109	2.0000	7.6417	66.7052	48.7052
2023	6.1946	3.6109	2.0000	6.6611	65.4696	47.4696
2022	6.2057	3.6136	2.0000	6.6713	64.2556	46.2556
2021	6.2057	3.6136	2.0000	6.6713	64.4246	46.4246
2020	6.2057	3.6136	2.0000	6.4713	64.2246	46.2246
2019	6.2057	3.6136	2.0000	6.4713	64.0396	46.0396
2018	6.2057	3.6136	2.0000	6.4713	64.0396	46.0396
2017	6.2057	3.6136	2.0000	6.4713	63.7096	45.7096
2016	6.2057	3.6136	2.0000	6.4713	63.3466	45.3466
2015	6.2057	3.6136	2.0000	6.4713	63.6266	45.6266

(1) Approximately 2/3 of the City's taxable value is contained in Battle Creek School District. Four other school districts overlap into the geographical boundaries of the City. The millage rates for these other school districts are approximately equivalent to Battle Creek School District's.

(2) Passage of Proposal A in 1994 reduced operating millage for Michigan public schools to 18 mills for non-homestead properties and exempted homestead properties. Both homestead and non-homestead properties are subject to the State Education Tax of 6 mills as well as any debt service levy.

Source: City of Battle Creek Finance Department

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 8
 Unaudited

Principal Property Taxpayers

Current Year and Nine Years Ago

Taxpayer	2015		
	Taxable Value	Rank	Percentage of Total City Taxable Value
Consumers Energy	\$ 32,950,993	5	2.14%
Kellogg USA LLC	-	-	0.00%
Semco Energy Inc.	12,136,440	9	0.79%
Kellogg Company	145,818,260	1	9.46%
Denso Manufacturing MI Inc.	89,925,078	2	5.83%
Post Foods LLC	44,519,965	3	2.89%
Arbors of Battle Creek	-	-	0.00%
BCHQ Real Estate LL (Kellogg HQ)	-	-	0.00%
Redwood Battle Creek Glen Cross	-	-	0.00%
Edward Rose Development Co.	-	-	0.00%
Musashi Auto Parts-Michigan Inc.	36,162,352	4	2.35%
TRMI Inc.	21,406,021	6	1.39%
II Stanley Co Inc.	19,264,518	7	1.25%
Conagra Foods Inc.	14,089,069	8	0.91%
Graphic Packaging International	11,947,030	10	0.78%
	<u>\$ 428,219,726</u>		<u>27.78%</u>

continued...

CITY OF BATTLE CREEK, MICHIGANSchedule 8
Unaudited**Principal Property Taxpayers**

Current Year and Nine Years Ago

Taxpayer	2024		
	Taxable Value	Rank	Percentage of Total City Taxable Value
Consumers Energy	\$ 49,301,171	1	3.42%
Kellogg USA LLC	22,513,976	2	1.56%
Semco Energy Inc.	17,561,244	3	1.22%
Kellogg Company	15,461,182	4	1.07%
Denso Manufacturing MI Inc.	13,180,811	5	0.91%
Post Foods LLC	12,344,172	6	0.86%
Arbors of Battle Creek	11,585,987	7	0.80%
BCHQ Real Estate LL (Kellogg HQ)	9,612,599	8	0.67%
Redwood Battle Creek Glen Cross	8,651,474	9	0.60%
Edward Rose Development Co.	7,557,095	10	0.52%
Musashi Auto Parts-Michigan Inc.	-	-	0.00%
TRMI Inc.	-	-	0.00%
II Stanley Co Inc.	-	-	0.00%
Conagra Foods Inc.	-	-	0.00%
Graphic Packaging International	-	-	0.00%
	<hr/> <u>\$ 167,769,711</u>		<hr/> <u>11.63%</u>

Source: City of Battle Creek Assessor's Office.

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CITY OF BATTLE CREEK, MICHIGAN

 Schedule 9
 Unaudited

Property Tax Levies and Collections

Last Ten Fiscal Years

Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date		
		Amount	% of Levy		Amount	% of Levy	
2024	\$ 22,424,789	\$ 22,400,221	99.89%	\$ 3,378	\$ 22,403,599	99.91%	
2023	20,817,430	20,799,487	99.91%	1,355	20,800,842	99.92%	
2022	20,243,933	20,223,428	99.90%	3,364	20,226,792	99.92%	
2021	20,170,957	20,150,624	99.90%	7,570	20,158,194	99.94%	
2020	20,052,215	20,013,011	99.80%	408	20,013,419	99.81%	
2019	19,568,359	19,528,723	99.80%	2,090	19,530,813	99.81%	
2018	19,173,957	19,127,382	99.76%	580	19,127,962	99.76%	
2017	18,905,774	18,872,333	99.82%	3,248	18,875,581	99.84%	
2016	20,813,769	20,779,353	99.83%	8,403	20,787,756	99.88%	
2015	20,686,120	20,672,222	99.93%	1,967	20,674,189	99.94%	

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 10
 Unaudited

Number of Water System Customers by User Class

Last Ten Fiscal Years

Type of User	2015	2016	2017	2018	2019
In-City					
Residential	14,765	14,757	14,771	14,754	14,791
Commercial (1)	1,617	1,619	1,634	1,646	1,671
Industrial	131	130	126	126	124
	<u>16,513</u>	<u>16,506</u>	<u>16,531</u>	<u>16,526</u>	<u>16,586</u>
Outside City					
Emmett Township	668	675	699	708	714
Bedford Township	426	420	428	428	429
Springfield City	Bulk	Bulk	Bulk	Bulk	Bulk
Pennfield Township	Bulk	Bulk	Bulk	Bulk	Bulk
	<u>1,094</u>	<u>1,095</u>	<u>1,127</u>	<u>1,136</u>	<u>1,143</u>
Totals	<u>17,607</u>	<u>17,601</u>	<u>17,658</u>	<u>17,662</u>	<u>17,729</u>

continued...

CITY OF BATTLE CREEK, MICHIGANSchedule 10
Unaudited**■ Number of Water System Customers by User Class**

Last Ten Fiscal Years

Type of User	2020	2021	2022	2023	2024
In-City					
Residential	14,806	14,967	14,979	14,973	14,879
Commercial (1)	1,650	1,511	1,562	1,519	1,630
Industrial	123	123	125	125	129
	<u>16,579</u>	<u>16,601</u>	<u>16,666</u>	<u>16,617</u>	<u>16,638</u>
Outside City					
Emmett Township	714	714	817	816	821
Bedford Township	430	429	437	439	442
Springfield City	Bulk	Bulk	Bulk	Bulk	Bulk
Pennfield Township	Bulk	Bulk	Bulk	Bulk	Bulk
	<u>1,144</u>	<u>1,144</u>	<u>1,254</u>	<u>1,255</u>	<u>1,263</u>
Totals	<u>17,723</u>	<u>17,745</u>	<u>17,920</u>	<u>17,872</u>	<u>17,901</u>

concluded.

(1) This class includes commercial and governmental users.

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 11
 Unaudited

■ Number of Water System Customers by User Class as a Percent of Total

Last Ten Fiscal Years

Type of User	2015	2016	2017	2018	2019
In-City					
Residential	83.86%	83.84%	83.65%	83.54%	83.43%
Commercial	9.18%	9.20%	9.25%	9.32%	9.43%
Industrial	0.74%	0.74%	0.71%	0.71%	0.70%
	<u>93.79%</u>	<u>93.78%</u>	<u>93.62%</u>	<u>93.57%</u>	<u>93.55%</u>
Outside City					
Emmett Township	3.79%	3.84%	3.96%	4.01%	4.03%
Bedford Township	2.42%	2.39%	2.42%	2.42%	2.42%
Springfield City	n/a	n/a	n/a	n/a	n/a
Pennfield Township	n/a	n/a	n/a	n/a	n/a
	<u>6.21%</u>	<u>6.22%</u>	<u>6.38%</u>	<u>6.43%</u>	<u>6.45%</u>
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

continued...

CITY OF BATTLE CREEK, MICHIGANSchedule 11
Unaudited**■ Number of Water System Customers by User Class as a Percent of Total**

Last Ten Fiscal Years

Type of User	2020	2021	2022	2023	2024
In-City					
Residential	83.54%	84.35%	83.58%	83.77%	83.11%
Commercial	9.31%	8.52%	8.72%	8.50%	9.11%
Industrial	0.69%	0.69%	0.70%	0.70%	0.72%
	<u>93.54%</u>	<u>93.56%</u>	<u>93.00%</u>	<u>92.97%</u>	<u>92.94%</u>
Outside City					
Emmett Township	4.03%	4.02%	4.56%	4.57%	4.59%
Bedford Township	2.43%	2.42%	2.44%	2.46%	2.47%
Springfield City	n/a	n/a	n/a	n/a	n/a
Pennfield Township	n/a	n/a	n/a	n/a	n/a
	<u>6.46%</u>	<u>6.44%</u>	<u>7.00%</u>	<u>7.03%</u>	<u>7.06%</u>
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

concluded.

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 12
 Unaudited

Water System Revenues by User Class

Last Ten Fiscal Years

Type of User	2015	2016	2017	2018	2019
In-City					
Residential	\$ 3,478,565	\$ 3,575,598	\$ 3,724,145	\$ 3,826,075	\$ 3,871,053
Commercial (1)	2,028,652	2,243,876	2,124,857	2,102,968	2,150,138
Industrial	<u>2,179,161</u>	<u>2,367,369</u>	<u>1,939,402</u>	<u>1,579,649</u>	<u>1,651,605</u>
	<u>7,686,378</u>	<u>8,186,843</u>	<u>7,788,404</u>	<u>7,508,692</u>	<u>7,672,796</u>
Outside City					
Emmett Township	626,495	689,318	695,064	709,973	742,075
Bedford Township	98,325	100,731	99,809	105,058	107,763
East Leroy Township	12,481	13,024	11,817	11,156	12,989
Springfield City	272,671	266,165	290,922	224,405	228,116
Pennfield Township	<u>27,805</u>	<u>29,562</u>	<u>35,524</u>	<u>44,202</u>	<u>46,033</u>
	<u>1,037,776</u>	<u>1,098,800</u>	<u>1,133,136</u>	<u>1,094,794</u>	<u>1,136,976</u>
Totals	<u>\$ 8,724,154</u>	<u>\$ 9,285,643</u>	<u>\$ 8,921,540</u>	<u>\$ 8,603,486</u>	<u>\$ 8,809,772</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule 12
Unaudited

■ Water System Revenues by User Class

Last Ten Fiscal Years

Type of User	2020	2021	2022	2023	2024
In-City					
Residential	\$ 3,953,830	\$ 4,172,430	\$ 4,081,396	\$ 3,833,235	\$ 3,976,324
Commercial (1)	2,140,818	2,300,744	2,403,260	2,282,560	2,424,848
Industrial	1,777,862	1,882,016	1,926,006	1,600,765	1,712,003
	<u>7,872,510</u>	<u>8,355,190</u>	<u>8,410,662</u>	<u>7,716,560</u>	<u>8,113,175</u>
Outside City					
Emmett Township	693,906	777,471	796,067	766,496	797,242
Bedford Township	108,217	113,524	112,871	100,141	105,116
East Leroy Township	13,086	15,133	14,923	14,558	15,067
Springfield City	162,726	285,116	259,948	279,830	284,067
Pennfield Township	44,912	66,279	50,295	50,879	45,768
	<u>1,022,847</u>	<u>1,257,523</u>	<u>1,234,104</u>	<u>1,211,904</u>	<u>1,247,260</u>
Totals	<u>\$ 8,895,357</u>	<u>\$ 9,612,713</u>	<u>\$ 9,644,766</u>	<u>\$ 8,928,464</u>	<u>\$ 9,360,435</u>

concluded.

(1) This class includes commercial and governmental users.

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGANSchedule 13
Unaudited**Water System Revenues by User Class as a Percent of Total Revenue**

Last Ten Fiscal Years

Type of User	2015	2016	2017	2018	2019
In-City					
Residential	39.87%	38.51%	41.74%	44.47%	43.94%
Commercial (1)	23.25%	24.17%	23.82%	24.44%	24.41%
Industrial	24.98%	25.49%	21.74%	18.36%	18.75%
	<u>88.10%</u>	<u>88.17%</u>	<u>87.30%</u>	<u>87.27%</u>	<u>87.09%</u>
Outside City					
Emmett Township	7.18%	7.42%	7.79%	8.25%	8.42%
Bedford Township	1.13%	1.08%	1.12%	1.22%	1.22%
East Leroy Township	0.14%	0.14%	0.13%	0.13%	0.15%
Springfield City	3.13%	2.87%	3.26%	2.61%	2.59%
Pennfield Township	0.32%	0.32%	0.40%	0.51%	0.52%
	<u>11.90%</u>	<u>11.83%</u>	<u>12.70%</u>	<u>12.73%</u>	<u>12.91%</u>
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule 13
Unaudited

■ Water System Revenues by User Class as a Percent of Total Revenue

Last Ten Fiscal Years

Type of User	2020	2021	2022	2023	2024
In-City					
Residential	44.45%	43.41%	42.32%	42.95%	42.48%
Commercial (1)	24.07%	23.93%	24.92%	25.56%	25.91%
Industrial	19.98%	19.57%	19.97%	17.93%	18.29%
	<u>88.50%</u>	<u>86.91%</u>	<u>87.21%</u>	<u>86.44%</u>	<u>86.68%</u>
Outside City					
Emmett Township	7.80%	8.09%	8.25%	8.58%	8.52%
Bedford Township	1.22%	1.18%	1.17%	1.12%	1.12%
East Leroy Township	0.15%	0.16%	0.15%	0.16%	0.16%
Springfield City	1.83%	2.97%	2.70%	3.13%	3.03%
Pennfield Township	0.50%	0.69%	0.52%	0.57%	0.49%
	<u>11.50%</u>	<u>13.09%</u>	<u>12.79%</u>	<u>13.56%</u>	<u>13.32%</u>
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

concluded.

(1) This class includes commercial and governmental users.

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGANSchedule 14
Unaudited**■ Water System Sales Volume by User Class (Cubic Feet)**

Last Ten Fiscal Years

Type of User	2015 (2)	2016 (2)	2017	2018	2019
In-City					
Residential	105,232,458	96,499,847	109,281,509	106,630,876	103,873,324
Commercial (1)	91,052,374	95,356,781	90,252,021	89,941,367	85,985,666
Industrial	127,625,133	127,002,299	113,625,946	102,822,926	104,534,592
	<u>323,909,965</u>	<u>318,858,927</u>	<u>313,159,476</u>	<u>299,395,169</u>	<u>294,393,582</u>
Outside City					
Emmett Township	23,111,371	23,441,862	25,738,764	27,512,531	29,987,370
Bedford Township	3,127,698	2,888,704	2,820,489	3,110,360	3,090,877
Springfield City	16,888,944	16,888,943	17,389,269	17,243,502	16,925,328
Pennfield Township	2,123,500	2,164,000	2,199,500	2,255,800	2,218,600
	<u>45,251,513</u>	<u>45,383,509</u>	<u>48,148,022</u>	<u>50,122,193</u>	<u>52,222,175</u>
Totals	<u>369,161,478</u>	<u>364,242,436</u>	<u>361,307,498</u>	<u>349,517,362</u>	<u>346,615,757</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule 14
Unaudited

■ Water System Sales Volume by User Class (Cubic Feet)

Last Ten Fiscal Years

Type of User	2020	2021	2022	2023	2024
In-City					
Residential	101,247,759	110,045,782	102,042,992	102,130,095	110,833,553
Commercial (1)	80,523,471	83,408,109	89,389,011	88,781,404	94,828,831
Industrial	110,750,621	117,380,631	116,848,702	101,531,548	105,137,117
	<u>292,521,851</u>	<u>310,834,522</u>	<u>308,280,705</u>	<u>292,443,047</u>	<u>310,799,501</u>
Outside City					
Emmett Township	23,612,244	25,784,938	27,049,787	28,709,198	29,124,975
Bedford Township	2,717,530	2,894,348	2,786,151	2,631,457	2,713,538
Springfield City	19,146,343	18,010,490	18,364,274	18,592,463	16,986,845
Pennfield Township	2,213,400	2,157,900	2,521,800	2,523,400	2,235,500
	<u>47,689,517</u>	<u>48,847,676</u>	<u>50,722,012</u>	<u>52,456,518</u>	<u>51,060,858</u>
Totals	<u>340,211,368</u>	<u>359,682,198</u>	<u>359,002,717</u>	<u>344,899,565</u>	<u>361,860,359</u>

concluded.

(1) This class includes commercial and governmental users.

(2) Installation of new read system causing negative usage from non-working transmitters not yet changed out but did not impact charges; two-year phase in for In-City, Emmett Township & Bedford Township

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGANSchedule 15
Unaudited**■ Water System Sales Volume by User Class as a Percent of Total Sales (Cubic Feet)**

Last Ten Fiscal Years

Type of User	2015	2016	2017	2018	2019
In-City					
Residential	28.51%	26.49%	30.25%	30.51%	29.97%
Commercial (1)	24.66%	26.18%	24.98%	25.73%	24.81%
Industrial	34.57%	34.87%	31.45%	29.42%	30.16%
	<u>87.74%</u>	<u>87.54%</u>	<u>86.67%</u>	<u>85.66%</u>	<u>84.93%</u>
Outside City					
Emmett Township	6.26%	6.44%	7.12%	7.87%	8.65%
Bedford Township	0.85%	0.79%	0.78%	0.89%	0.89%
Springfield City	4.57%	4.64%	4.81%	4.93%	4.88%
Pennfield Township	0.58%	0.59%	0.61%	0.65%	0.64%
	<u>12.26%</u>	<u>12.46%</u>	<u>13.33%</u>	<u>14.34%</u>	<u>15.07%</u>
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

continued...

CITY OF BATTLE CREEK, MICHIGANSchedule 15
Unaudited**■ Water System Sales Volume by User Class as a Percent of Total Sales (Cubic Feet)**

Last Ten Fiscal Years

Type of User	2020	2021	2022	2023	2024
In-City					
Residential	29.76%	30.60%	28.42%	29.61%	30.63%
Commercial (1)	23.67%	23.19%	24.90%	25.74%	26.21%
Industrial	32.55%	32.63%	32.55%	29.44%	29.05%
	<u>85.98%</u>	<u>86.42%</u>	<u>85.87%</u>	<u>84.79%</u>	<u>85.89%</u>
Outside City					
Emmett Township	6.94%	7.17%	7.53%	8.33%	8.05%
Bedford Township	0.80%	0.80%	0.78%	0.76%	0.75%
Springfield City	5.63%	5.01%	5.12%	5.39%	4.69%
Pennfield Township	0.65%	0.60%	0.70%	0.73%	0.62%
	<u>14.02%</u>	<u>13.58%</u>	<u>14.13%</u>	<u>15.21%</u>	<u>14.11%</u>
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

concluded.

(1) This class includes commercial and governmental users.

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGAN**Schedule 16**
Unaudited**■ Water Pumped and Sold (Cubic Feet)**

Last Ten Fiscal Years

Fiscal Year Ended June 30	Water Pumped	Percent Increase (Decrease)	Water Sold	Percent Increase (Decrease)	Water Sold as a % of Water Pumped
2024	412,429,140	-3.23%	361,860,359	4.92%	87.74%
2023	426,210,497	3.44%	344,899,565	-3.93%	80.92%
2022	412,030,748	-0.31%	359,002,717	-0.19%	87.13%
2021	413,315,508	0.20%	359,682,198	5.72%	87.02%
2020	412,501,337	-2.05%	340,211,368	-1.85%	82.48%
2019	421,137,701	-7.23%	346,615,757	-0.83%	82.30%
2018	453,945,187	-0.51%	349,517,362	-3.26%	77.00%
2017	456,264,706	-2.34%	361,307,498	-0.81%	79.19%
2016	467,175,134	1.93%	364,242,436	-1.33%	77.97%
2015	458,343,805	-3.76%	369,161,478	-6.71%	80.54%

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 17
 Unaudited

Water Revenues and Usage - Major Customers

Fiscal Year Ended June 30, 2024

Company	Product or Service	Consumption (Cu. Ft.)	% of Total	Revenue	% of Total
Prairie Farms Dairy	Dairy Processing	13,144,230	3.63%	\$ 735,298	7.86%
Firekeepers Casino	Gambling/Entertainment	9,499,200	2.63%	606,256	6.48%
Post Foods	Breakfast Foods	35,008,628	9.67%	558,918	5.97%
Kellogg Company - Plant	Breakfast Foods	22,995,865	6.35%	370,109	3.95%
Westrock California LLC	Paperboard	8,751,527	2.42%	449,474	4.80%
Denso Mfg - Michigan	Automotive Parts	6,226,274	1.72%	378,651	4.05%
Bronson Battle Creek	Medical Services	4,698,000	1.30%	297,295	3.18%
VA Medical Center - Hospital	Medical Services	4,155,079	1.15%	320,617	3.43%
Rolling Hills Mobile Home Community	Mobile Home	2,979,400	0.82%	160,319	1.71%
City of Battle Creek - WWTP	Government	2,907,200	0.80%	50,796	0.54%
Calhoun County Justice Center	Government-Jails/Courts	2,776,854	0.77%	164,846	1.76%
Bowers Aluminum Co	Aluminum Parts	2,610,295	0.72%	152,597	1.63%
Gallagher Laundry	Laundry	1,989,600	0.55%	113,573	1.21%
Silver Star Apts	Apartment Complex	1,712,915	0.47%	87,968	0.94%
Advantage Sintered Metals	Automotive Parts	1,686,835	0.47%	99,202	1.06%
Pedcor Investments	Apartment Complex	1,319,400	0.36%	74,609	0.80%
Ft Custer Training Center	Government	1,273,646	0.35%	85,787	0.92%
River Apartments	Apartment Complex	1,253,907	0.35%	83,408	0.89%
Kellogg Company - WKKI	Food Research	1,231,476	0.34%	77,155	0.82%
Kellogg Company - Headquarters	Food Research	1,186,231	0.33%	52,249	0.56%
Totals		127,406,562	35.21%	\$ 4,919,127	52.55%

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGAN

Current Water Rates

Last Ten Fiscal Years

Monthly Water Commodity Charge (1)									
(Fiscal Year Ending June 30)									
	2015	2016	2017 (4)	2018	2019				
Inside City									
0 to 4,410,000	\$ 1.60	\$ 1.68	\$ 1.16	\$ 1.20	\$ 1.24				
4,410,001 to 11,000,000	0.78	0.82	1.16	1.20	1.24				
Over 11,000,000	1.18	1.24	1.16	1.20	1.24				
Outside City (bulk rate)									
Pennfield Township	1.17	1.23	1.78	1.78	1.78				
Springfield City	1.60	1.68	1.16	1.20	1.24				
Monthly Readiness-to-Serve Charge (2)									
(Fiscal Year Ending June 30)									
	2015	2016	2017 (4)	2018	2019				
Inside City									
5/8"	\$ 9.23	\$ 9.69	\$ 12.19	\$ 12.51	\$ 12.62				
3/4" or less	11.57	12.15	16.94	17.35	17.76				
1"	16.25	17.06	26.43	27.02	27.62				
1.5"	27.94	29.34	50.15	51.22	52.28				
2"	41.98	44.08	78.63	80.25	81.87				
3"	74.74	78.48	145.06	147.99	150.92				
4"	121.54	127.62	239.97	244.77	249.56				
6"	238.53	250.46	477.25	486.71	496.16				
8"	378.92	397.87	761.98	777.03	792.08				
10"	542.71	569.85	1,094.16	1,115.74	1,130.26				
Monthly Fire Sprinkler Charges (3)									
(Fiscal Year Ending June 30)									
	2015	2016	2017 (4)	2018	2019				
Inside City									
2"	\$ 6.89	\$ 7.24	\$ 7.60	\$ 7.98	\$ 8.38				
3"	12.91	13.55	14.23	14.94	15.69				
4"	21.54	22.62	23.75	24.94	26.19				
6"	43.04	45.19	47.45	49.82	52.31				
8"	68.89	72.34	75.96	79.75	83.74				
10"	99.04	103.99	109.19	114.65	120.38				

(1) Rate per 100 cubic feet.

(2) Rate based on meter size; Outside City rates are set by contract.

(3) Rate based on connection size; Outside City rates are set by contract.

(4) Rate effective 1/1/2017

Source: City of Battle Creek Treasurer's Office

Schedule 18
Unaudited

Monthly Water Commodity Charge (1)

(Fiscal Year Ending June 30)

	2020	2021	2022	2023	2024
\$	1.27	\$ 1.31	\$ 1.45	\$ 1.45	\$ 1.51
	1.27	1.31	1.45	1.45	1.51
	1.27	1.31	1.45	1.45	1.51
	1.78	1.86	1.86	1.94	2.02
	1.31	1.39	1.39	1.45	1.51

Monthly Readiness-to-Serve Charge (2)

(Fiscal Year Ending June 30)

	2020	2021	2022	2023	2024
\$	12.82	\$ 13.15	\$ 13.27	\$ 13.28	\$ 13.84
	18.08	18.18	18.59	18.85	19.65
	28.76	28.23	28.82	29.98	31.25
	55.46	53.35	54.42	57.82	60.28
	87.50	83.50	85.13	91.22	95.10
	162.26	153.86	156.79	169.16	176.35
	269.06	254.36	259.16	280.50	292.42
	536.06	505.63	515.08	558.85	582.59
	856.46	807.14	822.20	892.86	930.81
	1,137.32	1,158.91	1,180.49	1,282.55	1,337.06

Monthly Fire Sprinkler Charges (3)

(Fiscal Year Ending June 30)

	2020	2021	2022	2023	2024
\$	8.80	\$ 9.24	\$ 9.97	\$ 10.39	\$ 10.83
	16.47	17.29	18.70	19.49	20.32
	27.49	28.87	31.16	32.48	33.86
	54.93	57.68	62.32	64.97	67.73
	87.93	92.33	99.71	103.95	108.37
	126.40	132.72	143.33	149.42	155.77

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 19
 Unaudited

Number of Wastewater System Customers by User Class

Last Ten Fiscal Years

Type of User	2015	2016	2017	2018	2019
In-City					
Residential	15,745	15,734	15,740	15,707	15,735
Commercial (1)	1,570	1,580	1,583	1,613	1,631
Industrial	121	120	117	118	116
	<u>17,436</u>	<u>17,434</u>	<u>17,440</u>	<u>17,438</u>	<u>17,482</u>
Outside City					
Emmett Township	1,681	1,685	1,688	1,686	1,690
Bedford Township	549	543	551	551	554
Springfield City	Bulk	Bulk	Bulk	Bulk	Bulk
Pennfield Township	Bulk	Bulk	Bulk	Bulk	Bulk
	<u>2,230</u>	<u>2,228</u>	<u>2,239</u>	<u>2,237</u>	<u>2,244</u>
Totals	<u>19,666</u>	<u>19,662</u>	<u>19,679</u>	<u>19,675</u>	<u>19,726</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule 19
Unaudited

■ Number of Wastewater System Customers by User Class

Last Ten Fiscal Years

Type of User	2020	2021	2022	2023	2024
In-City					
Residential	15,764	15,945	15,892	15,905	15,807
Commercial (1)	1,615	1,471	1,476	1,464	1,574
Industrial	116	116	117	117	120
	<u>17,495</u>	<u>17,532</u>	<u>17,485</u>	<u>17,486</u>	<u>17,501</u>
Outside City					
Emmett Township	1,688	1,687	1,797	1,804	1,798
Bedford Township	555	557	562	565	562
Springfield City	Bulk	Bulk	Bulk	Bulk	Bulk
Pennfield Township	Bulk	Bulk	Bulk	Bulk	Bulk
	<u>2,243</u>	<u>2,244</u>	<u>2,359</u>	<u>2,369</u>	<u>2,360</u>
Totals	<u>19,738</u>	<u>19,776</u>	<u>19,844</u>	<u>19,855</u>	<u>19,861</u>

concluded.

(1) This class includes commercial and governmental users.

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGANSchedule 20
Unaudited**■ Wastewater System Customers by User Class as a Percent of Total**

Last Ten Fiscal Years Ended June 30, 2024

Type of User	2015	2016	2017	2018	2019
In-City					
Residential	80.06%	80.02%	79.98%	79.83%	79.77%
Commercial (1)	7.98%	8.04%	8.04%	8.20%	8.27%
Industrial	0.62%	0.61%	0.59%	0.60%	0.59%
	<u>88.66%</u>	<u>88.67%</u>	<u>88.62%</u>	<u>88.63%</u>	<u>88.62%</u>
Outside City					
Emmett Township	8.55%	8.57%	8.58%	8.57%	8.57%
Bedford Township	2.79%	2.76%	2.80%	2.80%	2.81%
Springfield City	n/a	n/a	n/a	n/a	n/a
Pennfield Township	n/a	n/a	n/a	n/a	n/a
	<u>11.34%</u>	<u>11.33%</u>	<u>11.38%</u>	<u>11.37%</u>	<u>11.38%</u>
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule 20
Unaudited

■ Wastewater System Customers by User Class as a Percent of Total

Last Ten Fiscal Years Ended June 30, 2024

Type of User	2020	2021	2022	2023	2024
In-City					
Residential	79.87%	80.63%	80.08%	80.11%	79.59%
Commercial (1)	8.18%	7.44%	7.44%	7.37%	7.93%
Industrial	0.59%	0.59%	0.59%	0.59%	0.60%
	<u>88.64%</u>	<u>88.65%</u>	<u>88.11%</u>	<u>88.07%</u>	<u>88.12%</u>
Outside City					
Emmett Township	8.55%	8.53%	9.06%	9.08%	9.05%
Bedford Township	2.81%	2.82%	2.83%	2.85%	2.83%
Springfield City	n/a	n/a	n/a	n/a	n/a
Pennfield Township	n/a	n/a	n/a	n/a	n/a
	<u>11.36%</u>	<u>11.35%</u>	<u>11.89%</u>	<u>11.93%</u>	<u>11.88%</u>
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

concluded.

(1) This class includes commercial and governmental users.

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 21
 Unaudited

■ Wastewater System Revenues by User Class

Last Ten Fiscal Years

Type of User	2015	2016	2017	2018	2019
In-City					
Residential	\$ 4,941,109	\$ 5,139,653	\$ 5,148,865	\$ 5,432,302	\$ 5,637,868
Commercial (1)	2,576,867	2,771,042	2,841,250	3,132,960	2,961,203
Industrial	<u>6,810,953</u>	<u>7,429,068</u>	<u>6,115,683</u>	<u>5,908,955</u>	<u>5,833,930</u>
	<u>14,328,929</u>	<u>15,339,763</u>	<u>14,105,798</u>	<u>14,474,217</u>	<u>14,433,001</u>
Outside City					
Emmett Township	1,137,984	1,221,559	1,090,616	1,026,430	1,081,177
Bedford Township	241,437	248,684	211,904	190,646	229,160
East Leroy Township	11,468	11,988	11,036	11,085	13,613
Springfield City	595,998	582,021	696,193	487,718	573,952
Pennfield Township	<u>570,497</u>	<u>621,812</u>	<u>550,298</u>	<u>489,705</u>	<u>557,253</u>
	<u>2,557,384</u>	<u>2,686,064</u>	<u>2,560,047</u>	<u>2,205,584</u>	<u>2,455,155</u>
Totals	<u>\$ 16,886,313</u>	<u>\$ 18,025,827</u>	<u>\$ 16,665,845</u>	<u>\$ 16,679,801</u>	<u>\$ 16,888,156</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule 21
Unaudited

■ Wastewater System Revenues by User Class

Last Ten Fiscal Years

Type of User	2020	2021	2022	2023	2024
In-City					
Residential	\$ 5,869,353	\$ 6,238,700	\$ 6,712,516	\$ 6,327,997	\$ 6,575,620
Commercial (1)	3,242,680	3,490,002	3,894,797	3,760,162	3,994,211
Industrial	7,136,176	7,775,654	8,257,019	6,138,476	6,989,712
	<u>16,248,209</u>	<u>17,504,356</u>	<u>18,864,332</u>	<u>16,226,635</u>	<u>17,559,543</u>
Outside City					
Emmett Township	1,202,641	1,418,201	1,740,245	1,623,145	1,723,860
Bedford Township	259,229	279,514	348,949	312,469	338,794
East Leroy Township	13,978	16,936	19,172	18,867	19,474
Springfield City	502,982	714,152	873,456	970,142	1,004,902
Pennfield Township	622,752	603,539	832,539	840,010	855,988
	<u>2,601,582</u>	<u>3,032,342</u>	<u>3,814,361</u>	<u>3,764,633</u>	<u>3,943,018</u>
Totals	<u>\$ 18,849,791</u>	<u>\$ 20,536,698</u>	<u>\$ 22,678,693</u>	<u>\$ 19,991,268</u>	<u>\$ 21,502,561</u>

concluded.

(1) This class includes commercial and governmental users.

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 22
 Unaudited

Wastewater System Revenues by User Class as a Percent of Total Revenue

Last Ten Fiscal Years

Type of User	2015	2016	2017	2018	2019
In-City					
Residential	29.26%	28.51%	30.89%	32.57%	33.38%
Commercial (1)	15.26%	15.37%	17.05%	18.78%	17.53%
Industrial	40.33%	41.21%	36.70%	35.43%	34.54%
	<u>84.86%</u>	<u>85.10%</u>	<u>84.64%</u>	<u>86.78%</u>	<u>85.46%</u>
Outside City					
Emmett Township	6.74%	6.78%	6.54%	6.15%	6.40%
Bedford Township	1.43%	1.38%	1.27%	1.14%	1.36%
East Leroy Township	0.07%	0.07%	0.07%	0.07%	0.08%
Springfield City	3.53%	3.23%	4.18%	2.92%	3.40%
Pennfield Township	3.38%	3.45%	3.30%	2.94%	3.30%
	<u>15.14%</u>	<u>14.90%</u>	<u>15.36%</u>	<u>13.22%</u>	<u>14.54%</u>
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 22
 Unaudited

Wastewater System Revenues by User Class as a Percent of Total Revenue

Last Ten Fiscal Years

Type of User	2020	2021	2022	2023	2024
In-City					
Residential	31.14%	30.38%	29.60%	31.65%	30.57%
Commercial (1)	17.20%	16.99%	17.17%	18.81%	18.58%
Industrial	37.86%	37.86%	36.41%	30.71%	32.51%
	<u>86.20%</u>	<u>85.23%</u>	<u>83.18%</u>	<u>81.17%</u>	<u>81.66%</u>
Outside City					
Emmett Township	6.38%	6.91%	7.67%	8.13%	8.02%
Bedford Township	1.38%	1.36%	1.54%	1.56%	1.58%
East Leroy Township	0.07%	0.08%	0.08%	0.09%	0.09%
Springfield City	2.67%	3.48%	3.85%	4.85%	4.67%
Pennfield Township	3.30%	2.94%	3.67%	4.20%	3.98%
	<u>13.80%</u>	<u>14.77%</u>	<u>16.82%</u>	<u>18.83%</u>	<u>18.34%</u>
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

concluded.

(1) This class includes commercial and governmental users.

Source: City of Battle Creek Treasurer's Office

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CITY OF BATTLE CREEK, MICHIGANSchedule 23
Unaudited**■ Wastewater System Ten Year History of Volumes**

Fiscal Year Ended June 30,	Total Customers	Total Annual Amount of Sewer Treatment Sold (000,000's Gallons)	Total Annual Amount of Sewer Treated (000,000's Gallons)
2024	19,870	2,353	2,925
2023	19,855	2,233	2,951
2022	19,844	2,233	3,283
2021	19,776	2,176	2,901
2020	19,738	2,110	3,285
2019	19,726	2,205	3,164
2018	19,675	2,182	3,237
2017	19,679	2,200	3,165
2016	19,662	2,237	3,158
2015	19,666	2,216	3,127

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 24
 Unaudited

Wastewater System Sales Volume by User Class (Cubic Feet)

Last Ten Fiscal Years

Type of User	2015 (2)	2016 (2)	2017	2018	2019
In-City					
Residential	111,516,777	109,037,746	114,331,877	112,157,156	109,764,654
Commercial (1)	74,033,282	80,135,131	76,958,752	75,611,297	75,207,462
Industrial	43,364,117	41,786,764	33,223,800	33,052,416	38,215,999
	<u>228,914,176</u>	<u>230,959,641</u>	<u>224,514,429</u>	<u>220,820,869</u>	<u>223,188,115</u>
Outside City					
Emmett Township	30,937,747	31,523,803	32,901,531	33,767,468	35,373,893
Bedford Township	5,251,629	5,014,441	6,382,474	6,543,986	6,883,023
Springfield City	16,858,507	16,326,066	15,711,208	15,892,464	14,779,666
Pennfield Township	15,111,650	15,230,642	14,531,008	14,724,732	14,576,875
	<u>68,159,533</u>	<u>68,094,952</u>	<u>69,526,221</u>	<u>70,928,650</u>	<u>71,613,457</u>
Totals	<u>297,073,709</u>	<u>299,054,593</u>	<u>294,040,650</u>	<u>291,749,519</u>	<u>294,801,572</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 24
 Unaudited

Wastewater System Sales Volume by User Class (Cubic Feet)

Last Ten Fiscal Years

Type of User	2020	2021	2022	2023	2024
In-City					
Residential	107,918,337	116,380,311	108,527,081	108,405,336	116,989,917
Commercial (1)	68,801,690	67,770,882	76,004,504	76,800,372	81,248,825
Industrial	39,091,900	39,625,132	41,960,342	40,566,582	44,341,069
	<u>215,811,927</u>	<u>223,776,325</u>	<u>226,491,927</u>	<u>225,772,290</u>	<u>242,579,811</u>
Outside City					
Emmett Township	30,081,969	30,875,709	32,960,660	34,243,370	33,694,507
Bedford Township	6,543,615	6,860,185	6,705,906	7,060,210	6,982,557
Springfield City	15,207,078	15,058,012	15,930,846	16,039,772	15,369,390
Pennfield Township	14,487,868	14,289,260	16,437,000	15,364,300	15,867,359
	<u>66,320,530</u>	<u>67,083,166</u>	<u>72,034,412</u>	<u>72,707,652</u>	<u>71,913,813</u>
Totals	<u>282,132,457</u>	<u>290,859,491</u>	<u>298,526,339</u>	<u>298,479,942</u>	<u>314,493,624</u>

concluded.

(1) This class includes commercial and governmental users.

(2) Installation of new read system causing negative usage from non-working transmitters not yet changed out but did not impact charges; two-year phase in for In-City, Emmett Township & Bedford Township

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGANSchedule 25
Unaudited**Wastewater System Sales Volume by User Class as a Percent of Total Sales (Cubic Feet)**

Last Ten Fiscal Years Ended June 30, 2024

Type of User	2015	2016	2017	2018	2019
In-City					
Residential	37.54%	36.46%	38.88%	38.44%	37.23%
Commercial (1)	24.92%	26.80%	26.17%	25.92%	25.51%
Industrial	14.60%	13.97%	11.30%	11.33%	12.96%
	<u>77.06%</u>	<u>77.23%</u>	<u>76.35%</u>	<u>75.69%</u>	<u>75.71%</u>
Outside City					
Emmett Township	10.41%	10.54%	11.19%	11.57%	12.00%
Bedford Township	1.77%	1.68%	2.17%	2.24%	2.33%
Springfield City	5.67%	5.46%	5.34%	5.45%	5.01%
Pennfield Township	5.09%	5.09%	4.94%	5.05%	4.94%
	<u>22.94%</u>	<u>22.77%</u>	<u>23.65%</u>	<u>24.31%</u>	<u>24.29%</u>
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

continued...

CITY OF BATTLE CREEK, MICHIGANSchedule 25
Unaudited**Wastewater System Sales Volume by User Class as a Percent of Total Sales (Cubic Feet)**

Last Ten Fiscal Years Ended June 30, 2024

Type of User	2020	2021	2022	2023	2024
In-City					
Residential	38.25%	40.01%	36.34%	36.32%	37.20%
Commercial (1)	24.39%	23.30%	25.46%	25.73%	25.83%
Industrial	13.85%	13.62%	14.06%	13.59%	14.10%
	<u>76.49%</u>	<u>76.93%</u>	<u>75.86%</u>	<u>75.64%</u>	<u>77.13%</u>
Outside City					
Emmett Township	10.66%	10.62%	11.04%	11.47%	10.71%
Bedford Township	2.32%	2.36%	2.25%	2.37%	2.22%
Springfield City	5.39%	5.18%	5.34%	5.37%	4.89%
Pennfield Township	5.14%	4.91%	5.51%	5.15%	5.05%
	<u>23.51%</u>	<u>23.07%</u>	<u>24.14%</u>	<u>24.36%</u>	<u>22.87%</u>
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

concluded.

(1) This class includes commercial and governmental users

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 26
 Unaudited

Wastewater Revenue and Usage - Major Customers

Fiscal Year Ended June 30, 2024

Company	Product or Service	Consumption (Cu. Ft.)	% of Total	Revenue	% of Total
Post Foods	Breakfast Foods	23,201,461	7.38%	\$ 1,591,823	7.40%
Prairie Farms Dairy	Dairy Processing	13,074,124	4.16%	1,101,157	5.12%
Westrock California LLC	Paperboard	12,698,957	4.04%	1,086,714	5.05%
Kellogg Company - Plant	Breakfast Foods	12,349,064	3.93%	868,838	4.04%
Firekeepers Casino	Gambling/Entertainment	8,200,100	2.61%	401,500	1.87%
Denso Manufacturing	Automotive Parts	6,266,274	1.99%	254,160	1.18%
VA Medical Center - Hospital	Medical Services	4,155,079	1.32%	210,317	0.98%
Bronson Battle Creek Health Sys.	Medical Services	4,617,900	1.47%	193,071	0.90%
Calhoun County Justice Center	Government-Jails/Courts	2,776,854	0.88%	115,233	0.54%
Rolling Hills Mobile Community	Mobile Home Park	2,901,300	0.92%	112,403	0.52%
Bowers Aluminum	Aluminum Parts	2,610,295	0.83%	101,326	0.47%
Gallagher Laundry	Laundry Services	1,909,800	0.61%	77,646	0.36%
Advantage Sintered Metals	Automotive Parts	1,686,835	0.54%	69,006	0.32%
Silver Star Apts	Apartment Complex	1,389,106	0.44%	57,402	0.27%
River Apartments BC LLC	Apartment Complex	1,253,907	0.40%	57,079	0.27%
Federal Center	Government	993,790	0.32%	55,991	0.26%
Ft Custer Training Center	Govt-Military Training	1,273,646	0.40%	54,071	0.25%
Pedcor Investments (Teal Run)	Apartment Complex	1,319,400	0.42%	52,195	0.24%
Parkway Manor	Apartment Complex	1,039,800	0.33%	50,334	0.23%
Springview Towers LTD	Apartment Complex	1,000,000	0.32%	43,268	0.20%
Totals		104,717,692	33.30%	\$ 6,553,534	30.48%

(1) Consumption measured in Cubic Feet (M3).

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 27
 Unaudited

Largest Wastewater Customers

Last Ten Fiscal Years Ended June 30, 2024

Fiscal Year Ended June 30,	Post Foods		Prairie Farms Dairy		Westrock California LLC	
	Consumption	Revenue	Consumption	Revenue	Consumption	Revenue
2024	23,201,461	\$ 1,591,823	13,074,124	\$ 1,101,157	12,698,957	\$ 1,086,714
2023	21,961,457	1,420,359	11,713,021	554,135	21,961,457	1,420,359
2022	17,752,674	967,335	12,905,958	195,438	8,035,116	82,691
2021	20,915,032	1,287,256	12,869,347	460,098	10,666,257	1,020,359
2020	13,732,594	880,383	12,530,638	428,957	13,401,711	1,265,532
2019	17,557,283	982,794	20,057,298	972,760	17,557,283	982,794
2018	15,226,777	940,847	1,884,889	65,517	12,837,465	1,010,017
2017	18,678,676	1,012,752	2,044,786	61,613	18,678,676	1,012,752
2016	18,665,795	1,064,837	-	-	18,665,795	1,064,837
2015	17,275,989	957,122	-	-	17,275,989	957,122

Consumption measured in Cubic Feet (M3).

Source: City of Battle Creek Treasurer's Office

CITY OF BATTLE CREEK, MICHIGAN

Current Wastewater Rates

From July 1, 2014 to June 30, 2024

Commodity Charge

Date	Regular Commodity Rate (per ccf or 750 gallons)
July 1, 2014 – June 30, 2015	\$2.440
July 1, 2015 – December 31, 2016	\$2.570
January 1, 2017 – June 30, 2017	\$2.890
July 1, 2017 – June 30, 2018	\$3.040
July 1, 2018 – June 30, 2019	\$3.190
July 1, 2019 – June 30, 2020	\$3.340
July 1, 2020 – June 30, 2021	\$3.349
July 1, 2021 – June 30, 2022	\$3.530
July 1, 2022 – June 30, 2023	\$3.680
July 1, 2023 – June 30, 2024	\$3.840

Monitoring Charge

Date	Monitoring Charge (per sample)
July 1, 2014 – June 30, 2015	\$109.15
July 1, 2015 – December 31, 2016	\$114.61
January 1, 2017 – June 30, 2017	\$176.04
July 1, 2017 – June 30, 2018	\$184.78
July 1, 2018 – June 30, 2019	\$193.53
July 1, 2019 – June 30, 2020	\$202.27
July 1, 2020 – June 30, 2021	\$211.02
July 1, 2021 – June 30, 2022	\$332.40
July 1, 2022 – June 30, 2023	\$318.85
July 1, 2023 – June 30, 2024	\$332.40

continued...

Source: City of Battle Creek Finance Department

Readiness to Serve Charges

Inside City and Outside City Customers Billed by City

Meter Size	July 1, 2014 to June 30, 2015	July 1, 2015 to Dec 31, 2016	January 1, 2017 to June 30, 2017	July 1, 2017 to June 30, 2018	July 1, 2018 to June 30, 2019
5/8"	\$12.34	\$12.95	\$11.32	\$11.89	\$12.46
3/4"	\$16.28	\$17.08	\$16.01	\$16.83	\$17.65
1"	\$24.15	\$25.36	\$25.38	\$26.70	\$28.02
1.5"	\$43.84	\$46.04	\$48.80	\$51.37	\$53.94
2"	\$67.47	\$70.85	\$76.91	\$80.98	\$85.05
3"	\$122.61	\$128.74	\$142.50	\$150.07	\$157.64
4"	\$201.37	\$211.44	\$236.20	\$248.77	\$261.34
6"	\$398.28	\$418.20	\$470.45	\$495.52	\$520.59
8"	\$634.58	\$666.31	\$751.55	\$791.62	\$831.69
10"	\$910.26	\$955.77	\$1,079.50	\$1,137.07	\$1,194.64

Meter Size	July 1, 2019 to June 30, 2020	July 1, 2020 to June 30, 2021	July 1, 2021 to June 30, 2022	July 1, 2022 to June 30, 2023	July 1, 2023 to June 30, 2024
5/8"	\$13.03	\$13.60	\$15.63	\$16.29	\$16.98
3/4"	\$18.47	\$19.29	\$22.52	\$23.48	\$24.48
1"	\$29.34	\$30.66	\$36.30	\$37.84	\$39.45
1.5"	\$56.51	\$59.08	\$70.77	\$73.78	\$76.92
2"	\$89.12	\$93.19	\$112.12	\$116.89	\$121.86
3"	\$165.21	\$172.78	\$208.62	\$217.49	\$226.73
4"	\$273.91	\$286.48	\$346.47	\$361.19	\$376.54
6"	\$545.66	\$570.73	\$691.10	\$720.47	\$751.09
8"	\$871.76	\$911.83	\$1,104.65	\$1,151.60	\$1,200.54
10"	\$1,252.21	\$1,309.78	\$1,587.13	\$1,654.58	\$1,724.90

continued...

Source: City of Battle Creek Finance Department

CITY OF BATTLE CREEK, MICHIGAN

Current Wastewater Rates

From July 1, 2014 to June 30, 2024

BOD and Suspended Solids Charges

Date	BOD Charge (per pound)	Suspended Solids Charge (per pound)
July 1, 2014 – June 30, 2015	\$0.1913	0.2574
July 1, 2015 – December 31, 2016	\$0.2009	0.2703
January 1, 2017 – June 30, 2017	\$0.1842	0.2213
July 1, 2017 – June 30, 2018	\$0.1919	0.2313
July 1, 2018 – June 30, 2019	\$0.1996	0.2413
July 1, 2019 – June 30, 2020	\$0.2072	0.2513
July 1, 2020 – June 30, 2021	\$0.2149	0.2613
July 1, 2021 – June 30, 2022	\$0.2400	0.4000
July 1, 2022 – June 30, 2023	\$0.2300	0.3800
July 1, 2023 – June 30, 2024	\$0.2400	0.4000

Sewer Customer Only (No Water Service)

Customer is charged based on 750 cubic feet per month commodity charge, readiness to serve charge (same as outside City performing their own billing), and bill processing charge (below).

Date	Bill Processing Charge
July 1, 2014 – June 30, 2015	\$0.94
July 1, 2015 – June 30, 2016	\$0.98
July 1, 2016 – June 30, 2017	\$1.03
July 1, 2017 – June 30, 2018	\$0.00
July 1, 2018 – June 30, 2019	\$0.00
July 1, 2019 – June 30, 2020	\$0.00
July 1, 2020 – June 30, 2021	\$0.00
July 1, 2021 – June 30, 2022	\$0.00
July 1, 2022 – June 30, 2023	\$0.00
July 1, 2023 – June 30, 2024	\$0.00

continued...

Source: City of Battle Creek Finance Department

Outside City Performing Their Own Billing

Meter Size	July 1, 2014 to June 30, 2015	July 1, 2015 to Dec. 31, 2016	January 1, 2016 to June 30, 2017	July 1, 2017 to June 30, 2018	July 1, 2018 to June 30, 2019
5/8"	\$7.88	\$8.27	n/a	n/a	n/a
3/4"	\$11.81	\$12.41	n/a	n/a	n/a
1"	\$19.69	\$20.68	n/a	n/a	n/a
1.5"	\$39.38	\$41.35	n/a	n/a	n/a
2"	\$63.01	\$66.16	n/a	n/a	n/a
3"	\$118.15	\$124.05	n/a	n/a	n/a
4"	\$196.91	\$206.76	n/a	n/a	n/a
6"	\$393.82	\$413.52	n/a	n/a	n/a
8"	\$630.12	\$661.62	n/a	n/a	n/a
10"	\$905.80	\$951.09	n/a	n/a	n/a

Meter Size	July 1, 2019 to June 30, 2020	July 1, 2020 to June 30, 2021	July 1, 2021 to June 30, 2022	July 1, 2022 to June 30, 2023	July 1, 2023 to June 30, 2024
5/8"	n/a	n/a	n/a	n/a	n/a
3/4"	n/a	n/a	n/a	n/a	n/a
1"	n/a	n/a	n/a	n/a	n/a
1.5"	n/a	n/a	n/a	n/a	n/a
2"	n/a	n/a	n/a	n/a	n/a
3"	n/a	n/a	n/a	n/a	n/a
4"	n/a	n/a	n/a	n/a	n/a
6"	n/a	n/a	n/a	n/a	n/a
8"	n/a	n/a	n/a	n/a	n/a
10"	n/a	n/a	n/a	n/a	n/a

concluded.

Source: City of Battle Creek Finance Department

CITY OF BATTLE CREEK, MICHIGAN

Ratios of Total Outstanding Debt

Last Ten Fiscal Years

Year	Governmental Activities				Business-type Activities			Total Primary Government
	General Obligation Bonds	Installment Obligations	Promissory Note	Subscription Liability	Revenue Bonds (1)	Capital Leases		
2024	\$ 22,866,966	\$ 197,033	\$ 9,045,963	\$ 937,006	\$ 21,230,232	\$ -	-	\$ 54,277,200
2023	24,826,370	374,749	9,045,963	-	22,128,816	-	-	56,375,898
2022	27,433,286	735,015	9,045,963	-	12,760,713	-	-	49,974,977
2021	30,265,202	1,277,342	8,620,963	-	14,274,182	-	-	54,437,689
2020	32,982,118	1,003,533	8,620,963	-	15,747,651	-	-	58,354,265
2019	35,594,034	1,444,746	8,620,963	-	17,181,120	-	-	62,840,863
2018	38,090,950	1,870,522	-	-	18,579,589	42,626	-	58,583,687
2017	40,612,866	2,281,561	-	-	19,943,058	83,072	-	62,920,557
2016	25,687,717	2,183,807	-	-	5,545,073	185,573	-	33,602,170
2015	27,208,801	2,404,545	-	-	7,650,827	323,650	-	37,587,823

(1) Amounts are presented net of applicable premiums and discounts which is consistent with the presentation in the footnotes. For purposes of the continuing disclosure filing, bonds are required to be presented at face value. Accordingly, differences may exist.

Source: City of Battle Creek Finance Department

Schedule 29a
Unaudited

% of Personal Income	Per Capita
0.94%	\$ 1,029.52
0.92%	1,069.33
0.84%	954.91
1.01%	1,032.56
1.08%	1,133.64
1.21%	1,226.23
1.14%	1,142.29
1.27%	1,220.95
0.71%	651.34
0.76%	725.17

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 29b
 Unaudited

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Year	General Bonded Debt Outstanding					
	Governmental Activities		Net General Bonded Debt	% of Personal Income	% of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal				
2024	\$ 22,866,966	\$ -	\$ 22,866,966	0.39%	1.58%	\$ 433.74
2023	24,826,370	-	24,818,022	0.41%	1.81%	470.90
2022	27,433,286	(7,675)	27,425,611	0.46%	2.09%	524.19
2021	30,265,202	(7,500)	30,257,702	0.56%	2.34%	574.06
2020	32,982,118	(8,825)	32,973,293	0.61%	2.56%	640.74
2019	35,594,034	(7,388)	35,586,646	0.69%	2.77%	694.56
2018	38,090,950	(510,217)	37,580,733	0.74%	2.95%	742.72
2017	40,612,866	(8,950)	40,603,916	0.82%	3.15%	788.08
2016	25,687,717	(9,160)	25,678,557	0.54%	1.67%	497.93
2015	27,208,801	(104,025)	27,104,776	0.55%	1.76%	524.93

Source: City of Battle Creek Finance Department

CITY OF BATTLE CREEK, MICHIGAN

Schedule 30
Unaudited

Computation of Net Direct and Overlapping Debt

As of June 30, 2024

	(1) Net Debt Outstanding	Percentage Applicable to City of Battle Creek	Amount Applicable to City of Battle Creek
Direct:			
City issued bonded debt (2)	\$ 22,866,966	100.00%	\$ 22,866,966
Installment obligations	197,033	100.00%	197,033
Promissory note	9,045,963	100.00%	9,045,963
Subscription liability	937,006	100.00%	<u>937,006</u>
			<u>33,046,968</u>
Overlapping: (3)			
Lakeview School District	94,846,740	100.00%	94,846,740
Battle Creek Public Schools	76,035,000	68.31%	51,939,509
Calhoun County	108,187,600	32.41%	35,063,601
Kellogg Community College	6,330,000	32.24%	2,040,792
Pennfield School District	50,480,398	3.63%	1,832,438
Climax-Scotts School District	25,730,365	3.56%	916,001
Harper Creek School District	47,412,449	0.25%	118,531
Kalamazoo Valley Community College	4,460,000	0.05%	<u>2,230</u>
			<u>186,759,842</u>
Total direct and overlapping debt			<u>\$ 219,806,810</u>

(1) Excludes self-supporting debt.

(2) Excludes discretely presented component unit.

(3) The percentage of overlapping debt applicable is estimated using taxable assessed values.

Applicable percentages were estimated by dividing the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

Source: City of Battle Creek Finance Department and Municipal Advisory Council of Michigan.

CITY OF BATTLE CREEK, MICHIGAN

Schedule 31
Unaudited

Legal Debt Margin

Last Ten Fiscal Years

State Equalized Value - ad valorem property	\$ 1,604,029,565
State Equalized Value - tax abated property:	
Industrial Facilities	17,798,923
Neighborhood Enterprise Zone	<u>156,965</u>
Total State Equalized Value (SEV)	<u>\$ 1,621,985,453</u>
Legal debt limit (10% of SEV)	\$ 162,198,545
Outstanding debt subject to limitation	\$ 68,880,000
Less exempt obligations	<u>(5,415,000)</u>
	<u>63,465,000</u>
Legal debt margin	<u>\$ 98,733,545</u>
Debt subject to limitation as a percent of SEV	<u>3.91%</u>

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2024	\$ 162,198,545	\$ 63,465,000	\$ 98,733,545	39.13%
2023	144,598,934	67,950,000	76,648,934	46.99%
2022	137,537,552	60,375,000	77,162,552	43.90%
2021	145,938,633	65,975,000	79,963,633	45.21%
2020	143,041,559	71,400,000	71,641,559	49.92%
2019	141,252,335	76,585,000	64,667,335	54.22%
2018	139,467,539	81,970,000	57,497,539	58.77%
2017	137,480,368	87,045,000	50,435,368	63.31%
2016	159,775,597	67,035,000	92,740,597	41.96%
2015	158,073,443	74,512,544	83,560,899	47.14%

Source: City of Battle Creek Finance Department

CITY OF BATTLE CREEK, MICHIGAN

Schedule 32
Unaudited

■ Water and Wastewater System Revenue Bond Coverage

Last Ten Fiscal Years

Fiscal Year Ended June 30,	(1) Gross Revenue	(2) Operating Expenses	Net Revenue Available for Debt Service	(3) Total Debt Service Requirement	Coverage
2024	\$ 36,794,502	\$ 25,921,934	\$ 10,872,568	\$ 1,761,854	6.17
2023	32,246,695	24,351,449	7,895,246	1,275,779	6.19
2022	33,327,477	17,404,637	15,922,840	2,019,664	7.88
2021	31,579,768	21,858,307	9,721,461	2,031,089	4.79
2020	29,477,961	20,546,942	8,931,019	2,039,538	4.38
2019	27,303,704	20,547,371	6,756,333	2,048,609	3.30
2018	26,424,364	19,585,368	6,838,996	2,055,335	3.33
2017	26,703,276	19,371,198	7,332,078	2,214,162	3.31
2016	28,647,154	18,478,024	10,169,130	2,210,990	4.60
2015	26,653,760	16,625,760	10,028,000	2,208,762	4.54

(1) Includes operating and nonoperating revenue, excluding investment earnings, and loss on disposal of assets.

(2) Excludes depreciation expense.

(3) Includes principal and interest on revenue bonds only.

Source: City of Battle Creek Finance Department

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CITY OF BATTLE CREEK, MICHIGAN

Schedule 33
Unaudited

Demographic and Economic Statistics

Last Ten Fiscal Years

Year	Population	(a) Personal Income (thousands of dollars)	(a) Per Capita Personal Income	Unemployment Rate
2024	52,721	\$ 5,790,396	\$ 43,442	5.50%
2023	52,721	6,128,915	45,800	4.90%
2022	52,721	5,919,235	44,312	5.60%
2021	52,721	5,400,823	40,257	6.80%
2020	51,475	5,416,654	40,276	15.30%
2019	51,247	5,188,500	38,683	4.60%
2018	51,286	5,118,164	38,086	4.50%
2017	51,534	4,963,912	36,958	4.40%
2016	51,589	4,732,090	35,084	4.40%
2015	51,833	4,923,591	36,468	5.40%

(a) Battle Creek MSA data.

Sources: U.S. Census Bureau, U.S. Department of Commerce
Michigan Department of Career Development Employment Service Agency
Michigan Economic Development Corporation

Source: City of Battle Creek Finance Department

CITY OF BATTLE CREEK, MICHIGAN

Schedule 34
Unaudited

Principal Employers

Current Year and Nine Years Ago

Employer	2015		
	Employees	Rank	% of Total City Employment
Denso Manufacturing Michigan, Inc.	2,817	1	12.55%
Firekeepers Casino	2,000	3	8.91%
Kellogg Company	2,279	2	10.15%
Veterans Administration Medical Center	1,400	6	6.24%
Hart-Doyle-Inouye Federal Center	1,500	4	6.68%
Bronson Battle Creek	1,352	7	6.02%
Fort Custer Training Center	-	-	0.00%
Kellogg Community College	920	9	4.10%
Calhoun County Government	618	14	2.75%
Duncan Aviation	620	13	2.76%
Michigan Air National Guard	1,488	5	6.63%
Post Consumer Brands	740	11	3.30%
II Stanley Company Inc.	916	10	4.08%
City of Battle Creek	-	-	0.00%
Battle Creek Public Schools	1,089	8	4.85%
Family Fare	700	12	3.12%
	<u>18,439</u>		<u>82.14%</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule 34
Unaudited

Principal Employers

Current Year and Nine Years Ago

Employer	2024		
	Employees	Rank	% of Total City Employment
Denso Manufacturing Michigan, Inc.	2,500	1	11.72%
Firekeepers Casino	2,106	2	9.87%
Kellogg Company	2,000	3	9.38%
Veterans Administration Medical Center	1,670	4	7.83%
Hart-Doyle-Inouye Federal Center	1,500	5	7.03%
Bronson Battle Creek	1,360	6	6.38%
Fort Custer Training Center	825	7	3.87%
Kellogg Community College	765	8	3.59%
Calhoun County Government	682	9	3.20%
Duncan Aviation	657	10	3.08%
Michigan Air National Guard	650	11	3.05%
Post Consumer Brands	585	12	2.74%
II Stanley Company Inc.	570	13	2.67%
City of Battle Creek	532	14	2.49%
Battle Creek Public Schools	-	-	0.00%
Family Fare	-	-	0.00%
	<u>16,402</u>		<u>76.90%</u>

concluded.

Source: City of Battle Creek Finance Department

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 35
 Unaudited

Full-Time Equivalent Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019
General Fund and Special Revenue Funds					
Revenue Funds					
Administration	18	21	19	20	20
Community development	29	29	27	32	33
Finance	23	23	23	24	24
Police department	126	123	127	128	127
Fire department	80	83	81	79	79
Public works	59	58	60	59	62
Recreation	10	8	9	9	7
	<u>345</u>	<u>345</u>	<u>346</u>	<u>351</u>	<u>352</u>
Enterprise Funds					
Battle Creek executive airport	10	8	10	10	11
Battle Creek transit system	37	36	35	43	38
Sewer and wastewater plant	55	55	56	52	58
Water	39	38	39	38	39
Economic Development	-	-	-	-	-
	<u>141</u>	<u>137</u>	<u>140</u>	<u>143</u>	<u>146</u>
Internal Service Funds					
Information systems	13	11	11	9	8
Equipment center	14	15	15	15	15
Self insurance	3	2	3	2	2
Reproduction and stores	3	3	3	3	3
	<u>33</u>	<u>31</u>	<u>32</u>	<u>29</u>	<u>28</u>
Total	<u>519</u>	<u>513</u>	<u>518</u>	<u>523</u>	<u>526</u>

continued...

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 35
 Unaudited

Full-Time Equivalent Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2020	2021	2022	2023	2024
General Fund and Special Revenue Funds					
Revenue Funds					
Administration	22	22	22	25	25
Community development	34	30	25	26	28
Finance	24	18	19	21	21
Police department	123	113	119	132	127
Fire department	77	71	73	79	81
Public works	54	58	54	61	62
Recreation	8	5	6	6	7
	<u>342</u>	<u>316</u>	<u>318</u>	<u>350</u>	<u>351</u>
Enterprise Funds					
Battle Creek executive airport	11	11	9	10	11
Battle Creek transit system	39	38	35	38	38
Sewer and wastewater plant	51	55	60	60	51
Water	33	38	42	43	39
Economic Development	4	3	2	3	3
	<u>138</u>	<u>145</u>	<u>148</u>	<u>154</u>	<u>142</u>
Internal Service Funds					
Information systems	8	9	14	15	18
Equipment center	13	14	13	15	15
Self insurance	2	2	3	3	3
Reproduction and stores	3	2	2	2	2
	<u>26</u>	<u>27</u>	<u>32</u>	<u>35</u>	<u>38</u>
Total	<u>506</u>	<u>488</u>	<u>498</u>	<u>539</u>	<u>531</u>

concluded.

Source: City of Battle Creek Finance Department

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 36
 Unaudited

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019
Public Safety					
Police					
Number of incidents	44,686	54,569	56,688	59,736	53,668
Number of crash reports	1,980	1,903	1,886	1,911	1,778
Fire					
Number of incidents	6,940	7,086	7,222	7,271	7,578
Number of medical calls	4,847	5,197	5,308	4,871	5,002
Number of structural fires	47	61	68	67	69
Public Works					
Major street miles maintained	90	89	89	89	89
Local street miles maintained	205	205	205	205	205
Culture & Recreation					
Participation:					
Softball	734	624	1,020	1,080	1,212
Soccer	948	951	873	1,012	859
Baseball	1,265	1,132	1,359	709	758
Basketball	198	202	345	172	162
Floor hockey	655	641	852	1,022	961
Football	223	160	164	180	194
Tennis	56	58	55	44	-
Volleyball	78	119	76	97	68
Other	891	1,001	2,072	2,185	2,296
Aquatic center participation	27,919	30,397	26,944	28,059	31,621
Rounds of golf	41,684	36,430	37,512	40,257	43,479
Parks maintained	24	29	29	29	29
Number of linear park trail miles	25	25	25	25	25
Building Permits					
Commercial and Industrial					
Number of permits	236	233	137	98	221
Dollar value	\$ 15,739,032	\$ 4,967,026	\$ 4,539,512	\$ 3,938,030	\$ 45,737,925
Residential					
Number of permits	634	797	802	799	858
Dollar value	\$ 4,151,057	\$ 7,277,474	\$ 6,995,271	\$ 6,655,015	\$ 7,388,726
Totals					
Number of permits	870	1,030	939	897	1,079
Dollar value	\$ 19,890,089	\$ 12,244,500	\$ 11,534,783	\$ 10,593,045	\$ 53,126,651

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule 36
Unaudited

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2020	2021	2022	2023	2024
Public Safety					
Police					
Number of incidents	46,091	36,114	35,138	41,794	48,151
Number of crash reports	1,663	1,786	1,870	1,892	1,848
Fire					
Number of incidents	7,683	7,692	8,559	8,949	9,366
Number of medical calls	4,869	5,580	5,745	6,323	6,500
Number of structural fires	55	68	50	65	50
Public Works					
Major street miles maintained	89	89	89	91	91
Local street miles maintained	206	206	206	206	206
Culture & Recreation					
Participation:					
Softball	348	150	576	588	468
Soccer	281	342	532	581	547
Baseball	-	50	291	252	210
Basketball	153	-	147	172	155
Floor hockey	922	-	756	829	914
Football	108	-	208	235	256
Tennis	-	-	-	-	-
Volleyball	25	55	88	61	75
Other	571	586	2,201	6,353	6,555
Aquatic center participation	17,364	6,563	23,094	21,811	24,416
Rounds of golf	41,739	47,165	43,221	46,915	47,356
Parks maintained	29	29	29	29	29
Number of linear park trail miles	25	25	25	25	25
Building Permits					
Commercial and Industrial					
Number of permits	322	197	244	160	125
Dollar value	\$ 49,894,540	\$ 51,262,015	\$ 106,117,761	\$ 138,189,610	\$ 71,619,102
Residential					
Number of permits	3,627	1,187	908	677	1,013
Dollar value	\$ 35,565,683	\$ 18,882,576	\$ 20,301,287	\$ 13,715,832	\$ 19,367,729
Totals					
Number of permits	3,949	1,384	1,152	837	1,138
Dollar value	\$ 85,460,223	\$ 70,144,591	\$ 126,419,048	\$ 151,905,442	\$ 90,986,831

concluded.

Source: City of Battle Creek Finance Department

CITY OF BATTLE CREEK, MICHIGAN

 Schedule 37
 Unaudited

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019
Police - vehicle patrol units					
Police patrol	40	40	39	41	46
Detective	20	20	22	25	26
Other	21	31	33	32	25
SIU	10	8	8	9	8
Fire					
Fire vehicle units:					
Trucks	2	2	1	2	1
Engines	8	7	8	10	10
Other	11	14	15	15	15
Fire stations	5	5	5	5	5
Administrative facilities	1	1	1	1	1
Storage facilities	-	-	-	2	2
Recreation					
Parks:					
Parkland acreage	1,036	1,036	1,036	1,036	1,036
Natural area acreage	380	380	380	380	380
Picnic areas	15	15	15	15	15
Buildings:					
Log cabins	1	1	1	1	1
Recreation center	1	1	1	1	1
Fishing structures	3	3	3	3	3
Pavilions	29	30	30	30	30
Concession	4	4	4	4	4
Swimming beach areas	1	1	1	1	1
Golf course - 27 holes	1	1	1	1	1
Trails:					
Nature	1	1	1	1	1
Multi-use	1	1	1	1	1
Playgrounds	22	22	22	22	22
Water areas -					
Water parks	1	1	1	1	1
Public Works					
Major street miles maintained	90.11	89.46	89.28	89.28	89.28
Local street miles maintained	204.52	204.52	204.55	204.55	204.55
Vehicles:					
Dump trucks	46	44	47	50	49
Heavy equipment	28	33	34	34	35
Other	211	208	203	210	222

continued...

CITY OF BATTLE CREEK, MICHIGAN

Schedule 37
Unaudited

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2020	2021	2022	2023	2024
Police - vehicle patrol units					
Police patrol	43	38	42	43	45
Detective	21	23	21	25	26
Other	22	20	21	21	24
SIU	7	7	7	6	5
Fire					
Fire vehicle units:					
Trucks	1	1	1	1	1
Engines	7	8	7	8	8
Other	15	14	13	14	16
Fire stations	5	5	5	5	5
Administrative facilities	1	1	1	1	1
Storage facilities	2	2	2	2	2
Recreation					
Parks:					
Parkland acreage	1,036	1,036	1,036	1,036	1,036
Natural area acreage	380	380	380	380	380
Picnic areas	15	15	15	15	15
Buildings:					
Log cabins	-	-	-	-	-
Recreation center	1	1	1	1	1
Fishing structures	3	3	3	3	3
Pavilions	30	30	30	30	30
Concession	4	4	4	4	4
Swimming beach areas	1	1	1	1	1
Golf course - 27 holes	1	1	1	1	1
Trails:					
Nature	1	1	1	1	1
Multi-use	1	1	1	1	1
Playgrounds	22	22	22	22	22
Water areas -					
Water parks	1	1	1	1	1
Public Works					
Major street miles maintained	89.41	89.41	89.41	90.95	90.95
Local street miles maintained	205.88	205.88	205.88	205.88	205.88
Vehicles:					
Dump trucks	48	45	46	43	45
Heavy equipment	34	30	28	30	31
Other	213	227	233	252	245

concluded.

Source: City of Battle Creek Finance Department

CITY OF BATTLE CREEK, MICHIGAN

Schedule 38

Unaudited

Schedule of Insurance

As of June 30, 2024

Type of Coverage Name of Company	Policy Expiration Date	Premium	Description
Airport Liability	7/1/25	\$26,241	\$60,000,000 CSL each occ.; \$1,000 ded. per occ./\$10,000 agg., \$60,000,000 per aircraft/occ Hangar Keepers liability. Terrorism declined.
Auto Liability Vehicle Physical Damage	7/1/25	\$175,919	First dollar coverage for MI no-fault benefits and uninsured/underinsured claims. \$1,000,000 SIR for all other liability coverages. \$25,000 SIR per vehicle / \$50,000 per occurrence for property damage. \$50,000 deductible for Fire/EMS vehicles. ACV coverage on all vehicles except Fire Protection Vehicles which are covered at replacement cost.
Data Breach, Privacy Electronic Media	7/1/25	Included in Liability Insurance	\$5 million aggregate/\$25 million all members - Data Breach and Privacy Liability/\$25,000 deductible.
Fiduciary (Designated Benefit Plan)	7/1/25	\$8,289	Coverage for Self Funded Health Plan. \$2,000,000.00 limit. \$25,000 SIR
Liquor Liability Binder Park Golf	3/8/25	\$1,610 (including surplus lines tax, fees)	\$1,000,000 each common cause/annual aggregate limit. No deductible. Note: License in name of Cereal City Development Corporation/City of Battle Creek. (excludes Terrorism).

continued...

CITY OF BATTLE CREEK, MICHIGANSchedule 38
Unaudited**Schedule of Insurance**

As of June 30, 2024

Type of Coverage Name of Company	Policy Expiration Date	Premium	Description
Property/Liability Insurance	7/1/25	\$506,939	Property - \$50,000 deductible Limits of stated value for Buildings and Personal Property, \$5 million newly acquired, \$2 million fine arts, \$50 Million Terrorism, \$5 Million Earthquake and Flood
			Liability - \$1 million SIR per occurrence \$10 million limit per occurrence \$5 million limit for terrorism Volunteer-MMRMA will pay up to \$25,000 per occurrence for medical expenses only to a volunteer. No member deductible or SIR applies. Emergency first aid - \$2,000 Limit, no member deductible or retention.
Pollution Liability	N/A	N/A	Note: Finance department files for self-insured authority with State, for UST liability. \$500,000 aggregate
Public Officials	7/1/25	Included in Liability Insurance	See Excess Liability , for losses above \$1 million SIR.
Worker's Comp. (Primary)	7/1/25	N/A	Note: If requested by W.C. Bureau, must update self-insured certification by July 1st. Also, must notify if any changes in excess coverage, or TPA.
Worker's Comp. (Excess)	7/1/25	\$93,368	Statutory limit, \$1,000,000 Employers Liability, Specific Excess subject to \$650,000 per accident or disease. No agg. limit on S.I.R. per year.
Inland Marine	7/1/25	\$4,070	Coverage for employee tools Limit \$500,000 per occurrence, \$10,000 per item. \$1,000 deductible item. \$1,000 deductible

concluded.

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CONTINUING DISCLOSURES FILING (UNAUDITED)

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**City of Battle Creek
Total Taxable Value
Fiscal Years Ended or Ending June 30, 2020 Through 2024**

Assessed Value as of <u>December 31</u>	Year of State Equalization <u>And Tax Levy</u>	City's Fiscal Year Ended <u>June 30</u>	Equivalent				Percent Increase <u>Prior Year</u>
			Ad Valorem <u>Value</u>	Taxable Value <u>Under Act 198 (1)</u>	Taxable Value of Property Granted and Tax Abatement	Total Taxable <u>Value</u>	
2018	2019	2020	1,242,325,628	16,420,410	1,258,746,038	1,258,746,038	1.04
2019	2020	2021	1,253,718,154	12,554,943	1,266,273,097	1,266,273,097	0.60
2020	2021	2022	1,275,251,243	10,945,360	1,286,196,603	1,286,196,603	1.57
2021	2022	2023	1,333,011,772	12,057,002	1,345,068,774	1,345,068,774	4.58
2022	2023	2024	1,412,489,803	8,228,634	1,420,718,437	1,420,718,437	5.62

Per Capita Total Taxable Value for the Fiscal Year Ending June 30, 2024 (2)..... \$ 26,947.87

(1) See "Tax Abatement" herein. Does not include the value of property located within the City's Renaissance Zone (the "Zone") which was created pursuant to the provisions of Act 376 of the Michigan Public Acts of 1996, as amended ("Act 376"). Act 376 was designed to stimulate private investment with the Zone through the abatement of certain property, income and business taxes. For the fiscal year ending June 30, 2024, the Taxable Value of property located in the Zone totaled \$1,696,829. Does not include the value of property located within the City's Neighborhood Enterprise Zone (the "NEZ"), authorized under Act 147, which is an abatement program to promote home ownership and investment in areas of the City where the greatest impact would occur and where such improvements may trigger additional investment in adjacent neighborhoods. For the fiscal year ending June 30, 2024 the Taxable Value of the property located in the NEZ totaled \$156,965.

(2) Based on the City's 2020 Census of 52,721.

Source: City of Battle Creek, State of Michigan – Department of Treasury and Calhoun County Equalization

**City of Battle Creek
Percent of Total Taxable Value by Use and Class
Fiscal Years Ended or Ending June 30, 2020 Through 2024**

Use	Fiscal Year Ended or Ending June 30				
	2020	2021	2022	2023	2024
Agricultural.....	0.18 %	0.19 %	0.19 %	0.18 %	0.19 %
Commercial.....	24.48	24.62	24.45	24.03	24.07
Industrial	13.77	12.24	11.55	11.96	11.38
Residential	57.55	58.81	59.58	59.45	60.04
Utility	<u>4.02</u>	<u>4.14</u>	<u>4.23</u>	<u>4.38</u>	<u>4.32</u>
Total	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
Class	2020	2021	2022	2023	2024
Real Property	87.54 %	87.41 %	90.10 %	89.94 %	91.23 %
Personal Property	<u>12.46</u>	<u>10.59</u>	<u>9.90</u>	<u>10.06</u>	<u>8.77 %</u>
Total	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

Source: City of Battle Creek, State of Michigan – Department of Treasury and Calhoun County Equalization

City of Battle Creek
State Equalized Valuation
Fiscal Years Ended or Ending June 30, 2020 Through 2024

Assessed Value as of December 31	Year of State Equalization and Tax Levy	City's Fiscal Year Ended or Ending June 30	SEV of Property			Percent Increase Over Prior Year
			Ad Valorem SEV	Granted Tax Abatement Under Act 198 (1)	Total SEV	
2018	2019	2020	1,385,238,255	33,344,717	1,418,582,972	1.33
2019	2020	2021	1,420,686,240	25,426,662	1,446,112,902	1.94
2020	2021	2022	1,463,223,875	22,758,985	1,485,982,860	2.76
2021	2022	2023	1,538,237,252	25,082,920	1,563,320,172	5.20
2022	2023	2024	1,713,211,643	17,798,923	1,731,010,566	10.73

Per Capita Total SEV for the Fiscal Year Ending June 30, 2024 (2).....\$ 32,833.42

(1) See "Tax Abatement" herein. Does not include the value of property located within the City' Renaissance Zone (the "Zone") which was created pursuant to the provisions of Act 376 of the Michigan Public Acts of 1996, as amended ("Act 376"). Act 376 was designed to stimulate private investment with the Zone through the abatement of certain property, income and business taxes. For the fiscal year ending June 30, 2024, the SEV of property located in the Zone totaled \$3,280,298. Does not include the value of property located within the City's Neighborhood Enterprise Zone (the "NEZ"), authorized under Act 147, which is an abatement program to promote home ownership and investment in areas of the City where the greatest impact would occur and where such improvements may trigger additional investment in adjacent neighborhoods. For the fiscal year ending June 30, 2024 the Taxable Value of the property located in the NEZ totaled \$156,965.

(2) Based on the City's 2020 census of 52,721.

Source: City of Battle Creek, State of Michigan – Department of Treasury and Calhoun County Equalization

City of Battle Creek
Property Tax Rates
Fiscal Years Ended or Ending June 30, 2020 Through 2024

Levy July 1	Fiscal Year Ended or Ending June 30	Operating (1)				Total
		General Operating	Capital Projects	Streets/ Drainage	Police & Fire Pension (2)	
2019	2020	8.3460	0.5000	1.5000	5.5880	15.9340
2020	2021	8.3460	0.5000	1.5000	5.9470	15.9340
2021	2022	7.9870	0.5000	1.5000	5.7780	15.7650
2022	2023	7.9870	0.5000	1.5000	5.5160	15.5030
2023	2024	7.9870	0.5000	1.5000	5.7710	15.7580

(1) See "Property Taxes" and "State Limitations on Property Taxes" herein.

(2) Voter approved in perpetuity. May be levied without limitation as to rate or amount.

Source: City of Battle Creek

City of Battle Creek
Homestead (1) Property Tax Rates by Governmental Unit
Fiscal Years Ended or Ending June 30, 2020 Through 2024

<u>Governmental Unit</u>	<u>Fiscal Years Ended or Ending June 30</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
City of Battle Creek.....	15.9340	15.9340	15.7650	15.5030	15.7580
County of Calhoun	6.4713	6.4713	6.6713	6.6611	7.6417
State of Michigan (2).....	6.0000	6.0000	6.0000	6.0000	6.0000
Battle Creek Public Schools (3).....	6.0000	6.0000	6.0000	7.5000	7.5000
Calhoun ISD.....	6.2057	6.2057	6.2057	6.1946	6.1946
Kellogg Community College.....	3.6136	3.6136	3.6136	3.6109	3.6109
Willard Public Library.....	<u>2.0000</u>	<u>2.0000</u>	<u>2.0000</u>	<u>2.0000</u>	<u>2.0000</u>
Total	<u>46.2246</u>	<u>46.2246</u>	<u>46.4556</u>	<u>47.4696</u>	<u>48.7052</u>

City of Battle Creek
Non-Homestead (1) Property Tax Rates by Governmental Unit
Fiscal Years Ended or Ending June 30, 2020 Through 2024

<u>Governmental Unit</u>	<u>Fiscal Years Ended or Ending June 30</u>				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
City of Battle Creek.....	15.9340	15.9340	15.7650	15.5030	15.7580
County of Calhoun	6.4713	6.6713	6.6713	6.6611	7.6417
State of Michigan (2).....	6.0000	6.0000	6.0000	6.0000	6.0000
Battle Creek Public Schools (3).....	24.0000	24.0000	24.0000	25.5000	25.5000
Calhoun ISD.....	6.2057	6.2057	6.2057	6.1946	6.1946
Kellogg Community College.....	3.6136	3.6136	3.6136	3.6109	3.6109
Willard Public Library.....	<u>2.0000</u>	<u>2.0000</u>	<u>2.0000</u>	<u>2.0000</u>	<u>2.0000</u>
Total	<u>64.2246</u>	<u>64.4246</u>	<u>64.2556</u>	<u>65.4696</u>	<u>66.7052</u>

(1) *Principal Residence* means a dwelling or unit in a multiple-unit dwelling subject to ad valorem property taxes that is owned and occupied as a principal residence by the owner of the dwelling or unit. Principal residence includes all unoccupied property classified as agricultural adjacent and contiguous to the home of the owner that is not leased or rented by the owner to another person if the gross receipts of the agricultural or horticultural operations, if any, exceed the household income of the owner. If the gross receipts of the agricultural or horticultural operations do not exceed the household income of the owner, the principal residence includes only 5 acres adjacent and contiguous to the home of the owner. Principal Residence includes a life care facility registered under the living care disclosure act, Act No. 440 of the Public Acts of 1976, being sections 554.801 to 554.844 of the Michigan Compiled Laws. Principal residence also includes property owned by a cooperative housing corporation and occupied as a principal residence by tenant stockholders. *Non-principal residence* is property not included in the above definition.

(2) Industrial personal property is exempt from the State Education Tax and up to 18 mills of the school operating millage. Commercial personal property is exempt from 12 of the 18 mills of school operating millage.

(3) Portions of other school districts overlap the City's boundaries. The lowest and highest non-principal residence millage rates for the other overlapping school districts for the fiscal year ending June 30, 2024 ranged from 24.69 to 28.60.

Source: City of Battle Creek

City of Battle Creek
Property Tax Collections
Fiscal Years Ended or Ending June 30, 2020 Through 2024

<u>Levy July 1</u>	<u>Fiscal Year Ended June 30</u>	<u>Tax Levy</u>	<u>Collections to March Following Levy</u>	<u>Percent Collected</u>
2019	2020	\$ 20,052,215	\$ 20,013,419	99.81
2020	2021	20,170,957	20,158,194	99.94
2021	2022	20,243,933	20,226,792	99.92
2022	2023	20,817,430	20,800,842	99.92
2023	2024	22,424,789	22,403,599	99.91

CITY INCOME TAX

The City's income tax was approved by voters in 1966. At the same time, residents voted to reduce the maximum general operating millage for property tax from 12.65 to 11.60 mills. Residents of the City pay 1% income tax on all federally taxable income, with a few exceptions, such as pensions, social security and unemployment, etc. Corporation net income is taxed at 1%. Non-resident pay a 0.5% income tax on all income earned performing a job or doing business within the City limits.

For tax years beginning with 2004, there is a \$750 personal exemption allowed on individual returns, with an additional \$750 for taxpayers 65 and over; persons permanently and totally disabled; and dependents of others who are required to file City returns. Subtractions for alimony, Keogh Retirement, and specified unreimbursed employee business expenses are allowed.

<u>Fiscal Year Ended June 30</u>	<u>Gross Collections</u>	<u>Less: Refunds</u>	<u>Net Collections</u>	<u>% Increase Over Prior Year</u>
2020	19,535,481	1,880,056	17,655,425	(0.05)
2021	17,493,920	2,126,906	15,367,014	(12.96)
2022	19,907,966	2,070,465	17,837,501	16.08
2023	20,097,241	2,032,782	18,064,459	1.30
2024	22,101,624	2,529,987	19,232,794	8.34

City of Battle Creek
State Shared Revenues
Fiscal Years Ended or Ending June 30, 2020 Through 2024

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	Fiscal Years Ended or Ending June 30				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Constitutional	\$ 4,493,812	\$ 5,095,491	\$ 5,597,381	\$ 5,657,431	\$ 5,712,615
Statutory/CVTRS	<u>1,260,375</u>	<u>1,512,452</u>	<u>1,542,701</u>	<u>1,635,263</u>	<u>1,730,521</u>
Total State Shared Revenues	<u><u>\$ 5,754,187</u></u>	<u><u>\$ 6,607,943</u></u>	<u><u>\$ 7,140,082</u></u>	<u><u>\$ 7,292,694</u></u>	<u><u>\$ 7,443,136</u></u>

CITY DEBT

Legal Debt Margin

Pursuant to the statutory and constitutional debt provisions set forth herein, the following table reflects the amount of additional debt the City may legally incur as of June 30, 2024.

Debt Limit (1).....	\$ 162,198,545
Debt Outstanding (2)	\$68,880,000
Less: Exempt Debt (3).....	<u>5,415,000</u>
Legal Debt Margin	<u>\$ 98,733,545</u>

(1) 10% of \$1,621,985,453 which is the City's Total SEV for the fiscal year ending June 30, 2024. See "Property Valuations" herein.

(2) Includes the Bonds described herein and the Water and Wastewater System Revenue Bonds, Series 2016A and the Water and Wastewater System Revenue Bonds, Series 2016B (Federally Taxable – Qualified Energy Conservation Bonds), and Water and Wastewater System Revenue Bonds, Series 2023.

(3) See "Statutory and Constitutional Debt Provisions" herein.

Source: Municipal Advisory Council of Michigan and the City of Battle Creek

Debt Statement

The following table reflects a breakdown of the City's direct and overlapping debt as of June 30, 2024, including the Bonds described herein. Direct debt that is shown as self-supporting is paid from sources other than the City's General Fund. To the extent necessary, the City may levy taxes on all taxable property within its boundaries without limitation as to rate or amount to pay the principal of and interest due on the bonds that are designated as Unlimited Tax ("UT"). However, the City's ability to levy tax to pay the debt service on the bonds which are designated as Limited Tax ("LT") is subject to applicable charter, statutory and constitutional limitations. See "CITY TAXATION AND LIMITATIONS" herein.

City of Battle Creek Direct and Overlapping Debt

<u>City Direct Debt</u>	<u>Gross</u>	<u>Self-Supporting</u>	<u>Net</u>
Building Authority Bonds:			
Dated December 29, 2009 (LT).....			
Subtotal	<u>\$ 230,000</u>	<u>\$ 230,000</u>	<u>\$ -0-</u>
Dated February 27, 2018 (LT).....	<u>\$ 1,155,000</u>	<u>\$ 1,155,000</u>	<u>\$ -0-</u>
Dated March 21, 2017 (LT).....	<u>21,105,000</u>	<u>21,105,000</u>	<u>-0-</u>
Subtotal	<u>\$ 22,260,000</u>	<u>\$ 22,260,000</u>	<u>\$ -0-</u>
Downtown Development Authority Bonds:			
Dated October 12, 2022 (LT).....	<u>\$ 2,275,000</u>	<u>\$ 2,275,000</u>	<u>\$ -0-</u>
Dated January 13, 2022 (LT).....	<u>1,110,000</u>	<u>1,110,000</u>	<u>-0-</u>
Dated December 29, 2021 (LT).....	<u>1,280,000</u>	<u>1,280,000</u>	<u>-0-</u>
Subtotal	<u>\$ 4,665,000</u>	<u>\$ 4,665,000</u>	<u>\$ -0-</u>
Tax Increment Finance Authority Bonds:			
Dated May 31, 2023	<u>\$ 9,900,000</u>	<u>\$ 9,900,000</u>	<u>\$ -0-</u>
Dated December 28, 2016, Series A (1)	<u>5,280,000</u>	<u>5,280,000</u>	<u>-0-</u>
Dated December 28, 2016, Series B (1)	<u>5,415,000</u>	<u>5,415,000</u>	<u>-0-</u>
Subtotal	<u>\$ 20,595,000</u>	<u>\$ 20,595,000</u>	<u>\$ -0-</u>
Water and Wastewater Revenue Bonds:			
Dated May 31, 2023	<u>\$ 9,900,000</u>	<u>\$ 9,900,000</u>	<u>\$ -0-</u>
Dated December 28, 2016, Series A (1)	<u>5,280,000</u>	<u>5,280,000</u>	<u>-0-</u>
Dated December 28, 2016, Series B (1)	<u>5,415,000</u>	<u>5,415,000</u>	<u>-0-</u>
Subtotal	<u>\$ 20,595,000</u>	<u>\$ 20,595,000</u>	<u>\$ -0-</u>
General Obligation Bonds:			
Dated December 28, 2016 C (LT) (1).....	<u>\$ 12,335,000</u>	<u>\$ -0-</u>	<u>\$ 12,335,000</u>
Dated April 14, 2016 (LT)	<u>7,930,000</u>	<u>-0-</u>	<u>7,930,000</u>
Dated June 29, 2011 (LT)	<u>865,000</u>	<u>-0-</u>	<u>865,000</u>
Subtotal.....	<u>\$ 21,130,000</u>	<u>\$ -0-</u>	<u>\$ 21,130,000</u>
Installment & Capital Purchase Contracts:			
City Hall Copiers	<u>\$ 49,573</u>	<u>\$ -0-</u>	<u>\$ 49,573</u>
Police Equipment.....	<u>147,460</u>	<u>-0-</u>	<u>147,460</u>
Subtotal	<u>\$ 197,033</u>	<u>\$ -0-</u>	<u>\$ 197,033</u>
Total Direct Debt.....	<u>\$ 69,077,033</u>	<u>\$ 47,750,000</u>	<u>\$ 21,327,033</u>
Per Capita Net City Direct Debt (2)			<u>\$ 404.53</u>
Percent of Net Direct Debt to Total SEV (3).....			<u>1.31%</u>

			Percent of	
		Gross	Gross	City Share
<u>Overlapping Debt (4)</u>				
Battle Creek School District	\$	76,035,000	68.31	\$ 51,939,509
Climax-Scotts School District.....		25,730,365	3.56	916,001
Harper Creek School District.....		47,412,449	0.25	118,531
Lakeview Calhoun School District.....		94,846,740	100.00	94,846,740
Pennfield School District		50,480,398	3.63	1,832,438
Calhoun Intermediate School District		0	0.00	0
Kalamazoo Valley Intermediate School District...		0	0.00	0
Kalamazoo Valley Community College.....		4,460,000	0.05	2,230
Kellogg Community College		6,330,000	32.24	2,040,792
Willard Public Library		0	0.00	0
Calhoun County		108,187,600	32.41	35,063,601
Total Overlapping Debt	\$	<u>413,482,552</u>		<u>\$ 186,759,842</u>
Total Net Direct and Overlapping Debt	\$	<u>482,559,587</u>		<u>\$ 208,086,877</u>
Per Capita Net Overlapping Debt (2).....				\$3,542.42
Percent of Net Overlapping Debt to Total SEV (3)				11.51%
Per Capita Net Direct and Overlapping Debt (2).....				\$3,946.94
Percent of Net Direct and Overlapping Debt to Total SEV (3)				12.83%

(1) The Bonds described herein. Including the Water and Wastewater System Revenue Bonds, Series 2016A and the Water and Wastewater System Revenue Bonds, Series 2016B (Federally Taxable – Qualified Energy Conservation Bonds), and Water and Wastewater System Revenue Bonds, Series 2023.

(2) Based on the City's 2020 Census of 52,721

(3) Based on \$1,621,985,453 which is the City's Total SEV for the fiscal year ending June 30, 2024. See "CITY TAX AND LIMITATIONS - Property Valuations" and "CITY TAX AND LIMITATIONS" herein.

(4) Overlapping debt is the portion of another taxing unit's debt for which property taxpayers of the City are liable in addition to debt issued by the City.

Source: Municipal Advisory Council of Michigan and the City of Battle Creek.

4

DEFINED BENEFIT PENSION PLANS

Police and Fire Retirement System

The City's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 (rolled forward to June 30, 2024). The components of the net pension liability of the City were as follows:

Total pension liability	\$243,806,548
Plan Fiduciary net position	<u>(186,239,714)</u>
City's net pension liability	<u><u>\$ 57,566,834</u></u>
Plan fiduciary net position as percentage of total pension liability	76.39%

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2023	\$ 236,518,564	\$ 168,798,632	\$ 67,719,932
Changes for the Year			
Service cost.....	5,015,797	-	5,015,797
Interest on total pension liability.....	14,524,313	-	14,524,313
Benefit changes	-	-	-
Differences between expected and actual experience	1,022,782	-	1,022,782
Assumption changes	-	-	-
Employer contributions	-	6,140,034	(6,140,034)
Employee contribution	-	1,965,479	(1,965,479)
Net investment income.....	-	23,030,283	(23,030,283)
Benefit payments.....	(13,274,908)	(13,274,908)	-
Administrative expense.....	-	(217,278)	217,278
Other	-	(202,528)	202,528
Net changes	\$ 7,287,984	\$ 17,441,082	\$ (10,153,098)
Balance at June 30, 2024	\$ 243,806,548	\$ 186,239,714	\$ 57,566,834

Pension Plans: Municipal Employees Retirement System of Michigan

The City's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the City were as follows:

Total pension liability	\$ 174,512,030
Plan fiduciary net position	<u>(97,544,230)</u>
City's net pension liability	<u>\$ 76,967,800</u>
Plan fiduciary net position as percentage of total pension liability	55.90%

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

	Total Pension Liability <u>Liability</u>	Plan Fiduciary Net Position <u>Net Position</u>	Net Pension Liability <u>Liability</u>
Balance at December 31, 2022	\$ 170,059,654	\$ 86,273,357	\$ 83,786,297
Changes for the Year			
Service cost.....	2,300,754	-	2,300,754
Interest.....	11,966,730	-	11,966,730
Changes in benefits	(139,098)	-	(139,098)
Differences between expected and actual experience	1,437,040	-	1,437,040
Changes in assumptions	1,190,317	-	1,190,317
Contributions: employer.....	-	12,785,652	(12,785,652)
Contributions: employee.....	-	1,296,678	(1,296,678)
Net investment income.....	-	9,695,071	(9,695,071)
Benefit payments, including refunds	(12,303,367)	(12,303,367)	-
Administrative expense	-	(203,161)	203,161
Net changes	\$ 4,452,376	\$ 11,270,873	\$ (6,818,497)
Balances at December 31, 2023	\$ 174,512,030	\$ 97,544,230	\$ (76,967,800)

For the year ended June 30, 2024, the City recognized pension expense of \$19,058,293.

City of Battle Creek Water and Wastewater System
Approximate Number of Water Customers as Billed by User Classification and Location
Fiscal Years Ended June 30, 2020 through 2024

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>City Customers</u>					
Residential	14,806	14,967	14,979	14,973	14,879
Commercial (1).....	1,650	1,511	1,562	1,519	1,630
Industrial.....	<u>123</u>	<u>123</u>	<u>125</u>	<u>125</u>	<u>129</u>
Sub-total.....	<u>16,579</u>	<u>16,601</u>	<u>16,666</u>	<u>16,617</u>	<u>16,638</u>
<u>Customer Communities</u>					
Emmett	714	714	817	816	821
Bedford.....	430	429	437	439	442
Leroy (2).....	Bulk	Bulk	Bulk	Bulk	Bulk
Pennfield (3).....	Bulk	Bulk	Bulk	Bulk	Bulk
Springfield (4)	<u>Bulk</u>	<u>Bulk</u>	<u>Bulk</u>	<u>Bulk</u>	<u>Bulk</u>
Sub-total.....	<u>1,144</u>	<u>1,144</u>	<u>1,254</u>	<u>1,255</u>	<u>1,263</u>
Total Customers	<u>17,723</u>	<u>17,744</u>	<u>17,920</u>	<u>17,872</u>	<u>17,901</u>

(1) Includes governmental and tax-exempt customers.

(2) Leroy has one water customer.

(3) Pennfield has approximately 341 metered water customers.

(4) Springfield has approximately 1,438 metered water customers.

Source: City of Battle Creek

City of Battle Creek Water and Wastewater System
Approximate Number of Wastewater Customers by User Classification and Location
Fiscal Years Ended June 30, 2020 through 2024

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>City Customers (1)</u>					
Residential	15,764	15,945	15,892	15,905	15,807
Commercial (2)	1,615	1,471	1,476	1,464	1,574
Industrial.....	<u>116</u>	<u>116</u>	<u>117</u>	<u>117</u>	<u>120</u>
Sub-total.....	<u>17,495</u>	<u>17,532</u>	<u>17,485</u>	<u>17,486</u>	<u>17,501</u>
<u>Customer Communities</u>					
Emmett (3).....	1,688	1,687	1,797	1,804	1,798
Bedford (4)	555	557	562	565	562
Leroy	Bulk	Bulk	Bulk	Bulk	Bulk
Pennfield (5).....	Bulk	Bulk	Bulk	Bulk	Bulk
Springfield (6)	<u>Bulk</u>	<u>Bulk</u>	<u>Bulk</u>	<u>Bulk</u>	<u>Bulk</u>
Sub-total.....	<u>2,243</u>	<u>2,244</u>	<u>2,359</u>	<u>2,369</u>	<u>2,360</u>
Total Customers	<u>19,738</u>	<u>19,776</u>	<u>19,844</u>	<u>19,855</u>	<u>19,861</u>

(1) Includes approximately 1,062 customers located in the City that are not metered and who pay a flat monthly rate.

(2) Includes governmental and tax-exempt customers.

(3) Includes approximately 1,005 customers located in Emmett that are not metered and who pay a flat monthly rate.
 (4) Includes approximately 158 customers located in Bedford that are not metered and who pay a flat monthly rate.
 (5) Includes approximately 607 customers located in Pennfield that are not metered and who pay a flat monthly rate.
 (6) Includes approximately 93 customers located in Springfield that are not metered and who pay a flat monthly rate.
 Source: City of Battle Creek

City of Battle Creek Water and Wastewater System
Water Volume as Billed by User Classification and Location (1)
Fiscal Years Ended June 30, 2020 through 2024

<u>City Customers</u>	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Residential.....	101,247,759	110,045,782	102,042,992	102,130,095	110,833,533
Commercial (2)	80,523,471	83,408,109	89,389,011	88,781,404	94,828,831
Industrial	<u>110,750,621</u>	<u>117,380,631</u>	<u>116,848,702</u>	<u>101,531,548</u>	<u>105,137,117</u>
Sub-total.....	292,521,851	310,834,552	308,280,705	292,443,047	310,799,501
<u>Customer Communities</u>					
Emmett Township	23,612,244	25,784,938	27,049,787	28,709,198	29,124,975
Bedford Township.....	2,717,530	2,894,348	2,786,151	2,631,457	2,713,538
Springfield City	19,146,343	18,010,490	18,364,274	18,592,463	16,986,845
Pennfield Township.....	<u>2,213,400</u>	<u>2,157,900</u>	<u>2,521,800</u>	<u>2,523,400</u>	<u>2,235,500</u>
Sub-total.....	<u>47,689,517</u>	<u>48,847,676</u>	<u>50,722,012</u>	<u>52,456,518</u>	<u>51,060,858</u>
Total Water Billed.....	<u>340,211,368</u>	<u>359,682,198</u>	<u>359,002,717</u>	<u>344,899,565</u>	<u>361,860,359</u>

(1) Measured in cubic feet.
 (2) Includes government and tax-exempt customers.
 Source: City of Battle Creek

City of Battle Creek Water and Wastewater System
Wastewater Treatment Volume as Billed by User Classification and Location (1)
Fiscal Years Ended June 30, 2020 Through 2024

<u>City Customers</u>	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Residential.....	107,918,337	116,380,311	108,527,081	108,405,336	116,989,917
Commercial (2)	68,801,690	67,770,882	76,004,504	76,800,372	81,248,825
Industrial	<u>39,091,900</u>	<u>39,625,132</u>	<u>41,960,342</u>	<u>40,566,582</u>	<u>44,341,069</u>
Sub-total.....	215,811,927	223,776,325	226,491,927	225,772,290	242,579,811
<u>Customer Communities</u>					
Emmett Township	30,081,969	30,875,709	32,960,660	34,243,370	33,694,507
Bedford Township.....	6,543,615	6,860,185	6,705,906	7,060,210	6,982,557
Springfield City	15,207,078	15,058,012	15,930,846	16,039,772	15,369,390
Pennfield Township.....	<u>14,487,868</u>	<u>14,289,260</u>	<u>16,437,000</u>	<u>15,364,300</u>	<u>15,867,359</u>
Sub-total.....	<u>66,320,530</u>	<u>67,083,166</u>	<u>72,034,412</u>	<u>72,707,652</u>	<u>71,913,813</u>
Total Wastewater Billed.....	<u>282,132,457</u>	<u>290,859,491</u>	<u>298,526,339</u>	<u>298,479,942</u>	<u>314,493,624</u>

(1) Measured in cubic feet.
 (2) Includes government and tax-exempt customers.
 Source: City of Battle Creek

City of Battle Creek Water and Wastewater System
Water System Revenues by User Class and Location
Fiscal Years Ended June 30, 2020 Through 2024

	Fiscal Year Ended June 30				
<u>City Customers</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Residential.....	\$ 3,953,830	\$ 4,172,430	\$ 4,081,396	\$ 3,833,235	\$ 3,976,324
Commercial (1)	2,140,818	2,300,744	2,403,260	2,282,560	2,424,848
Industrial	<u>1,777,862</u>	<u>1,882,016</u>	<u>1,926,006</u>	<u>1,600,765</u>	<u>1,712,003</u>
Sub-total.....	7,872,510	8,355,190	8,410,662	7,716,561	8,113,175
<u>Customer Communities</u>					
Emmett Township	693,906	777,471	796,067	766,496	797,242
Bedford Township.....	108,217	113,524	112,871	100,141	105,116
East Leroy Township	13,086	15,133	14,923	14,558	15,067
Springfield City	162,726	285,116	259,948	279,830	284,067
Pennfield Township.....	<u>44,912</u>	<u>66,279</u>	<u>50,295</u>	<u>50,879</u>	<u>45,768</u>
Sub-total.....	<u>1,022,847</u>	<u>1,257,523</u>	<u>1,234,104</u>	<u>1,211,905</u>	<u>1,247,260</u>
Total Water Revenue.....	<u><u>\$ 8,895,357</u></u>	<u><u>\$ 9,612,713</u></u>	<u><u>\$ 9,644,766</u></u>	<u><u>\$ 8,928,466</u></u>	<u><u>\$ 9,360,435</u></u>

(1) Includes governmental and tax-exempt customers.

Source: City of Battle Creek

City of Battle Creek Water and Wastewater System
Wastewater System Revenues by User Class and Location
Fiscal Years Ended June 30, 2020 Through 2024

	Fiscal Year Ended June 30				
<u>City Customers</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Residential.....	\$ 5,869,353	\$ 6,238,700	\$ 6,712,516	\$ 6,327,997	\$ 6,575,620
Commercial (1)	3,242,680	3,490,002	3,894,797	3,760,162	3,994,211
Industrial	<u>7,136,176</u>	<u>7,775,654</u>	<u>8,257,019</u>	<u>6,138,476</u>	<u>6,989,712</u>
Sub-total.....	16,248,209	17,504,356	18,864,332	16,226,635	17,559,543
<u>Customer Communities</u>					
Emmett Township	1,202,641	1,418,201	1,740,245	1,623,145	1,723,860
Bedford Township.....	259,229	279,514	348,949	312,469	3338,794
East Leroy Township	13,978	16,936	19,172	18,867	19,474
Springfield City	502,982	714,152	873,456	970,142	1,004,902
Pennfield Township.....	<u>622,752</u>	<u>603,539</u>	<u>832,539</u>	<u>840,010</u>	<u>855,988</u>
Sub-total.....	<u>2,601,582</u>	<u>3,032,342</u>	<u>3,814,362</u>	<u>3,764,634</u>	<u>3,943,018</u>
Total Wastewater Revenue	<u><u>\$ 18,849,791</u></u>	<u><u>\$ 20,536,698</u></u>	<u><u>\$ 22,678,694</u></u>	<u><u>\$ 19,991,269</u></u>	<u><u>\$ 21,502,561</u></u>

(1) Includes governmental and tax-exempt customers.

Source: City of Battle Creek

City of Battle Creek Water and Wastewater System
Ten Largest Water Customers by Volume and Revenue
Fiscal Year Ended June 30, 2024

<u>Customer</u>	<u>Principal Product or Service</u>	Water Volume <u>Cubic Feet</u>	Percent of <u>Total (1)</u>	Water Revenue <u>\$</u>	Percent of <u>Total (2)</u>
Prairie Farms Dairy.....	Dairy Processing ...	13,144,230	3.63%	\$735,298	7.86%
Fire Keepers Casino.....	Gambling/Entertain	9,499,200	2.63	606,256	6.48
Post Foods	Breakfast Foods.....	35,008,628	9.67	558,918	5.97
Westrock California LLC.....	Paperboard	8,751,527	2.42	449,474	4.80
Denso Mfg - Michigan	Automotive Parts...	6,226,274	1.72	378,651	4.05
Kellogg Company-Plant.....	Breakfast Foods ...	22,995,865	6.35	370,109	3.95
Bronson Battle Creek.....	Medical Services ...	4,698,000	1.30	297,295	3.18
VA Medical Center.....	Medical Services ...	4,155,079	1.15	320,617	3.43
Rolling Hills Mobile Comm....	Mobile Home Park	2,979,400	0.82	160,319	1.71
City of Battle Creek – WWTP..	Government	<u>2,907,200</u>	<u>0.80</u>	<u>50,796</u>	<u>0.54</u>
	Total	<u>110,365,403</u>	<u>30.5%</u>	<u>\$3,927,733</u>	<u>41.96%</u>

(1) Based on water volume of 361,860,359 for the fiscal year ended June 30, 2024.

(2) Based on water revenue of \$9,360,435 for the fiscal year ended June 30, 2024.

Source: City of Battle Creek

City of Battle Creek Water and Wastewater System
Ten Largest Wastewater Customers by Volume and Revenue
Fiscal Year Ended June 30, 2024

<u>Customer</u>	<u>Principal Product or Service</u>	Wastewater Volume <u>Cubic Feet</u>	Percent of <u>Total (1)</u>	Wastewater Revenue <u>\$</u>	Percent of <u>Total (2)</u>
Post Foods.....	Breakfast Foods	23,201,461	7.38%	\$1,591,823	7.40%
Prairie Farms Dairy.....	Dairy Processing	13,074,124	4.16	1,101,157	5.12
Westrock California LLC	Paperboard	12,698,957	4.04	1,086,714	5.05
Kellogg Company - Plant.....	Breakfast Foods	12,349,064	3.93	868,838	4.04
Fire Keepers Casino	Gambling/Entertain	8,200,100	2.61	401,500	1.87
Denso Manufacturing.....	Automotive parts ...	6,266,274	1.99	254,160	1.18
VA Medical Center-Hospital	Medical Services ...	4,155,079	1.32	210,317	0.98
Bronson Battle Creek Health	Medical Services ...	4,617,900	1.47	193,071	0.90
Calhoun County Justice Ctr	Govt-Jail/Courts.....	2,776,854	0.88	115,233	0.54
Rolling Hills Mobile Comm	Mobile Home Park	<u>2,901,300</u>	<u>0.92</u>	<u>112,403</u>	<u>0.52</u>
	Total	<u>90,241,113</u>	<u>28.69%</u>	<u>\$5,935,216</u>	<u>27.60%</u>

(1) Based on treated wastewater volume of 314,493,624 for the fiscal year ended June 30, 2024.

(2) Based on wastewater revenue of \$21,502,561 for the fiscal year ended June 30, 2024.

Source: City of Battle Creek