CITY OF PORTLAND
IONIA COUNTY, MICHIGAN

REPORT ON FINANCIAL STATEMENTS

(with required and other supplementary information)

YEAR ENDED JUNE 30, 2024

Maner Costerisan

CITY OF PORTLAND
IONIA COUNTY, MICHIGAN
JUNE 30, 2024

CITY COUNCIL

James E. Barnes	Mayor
Joel VanSlambrouck	Mayor Pro-Tem
Erica Sheehan	Council member
Patrick Fitzsimmons	Council member
Amanda L. Johnston	Council member

TABLE OF CONTENTS

Page

TABLE OF CONTENTS

Maner Costerisan

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Portland, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Portland, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Portland'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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Portland, 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 of Portland and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Portland'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 of Portland's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Portland's basic financial statements. The accompanying other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024, on our consideration of the City of Portland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Portland'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 of Portland's internal control over financial reporting and compliance.

Maner Costerisan PC

November 15, 2024

CITY OF PORTLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Portland (City), we offer readers of the City of Portland's financial statements this narrative overview and analysis of the financial activities of the City of Portland for the fiscal year ended June 30, 2024.

The following is a discussion and analysis of the City of Portland's (the City's) financial performance and position, providing an overview of the activities for the year ended June 30, 2024. This analysis should be read in conjunction with the *Independent Auditor's Report* and with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide

- Total net position was $33,185,681 (excluding component units).
- Governmental activities net position was $15,833,762.
- Business-type activity net position was $17,351,919.
- Component Unit net position was $762,115.

Fund Level

- At the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of $5,278,099 with $4,328,532 being nonspendable, restricted, committed or assigned for specific purposes and $949,567 being unassigned.
- The General Fund realized $171,002 more in revenues and other financing sources than anticipated for the fiscal year. The General Fund operations also expended $299,935 less than appropriated when including other financing uses.
- Overall, the General Fund balance decreased by $158,879.

Capital and Long-term Debt Activities

- The total additions to the capital asset schedules for the primary government were $9,399,460, excluding reclassifications. Significant capital purchases during the year included the wastewater treatment plant, Kent Street improvements, police car, Board Walk improvements, Backhoe, and electric meters.
- The total long-term obligations for the primary government were $18,566,825, a net increase of $9,648,675 from the prior year. This increase was due to the debt taken on for the Wastewater Treatment Plant Improvements, 2023 John Deer Backhoe installment purchase agreement, and 2023 General Obligation bonds for the Electric Fund.
- The City remains well below its authorized legal debt limit. The City debt limit, as defined by statute, is 10% of the state equalized property values, which currently equals $15,721,815

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's annual financial report. The annual financial report of the City consists of the following components: 1) *Independent Auditor's Report;* 2) *Management's Discussion and Analysis* and 3) the *Basic Financial Statements* (government-wide financial statements, fund financial statements, notes to the financial statements), 4) *Required Supplementary Information* such as budget to actual comparisons for the General Fund and major Special Revenue Funds, and 5) *Other Supplementary Information* including combining financial statements for all nonmajor governmental funds and other funds and other financial and statistical data.

Government-wide Financial Statements (Reporting the City as a Whole)

The set of government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities, which report information about the City as a whole, and about its activities. Their purpose is to assist in answering the question, is the City, in its entirety, better or worse off as a result of this fiscal year's activities? These statements, which include all nonfiduciary assets and liabilities, are reported on the *accrual basis of accounting,* similar to a private business. This means revenues are accounted for when they are *earned,* and expenses are accounted for when *incurred*, regardless of when the actual cash is received or disbursed.

The Statement of Net Position (page 15) presents all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, recording the difference between them as "net position". Over time, increases or decreases in net position measure whether the City's financial position is improving or deteriorating.

The Statement of Activities (page 16) presents information showing how the City's net position changed during 2023/2024. All changes in net position are reported based on the period for which the underlying events giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenue and expenses are reported in these statements for some items that will only result in cash flows in future financial periods, such as uncollected taxes and earned but unused employee vacation leave.

Both statements report the following activities:

- ***Governmental Activities*** **-** Most of the City's basic services are reported under this category. Taxes, charges for services and intergovernmental revenue primarily fund these services. Most of the City's general government departments, public safety, public works, health and welfare (ambulance), economic development, city improvements, street improvements, recreation activities, and other City wide elected official operations are reported under these activities.

- ***Business-type Activities*** **-** These activities operate like private businesses. The City charges fees to recover the cost of the services provided. The Electric Light and Power System, the Sewage Disposal System, and Water System Fund and are examples of these activities.

- ***Discretely Presented Component Units*** **-** Discretely Presented Component units are legally separate organizations for which the City Council and Administration appoints a majority of the organization's policy board and there is a degree of financial accountability to the City. One organization is included as a discretely presented component unit: the Downtown Development Authority.

As stated previously, the government-wide statements report on an *accrual* basis of accounting. However, the governmental funds report on a *modified accrual* basis*.* Under modified accrual accounting, revenues are recognized when they are measurable and available to pay obligations of the fiscal period; expenditures are recognized when they are due to be paid from available resources.

Because of the different basis of accounting between the fund statements (described below) and the government-wide statements, pages 18 and 20 present reconciliations between the two statement types.

The following summarizes the impact of transitioning from modified accrual to full accrual accounting:

- Capital assets used in governmental activities (depreciation) are not reported on the fund financial statements of the governmental fund. Capital assets and depreciation expense are reported on the government-wide statements.

- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the fund financial statements of the governmental funds.

- Internal service funds are reported as governmental activities on the government-wide statements but are reported as proprietary funds on the fund financial statements.

- Long-term liabilities, such as amounts accrued for sick and annual leave (compensated absences), etc. appear as liabilities on the government-wide statements; however, they will not appear on the fund financial statements unless current resources are used to pay a specific obligation.

- Long-term debt proceeds are reported as liabilities on the government-wide statements but are recorded as other financing sources on the fund financial statements.

Fund Financial Statements (Reporting the City's Major Funds)

The fund financial statements, which begin on page 17, provide information on the City's significant (major) funds, and aggregated nonmajor funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the City uses to keep track of specific sources of funding and spending for a particular purpose. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The *basic financial statements* report major funds as defined by the Government Accounting Standards Board (GASB) in separate columns. Statement 34 defines a "major fund" as the General Fund, and any governmental or enterprise fund which has either total assets and deferred outflows of resources, total liabilities and deferred inflows of resources, total revenues or total expenditures/expenses that equal at least 10% of those categories for either the governmental funds or the enterprise funds *and* where the individual fund total also exceeds 5% of those categories for governmental and enterprise funds combined. The major funds for City of Portland include the General Fund, the City Income Tax Fund, the Major Street Fund, the Ambulance Fund, the Electric Light and Power System Fund, the Sewage Disposal System Fund, and the Water System Fund. All other funds are classified as nonmajor funds and are reported in aggregate by the applicable fund type.

The City's funds are divided into three categories - governmental, proprietary, and fiduciary - and use different accounting approaches:

- ***Governmental Funds*** **-** Most of the City's basic services are reported in the governmental funds. The focus of these funds is how cash and other financial assets that can be readily converted to cash, flow in and out during the course of the fiscal year and how the balances left at year-end are available for spending on future services. Consequently, the governmental fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that may be expended in the near future to finance the City's programs. Governmental funds include the *General Fund,* as well as *Special Revenue Funds* (use of fund balance is restricted, e.g., income tax, major street, local street, ambulance and recreation funds), *Capital Projects Funds* (used to report major capital acquisitions and construction, e.g., the Capital Improvement Fund - Street Projects), and *Debt Service Funds* (accounts for resources used to pay long-term debt principal and interest, e.g. the special assessments fund).

- ***Proprietary Funds*** **-** Services for which the City charges customers (whether outside the City structure or a City department) a fee is generally reported in proprietary funds. Proprietary funds use the same accrual basis of accounting used in the government-wide statements and by private business. There are two types of proprietary funds. *Enterprise funds* report activities that provide supplies and/or services to the general public. An example is the Sewer Disposal System Fund. *Internal Service funds* report activities that provide supplies or service to the City's other operations, such as the Motor Pool Fund. Internal Service funds are reported as governmental activities on the government-wide statements.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the detail provided in the government-wide and fund financial statements. The Notes can be found beginning on page 27 of this report.

Required Supplementary Information

Following the Basic Financial Statements is additional Required Supplementary Information (RSI), which further explains and supports the information in the financial statements. RSI includes budgetary comparison schedules for the General Fund and the major special revenue funds.

Other Supplementary Information

Other Supplementary Information includes combining financial statements for nonmajor governmental funds. These funds are added together by fund type and are presented in aggregate single columns in the appropriate single columns in the appropriate basic financial statements.

Other Supplementary Information also includes miscellaneous statistical data provided for additional analysis.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As previously stated, City of Portland's combined net position was $33,185,681 at the end of this fiscal year's operations. The net position of the governmental activities was $15,833,762; the business-type activities were $17,351,919.

The City also reports its investment in capital assets (e.g. land, buildings, equipment, etc.) The City uses these capital assets to provide services to students and residents of the community; consequently, these assets are not available for future spending. Also, a certain amount of net position was restricted for specific purposes such as major streets, perpetual care, ambulance services, and debt service.

Net Position as of June 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current and Other Assets	$ 6,552,907	$ 5,965,356	$ 12,825,102	$ 9,008,975	$ 19,378,009	$ 14,974,331
Capital Assets	15,459,575	15,713,335	27,430,009	19,583,500	42,889,584	35,296,835
TOTAL ASSETS	22,012,482	21,678,691	40,255,111	28,592,475	62,267,593	50,271,166
DEFERRED OUTFLOWS OF RESOURCES	1,108,186	1,254,146	642,503	758,284	1,750,689	2,012,430
LIABILIITES						
Current Liabilities	1,265,325	500,473	2,607,756	3,651,196	3,873,081	4,151,669
Noncurrent Liabilities	5,715,045	5,685,972	20,760,215	11,476,696	26,475,260	17,162,668
TOTAL LIABILITIES	6,980,370	6,186,445	23,367,971	15,127,892	30,348,341	21,314,337
DEFERRED INFLOWS OF RESOURCES	306,536	344,543	177,724	208,318	484,260	552,861
NET POSITION						
Net Investment in Capital Assets	15,096,895	15,354,242	9,383,538	11,149,926	24,480,433	26,504,168
Restricted	779,930	1,044,733	1,493,027	1,299,025	2,272,957	2,343,758
Unrestricted	(43,063)	2,874	6,475,354	1,565,598	6,432,291	1,568,472
TOTAL NET POSITION	$ 15,833,762	$ 16,401,849	$ 17,351,919	$ 14,014,549	$ 33,185,681	$ 30,416,398

Changes in Net Position for the Fiscal Year Ending June 30, 2023 and 2024

The results of this year's operations for the City as a whole are reported in the condensed statement of activities, which shows the changes in net position for the fiscal years 2023/2024 and 2022/2023.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program Revenues						
Charges for Services	$ 1,680,700	$ 1,503,594	$ 7,594,487	$ 6,931,526	$ 9,275,187	$ 8,435,120
Grants and Contributions	721,257	673,597	2,607,260	-	3,328,517	673,597
General Revenues						
Property Taxes	1,458,802	1,370,972	-	-	1,458,802	1,370,972
State Shared Revenue	537,163	536,980	-	-	537,163	536,980
City Income Taxes	1,363,086	1,198,658	-	-	1,363,086	1,198,658
Local Community Stabilization	10,712	-	-	-	10,712	-
Investment Earnings	130,000	43,764	123,954	41	253,954	43,805
Miscellaneous	121,158	66,748	52,888	59,027	174,046	125,775
Transfers	(580,410)	266,348	580,410	(233,455)	-	32,893
TOTAL REVENUES	5,442,468	5,660,661	10,958,999	6,757,139	16,401,467	12,417,800
EXPENSES						
General Government	1,359,371	1,661,230	-	-	1,359,371	1,661,230
Public Safety	1,079,890	878,326	-	-	1,079,890	878,326
Public Works	1,987,355	765,527	-	-	1,987,355	765,527
Health and Welfare	1,119,818	938,629	-	-	1,119,818	938,629
Community and Economic Develop.	28,533	24,666	-	-	28,533	24,666
Recreation and Culture	425,284	372,268	-	-	425,284	372,268
Other	10,304	10,946	7,621,629	7,074,978	7,631,933	7,085,924
TOTAL EXPENSES	6,010,555	4,651,592	7,621,629	7,074,978	13,632,184	11,726,570
Increase (Decrease) in Net Position	$ (568,087)	$ 1,009,069	$ 3,337,370	$ (317,839)	$ 2,769,283	$ 691,230

Governmental Activities

The result of 2023/2024 governmental activity was a decrease of $568,087 in net position to $15,833,762. Of the total governmental activities' net position, $15,096,895 is invested in capital assets less related debt, $779,930 is reported as restricted, meaning these assets are legally committed for a specific purpose through statute, or by another authority outside the City government. The balance of ($43,063) is listed as unrestricted, having no legal commitment.

Revenues

The three largest revenue categories were property taxes at 26.8%, charges for services at 30.9%, and city income taxes at 25.0%. The City levied a property tax millage for the year ended June 30, 2024, for general government operations at 12.5434 mills, with an additional 0.9910 mills for local streets. Charges for services, which reimburse the City for specific activities, examples include items such as ambulance fees, township fire fees, recreation fees and contributions, administrative charges, permits and motor pool equipment rental. The City income tax is set at 1% for residents and ½% for nonresidents that work in the City. It provided the third largest source of governmental activity revenue.

Expenses

Public works is the largest governmental activity, expending approximately 33.1% of the governmental activities total and includes public works departments (e.g., major and local streets). General government is the second largest governmental activity, expending approximately 22.6% of the governmental activities total. Health and welfare and public safety are the next largest governmental activities expending 18.6% and 18.0% of the governmental activities total, respectively.

Business-type Activities

Net position in business-type activities was increased by a net of $3,337,370 during fiscal year 2023/2024. Of the business-type activities' net position, $9,383,538 is invested in capital assets net of related debt, $1,404,987 is reported as restricted, meaning the net position is legally committed for a specific purpose through statute, or by another authority outside the City government. The balance of $6,563,394 is listed as unrestricted, having no legal commitment.

FINANCIAL ANALYSIS OF THE CITY'S MAJOR AND NONMAJOR FUNDS

As the City completed 2023/2024, its governmental funds reported *combined* fund balances of $5,278,099. The net changes are summarized in the following chart:

	General Fund	City Income Tax	Major Street Fund	Ambulance	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance 6/30/2023	$ 2,213,780	$ 2,235,908	$ 430,268	$ 209,946	$ 425,859	$ 5,515,761
Fund Balance 6/30/2024	$ 2,054,901	$ 2,419,500	$ 385,832	$ 130,985	$ 286,881	$ 5,278,099
Net Change	$ (158,879)	$ 183,592	$ (44,436)	$ (78,961)	$ (138,978)	$ (237,662)

General Fund

The General Fund is the chief operating fund of the City. Unless otherwise required by statute, contractual agreement or Board policy, all City revenues and expenditures are recorded in the General Fund. As of June 30, 2024, the General Fund reported a fund balance of $2,054,901. The 2023/2024 original budget was amended throughout the year as new information became available.

The General Fund 2023/2024 revenues and other financing sources were less than 2023/2024 expenditures and other financing uses by $158,879 largely due to the increase in capital outlay expenditures by $247,002 compared to the prior year. Actual revenues and other financing sources were more than what was budgeted by approximately $171,002. The final amended budget planned for a $629,816 reduction in fund balance.

General Fund Budgetary Highlights

The City of Portland's budget is a dynamic document. Although adopted in May (prior to the start of the year), the budget is routinely amended during the course of the year to reflect changing operational demands.

The City's original General Fund revenue and other financing sources budget was remained during 2023/2024. Actual General Fund revenues and other financing sources totaled $2,834,381; $171,002 more than the final amended budget.

The City's original General Fund expenditures and other financing uses budget was increased by $247,816 during 2023/2024. The increase can be partly attributed to the Capital Outlay functions as expenditures exceeded initial projections.

Actual City expenditures and other financing uses for 2023/2024 were $299,935 below the amended budget. The additions to the original budget were offset by the projects getting pushed into the 2024/2025 fiscal year primarily due to timing of grants, being down one police officer, and decrease in nonbusiness permits.

City Income Tax Fund

As of June 30, 2024, the City Income Tax Fund reported a fund balance of $2,419,500, an increase of $183,592 from the prior year due to overall increase in residents' income. The fund balance is committed for street improvements. The City has used the income tax funds exclusively for the improvement of streets, sidewalks, curb, gutter, street lighting, parking areas, associated utilities and their appurtenances.

Major Street Fund

As of June 30, 2024, the Major Street Fund reported a fund balance of $385,832, which is a decrease of $44,436 from the prior year fund balance due to Kent Street improvement project.

Ambulance Fund

As of June 30, 2024, the Ambulance Fund reported a fund balance of $130,985, which is a decrease of $78,961 from the prior year fund balance due to a full time director position and being fully staffed.

Enterprise Funds

As the City completed 2023/2024, its enterprise funds reported *combined* net position of $17,351,919. This is a net increase of $3,337,370 resulting from current year operations. The net changes are summarized in the following chart.

	Electric Light and Power System Fund	Sewage Disposal System Fund	Water System Fund	Nonmajor Enterprise Fund	Totals
Net Position 6/30/2023	$ 8,209,453	$ 2,132,492	$ 3,650,782	$ 21,822	$ 14,014,549
Net Position 6/30/2024	$ 7,997,105	$ 5,301,216	$ 4,032,937	$ 20,661	$ 17,351,919
Net Change	$ (212,348)	$ 3,168,724	$ 382,155	$ (1,161)	$ 3,337,370

Electric Light and Power System Fund

As of June 30, 2024, the Electric Light and Power System Fund reported a net position of $7,997,105, a decrease of $212,348 from the prior year. Of the entire net position amount, $2,033,061 is invested in capital assets, net of related debt, $453,086 is restricted for utility reserve, $35,182 is restricted for debt service, and $5,475,776 is unrestricted.

Sewage Disposal System Fund

As of June 30, 2024, the Sewer Fund reported a net position of $5,301,216 an increase of $3,168,724 from the prior year. Of the entire net position, $3,944,097 is invested in capital assets, net of related debt, $916,719 is restricted, and $440,400 is unrestricted.

Water System Fund

As of June 30, 2024, the Water System Fund reported a net position of $4,032,937, an increase of $382,155 from the prior year. Of the entire net position, $3,406,380 is invested in capital assets, net of related debt and $626,557 is unrestricted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of Fiscal Year 2023/2024 the City had invested $42,889,584, and $170,718 for the component units, net of accumulated depreciation, in a broad range of capital assets (see table below). Additional information related to capital assets is detailed in Note 6 of the Financial Statements.

Net book value of capital assets of the primary government at June 30, 2024, was as follows:

	Governmental Activities	Business-type Activities	Totals
Land	$ 1,199,132	$ 301,163	$ 1,500,295
Construction in Progress	968,162	13,914,412	14,882,574
Land Improvements, net	265,623	-	265,623
Buildings, net	179,816	5,397,694	5,577,510
Equipment and Furniture, net	1,607,886	1,051,610	2,659,496
Electric System Transmissions and Disbursement, net	-	2,493,454	2,493,454
Sewer Disposal System, net	-	1,333,160	1,333,160
Water System, net	-	2,938,516	2,938,516
Infrastructure: Streets and Bridges, net	11,238,956	-	11,238,956
Capital Assets, net	$ 15,459,575	$ 27,430,009	$ 42,889,584

Outstanding Long-Term Obligations as of June 30, 2024:

Long-term Obligations - As of June 30, 2024, the City had $18,566,825 in long-term obligations outstanding for the primary government. This level of net obligation is $9,648,675 more than the obligation recorded as of June 30, 2023. A more detailed discussion of the City's long-term obligations is presented in Note 7 to the financial statements.

	Balance June 30, 2023	Change	Balance June 30, 2024
Primary Government			
Governmental Activities			
2016 Ambulance Installment Purchase Agreement ($166,806)	$ 25,834	$ (25,834)	$ -
2020 Street Sweeper contract payable	132,195	(31,921)	100,274
2022 Snow Plow contract payable	141,384	(34,175)	107,209
2023 John Deere Backhoe contract payable	-	115,411	115,411
2020 Heart Monitors contract payable	59,680	(19,894)	39,786
Accumulated compensated absences	77,234	24,772	102,006
Business-type Activities			
2020 Refunding Bonds ($1,105,000)	870,000	(75,000)	795,000
2023 General Obligation Bonds - Electric ($3,470,000)	-	3,470,000	3,470,000
2004 Water System Bonds ($1,344,872)	159,872	(85,000)	74,872
2010 Sanitary Sewer System ($2,900,000) (Build America Bonds)	2,343,000	(55,000)	2,288,000
2011 Sanitary Sewer System ($840,000)	680,000	(16,000)	664,000
2022 Sanitary Sewer System ($11,050,000)	4,380,702	6,171,526	10,552,228
Bond premiums	-	202,371	202,371
Accumulated compensated absences	48,249	7,419	55,668
Total Reporting Entity	$ 8,918,150	$ 9,648,675	$ 18,566,825

CITY OF PORTLAND GOVERNMENT ECONOMIC OUTLOOK:

- State revenue sharing is expected to increase .5% for the City's fiscal year 2024-2025 based on State of Michigan revenue sharing estimates.
- The City has discontinued enrollment in its MERS B4 plan in an effort to contain future pension costs. All new hires will be enrolled in a MERS Hybrid pension plan in which the City's contribution is capped at 7% and employees must contribute 3%. Actual pension costs increased from $715,664 to $871,653, which reflects a 17% increase.
- The City is requiring all employees enrolled in the Defined Benefit plan contribute to their own pension plan. All employees will contribute 3% for the fiscal year 2024-2025.
- In 2022, Income Tax revenues increased to $1,123,349 (11% increase), and in 2023 revenues increased to $1,229,958 (8% increase), and 2024 revenues decreased to $1,181,136 (4% decrease).
- The City's SEV increased from 2021 to 2022 to $121,704,200 (6% increase). From 2022 to 2023, the SEV increased to $130,111,336 (6.4% increase). From 2023 to 2024, the SEV increased to $157,218,145. The outlook for the 2024-2025 SEV is expected to increase around 15% due to increased land values, economic conditions, and the inflation rate multiplier.

The City expects modest increases in income tax revenues. The City's ability to continue to provide a full range of high-quality municipal services coupled with its location along I-96 between two larger metropolitan markets supports a positive outlook for stability.

CONTACTING THE CITY

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If there are questions about this report, or a need for additional information, contact the City of Portland's Treasurer's Office at (517) 647-2933.

BASIC FINANCIAL STATEMENTS

CITY OF PORTLAND
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			Component Unit (DDA)
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 5,043,590	$ 7,700,826	$ 12,744,416	$ 627,236
Cash and cash equivalents - restricted	-	1,560,371	1,560,371	-
Receivables	403,283	901,733	1,305,016	-
Due from other governmental units	97,610	754,321	851,931	-
Internal balances	(280,772)	280,772	-	-
Prepaids	17,600	17,358	34,958	884
Inventories	-	632,057	632,057	-
Total current assets	5,281,311	11,847,438	17,128,749	628,120
Noncurrent assets				
Investments	1,271,596	977,664	2,249,260	-
Capital assets not being depreciated	2,167,294	14,215,575	16,382,869	46,400
Capital assets being depreciated, net	13,292,281	13,214,434	26,506,715	124,318
Total noncurrent assets	16,731,171	28,407,673	45,138,844	170,718
TOTAL ASSETS	22,012,482	40,255,111	62,267,593	798,838
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	997,851	578,534	1,576,385	-
Deferred outflows related to OPEB	110,335	63,969	174,304	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,108,186	642,503	1,750,689	-
LIABILITIES				
Current liabilities				
Accounts payable	954,893	1,584,924	2,539,817	34,096
Deposits payable	-	214,633	214,633	-
Accrued liabilities	94,409	70,116	164,525	2,627
Accrued interest payable	5,611	124,543	130,154	-
Current portion of compensated absences	102,006	55,668	157,674	-
Current portion of long-term debt	108,406	557,872	666,278	-
Total current liabilities	1,265,325	2,607,756	3,873,081	36,723
Noncurrent liabilities				
Customer deposits payable from restricted assets	-	67,344	67,344	-
Noncurrent portion of long-term debt	254,274	17,488,599	17,742,873	-
Net pension liability	4,940,650	2,767,272	7,707,922	-
Total OPEB Liability	520,121	437,000	957,121	-
Total noncurrent liabilities	5,715,045	20,760,215	26,475,260	-
TOTAL LIABILITIES	6,980,370	23,367,971	30,348,341	36,723
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB	306,536	177,724	484,260	-
NET POSITION				
Net investment in capital assets	15,096,895	9,383,538	24,480,433	170,718
Restricted				
Utilities	-	606,890	606,890	-
Debt service	-	510,587	510,587	-
Equipment replacement	-	375,550	375,550	-
Other purposes	779,930	-	779,930	-
Unrestricted	(43,063)	6,475,354	6,432,291	591,397
TOTAL NET POSITION	$ 15,833,762	$ 17,351,919	$ 33,185,681	$ 762,115

See notes to financial statements.

CITY OF PORTLAND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit (DDA)
Primary government								
Governmental activities								
General government	$ 1,359,371	$ 601,068	$ 2,625	$ -	$ (755,678)	$ -	$ (755,678)	$ -
Public safety	1,079,890	2,756	28,946	-	(1,048,188)	-	(1,048,188)	-
Public works	1,987,355	46,061	669,980	3,503	(1,267,811)	-	(1,267,811)	-
Health and welfare	1,119,818	950,432	200	-	(169,186)	-	(169,186)	-
Community and economic development	28,533	-	-	-	(28,533)	-	(28,533)	-
Recreation and culture	425,284	80,383	16,003	-	(328,898)	-	(328,898)	-
Interest on long-term debt	10,304	-	-	-	(10,304)	-	(10,304)	-
Total governmental activities	6,010,555	1,680,700	717,754	3,503	(3,608,598)	-	(3,608,598)	-
Business-type activities								
Electric Light and Power System	5,146,196	4,932,518	-	-	-	(213,678)	(213,678)	-
Sewage Disposal System	1,410,622	1,638,264	-	2,589,093	-	2,816,735	2,816,735	-
Water System	870,913	832,427	-	18,167	-	(20,319)	(20,319)	-
Refuse	193,898	191,278	-	-	-	(2,620)	(2,620)	-
Total business-type activities	7,621,629	7,594,487	-	2,607,260	-	2,580,118	2,580,118	-
Total primary government	$ 13,632,184	$ 9,275,187	$ 717,754	$ 2,610,763	(3,608,598)	2,580,118	(1,028,480)	-
Component unit								
Downtown Development Authority	$ 247,582	$ -	$ 55,794	$ 1,400	-	-	-	(190,388)
General revenues								
Property taxes					1,458,802	-	1,458,802	237,834
City income taxes					1,363,086	-	1,363,086	-
State shared revenue					537,163	-	537,163	-
Local community stabilization					10,712	-	10,712	-
Investment earnings					130,000	123,954	253,954	1,819
Miscellaneous					121,158	52,888	174,046	27,786
Transfers					(580,410)	580,410	-	-
Total general revenues and transfers					3,040,511	757,252	3,797,763	267,439
Change in net position					(568,087)	3,337,370	2,769,283	77,051
Net position, beginning of the year					16,401,849	14,014,549	30,416,398	685,064
Net position, end of the year					$ 15,833,762	$ 17,351,919	$ 33,185,681	$ 762,115

See notes to financial statements.

CITY OF PORTLAND
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024

	General	City Income Tax	Major Street	Ambulance	Nonmajor Governmental Funds	Total
ASSETS						
Cash and cash equivalents	$ 855,088	$ 2,577,038	$ 837,658	$ 38,201	$ 446,602	$ 4,754,587
Investments	1,271,596	-	-	-	-	1,271,596
Receivables						
Taxes	462	222,053	-	-	-	222,515
Accounts	9,078	-	-	171,666	24	180,768
Due from other governmental units	-	-	73,334	-	24,276	97,610
Due from other funds	121,070	-	80,678	-	-	201,748
Prepaids	6,885	90	2,473	4,677	3,074	17,199
TOTAL ASSETS	$ 2,264,179	$ 2,799,181	$ 994,143	$ 214,544	$ 473,976	$ 6,746,023
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 153,229	$ 194	$ 601,306	$ 6,767	$ 180,628	$ 942,124
Accrued liabilities	56,049	2,967	7,005	20,792	6,467	93,280
Due to other funds	-	376,520	-	56,000	-	432,520
TOTAL LIABILITIES	209,278	379,681	608,311	83,559	187,095	1,467,924
FUND BALANCES						
Nonspendable						
Prepaids	6,885	90	2,473	4,677	3,074	17,199
Perpetual care	-	-	-	-	197,563	197,563
Land held for resale	1,028,016	-	-	-	-	1,028,016
Restricted						
Streets	-	-	383,359	-	51,446	434,805
Ambulance	-	-	-	126,308	-	126,308
Public works	14,993	-	-	-	-	14,993
Committed						
Street improvements	-	2,419,410	-	-	-	2,419,410
Assigned						
Recreation	-	-	-	-	34,798	34,798
Subsequent year's expenditures	55,440	-	-	-	-	55,440
Unassigned	949,567	-	-	-	-	949,567
TOTAL FUND BALANCES	2,054,901	2,419,500	385,832	130,985	286,881	5,278,099
TOTAL LIABILITIES AND FUND BALANCES	$ 2,264,179	$ 2,799,181	$ 994,143	$ 214,544	$ 473,976	$ 6,746,023

See notes to financial statements.

CITY OF PORTLAND
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total fund balances - governmental funds		$ 5,278,099
Amounts reported for the governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
The cost of capital assets is	$ 30,633,613	
Accumulated depreciation is	(15,858,821)	
Capital assets, net		14,774,792
An Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the government-wide Statement of Net Position.		387,996
Governmental funds report actual pension/OPEB expenditures for the fiscal year, whereas the governmental activities will recognize the net pension/OPEB liability as of the measurement date. Contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences between projected and actual plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:		
Deferred outflows of resources related to pension	986,029	
Deferred outflows of resources related to OPEB	109,027	
Deferred inflows of resources related to OPEB	(302,904)	
		792,152
Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet. Long-term liabilities at year-end consist of:		
Compensated absences	(100,387)	
Direct obligations	(39,786)	
Net pension liability	(4,766,040)	
Total OPEB Liability	(493,064)	
		(5,399,277)
Net position of governmental activities		$ 15,833,762

See notes to financial statements.

CITY OF PORTLAND
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024

	General	City Income Tax	Major Street	Ambulance	Nonmajor Governmental Funds	Total
REVENUES						
Taxes	$ 1,329,299	$ 1,325,621	$ -	$ -	$ 187,790	$ 2,842,710
Special assessments	-	512	-	-	-	512
Licenses and permits	58,984	-	-	-	-	58,984
Intergovernmental	583,149	-	510,336	-	177,647	1,271,132
Charges for services	489,649	-	-	950,432	83,283	1,523,364
Fines and forfeits	23,285	37,465	-	-	-	60,750
Interest and rents	39,471	96,267	2,157	660	1,385	139,940
Other	108,648	3,213	6,147	625	6,659	125,292
TOTAL REVENUES	2,632,485	1,463,078	518,640	951,717	456,764	6,022,684
EXPENDITURES						
Current						
General government	1,051,360	255,426	-	-	-	1,306,786
Public safety	998,116	-	-	-	-	998,116
Public works	220,168	-	755,385	-	542,061	1,517,614
Health and welfare	75,920	-	-	1,004,126	-	1,080,046
Community and economic development	28,533	-	-	-	-	28,533
Recreation and culture	305,125	-	-	-	135,320	440,445
Capital outlay	258,038	-	-	-	-	258,038
TOTAL EXPENDITURES	2,937,260	255,426	755,385	1,004,126	677,381	5,629,578
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(304,775)	1,207,652	(236,745)	(52,409)	(220,617)	393,106
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	194	-	-	-	-	194
Transfers in	201,702	-	242,309	-	82,000	526,011
Transfers out	(56,000)	(1,024,060)	(50,000)	(26,552)	(361)	(1,156,973)
TOTAL OTHER FINANCING SOURCES (USES)	145,896	(1,024,060)	192,309	(26,552)	81,639	(630,768)
NET CHANGE IN FUND BALANCES	(158,879)	183,592	(44,436)	(78,961)	(138,978)	(237,662)
Fund balances, beginning of year, as previously reported	2,213,780	2,235,908	-	209,946	856,127	5,515,761
Changes within financial reporting entity (nonmajor to major)	-	-	430,268	-	(430,268)	-
Fund balances, beginning of year as restated	2,213,780	2,235,908	430,268	209,946	425,859	5,515,761
Fund balances, end of year	$ 2,054,901	$ 2,419,500	$ 385,832	$ 130,985	$ 286,881	$ 5,278,099

See notes to financial statements.

CITY OF PORTLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds		$ (237,662)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	$ 517,429	
Depreciation expense	(803,233)	
Excess of depreciation expense over capital outlay		(285,804)
Internal service funds are used by management to charge the costs of certain activities to individual funds.		
Change in net position of governmental activities accounted for in the Internal Service Fund		87,489
Repayment of long-term debt and borrowings of long-term debt are reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Long-term debt principal retirements		19,894
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Change in compensated absences	(24,216)	
Change in net pension liability	13,946	
Change in total OPEB liability	(36,106)	
Change in deferred outflows of resources related to pension	(151,625)	
Change in deferred outflows of resources related to OPEB	8,836	
Change in deferred inflows of resources related to OPEB	37,161	
		(152,004)
Change in net position of governmental activities		$ (568,087)

See notes to financial statements.

CITY OF PORTLAND
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2024

	Business-type Activities					Governmental Activities
	Electric Light and Power System	Sewage Disposal System	Water System	Nonmajor Enterprise Fund (Refuse)	Total	Internal Service Fund
ASSETS						
Current assets						
Cash and cash equivalents	$ 5,363,449	$ 1,385,833	$ 933,557	$ 17,987	$ 7,700,826	$ 289,003
Cash and cash equivalents - restricted	576,308	949,306	34,757	-	1,560,371	-
Accounts receivable	618,743	164,606	99,383	19,001	901,733	-
Due from other governmental units	-	754,321	-	-	754,321	-
Due from other funds	-	154,271	191,571	-	345,842	-
Inventories	588,010	-	44,047	-	632,057	-
Prepaids	15,046	964	1,348	-	17,358	401
Total current assets	7,161,556	3,409,301	1,304,663	36,988	11,912,508	289,404
Noncurrent assets						
Investments	977,664	-	-	-	977,664	-
Capital assets not being depreciated	995,495	12,793,573	426,507	-	14,215,575	-
Capital assets being depreciated, net	5,504,937	4,654,752	3,054,745	-	13,214,434	684,783
Total noncurrent assets	7,478,096	17,448,325	3,481,252	-	28,407,673	684,783
TOTAL ASSETS	14,639,652	20,857,626	4,785,915	36,988	40,320,181	974,187
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pension	337,661	140,929	99,944	-	578,534	11,822
Deferred outflows related to OPEB	37,336	15,582	11,051	-	63,969	1,308
TOTAL DEFERRED OUTFLOWS OF RESOURCES	374,997	156,511	110,995	-	642,503	13,130
LIABILITIES						
Current liabilities						
Accounts payable	278,593	1,073,353	216,651	16,327	1,584,924	12,769
Deposits payable	214,633	-	-	-	214,633	-
Accrued liabilities	51,056	10,907	8,153	-	70,116	1,129
Accrued interest payable	65,202	58,873	468	-	124,543	5,611
Due to other funds	-	65,070	-	-	65,070	50,000
Current portion of compensated absences	33,974	12,582	9,112	-	55,668	1,619
Current portion of long-term debt	145,000	338,000	74,872	-	557,872	32,661
Total current liabilities	788,458	1,558,785	309,256	16,327	2,672,826	103,789
Noncurrent liabilities						
Customer deposits payable from restricted assets	-	32,587	34,757	-	67,344	-
Noncurrent portion of long-term debt	4,322,371	13,166,228	-	-	17,488,599	290,233
Net pension liability	1,565,428	798,406	403,438	-	2,767,272	174,610
Total OPEB Liability	237,558	113,622	85,820	-	437,000	27,057
Total noncurrent liabilities	6,125,357	14,110,843	524,015	-	20,760,215	491,900
TOTAL LIABILITIES	6,913,815	15,669,628	833,271	16,327	23,433,041	595,689
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to OPEB	103,729	43,293	30,702	-	177,724	3,632
NET POSITION						
Net investment in capital assets	2,033,061	3,944,097	3,406,380	-	9,383,538	361,889
Restricted for utility reserve	453,086	153,804	-	-	606,890	-
Restricted for debt service	123,222	387,365	-	-	510,587	-
Restricted for equipment replacement	-	375,550	-	-	375,550	-
Unrestricted	5,387,736	440,400	626,557	20,661	6,475,354	26,107
TOTAL NET POSITION	$ 7,997,105	$ 5,301,216	$ 4,032,937	$ 20,661	$ 17,351,919	$ 387,996

See notes to financial statements.

CITY OF PORTLAND
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	Business-type Activities					Governmental Activities
	Electric Light and Power System	Sewage Disposal System	Water System	Nonmajor Enterprise Fund (Refuse)	Total	Internal Service Fund
OPERATING REVENUES						
Charges for services						
User charges	$ 4,932,518	$ 1,635,264	$ 832,427	$ 191,278	$ 7,591,487	$ 306,194
Tap fees	-	3,000	-	-	3,000	-
Other	25,270	24,385	1,862	1,371	52,888	24,772
TOTAL OPERATING REVENUES	4,957,788	1,662,649	834,289	192,649	7,647,375	330,966
OPERATING EXPENSES						
Salaries and wages	625,580	297,232	204,436	-	1,127,248	26,084
Fringe benefits	507,512	143,417	104,059	-	754,988	25,982
Contractual services	117,748	165,843	76,619	193,898	554,108	744
Supplies	63,887	71,290	19,607	-	154,784	30,909
Heat, light, and power	2,504,376	74,602	53,689	-	2,632,667	4,252
Communications	5,805	460	1,247	-	7,512	1,058
Insurance and bonds	20,575	4,641	3,314	-	28,530	16,009
Repairs and maintenance	181,630	38,710	131,947	-	352,287	40,974
Administrative services	178,609	80,721	18,998	-	278,328	7,037
Building and equipment rental	186,827	46,242	43,781	-	276,850	-
Other	130,263	5,660	2,162	-	138,085	429
Depreciation	408,870	254,201	208,386	-	871,457	132,021
TOTAL OPERATING EXPENSES	4,931,682	1,183,019	868,245	193,898	7,176,844	285,499
OPERATING INCOME (LOSS)	26,106	479,630	(33,956)	(1,249)	470,531	45,467
NONOPERATING INCOME (EXPENSES)						
Intergovernmental	-	2,589,093	18,167	-	2,607,260	-
Interest earned	85,451	10,757	27,658	88	123,954	952
Interest expense and fees	(80,536)	(227,603)	(2,668)	-	(310,807)	(9,482)
Bond issuance costs	(133,978)	-	-	-	(133,978)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	(129,063)	2,372,247	43,157	88	2,286,429	(8,530)
INCOME (LOSS) BEFORE TRANSFERS	(102,957)	2,851,877	9,201	(1,161)	2,756,960	36,937
Transfers in	-	369,597	412,154	-	781,751	50,552
Transfers out	(109,391)	(52,750)	(39,200)	-	(201,341)	-
CHANGE IN NET POSITION	(212,348)	3,168,724	382,155	(1,161)	3,337,370	87,489
Net position, beginning of year	8,209,453	2,132,492	3,650,782	21,822	14,014,549	300,507
Net position, end of year	$ 7,997,105	$ 5,301,216	$ 4,032,937	$ 20,661	$ 17,351,919	$ 387,996

See notes to financial statements.

CITY OF PORTLAND
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

	Business-type Activities					Governmental Activities
	Electric Light and Power System	Sewage Disposal System	Water System	Nonmajor Enterprise Fund (Refuse)	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash receipts from customers	$ 5,162,628	$ 1,552,430	$ 706,987	$ 197,266	$ 7,619,311	$ 330,966
Cash paid to suppliers	(3,645,920)	(762,842)	(166,861)	(193,699)	(4,769,322)	(113,767)
Cash paid to employees	(1,050,512)	(432,766)	(285,178)	-	(1,768,456)	(48,992)
NET CASH PROVIDED BY OPERATING ACTIVITIES	466,196	356,822	254,948	3,567	1,081,533	168,207
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers out	(109,391)	(52,750)	(39,200)	-	(201,341)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Intergovernmental	-	2,589,093	18,167	-	2,607,260	-
Transfers in	-	369,597	412,154	-	781,751	50,552
Debt proceeds	3,672,371	6,171,526	-	-	9,843,897	115,411
Debt issuance	(133,978)	-	-	-	(133,978)	-
Payments of borrowing	(75,000)	(71,000)	(85,000)	-	(231,000)	(91,930)
Interest paid	(20,445)	(184,014)	(2,934)	-	(207,393)	(6,966)
Purchase of capital assets	(554,991)	(7,750,821)	(412,154)	-	(8,717,966)	(164,065)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	2,887,957	1,124,381	(69,767)	-	3,942,571	(96,998)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(50,974)	-	-	-	(50,974)	-
Interest received	85,451	10,757	27,658	88	123,954	952
NET CASH PROVIDED INVESTING ACTIVITIES	34,477	10,757	27,658	88	72,980	952
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,279,239	1,439,210	173,639	3,655	4,895,743	72,161
Cash and cash equivalents, beginning of year	2,660,518	895,929	794,675	14,332	4,365,454	216,842
Cash and cash equivalents, end of year	$ 5,939,757	$ 2,335,139	$ 968,314	$ 17,987	$ 9,261,197	$ 289,003

See notes to financial statements.

CITY OF PORTLAND
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

	Business-type Activities					Governmental Activities
	Electric Light and Power System	Sewage Disposal System	Water System	Nonmajor Enterprise Fund (Refuse)	Total	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	$ 26,106	$ 479,630	$ (33,956)	$ (1,249)	$ 470,531	$ 45,467
Adjustments to reconcile operating income (loss) to net cash provided by operating activities						
Depreciation	408,870	254,201	208,386	-	871,457	132,021
(Increase) decrease in:						
Accounts receivable	104,840	43,327	21,701	4,617	174,485	-
Due from other governments	-	1,317,979	-	-	1,317,979	-
Due from other funds	100,000	(154,271)	(131,571)	-	(185,842)	-
Inventories	(51,353)	-	(24,095)	-	(75,448)	-
Prepaids	(600)	38	(22)	-	(584)	(15)
Deferred outflows of resources	67,536	17,565	30,680	-	115,781	3,171
Increase (decrease) in:						
Accounts payable	(202,997)	(1,492,690)	208,620	199	(1,486,868)	(2,340)
Deposits payable	(1,250)	-	-	-	(1,250)	-
Accrued liabilities	35,204	(4,335)	1,690	-	32,559	841
Due to other funds	-	(100,000)	-	-	(100,000)	(10,000)
Unearned revenue	-	-	(18,167)	-	(18,167)	-
Customer deposits	-	725	735	-	1,460	-
Net pension liability	(4,777)	(1,992)	(1,414)	-	(8,183)	(168)
Total OPEB liability	2,462	1,175	580	-	4,217	76
Deferred inflows of resources	(17,845)	(4,530)	(8,219)	-	(30,594)	(846)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 466,196	$ 356,822	$ 254,948	$ 3,567	$ 1,081,533	$ 168,207

See notes to financial statements.

CITY OF PORTLAND
FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

	Custodial Fund
	Tax Collection
ASSETS	
Cash	$ -
LIABILITIES	
Due to other governmental units	-
NET POSITION	$ -

See notes to financial statements.

CITY OF PORTLAND
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024

	Custodial Fund
	Tax Collection
ADDITIONS	
Property tax collections for other governmental units	$ 3,505,698
DEDUCTIONS	
Property tax distributions for other governmental units	3,505,698
Net change in fiduciary net position	-
NET POSITION	
Beginning of year	-
End of year	$ -

See notes to financial statements.

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Portland is located in Ionia County, Michigan and has a population of approximately 4,000. The City of Portland operates with a City Manager/Council form of government and provides services to its residents in many areas including general government, law enforcement, highways and streets, human services, and utilities services.

The City has five City Council members who are elected at large for overlapping two- or four-year terms. The Council elects two of its members to serve as Mayor and Mayor Pro-Tem. The Council appoints the City Manager, City Clerk, Finance Director/Treasurer, and Assessor.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to city governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the City of Portland (primary government) and its component unit. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

Joint Ventures

The City participates in the following activity which is considered to be a joint venture in relation to the City, due to the formation of an organization by contractual agreement between two or more participants that maintain joint control, financial interest, and financial responsibility.

Portland Area Municipal Authority - The City is a member of the Portland Area Municipal Authority (PAMA), which is a joint venture between the City of Portland and the Townships of Portland and Danby. The City appoints two of the five members of the governing board. PAMA is charged with the responsibility of acquiring, financing, equipping, and improving an emergency services building for use by the participating municipalities.

The constituent municipalities are responsible for their share of the costs incurred by PAMA according to the following percentages:

City of Portland	40%
Portland Township	40%
Danby Township	20%

The financial activities of PAMA are accounted for and reported separately from the participating units. Separate audited financial statements for the year ended December 31, 2023, are available at PAMA's administrative offices. As of December 31, 2023, PAMA had a net position of $444,993.

Portland Area Fire Authority - The City is a member of the Portland Area Fire Authority (PAFA), which is a joint venture between the City of Portland and the Townships of Portland and Danby. The City appoints two of the six members of the governing board. PAFA is charged with the responsibility of providing fire protection services.

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Joint Ventures (continued)

The constituent municipalities are responsible for their share of the costs incurred by PAFA according to a funding formula that considers population, state equalized value, and number of runs incurred in each municipal area over the previous three years.

The financial activities of PAFA are accounted for and reported separately from the participating units. Separate audited financial statements for the year ended June 30, 2023, are available at PAFA's administrative offices. As of June 30, 2023, the most recent financial statements available, PAFA had a net position of $1,381,541.

Discretely Presented Component Unit

The component unit is reported in a separate column to emphasize that, while legally separate, the City remains financially accountable for this entity or the nature and significance of the relationship between the entity and the City is such that exclusion of the entity would render the financial statements misleading. The financial statements contain the following discretely presented component unit:

Downtown Development Authority - A majority of the members of the governing board of the Downtown Development Authority (DDA) are appointed by the City Council. The City also has the ability to significantly influence operations of the Downtown Development Authority. The DDA is included in the City's audited financial statements and is not audited separately.

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government and its component unit as a whole. All non-fiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide financial statements). For the most part, interfund activity has been eliminated in the preparation of these statements. 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.

The statement of activities presents the direct functional expenses of the primary government and its component unit and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients for goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted state revenue sharing payments and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS

The fund financial statements present the City's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following *Major Governmental Funds*:

a. The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.

b. The *City Income Tax Fund* is used to account for the revenue from income tax collection. The City income tax was approved by voters for the purpose of funding street improvements.

c. The *Major Street Fund* is used to account for restricted Act 51 resources that are used for repairs and maintenance of the City's major streets.

d. The *Ambulance Fund* is used to account for restricted funds received and expended for health and welfare.

Additionally, the City reports the following *Major Enterprise Funds*:

a. The *Electric Light and Power System Fund* is used to account for the operations required to provide electric services to the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.

b. The *Sewage Disposal System 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.

c. The *Water System 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*:

a. *Internal Service Funds* account for the management of motor vehicle pool provided to various departments of the City on cost reimbursement basis.

b. *Custodial Funds* account for assets held by the City as a custodian for other governments, private organizations, or individuals. The City's custodial fund is the Tax Collection Fund.

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus

The government-wide, proprietary, and fiduciary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both "measurable" and "available to finance expenditures of the current period"). The length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues that are considered measurable but not available are recorded as a receivable and unavailable revenue. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities to the beneficiaries of a fiduciary activity. Liabilities to beneficiaries are recognized when an event has occurred that compels the City to disburse fiduciary resources.

If/when both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting

The General and Special Revenue Funds budgets shown as required supplementary information were prepared on the same modified accrual basis used to reflect actual results. This basis is consistent with accounting principles generally accepted in the United States of America. The City employs the following procedures in establishing the budgetary data reflected in the financial statements.

a. On the City Council meeting date nearest to the third Monday in April, the City Manager submits to City Council the proposed operating budgets for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and resources to finance them.

b. A Public Hearing is conducted to obtain taxpayers' comments.

c. Prior to the second regular council meeting in May, the budget is legally enacted through passage of a resolution.

d. The budget is legally adopted at the activity level for the General Fund and total expenditure level for the Special Revenue Funds; however, they are maintained at the account level for control purposes.

e. The City does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. Appropriations unused at June 30 are not carried forward to the following fiscal year.

f. Budgeted amounts are reported as originally adopted or amended by the City Council during the year. Individual amendments were appropriately approved by the City Council as required.

Cash and Cash Equivalents, and Investments

Cash and cash equivalents consist of checking, savings, and money market accounts.

Investments are stated at fair value in accordance with the applicable GASB Statement. In accordance with GASB Statement No. 72, the City has accounted for its land held for resale as investments of the City.

In accordance with Michigan Compiled Laws, the City is authorized to invest in the following investment vehicles:

a. Bonds, securities, and other obligations 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 bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents and Investments (continued)

c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.

d. The United States government or federal agency obligations repurchase agreements.

e. Bankers acceptances of United States banks.

f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

g. Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

Receivables

Receivables consist of amounts due related to charges for services, interest receivable, and other amounts owed to the City at year-end.

Due from Other Governmental Units

Due from other governmental units consists of amounts due from the State of Michigan for various payments and grants and accounts receivable for charges for services provided to local governmental units.

Inventories

Inventories in the Enterprise Funds consist of Electric Light and Power and Water System supplies which are stated at cost on a first-in/first-out basis.

Capital Assets

Capital assets are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements under the governmental activities, business-type activities, and component unit columns. Capital assets are those with an initial individual cost of $5,000 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition cost on the date received.

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets (continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Land and construction in progress is not depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and additions	30 - 40 years
Electric, Water and Sewer systems	10 - 50 years
Machinery and equipment	5 - 40 years
Infrastructure - streets and bridges	30 years
Land improvements	20 years
Downtown improvements	20 years

Long-term Liabilities

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as noncurrent.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in a Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Compensated Absences

City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days. Employees are not paid for accumulated sick leave. All vacation leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For proprietary funds, the cost is recorded as a fund liability when incurred.

Pension

The City offers a defined benefit pension plan to its employees. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan’s fiduciary net position. For the purpose 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 pension plan and additions to/deductions from the pension plan’s fiduciary net position have been determined on the same basis as they are reported by the pension plan. 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.

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Postemployment Benefits

The City offers a retiree healthcare benefits to its employees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. 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.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position or balance sheet will, when applicable, report separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has several items that qualify for reporting in these categories and are reported in the government-wide financial statement of net position, the governmental funds, or proprietary funds balance sheet/statement of net position.

The City reports deferred outflows of resources and deferred inflows of resources which correspond to the City's net pension liability and total OPEB liability and are related to differences between expected and actual experience, changes in assumptions, differences between projected and actual plan investment earnings, and contributions made subsequent to the measurement date. These amounts are deferred and recognized as an outflow or inflow of resources in the period to which they apply.

Property Tax

The City of Portland bills and collects its own property taxes and also taxes for other governmental units. The City's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph:

> Property taxes are levied by the City of Portland on July 1 and December 1 and are payable without penalty through September 30 and February 14, respectively. The July 1 levy is composed of the City's millage, the County's millage assessments, and school taxes. The December 1 levy is composed of school taxes. All real property taxes not paid to the City by March 1 are turned over to the Ionia County Treasurer for collection. The Ionia County Treasurer purchases the receivables of all taxing districts on any delinquent real property taxes. Delinquent personal property taxes receivable is retained by the City for subsequent collection. Collections and remittances of all taxes are accounted for in the Tax Collections Custodial Fund. City property tax revenues are recognized as revenues in the fiscal year levied.

The City is permitted by charter to levy taxes up to 15 mills ($15 per $1,000 of taxable valuation) for general governmental services other than the payment of Debt Service Fund expenditures. For the year ended June 30, 2024, the City levied 12.5434 mills per $1,000 of taxable valuation for general governmental services, and 0.9910 mills for local streets. The total taxable value for the 2023 levy for property within the City was $113,464,280.

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Revenues

The City has recognized taxpayer-assessed taxes, net of estimated refunds, as revenue in the accounting period in which they become susceptible to accrual (i.e., measurable and available to finance expenditures of the fiscal period). The City has calculated this amount based on the income tax collections made within 60 days after year end that relate to the prior years. Estimated refunds of these amounts are considered to be immaterial.

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

The Internal Service Fund (Motor Pool) records charges for services provided to various City departments and funds as operating revenue. All City funds record these payments as operating expenditures/expenses.

Details of Fund Balance Classifications

Fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five classifications of fund balance:

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision-making authority (i.e., Board, Council, etc.).

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

Unassigned - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance Classification Policies and Procedures

For committed fund balance, the City of Portland's highest level of decision-making authority is the City Council. The formal action that is required to be taken to establish a fund balance commitment is through passage of a resolution.

For assigned fund balance, the City of Portland has not approved a policy indicating who is authorized to assign amounts to a specific purpose. As a result, this authority is retained by the City Council.

For the classification of fund balances, the City of Portland considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the City of Portland considers committed amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Tax Abatements

The City's tax revenues have been reduced by tax abatements. Management has determined these amounts to be immaterial to the financial statements.

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The cash and cash equivalents, and investments referred to below have been reported on the financial statements based upon criteria disclosed in Note 1. The following summarizes the categories of these amounts as of June 30, 2024.

	Primary Government	Component Unit	Reporting Entity
Cash and cash equivalents	$ 12,744,416	$ 627,236	$ 13,371,652
Cash and cash equivalents - restricted	1,560,371	-	1,560,371
Investments - noncurrent	2,249,260	-	2,249,260
	$ 16,554,047	$ 627,236	$ 17,181,283

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

As of June 30, 2024, the City had deposits and investments summarized by the following categorization:

Deposits	
Checking	$ 11,871,517
Savings	2,250
Money Market	2,928,929
Certificates of Deposit	232,303
Petty cash	893
Investments	953,230
Deposits with Michigan Public Power Agency	164,145
Land held for resale	1,028,016
	$ 17,181,283

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2024, $13,726,437 of the City's bank balance of $14,988,863 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Due to significantly higher cash flow at certain periods during the fiscal period, the amount the City held as cash increased significantly. As a result, the amount of uninsured and uncollateralized cash was substantially higher at these peak periods than at year-end.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business.

Interest Rate Risk

In accordance with its investment policy, the City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the City's cash requirements.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

Investment Type	Fair Value	Weighted Average Maturity (years)
U.S. Govermental Securities	$ 953,230	1.04

One day maturity equals 0.0027, one year equals 1.00.

Concentration of Credit Risk

The City will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the City's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. As of June 30, 2024, the City did not have any investments that would be subject to rating.

Foreign Currency Risk

The City is not authorized to invest in investments which have this type of risk.

Fair Value Measurement

The City is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the City's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

	Fair Value Measurements			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
PRIMARY GOVERNMENT				
U.S. Govermental Securities	$ 953,230	$ -	$ -	$ 953,230
Land held for resale	-	-	1,028,016	1,028,016
	$ 953,230	$ -	$ 1,028,016	$ 1,981,246

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

NOTE 3 - CASH AND CASH EQUIVALENTS - RESTRICTED

The following summarizes the restricted cash and cash equivalents as of June 30, 2024:

	Customer Deposits	Debt Retirement	Repairs and Improvements	Restricted Utility Reserve	Total
Enterprise Funds	$ 67,344	$ 510,587	$ 375,550	$ 606,890	$ 1,560,371

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

The amount of interfund receivables and payables at June 30, 2024, are as follows:

	Due from Other Funds				
	Governmental Funds		Proprietary Funds		
	General Fund	Major Street Fund	Sewer Fund	Water Fund	Total
Due to Other Funds					
Governmental Funds					
City Income Tax Fund	$ -	$ 80,678	$ 154,271	$ 141,571	$ 376,520
Ambulance Fund	56,000	-	-	-	56,000
Total	56,000	80,678	154,271	141,571	432,520
Proprietary Funds					
Enterprise Funds					
Sewer Fund	65,070	-	-	-	65,070
Internal Service Fund	-	-	-	50,000	50,000
Total	65,070	-	-	50,000	115,070
Total	$ 121,070	$ 80,678	$ 154,271	$ 191,571	$ 547,590

Amounts appearing as interfund payables and receivables arise from two types of transactions. One type of transaction is where a fund will pay for a good or service that at least a portion of the benefit belongs to another fund. The second type of transaction is where one fund provides a good or service to another fund. Balances at the end of the year are for transfers that have not cleared as of the balance sheet date.

NOTE 5 - INTERFUND TRANSFERS

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds and business-type funds have been eliminated.

	Transfer In						
	Governmental Funds			Proprietary Funds			
	General Fund	Major Street Fund	Nonmajor Funds	Seweage Disposal System Fund	Water Fund	Internal Service Fund	Total
Transfer Out							
Governmental Funds							
Genereal Fund	$ -	$ -	$ 32,000	$ -	$ -	$ 24,000	$ 56,000
City Income Tax Fund	-	242,309	-	369,597	412,154	-	1,024,060
Major Street Fund	-	-	50,000	-	-	-	50,000
Ambulance Fund	-	-	-	-	-	26,552	26,552
Nonmajor Funds	361	-	-	-	-	-	361
Total	361	242,309	82,000	369,597	412,154	50,552	1,156,973
Proprietary Funds							
Enterprise Funds							
Electric Light and Power System Fund	109,391	-	-	-	-	-	109,391
Sewage Disposal System Fund	52,750	-	-	-	-	-	52,750
Water Fund	39,200	-	-	-	-	-	39,200
Total	201,341	-	-	-	-	-	201,341
Total	$ 201,702	$ 242,309	$ 82,000	$ 369,597	$ 412,154	$ 50,552	$ 1,358,314

NOTE 5 - INTERFUND TRANSFERS (continued)

The transfers from the Electric Light and Power System Fund, Sewage Disposal System Fund, Water System Fund, and nonmajor governmental funds to the General Fund were to fund current year operations. The transfers from the Income Tax Fund to the Major Street Fund, Sewage Disposal System Fund, and Water Fund were to fund current year projects. The transfers to the Internal Service Fund were to fund capital outlay.

NOTE 6 - CAPITAL ASSETS

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

Primary Government

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated				
Land	$ 1,199,132	$ -	$ -	$ 1,199,132
Construction in progress	723,295	244,867	-	968,162
Subtotal	1,922,427	244,867	-	2,167,294
Capital assets being depreciated				
Land improvements	181,107	179,306	-	360,413
Buildings and additions	459,809	-	-	459,809
Equipment and furniture	3,738,641	257,321	(192,532)	3,803,430
Infrastructure - streets and bridges	25,965,620	-	-	25,965,620
Subtotal	30,345,177	436,627	(192,532)	30,589,272
Less accumulated depreciation for:				
Land improvements	(82,577)	(12,213)	-	(94,790)
Buildings and additions	(264,816)	(15,177)	-	(279,993)
Equipment and furniture	(2,170,138)	(217,938)	192,532	(2,195,544)
Infrastructure - streets and bridges	(14,036,738)	(689,926)	-	(14,726,664)
Subtotal	(16,554,269)	(935,254)	192,532	(17,296,991)
Net capital assets being depreciated	13,790,908	(498,627)	-	13,292,281
Capital assets, net	$ 15,713,335	$ (253,760)	$ -	$ 15,459,575

Depreciation expense was charged to the following governmental activities:

General government	$ 124,827
Public safety	54,318
Public works	716,821
Health and welfare	21,370
Recreation and culture	17,918
Total depreciation expense	$ 935,254

NOTE 6 - CAPITAL ASSETS (continued)

Primary Government (continued)

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Business-type Activities (Electric Light and Power System)				
Capital assets not being depreciated				
Land	$ 275,807	$ -	$ -	$ 275,807
Construction in progress	227,292	492,396	-	719,688
Subtotal	503,099	492,396	-	995,495
Capital assets being depreciated				
Buildings	5,049,077	-	-	5,049,077
Transmission and disbursement	7,187,052	-	-	7,187,052
Equipment	1,391,135	62,595	-	1,453,730
Subtotal	13,627,264	62,595	-	13,689,859
Less accumulated depreciation for:				
Buildings	(2,268,353)	(125,899)	-	(2,394,252)
Transmissions and disbursement	(4,499,050)	(194,548)	-	(4,693,598)
Equipment	(1,008,649)	(88,423)	-	(1,097,072)
Subtotal	(7,776,052)	(408,870)	-	(8,184,922)
Net capital assets being depreciated	5,851,212	(346,275)	-	5,504,937
Capital assets, net	$ 6,354,311	$ 146,121	$ -	$ 6,500,432
Business-type Activities (Sewage Disposal System)				
Capital assets not being depreciated				
Land	$ 11,003	$ -	$ -	$ 11,003
Construction in progress	5,527,956	7,254,614	-	12,782,570
Subtotal	5,538,959	7,254,614	-	12,793,573
Capital assets being depreciated				
Buildings	4,455,040	-	-	4,455,040
Sewage Disposal System	3,920,478	-	-	3,920,478
Equipment	193,241	496,207	-	689,448
Subtotal	8,568,759	496,207	-	9,064,966
Less accumulated depreciation for:				
Building	(1,615,930)	(96,241)	-	(1,712,171)
Sewage Disposal System	(2,446,381)	(140,937)	-	(2,587,318)
Equipment	(93,702)	(17,023)	-	(110,725)
Subtotal	(4,156,013)	(254,201)	-	(4,410,214)
Net capital assets being depreciated	4,412,746	242,006	-	4,654,752
Capital assets, net	$ 9,951,705	$ 7,496,620	$ -	$ 17,448,325

NOTE 6 - CAPITAL ASSETS (continued)

Primary Government (continued)

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Business-type Activities (Water System)				
Capital assets not being depreciated				
Land	$ 14,353	$ -	$ -	$ 14,353
Construction in progress	-	412,154	-	412,154
Subtotal	14,353	412,154	-	426,507
Capital assets being depreciated				
Water System	6,780,172	-	-	6,780,172
Equipment	313,740	-	-	313,740
Subtotal	7,093,912	-	-	7,093,912
Less accumulated depreciation for:				
Water System	(3,648,751)	(192,905)	-	(3,841,656)
Equipment	(182,030)	(15,481)	-	(197,511)
Subtotal	(3,830,781)	(208,386)	-	(4,039,167)
Net capital assets being depreciated	3,263,131	(208,386)	-	3,054,745
Capital assets, net	$ 3,277,484	$ 203,768	$ -	$ 3,481,252

Component Unit

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Component Unit (DDA)				
Capital assets not being depreciated				
Land	$ 46,400	$ -	$ -	$ 46,400
Capital assets being depreciated				
Downtown improvements	703,381	-	-	703,381
City Hall building	2,601,000	-	-	2,601,000
Subtotal	3,304,381	-	-	3,304,381
Less accumulated depreciation for:				
Downtown improvements	(551,242)	(27,821)	-	(579,063)
City Hall building	(2,601,000)	-	-	(2,601,000)
Subtotal	(3,152,242)	(27,821)	-	(3,180,063)
Net capital assets being depreciated	152,139	(27,821)	-	124,318
Capital assets, net	$ 198,539	$ (27,821)	$ -	$ 170,718

NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the City for the year ended June 30, 2024.

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Primary Government					
Governmental Activities					
Direct borrowings and direct placements					
2016 Ambulance contract payable	$ 25,834	$ -	$ (25,834)	$ -	$ -
2020 Street Sweeper contract payable	132,195	-	(31,921)	100,274	32,661
2022 Snow Plow contract payable	141,384	-	(34,175)	107,209	34,944
2023 Jonh Deere Backhoe contract payable	-	115,411	-	115,411	20,907
2020 Heart Monitors contract payable	59,680	-	(19,894)	39,786	19,894
Compensated absences	77,234	117,254	(92,482)	102,006	102,006
Total governmental activities	436,327	232,665	(204,306)	464,686	210,412
Business-type Activities					
Other long-term obligations					
2020 Refunding Bonds - Electric	870,000	-	(75,000)	795,000	80,000
2023 General Obligation Bonds - Electric		3,470,000	-	3,470,000	65,000
2004 Water System Bonds	159,872	-	(85,000)	74,872	74,872
2011 Sanitary Sewer System Bonds	680,000	-	(16,000)	664,000	16,000
2010 Sanitary Sewer System Bonds	2,343,000	-	(55,000)	2,288,000	57,000
2022 Sanitary Sewer System Bonds	4,380,702	6,171,526	-	10,552,228	265,000
Bond premiums	-	202,371	-	202,371	-
Compensated absences	48,249	75,972	(68,553)	55,668	55,668
Total business-type activities	8,481,823	9,919,869	(299,553)	18,102,139	613,540
Total long-term Obligations	$ 8,918,150	$ 10,152,534	$ (503,859)	$ 18,566,825	$ 823,952

NOTE 7 - LONG-TERM OBLIGATIONS (continued)

Significant details regarding outstanding long-term obligations (including current portion) are presented below:

Primary Government - Direct Borrowings and Direct Placements

Installment Purchase Agreements

$224,400 Installment Purchase Agreement dated July 10, 2020, due in annual installments ranging from $32,661 to $34,194 through June 1, 2027, with interest at 2.32%, payable annually. The purchase agreement is secured by the real property purchased. The Agreement contains provisions that in an event of default the City will use any and all other resources available for payments.	$	100,274
$175,000 Installment Purchase Agreement dated November 15, 2021, due in annual installments ranging from $34,944 to $36,535 through November 1, 2026, with interest at 2.25%, payable annually. The purchase agreement is secured by the real property purchased. The Agreement contains provisions that in an event of default the City will use any and all other resources available for payments.		107,209
$115,411 Installment Purchase Agreement dated September 18, 2023, due in annual installments ranging from $20,907 to $25,366 through November 1, 2028, with interest at 4.95%, payable annually. The purchase agreement is secured by the real property purchased.		115,411
$99,468 Installment Purchase Agreement dated August 6, 2020, due in annual installments of $19,894 through October 9, 2025, with interest at 0.00%, payable annually. The purchase agreement is secured by the real property purchased. The Agreement contains provisions that in an event of default the lender has various options including declaring the entire unpaid balance due immediately, sue for any unpaid balance plus the purchase option of future payments and residual and interest, charge interest at a rate of 18% per year from the date of default until paid, and/or require immediately return of real property.		39,786
	$	362,680

NOTE 7 - LONG-TERM OBLIGATIONS (continued)

Primary Government - Other Long-term Obligations

\$1,105,000 General Obligation Limted Tax Refunding Bonds dated May 4, 2020, due in annual installments ranging from \$80,000 to \$100,000 through April 1, 2033, with interest of 2.35%, payable semi-annually.	\$ 795,000
\$3,470,000 General Obligation Limited Tax Bonds dated December 12, 2023, due in annual installments ranging from \$65,000 to \$255,000 through June 30, 2044, with interest ranging from 4.00% to 5.00%, payable annually.	3,470,000
\$1,344,872 Water System Bonds dated September 25, 2003, due in an annual installment \$74,872 through October 1, 2024, with interest of 2.50%, payable semi-annually.	74,872
\$840,000 Sanitary Sewer System Revenue Bonds dated March 9, 2011, due in annual installments ranging from \$16,000 to \$36,000 through December 1, 2050, with interest of 3.00%, payable semi-annually.	664,000
\$2,900,000 Sanitary Sewer System Revenue Bonds dated December 29, 2010, due in annual installments ranging from \$57,000 to \$121,000 through December 1, 2050, with interest of 3.00%, payable semi-annually.	2,288,000
\$11,050,000 Sanitary Sewer System Revenue Bonds dated September 20, 2022, due in annual installments ranging from \$265,000 to \$490,000 from April 1, 2025 through April 1, 2054, with interest of 2.125%, payable semi-annually. While an anticipated amortization schedule has been set, the bonds were not fully drawn down and the City has only reported the amount drawn down as long-term debt at June 30, 2024.	10,552,228
Plus bond premium on 2023 General Obligation Bonds.	202,371
	\$ 18,046,471

Advance Refunding - Prior

On May 4, 2020, the City defeased the 2008 Capital Improvement Bonds - Electric debt, which were due and payable April 1, 2021 through April 1, 2033. This was accomplished by establishing an irrevocable trust with an escrow agent composed of cash and U.S. government securities sufficient to meet the applicable principal and interest obligations. The City issued the 2020 Refunding Bonds in the amount of \$1,105,000. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. At June 30, 2024, bonds due and payable April 1, 2024 through April 1, 2033, for the 2008 Capital Improvement Bonds - Electric debt in the amount of \$795,000 are considered defeased.

NOTE 7 - LONG-TERM OBLIGATIONS (continued)

Compensated Absences

Individual employees have vested rights upon termination of employment to receive payments for unused vacation. The dollar amounts of these vested rights including related payroll taxes, which have been accrued on the government-wide financial statements. The total liability amounted to approximately $125,483 at June 30, 2024. Of this amount, $102,006 and $55,668 are shown as compensated absences liabilities in the governmental and business-type activities financial statements, respectively, in accordance with criteria disclosed in Note 1.

The annual requirements to pay the debt principal and interest outstanding for the long-term debt are as follows:

	Governmental Activities		Business-type Activities	
	Direct Borrowings and Direct Placements		Other Long-term Obligations	
	Equipment Purchase Agreements		Water System Bonds	
Year Ending June 30,	Principal	Interest	Principal	Interest
2025	$ 108,406	$ 10,451	$ 74,872	$ 936
2026	110,983	7,873	-	-
2027	93,757	5,207	-	-
2028	24,168	2,452	-	-
2029	25,366	1,255	-	-
	$ 362,680	$ 27,238	$ 74,872	$ 936

	Business-type Activities			
	Other Long-term Obligations			
	Electric System Bonds		Sanitary Sewer System Bonds	
Year Ending June 30,	Principal	Interest	Principal	Interest
2025	$ 145,000	$ 217,569	$ 338,000	$ 204,871
2026	200,000	169,203	350,000	199,836
2027	205,000	161,455	357,000	194,634
2028	210,000	153,458	365,000	189,304
2029	215,000	145,210	371,000	183,861
2030-2034	1,145,000	588,693	2,000,000	1,313,416
2035-2039	965,000	360,650	2,238,000	1,069,070
2040-2044	1,180,000	145,200	2,511,000	794,835
2045-2049	-	-	2,816,000	486,147
2050-2054	-	-	2,158,228	150,826
	$ 4,265,000	$ 1,941,438	$ 13,504,228	$ 4,786,800

NOTE 8 - RETIREMENT PLANS

Defined Benefit Plan

Plan Description

The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City 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's Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing MERS website at www.mersofmich.com.

Summary of Significant Accounting Policies

For the 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.

Benefits Provided

Benefits provided include plans with multipliers ranging from 1.00% to 2.50%.

Vesting periods range from 6 to 10 years.

Normal retirement age is 60. Reduced early retirement is available at 55 with 15 years of service, and unreduced early retirement is available at 50 with 25 years of service for applicable divisions.

Final average compensation is calculated based on three to five years. Member contributions are 3.00%.

At the December 31, 2023, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	44
Inactive employees or beneficiaries entitled to but not yet receiving benefits	16
Active employees	37
	97

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

NOTE 8 - RETIREMENT PLANS (continued)

Defined Benefit Plan (continued)

Contributions

Employer contributions range from 4.84% to 5.77% based on annual payroll for open divisions. Three divisions closed to new employees had a total annual contribution of $871,653.

Payable to the Pension Plan

At June 30, 2024, there were no amounts outstanding by the City for contributions to the pension plan required for the year ended June 30, 2024.

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.

Actuarial Assumptions

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: 2.50%

Salary increases: 3.00% plus merit and longevity, 3.00% in the long-term.

Investment rate of return: 7.18%, net of investment and administrative expense including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 3.00%-4.00%.

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

The actuarial assumptions used in valuation were based on the results of the 2014-2018 Five-year Experience Study.

Changes in Assumptions

Change in discount rate from 7.25 to 7.18%.

Changes in Benefits

There were no changes of benefit terms during plan year 2023.

NOTE 8 - RETIREMENT PLANS (continued)

Defined Benefit Plan (continued)

Projected Cash Flows

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.

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 geographic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Total Allocation Gross Rate of Return	Long-term Expected Real Rate of Return
Global equity	60.00%	4.38%	2.63%
Global fixed income	20.00%	2.00%	0.40%
Private investments	20.00%	7.00%	1.40%
	100.00%		4.43%
Inflation			2.50%
Assumed investment rate of return			6.93%
Administratve expense netted above			0.25%
Investment Rate of Return			7.18%

Discount Rate

The discount rate used to measure the total pension liability is 7.18%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. 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.

NOTE 8 - RETIREMENT PLANS (continued)

Defined Benefit Plan (continued)

Changes in Net Pension Liability

Changes in the net pension liability during the measurement year were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2022	$ 17,312,611	$ 9,582,392	$ 7,730,219
Changes for the year			
Service cost	204,717	-	204,717
Interest on total pension liability	1,222,591	-	1,222,591
Difference between expected and actual experience	599,231	-	599,231
Changes in assumptions	139,448	-	139,448
Employer contributions	-	842,686	(842,686)
Employee contributions	-	284,452	(284,452)
Net investment income	-	1,083,547	(1,083,547)
Benefit payments, including employee refunds	(1,103,276)	(1,103,276)	-
Administrative expense		(22,400)	22,400
Other changes	1	-	1
Net changes	1,062,712	1,085,009	(22,297)
Balances at December 31, 2023	$ 18,375,323	$ 10,667,401	$ 7,707,922

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

The following presents the Net Pension Liability of the employer, calculated using the discount rates 7.18%, as well as what the employer's Net Position Liability would be using a discount rate that is 1% point lower or 1% point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	$ 9,905,836	$ 7,707,922	$ 5,868,918

NOTE 8 - RETIREMENT PLANS (continued)

Defined Benefit Plan (continued)

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

For the year ended June 30, 2024, the City recognized pension expenses of $1,123,164. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 588,668	$ -
Changes in assumptions	104,586	-
Net difference between projected and actual earnings on pension plan investments	494,731	-
Contributions subsequent to the measurement date*	388,400	-
Total	$ 1,576,385	$ -

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense
2025	$ 408,732
2026	364,147
2027	494,201
2028	(79,095)
	$ 1,187,985

NOTE 8 - RETIREMENT PLANS (continued)

Defined Benefit/Defined Contribution (Hybrid) Plan Description

The City participates in the Michigan Municipal Employees Retirement System, an agent multiple-employer defined benefit/defined contribution (hybrid) pension plan that covers all eligible full-time employees of the City hired after July 1, 2010. This plan consists of a defined benefit and a defined contribution portion. In a defined benefit plan, an employer/sponsor promises a specified monthly benefit on retirement that is predetermined by a formula based on the employee's earnings history, tenure of service and age, rather than depending directly on individual investment returns. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

As established by the City Council, the City contributes 7% of the eligible employee wages. Of this 7%, a range of 3.90%-5.39% is allocated to the defined benefit portion and a range of 1.61%-3.10% is allocated to the defined contribution portion of the plan. Employees contribute 3% of their wages to the defined contribution portion of the plan.

For the year ended June 30, 2024, the City contributed $91,815 for the defined benefit portion and $30,647 for the defined contribution portion and the employees contributed $52,842 to the defined contribution part of the plan.

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS PLANS

Defined Benefits Plan

Plan Description

The City of Portland Retiree Healthcare Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the City of Portland. The Plan was established and is being funded under the authority of the City and under agreements with the unions representing various classes of employees. The Plan can be amended at the discretion of the City. The Plan does not issue separate stand-alone financial statements.

Benefits Provided

The Plan provides retirees age 55 with 10 years of service hired prior to July 1, 2013 with medical and prescription drug coverage in accordance with union agreements and/or personnel policies. The City covers the cost of coverage for these benefits less the balance of premiums required to contributed by retirees in accordance with Plan provisions.

Summary of Plan Participants

At the June 30, 2024 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	5
Active employees	12
	17

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS PLANS (continued)

Defined Benefits Plan (continued)

Contributions

The City has no obligations to make contributions in advance of when the premiums are due for payments (i.e., may be financed on a "pay-as-you-go" basis). The City is currently only paying premiums of retirees from current, available financial resources. For the year ended June 30, 2024, the City's only contribution was its portion of premium payments.

Net OPEB Liability

The net OPEB liability of the City was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate	4.21%
Healthcare Cost Trend Rates	
Current Year Trend	7.25%
Ultimate Trend	4.50%
Year Ultimate Trend is Reached	2034
Salary Increases	3.00%

The discount rate was based on the yield or index rate for 20 year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2021.

The mortality assumptions include a margin for future mortality improvements using Scale MP-2021 projected fully-generationally from the central year of data, 2010.

Changes in Assumptions

The actuarial assumptions were changed during the year as follows:

The Municipal Bond Rate increased from 4.13% to 4.21%.
The Minimum Rate under PA 202 of 2017 increased from 3.54% to 3.61% in accordance with the Uniform Assumptions.
The Annual Healthcare Trend was updated in accordance with the Uniform Assumptions for 2024.

Changes in Benefits

There were no changes of benefit terms during plan year 2024.

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS PLANS (continued)

Defined Benefits Plan (continued)

Summary of Significant Accounting Policies

For purposes of measuring the net other post-employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the Plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported for the City. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments, if there were any, would be reported at fair value. At June 30, 2024, the City had no fiduciary plan assets, so net position at June 30, 2024, was $0.

Change in Total OPEB Liability

The change in the total OPEB liability for the year ended June 30, 2024 is as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2023	$ 916,722	$ -	$ 916,722
Changes for the year			
Service cost	23,827	-	23,827
Interest on total OPEB liability	37,208	-	37,208
Difference between expected and actual experience	23,227	-	23,227
Changes in assumptions	11,574	-	11,574
Employer contributions	-	55,437	(55,437)
Benefit payments, including employee refunds	(55,437)	(55,437)	-
Net changes	40,399	-	40,399
Balances at June 30, 2024	$ 957,121	$ -	$ 957,121

Change in Total OPEB Liability

The following presents the OPEB liability of the City, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	$ 1,017,014	$ 957,121	$ 857,514

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS PLANS (continued)

Defined Benefits Plan (continued)

Sensitivity of the OPEB liability to Changes in Healthcare Cost Trend Rates

The following presents the OPEB liability of the City, as well as what the City's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current healthcare cost rates:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	$ 836,166	$ 957,121	$ 1,045,974

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense of $15,818. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 52,632	$ 341,283
Changes in assumptions	121,672	142,977
Total	$ 174,304	$ 484,260

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	OPEB Expense
2025	$ (45,217)
2026	(45,217)
2027	(45,217)
2028	(45,217)
2029	(45,217)
Thereafter	(83,871)
	$ (309,956)

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS PLANS (continued)

Defined Contribution Plan Description

The City participates in the Michigan Municipal Employees Retirement System Health Care Savings Plan (HCSP), an agent multiple-employer defined contribution OPEB plan that covers all eligible full-time employees of the City hired after July 1, 2013. As established by City Council, the City contributes 1 percent of eligible employee wages for the police department. For the year ended June 30, 2024, the City contributed $4,071. For all other employees, the City does not contribute. Participating employees contribute 3% of their wages to the plan. For the year ended June 30, 2024, employees contributed $56,747.

In addition, police department employees hired prior to July 1, 2013 contribute 0.25% of wages to the HCSP. Employees in this group also are required to contribute up to 48 hours of wages per year if the individual employee's unused sick leave time exceeds the 320-hour maximum agreed upon.

NOTE 10 - DEFERRED COMPENSATION PLANS

The City of Portland offers its employees a deferred compensation plan sponsored by the ICMA Retirement Corporation or MERS, which are both compensation plans created in accordance with IRC Section #457. The plan, available to all City employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency. The City's deferred compensation programs are administered by the ICMA Retirement Corporation and MERS.

NOTE 11 - RISK MANAGEMENT

The City participates in a pool, the Michigan Municipal League Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool'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 in any of the past three fiscal years.

The City also participates in a State pool, the Michigan Municipal League Liability and Property Pool, with other municipalities for property, liability, auto, crime, bonding, and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. State pool members' limits of coverage are detailed in their policy agreements with the authority. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool'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 in any of the past three fiscal years.

NOTE 12 - CALCULATION OF NET INVESTMENT IN CAPITAL ASSETS

Net Investment in Capital Assets

Net investment in capital assets represents the following:

Net Investment in Capital Assets	Governmental Activities	Business-type Activities	Component Units
Capital assets, net	$ 15,459,575	$ 27,430,009	$ 170,718
Less:			
Outstanding principal of capital related debt	(362,680)	(18,046,471)	-
Net investment in capital assets	$ 15,096,895	$ 9,383,538	$ 170,718

NOTE 13 - RESTRICTED NET POSITION

Restrictions of net position shown in the government-wide financial statements indicate that restrictions imposed by the funding source or some other outside source which precludes their use for unrestricted purposes. The following are the various net position restrictions as of June 30, 2024:

PRIMARY GOVERNMENT	
Governmental Activities	
Other Purposes	
Streets	$ 436,389
Ambulance	130,985
Leik Grove property - Public Works	14,993
Cemetery Perpetual Care, nonexpendable	197,563
	$ 779,930
Business-type Activities	
Restricted for utilities	
Electric Light and Power	$ 453,086
Sewage Disposal System	153,804
	$ 606,890
Restricted for debt service	
Electric Light and Power	$ 123,222
Sewage Disposal System	387,365
	$ 510,587
Restricted for equipment replacement	
Sewage Disposal System	$ 375,550

NOTE 13 - RESTRICTED NET POSITION (continued)

Section 12.9 of the City Charter created an electric utility reserve fund for the purpose of accumulating and holding such money which, in addition to insurance carried by the City, may be deemed by the Board of Light and Power to be prudently necessary for the protection, improvement, replacement, and extension of the City electric public utility plants and facilities.

Monies expended from the utility reserve fund must be replaced from the revenues of the City electric utility, and the amount in the fund must total the sum required by the charter (i.e., 10% of the undepreciated original cost of the electric utility of the City) before any electric utility revenues can be appropriated for other capital expenditures of the City.

NOTE 14 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2024, the City implemented GASB Statement No.100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*.

GASB Statement No. 100 Summary:

GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, was issued in June 2022. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

NOTE 15 - RESTATEMENT OF BEGINNING FUND BALANCE

The beginning fund balances of the Major Street Fund and Nonmajor Governmental Funds have been restated, as the Major Street Fund was reported as a major fund for the year ended June 30, 2024.

	Reporting Units Affected by Restatement of Beginning Balances	
	Major Street Fund	Nonmajor Governmental Funds
Fund balance, as previously reported	$ -	$ 856,127
Change from nonmajor to major fund	430,268	(430,268)
Fund balance, as restated	$ 430,268	$ 425,859

NOTE 16 - CONTRACTUAL COMMITMENTS

The City has entered into contracts for a sewer related infrastructure project that was not completed at June 30, 2024. The total contractual commitments outstanding at June 30, 2024, totaled $2,396,495. Future anticipated bond proceeds and user charges are expected to be sufficient to cover this commitment.

NOTE 17 - CODE ENFORCEMENT FINANCIAL INFORMATION

The City has elected to report the financial activities of the code enforcement department in the General Fund. The following is the required information as it relates to this department for the year ended June 30, 2024:

Revenues	
Licenses and Permits	
Permits	$ 47,378
Expenditures	
Salaries and wages	1,694
Fringe benefits	7,592
Contractual services	15,526
Supplies	680
Other	85
TOTAL EXPENDITURES	25,577
EXCESS OF REVENUES OVER EXPENDITURES	21,801
Code Enforcement (Deficit) at June 30, 2023	(856,397)
Code Enforcement (Deficit) at June 30, 2024	$ (834,596)

NOTE 18 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

NOTE 18 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

a. Management's discussion and analysis (MD&A);
    i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
        1) Overview of the Financial Statements,
        2) Financial Summary,
        3) Detailed Analyses,
        4) Significant Capital Asset and Long-Term Financing Activity,
        5) Currently Known Facts, Decisions, or Conditions;
    ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
    iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;

b. Unusual or infrequent items;

c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
    i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
    ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;

d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;

e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PORTLAND
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes				
Property taxes	$ 1,223,862	$ 1,223,862	$ 1,276,173	$ 52,311
Penalties and interest	4,500	4,500	6,526	2,026
Tax collection	49,000	49,000	46,600	(2,400)
Total taxes	1,277,362	1,277,362	1,329,299	51,937
Licenses and permits				
Cable television license	14,000	14,000	11,606	(2,394)
City licenses and permits	85,100	85,100	47,378	(37,722)
Total licenses and permits	99,100	99,100	58,984	(40,116)
Intergovernmental				
State				
Sales tax	535,509	535,509	537,163	1,654
Local community stabilization	-	-	10,712	10,712
Act 302 training funds	500	500	1,946	1,446
State liquor license	3,900	3,900	6,328	2,428
Public safety	-	-	27,000	27,000
Total intergovernmental	539,909	539,909	583,149	43,240
Charges for services				
Cemetery fees and lot sales	29,000	29,000	45,549	16,549
Administrative charges	442,992	442,992	442,992	-
Other fees	500	500	1,108	608
Total charges for services	472,492	472,492	489,649	17,157
Fines and forfeits				
Parking	1,400	1,400	400	(1,000)
District court	6,800	6,800	11,203	4,403
Other	3,700	3,700	11,682	7,982
Total fines and forfeits	11,900	11,900	23,285	11,385
Interest and rents	13,100	13,100	39,471	26,371
Other				
Donations	10,100	10,100	2,625	(7,475)
Reimbursements	33,000	33,000	106,023	73,023
Total other	43,100	43,100	108,648	65,548
TOTAL REVENUES	2,456,963	2,456,963	2,632,485	175,522

CITY OF PORTLAND
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
EXPENDITURES				
Current				
General government				
Council, boards, and commissions	$ 4,975	$ 5,690	$ 4,567	$ 1,123
Community promotions	130,330	147,480	129,900	17,580
City manager	217,766	236,566	214,289	22,277
Assessing services	59,870	64,390	61,064	3,326
Elections	17,130	15,130	10,976	4,154
City hall and grounds	100,585	112,100	97,698	14,402
General administrative	510,175	584,091	532,866	51,225
Total general government	1,040,831	1,165,447	1,051,360	114,087
Public safety				
Police department	885,551	934,851	843,875	90,976
Fire authority	129,000	129,000	128,664	336
Code enforcement	30,770	32,670	25,577	7,093
Total public safety	1,045,321	1,096,521	998,116	98,405
Public works				
Street lighting	38,000	37,000	30,340	6,660
Cemetery operations	198,835	202,540	189,828	12,712
Total public works	236,835	239,540	220,168	19,372
Health and welfare				
Ambulance service	75,920	75,920	75,920	-
Community and economic development				
Economic development	24,000	30,000	28,533	1,467
Recreation and culture				
Parks department	471,472	367,822	305,125	62,697
Capital outlay	95,000	261,945	258,038	3,907
TOTAL EXPENDITURES	2,989,379	3,237,195	2,937,260	299,935
EXCESS OF REVENUES (UNDER) EXPENDITURES	(532,416)	(780,232)	(304,775)	475,457

CITY OF PORTLAND
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	$ 4,900	$ 4,900	$ 194	$ (4,706)
Transfers in	201,516	201,516	201,702	186
Transfers out	(56,000)	(56,000)	(56,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	150,416	150,416	145,896	(4,520)
NET CHANGE IN FUND BALANCE	(382,000)	(629,816)	(158,879)	470,937
Fund balance, beginning of year	2,213,780	2,213,780	2,213,780	-
Fund balance, end of year	$ 1,831,780	$ 1,583,964	$ 2,054,901	$ 470,937

CITY OF PORTLAND
CITY INCOME TAX FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 917,400	$ 917,400	$ 1,325,621	$ 408,221
Fines and forfeits	20,000	20,000	37,465	17,465
Interest	2,000	2,000	96,267	94,267
Special assessment	-	-	512	512
Other	-	-	3,213	3,213
TOTAL REVENUES	939,400	939,400	1,463,078	523,678
EXPENDITURES				
Current				
General government	323,601	326,801	255,426	71,375
EXCESS OF REVENUES OVER EXPENDITURES	615,799	612,599	1,207,652	595,053
OTHER FINANCING (USES)				
Transfers out	(1,256,000)	(2,874,000)	(1,024,060)	1,849,940
NET CHANGE IN FUND BALANCE	(640,201)	(2,261,401)	183,592	2,444,993
Fund balance, beginning of year	2,235,908	2,235,908	2,235,908	-
Fund balance, end of year	$ 1,595,707	$ (25,493)	$ 2,419,500	$ 2,444,993

CITY OF PORTLAND
MAJOR STREET FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 462,122	$ 471,122	$ 510,336	$ 39,214
Interest	-	-	2,157	2,157
Other	2,000	2,000	6,147	4,147
TOTAL REVENUES	464,122	473,122	518,640	45,518
EXPENDITURES				
Current				
Public works	1,486,354	3,134,204	755,385	2,378,819
EXCESS OF REVENUES (UNDER) EXPENDITURES	(1,022,232)	(2,661,082)	(236,745)	2,424,337
OTHER FINANCING SOURCES (USES)				
Transfers in	931,000	2,331,000	242,309	(2,088,691)
Transfers out	(50,000)	(50,000)	(50,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	881,000	2,281,000	192,309	(2,088,691)
NET CHANGE IN FUND BALANCE	(141,232)	(380,082)	(44,436)	335,646
Fund balances, beginning of year, as previously reported	-	-	-	-
Changes within financial reporting entity (nonmajor to major)	430,268	430,268	430,268	-
Fund balance, beginning of year, as restated	430,268	430,268	430,268	-
Fund balance, end of year	$ 289,036	$ 50,186	$ 385,832	$ 335,646

CITY OF PORTLAND
AMBULANCE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 832,420	$ 878,260	$ 950,432	$ 72,172
Interest	-	530	660	130
Other	-	-	625	625
TOTAL REVENUES	832,420	878,790	951,717	72,927
EXPENDITURES				
Current				
Health and welfare	905,868	1,032,768	1,004,126	28,642
EXCESS OF REVENUES (UNDER) EXPENDITURES	(73,448)	(153,978)	(52,409)	101,569
OTHER FINANCING (USES)				
Transfers out	(26,552)	(26,552)	(26,552)	-
NET CHANGE IN FUND BALANCE	(100,000)	(180,530)	(78,961)	101,569
Fund balance, beginning of year	209,946	209,946	209,946	-
Fund balance, end of year	$ 109,946	$ 29,416	$ 130,985	$ 101,569

CITY OF PORTLAND
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN MEASUREMENT DATES
(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service cost	$ 195,518	$ 191,696	$ 184,007	$ 176,437	$ 185,869	$ 179,089	$ 143,073	$ 143,412	$ 183,840	$ 204,717
Interest	996,910	1,014,053	1,042,491	1,069,900	1,079,521	1,110,014	1,098,267	1,135,430	1,172,704	1,222,591
Changes of benefit terms	-	-	(5,276)	(6,729)	(5,079)	-	-	-	-	-
Difference between expected and actual experience	-	(412,990)	(107,437)	(292,292)	1,314	(266,349)	(216,932)	378,416	417,733	599,231
Changes of assumptions	-	650,689	-	-	-	463,664	422,387	614,696	-	139,448
Benefit payments including employee refunds	(668,323)	(667,741)	(732,278)	(802,498)	(861,043)	(893,118)	(892,299)	(1,023,655)	(1,089,944)	(1,103,276)
Administrative expense	(23,983)	(1)	-	-	-	-	-	-	-	-
Other changes	-	-	1	(2)	1	1	-	(1)	(1)	1
Net Change in Total Pension Liability	500,122	775,706	381,508	144,816	400,583	593,301	554,496	1,248,298	684,332	1,062,712
Total Pension Liability, beginning	12,029,449	12,529,571	13,305,277	13,686,785	13,831,601	14,232,184	14,825,485	15,379,981	16,628,279	17,312,611
Total Pension Liability, ending	$ 12,529,571	$ 13,305,277	$ 13,686,785	$ 13,831,601	$ 14,232,184	$ 14,825,485	$ 15,379,981	$ 16,628,279	$ 17,312,611	$ 18,375,323
Plan Fiduciary Net Position										
Contributions-employer	$ 434,906	$ 548,464	$ 480,164	$ 521,381	$ 540,938	$ 535,426	$ 567,238	$ 662,379	$ 715,172	$ 842,686
Contributions-employee	-	-	7,880	20,842	34,684	38,610	36,451	30,053	29,834	284,452
Net Investment income (loss)	481,656	(117,021)	861,635	1,082,559	(347,651)	1,127,693	1,160,296	1,400,557	(1,151,673)	1,083,547
Benefit payments including employee refunds	(668,323)	(667,741)	(732,278)	(802,498)	(861,043)	(893,118)	(892,299)	(1,023,655)	(1,089,944)	(1,103,276)
Administrative expense	(17,676)	(17,201)	(17,018)	(17,152)	(17,388)	(19,429)	(18,373)	(16,071)	(20,292)	(22,400)
Other changes	-	-	1	-	1	1	-	-	-	-
Net Change in Plan Fiduciary Net Position	230,563	(253,499)	600,384	805,132	(650,459)	789,183	853,313	1,053,263	(1,516,903)	1,085,009
Plan Fiduciary Net Position, beginning	7,671,415	7,901,978	7,648,479	8,248,863	9,053,995	8,403,536	9,192,719	10,046,032	11,099,295	9,582,392
Plan Fiduciary Net Position, ending	$ 7,901,978	$ 7,648,479	$ 8,248,863	$ 9,053,995	$ 8,403,536	$ 9,192,719	$ 10,046,032	$ 11,099,295	$ 9,582,392	$ 10,667,401
Employer Net Pension Liability	$ 4,627,593	$ 5,656,798	$ 5,437,922	$ 4,777,606	$ 5,828,648	$ 5,632,766	$ 5,333,949	$ 5,528,984	$ 7,730,219	$ 7,707,922
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	63%	57%	60%	65%	59%	62%	65%	67%	55%	58%
Covered payroll	$ 2,011,873	$ 2,002,154	$ 1,964,499	$ 1,968,154	$ 2,119,458	$ 2,090,582	$ 1,799,468	$ 2,018,237	$ 2,459,090	$ 2,794,949
Employer's Net Pension Liability as a percentage of covered payroll	230%	283%	277%	243%	275%	269%	296%	274%	314%	276%

CITY OF PORTLAND
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarial determined contributions[1]	$ 447,139	$ 447,697	$ 512,810	$ 532,687	$ 544,766	$ 526,780	$ 611,971	$ 713,468	$ 715,664	$ 771,653
Contributions in relation to the actuarially determined contribution	447,139	447,697	512,810	532,687	544,766	526,780	611,971	713,468	715,664	871,653
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (100,000)
Covered payroll	$ 2,132,656	$ 2,171,832	$ 2,218,598	$ 2,058,415	$ 2,136,352	$ 2,388,980	$ 2,073,423	$ 2,245,001	$ 2,422,191	$ 2,832,687
Contributions as a percentage of covered payroll	21%	21%	23%	26%	25%	22%	30%	32%	30%	31%

(1) The actuarially determined contribution was calculated based on projected covered payroll. Employer contributions were made in full based on actual covered payroll. Accordingly, the actuarially-determined contribution has been expressed above as a percentage of actual payroll.

CITY OF PORTLAND
RETIRED EMPLOYEES' HEALTH CARE BENEFITS
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN MEASUREMENT DATES (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service cost	$ 68,758	$ 45,128	$ 39,990	$ 47,183	$ 32,875	$ 23,044	$ 23,827
Interest	33,145	32,943	32,300	28,836	22,113	35,850	37,208
Difference between expected and actual experience	(381,164)	(180,034)	-	(89,930)	9,152	30,793	23,227
Changes in assumptions	143,037	(7,663)	70,510	(22,870)	(157,426)	(14,429)	11,574
Benefit payments including employee refunds	(55,913)	(35,346)	(28,583)	(19,373)	(32,146)	(47,099)	(55,437)
Net Change in Total OPEB Liability	(192,137)	(144,972)	114,217	(56,154)	(125,432)	28,159	40,399
Total OPEB Liability - beginning	1,293,041	1,100,904	955,932	1,070,149	1,013,995	888,563	916,722
Total OPEB Liability - ending	$ 1,100,904	$ 955,932	$ 1,070,149	$ 1,013,995	$ 888,563	$ 916,722	$ 957,121
Plan Fiduciary Net Position							
Contributions-employer	$ 55,913	$ 35,346	$ 28,583	$ 19,373	$ 32,146	$ 47,099	$ 55,437
Contributions-employee	-	-	6,258	-	-	-	-
Benefit payments including employee refunds	(55,913)	(35,346)	(34,841)	(19,373)	(32,146)	(47,099)	(55,437)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-
Plan Fiduciary Net Position - beginning	-	-	-	-	-	-	-
Plan Fiduciary Net Position - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer Net OPEB Liability	$ 1,100,904	$ 955,932	$ 1,070,149	$ 1,013,995	$ 888,563	$ 916,722	$ 957,121
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0%	0%	0%	0%	0%	0%	0%
Covered payroll	$ 1,120,572	$ 916,624	$ 1,157,807	$ 854,037	$ 853,008	$ 897,888	$ 1,107,953
Employer's Net OPEB Liability as a percentage of covered payroll	98%	104%	92%	119%	104%	102%	86%

CITY OF PORTLAND
RETIRED EMPLOYEES' HEALTH CARE BENEFITS
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
LAST SEVEN FISCAL YEARS (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contributions	$ 119,762	$ 27,955	$ 71,158	$ 73,827	$ 81,998	$ 84,459	$ 82,491
Contributions in relation to the actuarially determined contribution	55,913	61,748	28,583	19,373	32,146	47,099	55,437
Contribution deficiency (excess)	$ 63,849	$ (33,793)	$ 42,575	$ 54,454	$ 49,852	$ 37,360	$ 27,054
Covered payroll	$ 1,120,572	$ 916,624	$ 1,157,807	$ 854,037	$ 853,008	$ 897,888	$ 1,107,953
Contributions as a percentage of covered payroll	5%	7%	2%	2%	4%	5%	5%

Beginning Fiscal Year Ending 2020, the ADC is calculated in accordance with the requirements of Public Act 202 of 2017, namely Numbered Letter 2018-3. For Fiscal Years Ended 2018 and 2019, the ADC is calculated in accordance with the Employer's funding policy, substantive or otherwise.

NOTE 1 - EMPLOYEE PENSION PLAN

Actuarial valuation information relative to the determination of contributions:

Valuation date	December 31, 2023
Measurement date	December 31, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, open
Asset valuation method	5-year smoothing
Remaining amortization period	15 years
Investment rate of return	7.18%, net of investment and administrative expense including inflation
Discount rate	7.18%
Salary increases	3.00% in the long-term plus merit and longevity
Inflation rate	2.50%
Mortality	Version of Pub-2010 and fully generational MP-2019

Changes in Benefits Terms:	There were no changes of benefit terms during plan year 2023.
Changes in Assumptions:	Change in discount rate from 7.25 to 7.18%.

NOTE 2 - OTHER POST-EMPLOYMENT BENEFITS PLANS

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2024
Measurement date	June 30, 2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	25 years
Long-term expected rate of return	Not applicable, the Plan does not have an irrevocable trust.
Discount rate	4.21%
Salary growth rate	3.00%
Inflation rate	2.50%
Healthcare cost trend rate	7.25% graded down to 4.50% by 0.25% per year
AA 20-year municipal bond rate	4.21%
Utilization	100%, covered employees at the valuation date will elect the same coverage at retirement
Mortality	Version of Pub-2010 and fully generational MP-2021

NOTE 2 - OTHER POST-EMPLOYMENT BENEFITS PLANS (continued)

Changes of Benefits Terms:	There were no changes of benefit terms during plan year 2024.
Changes in Assumptions:	The Municipal Bond Rate increased from 4.13% to 4.21%. The Minimum Rate under PA 202 of 2017 increased from 3.54% to 3.61% in accordance with the Uniform Assumptions. The Annual Healthcare Trend was updated in accordance with the Uniform Assumptions for 2024.

OTHER SUPPLEMENTARY INFORMATION

CITY OF PORTLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024

	Special Revenue		Capital Projects	Permanent	
	Local Street	Recreation	Capital Projects	Cemetery Perpetual Care	Total
ASSETS					
Cash and cash equivalents	$ 206,054	$ 39,623	$ 3,362	$ 197,563	$ 446,602
Accounts receivable	24	-	-	-	24
Due from other governmental units	24,276	-	-	-	24,276
Due from other funds	-	-	-	-	-
Prepaids	2,473	601	-	-	3,074
TOTAL ASSETS	$ 232,827	$ 40,224	$ 3,362	$ 197,563	$ 473,976
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 177,622	$ 3,006	$ -	$ -	$ 180,628
Accrued liabilities	4,648	1,819	-	-	6,467
TOTAL LIABILITIES	182,270	4,825	-	-	187,095
FUND BALANCES					
Nonspendable					
Prepaids	2,473	601	-	-	3,074
Perpetual care	-	-	-	197,563	197,563
Restricted					
Streets	48,084	-	3,362	-	51,446
Assigned					
Recreation	-	34,798	-	-	34,798
TOTAL FUND BALANCES	50,557	35,399	3,362	197,563	286,881
TOTAL LIABILITIES AND FUND BALANCES	$ 232,827	$ 40,224	$ 3,362	$ 197,563	$ 473,976

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

	Special Revenue			Capital Projects	Permanent	
	Formerly Nonmajor Major Street	Local Street	Recreation	Capital Projects	Cemetery Perpetual Care	Total
REVENUES						
Taxes		$ 187,790	$ -	$ -	$ -	$ 187,790
Intergovernmental		163,147	14,500	-	-	177,647
Charges for services		-	80,383	-	2,900	83,283
Interest		867	156	-	362	1,385
Other		5,141	1,518	-	-	6,659
TOTAL REVENUES		356,945	96,557	-	3,262	456,764
EXPENDITURES						
Current						
Public works		542,061	-	-	-	542,061
Recreation and culture		-	135,320	-	-	135,320
TOTAL EXPENDITURES		542,061	135,320	-	-	677,381
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(185,116)	(38,763)	-	3,262	(220,617)
OTHER FINANCING SOURCES (USES)						
Transfers in		50,000	32,000	-	-	82,000
Transfers out		-	-	-	(361)	(361)
TOTAL OTHER FINANCING SOURCES (USES)		50,000	32,000	-	(361)	81,639
NET CHANGE IN FUND BALANCES		(135,116)	(6,763)	-	2,901	(138,978)
Fund balances, beginning of year as previously reported	430,268	185,673	42,162	3,362	194,662	856,127
Changes within financial reporting entity (nonmajor to major)	(430,268)	-	-	-	-	(430,268)
Fund balances, beginning of year, as restataed		185,673	42,162	3,362	194,662	425,859
Fund balances, end of year		$ 50,557	$ 35,399	$ 3,362	$ 197,563	$ 286,881

CITY OF PORTLAND
COMPONENT UNIT FUND
BALANCE SHEET - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2024

ASSETS	
Cash	$ 627,236
Prepaids	884
TOTAL ASSETS	$ 628,120
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 34,096
Accrued liabilities	2,627
TOTAL LIABILITIES	36,723
FUND BALANCE	
Nonspendable	
Prepaids	884
Unassigned	590,513
TOTAL FUND BALANCE	591,397
TOTAL LIABILITIES AND FUND BALANCE	$ 628,120

CITY OF PORTLAND
COMPONENT UNIT FUND
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2024

Total fund balance - governmental fund		$ 591,397
Amounts reported for the governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
The cost of capital assets is	$ 3,350,781	
Accumulated depreciation is	(3,180,063)	
Capital assets, net		170,718
Net position of governmental activities		$ 762,115

CITY OF PORTLAND
COMPONENT UNIT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - DOWNTOWN DEVELOPMENT AUTHORITY
YEAR ENDED JUNE 30, 2024

REVENUES	
Taxes	$ 237,834
Intergovernmental	55,794
Interest	1,819
Other	29,186
TOTAL REVENUES	324,633
EXPENDITURES	
Current	
Community and economic development	193,161
Capital outlay	26,600
TOTAL EXPENDITURES	219,761
NET CHANGE IN FUND BALANCE	104,872
Fund balance, beginning of year	486,525
Fund balance, end of year	$ 591,397

CITY OF PORTLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENT FUND TO THE STATEMENT OF ACTIVITIES - DOWNTOWN DEVELOPMENT AUTHORITY
YEAR ENDED JUNE 30, 2024

Net change in fund balance - governmental fund	$ 104,872
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in the governmental fund. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:	
Depreciation expense	(27,821)
Change in net position of governmental activities	$ 77,051

CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2024

City of Portland
Total Taxable Value
Fiscal Years Ended or Ending June 30, 2021 Through 2025

Assessed Value as of December 31	Year of State Equalization and Tax Levy	City's Fiscal Year Ended or Ending June 30	Ad Valorem Taxable Value (2)	Equivalent Taxable Value of Property Granted Tax Abatement Under Act 198(1)	Total Taxable Value	Percent Increase Over Prior Year
2019	2020	2021	98,967,604	568,100	99,535,704	3.400
2020	2021	2022	102,500,014	310,200	102,810,214	3.180
2021	2022	2023	107,166,069	320,436	107,486,505	4.300
2022	2023	2024	113,464,280	0	113,464,280	5.200
2023	2024	2025	121,346,353	0	121,346,353	6.490

Per Capita Total Taxable Value for the Fiscal Year Ending June 30, 2025 (3)...$31,967.00

(1) At the full tax rate. See "CITY TAXATION AND LIMITATIONS – Tax Abatement" herein.
(2) Original warrant values prior to Board of Review and Tax Tribunal adjustments.
(3) Based on the City's 2020 Census of 3796
Source: City of Portland

City of Portland
Total Taxable Value by Use and Class
Fiscal Years Ended or Ending June 30, 2021 Through 2025

	Fiscal Year Ended or Ending June 30				
Use	2021	2022	2023	2024	2025
Residential	$71,729,590	$74,116,022	$78,440,323	$83,753,516	$90,000,655
Commercial	24,496,262	25,716,291	26,251,148	26,987,967	26,541,861
Industrial	2,293,852	1,964,601	1,791,634	1,595,297	1,660,137
Utility	1,016,000	1,013,300	1,003,400	1,118,400	1,129,700
Development	0	0	0	0	0
	$ 99,535,704	$102,810,214	$107,486,505	$113,455,180	$119,332,353
Class	2021	2022	2023	2024	2025
Real Property	$95,720,304	$99,260,314	$103,992,405	$110,645,992	$118,202,653
Personal Property	3,815,400	3,549,900	3,494,100	2,809,188	3,143,700
	$ 99,535,704	$102,810,214	$107,486,505	$113,455,180	$121,346,353

Source: City of Portland

CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2024

City of Portland
Total State Equalized Valuation
Fiscal Years Ended or Ending June 30, 2021 Through 2025

Assessed Value as of December 31	Year of State Equalization and Tax Levy	City's Fiscal Year Ended or Ending June 30	Ad Valorem SEV (2)	SEV of Property Granted Tax Abatement Under Act 198 (1)	Total SEV	Percent Increase Over Prior Year
2019	2020	2021	113,582,291	568,100	114,150,391	7.800
2020	2021	2022	121,394,000	310,200	121,704,200	6.200
2021	2022	2023	129,790,900	320,436	130,111,336	6.400
2022	2023	2024	143,936,488	0	143,936,488	9.605
2023	2024	2025	157,239,145	0	157,239,145	8.400

Per Capita Total SEV for the Fiscal Year Ending June 30, 2025 (3)..$41,422.00

(1) See "CITY TAXATION AND LIMITATIONS – Tax Abatement" herein.
(2) Original warrant values prior to Board of Review and Tax Tribunal adjustments.
3) Based on the City's 2020 census of 3,796.
Source: City of Portland

City of Portland
Total SEV by Use and Class
Fiscal Years Ended or Ending June 30, 2021 Through 2025

	Fiscal Year Ended or Ending June 30				
Use	2021	2022	2023	2024	2025
Residential	$ 84,359,091	$ 91,642,800	$ 99,606,300	$111,183,100	$122,350,500
Commercial...................	26,481,100	27,024,100	27,519,800	29,834,788	31,983,345
Industrial.......................	2,294,200	2,024,000	1,981,836	1,800,200	1,754,600
Utility............................	1,016,000	1,013,300	1,003,400	1,118,400	1,129,700
Development.................	0	0	0	0	0
	$ 114,150,391	$ 121,704,200	$ 130,111,336	$143,936,488	$157,218,145

Class	2021	2022	2023	2024	2025
Real Property	$110,334,991	$118,154,300	$126,617,236	$141,127,300	$154,074,445
Personal Property..........	3,815,400	3,549,900	3,494,100	2,809,188	3,143,700
	$114,150,391	$ 121,704,200	$ 130,111,336	$143,936,488	$157,218,145

Source: City of Portland

City of Portland
Maximum Property Tax Rates
Fiscal Year Ending June 30, 2025

Millage Classification	Millage Authorized	Millage Reduction Fraction (1)	Maximum Allowable Millage
Operating (5)	15.0000	1.5307	13.4693

(1) Cumulative.
(2) Includes 1.00 mill for local streets.
(3) Includes .9907 mill for local streets.
(4) Includes .9910 mill for local streets.
(5) Includes .9862 mill for local streets
Source: City of Portland

City of Portland
Property Tax Rates (1)
Fiscal Years Ended or Ending June 30, 2021 Through 2025

Levy **July 1**	Fiscal Year Ended or **Ending June 30**	Total Operating
2020	2021	13.5303 (3)
2021	2022	13.6574 (2)
2022	2023	13.5344 (4)
2023	2024	13.5344 (4)
2024	2025	13.4693 (5)

(1) See “CITY TAXATION AND LIMITATIONS – Property Taxes” and “CITY TAXATION AND LIMITATIONS – State Limitations on Property Taxes,” herein.
Source: City of Portland

CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2024

City of Portland
Homestead (1) Property Tax Rates by Governmental Unit
Fiscal Years Ended June 30, 2021 Through 2025

	Fiscal Year Ended June 30				
Governmental Unit	2021	2022	2023	2024	2025
City of Portland	13.5303	13.6574	13.5344	13.5344	13.4693
County of Ionia	4.6265	4.59410	4.5711	4.5711	4.5537
State of Michigan	6.0000	6.0000	6.0000	6.0000	6.0000
Portland Public Schools	7.3500	7.3500	7.3500	7.3500	7.3500
Intermediate School District	4.8690	4.8527	4.8261	4.8261	4.7858
Intermediate School District-Tech Ed	.9981	.9921	.9875	.9875	.9774
Library	1.2308	1.2308	1.8359	1.7859	1.2112
Seniors	.4981	.4981	.4921	.4921	.4902
Roads	.9987	.9987	.9867	.9867	.9962
Total	40.1015	40.1739	40.5838	40.5338	39.8338

City of Portland
Non-Homestead (1) Property Tax Rates by Governmental Unit
Fiscal Years Ended June 30, 2021 Through 2025

Governmental Unit	2021	2022	2023	2024	2025
City of Portland	13.5303	13.6574	13.5344	13.5344	13.4693
County of Ionia	4.6265	4.59410	4.5711	4.5711	4.5537
State of Michigan	6.0000	6.0000	6.0000	6.0000	6.0000
Portland Public Schools	25.3500	25.3500	25.3500	25.3500	25.3500
Intermediate School District	4.869	4.8527	4.8261	4.8261	4.7858
Intermediate School District-Tech. Ed	.9981	.9921	.9867	.9875	.9774
Library	1.2308	1.2308	1.8359	1.7859	1.2112
Seniors	.4981	.4981	.4921	.4921	.4902
Roads	.9987	.9987	.9867	.9867	.9962
Total	58.1015	58.1739	58.5830	58.5338	57.8338

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

Source: City of Portland

City of Portland
Property Tax Collections
Fiscal Years Ended or Ending June 30, 2021 Through 2025

July 1 Levy	Fiscal Year Ended or Ending June 30	City Tax Levy(1)	Collections to March 1 Following Levy	Percent Collected
2020	2021	1,168,326	1,142,825	97.30
2021	2022	1,234,752	1,207,492	97.70
2022	2023	1,289,407	1,259,640	97.60
2023	2024	1,370,618	1,343,123	97.90
2024	2025	1,439,815	(In Process of Collection)	

(1) City taxes only. See "CITY TAXATION AND LIMITATIONS – Property Tax Rates" herein. Levy reported excludes Downtown Development Authority tax capture and certain taxes on properties granted tax abatement under Act 198. See "CITY TAXATION AND LIMITATIONS – Tax Abatement" herein.

Source: City of Portland

City of Portland
Ten Largest Taxpayers
Fiscal Year Ending June 30, 2025

Taxpayer	Principal Product or Service	Total Taxable Value (1)	Percent of Total (2)
Tom's Food Center (Ellen's Prop) ..	Grocery,Hardware	$2,898,888	.024
Parkers Landing (Portland Partners)	Apartments	2,584,162	.021
DFC of Portland (The Brook)	Senior Living	2,091,222	.017
Portland Apartments (LAWCO)......	Apartments	1,173,500	.009
Consumers Energy..........................	Utility	1,105,100	.009
Park View MHC LLC	Mobile Home Park	932,800	.008
SMD Terrain LLC………	Hinge Assemblings, Stampings,	654,200	.005
CLNB LLC	Retail- Family Farm and Home	613,872	.005
Walters Dimmick Petroleum Inc	Fuel and Retail	703,647	.006
PLG Development	Land……	590,300	.004
		$ 13,347,691	11.00%

(1) Includes the Taxable Value of property granted tax abatement under Act 198. See "CITY TAXATION AND LIMITATIONS – Tax Abatement" herein.
(2) Based on $121,346,353, which is the City's Total Taxable Value for the fiscal year ending June 30, 2024. Includes the Taxable Value of property granted tax abatement under Act 198. See "Property Valuations" and "Tax Abatement" herein.

Source: City of Portland

City of Portland
Income Tax Collections
Fiscal Years Ended June 30, 2021 Through 2024

Fiscal Year Ended June 30	Gross Tax Collections	Net Income Tax Collections	% Increase or (Decrease) over Prior Year
2021	1,051,441	934,645	16.70
2022	1,117,835	1,022,246	8.50
2023	1,166,913	1,046,986	2.30
2024	1,181,136	950,612	(9.17)

(1) Gross collections less tax refunds equal net tax.
Source: City of Portland

City of Portland

Revenues from the State of Michigan
Fiscal Years Ended or Ending June 30, 2020 through 2024

	Fiscal Years Ended or Ending June 30				
	2020	2021	2022	2023	2024
Constitutional Revenue Sharing	$ 344,428	$ 358 027	$ 409,222	$ 417,118	$410,122
CVTRS	$ 110,976	93,265	113,784	119,862	124,051
Public Safety	0	0	0	0	2.990
Total Revenues From the State of Michigan........................	$455,404	$451,292	$523,006	$536,980	$537,163

Source: City of Portland

CITY DEBT

Statutory and Constitutional Debt Provisions

Section 21 of Article VII of the State Constitution establishes the authority, subject to statutory and constitutional limitations, for municipalities to incur debt for public purposes:

> "The legislature shall provide by general laws for the incorporation of cities and villages. Such laws shall limit their rate of ad valorem property taxation for municipal purposes, and restrict the powers of cities and villages to borrow money and contract debts. Each city and village is granted power to levy other taxes for public purposes, subject to limitations and prohibitions provided by this constitution or by law."

In accordance with the foregoing authority granted to the State Legislature, the Home Rule Cities Act limits the amount of debt a city may have outstanding at any time. Section 4(a) of this Act provides:

"... the net indebtedness incurred for all public purpose may be as much as but shall not exceed the greater of the following:

(a) Ten percent of the assessed value of all real and personal property in the city.

(b) Fifteen percent of the assessed value of all the real and personal property in the city if that portion of the total amount of indebtedness incurred which exceeds 10% is or has been used solely for the construction or renovation of hospital facilities."

Significant exceptions to the debt limitation are permitted by the Home Rule Cities Act for certain types of indebtedness which include: special assessment bonds and State transportation fund bonds (formerly, motor vehicle highway fund bonds), even though they are a general obligation of the City; revenue bonds payable from revenues only, whether secured by a mortgage or not; bonds issued or contract obligations or assessments incurred to comply with an order of the Water Resources Commission of the State or a court of competent jurisdiction, and obligations incurred for water supply, sewage, drainage or refuse disposal or resource recovery projects necessary to protect the public health by abating pollution.

Legal Debt Margin

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

Debt Limit (1)		$ 15,721,815
Debt Outstanding	$18,341,872	
Less: Exempt Debt (2)	(14,076,872)	$ 4,265,000
Legal Debt Margin		$11,456,815

(1) 10% of $157,218,145 which is the City's Total SEV for the fiscal year ending June 30, 2024. Includes the SEV of property granted tax abatement under Act 198. See "CITY TAXATION AND LIMITATIONS – Property Valuations" and "CITY TAXATION AND LIMITATIONS – Tax Abatement" herein.

(2) See "CITY DEBT-Statutory and Constitutional Debt Provisions" herein.

Source: Municipal Advisory Council of Michigan and the City of Portland.

CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2024

Debt Statement

The following table reflects a breakdown of the City's direct and overlapping debt as of June 30, 2024, including the bonds described herein. Direct debt that is shown as self-supporting is paid from sources other than the City's general fund.

The City's ability to levy taxes to pay the debt service on the obligations that are designated as "Limited Tax" is subject to applicable charter, statutory and constitutional limitations. See "CITY TAXATION AND LIMITATIONS" herein.

City Direct Debt	Gross	Self-Supporting	Net
Water and Wastewater Revenue Bonds:			
Dated March 8, 2011 (6)………………………	$ 664,000	$ 664,000	$ -0-
Dated December 29, 2010 (6) ………………...	$ 2,288,000	$ 2,288,000	$ -0-
Dated September 25, 2003 (5)	$ 74,872	$ 74,872	$ -0-
Dated September 20, 2022 (6)	$ 11,050,000	$ 11,050,000	$ -0-
Subtotal	$ 14,076,872	$ 14,076,872	$ -0-
Capital Improvement Bonds:			
Dated May 2020 (Limited Tax) (1)......................	$ 795,000	$ 795,000	
Dated December 23,2023…………………………	$ 3,470,000	$ 3,470,000	
Subtotal	$ 4,265,000	$ 4,265,000	$ -0-
Total City Direct Debt:	$ 18,341,872	$ 14,076,872	$4,265,000

Per Capita Net Direct Debt (3) $1,123.55
Percent of Net Direct Debt to Total SEV (4) 2%

Gross City Share as a Percent of Gross Net

Overlapping Debt (2)	Gross	City Share as a Percent of Gross	Net
Ionia County	$ 692,772	5.42%	$ 37,548
Ionia County Intermediate School District	1,250,000	4.81	60,125
Portland District Library	0	0.00	0
Portland Public Schools	31,094,815	24.33	7,565,368
Total Overlapping Debt	33,037,587		7,663,041
Total City Direct and Overlapping Debt	$ 59,042,500		$ 11,928,041

Per Capita Net Overlapping Debt (3)	$2,018.71
Percent of Net Overlapping Debt to Total SEV (4)	4.8%
Per Capita Net Direct and Overlapping Debt (3)	$3,142.26
Percent of Net Direct and Overlapping Debt to Total SEV (4)	7.5%

(1) The Bonds described herein will be paid with electric system revenues.
(2) Overlapping debt is the portion of another taxing unit's debt for which property taxpayers of the City are liable in addition to debt issued by the City.
(3) Based on the City's 2020 Census of 3,796.
(4) Based on $157,218,145, which is the City's Total SEV for the fiscal year ending June 30, 2024. Includes the SEV of property granted tax abatement under Act 198. See "CITY TAX AND LIMITATIONS - Property Valuations" and "CITY TAX AND LIMITATIONS - Tax Abatement" herein.
(5) The Bonds described herein will be paid with water system revenues.
(6) The Bonds described herein will be paid with wastewater system revenues.
(7) The Bonds described herein will be paid with income tax revenues.

Source: Municipal Advisory Council of Michigan and the City of Portland

CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2024

Retirement Plans

Change in Net Pension Liability
Fiscal Year Ended June 30, 2024

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2022	$ 17,312,611	$ 9,582,392	$ 7,730,219
Changes for the year			
Service cost	204,717	-	204,717
Interest on total pension liability	1,222,591	-	1,222,591
Changes in benefits	-	-	-
Difference between expected and actual experience	599,231	-	599,231
Changes in assumptions	139,448	-	139,448
Employer contributions	-	842,686	(842,686)
Employee contributions	-	284,452	(284,452)
Net investment income	-	1,083,547	(1,083,547)
Benefit payments, including employee refunds	(1,103,276)	(1,103,276)	-
Administrative expense		(22,400)	22,400
Other changes	1	-	1
Net changes	1,062,712	1,085,009	(22,297)
Balances at December 31, 2023	$ 18,375,323	$ 10,667,401	$ 7,707,922

Change in Total OPEB Liability
Fiscal Year Ended June 30, 2024

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2023	$ 916,722	$ -	$ 916,722
Changes for the year			
Service cost	23,827	-	23,827
Interest on total OPEB liability	37,208	-	37,208
Changes in benefits	-	-	-
Difference between expected and actual experience	23,227	-	23,227
Changes in assumptions	11,574	-	11,574
Employer contributions	-	55,437	(55,437)
Employee contributions	-	-	-
Net investment income	-	-	-
Benefit payments, including employee refunds	(55,437)	(55,437)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	40,399	-	40,399
Balances at June 30, 2024	$ 957,121	$ -	$ 957,121

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INDEPENDENT AUDITOR'S 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*

To the City Council
of the City of Portland
Portland, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Portland, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Portland's basic financial statements, and have issued our report thereon dated November 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Portland's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Portland's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Portland'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 City of Portland'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Maner Costerisan PC

November 15, 2024