



FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024



Vredeveld Haefner LLC  
CPAs and Consultants

# CITY OF IONIA

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# Vredeveld Haefner LLC

CPAs and Consultants  
10302 20<sup>th</sup> Avenue  
Grand Rapids, MI 49534  
Fax (616) 828-0307

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

## INDEPENDENT AUDITORS' REPORT

November 25, 2024

Honorable Mayor and Members of the City Council  
City of Ionia, Michigan

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ionia, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 and the required supplementary information on pages 43 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **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 and Dial-A-Ride transit schedules section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Dial-A-Ride Transit Schedules Section balances at June 30, 2024, are the responsibility of management and, except for the Schedule of Nonfinancial Information, were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing

standards generally accepted in the United States of America. In our opinion, Dial-A-Ride transit schedules section balances at June 30, 2024, except for the Schedule of Nonfinancial Information, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Dial-A-Ride Transit Schedules Section balances at other than June 30, 2024, and the Schedule of Nonfinancial Information, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 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 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.

*Urodeuxeld Haefner LLC*

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Management's Discussion and Analysis



As management for the City of Ionia, we offer readers of the City's financial statements this narrative 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 is furnished in the financial statements and associated notes.

## Financial Highlights

The foregoing financial reports reflect the City's on-going goal of implementing sound financial processes in order to deliver high quality services to City residents. The City has stabilized and incrementally improved its financial standing through implementing various management best practices, improved efficiencies such as through technology advances and focusing on vital capital improvement projects. Examples include:

- The millage rate adopted by the City Council during June 2023 to support 2023-24 was 8.976 mills, which was a decrease from 8.9855 mills in FY22-23.
- The City continues to pay down its outstanding debt for past public infrastructure projects, while also utilizing a pay-as-you-go strategy for current capital equipment and infrastructure projects to reduce expense associated with these projects.
- The City increased its unassigned General Fund balance to 52% of its FY23-24 General Fund Budget over prior year and also increased total General Fund balances by \$1,506,620 over prior year.

## Overview of the Financial Statements

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

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

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

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

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

administration, public safety, public works including major and local street construction and maintenance, culture and recreation, capital outlay, and debt service activities. The business-type activities of the City include Dial-A-Ride, sewer, water, and theatre operations.

The government-wide financial statements include the City (the *primary government*) as well as the Downtown Development Authority, Local Development Finance Authority, and Brownfield Redevelopment Authority component units for which the City is financially accountable. Financial information for the component units is reported separately from the financial information for 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 local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains fifteen individual governmental funds. 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 to be a major fund.

Data is combined into a single aggregated presentation for the other governmental funds. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements and schedules.

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

**Proprietary funds.** The City maintains two 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 Dial-a-Ride, sewer, water and theatre operations. The City uses an internal service fund to account for its central garage which provides vehicle rental and services to other City departments on a cost reimbursement basis.

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 Dial-A-Ride, sewer and water operations, each of which are considered to be major funds of the City. The internal service fund is included as a single column in the proprietary fund financial statements.

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

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to this management discussion and analysis, major fund budgetary schedules, and pension plan schedules.

## 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, assets exceeded liabilities by \$39,730,124 at the close of the most recent fiscal year.

A portion of the City's net position reflects unrestricted net position which is available for future operations, while a significant portion of net position is invested in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position is negative in the governmental activities primarily as a result of recording the governmental activities net pension liability and related deferred items.

### Summary of Net Position

	Governmental Activities		Business-type Activities		Totals	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$11,688,816	\$9,087,308	\$ 5,766,368	\$ 6,530,708	\$17,455,184	\$15,618,016
Capital assets	9,277,339	8,649,344	46,417,157	45,651,920	55,694,496	54,301,264
<b>Total assets</b>	<b>20,966,155</b>	<b>15,880,041</b>	<b>52,183,525</b>	<b>51,892,494</b>	<b>73,149,680</b>	<b>67,772,535</b>
Deferred outflows	2,245,863	3,377,768	344,805	510,687	2,590,668	3,888,455
Current and other liabilities	1,179,347	567,441	1,871,575	1,781,797	3,050,922	2,349,238
Noncurrent liabilities	9,528,221	10,852,714	22,943,591	24,671,795	32,471,812	35,524,509
<b>Total liabilities</b>	<b>10,707,568</b>	<b>9,002,290</b>	<b>24,815,166</b>	<b>28,676,167</b>	<b>35,522,734</b>	<b>37,678,457</b>
Deferred inflows	456,452	293,983	31,038	8,087	487,490	302,070
Net position						
Net investment in capital assets	10,104,219	9,469,200	23,479,920	21,332,162	33,584,139	30,801,362
Restricted	4,106,158	3,332,745	-	-	4,106,158	3,332,745
Unrestricted (deficit)	(2,162,379)	(3,401,663)	4,202,206	4,899,474	2,029,827	1,497,811
<b>Total net position</b>	<b>\$12,047,998</b>	<b>\$7,772,635</b>	<b>\$27,682,126</b>	<b>\$23,436,805</b>	<b>\$39,730,124</b>	<b>\$31,209,440</b>

Total net position for the City increased by \$4,098,206 from the prior year which is primarily due to increases in sewer and water fund net position and general and nonmajor governmental fund increased fund balance.

**Summary of Activities**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>						
Program revenues						
Charges for services	\$3,432,370	\$3,388,260	\$6,890,331	\$6,757,223	\$10,322,701	\$10,145,483
Operating grants and contributions	1,820,231	1,534,544	826,171	746,180	2,646,402	2,280,724
Capital grants and contributions	44,833	208,975	40,004	1,181,281	84,837	1,390,256
General revenues						
Property taxes	1,404,221	1,401,293	121,599	121,873	1,525,820	1,523,166
Income taxes	3,353,821	3,041,636	-	-	3,353,821	3,041,636
Other governmental sources	1,138,407	1,108,337	-	-	1,138,407	1,108,337
Interest	277,960	141,068	177,076	114,076	455,036	255,144
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>11,471,843</b>	<b>10,824,113</b>	<b>8,083,532</b>	<b>8,920,633</b>	<b>19,555,375</b>	<b>19,744,746</b>
<b>Expenses</b>						
General government	2,942,670	2,816,252	-	-	2,942,670	2,816,252
Public safety	3,248,217	3,338,249	-	-	3,248,217	3,338,249
Public works	1,902,556	2,090,103	-	-	1,902,556	2,090,103
Culture and recreation	730,684	711,862	-	-	730,684	711,862
Dial-a-Ride	-	-	998,301	971,821	998,301	971,821
Sewer	-	-	2,871,009	2,783,889	2,871,009	2,783,889
Water	-	-	2,429,729	2,277,570	2,429,729	2,277,570
Theatre	-	-	305,651	332,522	305,651	332,522
<b>Total expenses</b>	<b>8,824,127</b>	<b>8,956,466</b>	<b>6,604,690</b>	<b>6,365,802</b>	<b>15,428,817</b>	<b>15,322,268</b>
Increase (decrease) before transfers	2,647,716	1,867,647	1,440,490	2,554,831	4,088,206	4,422,478
Transfers	-	(240,000)	-	240,000	-	-
Increase (decrease) in net Position	2,647,716	1,627,647	1,450,490	2,794,831	4,098,206	4,422,478
<b>Net position - beginning of year</b>	<b>9,400,282</b>	<b>7,772,635</b>	<b>26,231,636</b>	<b>23,436,805</b>	<b>35,631,918</b>	<b>31,209,440</b>
<b>Net position - end of year</b>	<b>\$12,047,998</b>	<b>\$9,400,282</b>	<b>\$27,682,126</b>	<b>\$26,231,636</b>	<b>\$39,730,124</b>	<b>\$35,631,918</b>

**Governmental Activities.** During the year, the City invested \$3,248,217 or 37% of governmental activities expenses in Public Safety. Public Works, which includes major and local streets was \$1,902,556 or 22% of governmental activities expenses while general government, culture and recreation, and interest on long-term debt made up the remaining 41% of governmental activities expenses.

**Business-type Activities.** Business-type activities increased the City's net position by \$1,450,490 primarily due to controlled sewer and water expenditures and scheduled rate increases.

## Financial Analysis of the City's Funds

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

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a 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 \$10,066,288, an increase of \$2,137,836 in comparison with the prior year. Of the \$10,066,288, \$1,493,333 is reported as unassigned. The remaining amount of fund balance is reported in various funds as assigned, restricted or non-spendable for certain uses such as street construction and maintenance, solid waste, recreation and construction.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General fund was \$1,493,333. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 24% of total General fund expenditures. The fund balance of the City's General fund increased by \$1,506,620 during the current fiscal year primarily as a result of increased property taxes and income taxes.

**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 enterprise funds at the end of the year amounted to \$4,202,206. The enterprise funds reported an increase in net position for the year of \$1,450,490. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## Budgetary Highlights

- The City successfully completed its state-mandated corrective action plan regarding pension underfunding by continuing its practice of making an extra payment to MERS via the general fund. Overall, the City's pension fund now stands at 65% funded.
- Revenues exceeded expenditures in the General Fund by \$1,379,696, indicative of sound, fiscally conservative budgeting.
- Construction delays associated with two parks projects resulted in less expenditures incurred during FY23-24 than originally anticipated.
- The Ionia Theatre Fund utilized remaining cash fund balance during the fiscal year, necessitating a transfer in from the General Fund to assist not only capital projects, but operating expenditures.

## Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business type activities as of June 30, 2024, amounted to \$55,694,496 (net of accumulated depreciation). Significant additions were made due to continued investment in the City's streets, water and sewer infrastructure.

The City's capital assets (net of depreciation) are summarized as follows:

<b>Capital Assets</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Land	\$ 759,533	\$ 1,219,180	\$ 1,978,713
Construction in progress	420,192	678,514	1,098,706
Buildings, equipment and Infrastructure	8,097,614	44,519,463	52,617,077
<b>Total</b>	<b>\$9,277,339</b>	<b>\$46,417,157</b>	<b>\$55,694,496</b>

Additional information on capital assets can be found in Note 7 of these financial statements.

**Debt and other long-term liabilities.** At the end of the current fiscal year, the City had total long-term liabilities outstanding of \$32,471,812 summarized as follows:

<b>Long-term Debt</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Accrued employee benefits	\$ 475,110	\$ 119,519	\$ 594,629
Net pension liability	8,977,035	1,222,998	10,200,033
Bond premium	-	836,074	836,074
Bonds payable	-	22,140,000	22,140,000
SBITA	99,510	-	99,510
<b>Total</b>	<b>\$9,551,655</b>	<b>\$24,318,591</b>	<b>\$33,870,246</b>

The City made debt principal payments totaling \$1,277,414 during the year. Additional information on the City's long-term debt can be found in Note 9 of these financial statements.

## **Economic Factors and Next Year's Budgets and Rates**

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

- Conservative revenue estimates were prepared regarding the City Income Tax, State Revenue Sharing and Fire Protection Grant funds.
- The millage rate adopted by the City Council during June 2024 to support 2024-25 was 8.9741 mills, which decreased from 8.976 mills in FY22-23.
- Following completion of a comprehensive Water and Sewer Rates Study, sanitary sewer rates were adjusted for FY 24-25. The sanitary sewer commodity charge increased from \$4.50 to \$4.87 per 1,000 gallons and the sewer debt service charge decreased from \$46.00 to \$44.59 per REU per quarter. The water commodity rate increased from \$4.10 to \$4.20 per 1,000 gallons and the debt service charge increased from \$32.00 to \$33.39 per REU per quarter.

## **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. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chris Hyzer, Finance Director, at (616) 527-4170, extension 5137 or via e-mail: [chyzer@ci.ionia.mi.us](mailto:chyzer@ci.ionia.mi.us) or Precia Garland, City Manager, at extension 5776, or via e-mail: [pgarland@ci.ionia.mi.us](mailto:pgarland@ci.ionia.mi.us).

## **BASIC FINANCIAL STATEMENTS**

**CITY OF IONIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Primary Government			Component Units		
				Downtown Development Authority	Local	
	Governmental Activities	Business-Type Activities	Total		Development Finance Authority	Brownfield Redevelopment Authority
<b>Assets</b>						
Cash and pooled investments	\$ 10,235,112	\$ 3,689,844	\$ 13,924,956	\$ 203,968	\$ 675	\$ 61,934
Accounts receivable	702,199	1,672,935	2,375,134	37	-	-
Prepaid items	55,868	247	56,115	-	-	-
Due from other governments	467,007	335,377	802,384	-	-	-
Inventory	-	67,965	67,965	-	-	-
Noncurrent						
Lease receivable	228,630	-	228,630	-	-	-
Land	759,533	1,219,180	1,978,713	387,256	-	-
Construction in progress	420,192	678,514	1,098,706	-	-	-
Depreciable capital assets, net	8,097,614	44,519,463	52,617,077	-	-	-
<b>Total assets</b>	<b>20,966,155</b>	<b>52,183,525</b>	<b>73,149,680</b>	<b>591,261</b>	<b>675</b>	<b>61,934</b>
<b>Deferred outflows of resources</b>						
Deferred loss on refunding	-	38,837	38,837	-	-	-
Deferred outflows pension related	2,245,863	305,968	2,551,831	70,003	-	-
<b>Total deferred outflows of resources</b>	<b>2,245,863</b>	<b>344,805</b>	<b>2,590,668</b>	<b>70,003</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>						
Accounts payable	850,017	50,206	900,223	8,443	-	-
Accrued liabilities	305,896	446,121	752,017	4,936	-	-
Unearned revenue	-	210	210	-	-	-
Due to other governments	-	38	38	-	-	-
Debt due within one year	23,434	1,375,000	1,398,434	-	-	-
Noncurrent liabilities						
Compensated absences	475,110	119,519	594,629	16,862	-	-
Net pension liability	8,977,035	1,222,998	10,200,033	279,812	-	-
Bond premium	-	836,074	836,074	-	-	-
Debt due in more than one year	76,076	20,765,000	20,841,076	-	-	-
<b>Total liabilities</b>	<b>10,707,568</b>	<b>24,815,166</b>	<b>35,522,734</b>	<b>310,053</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>						
Deferred inflows lease related	228,630	-	228,630	-	-	-
Deferred inflows pension related	227,822	31,038	258,860	7,101	-	-
<b>Total deferred inflows of resources</b>	<b>456,452</b>	<b>31,038</b>	<b>487,490</b>	<b>7,101</b>	<b>-</b>	<b>-</b>
<b>Net position</b>						
Net investment in capital assets	10,104,219	23,479,920	33,584,139	387,256	-	-
Restricted for						
Cemetery	5,720	-	5,720	-	-	-
Capital improvements	946,677	-	946,677	-	-	-
Major streets	1,476,370	-	1,476,370	-	-	-
Local streets	1,104,572	-	1,104,572	-	-	-
Public safety	56,902	-	56,902	-	-	-
Solid waste	515,917	-	515,917	-	-	-
Parks	-	-	-	-	-	-
Unrestricted (deficit)	(2,162,379)	4,202,206	2,039,827	(43,146)	675	61,934
<b>Total net position</b>	<b>\$ 12,047,998</b>	<b>\$ 27,682,126</b>	<b>\$ 39,730,124</b>	<b>\$ 344,110</b>	<b>\$ 675</b>	<b>\$ 61,934</b>

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

**CITY OF IONIA**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2024**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Primary government</b>					
Governmental activities					
General government	\$ 2,942,670	\$ 2,756,314	\$ 13,687	\$ -	\$ (172,669)
Public safety	3,248,217	48,478	28,943	44,833	(3,125,963)
Public works and streets	1,902,556	498,169	1,512,010	-	107,623
Culture and recreation	730,684	129,409	265,591	-	(335,684)
<b>Total governmental activities</b>	<b>8,824,127</b>	<b>3,432,370</b>	<b>1,820,231</b>	<b>44,833</b>	<b>(3,526,693)</b>
Business-type activities					
Dial-a-Ride	998,301	81,825	787,929	40,004	(88,543)
Sewer	2,871,009	3,491,812	-	-	620,803
Water	2,429,729	3,128,712	-	-	698,983
Theatre	305,651	187,982	38,242	-	(79,427)
<b>Total business-type activities</b>	<b>6,604,690</b>	<b>6,890,331</b>	<b>826,171</b>	<b>40,004</b>	<b>1,151,816</b>
<b>Total primary government</b>	<b>\$ 15,428,817</b>	<b>\$ 10,322,701</b>	<b>\$ 2,646,402</b>	<b>\$ 84,837</b>	<b>\$ (2,374,877)</b>
<b>Component units</b>					
Downtown Development Authority	\$ 198,563	\$ 44,870	\$ 250,000	\$ -	\$ 96,307
Local Development Finance Authority	-	-	-	-	-
Brownfield Redevelopment Authority	3,480	-	-	-	(3,480)
<b>Total component units</b>	<b>\$ 202,043</b>	<b>\$ 44,870</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ 92,827</b>

(Continued)

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

**CITY OF IONIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Primary Government			Component Units		
	Governmental	Business-type	Total	Downtown Development Authority	Local	
	Activities	Activities			Development Finance Authority	Brownfield Redevelopment Authority
<b>Changes in net assets</b>						
<b>Net (expense) revenue</b>	\$ (3,526,693)	\$ 1,151,816	\$ (2,374,877)	\$ 96,307	\$ -	\$ (3,480)
General revenues						
Property taxes						
General operating	883,232	-	883,232	44,294	-	-
Restricted	520,989	121,599	642,588	-	-	-
Income taxes	3,353,821	-	3,353,821	-	-	-
Marijuana tax	119,169	-	119,169	-	-	-
State shared revenues - unrestricted	1,019,238	-	1,019,238	-	-	-
Interest	277,960	177,075	455,035	2,194	27	2,520
<b>Total general revenues</b>	<b>6,174,409</b>	<b>298,674</b>	<b>6,473,083</b>	<b>46,488</b>	<b>27</b>	<b>2,520</b>
Change in net position	2,647,716	1,450,490	4,098,206	142,795	27	(960)
<b>Net position, beginning of year</b>	<b>9,400,282</b>	<b>26,231,636</b>	<b>35,631,918</b>	<b>201,315</b>	<b>648</b>	<b>62,894</b>
<b>Net position, end of year</b>	<b>\$ 12,047,998</b>	<b>\$ 27,682,126</b>	<b>\$ 39,730,124</b>	<b>\$ 344,110</b>	<b>\$ 675</b>	<b>\$ 61,934</b>

(Concluded)

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

**CITY OF IONIA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2024**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Assets</b>			
Cash and pooled investments	\$ 5,381,273	\$ 4,658,620	\$ 10,039,893
Accounts receivable	537,635	110,095	647,730
Accounts receivable-Leases	228,630	-	228,630
Prepaid items	55,132	-	55,132
Due from other governments	240,995	226,012	467,007
<b>Total assets</b>	<u>\$ 6,443,665</u>	<u>\$ 4,994,727</u>	<u>\$ 11,438,392</u>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 204,775	\$ 638,217	\$ 842,992
Accrued liabilities	263,795	36,687	300,482
<b>Total liabilities</b>	<u>468,570</u>	<u>674,904</u>	<u>1,143,474</u>
<b>Deferred inflows</b>			
Lease related	228,630	-	228,630
<b>Fund balances</b>			
Nonspendable			
Permanent fund corpus	-	5,200	5,200
Prepaid items	55,132	-	55,132
Restricted			
Permanent fund spendable	-	520	520
Streets	-	2,580,942	2,580,942
Public safety	-	56,902	56,902
Solid waste	-	515,917	515,917
Capital projects	-	946,677	946,677
Assigned			
Public safety	5,000	144,611	149,611
Streets	1,000,000	-	1,000,000
Accrued benefits	500,000	-	500,000
Recreation	-	69,054	69,054
Economic Development	500,000	-	500,000
Capital projects	1,750,000	-	1,750,000
Subsequent year expenditures	443,000	-	443,000
Unassigned	1,493,333	-	1,493,333
<b>Total fund balances</b>	<u>5,746,465</u>	<u>4,319,823</u>	<u>10,066,288</u>
<b>Total liabilities and fund balances</b>	<u>\$ 6,443,665</u>	<u>\$ 4,994,727</u>	<u>\$ 11,438,392</u>

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

**CITY OF IONIA**

**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**

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<b>Fund balances - total governmental funds</b>	<b>\$ 10,066,288</b>
Amounts reported for <i>governmental activities</i> in the statement of net position are different because	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	
Add - land	759,533
Add - construction in progress	420,192
Add - capital assets (net of accumulated depreciation)	7,171,224
An internal service fund is used by management to charge the costs of centralized costs, to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities.	
Add - net position of governmental activities accounted for in the internal service fund	1,145,646
Certain liabilities and related deferred inflows and deferred outflows are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - compensated absences payable	(456,381)
Deduct - net pension liability	(8,977,035)
Deduct - deferred inflows related to pensions	(227,822)
Add - deferred outflows related to pensions	2,245,863
Deduct - debt payable	<u>(99,510)</u>
<b>Net position of governmental activities</b>	<b><u>\$ 12,047,998</u></b>

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

**CITY OF IONIA**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Formerly Major Funds			Nonmajor Governmental Funds	Total
	General	Major Streets	Parks Facilities Improvements		
<b>Revenues</b>					
Property taxes	\$ 883,232			\$ 623,328	\$ 1,506,560
Income taxes	3,353,821			-	3,353,821
Marijuana tax	119,169			-	119,169
Intergovernmental revenues					
Federal	5,988			-	5,988
State	1,071,071			1,666,615	2,737,686
Licenses and permits	51,350			-	51,350
Charges for services	2,536,155			461,770	2,997,925
Fines	6,363			-	6,363
Interest	226,023			121,215	347,238
Donations	3,743			3,556	7,299
Miscellaneous	213,916			124,528	338,444
<b>Total revenues</b>	<u>8,470,831</u>			<u>3,001,012</u>	<u>11,471,843</u>
<b>Expenditures</b>					
Current					
General government	2,546,238			-	2,546,238
Public safety	3,235,631			323,684	3,559,315
Public works and streets	88,122			1,423,971	1,512,093
Health and welfare	48,285			-	48,285
Community and economic development	89,959			-	89,959
Culture and recreation	7,900			1,427,579	1,435,479
Contribution to component unit	250,000			-	250,000
Capital outlay	-			19,562	19,562
<b>Total expenditures</b>	<u>6,266,135</u>			<u>3,194,796</u>	<u>9,460,931</u>
Revenues over (under) expenditures	<u>2,204,696</u>			<u>(193,784)</u>	<u>2,010,912</u>
Other financing sources (uses)					
Debt/SBITA issuance	126,924			-	126,924
Transfers in	-			1,025,000	1,025,000
Transfers out	(825,000)			(200,000)	(1,025,000)
Total other financing sources (uses)	<u>(698,076)</u>			<u>825,000</u>	<u>126,924</u>
Net changes in fund balances	<u>1,506,620</u>			<u>631,216</u>	<u>2,137,836</u>
<b>Fund balances, beginning of year, as previously presented</b>	4,239,845	1,093,958	1,000,154	1,594,495	7,928,452
<b>Change within financial reporting entity</b>	<u>-</u>	<u>(1,093,958)</u>	<u>(1,000,154)</u>	<u>2,094,112</u>	<u>-</u>
<b>Fund balances, beginning of year, as restated</b>	<u>4,239,845</u>	<u>-</u>	<u>-</u>	<u>3,688,607</u>	<u>7,928,452</u>
<b>Fund balances, end of year</b>	<u>\$ 5,746,465</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,319,823</u>	<u>\$ 10,066,288</u>

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

**CITY OF IONIA**

**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**

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<b>Net changes in fund balances - total governmental funds</b>	<b>\$ 2,137,836</b>
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because</p> <p>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.</p>	
Add - capital outlay	1,423,124
Deduct - depreciation expense	(901,663)
<p>Long-term debt proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>	
Deduct - issuance of long-term debt	(126,924)
Add - principal payments on long-term debt	27,414
<p>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.</p>	
Deduct - increase in compensated absences	(43,177)
Deduct - increase in deferred inflows related to pensions	(168,917)
Deduct - decrease in deferred outflows related to pensions	(1,131,905)
Add - decrease in net pension liability	1,447,329
<p>Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.</p>	
Add - net income from the internal service funds	<u>(15,401)</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ 2,647,716</u></b>

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

**CITY OF IONIA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**

**JUNE 30, 2024**

	Enterprise Funds				Enterprise Fund Total	Governmental Activities
	Dial-A-Ride	Sewer	Water	Nonmajor (Theatre)		Internal Service (Central Garage)
<b>Assets</b>						
Current assets						
Cash and pooled investments	\$ 838,858	\$ 2,508,534	\$ 324,293	\$ 18,159	\$ 3,689,844	\$ 195,219
Accounts receivable	5,843	800,795	866,297	-	1,672,935	54,469
Prepaid items	-	-	247	-	247	736
Due from other governments	136,635	198,742	-	-	335,377	-
Inventory	-	-	67,965	-	67,965	-
<b>Total current assets</b>	<u>981,336</u>	<u>3,508,071</u>	<u>1,258,802</u>	<u>18,159</u>	<u>5,766,368</u>	<u>250,424</u>
Noncurrent assets						
Advance receivable	-	200,000	-	-	200,000	-
Land	25,000	475,893	671,395	46,892	1,219,180	-
Construction in progress	-	339,257	339,257	-	678,514	-
Buildings and infrastructure	1,812,696	25,987,765	35,420,667	1,267,516	64,488,644	609,393
Machinery and equipment	586,167	588,319	4,428,291	323,692	5,926,469	-
Vehicles	877,927	-	-	-	877,927	2,666,502
Less accumulated depreciation	<u>(2,788,574)</u>	<u>(5,336,530)</u>	<u>(17,317,150)</u>	<u>(1,331,323)</u>	<u>(26,773,577)</u>	<u>(2,349,505)</u>
<b>Total noncurrent assets</b>	<u>513,216</u>	<u>22,254,704</u>	<u>23,542,460</u>	<u>306,777</u>	<u>46,617,157</u>	<u>926,390</u>
<b>Total assets</b>	<u>1,494,552</u>	<u>25,762,775</u>	<u>24,801,262</u>	<u>324,936</u>	<u>52,383,525</u>	<u>1,176,814</u>
<b>Deferred outflows of resources</b>						
Deferred loss on refunding	-	17,865	20,972	-	38,837	-
Deferred outflows pension related	<u>70,003</u>	<u>65,022</u>	<u>170,943</u>	<u>-</u>	<u>305,968</u>	<u>-</u>
<b>Total deferred outflows of resources</b>	<u>70,003</u>	<u>82,887</u>	<u>191,915</u>	<u>-</u>	<u>344,805</u>	<u>-</u>
<b>Liabilities</b>						
Accounts payable	21,308	1,164	17,983	9,751	50,206	7,025
Accrued liabilities	31,124	155,689	254,097	5,211	446,121	5,414
Due to other governments	-	38	-	-	38	-
Unearned revenue	210	-	-	-	210	-
Current portion of long-term debt	<u>-</u>	<u>664,700</u>	<u>710,300</u>	<u>-</u>	<u>1,375,000</u>	<u>-</u>
<b>Total current liabilities</b>	<u>52,642</u>	<u>821,591</u>	<u>982,380</u>	<u>14,962</u>	<u>1,871,575</u>	<u>12,439</u>
Long-term liabilities						
Advance payable	-	-	200,000	-	200,000	-
Compensated absences	58,516	11,878	49,125	-	119,519	18,729
Net pension liability	279,812	259,900	683,286	-	1,222,998	-
Bond premium	-	413,621	422,453	-	836,074	-
Bonds payable, net of current portion	<u>-</u>	<u>10,217,700</u>	<u>10,547,300</u>	<u>-</u>	<u>20,765,000</u>	<u>-</u>
<b>Total long-term liabilities</b>	<u>338,328</u>	<u>10,903,099</u>	<u>11,902,164</u>	<u>-</u>	<u>23,143,591</u>	<u>18,729</u>
<b>Total liabilities</b>	<u>390,970</u>	<u>11,724,690</u>	<u>12,884,544</u>	<u>14,962</u>	<u>25,015,166</u>	<u>31,168</u>
<b>Deferred inflows of resources</b>						
Deferred inflows pension related	<u>7,101</u>	<u>6,596</u>	<u>17,341</u>	<u>-</u>	<u>31,038</u>	<u>-</u>
<b>Net position</b>						
Net investment in capital assets	513,216	10,776,548	11,883,379	306,777	23,479,920	926,390
Unrestricted	<u>653,268</u>	<u>3,337,828</u>	<u>207,913</u>	<u>3,197</u>	<u>4,202,206</u>	<u>219,256</u>
<b>Total net position</b>	<u>\$ 1,166,484</u>	<u>\$ 14,114,376</u>	<u>\$ 12,091,292</u>	<u>\$ 309,974</u>	<u>\$ 27,682,126</u>	<u>\$ 1,145,646</u>

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

**CITY OF IONIA**

**PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

**FOR THE YEAR ENDED JUNE 30, 2024**

	Enterprise Funds				Enterprise Fund Total	Governmental Activities
	Dial-A-Ride	Sewer	Water	Nonmajor (Theatre)		Internal Service (Central Garage)
<b>Operating revenue</b>						
Charges for services	\$ 81,825	\$ 3,458,243	\$ 3,076,893	\$ 187,982	\$ 6,804,943	\$ 484,106
Other	168,493	33,569	51,819	3,739	257,620	5,601
<b>Total operating revenue</b>	<u>250,318</u>	<u>3,491,812</u>	<u>3,128,712</u>	<u>191,721</u>	<u>7,062,563</u>	<u>489,707</u>
<b>Operating expense</b>						
Personnel services	410,600	57,109	227,649	100,489	795,847	106,678
Contractual services	225,020	2,142,981	484,279	66,416	2,918,696	59,439
Benefits	59,037	10,317	239,028	8,226	316,608	84,959
Materials and supplies	63,603	13,013	102,854	52,702	232,172	54,846
Utilities	44,349	-	115,885	31,441	191,675	19,027
Repair and maintenance	63,586	-	15,206	20,942	99,734	38,560
Equipment rentals	-	21,457	69,797	-	91,254	24,775
Depreciation	128,933	330,426	868,696	25,435	1,353,490	176,335
Miscellaneous	3,173	-	-	-	3,173	-
<b>Total operating expense</b>	<u>998,301</u>	<u>2,575,303</u>	<u>2,123,394</u>	<u>305,651</u>	<u>6,002,649</u>	<u>564,619</u>
Operating income (loss)	<u>(747,983)</u>	<u>916,509</u>	<u>1,005,318</u>	<u>(113,930)</u>	<u>1,059,914</u>	<u>(74,912)</u>
Non-operating revenue (expense)						
Federal grants	194,206	-	-	-	194,206	-
State grants	425,230	-	-	-	425,230	-
Property taxes	121,599	-	-	-	121,599	-
Contributions from component units	-	-	-	35,000	35,000	-
Gain on sale of capital assets	-	-	-	-	-	48,240
Interest income	35,620	106,641	34,317	-	176,578	11,271
Interest expense	-	(295,706)	(306,335)	-	(602,041)	-
<b>Total non-operating revenue (expense)</b>	<u>776,655</u>	<u>(189,065)</u>	<u>(272,018)</u>	<u>35,000</u>	<u>350,572</u>	<u>59,511</u>
Income (loss) before transfers and other items	28,672	727,444	733,300	(78,930)	1,410,486	(15,401)
Transfers and other items						
Capital contributions - federal	40,004	-	-	-	40,004	-
Changes in net position	68,676	727,444	733,300	(78,930)	1,450,490	(15,401)
<b>Net position, beginning of year</b>	<u>1,097,808</u>	<u>13,386,932</u>	<u>11,357,992</u>	<u>388,904</u>	<u>26,231,636</u>	<u>1,161,047</u>
<b>Net position, end of year</b>	<u>\$ 1,166,484</u>	<u>\$ 14,114,376</u>	<u>\$ 12,091,292</u>	<u>\$ 309,974</u>	<u>\$ 27,682,126</u>	<u>\$ 1,145,646</u>

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

**CITY OF IONIA**

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2024**

	Enterprise Funds				Enterprise Fund Total	Governmental Activities
	Dial-A-Ride	Sewer	Water	Nonmajor (Theatre)		Internal Service (Central Garage)
<b>Cash flows from operating activities</b>						
Receipts from internal services provided	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 477,460
Receipts from customers and users	257,203	3,439,722	3,094,960	191,721	6,983,606	-
Payments to employees	(493,951)	(128,706)	(412,957)	(108,619)	(1,144,233)	(187,203)
Operating grants	619,436	-	-	35,000	654,436	-
Payments to suppliers	(401,103)	(2,197,984)	(796,815)	(170,160)	(3,566,062)	(201,276)
<b>Net cash provided by (used in) operating activities</b>	<u>(18,415)</u>	<u>1,113,032</u>	<u>1,885,188</u>	<u>(52,058)</u>	<u>2,927,747</u>	<u>88,981</u>
<b>Cash flows from non-capital financing activities</b>						
Loan from (to) other funds	-	200,000	(200,000)	-	-	-
Property Taxes	121,599	-	-	-	121,599	-
<b>Net cash provided by (used in) non-capital financing activities</b>	<u>121,599</u>	<u>200,000</u>	<u>(200,000)</u>	<u>-</u>	<u>121,599</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>						
Interest paid	-	(365,708)	(377,532)	-	(743,240)	-
Deposits/loans with other governments	-	(1,576)	4,339	-	2,763	-
Principal paid on debt	-	(604,800)	(645,200)	-	(1,250,000)	-
Proceeds from sale of capital assets	-	-	-	-	-	62,149
Acquisitions of capital assets	(162,453)	(790,942)	(1,165,332)	-	(2,118,727)	(296,778)
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(111,599)</u>	<u>(1,763,026)</u>	<u>(2,183,725)</u>	<u>-</u>	<u>(4,058,350)</u>	<u>(234,629)</u>
<b>Cash flows from investing activities</b>						
Interest received	35,620	106,641	34,317	-	176,578	11,271
<b>Net increase (decrease) in cash and pooled investments</b>	27,205	(343,353)	(464,220)	(52,058)	(832,426)	(134,377)
<b>Cash and pooled investments, beginning of year</b>	811,653	2,851,887	788,513	70,217	4,522,270	329,596
<b>Cash and pooled investments, end of year</b>	<u>\$ 838,858</u>	<u>\$ 2,508,534</u>	<u>\$ 324,293</u>	<u>\$ 18,159</u>	<u>\$ 3,689,844</u>	<u>\$ 195,219</u>
<b>Cash flows from operating activities</b>						
Operating income (loss)	\$ (747,983)	\$ 916,509	\$ 1,005,318	\$ (113,930)	\$ 1,059,914	\$ (74,912)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	128,933	330,426	868,696	25,435	1,353,490	176,335
Net pension liability	(72,503)	(108,263)	(27,438)	-	(208,204)	-
Deferred outflows for pensions	44,156	54,272	59,350	-	157,778	-
Deferred inflows for pensions	5,110	4,516	13,325	-	22,951	-
Operating grants	619,436	-	-	35,000	654,436	-
Change in operating assets and liabilities which provided (used) cash						
Accounts receivable	6,891	(52,090)	(33,752)	-	(78,951)	(12,247)
Prepaid items	424	-	248	-	672	-
Inventory	-	-	(3,420)	-	(3,420)	-
Accounts payable	(1,796)	(20,533)	(5,622)	1,341	(26,610)	(4,629)
Accrued liabilities	2,023	(8,957)	(1,768)	96	(8,606)	851
Compensated absences	(3,100)	(2,848)	10,251	-	4,303	3,583
Unearned revenue	(6)	-	-	-	(6)	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (18,415)</u>	<u>\$ 1,113,032</u>	<u>\$ 1,885,188</u>	<u>\$ (52,058)</u>	<u>\$ 2,927,747</u>	<u>\$ 88,981</u>

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

**CITY OF IONIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2024**

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	<b>Custodial Fund</b>
<b>Assets</b>	
Cash and pooled investments	\$ <u>16</u>
<b>Total assets</b>	\$ <u>16</u>
<b>Liabilities</b>	
Accounts payable	\$ <u>16</u>
<b>Total liabilities</b>	\$ <u>16</u>

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

**CITY OF IONIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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	<b>Custodial Fund</b>
<b>Additions</b>	
Taxes and benefits collected for other entities	\$ 4,452,750
<b>Total additions</b>	<u>4,452,750</u>
<b>Deductions</b>	
Taxes and benefit to other entities	<u>4,452,750</u>
<b>Total deductions</b>	<u>4,452,750</u>
Changes in net position	<u>-</u>
<b>Net position, beginning of year</b>	<u>-</u>
<b>Net position, end of year</b>	<u>\$ -</u>

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

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### ***Reporting Entity***

These financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations, so data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the financial statements to emphasize they are legally separate from the City.

#### ***Blended Component Unit***

The City of Ionia Building Authority (CIBA) is a capital asset financing mechanism which provides services to the City exclusively. The CIBA governing body consists of individuals that are appointed by the City's Council. The City Council approves the CIBA's budget and has the ability to significantly influence operations of the CIBA. The CIBA had no activity in the current year.

#### ***Discretely Presented Component Units***

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

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

The LDFA was created to correct and prevent deterioration and promote economic growth within the development area. The LDFA governing body consists of individuals that are appointed by the City's Council, Ionia County and North Levalley School District, which has subsequently opted of making board appointments. The City Council approves the LDFA's budget and has the ability to significantly influence operations of the LDFA. Financial statements are not separately issued for the LDFA.

The BRA accounts for captured tax revenue on specific properties within the City that have been identified and approved as brownfields requiring site reclamation. These revenues are used to reimburse property owners for expenditures incurred for brownfield cleanup. The City Council appoints the governing body of the BRA and has the ability to significantly influence operations of the BRA. Financial statements are not separately issued for the BRA.

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

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#### **Joint Venture**

The City of Ionia, along with the Townships of Berlin, Easton, Ionia, and Orange created the Ionia Regional Utilities Authority (IRUA) under Michigan Public Act 233 of 1955. The purpose of the IRUA is to acquire, own and operate a sewage disposal system for the benefit of the constituent municipalities.

The City of Ionia operates, administers, and maintains the IRUA on behalf of the City and the Townships (the constituent municipalities). The annual budget of the IRUA is prepared by City staff in conjunction with the IRUA Board of Trustees and then distributed to the constituent municipalities for comment. After the expiration of the comment period, and after conducting the required public hearing, the IRUA Board of Trustees adopts the IRUA budget. The IRUA Articles of Incorporation provide a mechanism for resolving budget related disputes should they arise.

The allocation of costs of the IRUA to the constituent municipalities is based on usage of the system as measured by system flow. During 1996, the City began to directly bill Ionia Township IRUA customers. As a result, the City's allocation of costs includes the portion of costs that had been charged to Ionia Township in the past. On December 1, 2001, the City began to directly bill Easton Township IRUA customers for operating costs and fixed asset reserves. As a result, the City's allocation of costs includes a portion of costs that would have been charged to Easton Township in the past. The Township continues to make contributions to the IRUA to fund their portion of the debt service requirements. For the year ended June 30, 2024, the City paid \$1,797,517 to cover the City's and Townships' share of operational costs.

The City has not recorded an asset in the enterprise fund type related to IRUA due to not having documented an equity interest in IRUA for accounting purposes. To document an equity interest, the City would need to document an explicit, measurable right to the net resources of the IRUA.

Funding percentages for operating costs and the capital asset reserve are based on annual participant charges as follows:

City of Ionia	84.68%
Berlin Township	7.83%
Easton Township	2.96%
Ionia Township	4.53%

The financial activities of the IRUA are accounted for and reported separately from the participating units. Separate audited financial statements for the year ended June 30, 2024 are available at City Hall. The following financial information is a summary of the activity for the year ended June 30, 2024:

Total assets	\$9,869,676
Total liabilities	136,912
Total net position	9,732,764
Total operating revenue	2,053,477
Total nonoperating revenues	48,735
Total operating expenses	1,936,170
Total nonoperating expenses	-
Change in net position	166,042

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are changes between enterprise functions and other various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for income tax which uses a 45-day period, and reimbursement-based grants and interest which use a one-year collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, state revenue, licenses, grants, income taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

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Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges for services. The principal operating revenues of the City's internal service fund is charges to City departments for shared costs and equipment utilization. Operating expenses for the enterprise funds include depreciation on capital assets, labor, supplies and contracted services. Operating expenses for the internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

The *Dial-A-Ride Enterprise Fund* is used to account for the operations required to provide transit services to the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges, property taxes, and grant revenues.

The *Sewer Enterprise Fund* is used to account for the operations required to provide sewer services to the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.

The *Water Enterprise Fund* is used to account for the operations required to provide water services to the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.

Additionally, the City reports the following fund types:

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

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

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

The *Enterprise Funds* are used to account for the operations to provide services to residents of the City of Ionia and the greater Ionia area. The costs (expenses, including depreciation) are financed or recovered primarily through user charges.

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

The *Custodial Fund* is used to account for the collection and disbursement of property taxes that are collected on behalf of outside governments.

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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### ***Budgets and Budgetary Accounting***

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

1. Prior to May 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget is adopted by activity.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed for the governmental fund types as a management control device.
5. Budgets for the General and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets lapse at fiscal year-end.
6. Adoption and amendments of all budgets used by the City are governed by Michigan law. Any amendment to the original budget must meet the requirements of Michigan law. Any revisions that alter the total expenditures of any fund must be approved by the City Council. The City Manager is authorized to transfer budgeted amounts within an activity. Thus, the legal level of budgetary control is at the activity level. Supplemental appropriations were necessary during the year.

### ***Cash and Pooled Investments***

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

### ***Investments***

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

City policy and State statutes authorize the City to invest in:

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

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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### **Receivables**

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

### **Due to/Due from Other Funds and Advances Receivable/Payable Between funds**

Interfund receivables and payables are short-term borrowings that arise from interfund transactions which are recorded by all funds affected in the period in which transactions are executed. Advances receivable/payable represent a long-term borrowing of \$200,000 from the sewer fund to the water fund that is expected to be repaid in more than a year.

### **Inventory**

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

### **Capital Assets**

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

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

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

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

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

	<u>Years</u>
Structures and improvements	15-75
Machinery, furniture, and equipment	3-50
Vehicles	5-15
Infrastructure	15-30

### **Subscription-Based Information Technology Arrangements (SBITAs)**

Significant subscription-based information technology arrangements are recorded as an intangible right to use subscription, SBITAs asset. These assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets. The assets are disclosed with other capital assets in note 7. The associated liability for the arrangement is recorded as long-term debt. Both the asset and the liability are recorded at the present value of the contract. Details regarding the SBITAs and the long-term debt are discussed in the following notes.

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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### ***Unearned Revenue***

Unearned revenue is reported in connection with payments received that have not yet been earned. The balance of unearned revenue will be recognized when earned in future years.

### ***Long-Term Obligations***

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Discounts on bonds are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures/expenses.

### ***Accumulated Vacation and Sick***

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

### ***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### ***Property Taxes***

The City collects property taxes from City residence for all property tax levied upon property within the City. Property taxes are attached as an enforceable lien on property as of July 1. Taxes are levied July 1 and December 1 and are due without penalty through July 31 and February 14, respectively. Real property taxes not collected as of March 1 are turned over to the County for collection, which advances the City 100% for the delinquent real property taxes. Collection of delinquent personal property taxes remains the responsibility of the City Treasurer.

Property taxes levied in July of each year are recognized as revenue in the year in which they are levied. The City's 2023 taxable value was 128,924,390 on which they levied 6.8733 mills for operating millages, 2 mills for solid waste, and .1008 for environmental response.

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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### ***Income Tax Revenues***

The City recognizes income tax revenue (nonexchange derived revenue) based on cash receipts for income earned through June 30 of each year and received through August 15 of the same year. Income tax revenue receivable at year-end is reported net of estimated refunds.

### ***Grants and Other Intergovernmental Revenues***

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

### ***Deferred Outflows / Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding debt. The City also has items that qualify for reporting in this category related to the net pension liability which is discussed in Note 8.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has items that qualify for reporting in this category related to the net pension liability which is discussed in Note 8 and leases which are discussed in Note 14.

### ***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. Non-spendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the non-spendable 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 entities governing board.
4. Assigned - the related assets can only be spent for a specific purpose but do not meet the criteria to be classified as committed.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications.

Fund balance can only be committed by resolution of the City Council. The City Council has delegated the authority to assign fund balance to the City Treasurer and City Manager.

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

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City policy requires the General fund budget to be prepared and activities managed to result in an ending unassigned fund balance of at least 17% of budgeted expenditures, except in the case of emergency or financial distress. Circumstances of emergency or financial distress shall be reported to the City Council at the earliest practical time. Upon such report, the City Council may direct that additional action be taken to preserve the minimum unassigned fund balance. Unassigned fund balance in the General fund at June 30, 2024 was 52% of the current year's final amended budget for expenditures.

#### **Net Position and Fund Balance Flow Assumptions**

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

#### **Interfund Transactions**

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services and to service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers.

## **2. DEFICIT FUND BALANCE/NET POSITION**

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

<b>Governmental Activities</b>	\$(2,162,379)
<b>Component Units</b>	
Downtown Development Authority	(33,146)

## **3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS**

Michigan law provides that a local unit shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the City's actual expenditures and budgeted expenditures for the budgeted funds have been shown on a functional basis. The approved budgets of the City for these budgeted funds were adopted at the activity level.

During the year ended June 30, 2024, the City incurred expenditures in excess of the amounts appropriated of \$9,951 and \$11,459 in public safety and planning and zoning, respectively.

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

#### 4. CASH AND POOLED INVESTMENTS

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

	<b>Primary Government</b>	<b>Component Units</b>	<b>Fiduciary Funds</b>	<b>Total</b>
Cash and pooled investments	\$13,914,956	\$276,577	\$16	\$14,191,549

Cash and pooled investments consist of the following at June 30, 2024:

Deposits and certificates of deposit	\$ 9,792,643
Michigan Class investment pool	4,398,906
Total	\$14,191,549

The City also holds investments within its cash and investment pool for the Ionia Regional Utilities Authority (IRUA) of \$356,948 which cannot be segregated from City deposits and investments. Deposit and investment risk disclosures for the combined balance of the City and the IRUA follows.

The deposits are in financial institutions located in Michigan in varying amounts. State policy limits the Treasurer's investing options to financial institutions located in Michigan. All accounts are in the name of the City and a specific fund or common account. They are recorded in City records at fair value. Interest is recorded when earned.

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require a policy, and the City's policy is no more restrictive than State requirements, for deposit custodial credit risk. As of year-end, \$9,479,874 of the City's bank balance of \$10,479,874 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

#### **Investments**

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

	<b>Maturity</b>	<b>Fair Value</b>	<b>Rating</b>	<b>Source</b>
Michigan Class	N/A	\$4,398,906	AAAm	S&P

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

The City categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of year-end.

- The City does not have any investments valued using quoted market prices (Level 1 inputs).

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

- The Michigan Class is valued using observable fair value measures of fund/pool investments and other observable inputs to determining the fair value of the securities making up the of investments fund/pool (Level 2 inputs).
- The City does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

#### **Investment and deposit risk**

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

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

*Custodial Credit Risk - Investments.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the City policy is no more restrictive than State law for investment custodial credit risk. Of the above pool/mutual fund investments, the City's custodial credit risk exposure cannot be determined because the funds do not consist of specifically identifiable securities.

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

#### **5. INTERFUND TRANSACTIONS**

Transfers in and out for the year ended June 30, 2024 are as follows:

<u>Transfers out</u>	<u>Transfers In</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
General Fund	\$825,000
Nonmajor Funds	\$200,000
<b>Total</b>	<b><u>\$1,025,000</u></b>

Transfers are used to (1) move unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2024**

### 6. RISK MANAGEMENT

The City participates in a State pool, the Michigan Municipal Liability and Property Pool (MMLPP), with other municipalities for property, liability, bonding, and casualty losses. The MMLPP is organized under Public Act 138 of 1982, as amended as a governmental group property and casualty self-insurance pool. In the event the MMLPP's claims and expenses for a policy year exceed the total normal annual premiums for such years, all members of the specific MMLPP's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required.

The City also participates in the Michigan Municipal Workers' Compensation Fund (MMWCF) with other municipalities for workers' compensation losses. The MMWCF is organized under the Public Act 317 of 1969, as amended. In the event the MMWCF's claims and expenses exceed the total normal annual premiums for such years, all members of the specific MMWCF's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required.

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

### 7. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<b>Balance June 30, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2024</b>
<b>Governmental Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 759,533	\$ -	\$ -	\$ 759,533
Construction in progress	491,457	341,790	413,055	420,192
Total capital assets, not being depreciated	<u>1,250,990</u>	<u>341,790</u>	<u>413,055</u>	<u>1,179,725</u>
<b>Capital assets, being depreciated</b>				
Buildings	2,251,135	9,390	12,420	2,248,105
Furniture and equipment and Improvements	6,150,181	645,294	45,549	6,749,926
Motor vehicles	5,395,244	1,009,559	189,517	6,215,286
Infrastructure	16,055,453	-	-	16,055,453
SBITA	-	126,924	-	126,924
Total capital assets, being depreciated	<u>29,852,013</u>	<u>1,791,167</u>	<u>247,486</u>	<u>31,395,694</u>
Less accumulated depreciation for				
Buildings	1,463,665	72,440	12,420	1,523,685
Furniture and equipment and Improvements	4,114,632	244,132	45,549	4,313,215
Motor vehicles	3,684,324	368,009	175,608	3,876,725
Infrastructure	13,191,038	366,003	-	13,557,041
SBITA	-	27,414	-	27,414
Total accumulated depreciation	<u>22,453,659</u>	<u>1,077,998</u>	<u>233,577</u>	<u>23,298,080</u>
<b>Net capital assets, being depreciated</b>	<u>7,398,354</u>	<u>713,169</u>	<u>13,909</u>	<u>8,097,614</u>
<b>Governmental Activities capital assets, net</b>	<u><b>\$8,649,344</b></u>	<u><b>\$1,054,959</b></u>	<u><b>\$426,964</b></u>	<u><b>\$9,277,339</b></u>

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
<b>Business-type Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 1,219,180	\$ -	\$ -	\$ 1,219,180
Construction in progress	42,384	678,514	42,384	678,514
Total capital assets, not being depreciated	1,261,564	678,514	42,384	1,897,694
<b>Capital assets being depreciated</b>				
Structures and improvements	63,410,830	1,077,816	-	64,488,646
Machinery, furniture, and equipment	5,651,684	274,408	-	5,926,092
Vehicles	747,553	130,374	-	877,927
Total capital assets, being depreciated	69,810,067	1,482,598	-	71,292,665
Less accumulated depreciation for				
Structures and improvements	19,835,479	1,160,332	-	20,995,811
Machinery, furniture, and equipment	4,947,682	95,152	-	5,042,834
Vehicles	636,551	98,006	-	734,557
Total accumulated depreciation	25,419,712	1,353,490	-	26,773,202
<b>Net capital assets, being depreciated</b>	44,390,355	129,108	-	44,519,463
<b>Business-type Activities capital assets, net</b>	<b>\$45,651,919</b>	<b>\$ 807,622</b>	<b>\$42,384</b>	<b>\$46,417,157</b>
<b>Component Unit Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$387,256	\$ -	\$ -	\$387,256
<b>Net capital assets, being depreciated</b>				
Machinery, furniture, and equipment	5,500	-	-	5,500
Accumulated depreciation	(5,500)	-	-	(5,500)
<b>Component Unit capital assets, net</b>	<b>\$387,256</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$387,256</b>

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

<b>Governmental Activities</b>	
General government	\$ 75,374
Public safety	235,713
Public works and streets	366,003
Culture and recreation	224,573
Capital assets held by the governments internal service funds are charged to the various functions based on their usage of the assets	176,335
<b>Total depreciation expense - governmental activities</b>	<b>\$1,077,998</b>
<b>Business-type Activities</b>	
Dial-a-Ride	\$ 128,933
Sewer	330,426
Water	868,696
Theatre (nonmajor)	25,435
<b>Total depreciation expense - business- type activities</b>	<b>\$1,353,490</b>

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

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#### **Subscription Based Information Technology Arrangement (SBITA)**

During the year ended June 30, 2024, the City entered into a SBITA for video storage services. The agreement commenced in 2024 with a five year term with annual payments of \$27,414.

#### **8. PENSION PLAN**

##### **Defined Benefit Traditional and Hybrid Plan**

###### **Plan Description**

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

###### **Benefits Provided**

Benefits provided include a multiplier range of 1.5 to 2.5 times final average compensation. Vesting periods range from 6 to 10 years. Normal retirement age is 60 with a number of early retirement options available. Final average compensation is calculated based on 3 to 5 years.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2023):

Active plan members	63
Inactive employees entitled but not yet receiving benefits	9
Inactive employees or beneficiaries currently receiving benefits	<u>46</u>
Total	<u>118</u>

###### **Contributions**

The City is required to contribute at an actuarially determined rate, which for the current year was from 7.38% to 7.72% of annual covered payroll depending on position and classification. For divisions closed to new employees, the employer has monthly employer contributions of \$120,367. Participating employees are required to contribute from 0% to 5% percent of gross wages to the Plan based on position and classification. The contribution requirements of the City are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

###### **Net Pension Liability**

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

# CITY OF IONIA

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED JUNE 30, 2024**

The employer'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 annual actuarial valuation as of that date.

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

Inflation: 2.5%

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

Investment rate of return: 7.0%, net of investment expense, including inflation

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

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Expected Money Weighted Rate of Return*</u>
Global Equity	60.0%	4.50%	2.70%
Global Fixed Income	20.0%	2.00%	0.40%
Private Investments	20.0%	7.00%	1.40%
MERS dedicated gains policy			(0.07)%
Inflation			2.50%
Administrative fee			0.25%
			<hr/>
Discount rate			7.18%
			<hr/>

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

**Discount rate.** The discount rate used to measure the total pension liability is 7.18% (7.25% in the prior year). The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at December 31, 2022	\$29,755,290	\$17,564,477	\$12,190,813
Changes for the Year:			
Service cost	326,193	-	326,193
Interest	2,106,612	-	2,106,612
Change in benefits	-	-	-
Differences between expected and actual experience	(354,614)	-	(354,614)
Change in assumptions	232,746	-	232,746
Contributions: employer	-	2,095,514	(2,095,514)
Contributions: employee	-	4,999	(4,999)
Net investment income	-	1,962,926	(1,962,926)
Benefit payments, including refunds	(1,723,342)	(1,723,342)	-
Administrative expense	-	(41,534)	41,534
Other changes	-	-	-
Net changes	587,595	2,298,563	(1,710,968)
Balance at December 31, 2023	\$30,342,885	\$19,863,040	\$10,479,845

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

The following presents the net pension liability of the employer, calculated using the discount rate of 7.18%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (6.18%) or higher (8.18%) than the current rate.

	1% Decrease	Current Discount rate	1% Increase
Total pension liability	\$34,017,353	\$30,342,885	\$27,278,405
Fiduciary net position	19,863,040	19,863,040	19,863,040
Net pension liability	\$14,154,313	\$10,479,845	\$ 7,415,365

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

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

For the year ended June 30, 2024 the employer recognized pension expense of \$1,945,789. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences in experience	\$ 580,971	\$265,961
Differences in assumptions	440,873	-
Excess (deficit) investment returns	781,982	-
Contributions subsequent to the Measurement date*	818,008	-
Total	\$2,621,834	\$265,961

\* The amount reported as deferred outflows of resources resulting from the contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2025.

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

2025	\$ 782,736
2026	432,833
2027	460,246
2028	(137,950)
Thereafter	-
Total	\$1,537,865

#### **Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is available to City employees and allows them to defer a portion of their salary until future years. The deferred compensation is generally not available to employees until termination, retirement, or death. All assets of the Plan are held in trust for employees and the related assets and liabilities are not included in this report.

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

#### 9. LONG-TERM DEBT

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

	<b>Balance July 1, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2024</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
SBITA	\$ -	\$126,924	\$27,414	\$ 99,510	\$23,434
Accrued employee benefits	428,350	46,760	-	475,110	-
<b>Total Governmental Activities</b>	<b>\$428,350</b>	<b>\$173,684</b>	<b>\$27,414</b>	<b>\$574,620</b>	<b>\$23,434</b>
<b>Business-type Activities</b>					
* \$6,225,000 2015 General Obligation Water and Sewer Improvement Bonds. Payments due in annual installments of \$100,000 to \$500,000 through August 1, 2037; interest at 3.00% to 4.00%, payable semi-annually. The outstanding debt was recorded in the Water and Sewer Funds at \$3,112,500 and \$3,112,500, respectively.	\$ 5,400,000	\$ -	\$ 125,000	\$ 5,275,000	\$ 125,000
* \$8,660,000 2013 Water and Sewer Improvement Refunding Bonds. Payments due in annual installments of \$85,000 to \$595,000 through August 1, 2037; interest at 2.00% to 4.00%, payable semi-annually. The outstanding debt; was recorded in the Water and Sewer Funds at \$4,676,400 and \$3,983,600, respectively.	5,195,000	-	505,000	4,690,000	570,000
* \$8,000,000 2017 Water and Sewer Improvement Bonds. Payments due in annual installment of \$205,000 to \$505,000 beginning August 1, 2022 through 2041; plus interest at 3% to 3.25%, paid semi-annually. The outstanding debt was recorded in the Water and Sewer Funds at \$4,000,000 and \$4,000,000, respectively.	6,895,000	-	250,000	6,645,000	260,000
* \$6,250,000 2021 Water and Sewer refunding Bonds. Payments due in annual installment of \$210,000 to \$580,000 beginning February 1, 2022 through 2035; plus interest at 2% to 4%, paid semi-annually. The outstanding debt was recorded in the Water and Sewer Funds at \$3,125,000 and \$3,125,000, respectively.	5,900,000	-	370,000	5,530,000	420,000
Subtotal long-term debt	23,390,000	-	1,250,000	22,140,000	1,375,000
Bond premiums	985,377	-	149,303	836,074	-
Accrued employee benefits	115,216	4,303	-	119,519	-
<b>Total Business-type Activities</b>	<b>\$24,490,593</b>	<b>\$4,303</b>	<b>\$1,399,303</b>	<b>\$23,095,593</b>	<b>\$1,375,000</b>
<b>Component Units</b>					
Accrued employee benefits	\$16,933	\$ -	\$ 71	\$16,862	-

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2024

\*These bonds were issued by Ionia County to provide funding for City of Ionia capital projects. Agreements between the City of Ionia and the Ionia County Board of Public Works provide for repayment of each entities respective share of the outstanding bonds. The City of Ionia has pledged its full faith and credit for the repayment of these bonds.

The annual requirements to amortize all debt outstanding (excluding accrued employee benefits) as of June 30, 2024 are as follows:

Year Ending June 30	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$23,434	\$ 3,980	\$ 1,375,000	\$ 717,082
2026	24,371	3,043	1,400,000	671,157
2027	25,346	2,068	1,430,000	624,307
2028	26,359	1,054	1,480,000	576,007
2029	-	-	1,480,000	526,882
2030-2034	-	-	7,285,000	1,878,723
2035-2039	-	-	5,735,000	801,989
2040-2043	-	-	1,955,000	82,232
<b>Total</b>	<b>\$99,510</b>	<b>\$10,145</b>	<b>\$22,140,000</b>	<b>\$5,878,379</b>

#### 10. CONTINGENT LIABILITIES

The City is a responsible party with respect to clean-up costs at the Cleveland Street Dump Site. The City is party to a Federal Consent Decree entered with the District Court during the fiscal year ended June 30, 2002. The terms of the Consent Decree limit the City's liability to a share of the clean-up costs associated with existing contamination as of the date of the decree. A reasonable estimate of the City's remaining potential liability cannot be determined at this time.

#### 11. CONCENTRATIONS

The City has a significant economic dependence on the State of Michigan which is a major employer and user of water and sewer services. The State of Michigan accounted for \$804,579 (23%) of wastewater sales and \$458,942 (15%) of water sales.

#### 12. COMMITMENTS

At year-end the City had construction commitments of approximately \$1,700,000 for various street and park projects.

#### 13. TAX ABATEMENTS

The City entered into a property tax abatement agreement with a local organization to provide housing for Low Income Persons and Families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCL 125.1401, et seq, MSA 116.11-4(1), et seq). Under the agreement the organization pays 12% of annual shelter rent in lieu of taxes or the ad valorem property taxes whichever is smaller. The agreement is approved for a term dependent on the status of outstanding loans, participation in Low-income housing tax credits, and rehabilitation of the property.

For the year ended June 30, 2024 the amount of abated taxes was approximately \$4,100.

# CITY OF IONIA

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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### 14. LEASES

The City has entered into a lease arrangement with a company to lease a portion of land for the purpose of a cell tower. The terms of the lease are as follows.

The lease is currently in a 5-year renewal term ending May 2028, with options to extend for an additional four consecutive five-year terms; current annual payment of \$13,500. The City recognized a total of \$6,448 in lease revenue and interest revenue of \$7,052 for the current fiscal year.

### 15. RESTATEMENT OF FUND BALANCE

Beginning fund balances were changed to recognize the major streets fund and the parks facilities improvements fund changing from major funds to nonmajor funds.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

**FOR THE YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 766,000	\$ 871,000	\$ 883,232	\$ 12,232
Income taxes	2,400,000	2,900,000	3,353,821	453,821
Marijuana taxes	100,000	119,000	119,169	169
Intergovernmental revenues				
Federal	-	5,900	5,988	88
State	1,105,900	1,148,900	1,071,071	(77,829)
Licenses and permits	69,000	47,500	51,350	3,850
Charges for services	2,439,000	2,501,000	2,536,155	35,155
Fines	8,700	7,200	6,363	(837)
Interest	80,000	160,000	226,023	66,023
Donations	-	1,700	3,743	2,043
Miscellaneous	144,500	207,900	213,916	6,016
<b>Total revenues</b>	<b>7,113,100</b>	<b>7,970,100</b>	<b>8,470,831</b>	<b>500,731</b>
<b>Expenditures</b>				
Current				
General government	2,562,690	2,738,800	2,546,238	192,562
Public safety	3,176,980	3,225,680	3,235,631	(9,951)
Public works and streets	118,500	118,500	88,122	30,378
Health and welfare	48,600	48,600	48,285	315
Community and economic development	43,500	78,500	89,959	(11,459)
Culture and recreation	8,000	9,600	7,900	1,700
Contribution to component unit	250,000	250,000	250,000	-
<b>Total expenditures</b>	<b>6,208,270</b>	<b>6,469,680</b>	<b>6,266,135</b>	<b>203,545</b>
<b>Revenues over (under) expenditures</b>	<b>904,830</b>	<b>1,500,420</b>	<b>2,204,696</b>	<b>704,276</b>
Other financing sources (uses)				
Debt/SBITA issuance	-	-	126,924	126,924
Transfers out	(825,000)	(825,000)	(825,000)	-
<b>Total other financing sources (uses)</b>	<b>(825,000)</b>	<b>(825,000)</b>	<b>(825,000)</b>	<b>-</b>
Net changes in fund balance	79,830	675,420	1,379,696	704,276
<b>Fund balance, beginning of year</b>	<b>4,239,845</b>	<b>4,239,845</b>	<b>4,239,845</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 4,319,675</b>	<b>\$ 4,915,265</b>	<b>\$ 5,619,541</b>	<b>\$ 704,276</b>

**CITY OF IONIA**  
**PENSION PLAN**  
**SCHEDULE OF CHANGES IN EMPLOYERS NET PENSION**  
**LIABILITY AND RELATED RATIOS**

**FOR THE YEAR ENDED JUNE 30, 2024**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>										
Service cost	\$ 326,193	\$ 334,759	\$ 274,489	\$ 293,389	\$ 321,322	\$ 317,687	\$ 301,110	\$ 282,956	\$ 288,809	\$ 274,035
Interest	2,106,612	2,006,319	1,900,068	1,817,522	1,805,664	1,747,831	1,694,653	1,603,859	1,493,885	1,431,767
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(354,614)	704,359	915,163	(275,543)	(322,761)	(133,365)	(161,614)	370,354	225,862	-
Changes in assumptions	232,746	-	1,065,255	605,634	802,100	-	-	-	966,819	-
Benefit payments including employee refunds	(1,723,342)	(1,592,273)	(1,433,001)	(1,257,837)	(1,238,863)	(1,183,338)	(1,172,101)	(1,090,547)	(973,255)	(947,222)
Other	-	3	(2)	-	-	-	-	-	-	-
<b>Net change in total pension liability</b>	<b>587,595</b>	<b>1,453,167</b>	<b>2,721,972</b>	<b>1,183,165</b>	<b>1,367,462</b>	<b>748,815</b>	<b>662,048</b>	<b>1,166,622</b>	<b>2,002,120</b>	<b>758,580</b>
<b>Total pension liability, beginning of year</b>	<b>29,755,290</b>	<b>28,302,123</b>	<b>25,580,151</b>	<b>24,396,986</b>	<b>23,029,524</b>	<b>22,280,709</b>	<b>21,618,661</b>	<b>20,452,039</b>	<b>18,449,919</b>	<b>17,691,339</b>
<b>Total pension liability, end of year</b>	<b>\$ 30,342,885</b>	<b>\$ 29,755,290</b>	<b>\$ 28,302,123</b>	<b>\$ 25,580,151</b>	<b>\$ 24,396,986</b>	<b>\$ 23,029,524</b>	<b>\$ 22,280,709</b>	<b>\$ 21,618,661</b>	<b>\$ 20,452,039</b>	<b>\$ 18,449,919</b>
<b>Plan Fiduciary Net Position</b>										
Contributions-employer	\$ 2,095,514	\$ 2,059,208	\$ 2,016,921	\$ 1,930,149	\$ 2,221,413	\$ 1,268,701	\$ 1,094,509	\$ 1,029,849	\$ 987,700	\$ 879,134
Contributions-employee	4,999	69,226	559,174	3,626	3,602	3,406	54,608	41,297	118,228	114,723
Net investment income	1,962,926	(1,972,359)	2,251,044	1,758,460	1,482,005	(450,981)	1,316,399	1,020,165	(136,006)	532,153
Benefit payments including employee refunds	(1,723,342)	(1,592,273)	(1,433,001)	(1,257,837)	(1,238,863)	(1,183,338)	(1,172,101)	(1,090,547)	(973,255)	(947,222)
Administrative expense	(41,534)	(35,431)	(25,801)	(27,112)	(25,483)	(21,922)	(20,825)	(20,156)	(19,943)	(19,586)
Other	-	-	-	-	-	-	-	-	161	-
<b>Net change in plan fiduciary net position</b>	<b>2,298,563</b>	<b>(1,471,629)</b>	<b>3,368,337</b>	<b>2,407,286</b>	<b>2,442,674</b>	<b>(384,134)</b>	<b>1,272,590</b>	<b>980,608</b>	<b>(23,115)</b>	<b>559,202</b>
<b>Plan fiduciary net position, beginning of year</b>	<b>17,564,477</b>	<b>19,036,106</b>	<b>15,667,769</b>	<b>13,260,483</b>	<b>10,817,809</b>	<b>11,201,943</b>	<b>9,929,353</b>	<b>8,948,745</b>	<b>8,971,860</b>	<b>8,412,658</b>
<b>Plan fiduciary net position, end of year</b>	<b>\$ 19,863,040</b>	<b>\$ 17,564,477</b>	<b>\$ 19,036,106</b>	<b>\$ 15,667,769</b>	<b>\$ 13,260,483</b>	<b>\$ 10,817,809</b>	<b>\$ 11,201,943</b>	<b>\$ 9,929,353</b>	<b>\$ 8,948,745</b>	<b>\$ 8,971,860</b>
<b>Employer net pension liability</b>	<b>\$ 10,479,845</b>	<b>\$ 12,190,813</b>	<b>\$ 9,266,017</b>	<b>\$ 9,912,382</b>	<b>\$ 11,136,503</b>	<b>\$ 12,211,715</b>	<b>\$ 11,078,766</b>	<b>\$ 11,689,308</b>	<b>\$ 11,503,294</b>	<b>\$ 9,478,059</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	65%	59%	67%	61%	54%	47%	50%	46%	44%	49%
<b>Covered employee payroll</b>	<b>\$ 3,473,409</b>	<b>\$ 3,517,546</b>	<b>\$ 3,165,975</b>	<b>\$ 3,160,260</b>	<b>\$ 3,160,260</b>	<b>\$ 3,066,787</b>	<b>\$ 2,959,191</b>	<b>\$ 2,819,237</b>	<b>\$ 2,855,137</b>	<b>\$ 2,694,569</b>
<b>Employer's net pension liability as a percentage of covered employee payroll</b>	302%	347%	293%	314%	352%	398%	374%	415%	403%	352%

**Notes to schedule:**

Above data is based on a measurement date of December 31.

**CITY OF IONIA**  
**PENSION PLAN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ 1,382,540	\$ 1,281,192	\$ 1,285,968	\$ 1,210,980	\$ 1,135,991	\$ 1,067,363	\$ 981,460	\$ 865,744	\$ 881,073	\$ 834,973
Contributions in relation to the actuarially determined contribution	2,132,540	2,070,727	2,052,139	1,978,385	2,385,991	1,317,363	1,131,460	1,005,744	1,021,073	834,973
Contribution deficiency (excess)	\$ (750,000)	\$ (789,535)	\$ (766,171)	\$ (767,405)	\$ (1,250,000)	\$ (250,000)	\$ (150,000)	\$ (140,000)	\$ (140,000)	\$ -
Covered employee payroll	\$ 3,473,409	\$ 3,517,546	\$ 3,165,975	\$ 3,160,260	\$ 3,160,260	\$ 3,066,787	\$ 2,959,191	\$ 2,819,237	\$ 2,855,137	\$ 2,694,569
Contributions as a percentage of covered employee payroll	61%	59%	65%	63%	75%	43%	38%	36%	36%	31%

**Notes to schedule**

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	16 years
Asset valuation method	5 year smoothed (10 year smoothing 2014)
Inflation	2.5% (3.5% 2014)
Salary increases	3.00% (3.75% for 2015 through 2019)
Investment rate of return	7.00% (7.35 % for 2020, 7.75% for 2015 through 2019)
Retirement age	Varies depending on plan adoption
Mortality	106% of PubG-2010 tables with future mortality improvements using MP-2019 scale applied fully generationally from the Pub-2010 base year of 2010

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**CITY OF IONIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2024**

<b>Expenditures</b>	<b>Budget Amounts</b>		<b>Actual Amount</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Current				
General government				
City Council	\$ 48,450	\$ 68,950	\$ 63,618	\$ 5,332
City Manager	380,850	391,200	387,045	4,155
Elections	21,000	27,000	24,986	2,014
Finance and administration	486,800	495,700	483,431	12,269
Income tax administration	119,550	133,300	126,794	6,506
Front office	191,500	194,750	188,525	6,225
Attorney	90,000	137,000	111,828	25,172
Assessor	63,500	63,500	47,381	16,119
Board of review	1,000	1,000	812	188
Data processing	145,000	157,000	153,141	3,859
Clerk	57,190	59,800	57,531	2,269
Building and grounds	248,200	248,200	166,359	81,841
Other offices	673,750	725,500	714,061	11,439
Cemetery	35,900	35,900	20,726	15,174
	<u>2,562,690</u>	<u>2,738,800</u>	<u>2,546,238</u>	<u>192,562</u>
Public safety				
Public safety	<u>3,176,980</u>	<u>3,225,680</u>	<u>3,235,631</u>	<u>(9,951)</u>
Public Works				
Street lights	<u>118,500</u>	<u>118,500</u>	<u>88,122</u>	<u>30,378</u>
Health and Welfare				
Ambulance	<u>48,600</u>	<u>48,600</u>	<u>48,285</u>	<u>315</u>
Community and economic development				
Planning and zoning	<u>43,500</u>	<u>78,500</u>	<u>89,959</u>	<u>(11,459)</u>
Culture and recreation				
Festivals and events	<u>8,000</u>	<u>9,600</u>	<u>7,900</u>	<u>1,700</u>
Contribution to component unit	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 6,208,270</u>	<u>\$ 6,469,680</u>	<u>\$ 6,266,135</u>	<u>\$ 203,545</u>

**CITY OF IONIA**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

**JUNE 30, 2024**

	<b>Special Revenue</b>						
	<b>Major Streets</b>	<b>Local Streets</b>	<b>Solid Waste</b>	<b>Recreation</b>	<b>Drug Forfeiture</b>	<b>Public Safety Donations</b>	<b>Public Safety Vehicle</b>
<b>Assets</b>							
Cash and pooled investments	\$ 1,323,036	\$ 1,051,589	\$ 440,542	\$ 96,868	\$ 7,723	\$ 16,809	\$ 144,611
Accounts receivable	246	-	109,849	-	-	-	-
Due from other governments	<u>166,790</u>	<u>59,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$ 1,490,072</u></b>	<b><u>\$ 1,110,811</u></b>	<b><u>\$ 550,391</u></b>	<b><u>\$ 96,868</u></b>	<b><u>\$ 7,723</u></b>	<b><u>\$ 16,809</u></b>	<b><u>\$ 144,611</u></b>
<b>Liabilities and fund balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 2,822	\$ -	\$ 33,659	\$ 9,061	\$ -	\$ -	\$ -
Accrued liabilities	<u>10,880</u>	<u>6,239</u>	<u>815</u>	<u>18,753</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>13,702</u>	<u>6,239</u>	<u>34,474</u>	<u>27,814</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>							
Nonspendable							
Permanent fund corpus	-	-	-	-	-	-	-
Restricted							
Permanent fund spendable							
Streets	1,476,370	1,104,572	-	-	-	-	-
Public safety	-	-	-	-	7,723	16,809	-
Solid waste	-	-	515,917	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Assigned							
Public safety	-	-	-	-	-	-	144,611
Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,054</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<b><u>1,476,370</u></b>	<b><u>1,104,572</u></b>	<b><u>515,917</u></b>	<b><u>69,054</u></b>	<b><u>7,723</u></b>	<b><u>16,809</u></b>	<b><u>144,611</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 1,490,072</u></b>	<b><u>\$ 1,110,811</u></b>	<b><u>\$ 550,391</u></b>	<b><u>\$ 96,868</u></b>	<b><u>\$ 7,723</u></b>	<b><u>\$ 16,809</u></b>	<b><u>\$ 144,611</u></b>

Capital Projects						Permanent	
Opioid Settlement	Parks Facilities Improvement	Grant Projects	Sidewalk Program	Environmental Response	Rails to Trails Projects	Cemetery Perpetual Care	Total
\$ 32,370	\$ 980,809	\$ 443,584	\$ 169	\$ 114,596	\$ 194	\$ 5,720	\$ 4,658,620
-	-	-	-	-	-	-	110,095
-	-	-	-	-	-	-	226,012
<u>\$ 32,370</u>	<u>\$ 980,809</u>	<u>\$ 443,584</u>	<u>\$ 169</u>	<u>\$ 114,596</u>	<u>\$ 194</u>	<u>\$ 5,720</u>	<u>\$ 4,994,727</u>
\$ -	\$ 150,091	\$ 442,584	\$ -	\$ -	\$ -	\$ -	\$ 638,217
-	-	-	-	-	-	-	36,687
-	150,091	442,584	-	-	-	-	674,904
-	-	-	-	-	-	5,200	5,200
-	-	-	-	-	-	520	520
-	-	-	-	-	-	-	2,580,942
32,370	-	-	-	-	-	-	56,902
-	-	-	-	-	-	-	515,917
-	830,718	1,000	169	114,596	194	-	946,677
-	-	-	-	-	-	-	144,611
-	-	-	-	-	-	-	69,054
<u>32,370</u>	<u>830,718</u>	<u>1,000</u>	<u>169</u>	<u>114,596</u>	<u>194</u>	<u>5,720</u>	<u>4,319,823</u>
<u>\$ 32,370</u>	<u>\$ 980,809</u>	<u>\$ 443,584</u>	<u>\$ 169</u>	<u>\$ 114,596</u>	<u>\$ 194</u>	<u>\$ 5,720</u>	<u>\$ 4,994,727</u>

**CITY OF IONIA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Special Revenue</b>						
	<b>Major Streets</b>	<b>Local Streets</b>	<b>Solid Waste</b>	<b>Recreation</b>	<b>Drug Forfeiture</b>	<b>Public Safety Donations</b>	<b>Public Safety Vehicle</b>
<b>Revenues</b>							
Taxes	\$ -	\$ 102,339	\$ 336,045	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues							
State	1,040,300	369,371	-	-	-	-	-
Charges for services	-	-	342,611	119,159	-	-	-
Interest	48,785	-	19,529	2,920	304	660	5,281
Donations	-	-	-	3,000	-	556	-
Miscellaneous	22,895	52,293	12,056	15,897	-	-	-
<b>Total revenues</b>	<u>1,111,980</u>	<u>524,003</u>	<u>710,241</u>	<u>140,976</u>	<u>304</u>	<u>1,216</u>	<u>5,281</u>
<b>Expenditures</b>							
Current							
Public safety	-	-	-	-	-	-	318,129
Public works and streets	529,568	310,185	584,218	-	-	-	-
Culture and recreation	-	-	-	495,325	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>529,568</u>	<u>310,185</u>	<u>584,218</u>	<u>495,325</u>	<u>-</u>	<u>-</u>	<u>318,129</u>
Revenues over (under) expenditures	<u>582,412</u>	<u>213,818</u>	<u>126,023</u>	<u>(354,349)</u>	<u>304</u>	<u>1,216</u>	<u>(312,848)</u>
Other financing sources (uses)							
Transfers in	-	200,000	-	375,000	-	-	150,000
Transfers out	(200,000)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(200,000)</u>	<u>200,000</u>	<u>-</u>	<u>375,000</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Net changes in fund balances	<u>382,412</u>	<u>413,818</u>	<u>126,023</u>	<u>20,651</u>	<u>304</u>	<u>1,216</u>	<u>(162,848)</u>
<b>Fund balances, beginning of year, as previously presented</b>	-	690,754	389,894	48,403	7,419	15,593	307,459
<b>Change within financial reporting entity</b>	<u>1,093,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, beginning of year, as restated</b>	<u>1,093,958</u>	<u>690,754</u>	<u>389,894</u>	<u>48,403</u>	<u>7,419</u>	<u>15,593</u>	<u>307,459</u>
<b>Fund balances, end of year</b>	<u>\$ 1,476,370</u>	<u>\$ 1,104,572</u>	<u>\$ 515,917</u>	<u>\$ 69,054</u>	<u>\$ 7,723</u>	<u>\$ 16,809</u>	<u>\$ 144,611</u>

Capital Projects						Permanent		
Opioid Settlement	Parks Facilities Improvement	Grant Projects	Sidewalk Program	Environmental Response	Rails to Trails Projects	Cemetery Perpetual Care	Total	
\$ -	\$ 168,018	\$ -	\$ -	\$ 16,926	\$ -	\$ -	\$ 623,328	
-	256,944	-	-	-	-	-	1,666,615	
-	-	-	-	-	-	-	461,770	
756	37,856	-	7	4,814	-	303	121,215	
-	-	-	-	-	-	-	3,556	
<u>21,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,528</u>	
<u>22,143</u>	<u>462,818</u>	<u>-</u>	<u>7</u>	<u>21,740</u>	<u>-</u>	<u>303</u>	<u>3,001,012</u>	
5,555	-	-	-	-	-	-	323,684	
-	-	-	-	-	-	-	1,423,971	
-	932,254	-	-	-	-	-	1,427,579	
-	-	-	-	19,562	-	-	19,562	
<u>5,555</u>	<u>932,254</u>	<u>-</u>	<u>-</u>	<u>19,562</u>	<u>-</u>	<u>-</u>	<u>3,194,796</u>	
<u>16,588</u>	<u>(469,436)</u>	<u>-</u>	<u>7</u>	<u>2,178</u>	<u>-</u>	<u>303</u>	<u>(193,784)</u>	
-	300,000	-	-	-	-	-	1,025,000	
-	-	-	-	-	-	-	(200,000)	
-	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>825,000</u>	
<u>16,588</u>	<u>(169,436)</u>	<u>-</u>	<u>7</u>	<u>2,178</u>	<u>-</u>	<u>303</u>	<u>631,216</u>	
15,782	-	1,000	162	112,418	194	5,417	1,594,495	
-	1,000,154	-	-	-	-	-	2,094,112	
<u>15,782</u>	<u>1,000,154</u>	<u>1,000</u>	<u>162</u>	<u>112,418</u>	<u>194</u>	<u>5,417</u>	<u>3,688,607</u>	
<u>\$ 32,370</u>	<u>\$ 830,718</u>	<u>\$ 1,000</u>	<u>\$ 169</u>	<u>\$ 114,596</u>	<u>\$ 194</u>	<u>\$ 5,720</u>	<u>\$ 4,319,823</u>	

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**CITY OF IONIA**

**MAJOR STREETS 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>		
<b>Revenues</b>				
Intergovernmental revenues				
State	\$ 1,028,511	\$ 1,028,511	\$ 1,040,300	\$ 11,789
Interest and rents	350	38,000	48,785	10,785
Miscellaneous	18,500	18,500	22,895	4,395
<b>Total revenues</b>	1,047,361	1,085,011	1,111,980	26,969
<b>Expenditures</b>				
Current				
Public works and streets	709,500	677,500	529,568	147,932
Revenues over (under) expenditures	337,861	407,511	582,412	174,901
Other financing sources (uses)				
Transfers out	(200,000)	(200,000)	(200,000)	-
Net changes in fund balance	137,861	207,511	382,412	174,901
<b>Fund balance, beginning of year</b>	1,093,958	1,093,958	1,093,958	-
<b>Fund balance, end of year</b>	<u>\$ 1,231,819</u>	<u>\$ 1,301,469</u>	<u>\$ 1,476,370</u>	<u>\$ 174,901</u>

# CITY OF IONIA

## LOCAL STREETS 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>		
<b>Revenues</b>				
Taxes	\$ 80,000	\$ 102,000	\$ 102,339	\$ 339
Intergovernmental revenues				
State	364,917	364,917	369,371	4,454
Miscellaneous	18,800	41,500	52,293	10,793
<b>Total revenues</b>	463,717	508,417	524,003	15,586
<b>Expenditures</b>				
Current				
Public works and streets	510,500	415,500	310,185	105,315
Revenues over (under) expenditures	(46,783)	92,917	213,818	120,901
Other financing sources (uses)				
Transfers in	200,000	200,000	200,000	-
Net changes in fund balance	153,217	292,917	413,818	120,901
<b>Fund balance, beginning of year</b>	690,754	690,754	690,754	-
<b>Fund balance, end of year</b>	<u>\$ 843,971</u>	<u>\$ 983,671</u>	<u>\$ 1,104,572</u>	<u>\$ 120,901</u>

**CITY OF IONIA**  
**SOLID WASTE 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>		
<b>Revenues</b>				
Taxes	\$ 268,500	\$ 335,000	\$ 336,045	\$ 1,045
Charges for services	355,000	357,000	342,611	(14,389)
Interest and rents	150	15,000	19,529	4,529
Miscellaneous	11,500	11,500	12,056	556
<b>Total revenues</b>	635,150	718,500	710,241	(8,259)
<b>Expenditures</b>				
Current				
Public works and streets	609,100	647,100	584,218	62,882
Net changes in fund balance	26,050	71,400	126,023	54,623
<b>Fund balance, beginning of year</b>	389,894	389,894	389,894	-
<b>Fund balance, end of year</b>	<u>\$ 415,944</u>	<u>\$ 461,294</u>	<u>\$ 515,917</u>	<u>\$ 54,623</u>

**CITY OF IONIA**  
**RECREATION 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>		
<b>Revenues</b>				
Charges for services	\$ 104,300	\$ 111,200	\$ 119,159	\$ 7,959
Interest and rents	60	2,000	2,920	920
Donations	1,000	3,000	3,000	-
Miscellaneous	6,500	14,600	15,897	1,297
<b>Total revenues</b>	111,860	130,800	140,976	10,176
<b>Expenditures</b>				
Current				
Culture and recreation	497,000	518,000	495,325	22,675
Revenues over (under) expenditures	(385,140)	(387,200)	(354,349)	32,851
Other financing sources (uses)				
Transfers in	375,000	375,000	375,000	-
Net changes in fund balance	(10,140)	(12,200)	20,651	32,851
<b>Fund balance, beginning of year</b>	48,403	48,403	48,403	-
<b>Fund balance, end of year</b>	<u>\$ 38,263</u>	<u>\$ 36,203</u>	<u>\$ 69,054</u>	<u>\$ 32,851</u>

**CITY OF IONIA**

**DRUG FORFEITURE 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>		
<b>Revenues</b>				
Interest and rents	\$ 5	\$ 5	\$ 304	\$ 299
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<b>Total revenues</b>	1,005	1,005	304	(701)
<b>Expenditures</b>				
Current				
Public safety	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Net changes in fund balance	(4,995)	(4,995)	304	5,299
<b>Fund balance, beginning of year</b>	<u>7,419</u>	<u>7,419</u>	<u>7,419</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 2,424</u>	<u>\$ 2,424</u>	<u>\$ 7,723</u>	<u>\$ 5,299</u>

**CITY OF IONIA**

**PUBLIC SAFETY DONATIONS  
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>		
<b>Revenues</b>				
Interest and rents	\$ -	\$ -	\$ 660	\$ 660
Donations	2,000	2,000	556	(1,444)
<b>Total revenues</b>	2,000	2,000	1,216	(784)
<b>Expenditures</b>				
Current				
Public safety	5,000	5,000	-	5,000
Net changes in fund balance	(3,000)	(3,000)	1,216	4,216
<b>Fund balance, beginning of year</b>	15,593	15,593	15,593	-
<b>Fund balance, end of year</b>	<u>\$ 12,593</u>	<u>\$ 12,593</u>	<u>\$ 16,809</u>	<u>\$ 4,216</u>

**CITY OF IONIA**

**PUBLIC SAFETY VEHICLE  
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>		
<b>Revenues</b>				
Interest and rents	150	4,000	5,281	1,281
<b>Expenditures</b>				
Current				
Public safety	<u>375,000</u>	<u>320,000</u>	<u>318,129</u>	<u>1,871</u>
Revenues over (under) expenditures	(374,850)	(316,000)	(312,848)	3,152
Other financing sources (uses)				
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net changes in fund balance	(224,850)	(166,000)	(162,848)	3,152
<b>Fund balance, beginning of year</b>	<u>307,459</u>	<u>307,459</u>	<u>307,459</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 82,609</u>	<u>\$ 141,459</u>	<u>\$ 144,611</u>	<u>\$ 3,152</u>

**CITY OF IONIA**

**OPIOID SETTLEMENT  
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>		
<b>Revenues</b>				
Interest and rents	\$ -	\$ -	\$ 756	\$ 756
Miscellaneous	10,000	10,000	21,387	11,387
<b>Total revenues</b>	10,000	10,000	22,143	12,143
<b>Expenditures</b>				
Current				
Public safety	10,000	10,000	5,555	4,445
Net changes in fund balance	-	-	16,588	16,588
<b>Fund balance, beginning of year</b>	15,782	15,782	15,782	-
<b>Fund balance, end of year</b>	<u>\$ 15,782</u>	<u>\$ 15,782</u>	<u>\$ 32,370</u>	<u>\$ 16,588</u>

# CITY OF IONIA

## **DOWNTOWN DEVELOPMENT AUTHORITY BALANCE SHEET/STATEMENT OF NET POSITION**

**JUNE 30, 2024**

	<b>Governmental Fund Type</b>		<b>Statement of Net Position</b>
	<b>General Fund</b>	<b>Adjustments</b>	
<b>Assets</b>			
Cash and pooled investments	\$ 203,968	\$ -	\$ 203,968
Accounts receivable	37	-	37
Capital assets			
Land	-	387,256	387,256
	-	387,256	387,256
<b>Total assets</b>	<b>\$ 204,005</b>	<b>387,256</b>	<b>591,261</b>
<b>Deferred outflows pension related</b>	-	70,003	70,003
<b>Liabilities, deferred inflows and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 8,443	-	8,443
Accrued liabilities	4,936	-	4,936
Noncurrent liabilities			
Compensated absences	-	16,862	16,862
Net pension liability	-	279,812	279,812
	-	296,674	310,053
<b>Total liabilities</b>	13,379	296,674	310,053
<b>Deferred inflows pension related</b>	-	7,101	7,101
<b>Fund balances</b>			
Unassigned	190,626	(190,626)	-
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 204,005</b>		
<b>Net position (deficit)</b>			
Net investment in capital assets		387,256	387,256
Unrestricted (deficit)		(43,146)	(43,146)
Total net position		<b>\$ 344,110</b>	<b>\$ 344,110</b>

# CITY OF IONIA

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

**FOR THE YEAR ENDED JUNE 30, 2024**

	Governmental Fund Type		Statement of Activities
	General Fund	Adjustments	
<b>Revenues</b>			
Taxes	\$ 44,294	\$ -	\$ 44,294
Intergovernmental revenues			
Interest	2,194	-	2,194
Charges	27,500	-	27,500
Contributions from primary government	250,000	-	250,000
Miscellaneous	17,370	-	17,370
<b>Total revenues</b>	<b>341,358</b>	<b>-</b>	<b>341,358</b>
<b>Expenditures/expenses</b>			
Current			
Personnel services	74,843	(11,673)	63,170
Contractual services	7,305	-	7,305
Benefits	53,346	-	53,346
Materials and supplies	6,654	-	6,654
Utilities	8,932	-	8,932
Promotion	14,956	-	14,956
Contributions to primary government	44,200	-	44,200
<b>Total expenditures/expenses</b>	<b>210,236</b>	<b>(11,673)</b>	<b>198,563</b>
Revenues over (under) expenditures/expenses	131,122	(11,673)	142,795
Net changes in fund balances	131,122	(131,122)	
Change in net position		(142,795)	142,795
<b>Fund balances/net position, beginning of year</b>	<b>59,504</b>		<b>201,315</b>
<b>Fund balances/net position, end of year</b>	<b>\$ 190,626</b>		<b>\$ 344,110</b>

**CITY OF IONIA**

**LOCAL DEVELOPMENT FINANCE AUTHORITY  
BALANCE SHEET/STATEMENT OF NET POSITION**

**JUNE 30, 2024**

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	<b>Governmental Fund Type</b>		<b>Statement of Net Position</b>
	<b>General Fund</b>	<b>Adjustments</b>	<b>Net Position</b>
<b>Assets</b>			
Cash and pooled investments	\$ 675	\$ -	\$ 675
<b>Total assets</b>	<b>\$ 675</b>	<b>-</b>	<b>675</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>			
Unassigned	675	(675)	-
<b>Total liabilities and fund balances</b>	<b>\$ 675</b>		
<b>Net position</b>			
Unrestricted		<b>\$ 675</b>	<b>\$ 675</b>

# CITY OF IONIA

## LOCAL DEVELOPMENT FINANCE AUTHORITY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES

**FOR THE YEAR ENDED JUNE 30, 2024**

	Governmental Fund Type		Statement of Activities
	General Fund	Adjustments	
<b>Revenues</b>			
Interest	\$ 27	\$ -	\$ 27
<b>Total revenues</b>	27	-	27
<b>Total expenditures/expenses</b>	-	-	-
Revenues over (under) expenditures/expenses	27	-	27
Net changes in fund balances	27	(27)	
Change in net position		(27)	27
<b>Fund balances/net position, beginning of year</b>	648		648
<b>Fund balances/net position, end of year</b>	\$ 675		\$ 675

**CITY OF IONIA**

**BROWNFIELD REDEVELOPMENT AUTHORITY  
BALANCE SHEET/STATEMENT OF NET POSITION**

**JUNE 30, 2024**

---

	<u>Governmental Fund Type</u>		<u>Statement of Net Position</u>
	<u>General Fund</u>	<u>Adjustments</u>	
<b>Assets</b>			
Cash and pooled investments	\$ 61,934	\$ -	\$ 61,934
<b>Total assets</b>	<u>\$ 61,934</u>	<u>-</u>	<u>61,934</u>
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>			
Unassigned	<u>61,934</u>	<u>(61,934)</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 61,934</u>		
<b>Net position</b>			
Unrestricted		<u>\$ 61,934</u>	<u>\$ 61,934</u>

**CITY OF IONIA**

**BROWNFIELD REDEVELOPMENT AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES/STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Governmental Fund Type</u>		<b>Statement of Activities</b>
	<u>General Fund</u>	<u>Adjustments</u>	
<b>Revenues</b>			
Interest	<u>2,520</u>	<u>-</u>	<u>2,520</u>
<b>Total revenues/expenses</b>	2,520	-	2,520
<b>Expenditures</b>			
Current			
Miscellaneous	<u>3,480</u>	<u>-</u>	<u>3,480</u>
<b>Total expenditures/expenses</b>	<u>3,480</u>	<u>-</u>	<u>3,480</u>
Revenues over (under) expenditures/expenses	<u>(960)</u>	<u>-</u>	<u>(960)</u>
Net changes in fund balances	(960)	960	
Change in net position		960	(960)
<b>Fund balances/net position, beginning of year</b>	<u>62,894</u>		<u>62,894</u>
<b>Fund balances/net position, end of year</b>	<u>\$ 61,934</u>		<u>\$ 61,934</u>

## **DIAL-A-RIDE TRANSIT SCHEDULES**

**CITY OF IONIA**

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

**FOR THE YEAR ENDED JUNE 30, 2024**

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	<u>7/1/23 to</u> <u>9/30/2023</u>	<u>10/1/23 to</u> <u>6/30/2024</u>	<u>Total</u>
Demand response (farebox)			
Regular service	\$ 14,913	\$ 50,681	\$ 65,594
Contract fares	-	-	-
JARC fares	3,839	12,392	16,231
Property tax levy	84,487	37,112	121,599
Local participation	7,125	28,875	36,000
Tower rental and central dispatch fees	11,926	4,069	15,995
Interest income	6,529	29,091	35,620
Miscellaneous	115,715	783	116,498
Sale of capital assets	-	-	-
<b>Total local revenues</b>	<u>\$ 244,534</u>	<u>\$ 163,003</u>	<u>\$ 407,537</u>

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

---

	<u>10/1/22 to</u> <u>6/30/2023</u>	<u>7/1/23 to</u> <u>9/30/2023</u>	<u>Total</u>
<b>Local revenue</b>			
Demand response (farebox)			
Regular service	\$ 52,276	\$ 14,913	\$ 67,189
Contract fares	700	-	700
JARC fares	11,662	3,839	15,501
Property tax levy	43,819	84,487	128,306
Local participation	13,500	7,125	20,625
Tower rental fees	20,482	11,926	32,408
Interest income	18,932	6,529	25,461
Miscellaneous	-	115,715	115,715
Sale of capital assets	-	-	-
<b>Total local revenues</b>	<u>\$ 161,371</u>	<u>\$ 244,534</u>	<u>\$ 405,905</u>

**CITY OF IONIA**  
**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF EXPENDITURES OF STATE AND FEDERAL AWARDS (2)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Federal and State Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant No. Authorization Number	Program Award Amount	Current year expenditures			Award Amount Remaining
				Total	Federal	State	
U.S. Department of Transportation							
Passed through Michigan Department of Transportation							
Operating assistance - section 5311 - 2020 (PY accrual)	20.509	2017-0071/P18	\$ -	\$ (6,821)	\$ (6,821)	\$ -	\$ -
Operating assistance - section 5311 - 2023 (PY accrual)	20.509	2022-0074/P6	-	(71,362)	(71,362)	-	-
Operating assistance - section 5311 - 2024 (receipt)	20.509	2022-0074/P6		109,701	109,701		-
Operating assistance - section 5311 - 2024 (receipt)	20.506	2022-0074-P9	110,506	27,627	27,627		82,879
Operating assistance - section 5311 - 2024 (accrual)	20.506	2022-0074-P9		55,253	55,253 a		(55,253)
Operating assistance - section 5311 - 2023 JARC (PY accrual)	20.516	2022-0074/P5	-	(56,886)	(28,443)	(28,443)	-
Operating assistance - section 5311 - 2023 JARC (receipt)	20.516	2022-0074/P5		91,676	45,838	45,838	-
Operating assistance - section 5311 - 2024 JARC (receipt)	20.516	2022-0074/P10	168,500	76,066	38,033	38,033	48,544
Operating assistance - section 5311 - 2024 JARC (accrual)	20.516	2022-0074/P10		43,890	21,945 a	21,945 b	(46,002)
Operating assistance - section 5311 - 2021 JARC (reconciled)	20.516	2017-0071/P19		2,112	1,056	1,056	-
RTAP funding (receipt)	20.509		-	1,379	1,379	-	(1,379)
Capital grant - section 5311 - FY 2024 capital (receipt)	20.509	2022-0074-P4	58,750	23,130	23,130	-	35,620
Capital grant - section 5311 - FY 2024 capital (accrual)	20.509	2022-0074-P4		16,874	16,874 a	-	(16,874)
Total passed through Michigan Department of Transportation			<u>337,756</u>	<u>312,639</u>	<u>234,210</u>	<u>78,429</u>	<u>-</u>
Michigan Department of Transportation							
Operating assistance - Act 51 (PY accrual)	N/A	FY2023	-	(12,416)	-	(12,416)	-
Operating assistance - Act 51 (receipt)	N/A	FY2024		241,105		241,105	-
Operating assistance - Act 51 (accrual)	N/A	FY2024		20,617		20,617 b	-
Commission on Aging Contract - 2024 (receipt)	N/A	2022-0074/P7		60,567		60,567	-
Commission on Aging Contract - 2024 (receipt)	N/A	2022-0074/P8		36,928	-	36,928	-
Total Operating Assistance			<u>\$ -</u>	<u>346,801</u>	<u>-</u>	<u>346,801</u>	<u>\$ -</u>
<b>Total</b>			<u>\$ 659,440</u>	<u>\$ 234,210</u>	<u>\$ 425,230</u>	<u>\$ -</u>	

**CITY OF IONIA**  
**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF STATE AND FEDERAL AWARDS (2A)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Grant Number</u>	<u>7/1/23 to 9/30/2023</u>	<u>10/1/23 to 6/30/2024</u>	<u>Total</u>
<b>Michigan Department of Transportation</b>				
Operating assistance - Act 51 (PY accrual)	FY2023	\$ (12,416)	\$ -	\$ (12,416)
Operating assistance - Act 51 (receipts)	FY2023	51,762	-	51,762
Operating assistance - Act 51 (receipts)	FY2024	-	189,343	189,343
Operating assistance - Act 51 (accrual)	FY2024	-	20,617	20,617
Commission on Aging Contract - 2024 (receipt)	2022-0074/P7	60,567	-	60,567
Commission on Aging Contract - 2024 (receipt)	2022-0074/P8	-	36,928	36,928
Operating assistance - section 5311 - 2023 JARC (PY accrual)	2022-0074/P5	(28,443)	-	(28,443)
Operating assistance - section 5311 - 2023 JARC (receipt)	2022-0074/P5	21,063	24,775	45,838
Operating assistance - section 5311 - 2024 JARC (receipt)	2022-0074/P10	-	38,033	38,033
Operating assistance - section 5311 - 2024 JARC (accrual)	2022-0074/P10	-	21,945	21,945
Operating assistance - section 5311 - 2021 JARC (reconciled)	2017-0071/P19	-	1,056	1,056
<b>Total Michigan Department of Transportation</b>		<u>92,533</u>	<u>332,697</u>	<u>425,230</u>
<b>Federal grants</b>				
Operating assistance - section 5311 - 2020 (PY accrual)	2017-0071/P18	(6,822)	-	(6,822)
Operating assistance - section 5311 - 2023 (PY accrual)	2022-0074/P6	(71,362)	-	(71,362)
Operating assistance - section 5311 - 2024 (receipt)	2022-0074/P6	53,338	56,364	109,702
Operating assistance - section 5311 - 2024 (receipt)	2022-0074-P9	-	27,627	27,627
Operating assistance - section 5311 - 2024 (accrual)	2022-0074-P9	-	55,253	55,253
Operating assistance - section 5311 - 2023 JARC (PY accrual)	2022-0074/P5	(28,443)	-	(28,443)
Operating assistance - section 5311 - 2023 JARC (receipt)	2022-0074/P5	21,063	24,775	45,838
Operating assistance - section 5311 - 2024 JARC (receipt)	2022-0074/P10	-	38,033	38,033
Operating assistance - section 5311 - 2024 JARC (accrual)	2022-0074/P10	-	21,945	21,945
Operating assistance - section 5311 - 2021 JARC (reconciled)	2017-0071/P19	-	1,056	1,056
RTAP funding (receipt)		810	569	1,379
Capital grant - section 5311 - FY 2024 capital (receipt)	2022-0074-P4	-	23,130	23,130
Capital grant - section 5311 - FY 2024 capital (accrual)	2022-0074-P4	-	16,874	16,874
<b>Total federal grants</b>		<u>(31,416)</u>	<u>265,626</u>	<u>234,210</u>
<b>Total</b>		<u>\$ 61,117</u>	<u>\$ 598,323</u>	<u>\$ 659,440</u>

**CITY OF IONIA**  
**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF STATE AND FEDERAL AWARDS (2B)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

		<u>10/1/22 to</u> <u>6/30/2023</u>	<u>7/1/23 to</u> <u>9/30/2023</u>	<u>Total</u>
<b>Michigan Department of Transportation</b>				
Operating assistance - Act 51 (receipt)	FY2023	\$ 155,295	\$ 51,762	\$ 207,057
Operating assistance - Act 51 (PY accrual)	FY2022	(4,738)	-	(4,738)
Operating assistance - Act 51 (accrual)	FY2023	12,416	(12,416)	-
Commission on Aging Contract - 2023 (receipt)	2017-0071/P15	25,178	-	25,178
Commission on Aging Contract - 2024 (receipt)	2022-0074/P7	-	60,567	60,567
Operating assistance - section 5311 - 2019 JARC (receipt)	2017-0071/P19	(429)	-	(429)
Operating assistance - section 5311 - 2022 JARC (receipt)	2022-0074/P1	23,266	-	23,266
Operating assistance - section 5311 - 2022 JARC (receipt)	2022-0074/P5	38,412	-	38,412
Operating assistance - section 5311 - 2022 JARC (accrual)	2022-0074/P1	28,443	(28,443)	-
Operating assistance - section 5311 - 2022 JARC (PY accrual)	2022-0074/P1	-	21,063	21,063
Capital grant - section 5311 - FY 2019 capital (receipt)	2017-0071/P16	<u>1,530</u>	<u>-</u>	<u>1,530</u>
<b>Total Michigan Department of Transportation</b>		<u>279,373</u>	<u>92,533</u>	<u>371,906</u>
<b>Federal grants</b>				
Operating assistance - section 5311 - 2023 JARC (PY accrual)	2017-0071/P18	-	(6,822)	(6,822)
Operating assistance - section 5311 - 2023 JARC (PY accrual)	2022-0074/P6	71,362	(71,362)	-
Operating assistance - section 5311 - 2023 JARC (receipt)	2022-0074/P3	50,585	-	50,585
Operating assistance - section 5311 - 2024 JARC (receipt)	2022-0074/P6	102,289	53,338	155,627
Operating assistance - section 5311 - 2019 JARC (receipt)	2017-0071/P19	(429)	-	(429)
Operating assistance - section 5311 - 2022 JARC (receipt)	2022-0074/P1	23,266	-	23,266
Operating assistance - section 5311 - 2022 JARC (receipt)	2022-0074/P5	38,412	21,063	59,475
Operating assistance - section 5311 - 2022 JARC (accrual)	2022-0074/P5	28,443	(28,443)	-
RTAP funding (receipt)		9,731	810	10,541
Capital grant - section 5311 - FY 2019 capital (receipt)	2017-0071/P26	<u>6,120</u>	<u>-</u>	<u>6,120</u>
<b>Total federal grants</b>		<u>329,779</u>	<u>(31,416)</u>	<u>298,363</u>
<b>Total</b>		<u>\$ 609,152</u>	<u>\$ 61,117</u>	<u>\$ 670,269</u>

# CITY OF IONIA

## DIAL-A-RIDE TRANSIT FUND SCHEDULE OF NONURBAN REGULAR SERVICE REVENUES 4R

FOR THE YEAR ENDED SEPTEMBER 30, 2023

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	<u>Total</u>
<b>Local revenue</b>	
Demand response (farebox)	
Regular service	\$ 67,189
School services	700
Property tax levy	128,306
Local participation	20,625
Tower rental and central dispatch fees	32,408
Interest income	25,461
Sale of capital assets	-
	<hr/>
<b>Total local revenues</b>	<u>390,404</u>
<b>State and Federal revenue</b>	
Michigan Department of Transportation	
Formula operating assistance (Act 51) - FY23	<u>207,057</u>
Total Michigan Department of Transportation	<u>207,057</u>
Federal grants	
Section 5311 grant 2022-74/P3 - 2023 operating	50,585
RTAP funding receipts	<u>10,541</u>
Total federal grants	<u>61,126</u>
<b>Total</b>	<u>\$ 658,587</u>

**CITY OF IONIA**  
**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF OPERATING AND CONTRACT EXPENSES (3)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Nonurban</u>	<u>JARC</u>	<u>Specialized Services</u>	<u>Total System</u>
<b>Operating expenses</b>				
Labor				
Salaries and wages	\$ 333,126	\$ 77,474	\$ -	\$ 410,600
Fringe benefits	34,733	7,978	-	42,711
Pension - defined contribution (457 plan)	3,785	874	-	4,659
Pension - defined benefit (DB)	4,608	6,425	-	11,033
Services				
Other services	96,628	72,424	97,495	266,547
Materials and supplies				
Fuel	44,649	10,315	-	54,964
Other materials and supplies	6,875	1,564	-	8,439
Casualty and liability costs				
Insurance	7,915	1,466	-	9,381
Utilities	40,357	3,992	-	44,349
Miscellaneous	16,557	128	-	16,685
Depreciation	<u>128,933</u>	<u>-</u>	<u>-</u>	<u>128,933</u>
<b>Total operating expenses</b>	<u>\$ 718,166</u>	<u>\$ 182,640</u>	<u>\$ 97,495</u>	<u>\$ 998,301</u>

The following cost allocation plans were adhered to by the Dial-a-Ride in the preparation of the financial statements:

- 2007 Specialized services
- 2008 JARC (April 2017)
- 2011 Central Services

Capital grants utilities utilized to pay operating expenses, auxiliary transportation and nontransportation revenue (MDOT expense codes 406xx & 407xx) are excluded for purposes of calculating operating reimbursements.

Actual pension expenses paid are reported for purposes of calculating operating reimbursement. The City does not have an OPEB plan.

Pension expense above is calculated as follows:

**Defined benefit plan**

Actuarially required contributions paid	\$ 34,270	
GASB 68/GASB 71 adjustments to pension expense	<u>(23,237)</u>	deducted from eligible expense

**Defined benefit plan net pension expense** \$ 11,033 agrees to DB pension above

**CITY OF IONIA**

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

**FOR THE YEAR ENDED JUNE 30, 2024**

	Nonurban			Operating assistance - section 5311 - JARC 2022-0074/P5		
	7/1/23 to 9/30/2023	10/1/23 to 6/30/2024	Total	7/1/23 to 9/30/2023	10/1/23 to 6/30/2024	Total
	<b>Expenses</b>					
Labor	\$ 63,590	\$ 269,536	\$ 333,126	\$ 16,953	\$ -	\$ 16,953
Fringe benefits	6,413	28,320	34,733	1,665	-	1,665
Pension	7,724	669	8,393	1,946	-	1,946
Service	(41,169)	137,797	96,628	25,850	-	25,850
Materials and supplies	16,910	34,614	51,524	3,064	-	3,064
Casualty and liability costs	-	7,915	7,915	-	-	-
Utilities	4,636	35,721	40,357	782	-	782
Miscellaneous	1,223	15,334	16,557	32	-	32
Depreciation	32,233	96,700	128,933	-	-	-
<b>Total expenses</b>	<u>\$ 91,560</u>	<u>\$ 626,606</u>	<u>\$ 718,166</u>	<u>\$ 50,292</u>	<u>\$ -</u>	<u>\$ 50,292</u>

traced to quarterly

	Operating assistance - section 5311 - JARC 2022-0074/P10			Specialized Services 2022-0074/P7		
	7/1/23 to 9/30/2023	10/1/23 to 6/30/2024	Total	7/1/23 to 9/30/2023	10/1/23 to 6/30/2024	Total
	<b>Expenses</b>					
Labor	\$ -	\$ 60,521	\$ 60,521	\$ -	\$ -	\$ -
Fringe benefits	-	6,313	6,313	-	-	-
Pension	-	5,353	5,353	-	-	-
Service	-	46,574	46,574	60,567	-	60,567
Materials and supplies	-	8,815	8,815	-	-	-
Casualty and liability costs	-	1,466	1,466	-	-	-
Utilities	-	3,210	3,210	-	-	-
Miscellaneous	-	96	96	-	-	-
Depreciation	-	-	-	-	-	-
<b>Total expenses</b>	<u>\$ -</u>	<u>\$ 132,348</u>	<u>\$ 132,348</u>	<u>\$ 60,567</u>	<u>\$ -</u>	<u>\$ 60,567</u>

	Specialized Services 2022-0074/P8		
	7/1/23 to 9/30/2023	10/1/23 to 6/30/2024	Total
	<b>Expenses</b>		
Labor	\$ -	\$ -	\$ -
Fringe benefits	-	-	-
Pension	-	-	-
Service	-	36,928	36,928
Materials and supplies	-	-	-
Casualty and liability costs	-	-	-
Utilities	-	-	-
Miscellaneous	-	-	-
Depreciation	-	-	-
<b>Total expenses</b>	<u>\$ -</u>	<u>\$ 36,928</u>	<u>\$ 36,928</u>

**CITY OF IONIA**

**DIAL-A-RIDE TRANSIT FUND  
SCHEDULE OF OPERATING EXPENSES (3B)  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Nonurban</u>			<u>Operating assistance - section 5311 - JARC 2022-0074/P5</u>		
	<u>10/1/22 to</u>	<u>7/1/23 to</u>	<u>Total</u>	<u>10/1/22 to</u>	<u>7/1/23 to</u>	<u>Total</u>
	<u>6/30/2023</u>	<u>9/30/2023</u>		<u>6/30/2023</u>	<u>9/30/2023</u>	
<b>Expenses</b>						
Labor	\$ 276,032	\$ 63,590	\$ 339,622	\$ 61,575	\$ 16,953	\$ 78,528
Fringe benefits	27,074	6,413	33,487	6,368	1,665	8,033
Pension	26,534	7,724	34,258	5,827	1,946	7,773
Service	79,434	(41,169)	38,265	45,543	25,850	71,393
Materials and supplies	42,354	16,910	59,264	10,094	3,064	13,158
Casualty and liability costs	6,675	-	6,675	1,286	-	1,286
Utilities	30,968	4,636	35,604	2,884	782	3,666
Miscellaneous	11,183	1,223	12,406	133	32	165
Depreciation	109,651	32,233	141,884	-	-	-
<b>Total expenses</b>	<b>\$ 609,905</b>	<b>\$ 91,560</b>	<b>\$ 701,465</b>	<b>\$ 133,710</b>	<b>\$ 50,292</b>	<b>\$ 184,002</b>

	<u>Specialized Services 2022-0074/P7</u>		
	<u>10/1/22 to</u>	<u>7/1/23 to</u>	<u>Total</u>
	<u>6/30/2023</u>	<u>9/30/2023</u>	
<b>Expenses</b>			
Labor	\$ -	\$ -	\$ -
Fringe benefits	-	-	-
Pension	-	-	-
Service	18,881	60,567	79,448
Materials and supplies	-	-	-
Casualty and liability costs	-	-	-
Utilities	-	-	-
Miscellaneous	-	-	-
Depreciation	-	-	-
<b>Total expenses</b>	<b>\$ 18,881</b>	<b>\$ 60,567</b>	<b>\$ 79,448</b>

**CITY OF IONIA**  
**DIAL-A-RIDE TRANSIT FUND**  
**SCHEDULE OF NONURBAN REGULAR SERVICE EXPENSES (4E)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b><u>Total System</u></b>
<b>Operating expenses</b>	
Labor	
Salaries and wages	\$ 339,622
Fringe benefits	33,487
Pension	34,258
Services	
Audit costs	2,560
Other services	35,705
Materials and supplies	
Fuel	59,264
Other materials and supplies	-
Insurance	
Liability	6,675
Other	-
Utilities	35,604
Miscellaneous	12,406
Depreciation	<u>141,884</u>
<b>Total operating expenses</b>	<u>701,465</u>
<b>Ineligible expenses</b>	
Ineligible depreciation	\$ 141,041
Expense associated with rentals	12,093
Ineligible (eligible) defined benefit pension*	(2,224)
Ineligible portion of association dues	117
RTAP	<u>10,541</u>
<b>Total ineligible expenses</b>	<u>161,568</u>
<b>Total eligible expenses</b>	<u>\$ 539,897</u>

\*The June 30, 2023 year end GASB 68 adjustment (posted 6/30/23) resulted in a decrease to the pension expense of \$2,224.

# CITY OF IONIA

## *DIAL-A-RIDE TRANSIT FUND SCHEDULE OF JARC SERVICE EXPENSES (4E)*

*FOR THE YEAR ENDED SEPTEMBER 30, 2023*

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	<b><u>Total System</u></b>
<b>Operating expenses</b>	
Labor	
Salaries and wages	\$ 78,528
Fringe benefits	8,033
Pension	7,773
Services	
Audit costs	-
Other services	71,393
Materials and supplies	
Fuel	13,158
Other materials and supplies	-
Insurance	
Liability	1,286
Other	-
Utilities	3,666
Miscellaneous	165
Depreciation	-
	<hr/>
<b>Total operating expenses</b>	<b><u>184,002</u></b>
<b>Ineligible expenses</b>	
JARC Farebox revenue	<u>15,501</u>
<b>Total ineligible expenses</b>	<b><u>15,501</u></b>
<b>Total eligible expenses</b>	<b><u>\$ 168,501</u></b>

**CITY OF IONIA**  
**DIAL-A-RIDE TRANSIT FUND**  
**OPERATING ASSISTANCE CALCULATION (5)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u><b>Nonurban</b></u>
<b>State eligible expenses</b>	
Labor	\$ 339,622
Fringe benefits	33,487
Pension	34,258
Service	38,265
Materials and supplies	59,264
Casualty and liability costs	6,675
Utilities	35,604
Miscellaneous	12,406
Depreciation	<u>141,884</u>
<b>Total expenses</b>	<u>701,465</u>
<b>Less ineligible expenses</b>	
Depreciation	141,041
Expense associated with rentals	12,093
Ineligible (eligible) defined benefit pension	(2,224)
Ineligible portion of association dues	117
Federal grants - RTAP	<u>10,541</u>
<b>Total ineligible expenses</b>	<u>161,568</u>
<b>State eligible expenses</b>	<u>\$ 539,897</u>
<b>State operating assistance - 34.5849</b>	<u><b>\$ 186,723</b></u>
<b>Federal eligible expenses</b>	
State eligible expenses	\$ 539,897
Less additional federal ineligible expenses	
Audit costs	<u>2,560</u>
<b>Federal eligible expenses</b>	<u><u>\$ 537,337</u></u>
<b>Setion 5311 reimbursement - 40.0%</b>	<u><b>\$ 214,935</b></u>

\*The June 30, 2023 year end GASB 68 adjustment (posted 6/30/23) resulted in a decrease to the pension expense of \$2,224.

**CITY OF IONIA**

**DIAL-A-RIDE TRANSIT FUND  
SCHEDULE OF NONFINANCIAL INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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<b><u>NONURBAN REGULAR SERVICE</u></b>	<b><u>Weekday</u></b>	<b><u>Saturday</u></b>	<b><u>Sunday</u></b>	<b><u>Total</u></b>
Vehicle miles	<u>102,287</u>	<u>3,193</u>	<u>-</u>	<u>105,480</u>
Vehicle hours	<u>8,258</u>	<u>218</u>	<u>-</u>	<u>8,476</u>
<b><u>JOB ACCESS REVERSE COMMUTE (JARC)</u></b>				
Vehicle miles	<u>42,563</u>	<u>823</u>	<u>-</u>	<u>43,386</u>
Vehicle hours	<u>2,739</u>	<u>142</u>	<u>-</u>	<u>2,881</u>

The methodology used to compile miles and passengers has been reviewed and the recording method has been found to be adequate and reliable.

The methodology used to allocate costs between regular service and JARC has been reviewed and the allocator (hours) includes an estimate of the hours necessary for JARC activities based on the expected length of time required for JARC runs.

## **INTERNAL CONTROL AND COMPLIANCE**



## Vredeveld Haefner LLC

CPAs and Consultants  
10302 20<sup>th</sup> Avenue  
Grand Rapids, MI 49534  
Fax (616) 828-0307

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

### **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**

November 25, 2024

Honorable Mayor and Members of the City Council  
City of Ionia, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ionia, 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, and have issued our report thereon dated November 25, 2024.

#### **Report on Internal Control over Financial Reporting**

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

#### **Report on Compliance and Other Matters**

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

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ordebold Haefner LLC*