

The City of Potterville Tax Increment Finance Authority

Potterville City Hall, 319 N. Nelson Street – (517) 645-7641 – www.pottervillemi.org

TIFA MEETING AGENDA

Monday, October 14th 2024 at 5:30 p.m.

A. Call the Meeting to Order:

B. Pledge of Allegiance:

C. Roll Call: Members Bob Nichols, Brian Goodman, Joseph Bristol Jr., Judy Lenneman, Jon McNett, Elizabeth Ross, Ronald Norman.

1. Members Present: _____

2. Members Absent: _____

D. Agenda Approval:

E. Approval of Minutes:

1. Draft Meeting Minutes from September 9th 2024.

F. Approval of Bills: \$11,280.84

G. Public Comment: Items on the Agenda.

H. Old Business:

1. Lake Alliance Park Non-Motorized Trail and Sidewalk Connection Project - MDNR Trust Fund Development Grant Application – up to 50% match amount of \$246,550.00 to reserve by calendar date *August-September 2026*.
2. TIFA Fiscal Year 2024 Public Audit and Financial Statements.

I. New Business: None.

J. Public Comment: Items not on the Agenda.

K. Communications from Board Members:

L. Next Meeting: November 11th 2024 at 5:30 p.m.

M. Administrative Report: In attendance.

N. Excuse absent Members:

O. Meeting Adjourn:

Potterville TIFA Board Minutes

Monday, September 9, 2024 @ 5:30 p.m. – Potterville City Hall, 319 N. Nelson Street

Meeting was called to order by R. Norman at 5:30 p.m.

Pledge of Allegiance was recited by all.

Roll Call: **Present:** R. Norman, J. Bristol, B. Goodman, J. McNett, and J. Lenneman.
 Absent: B. Nichols and L. Ross

Agenda Approval: Motion by Member Goodman to approve the agenda, seconded by Member Bristol. Motion carried (5-0-2).

Approval of Minutes: Motion by Member McNett to approve the minutes from August 12, 2024, seconded by Member Lenneman. Motion carried (5-0-2).

Approval of Bills: Motion by Member Bristol to pay bills totaling \$23,241.23, seconded by Member Lenneman. Motion carried (5-0-2).

Public Comment: N/A

Old Business: Lake Alliance Park Non-Motorized Trail and Sidewalk Connection Project – Board discusses options 1-8 from engineers, match percentage, revenue from TIFA district, and alternative options if not parks grant. Mention of volleyball and horseshoes already in existence, simply overgrown, also of an old brochure with available features the Chamber used to have – Director will try to dig up. Discussion of grant process: public hearings, affidavits in paper, online survey, town forums, first is a box at the schools (possibly Joe’s and the Church) – for public input. Motion by Member Bristol to begin the process of applying for the MDMR grant project based on conceptual drawings, seconded by Member Lenneman. Motion carried (5-0-2).

New Business: N/A

Public Comment: N/A

Communications from Board: N/A

Next Meeting: Monday, October 14, 2024 at 5:30 p.m.

Administrative Report: In attendance.

Motion to Excuse Absent Members: Motion by Member Bristol to excuse Members Nichols and Ross, seconded by Member McNett. Motion carried (5-0-2).

Motion to Adjourn: Meeting adjourned by Member Norman at 6:10 p.m.

Respectfully submitted,
Kayla Schwartz, TIFA Secretary

Approved by TIFA Board _____, 2024.

10/07/2024 04:22 PM
User: JWest
DB: Potterville

CUSTOM INVOICE REPORT FOR CITY OF POTTERVILLE
EXP CHECK RUN DATES 09/13/2024 - 10/14/2024
BOTH JOURNALIZED AND UNJOURNALIZED OPEN AND PAID
BANK CODE: TIFA

Page: 1/1

INVOICE NUMBER	DESCRIPTION	AMOUNT
VENDOR NAME: JODI WEST		
OCT2024	FINANCIAL DUTIES MONTH OF OCT 2024	333.34
TOTAL VENDOR JODI WEST		333.34
VENDOR NAME: JOHN ARENS		
09192024	FIELD RENOVATIONS	8,850.00
TOTAL VENDOR JOHN ARENS		8,850.00
VENDOR NAME: KAYLA SCHWARTZ		
OCT2024	SECRETARIAL DUTIES MONTH OF OCT 2024	75.00
TOTAL VENDOR KAYLA SCHWARTZ		75.00
VENDOR NAME: VREDEVELD HAEFNER LLC		
6548	COMPLETION OF AUDIT AND QUALIFYING STATEMENT	1,150.00
TOTAL VENDOR VREDEVELD HAEFNER LLC		1,150.00
VENDOR NAME: WIGHTMAN		
89777	GENERAL ENGINEERING THROUGH 09/15/2024	872.50
TOTAL VENDOR WIGHTMAN		872.50
GRAND TOTAL:		11,280.84

10/03/2024 09:19 AM
User: JWest
DB: Potterville

BANK RECONCILIATION FOR CITY OF POTTERVILLE
Bank TIFA (TIFA)
FROM 09/01/2024 TO 09/30/2024
Reconciliation Record ID: 271

GL Number	Description	Beginning Balance
247-000-001.000	CASH	85,561.96
247-000-003.000	CASH-CERTIFICATES OF DEPOSIT	

Beginning GL Balance:	85,561.96
Less: Cash Disbursements	(85,332.48)
Add: Journal Entries/Other	159,557.41
Ending GL Balance:	159,786.89

GL Number	Description	Ending Balance
247-000-001.000	CASH	159,786.89
247-000-003.000	CASH-CERTIFICATES OF DEPOSIT	

Ending GL Balance: 159,786.89

Ending Bank Balance: 159,786.89

Add: Deposits in Transit 0.00

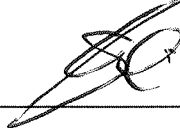
Less: 0 AP Outstanding Checks

Less: 0 PR Outstanding Checks

Adjusted Bank Balance 159,786.89

Unreconciled Difference: 0.00

REVIEWED BY: _____



DATE: 10-3-24

PERIOD ENDING 09/30/2024

TIFA

GL NUMBER	DESCRIPTION	BALANCE		2024-25 AMENDED BUDGET	END BALANCE 09/30/2024
		09/30/2023	NORMAL (ABNORMAL)		
Assets					
247-000-001.000	CASH	148,546.78			159,786.89
247-000-003.000	CASH-CERTIFICATES OF DEPOSIT	100,000.00			0.00
TOTAL ASSETS		248,546.78			159,786.89
Liabilities					
247-000-202.000	ACCOUNTS PAYABLE	(58,191.25)			(62,091.25)
TOTAL LIABILITIES		(58,191.25)			(62,091.25)
Fund Equity					
247-000-390.000	FUND BALANCE	161,213.27			90,135.90
TOTAL FUND EQUITY		161,213.27			90,135.90
Revenues					
247-728-401.000	PROPERTY TAXES	148,660.46		198,266.61	159,460.86
247-728-573.000	LOCAL COMMUNITY STABILIZATION	0.00		23,732.63	0.00
247-728-665.000	INTEREST INCOME	339.29		6,000.00	241.77
TOTAL REVENUES		148,999.75		227,999.24	159,702.63
Expenditures					
247-728-703.005	WAGES - OTHER	1,224.99		5,025.00	1,224.99
247-728-727.000	OFFICE EXPENSE	0.00		1,120.00	0.00
247-728-731.000	PUBLICATION	0.00		300.00	0.00
247-728-801.000	ATTORNEY	0.00		500.00	0.00
247-728-803.000	ENGINEERS FEES	0.00		15,000.00	4,487.50
247-728-807.000	AUDIT	2,250.00		4,600.00	3,250.00
247-728-970.000	CAPITAL OUTLAY	0.00		20,000.00	18,997.90
247-728-992.000	BOND PRINCIPAL	0.00		55,000.00	0.00
247-728-993.000	BOND INTEREST	0.00		12,945.00	0.00
TOTAL EXPENDITURES		3,474.99		114,490.00	27,960.39
Total - All Funds:		0.00		(113,509.24)	0.00

CASH SUMMARY BY FUND FOR CITY OF POTTERVILLE
FROM 07/01/2024 TO 09/30/2024
FUND: 247
CASH ACCOUNTS

Fund	Description	Beginning Balance 07/01/2024	Total Debits	Total Credits	Ending Balance 09/30/2024
247	TAX INCREMENT FINANCING AUTHOR	97,335.57	221,793.88	159,342.56	159,786.89

10/07/2024 03:56 PM
User: JWest
DB: Potterville

MONTHLY BALANCES FOR CITY OF POTTERVILLE
From 07/31/2024 to 09/30/2024
Funds: 247
Bank code: TIFA - TIFA
Account Category: Cash

GL #	DESCRIPTION	BALANCE	BALANCE	BALANCE
		07/31/2024	08/31/2024	09/30/2024
247-000-001.000	CASH	90,470.10	85,561.96	159,786.89
	TOTAL - ALL FUNDS	90,470.10	85,561.96	159,786.89

PERIOD ENDING 09/30/2024

GL NUMBER	DESCRIPTION	END BALANCE		YTD BALANCE	ACTIVITY FOR
		06/30/2024	2024-25	09/30/2024	MONTH 09/30/20
		NORMAL	(ABNORM AMENDED BUDGET	NORMAL	(ABNORM INCREASE (DECR
Fund 247 - TAX INCREMENT FINANCING AUTHOR					
Revenues					
Dept 728 - TIFA DEPT					
247-728-401.000	PROPERTY TAXES	183,809.96	198,266.61	159,460.86	159,460.86
247-728-573.000	LOCAL COMMUNITY STABILIZATION	22,561.19	23,732.63	0.00	0.00
247-728-665.000	INTEREST INCOME	8,404.88	6,000.00	241.77	96.55
Total Dept 728 - TIFA DEPT		214,776.03	227,999.24	159,702.63	159,557.41
TOTAL REVENUES		214,776.03	227,999.24	159,702.63	159,557.41
Expenditures					
Dept 728 - TIFA DEPT					
247-728-703.005	WAGES - OTHER	4,974.97	5,025.00	1,224.99	408.33
247-728-727.000	OFFICE EXPENSE	1,000.00	1,120.00	0.00	0.00
247-728-731.000	PUBLICATION	0.00	300.00	0.00	0.00
247-728-801.000	ATTORNEY	0.00	500.00	0.00	0.00
247-728-803.000	ENGINEERS FEES	32,851.21	15,000.00	4,487.50	585.00
247-728-807.000	AUDIT	4,350.00	4,600.00	3,250.00	3,250.00
247-728-967.000	SIDEWALK AND LIGHTING IMPROVE	121,332.94	0.00	0.00	0.00
247-728-970.000	CAPITAL OUTLAY	56,061.78	20,000.00	18,997.90	18,997.90
247-728-992.000	BOND PRINCIPAL	50,000.00	55,000.00	0.00	0.00
247-728-993.000	BOND INTEREST	15,282.50	12,945.00	0.00	0.00
Total Dept 728 - TIFA DEPT		285,853.40	114,490.00	27,960.39	23,241.23
TOTAL EXPENDITURES		285,853.40	114,490.00	27,960.39	23,241.23
Fund 247 - TAX INCREMENT FINANCING AUTHOR:					
TOTAL REVENUES		214,776.03	227,999.24	159,702.63	159,557.41
TOTAL EXPENDITURES		285,853.40	114,490.00	27,960.39	23,241.23
NET OF REVENUES & EXPENDITURES		(71,077.37)	113,509.24	131,742.24	136,316.18
BEG. FUND BALANCE		161,213.27	90,135.90	90,135.90	
END FUND BALANCE		90,135.90	203,645.14	221,878.14	

Fund 247 - TAX INCREMENT FINANCING AUTHOR

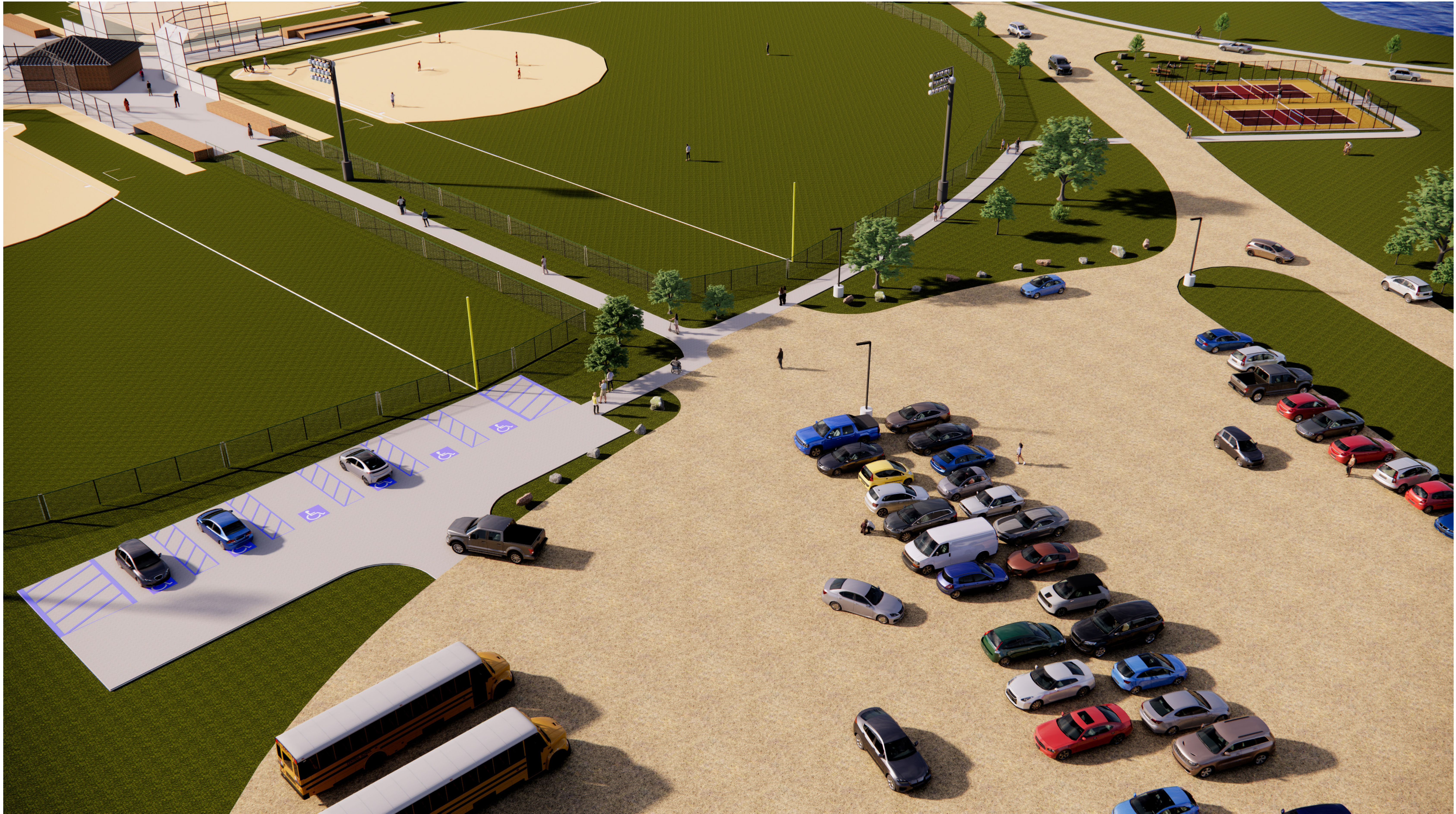
Account	Description	2024-25 Amended Budget	YEAR-TO-DATE THRU 09/30/24	Available Balance	% Used
Revenues					
Department 728: TIFA DEPT					
401.000	PROPERTY TAXES				
09/14/2024	GJ TAX DISTRIBUTION SUMMER 24		127522 159,460.86 JE# 7431		
401.000	PROPERTY TAXES	198,266.61	159,460.86	38,805.75	80.43
573.000	LOCAL COMMUNITY STABILIZATION	23,732.63	0.00	23,732.63	0.00
665.000	INTEREST INCOME				
07/31/2024	GJ INTEREST MONTH OF JULY 2024		126178 74.63 JE# 7383		
08/31/2024	GJ INTEREST MONTH OF AUG 2024		126681 70.59 JE# 7411		
09/30/2024	GJ INTEREST MONTH OF SEPT 2024		127711 96.55 JE# 7447		
665.000	INTEREST INCOME	6,000.00	241.77	5,758.23	4.03
Total - Dept 728		227,999.24	159,702.63	68,296.61	70.05
Total Revenues		227,999.24	159,702.63	68,296.61	70.05
Expenditures					
Department 728: TIFA DEPT					
703.005	WAGES - OTHER				
07/08/2024	AP SECRETARIAL DUTIES MONTH OF JULY 2024		125754 75.00 Inv #: 'JULY 2024' Vendor '0000011144'		
07/08/2024	AP FINANCIAL SECRETARIAL DUTIES MONTH OF JU		125753 333.33 Inv #: 'JULY 2024' Vendor '09752'		
08/12/2024	AP SECRETARIAL DUTIES AUGUST 2024		126288 75.00 Inv #: 'AUG 2024' Vendor '0000011144'		
08/12/2024	AP FINANCIAL DUTIES MONTH OF AUG 2024		126289 333.33 Inv #: 'AUG 2024' Vendor '09752'		
09/04/2024	AP SEPT 2024 FINANCIAL DUTIES		127051 333.33 Inv #: 'SEPT 2024' Vendor '09752'		
09/09/2024	AP SECRETARIAL DUTIES SEPT 2024		127052 75.00 Inv #: 'SEPT 2024' Vendor '0000011144'		
703.005	WAGES - OTHER	5,025.00	1,224.99	3,800.01	24.38
727.000	OFFICE EXPENSE	1,120.00	0.00	1,120.00	0.00
731.000	PUBLICATION	300.00	0.00	300.00	0.00
801.000	ATTORNEY	500.00	0.00	500.00	0.00
803.000	ENGINEERS FEES				
07/17/2024	AP LANSING ROAD SERVICES THROUGHT 07/172024		126286 335.00 Inv #: '88544' Vendor '0000011326'		
07/17/2024	AP ENGINEERING WORK LAKE ALLIANCE THROUGH 0		126287 3,567.50 Inv #: '88545' Vendor '0000011326'		
09/09/2024	AP DRAFT PRELIMINARY EST FOR SIDEWALK CONNEC		127055 585.00 Inv #: '88546' Vendor '0000011326'		
803.000	ENGINEERS FEES	15,000.00	4,487.50	10,512.50	29.92
807.000	AUDIT				
09/09/2024	AP AUDIT PROGRESS ON 23-24 TIFA STATEMENT		127054 3,250.00 Inv #: '6501' Vendor '11101'		
807.000	AUDIT	4,600.00	3,250.00	1,350.00	70.65
970.000	CAPITAL OUTLAY				
09/09/2024	AP COMPONENT PARTS TO NEW POLICE SILVERADO		127053 18,997.90 Inv #: '108988' Vendor '0000011393'		
970.000	CAPITAL OUTLAY	20,000.00	18,997.90	1,002.10	94.99
992.000	BOND PRINCIPAL				

Fund 247 - TAX INCREMENT FINANCING AUTHOR

Account	Description	2024-25 Amended Budget	YEAR-TO-DATE THRU 09/30/24	Available Balance	% Used
Expenditures					
Department 728: TIFA DEPT					
09/11/2024	CD SUMMARY CD 09/11/2024		127124 55,000.00		
09/11/2024	CD BOND PRINCIPAL		127125 (55,000.00) Check #: '3329 TIFA' Vendor '0000011228'.		
992.000	BOND PRINCIPAL	55,000.00	0.00	55,000.00	0.00
993.000	BOND INTEREST				
09/11/2024	CD SUMMARY CD 09/11/2024		127124 7,091.25		
09/11/2024	CD BOND INTEREST		127125 (7,091.25) Check #: '3329 TIFA' Vendor '0000011228'.		
993.000	BOND INTEREST	12,945.00	0.00	12,945.00	0.00
Total - Dept 728		114,490.00	27,960.39	86,529.61	24.42
Total Expenditures		114,490.00	27,960.39	86,529.61	24.42
NET OF REVENUES AND EXPENDITURES		113,509.24	131,742.24	(18,233.00)	









WIGHTMAN

433 E. RANSOM ST.
KALAMAZOO, MI. 49007
269.327.3532

www.gowightman.com

PROJECT NAME:
LAKE ALLIANCE PARK IMPROVEMENTS

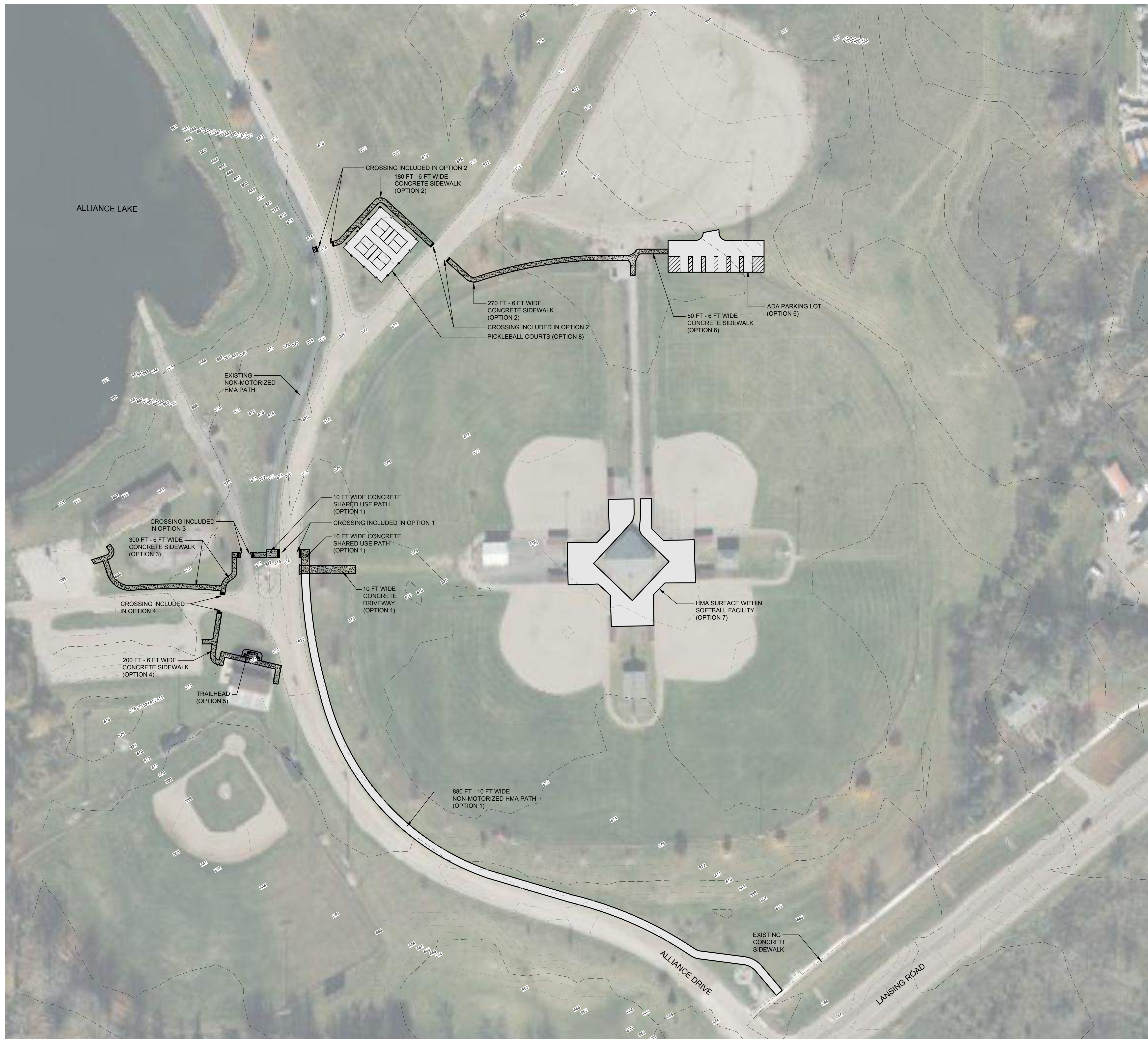
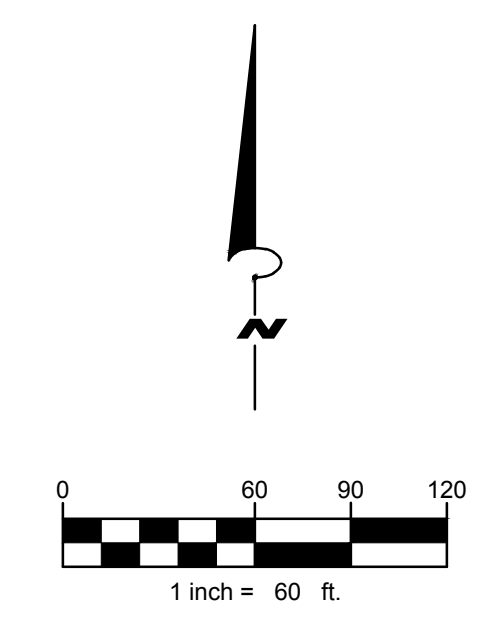
CITY OF POTTERVILLE
319 N. NELSON STREET
POTTERVILLE, MI 48876



01 07/01/2024 SAL
DRAFT REVIEW SET

REVISIONS
DATE: AUGUST, 2024
SCALE: 1" = 60'

PLAN OF PROPOSED

JOB No. 234260
C001



-  PROPOSED 10 FT WIDE NON-MOTORIZED HMA PATH.
-  PROPOSED CONCRETE SIDEWALK

LAKE ALLIANCE PARK IMPROVEMENTS
SCALE: 1" = 60'

PRELIMINARY ESTIMATE

PROJECT: **234260 - Lake Alliance Park Improvements**
CLIENT: **City of Potterville**
DATE: **August 29, 2024**

The project would extend the non-motorized path approximately 900 feet from the existing path to Lansing Road. Additional sections of concrete sidewalk would also be included to connect the existing bathroom facility, pavilion, and gravel parking lot. Lastly, a new trailhead, permanent signage, landscaping, and restoration would be completed as part of the project. This project would improve ADA accessibility to both existing and proposed features located throughout the park.

Option 1 - Construction Cost		\$	130,450.00
Option 2 - Construction Cost			36,900.00
Option 3 - Construction Cost			25,690.00
Option 4 - Construction Cost			18,450.00
Option 5 - Construction Cost			14,500.00
Option 6 - Construction Cost			42,300.00
Option 7 - Construction Cost			41,600.00
Option 8 - Construction Cost			84,400.00
<hr/>			
<i>SUBTOTAL ESTIMATED CONSTRUCTION COST</i>		\$	394,290.00
<i>Construction Contingency</i>	10%		39,429.00
<i>Engineering</i>	15%		59,143.50
<hr/>			
TOTAL ESTIMATED PROJECT COST		\$	493,100.00
Local Match	25%	\$	123,275.00
MDNR MNRTF Grant		\$	369,825.00
Maximum Grant Amount - \$400,000			

PRELIMINARY ESTIMATE

PROJECT: **234260 - Lake Alliance Park Improvements**
 CLIENT: **City of Potterville**
 DATE: **August 29, 2024**

Option 1

This project would extend the non-motorized path approximately 900 feet from the existing path along Alliance Drive to Lansing Road. This project includes approximately 880 feet of HMA shared use path and 20 feet of concrete sidewalk crossing Alliance Drive to connect to existing path. Permanent signage, landscaping, and restoration would be completed as part of the project. This project would improve ADA accessibility to both existing and proposed features located at the park.

1 L.S. Mobilization	@	\$ 11,800.00	\$	11,800.00
1 L.S. Traffic Control	@	2,800.00		2,800.00
2 EA Tree, Rem, 6 inch to 18 inch	@	600.00		1,200.00
1 EA Culv, Rem, Less than 24 inch	@	1,000.00		1,000.00
24 LFT Culv, CI E, 12 inch	@	100.00		2,400.00
8 LFT Culv, CI E, 24 inch	@	125.00		1,000.00
30 SYD HMA Surface, Rem	@	15.00		450.00
30 SYD Pavt, Rem	@	20.00		600.00
900 LFT Ditching	@	10.00		9,000.00
900 LFT Shared use Path, Grading	@	20.00		18,000.00
180 TON Shared use Path, HMA	@	150.00		27,000.00
60 SYD Shared use Path, Concrete	@	50.00		3,000.00
100 SYD Driveway, Nonreinf Conc, 6 inch	@	60.00		6,000.00
20 LFT Detectable Warning Surface, Modified	@	50.00		1,000.00
100 CYD Subgrade Undercutting	@	30.00		3,000.00
1,200 SYD Aggregate Base, 8 inch	@	15.00		18,000.00
10 CYD Subbase, CIP	@	20.00		200.00
1 L.S. Permanent Signage	@	1,000.00		1,000.00
1 L.S. Landscaping	@	3,000.00		3,000.00
2,000 SYD Restoration	@	10.00		20,000.00

<i>SUBTOTAL ESTIMATED CONSTRUCTION COST</i>		\$ 130,450.00
<i>Construction Contingency</i>	10%	13,100.00
<i>Engineering</i>	15%	19,600.00

TOTAL ESTIMATED PROJECT COST **\$ 163,150.00**

Local Match	25%	\$ 40,787.50
MDNR MNRTF Grant		\$ 122,362.50



PRELIMINARY ESTIMATE

PROJECT: **234260 - Lake Alliance Park Improvements**
 CLIENT: **City of Potterville**
 DATE: August 29, 2024

Option 2

The project would extend 6-foot wide sidewalk approximately 450 feet from the non-motorized path along Alliance Drive to the existing gravel parking lot north of the baseball fields. Permanent signage, landscaping, and restoration would be completed as part of the project. This project would improve ADA accessibility to both existing and proposed features located at the park.

1 L.S. Mobilization	@	\$ 3,300.00		\$ 3,300.00
1 L.S. Traffic Control	@	800.00		800.00
2,500 SFT Sidewalk, Conc, 4 inch	@	8.00		20,000.00
240 SFT Curb Ramp, Conc, 6 inch	@	10.00		2,400.00
24 LFT Detectable Warning Surface, Modified	@	50.00		1,200.00
50 CYD Subgrade Undercutting	@	30.00		1,500.00
60 CYD Subbase, CIP	@	20.00		1,200.00
1 L.S. Permanent Signage	@	500.00		500.00
1 L.S. Landscaping	@	1,000.00		1,000.00
500 SYD Restoration	@	10.00		5,000.00
 <i>SUBTOTAL ESTIMATED CONSTRUCTION COST</i>				\$ 36,900.00
<i>Construction Contingency</i>				10% 3,700.00
<i>Engineering</i>				15% <u>5,600.00</u>
 TOTAL ESTIMATED PROJECT COST				 \$ 46,200.00
 Local Match				25% \$ 11,550.00
MDNR MNRTF Grant				\$ 34,650.00

PRELIMINARY ESTIMATE

PROJECT: **234260 - Lake Alliance Park Improvements**
 CLIENT: **City of Potterville**
 DATE: August 29, 2024

Option 3

The project would extend 6-foot wide sidewalk approximately 300 feet from the non-motorized path along Alliance Drive to the existing pavilion. Permanent signage, landscaping, and restoration would be completed as part of the project. This project would improve ADA accessibility to both existing and proposed features located at the park.

1 L.S. Mobilization	@	\$ 2,300.00		\$ 2,300.00
1 L.S. Traffic Control	@	500.00		500.00
1 EA Tree, Rem, 6 inch to 18 inch	@	600.00		600.00
1,680 SFT Sidewalk, Conc, 4 inch	@	8.00		13,440.00
120 SFT Curb Ramp, Conc, 6 inch	@	10.00		1,200.00
12 LFT Detectable Warning Surface, Modified	@	50.00		600.00
25 CYD Subgrade Undercutting	@	30.00		750.00
40 CYD Subbase, CIP	@	20.00		800.00
1 L.S. Permanent Signage	@	500.00		500.00
1 L.S. Landscaping	@	1,000.00		1,000.00
400 SYD Restoration	@	10.00		4,000.00

<i>SUBTOTAL ESTIMATED CONSTRUCTION COST</i>		\$ 25,690.00
<i>Construction Contingency</i>	10%	2,600.00
<i>Engineering</i>	15%	3,900.00

TOTAL ESTIMATED PROJECT COST **\$ 32,190.00**

Local Match	25%	\$ 8,047.50
MDNR MNRTF Grant		\$ 24,142.50



PRELIMINARY ESTIMATE

PROJECT: **234260 - Lake Alliance Park Improvements**
 CLIENT: **City of Potterville**
 DATE: August 29, 2024

Option 4

The project would extend 6-foot wide sidewalk approximately 200 feet from Option 3 sidewalk to the existing concessions stand and future trailhead area. Permanent signage, landscaping, and restoration would be completed as part of the project. This project would improve ADA accessibility to both existing and proposed features located at the park.

1 L.S. Mobilization	@	\$ 1,600.00		\$ 1,600.00
1 L.S. Traffic Control	@	400.00		400.00
1,100 SFT Sidewalk, Conc, 4 inch	@	8.00		8,800.00
120 SFT Curb Ramp, Conc, 6 inch	@	10.00		1,200.00
12 LFT Detectable Warning Surface, Modified	@	50.00		600.00
25 CYD Subgrade Undercutting	@	30.00		750.00
30 CYD Subbase, CIP	@	20.00		600.00
1 L.S. Permanent Signage	@	500.00		500.00
1 L.S. Landscaping	@	1,000.00		1,000.00
300 SYD Restoration	@	10.00		3,000.00
 <i>SUBTOTAL ESTIMATED CONSTRUCTION COST</i>				\$ 18,450.00
<i>Construction Contingency</i>				10% 1,900.00
<i>Engineering</i>				15% <u>2,800.00</u>
 <i>TOTAL ESTIMATED PROJECT COST</i>				 \$ 23,150.00
 Local Match				25% \$ 5,787.50
MDNR MNRTF Grant				\$ 17,362.50

PRELIMINARY ESTIMATE

PROJECT: **234260 - Lake Alliance Park Improvements**
CLIENT: **City of Potterville**
DATE: August 29, 2024

Option 5

The project would construct a primary trailhead located near the existing concessions stand within Lake Alliance Park. Lastly, an interpretive sign, landscaping, and restoration would be completed as part of the project. This project would improve ADA accessibility to both existing and proposed features located at the park.

1 L.S. Mobilization	@ \$	1,300.00	\$	1,300.00
1 L.S. Traffic Control	@	300.00		300.00
1 EA Interpretive Sign	@	5,000.00		5,000.00
15 SYD Conc Pavt, Nonreinf, 6 inch	@	80.00		1,200.00
10 CYD Subbase, CIP	@	20.00		200.00
1 L.S. Landscaping	@	2,000.00		2,000.00
1 EA Bench	@	2,500.00		2,500.00
1 EA Trash Receptacle	@	1,500.00		1,500.00
50 SYD Restoration	@	10.00		500.00
<i>SUBTOTAL ESTIMATED CONSTRUCTION COST</i>				\$ 14,500.00
<i>Construction Contingency</i>				10% 1,500.00
<i>Engineering</i>				15% <u>2,200.00</u>
<i>TOTAL ESTIMATED PROJECT COST</i>				\$ 18,200.00
Local Match				25% \$ 4,550.00
MDNR MNRTF Grant				\$ 13,650.00

PRELIMINARY ESTIMATE

PROJECT: **234260 - Lake Alliance Park Improvements**
CLIENT: **City of Potterville**
DATE: August 29, 2024

Option 6

The project would construct an ADA compliant parking lot near the softball facility entrance with 6' wide concrete sidewalk connecting the ADA compliant parking lot to the north baseball field entrance.

1 L.S. Mobilization	@ \$	3,800.00	\$	3,800.00
1 L.S. Traffic Control	@	900.00		900.00
1 L.S. Grading & Earth Excavation	@	5,000.00		5,000.00
600 SYD Aggregate Base, 8 inch	@	15.00		9,000.00
100 TON HMA, 4EL	@	150.00		15,000.00
10 CYD Subbase, CIP	@	20.00		200.00
300 SFT Sidewalk, Conc, 4 inch	@	8.00		2,400.00
1 L.S. Pavement Markings	@	2,500.00		2,500.00
1 L.S. Signage	@	2,500.00		2,500.00
100 SYD Restoration	@	10.00		1,000.00
<i>SUBTOTAL ESTIMATED CONSTRUCTION COST</i>				\$ 42,300.00
<i>Construction Contingency</i>				10% 4,300.00
<i>Engineering</i>				15% <u>6,400.00</u>
<i>TOTAL ESTIMATED PROJECT COST</i>				\$ 53,000.00
Local Match				25% \$ 13,250.00
MDNR MNRTF Grant				\$ 39,750.00

PRELIMINARY ESTIMATE

PROJECT: 234260 - Lake Alliance Park Improvements
CLIENT: City of Potterville
DATE: August 29, 2024

Option 7

The project would construct a new HMA surface within the softball facility around the existing concession stand.

1 L.S. Mobilization	@ \$	3,700.00	\$	3,700.00
1 L.S. Traffic Control	@	900.00		900.00
1 L.S. Grading	@	2,000.00		2,000.00
8 EA Remove and Relocate Bleachers	@	500.00		4,000.00
200 TON HMA, 4EL	@	150.00		30,000.00
100 SYD Restoration	@	10.00		1,000.00
<i>SUBTOTAL ESTIMATED CONSTRUCTION COST</i>				\$ 41,600.00
<i>Construction Contingency</i>				10% 4,200.00
<i>Engineering</i>				15% <u>6,300.00</u>
<i>TOTAL ESTIMATED PROJECT COST</i>				\$ 52,100.00
Local Match				25% \$ 13,025.00
MDNR MNRTF Grant				\$ 39,075.00

PRELIMINARY ESTIMATE

PROJECT: 234260 - Lake Alliance Park Improvements
CLIENT: City of Potterville
DATE: August 29, 2024

Option 8

The project would construct two (2) pickleball courts just north of the softball facility.

1 L.S. Mobilization	@ \$	7,600.00	\$	7,600.00
1 L.S. Traffic Control	@	1,800.00		1,800.00
1 L.S. Grading & Earth Excavation	@	4,000.00		4,000.00
2 EA Pickleball Court	@	35,000.00		70,000.00
100 SYD Restoration	@	10.00		1,000.00
<i>SUBTOTAL ESTIMATED CONSTRUCTION COST</i>			\$	84,400.00
<i>Construction Contingency</i>			10%	8,500.00
<i>Engineering</i>			15%	<u>12,700.00</u>
TOTAL ESTIMATED PROJECT COST			\$	105,600.00
Local Match			25% \$	26,400.00
MDNR MNRTF Grant			\$	79,200.00



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September 16, 2024

Members of the Board
City of Potterville Tax Increment Finance Authority
Potterville, Michigan

We have audited the financial statements of the governmental activities and each major fund of the City of Potterville Tax Increment Finance Authority (the Authority) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 22, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the useful lives of capital assets is based on previous activity and future expectations. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures that required correction by management that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 16, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI), as itemized in the table of contents, that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Authority Board of Directors, the City of Potterville Council, and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Uredewald Haefner LLC

CITY OF POTTERVILLE
TAX INCREMENT FINANCE AUTHORITY
(A COMPONENT UNIT OF THE CITY OF POTTERVILLE, MICHIGAN)
POTTERVILLE, MICHIGAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024



Vredeveld Haefner LLC
CPAs and Consultants

POTTERVILLE TIFA

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INDEPENDENT AUDITORS' REPORT

September 16, 2024

Members of the Board
City of Potterville Tax Increment Finance Authority
Potterville, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Potterville Tax Increment Finance Authority (the "Authority"), a Component Unit of the City of Potterville, Michigan, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the City of Potterville Tax Increment Finance Authority, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We are required to be independent of the City of Potterville Tax Increment Finance Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Authority'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 Authority'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 budgetary comparison information 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2024, on our consideration of the City of Potterville Tax Increment Finance Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Potterville Tax Increment Finance Authority's internal control over financial reporting and compliance.

Urederold Haefner LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

About the TIFA

As management of the City of Potterville Tax Increment Finance Authority (the TIFA), we offer readers of the TIFA's financial statements this narrative overview and analysis of the financial activities of the TIFA for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole, which can be found in this report.

Financial Highlights

- Long-term debt activity consisted of a normal principal payment made of \$50,000 on the tax increment bond. Long-term debt interest payment of tax increment bond was reduced by \$2,150.
- Increased Capital Outlay for Development Projects and Public Safety including the completion of Phase III Lansing Road Sidewalk in the Lansing Road commercial corridor, and acquisition of new Police Department Patrol Vehicle.
- Invested \$100,000 in certified deposit, 6 month 100% FDIC insured account.
- The TIFA continued with the finance director position being performed by the City of Potterville staff utilizing BS&A software.
- Increased TIFA revenues in by 9.85%.
- Increased TIFA revenue account interest by \$8,256 and property tax revenues (real and personal) by a total of \$11,012.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the TIFA's basic financial statements. The TIFA's basic financial statements comprise three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information intended 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 TIFA's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the TIFA'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 (accrued interest on debt).

Both of the government-wide financial statements distinguish functions of the TIFA 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 TIFA currently has no business-type activities.

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 TIFA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The TIFA only utilizes a governmental fund.

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 the TIFA’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 TIFA’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 TIFA maintains one individual governmental fund. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund which is considered a major fund.

The TIFA adopted an annual appropriations budget for its general fund as required by state law. A budgetary comparison statement has been provided as required supplementary information for the general fund to demonstrate legal compliance.

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 supplementary information. This includes this discussion and analysis as well as a budgetary comparison schedule for the General Fund to demonstrate compliance with the budget.

Government-wide Financial Analysis

The following table presents condensed information about the TIFA’s financial position for the past two fiscal years. Net position decreased \$62,660 during the year primarily as a result of contributing capital assets to the City of Pottersville. Total net position includes the investment in capital assets. Capital assets represent the capital assets held by the TIFA, net of related accumulated depreciation.

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 97,336	\$161,213
Capital assets	459,950	502,083
Total assets	557,286	663,296
Current and other liabilities	65,746	54,096
Long-term liabilities	250,000	305,000
Total liabilities	315,746	359,096
Net position		
Net investment in capital assets	154,950	147,083
Unrestricted	86,590	157,117
Total net position	\$241,540	\$304,200

Income and Expenses

The TIFA decreased its financial position during the year ended June 30, 2024 primarily due to capital assets being transferred to the City during the year. A summary of revenues and expenses for the past two (2) fiscal years is presented below.

	<u>2024</u>	<u>2023</u>
General revenues		
Property taxes	\$206,371	\$195,359
Other general revenues	8,406	148
Total revenues	<u>214,777</u>	<u>195,507</u>
Expenses		
Community and Economic Development	262,704	226,095
Interest on long-term debt	14,733	16,907
Total expenses	<u>277,437</u>	<u>243,002</u>
Change in net position	(62,660)	(47,495)
Net position, beginning of year	304,200	351,695
Net position, end of year	<u>\$241,540</u>	<u>\$304,200</u>

General Fund Budgetary Highlights

The revenues and expenditures were consistent with the budget as amended. The appropriation for capital activity was decreased during the year.

Capital Asset and Long-Term Debt Activities

Capital asset depreciation amounted to \$42,133 during the year. Long-term debt activity consisted of a normal principal payment made of \$50,000 on the tax increment bonds. Additional information on capital assets and long-term debt can be found in notes 3 and 4, respectively.

Economic Factors and Next Year's Budget

The 2025 budget was adopted with an increase of 6.1% in revenues from 2024 actual totals. 2025 budgeted expenditures include \$20,000 Capital Outlay and \$15,000 in Engineering Fees in anticipation for planned grant application to the Michigan DNR Trust Fund. TIFA undesignated fund balance is strategically planned to increase in the new fiscal year period to provide matching funds for a large MDNR Trust Fund Development Grant Project at the Lake Alliance Park. The funding of this development project anticipates zero additional long-term debt activity or interest payments. TIFA budget strategically outlays undesignated cash balances to 100% fund capital projects to avoid future tax bond debt and interest penalties.

Contacting the TIFA Management

This management discussion and analysis provides an overview of the current and prospective financial condition of the TIFA's operations and financial position. If there are questions concerning this report or if additional information is desired, please contact to the City of Pottersville Tax Increment Finance Authority Director at (517) 645-7641.

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BASIC FINANCIAL STATEMENTS

POTTERVILLE TIFA
STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Primary Government Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 97,336
Capital assets	
Depreciable capital assets, net	<u>459,950</u>
Total assets	<u>557,286</u>
Liabilities	
Accounts payable and accrued expenses	10,746
Due within one year	55,000
Noncurrent liabilities	
Due in more than one year	<u>250,000</u>
Total liabilities	<u>315,746</u>
Net Position	
Net investment in capital assets	154,950
Unrestricted	<u>86,590</u>
Total net position	<u>\$ 241,540</u>

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

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POTTERVILLE TIFA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government					
Governmental activities					
Community	\$ 262,704	\$ -	\$ -	\$ -	\$ (262,704)
Interest on long-term debt	<u>14,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,733)</u>
Total primary government	<u>\$ 277,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(277,437)</u>
General revenues					
Property taxes					206,371
Interest earnings					<u>8,406</u>
Total general revenues					<u>214,777</u>
Change in net position					(62,660)
Net position, beginning of year					<u>304,200</u>
Net position, end of year					<u>\$ 241,540</u>

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

POTTERVILLE TIFA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024

	<u>General</u>
Assets	
Cash and cash equivalents	\$ 97,336
Total assets	<u>\$ 97,336</u>
Liabilities and fund balance	
Liabilities	
Accounts payable and accrued liabilities	\$ 7,200
Total liabilities	<u>7,200</u>
Fund balances	
Unassigned	<u>90,136</u>
Total fund balances	<u>90,136</u>
Total liabilities and fund balance	<u>\$ 97,336</u>

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

POTTERVILLE TIFA

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

JUNE 30, 2024

Fund balances - total governmental funds	\$ 90,136
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.	
Add - capital assets (net)	459,950
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - bonds payable	(305,000)
Deduct - accrued interest on bonds payable	<u>(3,546)</u>
Net position of governmental activities	<u>\$ 241,540</u>

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

POTTERVILLE TIFA

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2024

	<u>General</u>
Revenues	
Taxes	\$ 206,371
Interest	<u>8,406</u>
Total revenues	<u>214,777</u>
Expenditures	
Current	
Community & Economic Development	220,571
Debt service	
Principal	50,000
Interest	<u>15,283</u>
Total expenditures	<u>285,854</u>
Net changes in fund balances	(71,077)
Fund balances, beginning of year	<u>161,213</u>
Fund balances, end of year	<u><u>\$ 90,136</u></u>

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

POTTERVILLE TIFA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

Net changes in fund balances - total governmental funds	\$ (71,077)
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 are allocated over their estimated useful lives and reported as depreciation expense.	
Deduct - depreciation expense	(42,133)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Add - payment of bond principal	50,000
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.	
Add - decrease in accrued interest	<u>550</u>
Change in net position of governmental activities	<u>\$ (62,660)</u>

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

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POTTERVILLE TIFA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Potterville established the City of Potterville Tax Increment Finance Authority (the TIFA) on July 11, 1984, as authorized pursuant to P.A. 450 of 1980, as amended. The TIFA was established for the purpose of promoting growth and development and for other purposes as set forth in P.A. 450 of 1980, as amended.

The financial statements of the TIFA have been prepared in conformity with the U.S. Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting principles are described below.

Reporting Entity

The TIFA is a component unit of the City of Potterville (the City). The financial statements of the TIFA present only the funds and account groups of the TIFA and are not intended to present fairly the financial position and results of the operations of the City in conformity with GAAP.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the TIFA. There are no component units to be included. The criteria for including a component unit include significant operational or financial relationships with the TIFA.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues are reported in total. The TIFA has no business-type or fiduciary activities.

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

Separate financial statements are provided for governmental funds. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

POTTERVILLE TIFA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except grant revenues which are recognized when grant requirements are met, and interest revenue which is recorded when earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. Property taxes, state revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the TIFA.

All individual governmental funds are reported as separate columns in the fund financial statements.

The TIFA reports the following major governmental fund:

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

Budgets and Budgetary Accounting

Comparisons to budget are presented for the General Fund. The TIFA is required to follow these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the TIFA Director submits to the TIFA Board a proposed operating budget for the fiscal year commencing the following July 1.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for the general funds.
5. The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Adoption and amendments of all budgets used by the TIFA are governed by Michigan Law. The appropriations ordinances are based on the projected expenditures budget of the various activities of the TIFA. Any amendment to the original budget must meet the requirements of Michigan Law. The TIFA budget was amended during the year. Any revisions that alter the expenditures at the activity level within the general fund must be approved by the TIFA Board.

POTTERVILLE TIFA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Deposits and Investments

State statutes authorize the TIFA to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the TIFA to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.

The TIFA's investment policy is more restrictive than state requirements and allows for investment in only those investment vehicles identified in items a. and b. above.

Capital Assets

Capital assets, which include buildings, land improvements, and equipment, are reported in the governmental activities column in the government-wide financial statements.

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

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

POTTERVILLE TIFA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

	<u>Years</u>
Buildings	20-50
Land improvements	20-50
Equipment	3-10

Property Taxes

The TIFA is supported by taxes captured within the TIFA's district. Property tax assessments are determined as of each December 31. Taxes are levied on July 1 of the following year. TIFA property taxes are recognized in levied year as revenue in accordance with the guidelines of the State of Michigan.

Net Position and Fund Balance Reporting

Governmental funds report fund balance in the following five categories:

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

Fund Balance can only be committed by formal resolution of the TIFA Board.

Restricted net position represents those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Net Position and Fund Balance Flow Assumptions

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

POTTERVILLE TIFA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Long-Term Obligations

In the government-wide financial statements the long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures/expense regardless of fund or activity.

Risk Management

The TIFA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2024, the TIFA carried commercial insurance to cover risks of losses. The TIFA has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

2. CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents on the financial statements is \$97,336.

This balance is in a financial institution located in Michigan. State policy limits the Treasurer's investing options to financial institutions located in Michigan. All accounts are in the name of the TIFA and a specific fund or common account. They are recorded in TIFA records at fair value.

Deposit risk

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the TIFA's deposits may not be returned. As of year-end, none of the TIFA's bank balance of \$97,336 was exposed to custodial credit risk because it was either insured or collateralized.

POTTERVILLE TIFA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

3. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Governmental activities				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets, not being depreciated	-	-	-	-
Capital assets, being depreciated				
Building and improvements	842,657	-	-	842,657
Equipment	30,148	-	-	30,148
Total capital assets, being depreciated	872,805	-	-	872,805
Less accumulated depreciation for				
Building and improvements	340,574	42,133	-	382,707
Equipment	30,148	-	-	30,148
Total accumulated depreciation	370,722	42,133	-	412,855
Total capital assets, being depreciated	502,083	(42,133)	-	459,950
Governmental activities capital assets, net	\$502,083	\$(42,133)	\$ -	\$459,950

4. LONG-TERM DEBT

The following is a summary of the debt transactions of the TIFA for the year ended June 30, 2024.

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Governmental Activities					
Private Placement 2014 General Obligation Limited Tax Bonds, requiring annual principal payments from \$35,000 to 70,000 plus interest from 1.85 to 4.8% through 2028.	\$355,000	\$ -	\$50,000	\$305,000	\$55,000

The annual requirements to amortize all debt outstanding as of June 30, 2024 are as follows:

<u>Year Ended June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 55,000	\$12,945
2026	55,000	10,457
2027	60,000	7,811
2028	65,000	4,888
2029	70,000	1,680
Total	\$305,000	\$37,781

REQUIRED SUPPLEMENTARY INFORMATION

POTTERVILLE TIFA

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

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 199,000	\$ 206,371	\$ 206,371	\$ -
Interest	150	8,360	8,406	46
Total revenues	<u>199,150</u>	<u>214,731</u>	<u>214,777</u>	<u>46</u>
Expenditures				
Current				
Community & Economic Development	29,220	248,250	220,571	27,679
Debt service				
Principal	50,000	50,000	50,000	-
Interest	15,283	15,283	15,283	-
Total expenditures	<u>94,503</u>	<u>313,533</u>	<u>285,854</u>	<u>27,679</u>
Net changes in fund balance	104,647	(98,802)	(71,077)	27,725
Fund balance, beginning of year	<u>161,213</u>	<u>161,213</u>	<u>161,213</u>	<u>-</u>
Fund balance, end of year	<u>\$ 265,860</u>	<u>\$ 62,411</u>	<u>\$ 90,136</u>	<u>\$ 27,725</u>

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INTERNAL CONTROL AND COMPLIANCE



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

September 16, 2024

Members of the Board
City of Potterville Tax Increment Finance Authority
Potterville, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund, of the City of Potterville Tax Increment Finance Authority (the "Authority"), a Component Unit of the City of Potterville, Michigan, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 16, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Ordebold Haefner LLC