



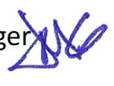
**CITY COUNCIL MEETING AGENDA**  
**JONESVILLE CITY HALL | 265 E. CHICAGO STREET | JONESVILLE, MI**  
**NOVEMBER 19, 2025 - 6:30 P.M.**

- 1. CALL TO ORDER / PLEDGE OF ALLEGIANCE / A MOMENT OF SILENCE**
- 2. APPROVAL OF AGENDA** [Action Item]
- 3. PUBLIC COMMENTS**  
Citizens may address the Council at this time, subject to the Rules for Addressing the City Council. \*
- 4. PRESENTATIONS AND RECOGNITIONS**
  - A. Kevin Collins – Hillsdale County Board of Commissioners
- 5. COUNCIL MINUTES** [Action Item]
  - A. October 15, 2025 Regular Meeting
- 6. BOARD AND COMMISSION MINUTES** [Action Item]
  - A. Region 2 Planning Commission – September 11, 2025 (Penrose)
  - B. Planning Commission – October 8, 2025 (Guyse)
  - C. Local Development Finance Authority – October 15, 2025 (Arno)
- 7. PUBLIC HEARING AND SUBSEQUENT COUNCIL ACTION**
  - A. Ordinance No. 226 – Zoning Ordinance Recodification [ROLL CALL][Action Item]
- 8. UNFINISHED BUSINESS** [Action Item]
  - A. None
- 9. NEW BUSINESS**
  - A. Receive the June 30, 2025 Audit Report – Bailey, Hodshire & Co. P.C. [Action Item]
  - B. Addendum to Purchase and Development Agreement [Action Item]
  - C. Board and Commission Appointments [Action Item]
  - D. Service Agreement – Hillsdale County Equalization Department [Action Item]
  - E. FY 2025-26 First Quarter Budget Amendments [Action Item]
- 10. ACCOUNTS PAYABLE** [Action Item]
  - A. November 2025 Totalling \$211,346.04
- 11. DEPARTMENT REPORTS**
  - A. Public Safety
    - i. Police – Public Safety Director Lance
    - ii. Fire – Deputy Chief Riggs
  - B. Water/Wastewater Treatment Plant – Superintendent Mullaly
  - C. Department of Public Works – Superintendent Crouch
  - D. Cash Report – Finance Director Spahr
- 12. ADJOURN**

**\* Rules for Addressing the Jonesville City Council (Adopted 11/20/24)**

1. When a person addresses the Council, he or she shall state his or her name and home address.
2. Remarks should be limited to matters before the Council, to Council business or policy, or to issues of general concern that the Council has the authority to recommend or act upon.
3. Persons addressing the Council shall limit their comments to not more than five (5) minutes or other time limit set by the Chair. Persons addressing the Council may have comments presented by other individuals, but may not delegate additional speaking time to others. The Clerk will maintain the official time and notify the speakers when their time is up.
4. Remarks shall be addressed to the Chair in a courteous tone. Persons addressing Council who fail to conduct themselves with decorum may be removed from the meeting at the discretion of the Chair.
5. No person shall have the right to speak more than once unless additional opportunities are granted by the Chair.
6. Council members and staff will generally not respond to audience participation. Matters may be referred by the Council to the City Manager who may also be directed to provide a report at a subsequent meeting or date.



To: Jonesville City Council  
From: Jeffrey M. Gray, City Manager   
Date: November 14, 2025  
Re: Manager Report and Recommendations – November 19, 2025 Council Meeting

**5. Council Minutes [Action Item]**

This item is reserved for action on the minutes of the previous Council meeting.

**6. Board and Commission Minutes [Action Item]**

Board and commission minutes for the prior month are attached. The name of the Council/staff representative to the board is indicated in parentheses. Following any discussion or questions about the board minutes, the appropriate action of Council would be a motion to receive and place the minutes on file. A single motion can be taken up for all of the minutes.

**PUBLIC HEARING AND SUBSEQUENT COUNCIL ACTION**

**7. A. Ordinance No. 226 – Recodification of the Zoning Ordinance [ROLL CALL][Action Item]**

This is the time reserved on the agenda for the purpose of receiving public comments on the proposed Ordinance No. 226 that would recodify the City's Zoning Ordinance. Notice of the hearing has been provided in the Hillsdale Daily News and the City website, in accordance with State statute. No comments have been received as of the writing of this report. Following the receipt of public comments, Council may take action to approve, deny, or postpone action on the Ordinance to receive additional information.

Units of government recodify ordinances from time to time to address outdated provisions, improve readability, etc. The City's Zoning Ordinance has not been recodified since city incorporation in 2014. Prior to incorporation, the City developed its Zoning Ordinance as a joint ordinance with Fayette Township. The purpose of recodification at this time is to accomplish the following:

1. Update outdated references to the "Village of Jonesville" to the City of Jonesville.
2. Remove regulatory references to Fayette Township, since the two communities are no longer maintaining and updating the Zoning Ordinance as a collaborative ordinance.
3. Add amendments that have taken place since the last update in 2013.

Due to file size, the recodified ordinance is not included in the packet, but can be found on the City website, here: <https://bit.ly/JV-Zoning-Ord>.

The Planning Commission held a public hearing at their meeting on Wednesday, October 8<sup>th</sup> and has recommended approval of the recodified ordinance. I recommend that Council consider a motion to approve Ordinance No. 226. A roll call vote is required to adopt an ordinance. *Please refer to Ordinance No. 226 and Public Hearing Notice.*

**UNFINISHED BUSINESS**

**8. A. None**

## **NEW BUSINESS**

### **9. A. Receive June 30, 2025 Audit Report – Bailey, Hodshire & Co. P.C. [Action Item]**

Greg Bailey will present the June 30, 2025 Audit Report. The Audit Report is included electronically in this packet. Please contact staff if you prefer a paper copy.

Per the opinion noted by Bailey, Hodshire & Co. P.C. in the auditor's report on page 1, *"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jonesville, as of June 30, 2025, 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."* Following the presentation, I would recommend a motion to receive the June 30, 2025 Audit Report, as presented. *Please refer to the enclosed Audit Report.*

### **9. B. Addendum to Purchase and Development Agreement [Action Item]**

In May of 2023, the DDA recommended, and the City Council subsequently approved, a Purchase and Development Agreement with DH Roberts Construction for the development of Riverview Flats, a retail and housing complex on the site of the former Klein Tool factory. As has been previously reported, the application for brownfield remediation funds from the State of Michigan has been delayed while the Department of Environment, Great Lakes, and Energy (EGLE) resolves questions of Klein Tools' responsibility for corrective actions.

It appears that the State is likely to take action on the application after the first of the new year. The next steps with the project will be finalization of site plans for the development. In order to assure that the applicant may proceed in anticipation of State approval of funds, it is necessary to update the agreed construction schedule in the Purchase and Development Agreement. Attorney Lovinger has prepared the attached amended agreement. The updated schedule is shown on pages 4 and 5; the agreement is otherwise unchanged. The DDA acted at their November 12<sup>th</sup> meeting to recommend approval. I recommend that the Council consider a motion to accept the recommendation and approve the Addendum to the Purchase and Development Agreement. *Please refer to the attached Agreement.*

### **9. C. Board and Commission Appointments [Action Item]**

Various Board and Commission appointments are necessary due to the expiration of terms in 2025.

Board of Review: Lindsey Crouch – Reappoint to a three-year term through December of 2028.

Cemetery Committee: John Center, Les Hutchinson, Rachel Kiehnau, and Brenda Rathbun – Reappoint to a three-year term through November of 2028.

Citizenship Committee: Kathi Boyle, Andy Penrose, Annette Sands – Reappoint to a three-year term through November of 2028

Downtown Development Authority: Abe Graves, Rick Jenkins, MaryEllen Sattler, Don Toffolo – Reappoint to a four-year term through November of 2029.



Planning Commission: James Ackerson, Brenda Guyse, Ryan Scholfield – Reappoint to a three-year term through November of 2028.

Election Commission: Due to her pending retirement, Lenore Spahr has submitted her resignation. I recommend acceptance of the resignation, with regret, and appointment of Deputy Clerk LaNae Baker to fill the vacancy. The Charter requires that the position be held by a City official; the term is indefinite.

There are two vacancies on the Local Development Finance Authority; one of these will be filled by the Jonesville Community Schools Superintendent, following recommendation of the school board. There is also one vacancy on the Planning Commission. Staff will advertise these openings and bring recommendations at a future date.

A motion is necessary to make the reappointments to the respective boards. *Please refer to the resignation from the Election Commission.*

**9. D. Service Agreement – Hillsdale County Equalization Department [Action Item]**

The County Equalization Department is proposing a two-year agreement for tax and GIS-mapping related services. There is an increase in the cost of printing tax bills from the current agreement; the annual difference in cost is summarized following the proposed agreement. I recommend a motion to approve the agreement, with the selection of Option 2 and utilizing the City Assessor's data for the printing of tax bills, and authorize the Mayor and Clerk to execute the same. *Please refer to the proposed service agreement and cost summary.*

**9. E. Fiscal Year 2025-26 First Quarter Budget Amendments [Action Item]**

Finance Director Spahr has prepared the attached budget amendments for activities through the first quarter of the fiscal year, plus October. Significant amendments include unanticipated replacement of the City Hall HVAC system, and insurance repair of a gutter and window at City Hall. Additional detail can be provided at the meeting as needed. A motion is necessary to approve the budget amendments. *Please refer to the budget amendments through October 31, 2025.*

**Correspondence:**

- Public Safety Continuing Education Certificates (Sgt. Martin, Ofc. Rose)
- DPW Continuing Education Certificates (Supt. Crouch, Crandall, Ruden)
- WWTP Continuing Education Certificates (Mullaly x2)
- Comcast re: changes to channel offerings

**\*\*Subject to Council Approval\*\***

**JONESVILLE CITY COUNCIL  
Minutes of October 15, 2025**

A meeting of the Jonesville City Council was held on Wednesday, October 15, 2025, at the Jonesville City Hall, 265 E. Chicago Street, Jonesville, MI. Mayor Pro-Tem Andy Penrose called the meeting to order at 6:30 p.m. Council members present were: Dean Adair II, Chris Grider, Brenda Guyse, George Humphries Jr., and Annette Sands. Absent: Gerry Arno.

Also present: Manager Gray, DPW Supt. Crouch, Public Safety Director Lance, Finance Director Spahr, WWTP Supt Mullaly, Attorney Lovinger, Kevin Collins, Chad and Nicole Benson, Grace Broesamle, Lisa Adair and Karen Lancaster.

Brenda Guyse led the Pledge of Allegiance and moment of silence.

A motion was made by Brenda Guyse and supported by Annette Sands to approve the agenda as presented. All in favor. Absent: Gerry Arno. Motion carried.

Kevin Collins, Hillsdale County Commissioner, provided an update of the Hillsdale County Commission.

A motion was made by Dean Adair II and supported by Brenda Guyse to approve the minutes of September 17, 2025. All in favor. Absent: Gerry Arno. Motion carried.

Brenda Guyse made a motion and was supported by Annette Sands to receive the minutes of the following: Economic Development Partnership (EDP) – June 12, 2025, and Downtown Development Authority (DDA) – September 10, 2025. All in favor. Absent: Gerry Arno. Motion carried.

Due to a conflict of interest, Councilman Chris Grider of Red Beard Properties excused himself from the meeting to refrain from any discussion of the sale of property located at 148 Jermaine Street.

A Public Hearing was opened at 6:45 p.m. Manager Gray gave an overview of the offers received for the sale of real property located at 148 Jermaine Street. The hearing was scheduled due to the offer from Red Beard Properties/Chris Grider in the amount of \$11,000 for the vacant residential property located at 148 Jermaine Street. Since the hearing was scheduled, staff received a second offer in the amount of \$13,000 from Danny and Janie Peiffer. There were no public comments. The Public Hearing was closed at 6:48 p.m.

A motion was made by Dean Adair II and supported by Brenda Guyse to accept the offer from Danny and Janie Peiffer in the amount of \$13,000 for the property located at 148 Jermaine Street; the offer from Red Beard Properties in the amount of \$11,000 is accepted as a back-up offer in the event the primary offer fails to close. The City Manager and Clerk are authorized to execute any necessary documents to complete the sale. Roll Call Vote: Ayes: Dean Adair II,

Brenda Guyse, George Humphries Jr., Annette Sands and Andy Penrose. Nays: None. Abstain: Chris Grider Absent: Gerry Arno. Motion carried.

Brenda Guyse made a motion and was supported by Dean Adair II to enter into a one-year agreement with the Woodhill Group for accounting and financial services and to authorize the City Manager to execute the same. Karen Lancaster of the Woodhill Group spoke to Council and explained that she will be providing primary finance director services, including account reconciliations, tax collections and reconciliations, state and federal reporting, budget, and audit preparation. The estimated cost per year for services will be \$75,000. All in favor. Absent: Gerry Arno. Motion carried.

A motion was made by Chris Grider and supported by Annette Sands to approve Traffic Control Order 2025-02 for the purpose of the closure of Park Street and Wright Street Park between Park Street and Chicago Street for the trunk-or-treat that takes place on Halloween. The closure will take place from 4:30 p.m. to 9:00 p.m. on Friday, October 31, 2025. All in favor. Absent: Gerry Arno. Motion carried.

Brenda Guyse made a motion and was supported by Dean Adair II to receive Ordinance No. 226 and to schedule a Public Hearing for Wednesday, November 19, 2025 at 6:30 p.m. at the Jonesville City Hall to consider public comments on Ordinance No. 226. The City's Zoning Ordinance has not been recodified since city incorporation in 2014. Prior to incorporation, the City developed its Zoning Ordinance as a joint ordinance with Fayette Township. The purpose of this recodification is to accomplish updating the outdated references to the "Village of Jonesville" to the "City of Jonesville", to remove regulatory references to Fayette Township since the two communities are no longer maintaining and updating the Zoning Ordinance as a collaborative ordinance, and to add amendments that have taken place since the last update in 2013. All in favor. Absent: Gerry Arno. Motion carried.

A motion was made by Chris Grider and supported by Dean Adair II to approve the Accounts Payable for October 2025 in the amount of \$153,000.88. All in favor. Absent: Gerry Arno. Motion carried.

Updates were given by Department Heads, Manager Gray and Council.

Mayor Arno adjourned the meeting at 7:34 p.m.

Submitted by:

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Cynthia D. Means  
Clerk

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Andy Penrose  
Mayor Pro- Tem

# Region 2

## PLANNING COMMISSION

Serving Hillsdale, Jackson & Lenawee Counties

### MEETING MINUTES

Lenawee District Library – Full Commission  
4459 W. U.S. 223  
Adrian, MI 49221

Thursday, September 11, 2025

I. **Call to Order** – Chair Witt called the meeting to order at 2:02 p.m. A quorum was present.

#### Attendance:

|           |             |                |                |
|-----------|-------------|----------------|----------------|
| Adams     | Gosselin    | Leonard        | ✓ Shotwell     |
| Barnhart  | Gould, J.   | Lesinski       | Sigers         |
| Beach     | ✓ Gould, L. | Linnabary      | ✓ Snell        |
| Benson    | ✓ Grabert   | Marsh          | Southworth     |
| Britten   | Greene      | May            | Spink          |
| Burke     | Griffin     | ✓ Minnick, Jr. | Sutherland     |
| Bush      | Gross       | ✓ Mitchell     | ✓ Swartzlander |
| ✓ Bussell | Havican     | Montrief       | Thomas         |
| Calender  | Hawkins     | Murphy         | ✓ Tillotson    |
| Cavazos   | Hawley      | Nickel         | Todd           |
| Clark     | Heath       | Norman         | VanCamp        |
| Collins   | Herlein     | ✓ Overton      | ✓ VanDoren     |
| Cornish   | ✓ Hummer    | ✓ Penrose      | ✓ Walz         |
| Cousino   | ✓ Jancek    | ✓ Peters       | Weir           |
| ✓ Cure    | Jennings    | Pfeifer, C.    | Williams       |
| Davis     | ✓ Johnson   | Pfeifer, R.    | Willis         |
| Dickerson | Kastel      | Pixley         | Wilson         |
| Donaldson | Keener      | Planeta        | ✓ Witt         |
| Downing   | Keller      | Root           |                |
| Duckham   | Krasny      | Saenz          |                |
| Fry       | Kuiper      | Scoville       |                |
| Gentner   | Lance       | Shaw           |                |

Key: ✓ = present

Staff Present: Thomas Boss, Brett Gatz, Jacob Hurt, Jill Liogghio, and Kade Peck

Others Present: Jeff Bell, City of Morenci Administrator

- II. **Approval of the September 11, 2025 Agenda** – The motion was made by Comm. Shotwell, supported by Comm. Jancek, to approve the September 11, 2025 agenda as presented. The motion carried unanimously.
- III. **Public Comment** – Chair Witt requested public comment. No public comment was made.
- IV. **Approval of Full Commission Meeting Minutes for July 10, 2025** – The motion was made by Comm. Penrose, supported by Comm. Jancek, to approve the Full Commission meeting minutes of July 10, 2025 as submitted. The motion carried unanimously.
- V. **Receipt/Approval of Treasurer’s Report of August 31, 2025** – The motion was made by Comm. Overton, supported by Comm. Jancek, to receive the August 31, 2025 Treasurer’s Report as presented and approve payment of the September 11, 2025 submitted bills. The motion carried unanimously.
- VI. **Staff Progress Report for July and August 2025** – The July and August 2025 staff progress reports were included in the agenda packet. Mr. Hurt presented highlights from the staff progress report for the months of July and August 2025.
- VII. **MPO/JACTS Update** – The MPO/JACTS Update was provided in the packet and Mr. Hurt provided highlights from that report.
- VIII. **Approval of the FY 2026 Planning Work Program** – The FY 2026 Planning Work Program was presented for approval. Motion was made by Comm. Jancek, supported by Comm. Walz, to approve the FY 2026 Planning Work Program. Motion carried unanimously.
- IX. **Appointment of FY 2026 R2PC Personnel and Finance Committee** – Motion was made by Comm. Shotwell, supported by Comm. Minnick, Jr., to retain current Personnel and Finance Committee members, with the addition of a new chair in January 2026.
- X. **Other Business** – Notice of Intent for Village of Grass Lake; discussion regarding fraudulent invoices being sent to Summit Township. Comm. Shotwell suggested contacting the MSP.
- XI. **Public Comment / Commissioners’ Comments** – Comm. Cure spoke about getting the Addison Fire Training Center up and running.
- XII. **Adjournment** – There being no further business, Chair Witt adjourned the meeting at 2:19 p.m.

Dale Witt  
Chair

*\* If there are errors in these minutes, please contact Jill at 517.768.6701 or [jliogghio@mijackson.org](mailto:jliogghio@mijackson.org).*

**CITY OF JONESVILLE  
PLANNING COMMISSION  
Minutes of October 8, 2025**

A City of Jonesville Planning Commission meeting was held on Wednesday, October 8, 2025 at the Jonesville City Hall, 265 E. Chicago Street, Jonesville, MI. Vice-Chair Kayla Thompson called the meeting to order at 7:01 p.m.

Present: Jim Ackerson, Chad Benson, Brenda Guyse, and Kayla Thompson.

Absent: Christine Bowman, Ryan Scholfield and One Vacancy

Also Present: Jeff Gray, Charles Crouch.

Kayla Thompson led the Pledge of Allegiance and the moment of silence.

A motion was made by Brenda Guyse and supported by Chad Benson to approve the agenda as presented. All in favor. Absent: Christine Bowman, Ryan Scholfield and One Vacancy. Motion carried.

Brenda Guyse made a motion and was supported by Jim Ackerson to approve the minutes of August 13, 2025. All in favor. Absent: Christine Bowman, Ryan Scholfield and One Vacancy. Motion carried.

The Public Hearing was opened at 7:03 p.m. Manager Gray gave a brief synopsis of the Ordinance No. 226 – Zoning Ordinance Recodification. The Public Hearing was closed at 7:06 p.m.

A motion was made by Brenda Guyse and supported by Chad Benson to recommend to City Council that proposed Ordinance No. 226 – Zoning Ordinance Recodification be approved. The purpose of recodifying the Ordinance is to update outdated references to the “Village of Jonesville” to the City of Jonesville; Remove regulatory references to Fayette Township as the two communities are no longer maintaining and updating the Zoning Ordinance as a collaborative; and amendments that have taken place since the last update in 2013. Roll Call Vote: Ayes: Jim Ackerson, Chad Benson, Brenda Guyse and Kayla Thompson. Nays: None. Absent: Christine Bowman, Ryan Scholfield and One Vacancy. Motion carried.

Manager Gray provided updates.

The next meeting is scheduled for Wednesday, November 12, 2025 at 7:00 p.m.

The meeting was adjourned at 7:29 p.m.

Submitted by,

Cynthia D. Means  
Clerk

**City of Jonesville  
Local Development Finance Authority  
Minutes of October 15, 2025**

**Present:** Gerry Arno, Victor Face, Kevin Collins, Linda Garcia and Rick Schaerer.

**Absent:** Ryan Griffiths, Jim Parker and Two (2) Vacancies.

**Also Present:** Jeff Gray and Sally Clark (EDP)

Chairman Schaerer called the meeting to order at the Jonesville City Hall, 265 E Chicago Street, Jonesville, MI at 8:30 a.m.

Victor Face made a motion and was supported by Kevin Collins to approve the agenda as presented. All in favor. Absent: Ryan Griffiths, Jim Parker and Two (2) Vacancies. Motion carried.

A motion was made by Gerry Arno and supported by Kevin Collins to approve the minutes of April 16, 2025. All in favor. Absent: Ryan Griffiths, Jim Parker and Two (2) Vacancies. Motion carried.

Kevin Collins made a motion and was supported by Victor Face to accept the financial report through September 30, 2025. All in favor. Absent: Ryan Griffiths, Jim Parker, and Two (2) Vacancies. Motion carried.

Sally Clark, Executive Director of the Economic Development Partnership (EDP), provided an EDP Report to the LDFA Board describing the services they provide.

A motion as made by Gerry Arno and supported by Kevin Collins to approve the annual investment in the Economic Development Partnership of Hillsdale County Sponsorship in the amount of \$15,000. All in favor. Absent: Ryan Griffiths, Jim Parker and Two (2) Vacancies. Motion carried.

Kevin Collins made a motion and was supported by Victor Face to not accept the Cellular Tower Proposal from TowerPoint Acquisitions LLC. All in favor. Absent: Ryan Griffiths, Jim Parker and Two (2) Vacancies. Motion carried.

A motion was made by Kevin Collins and supported by Gerry Arno to accept with regret the resignation of Steve Harding from the LDFA. Mr. Harding has served as a LDFA member for more than 20 years, serving since August of 2005. All in favor. Absent: Ryan Griffiths, Jim Parker and Two (2) Vacancies. Motion carried.

Manager Gray and LDFA members provided updates.

The meeting was adjourned at 8:48 a.m.

Submitted by,

Cynthia D. Means  
Clerk



**CITY OF JONESVILLE  
ORDINANCE NO. 226**

AN ORDINANCE ADOPTING AND ENACTING A RECODIFIED ZONING ORDINANCE FOR THE CITY OF JONESVILLE, MICHIGAN; PROVIDING FOR THE REPEAL OF CERTAIN ORDINANCES NOT INCLUDED THEREIN; PROVIDING A PENALTY FOR THE VIOLATION THEREOF; PROVIDING FOR THE MANNER OF AMENDING SUCH CODE; AND PROVIDING WHEN SUCH CODE AND THIS ORDINANCE SHALL BECOME EFFECTIVE.

THE CITY OF JONESVILLE ORDAINS:

**Section 1.**     **Short Title.** This ordinance shall be known as the "City of Jonesville Zoning Ordinance Recodification adopting ordinance" and may be so cited.

**Section 2.**     **Adoption of Code.** The Code entitled the "City of Jonesville Zoning Ordinance" is adopted.

**Section 3.**     **Repealer.** All ordinances of a general and permanent nature enacted on or before the effective date of this ordinance and not included in the Code or recognized and continued in force by reference therein, are repealed.

**Section 4.**     **Prior Ordinances not Revived.** The repeal provided for in section 3 hereof shall not be construed to revive any ordinance or part thereof that has been repealed by a subsequent ordinance that is repealed by this ordinance.

**Section 5.**     **Code Additions or Amendments.** Additions or amendments to the Code when passed in such form as to indicate the intention of the City to make the same a part of the Code shall be deemed to be incorporated in the Code, so that reference to the Code includes the additions and amendments.

**Section 6.**     **Later Ordinances.** Ordinances adopted after the effective date of this ordinance that amend or refer to ordinances that have been codified in the Code shall be construed as if they amend or refer to like provisions of the Code.

**Section 7.**     **Publication and Effective Date.** This Ordinance shall become effective on the date of publication in a newspaper of general circulation.

YEAS:

NAYS:

ABSENT:

ORDINANCE DECLARED ADOPTED ON \_\_\_\_\_, 2025.

\_\_\_\_\_  
Gerald E. Arno, Mayor

\_\_\_\_\_  
Cynthia D. Means, Clerk

**CERTIFICATION**

I, Cynthia D. Means, being the Clerk of the City of Jonesville, do hereby certify that the foregoing is a true and correct copy of the City of Jonesville Ordinance No. 226, passed on the \_\_\_\_ day of \_\_\_\_\_, 2025. Further, I certify I caused the same to be published in a newspaper of general circulation within fifteen (15) days after adoption by the City Council of the City of Jonesville, County of Hillsdale and State of Michigan.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this \_\_\_\_ day of \_\_\_\_\_, 2025\_\_\_\_\_.

\_\_\_\_\_  
Cynthia D. Means, Clerk

**CITY OF JONESVILLE  
NOTICE OF PUBLIC HEARING**

**The City of Jonesville will hold a Public Hearing at 6:30 p.m. on Wednesday, November 19, 2025 at City Hall, 265 E Chicago Street, Jonesville, MI for the purpose of hearing comments on Ordinance No. 226; An Ordinance to allow for Zoning Ordinance Recodification.**

**Copies of the proposed ordinance and the recodification zoning ordinance are available at City Hall or online at [www.jonesville.org](http://www.jonesville.org) Please submit written comments to City Hall, 265 E Chicago Street, Jonesville, MI 49250 or via email to [clerk@jonesville.org](mailto:clerk@jonesville.org) no later than November 18, 2025.**

**Individuals with disabilities requiring auxiliary aids or services should contact the City of Jonesville in writing at the above address or by calling 517-849-2104.**

**Cynthia D. Means  
Clerk  
City of Jonesville**



479 E. CHICAGO STREET  
P.O. BOX 215  
JONESVILLE, MI 49250

PHONE: 517-849-2410  
FAX: 517-849-2493  
[www.baileyhodshire.com](http://www.baileyhodshire.com)

## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Jonesville  
Jonesville, Michigan

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jonesville, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jonesville, as of June 30, 2025, 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 Jonesville 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.

### **Change in Accounting Principle**

As discussed in Note 18 to the financial statements, the City of Jonesville adopted GASB Statement No. 101, *Compensated Absences*, during the year. Our opinions are not modified with respect to this matter.

### **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 Jonesville'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 or 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 Jonesville'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 Jonesville's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information pages 4 - 9 and pages 36 - 39 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 Jonesville's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2025, on our consideration of the City of Jonesville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Jonesville's internal control over financial reporting and compliance.

*Bailey, Hodshire & Company, P.C.*

Jonesville, Michigan  
November 6, 2025

City of Jonesville, Michigan  
Management's Discussion and Analysis (MD&A)  
For the year ended June 30, 2025

**Introduction**

This section of the annual financial report presents management's discussion and analysis of the City's financial performance during the year ended June 30, 2025. Please read it in conjunction with the City's financial statements, which immediately follow this section.

**Financial Highlights**

- The City's assets exceeded its liabilities by \$16,124,260 (net position) at the close of this fiscal year. Net position at the beginning of the fiscal year totaled \$15,912,143, showing an increase of \$212,117 during the current year.
- The City's governmental funds reported total ending fund balance of \$3,829,303 of which \$2,205,302 is unassigned and unrestricted, and available for spending at the City's discretion. This compares to the prior year ending fund balance of \$4,809,749 showing a decrease of \$980,446 during the current year.
- At the end of the current year, fund balance for the General Fund was \$2,265,783 or 156% of General Fund expenditures. This is an increase of \$107,611 from last year's ending fund balance of \$2,158,172.

**Overview of the Financial Statements**

This MD&A is intended to serve as an introduction to the City's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.

**Government-wide Financial Statements**

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

*Statement of Net Position* - This statement presents information of all of the City's assets and liabilities, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the City's financial condition as a whole is improving or deteriorating.

*Statement of Activities* - This report shows how the City's net position changed during the fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. An important purpose of this statement is to show the financial reliance of the City's distinct activities or functions on revenues provided by the taxpayers.

Both of the above statements distinguish governmental activities from business-type activities. Governmental activities include general government, public safety, public services, zoning, and recreation, and are principally supported by property taxes and revenues from other governments. Business-type activities include water and sewer, and are intended to recover all or a significant portion of their costs through user fees and charges.

City of Jonesville, Michigan  
Management's Discussion and Analysis (MD&A)  
For the year ended June 30, 2025

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental Funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, these statements report short-term fiscal accountability focusing on the use of expendable resources during the year and balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide reconciliations to the government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included as required supplementary information for the general fund and major special revenue funds. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

*Proprietary Funds* generally report services for which the City charges customers a fee. There are two types of proprietary funds: Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report functions presented as business-type activities, while Internal Service Funds primarily service the governmental unit and are included with governmental activities. The Water and Sewer Funds are Enterprise Funds, and the Motor Vehicle Pool is an Internal Service Fund.

The *Fiduciary Fund* (Current Tax Collection Fund) is reported in the fiduciary fund financial statements, but is excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund City Programs.

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

*Required Supplementary Information* can be found immediately following the notes to the financial statements. This information includes budgetary comparison statements for all major funds.

*Other Supplementary Information* includes statements for non-major governmental funds.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The City's assets exceeded its liabilities by \$16,124,260 (net position) at the close of this fiscal year. Net position at the beginning of the fiscal year totaled \$15,912,143, showing an increase of \$212,117 over the prior year.



City of Jonesville, Michigan  
Management's Discussion and Analysis (MD&A)  
For the year ended June 30, 2025

The following table provides a summary of the City's net position:

NET POSITION

|                         | Governmental Activities |               | Business-type Activities |               | Total Primary Government |               |
|-------------------------|-------------------------|---------------|--------------------------|---------------|--------------------------|---------------|
|                         | 2024                    | 2025          | 2024                     | 2025          | 2024                     | 2025          |
| Current Assets          | \$ 5,654,110            | \$ 4,645,753  | \$ 2,829,408             | \$ 3,192,045  | \$ 8,483,518             | \$ 7,837,798  |
| Non-current Assets      | 6,087,614               | 7,114,552     | 7,956,314                | 7,799,162     | 14,043,928               | 14,913,714    |
| Total Assets            | \$ 11,741,724           | \$ 11,760,305 | \$ 10,785,722            | \$ 10,991,207 | \$ 22,527,446            | \$ 22,751,512 |
| Current Liabilities     | \$ 739,047              | \$ 637,686    | \$ 213,209               | \$ 535,270    | \$ 952,256               | \$ 1,172,956  |
| Non-current Liabilities | 1,037,000               | 1,006,522     | 4,610,761                | 4,447,774     | 5,647,761                | 5,454,296     |
| Total Liabilities       | \$ 1,776,047            | \$ 1,644,208  | \$ 4,823,970             | \$ 4,983,044  | \$ 6,600,017             | \$ 6,627,252  |
| Net Position:           |                         |               |                          |               |                          |               |
| Net Investment in       |                         |               |                          |               |                          |               |
| Capital Assets          | \$ 5,065,321            | \$ 6,138,571  | \$ 3,044,326             | \$ 3,025,670  | \$ 8,109,647             | \$ 9,164,241  |
| Restricted              | 2,651,577               | 1,563,250     | 120,534                  | 148,759       | 2,772,111                | 1,712,009     |
| Unrestricted            | 2,248,779               | 2,414,276     | 2,781,606                | 2,833,734     | 5,030,385                | 5,248,010     |
| Total Net Position      | \$ 9,965,677            | \$ 10,116,097 | \$ 5,946,466             | \$ 6,008,163  | \$ 15,912,143            | \$ 16,124,260 |

The City reported positive net position for governmental and business-type activities. Net position increased \$150,420 for governmental activities and \$61,697 for business-type activities; therefore, the City's overall financial position improved during fiscal year 2025.

City of Jonesville, Michigan  
Management's Discussion and Analysis (MD&A)  
For the year ended June 30, 2025

The following table reflects the change in net position of the City's governmental and business-type activities:

**CHANGES IN NET POSITION**

|                                       | Governmental Activities |                     | Business-type Activities |                     | Primary Government  |                     |
|---------------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|                                       | 2024                    | 2025                | 2024                     | 2025                | 2024                | 2025                |
| Program Revenue                       |                         |                     |                          |                     |                     |                     |
| Charges for Services                  | \$ 185,972              | \$ 182,733          | \$ 1,184,233             | \$ 1,206,919        | \$ 1,370,205        | \$ 1,389,652        |
| Operating Grants and Contributions    | 687,044                 | 752,132             | 25,000                   | 12,568              | 712,044             | 764,700             |
| Capital Grants and Contributions      | 415,602                 | 0                   | 0                        | 0                   | 415,602             | 0                   |
| General Revenue                       |                         |                     |                          |                     |                     |                     |
| Property Taxes                        | 867,022                 | 914,983             | 0                        | 0                   | 867,022             | 914,983             |
| State Shared Revenue                  | 281,434                 | 288,078             | 0                        | 0                   | 281,434             | 288,078             |
| Investment Income                     | 223,904                 | 224,230             | 141,828                  | 141,700             | 365,732             | 365,930             |
| Other                                 | 30,062                  | 22,643              | 60,688                   | 78,197              | 90,750              | 100,840             |
| Gain (Loss) on Sale of Capital Assets | 0                       | 0                   | 0                        | 0                   | 0                   | 0                   |
| Total Revenue                         | <u>\$ 2,691,040</u>     | <u>\$ 2,384,799</u> | <u>\$ 1,411,749</u>      | <u>\$ 1,439,384</u> | <u>\$ 4,102,789</u> | <u>\$ 3,824,183</u> |
| Expenses                              |                         |                     |                          |                     |                     |                     |
| General Government                    | \$ 709,454              | \$ 701,637          | \$ 0                     | \$ 0                | \$ 709,454          | \$ 701,637          |
| Public Safety                         | 506,318                 | 600,545             | 0                        | 0                   | 506,318             | 600,545             |
| Economic & Community Development      | 4,639                   | 3,095               | 0                        | 0                   | 4,639               | 3,095               |
| Public Works                          | 98,839                  | 80,050              | 0                        | 0                   | 98,839              | 80,050              |
| Streets, Highways, Drains             | 412,928                 | 541,916             | 0                        | 0                   | 412,928             | 541,916             |
| Sanitation                            | 9,780                   | 12,323              | 0                        | 0                   | 9,780               | 12,323              |
| Culture & Recreation                  | 109,013                 | 126,128             | 0                        | 0                   | 109,013             | 126,128             |
| Interest on Long-Term Debt            | 1,867                   | 43,063              | 0                        | 0                   | 1,867               | 43,063              |
| Depreciation - Unallocated            | 50,325                  | 58,841              | 0                        | 0                   | 50,325              | 58,841              |
| Water Utility                         | 0                       | 0                   | 461,662                  | 614,561             | 461,662             | 614,561             |
| Sewer Utility                         | 0                       | 0                   | 737,214                  | 840,185             | 737,214             | 840,185             |
| Total Expenses                        | <u>\$ 1,903,163</u>     | <u>\$ 2,167,598</u> | <u>\$ 1,198,876</u>      | <u>\$ 1,454,746</u> | <u>\$ 3,102,039</u> | <u>\$ 3,622,344</u> |
| Excess (deficiency)                   | \$ 787,877              | \$ 217,201          | \$ 212,873               | \$ (15,362)         | \$ 1,000,750        | \$ 201,839          |
| Transfers                             | (13,135)                | (69,416)            | 13,135                   | 69,416              | 0                   | 0                   |
| CHANGE IN NET POSITION                | <u>\$ 774,742</u>       | <u>\$ 147,785</u>   | <u>\$ 226,008</u>        | <u>\$ 54,054</u>    | <u>\$ 1,000,750</u> | <u>\$ 201,839</u>   |

*Governmental Activities* increased the City's net position by \$147,785. This represents an increase from last year's change in net position.

Revenues from governmental activities totaled \$2,384,799. Property tax revenue represented the largest portion of those revenues (38.3%), state shared revenue was 12.1%, and investment income was 9.4%.

The largest components of governmental activities' expenses were general government (32.4%), public safety (27.7%), and streets, highways, and drains (25.0%). General government consists of City Council, Administration, Motor Vehicle Pool, etc. Public safety includes police and fire.

*Business-type Activities* increased the City's net position by \$54,054. Net position will be used to repay debt on the sewer and water improvements, as well as to plan for future improvements in the water and sewer systems.

City of Jonesville, Michigan  
Management's Discussion and Analysis (MD&A)  
For the year ended June 30, 2025

*Governmental Funds* - The focus of the City's governmental funds is to provide information on short-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of June 30, 2025, the City's governmental funds reported combined ending fund balances of \$3,829,303. Of this total, approximately 57.6% was unrestricted and unassigned, indicating availability for continuing City service requirements. Although a substantial amount is unrestricted, future plans include street repairs, park and cemetery improvements, and other projects.

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, the General Fund showed a healthy fund balance of \$2,158,172, representing an increase of \$186,397. Other Major Governmental Funds include Major and Local Streets. Non-major governmental funds include the State Highway and Debt Service funds. The Major Street Fund experienced an increase of \$187,301 in fund balance. The Local Street Fund experienced a decrease of \$254,418 in fund balance.

*Proprietary Funds* - The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The City's proprietary funds consist of the Water Fund, Sewer Fund, and the Motor Vehicle Pool. Total net position of the Water and Sewer Funds was \$6,008,163 at June 30, 2025, an increase of \$54,054 from the previous fiscal year. The Motor Vehicle Pool's net position at the end of this fiscal year was \$996,388, an increase of \$45,242 from the previous fiscal year.

**Major Governmental Funds Budgeting and Operating Highlights**

*General Fund* – The difference between the original and final amended budget for General Fund revenues was \$1,120,000 (\$2,927,315 vs. \$1,807,315). The decrease between the appropriations originally budgeted and the final appropriations budget was \$1,178,946 (\$2,677,347 vs. \$1,498,401). There were minor increases in City Council, City Manager, Elections, General Office, Treasurer, Assessor, City Hall, Police Department, Fire Department, Street Lighting, Landfill, Recreation and Parks. Capital Outlay was \$107,350, which included the following: City Hall Generator Transfer Switch (\$2,945.39), DPW Building overhead door openers and generator transfer switch (\$5,201.39), Fire Department heaters and painting truck bay doors (\$11,458), City Hall and Police computer replacement (\$6,853.93), City Hall/JPD internet routers (\$6,920), Police tasers (5-year contract) (\$6,667.28), Police guns/equipment (1,843.50), Fire Department equipment upgrades and truck repairs (\$12,873.77), Christmas decorations (\$3,152.60, and Carl Fast & Wright St Park improvements (\$48,940.23).

**Capital Asset and Debt Administration**

Capital assets at year-end were as follows:

|                                           | Governmental Activities |              | Business-type Activities |              | Primary Government |               |
|-------------------------------------------|-------------------------|--------------|--------------------------|--------------|--------------------|---------------|
|                                           | 2024                    | 2025         | 2024                     | 2025         | 2024               | 2025          |
| Land                                      | \$ 189,255              | \$ 189,255   | \$ 2,061                 | \$ 2,061     | \$ 191,316         | \$ 191,316    |
| Land Improvements                         | 215,437                 | 215,437      | 0                        | 0            | 215,437            | 215,437       |
| Buildings and Improvements                | 1,440,957               | 1,460,561    | 0                        | 0            | 1,440,957          | 1,460,561     |
| Facilities and Mains                      | 0                       | 0            | 17,447,901               | 17,640,756   | 17,447,901         | 17,640,756    |
| Furniture and Equipment                   | 1,335,503               | 1,374,405    | 1,088,269                | 1,133,154    | 2,423,772          | 2,507,559     |
| Vehicles                                  | 1,621,230               | 1,650,163    | 0                        | 0            | 1,621,230          | 1,650,163     |
| Infrastructure                            | 7,799,983               | 9,264,802    | 0                        | 0            | 7,799,983          | 9,264,802     |
| Less: Acc. Depreciation                   | (6,514,751)             | (7,040,071)  | (10,702,450)             | (11,125,568) | (17,217,201)       | (18,165,639)  |
| Total Capital Assets, Net Of Depreciation | \$ 6,087,614            | \$ 7,114,552 | \$ 7,835,781             | \$ 7,650,403 | \$ 13,923,395      | \$ 14,764,955 |

City of Jonesville, Michigan  
Management's Discussion and Analysis (MD&A)  
For the year ended June 30, 2025

Bonds and contracts outstanding at year-end were as follows:

|                          | Governmental Activities |                   | Business-type Activities |                     | Primary Government  |                     |
|--------------------------|-------------------------|-------------------|--------------------------|---------------------|---------------------|---------------------|
|                          | 2024                    | 2025              | 2024                     | 2025                | 2024                | 2025                |
| General Government       | \$ 1,000,000            | \$ 955,000        | \$ 0                     | \$ 0                | \$ 1,000,000        | \$ 955,000          |
| Revenue Bonds            | 0                       | 0                 | 2,434,528                | 2,392,528           | \$ 2,434,528        | 2,392,528           |
| General Obligation Bonds | 0                       | 0                 | 2,350,000                | 2,225,000           | 2,350,000           | 2,225,000           |
| Total Long-Term Debt     | <u>\$ 1,000,000</u>     | <u>\$ 955,000</u> | <u>\$ 4,784,528</u>      | <u>\$ 4,617,528</u> | <u>\$ 5,784,528</u> | <u>\$ 5,572,528</u> |

**Factors Bearing on the City's Future**

The City is preparing for the retirement of two experienced staff members. Investments in training, certifications, and licensing will be critical to assure that existing and future staff are prepared for promotion and additional responsibilities. The City Council has budgeted for a wage and benefits study to assure that compensation is competitive with the market for both recruiting and retention. Continued collaboration between management and Council will assure that a positive work culture is maintained, as well.

Infrastructure investments, including clean, safe water will remain a priority. By state and federal mandate, privately-owned galvanized water services will be replaced throughout the City. The City has received an approximately \$300,000 Technical, Managerial, and Financial (TMF) grant from the Michigan Department of Environment, Great Lakes, and Energy (EGLE) to complete an inventory of the materials in all water services. The total project cost is estimated at more than \$2 million and will be completed over 10-20 years. The first phases were completed with street projects in FY 2023-24 and 2024-25, utilizing more than \$200,000 in American Rescue Plan Act funds. The TMF grant will support technical assistance in developing a plan to address the remaining services, including an application to the Drinking Water State Revolving Fund (DWSRF).

Downtown infrastructure investments are also a priority. The "road diet" and streetscape improvement project for the US-12 corridor in 2025 is nearing completion, with collaboration with the Michigan Department of Transportation (MDOT) and is support of a Transportation Alternatives Program (TAP) grant. Following its completion, the DDA intends to complete improvements to the South Parking Lot. In addition, the City Council and DDA have worked cooperatively to negotiate a development agreement with a local developer for new investment in the site of the former Klein Tool Building. It is hoped that this project will add additional retail and housing space to the Downtown, activate the riverfront, and provide important tax base.

Staff continues to note impacts on availability, lead time, and cost of parts and equipment in all Departments. These trends will warrant careful monitoring for their potential impacts on future year budgeting and project execution.

**Contacting the City's Financial Management**

This report is designed to provide a general overview of the City of Jonesville's finances. Questions or comments concerning any of the information provided in this report should be addressed to Jeff Gray, City Manager, City of Jonesville, 265 East Chicago St, Jonesville, MI 49250.

CITY OF JONESVILLE  
STATEMENT OF NET POSITION  
JUNE 30, 2025

|                                             | Primary Government   |                      |                      | Component           |
|---------------------------------------------|----------------------|----------------------|----------------------|---------------------|
|                                             | Governmental         | Business-type        | Total                | Units               |
|                                             | Activities           | Activities           |                      |                     |
| <b>ASSETS</b>                               |                      |                      |                      |                     |
| Current Assets                              |                      |                      |                      |                     |
| Cash and Cash Equivalents                   | \$ 116,391           | \$ 68,644            | \$ 185,035           | \$ 537,600          |
| Investments                                 | 4,189,545            | 3,057,685            | 7,247,230            | 3,905,782           |
| Accounts Receivable                         | 25,693               | 33,934               | 59,627               | 12,394              |
| Internal Balances                           | 146,338              | 14,024               | 160,362              | 0                   |
| Due from Other Governmental Units           | 106,380              | 0                    | 106,380              | 0                   |
| Inventory                                   | 2,912                | 8,442                | 11,354               | 0                   |
| Prepaid Expense                             | 58,494               | 9,316                | 67,810               | 32                  |
| Total Current Assets                        | <u>\$ 4,645,753</u>  | <u>\$ 3,192,045</u>  | <u>\$ 7,837,798</u>  | <u>\$ 4,455,808</u> |
| Noncurrent Assets                           |                      |                      |                      |                     |
| Capital Assets - Not Depreciated            | \$ 189,255           | \$ 2,061             | \$ 191,316           | \$ 97,544           |
| Other Capital Assets - Net of Depreciation  | 6,925,297            | 7,648,342            | 14,573,639           | 0                   |
| Restricted Investments                      | 0                    | 148,759              | 148,759              | 0                   |
| Total Noncurrent Assets                     | <u>\$ 7,114,552</u>  | <u>\$ 7,799,162</u>  | <u>\$ 14,913,714</u> | <u>\$ 97,544</u>    |
| Total Assets                                | <u>\$ 11,760,305</u> | <u>\$ 10,991,207</u> | <u>\$ 22,751,512</u> | <u>\$ 4,553,352</u> |
| <b>LIABILITIES</b>                          |                      |                      |                      |                     |
| Current Liabilities                         |                      |                      |                      |                     |
| Accounts Payable                            | \$ 578,380           | \$ 183,598           | \$ 761,978           | \$ 1,122            |
| Internal Balances                           | 1,021                | 159,341              | 160,362              | 0                   |
| Accrued Payroll                             | 18,285               | 5,939                | 24,224               | 357                 |
| Customer Deposits                           | 0                    | 200                  | 200                  | 0                   |
| Interest Payable                            | 0                    | 13,192               | 13,192               | 0                   |
| Unearned Revenue                            | 0                    | 0                    | 0                    | 1,403               |
| Current Portion of Long-Term Debt           | 40,000               | 173,000              | 213,000              | 0                   |
| Total Current Liabilities                   | <u>\$ 637,686</u>    | <u>\$ 535,270</u>    | <u>\$ 1,172,956</u>  | <u>\$ 2,882</u>     |
| Noncurrent Liabilities                      |                      |                      |                      |                     |
| Bonds Payable (net of premiums & discounts) | \$ 935,981           | \$ 4,438,541         | \$ 5,374,522         | \$ 0                |
| Compensated Absences                        | 70,541               | 9,233                | 79,774               | 0                   |
| Total Noncurrent Liabilities                | <u>\$ 1,006,522</u>  | <u>\$ 4,447,774</u>  | <u>\$ 5,454,296</u>  | <u>\$ 0</u>         |
| Total Liabilities                           | <u>\$ 1,644,208</u>  | <u>\$ 4,983,044</u>  | <u>\$ 6,627,252</u>  | <u>\$ 2,882</u>     |
| <b>NET POSITION</b>                         |                      |                      |                      |                     |
| Net Investment in Capital Assets            | \$ 6,138,571         | \$ 3,025,670         | \$ 9,164,241         | \$ 97,544           |
| Restricted for:                             |                      |                      |                      |                     |
| Streets                                     | 1,563,250            | 0                    | 1,563,250            | 0                   |
| RD Bond Covenants                           | 0                    | 148,759              | 148,759              | 0                   |
| Unrestricted                                | <u>2,414,276</u>     | <u>2,833,734</u>     | <u>5,248,010</u>     | <u>4,452,926</u>    |
| Total Net Position                          | <u>\$ 10,116,097</u> | <u>\$ 6,008,163</u>  | <u>\$ 16,124,260</u> | <u>\$ 4,550,470</u> |

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

CITY OF JONESVILLE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025

|                                            |                                | <b>Program Revenues</b>         |                                          |                                        |                                  |
|--------------------------------------------|--------------------------------|---------------------------------|------------------------------------------|----------------------------------------|----------------------------------|
|                                            |                                |                                 | Operating Grants<br>and<br>Contributions | Capital Grants<br>and<br>Contributions | Net (Expense)<br>Revenue         |
|                                            | <b>Expenses</b>                | <b>Charges for Services</b>     |                                          |                                        |                                  |
| Primary Government:                        |                                |                                 |                                          |                                        |                                  |
| Governmental Activities:                   |                                |                                 |                                          |                                        |                                  |
| General Government                         | \$       699,002               | \$        71,872                | \$      306,445                          | \$              0                      | \$     (320,685)                 |
| Public Safety                              | 600,545                        | 92,561                          | 0                                        | 0                                      | (507,984)                        |
| Economic and Community Development         | 3,095                          | 400                             | 0                                        | 0                                      | (2,695)                          |
| Public Works                               | 80,050                         | 0                               | 0                                        | 0                                      | (80,050)                         |
| Streets, Highways, and Drains              | 541,916                        | 0                               | 425,775                                  | 0                                      | (116,141)                        |
| Sanitation                                 | 12,323                         | 0                               | 0                                        | 0                                      | (12,323)                         |
| Culture and Recreation                     | 126,128                        | 17,900                          | 19,912                                   | 0                                      | (88,316)                         |
| Interest on Long-Term Debt                 | 43,063                         | 0                               | 0                                        | 0                                      | (43,063)                         |
| Depreciation - Unallocated <sup>1</sup>    | 58,841                         | 0                               | 0                                        | 0                                      | (58,841)                         |
| Total Governmental Activities              | <u>\$     2,164,963</u>        | <u>\$      182,733</u>          | <u>\$      752,132</u>                   | <u>\$              0</u>               | <u>\$     (1,230,098)</u>        |
| Business-type Activities:                  |                                |                                 |                                          |                                        |                                  |
| Water                                      | \$      613,301                | \$      367,448                 | \$      12,568                           | \$              0                      | \$     (233,285)                 |
| Sewer                                      | 833,802                        | 839,471                         | 0                                        | 0                                      | 5,669                            |
| Total Business-type Activities             | <u>\$     1,447,103</u>        | <u>\$     1,206,919</u>         | <u>\$      12,568</u>                    | <u>\$              0</u>               | <u>\$     (227,616)</u>          |
| Total Primary Government                   | <u><u>\$     3,612,066</u></u> | <u><u>\$     1,389,652</u></u>  | <u><u>\$      764,700</u></u>            | <u><u>\$              0</u></u>        | <u><u>\$     (1,457,714)</u></u> |
| Component Units:                           |                                |                                 |                                          |                                        |                                  |
| Downtown Development Authority             | \$      122,921                | \$              0               | \$      27,542                           | \$              0                      | \$     (95,379)                  |
| Local Development Finance Authority        | 96,972                         | 0                               | 306,193                                  | 0                                      | 209,221                          |
| Total Component Units                      | <u><u>\$     219,893</u></u>   | <u><u>\$              0</u></u> | <u><u>\$      333,735</u></u>            | <u><u>\$              0</u></u>        | <u><u>\$      113,842</u></u>    |
|                                            |                                |                                 |                                          |                                        |                                  |
|                                            |                                |                                 | <b>Primary Government</b>                |                                        |                                  |
|                                            |                                | <b>Governmental Activities</b>  | <b>Business-type Activities</b>          | <b>Total</b>                           | <b>Component Units</b>           |
| Change in Net Position:                    |                                |                                 |                                          |                                        |                                  |
| Net (Expense) Revenue                      |                                | <u>\$     (1,230,098)</u>       | <u>\$     (227,616)</u>                  | <u>\$     (1,457,714)</u>              | <u>\$         113,842</u>        |
| General Revenue:                           |                                |                                 |                                          |                                        |                                  |
| Property Taxes Levied for General Purposes |                                | \$      914,983                 | \$              0                        | \$      914,983                        | \$              0                |
| Property Taxes Captured                    |                                | 0                               | 0                                        | 0                                      | 316,436                          |
| State Shared Revenue                       |                                | 288,078                         | 0                                        | 288,078                                | 0                                |
| Investment Income                          |                                | 224,230                         | 141,700                                  | 365,930                                | 195,248                          |
| Miscellaneous                              |                                | 22,643                          | 78,197                                   | 100,840                                | 25,714                           |
| Total General Revenue                      |                                | <u>\$     1,449,934</u>         | <u>\$      219,897</u>                   | <u>\$     1,669,831</u>                | <u>\$      537,398</u>           |
| Excess (deficiency)                        |                                | \$      219,836                 | \$      (7,719)                          | \$      212,117                        | \$      651,240                  |
| Transfers                                  |                                | 76,828                          | 146,244                                  | 223,072                                | 0                                |
|                                            |                                | <u>(146,244)</u>                | <u>(76,828)</u>                          | <u>(223,072)</u>                       | <u>0</u>                         |
| Change in Net Position                     |                                | \$      150,420                 | \$        61,697                         | \$      212,117                        | \$      651,240                  |
| Net Position – Beginning (restated)        |                                | 9,965,677                       | 5,946,466                                | 15,912,143                             | 3,899,230                        |
| Net Position – Ending                      |                                | <u>\$  10,116,097</u>           | <u>\$     6,008,163</u>                  | <u>\$  16,124,260</u>                  | <u>\$     4,550,470</u>          |

<sup>1</sup>This amount does not include depreciation that is reported in the direct expenses of the various programs

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

CITY OF JONESVILLE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025

|                                     | General             | Capital<br>Projects<br>Fund | Major<br>Streets  | Local<br>Streets  | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-------------------------------------|---------------------|-----------------------------|-------------------|-------------------|--------------------------------|--------------------------------|
| ASSETS                              |                     |                             |                   |                   |                                |                                |
| Cash                                | \$ 71,116           | \$ 0                        | \$ 17,226         | \$ 4,160          | \$ 21,052                      | \$ 113,554                     |
| Investments                         | 2,435,254           | 0                           | 762,825           | 750,731           | 0                              | 3,948,810                      |
| Taxes & Accounts Receivable         | 24,515              | 0                           | 0                 | 1,178             | 0                              | 25,693                         |
| Due from Other Funds                | 167                 | 0                           | 0                 | 149,691           | 0                              | 149,858                        |
| Due from Other Governmental Units   | 47,710              | 0                           | 44,649            | 14,021            | 0                              | 106,380                        |
| Inventory                           | 2,912               | 0                           | 0                 | 0                 | 0                              | 2,912                          |
| Prepaid Expenditures                | 57,569              | 0                           | 0                 | 0                 | 0                              | 57,569                         |
| Total Assets                        | <u>\$ 2,639,243</u> | <u>\$ 0</u>                 | <u>\$ 824,700</u> | <u>\$ 919,781</u> | <u>\$ 21,052</u>               | <u>\$ 4,404,776</u>            |
| LIABILITIES                         |                     |                             |                   |                   |                                |                                |
| Accounts Payable                    | \$ 351,933          | \$ 0                        | \$ 3,879          | \$ 197,001        | \$ 0                           | \$ 552,813                     |
| Due to Other Funds                  | 4,467               | 0                           | 0                 | 0                 | 0                              | 4,467                          |
| Salaries Payable                    | 17,060              | 0                           | 237               | 896               | 0                              | 18,193                         |
| Total Liabilities                   | <u>\$ 373,460</u>   | <u>\$ 0</u>                 | <u>\$ 4,116</u>   | <u>\$ 197,897</u> | <u>\$ 0</u>                    | <u>\$ 575,473</u>              |
| FUND BALANCES                       |                     |                             |                   |                   |                                |                                |
| Nonspendable                        | \$ 60,481           | \$ 0                        | \$ 0              | \$ 0              | \$ 0                           | \$ 60,481                      |
| Restricted                          | 0                   | 0                           | 820,584           | 721,884           | 21,052                         | 1,563,520                      |
| Committed                           | 0                   | 0                           | 0                 | 0                 | 0                              | 0                              |
| Assigned                            | 0                   | 0                           | 0                 | 0                 | 0                              | 0                              |
| Unassigned                          | 2,205,302           | 0                           | 0                 | 0                 | 0                              | 2,205,302                      |
| Total Fund Balances                 | <u>\$ 2,265,783</u> | <u>\$ 0</u>                 | <u>\$ 820,584</u> | <u>\$ 721,884</u> | <u>\$ 21,052</u>               | <u>\$ 3,829,303</u>            |
| Total Liabilities and Fund Balances | <u>\$ 2,639,243</u> | <u>\$ 0</u>                 | <u>\$ 824,700</u> | <u>\$ 919,781</u> | <u>\$ 21,052</u>               | <u>\$ 4,404,776</u>            |

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

CITY OF JONESVILLE  
Reconciliation of Fund Balances on the Balance Sheet  
for Governmental Funds to Net Position of  
Governmental Activities on the Statement of Net Position  
June 30, 2025

|                                                                                                                                                                                                                                                     |                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Fund Balances - total governmental funds                                                                                                                                                                                                            | \$ 3,829,303                |
| Amounts reported for 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 in the funds.                                                                                                                             |                             |
| Add: Capital assets                                                                                                                                                                                                                                 | 14,154,623                  |
| Deduct: Accumulated depreciation                                                                                                                                                                                                                    | (7,040,071)                 |
| An Internal Service Fund is used by management to charge the cost of equipment and vehicle usage to individual funds. Assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position. |                             |
| Add: Internal Service Fund current assets                                                                                                                                                                                                           | 244,487                     |
| Deduct: Internal Service Fund current liabilities                                                                                                                                                                                                   | (25,723)                    |
| Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.                                                                                                              |                             |
| Deduct: Bonds and notes payable                                                                                                                                                                                                                     | (955,000)                   |
| Add: Bond discount                                                                                                                                                                                                                                  | 13,303                      |
| Deduct: Bond premium                                                                                                                                                                                                                                | (34,284)                    |
| Deduct: Compensated absences                                                                                                                                                                                                                        | (70,541)                    |
| Net position of governmental activities                                                                                                                                                                                                             | <u><u>\$ 10,116,097</u></u> |

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



CITY OF JONESVILLE  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

|                                    | General             | Capital<br>Projects<br>Fund | Major<br>Streets  | Local<br>Streets    | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|------------------------------------|---------------------|-----------------------------|-------------------|---------------------|--------------------------------|--------------------------------|
| REVENUE                            |                     |                             |                   |                     |                                |                                |
| Property Taxes                     | \$ 951,923          | \$ 0                        | \$ 0              | \$ 0                | \$ 0                           | \$ 951,923                     |
| Licenses and Permits               | 2,838               | 0                           | 0                 | 0                   | 0                              | 2,838                          |
| State Shared Revenue               | 288,078             | 0                           | 289,220           | 90,823              | 0                              | 668,121                        |
| Grants                             | 170,244             | 0                           | 0                 | 0                   | 0                              | 170,244                        |
| Charges and Fees                   | 101,614             | 0                           | 0                 | 0                   | 0                              | 101,614                        |
| State Highway Contract             | 0                   | 0                           | 0                 | 0                   | 44,792                         | 44,792                         |
| Recreation                         | 37,812              | 0                           | 0                 | 0                   | 0                              | 37,812                         |
| Rents and Royalties                | 20,859              | 0                           | 0                 | 0                   | 0                              | 20,859                         |
| Cemetery Revenue                   | 23,440              | 0                           | 0                 | 0                   | 0                              | 23,440                         |
| Contributions                      | 4,173               | 0                           | 0                 | 0                   | 0                              | 4,173                          |
| Interest                           | 129,960             | 0                           | 34,409            | 59,858              | 3                              | 224,230                        |
| Contributions from Component Units | 132,028             | 0                           | 0                 | 0                   | 0                              | 132,028                        |
| Miscellaneous                      | 1,285               | 0                           | 500               | 940                 | 0                              | 2,725                          |
| Total Revenue                      | <u>\$ 1,864,254</u> | <u>\$ 0</u>                 | <u>\$ 324,129</u> | <u>\$ 151,621</u>   | <u>\$ 44,795</u>               | <u>\$ 2,384,799</u>            |
| EXPENDITURES                       |                     |                             |                   |                     |                                |                                |
| General Government                 | \$ 652,691          | \$ 0                        | \$ 0              | \$ 0                | \$ 0                           | \$ 652,691                     |
| Public Safety                      | 505,957             | 0                           | 0                 | 0                   | 0                              | 505,957                        |
| Economic & Community Development   | 3,095               | 0                           | 0                 | 0                   | 0                              | 3,095                          |
| Public Works                       | 32,715              | 0                           | 0                 | 0                   | 0                              | 32,715                         |
| Streets, Highways, and Drains      | 39,223              | 1,022,293                   | 123,404           | 491,260             | 39,094                         | 1,715,274                      |
| Sanitation                         | 12,323              | 0                           | 0                 | 0                   | 0                              | 12,323                         |
| Culture and Recreation             | 101,174             | 0                           | 0                 | 0                   | 0                              | 101,174                        |
| Capital Outlay                     | 106,856             | 0                           | 0                 | 0                   | 0                              | 106,856                        |
| Debt Service                       |                     |                             |                   |                     |                                |                                |
| Principal                          | 0                   | 0                           | 0                 | 0                   | 45,000                         | 45,000                         |
| Interest                           | 0                   | 0                           | 0                 | 0                   | 44,375                         | 44,375                         |
| Total Expenditures                 | <u>\$ 1,454,034</u> | <u>\$ 1,022,293</u>         | <u>\$ 123,404</u> | <u>\$ 491,260</u>   | <u>\$ 128,469</u>              | <u>\$ 3,219,460</u>            |
| REVENUE OVER (UNDER) EXPENDITURES  | <u>\$ 410,220</u>   | <u>\$ (1,022,293)</u>       | <u>\$ 200,725</u> | <u>\$ (339,639)</u> | <u>\$ (83,674)</u>             | <u>\$ (834,661)</u>            |

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

CITY OF JONESVILLE  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025  
(continued)

|                                      | General                    | Capital<br>Projects<br>Fund | Major<br>Streets         | Local<br>Streets         | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------|----------------------------|-----------------------------|--------------------------|--------------------------|--------------------------------|--------------------------------|
| OTHER FINANCING SOURCES (USES)       |                            |                             |                          |                          |                                |                                |
| Operating Transfers In               | \$ 186,716                 | \$ 0                        | \$ 1,500                 | \$ 260,280               | \$ 89,375                      | \$ 537,871                     |
| Operating Transfers Out              | (489,325)                  | 0                           | (14,924)                 | (175,059)                | (4,348)                        | (683,656)                      |
| Total Other Financing Sources (Uses) | <u>\$ (302,609)</u>        | <u>\$ 0</u>                 | <u>\$ (13,424)</u>       | <u>\$ 85,221</u>         | <u>\$ 85,027</u>               | <u>\$ (145,785)</u>            |
| NET CHANGE IN FUND BALANCES          | \$ 107,611                 | \$ (1,022,293)              | \$ 187,301               | \$ (254,418)             | \$ 1,353                       | \$ (980,446)                   |
| FUND BALANCES – Beginning            | <u>2,158,172</u>           | <u>1,022,293</u>            | <u>633,283</u>           | <u>976,302</u>           | <u>19,699</u>                  | <u>4,809,749</u>               |
| FUND BALANCES – Ending               | <u><u>\$ 2,265,783</u></u> | <u><u>\$ 0</u></u>          | <u><u>\$ 820,584</u></u> | <u><u>\$ 721,884</u></u> | <u><u>\$ 21,052</u></u>        | <u><u>\$ 3,829,303</u></u>     |

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

CITY OF JONESVILLE  
Reconciliation of Statement of Revenue, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2025

Net changes in fund balances - total governmental funds \$ (980,446)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

|                              |           |
|------------------------------|-----------|
| Add: Capital outlay          | 1,522,734 |
| Deduct: Depreciation expense | (572,097) |

An Internal Service Fund is used by management to charge the cost of equipment and vehicle usage to individual funds. Net revenue of the Internal Service Fund of (before depreciation) is reported with governmental activities in the statement of net position. 144,751

Debt proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

|                                           |        |
|-------------------------------------------|--------|
| Add: Principal payments on long-term debt | 45,000 |
|-------------------------------------------|--------|

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

|                                                      |          |
|------------------------------------------------------|----------|
| Add: Amortization of bond premium/discount           | 1,312    |
| Deduct: Increase in accrual for compensated absences | (10,834) |

|                                                   |            |
|---------------------------------------------------|------------|
| Change in net position of governmental activities | \$ 150,420 |
|---------------------------------------------------|------------|

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

CITY OF JONESVILLE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2025

|                                                                  | Enterprise Funds    |                     | Total<br>Enterprise<br>Funds | Internal<br>Service<br>Funds |
|------------------------------------------------------------------|---------------------|---------------------|------------------------------|------------------------------|
|                                                                  | Water               | Sewer               |                              |                              |
| <b>ASSETS</b>                                                    |                     |                     |                              |                              |
| Current Assets                                                   |                     |                     |                              |                              |
| Cash                                                             | \$ 33,144           | \$ 35,500           | \$ 68,644                    | \$ 2,827                     |
| Investments                                                      | 1,132,456           | 1,925,229           | 3,057,685                    | 240,735                      |
| Accounts Receivable                                              | 9,119               | 24,815              | 33,934                       | 0                            |
| Due from Other Funds                                             | 0                   | 14,024              | 14,024                       | 0                            |
| Inventory                                                        | 7,419               | 1,023               | 8,442                        | 0                            |
| Prepaid Expense                                                  | 672                 | 8,644               | 9,316                        | 925                          |
| Total Current Assets                                             | <u>\$ 1,182,810</u> | <u>\$ 2,009,235</u> | <u>\$ 3,192,045</u>          | <u>\$ 244,487</u>            |
| Noncurrent Assets                                                |                     |                     |                              |                              |
| Capital Assets - Not Depreciated                                 | \$ 2,061            | \$ 0                | \$ 2,061                     | \$ 0                         |
| Other Capital Assets, Net of Accumulated Depreciation            | 3,196,877           | 4,451,465           | 7,648,342                    | 777,624                      |
| Restricted Investments - RD Bond Reserve                         | 80,840              | 0                   | 80,840                       | 0                            |
| Restricted Investments - RD Repair, Replacement<br>& Improvement | 67,919              | 0                   | 67,919                       | 0                            |
| Total Noncurrent Assets                                          | <u>\$ 3,347,697</u> | <u>\$ 4,451,465</u> | <u>\$ 7,799,162</u>          | <u>\$ 777,624</u>            |
| Total Assets                                                     | <u>\$ 4,530,507</u> | <u>\$ 6,460,700</u> | <u>\$ 10,991,207</u>         | <u>\$ 1,022,111</u>          |
| <b>LIABILITIES</b>                                               |                     |                     |                              |                              |
| Current Liabilities                                              |                     |                     |                              |                              |
| Accounts Payable                                                 | \$ 91,770           | \$ 91,828           | \$ 183,598                   | \$ 25,567                    |
| Accrued Payroll                                                  | 2,384               | 3,555               | 5,939                        | 93                           |
| Due to Other Funds                                               | 159,341             | 0                   | 159,341                      | 63                           |
| Customer Deposits                                                | 100                 | 100                 | 200                          | 0                            |
| Total Current Liabilities                                        | <u>\$ 253,595</u>   | <u>\$ 95,483</u>    | <u>\$ 349,078</u>            | <u>\$ 25,723</u>             |
| Liabilities Payable from Restricted Assets                       |                     |                     |                              |                              |
| Accrued Interest Payable                                         | \$ 13,192           | \$ 0                | \$ 13,192                    | \$ 0                         |
| Bonds Payable - Current                                          | 43,000              | 130,000             | 173,000                      | 0                            |
| Total Liabilities Payable from Restricted Assets                 | <u>\$ 56,192</u>    | <u>\$ 130,000</u>   | <u>\$ 186,192</u>            | <u>\$ 0</u>                  |
| Noncurrent Liabilities                                           |                     |                     |                              |                              |
| Bonds Payable                                                    | \$ 2,349,528        | \$ 2,095,000        | \$ 4,444,528                 | \$ 0                         |
| Bond Discount                                                    | 0                   | (5,987)             | (5,987)                      | 0                            |
| Compensated Absences                                             | 2,630               | 6,603               | 9,233                        | 0                            |
| Total Noncurrent Liabilities                                     | <u>\$ 2,352,158</u> | <u>\$ 2,095,616</u> | <u>\$ 4,447,774</u>          | <u>\$ 0</u>                  |
| Total Liabilities                                                | <u>\$ 2,661,945</u> | <u>\$ 2,321,099</u> | <u>\$ 4,983,044</u>          | <u>\$ 25,723</u>             |
| <b>NET POSITION</b>                                              |                     |                     |                              |                              |
| Net Investment in Capital Assets                                 | \$ 793,218          | \$ 2,232,452        | \$ 3,025,670                 | \$ 777,624                   |
| Restricted by RD Bond Covenants:                                 |                     |                     |                              |                              |
| Bond Reserve                                                     | 80,840              | 0                   | 80,840                       | 0                            |
| Repair, Replacement, & Improvement                               | 67,919              | 0                   | 67,919                       | 0                            |
| Unrestricted                                                     | <u>926,585</u>      | <u>1,907,149</u>    | <u>2,833,734</u>             | <u>218,764</u>               |
| Total Net Position                                               | <u>\$ 1,868,562</u> | <u>\$ 4,139,601</u> | <u>\$ 6,008,163</u>          | <u>\$ 996,388</u>            |

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

**CITY OF JONESVILLE**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

|                                                         | Enterprise Funds           |                            | Total<br>Enterprise<br>Funds | Internal<br>Service<br>Funds |
|---------------------------------------------------------|----------------------------|----------------------------|------------------------------|------------------------------|
|                                                         | Water                      | Sewer                      |                              |                              |
| <b>OPERATING REVENUE</b>                                |                            |                            |                              |                              |
| Sales                                                   | \$ 362,948                 | \$ 833,108                 | \$ 1,196,056                 | \$ 0                         |
| Equipment Rental                                        | 4,500                      | 6,363                      | 10,863                       | 103,888                      |
| Sale of Capital Assets                                  | 0                          | 0                          | 0                            | 20,000                       |
| Other                                                   | 46,409                     | 6,788                      | 53,197                       | 0                            |
| Total Operating Revenue                                 | <u>\$ 413,857</u>          | <u>\$ 846,259</u>          | <u>\$ 1,260,116</u>          | <u>\$ 123,888</u>            |
| <b>OPERATING EXPENSES</b>                               |                            |                            |                              |                              |
| Sewage Disposal                                         | \$ 0                       | \$ 484,590                 | \$ 484,590                   | \$ 0                         |
| Water Plant Operation                                   | 169,708                    | 0                          | 169,708                      | 0                            |
| Water Distribution Expenses                             | 197,502                    | 0                          | 197,502                      | 0                            |
| Depreciation                                            | 170,231                    | 252,887                    | 423,118                      | 99,508                       |
| Motor Vehicle Expense                                   | 0                          | 0                          | 0                            | 77,646                       |
| Total Operating Expenses                                | <u>\$ 537,441</u>          | <u>\$ 737,477</u>          | <u>\$ 1,274,918</u>          | <u>\$ 177,154</u>            |
| <b>OPERATING INCOME (LOSS)</b>                          | <u>\$ (123,584)</u>        | <u>\$ 108,782</u>          | <u>\$ (14,802)</u>           | <u>\$ (53,266)</u>           |
| <b>NON-OPERATING REVENUE (EXPENSES)</b>                 |                            |                            |                              |                              |
| Interest Income                                         | \$ 53,551                  | \$ 88,149                  | \$ 141,700                   | \$ 8,440                     |
| Interest Expense                                        | (75,860)                   | (96,325)                   | (172,185)                    | 0                            |
| Total Non-operating Revenue (Expense)                   | <u>\$ (22,309)</u>         | <u>\$ (8,176)</u>          | <u>\$ (30,485)</u>           | <u>\$ 8,440</u>              |
| <b>Income (Loss) Before Contributions and Transfers</b> | <u>\$ (145,893)</u>        | <u>\$ 100,606</u>          | <u>\$ (45,287)</u>           | <u>\$ (44,826)</u>           |
| <b>CONTRIBUTIONS AND TRANSFERS</b>                      |                            |                            |                              |                              |
| Contributions from Other Governments                    | \$ 0                       | \$ 0                       | \$ 0                         | \$ 13,700                    |
| Contributions from Component Units                      | 25,000                     | 0                          | 25,000                       | 0                            |
| Grants                                                  | 12,568                     | 0                          | 12,568                       | 0                            |
| Transfers From Other Funds                              | 146,244                    | 0                          | 146,244                      | 89,300                       |
| Transfers To Other Funds                                | (36,414)                   | (40,414)                   | (76,828)                     | (12,932)                     |
| Total Contributions and Transfers                       | <u>\$ 147,398</u>          | <u>\$ (40,414)</u>         | <u>\$ 106,984</u>            | <u>\$ 90,068</u>             |
| <b>CHANGE IN NET POSITION</b>                           | <u>\$ 1,505</u>            | <u>\$ 60,192</u>           | <u>\$ 61,697</u>             | <u>\$ 45,242</u>             |
| <b>NET POSITION – Beginning (restated)</b>              | <u>1,867,057</u>           | <u>4,079,409</u>           | <u>5,946,466</u>             | <u>951,146</u>               |
| <b>NET POSITION – Ending</b>                            | <u><u>\$ 1,868,562</u></u> | <u><u>\$ 4,139,601</u></u> | <u><u>\$ 6,008,163</u></u>   | <u><u>\$ 996,388</u></u>     |

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

**CITY OF JONESVILLE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

|                                                                                                       | Water                      | Sewer                      | Total<br>Enterprise<br>Funds | Internal<br>Service<br>Funds |
|-------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|------------------------------|------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                           |                            |                            |                              |                              |
| Cash received from customers                                                                          | \$ 404,785                 | \$ 826,788                 | \$ 1,231,573                 | \$ 0                         |
| Cash received from interfund services provided                                                        | 0                          | 0                          | 0                            | 104,876                      |
| Cash payments to suppliers for goods and services                                                     | 65,049                     | (215,245)                  | (150,196)                    | (63,017)                     |
| Cash payments to employees and professional contractors for services                                  | (193,931)                  | (198,261)                  | (392,192)                    | (25,960)                     |
| Other operating receipts                                                                              | 46,409                     | 6,788                      | 53,197                       | 20,000                       |
| Net cash provided (used) by operating activities                                                      | <u>\$ 322,312</u>          | <u>\$ 420,070</u>          | <u>\$ 742,382</u>            | <u>\$ 35,899</u>             |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                                               |                            |                            |                              |                              |
| Contributions from other governments                                                                  | \$ 0                       | \$ 0                       | \$ 0                         | \$ 13,700                    |
| Contributions from component units                                                                    | 25,000                     | 0                          | 25,000                       | 0                            |
| Grants                                                                                                | 12,568                     | 0                          | 12,568                       | 0                            |
| Transfers from other funds                                                                            | 146,244                    | 0                          | 146,244                      | 89,300                       |
| Transfers to other funds                                                                              | (36,414)                   | (40,414)                   | (76,828)                     | (12,932)                     |
| Net cash provided (used) by non-capital financing activities                                          | <u>\$ 147,398</u>          | <u>\$ (40,414)</u>         | <u>\$ 106,984</u>            | <u>\$ 90,068</u>             |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                       |                            |                            |                              |                              |
| Acquisition and construction of capital assets                                                        | \$ (151,464)               | \$ (86,276)                | \$ (237,740)                 | \$ (76,300)                  |
| Principal paid on bonds and loans                                                                     | (42,000)                   | (125,000)                  | (167,000)                    | 0                            |
| Interest paid on bonds and loans                                                                      | (76,078)                   | (95,826)                   | (171,904)                    | 0                            |
| Net cash provided (used) by capital and related financing activities                                  | <u>\$ (269,542)</u>        | <u>\$ (307,102)</u>        | <u>\$ (576,644)</u>          | <u>\$ (76,300)</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                           |                            |                            |                              |                              |
| Investment income                                                                                     | \$ 53,551                  | \$ 88,149                  | \$ 141,700                   | \$ 8,440                     |
| Net cash provided (used) by investment activities                                                     | <u>\$ 53,551</u>           | <u>\$ 88,149</u>           | <u>\$ 141,700</u>            | <u>\$ 8,440</u>              |
| <b>NET INCREASE (DECREASE) IN CASH</b>                                                                | <u>\$ 253,719</u>          | <u>\$ 160,703</u>          | <u>\$ 414,422</u>            | <u>\$ 58,107</u>             |
| <b>CASH AND CASH EQUIVALENTS - Beginning</b>                                                          | <u>1,060,640</u>           | <u>1,800,026</u>           | <u>2,860,666</u>             | <u>185,455</u>               |
| <b>CASH AND CASH EQUIVALENTS - Ending</b>                                                             | <u><u>\$ 1,314,359</u></u> | <u><u>\$ 1,960,729</u></u> | <u><u>\$ 3,275,088</u></u>   | <u><u>\$ 243,562</u></u>     |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>  |                            |                            |                              |                              |
| Operating income (loss)                                                                               | \$ (123,584)               | \$ 108,782                 | \$ (14,802)                  | \$ (53,266)                  |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                            |                            |                              |                              |
| Depreciation                                                                                          | 170,231                    | 252,887                    | 423,118                      | 99,508                       |
| Changes in assets and liabilities:                                                                    |                            |                            |                              |                              |
| (Increase) decrease in accounts receivable                                                            | 1,684                      | (363)                      | 1,321                        | 0                            |
| (Increase) decrease in due from other funds                                                           | 35,653                     | (12,320)                   | 23,333                       | 988                          |
| (Increase) decrease in inventories                                                                    | (1,596)                    | 1,653                      | 57                           | 0                            |
| (Increase) decrease in prepaid expense                                                                | (71)                       | (1,083)                    | (1,154)                      | 214                          |
| Increase (decrease) in accounts payable                                                               | 80,461                     | 75,808                     | 156,269                      | 21,920                       |
| Increase (decrease) in wages and benefits payable                                                     | 1,197                      | 461                        | 1,658                        | (31)                         |
| Increase (decrease) in due to other funds                                                             | 158,353                    | 0                          | 158,353                      | (33,434)                     |
| Increase (decrease) in customer deposits                                                              | 0                          | 0                          | 0                            | 0                            |
| Increase (decrease) in compensated absences                                                           | (16)                       | (5,755)                    | (5,771)                      | 0                            |
| <b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>                                               | <u><u>\$ 322,312</u></u>   | <u><u>\$ 420,070</u></u>   | <u><u>\$ 742,382</u></u>     | <u><u>\$ 35,899</u></u>      |

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

CITY OF JONESVILLE  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2025

|                     | <u>Custodial Fund</u><br><u>Current Tax</u><br><u>Collection</u> |
|---------------------|------------------------------------------------------------------|
| ASSETS              |                                                                  |
| Cash                | \$ 10                                                            |
| LIABILITIES         |                                                                  |
| Due to General Fund | \$ 10                                                            |
| NET POSITION        | <u>\$ 0</u>                                                      |

CITY OF JONESVILLE  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2025

|                                                                        | <u>Custodial Fund</u><br><u>Current Tax</u><br><u>Collection</u> |
|------------------------------------------------------------------------|------------------------------------------------------------------|
| ADDITIONS                                                              |                                                                  |
| Collection of taxes for City of Jonesville and other governments       | \$ 3,539,133                                                     |
| DEDUCTIONS                                                             |                                                                  |
| Payment of taxes collected to City of Jonesville and other governments | <u>3,539,133</u>                                                 |
| Net change in fiduciary net position                                   | \$ 0                                                             |
| NET POSITION - Beginning                                               | <u>0</u>                                                         |
| NET POSITION - Ending                                                  | <u>\$ 0</u>                                                      |

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

CITY OF JONESVILLE  
 COMBINING STATEMENT OF NET POSITION  
 COMPONENT UNITS  
 JUNE 30, 2025

|                                  | DDA                      | LDFA                       | Total<br>Component<br>Units |
|----------------------------------|--------------------------|----------------------------|-----------------------------|
| ASSETS                           |                          |                            |                             |
| Current Assets                   |                          |                            |                             |
| Cash                             | \$ 20,372                | \$ 517,228                 | \$ 537,600                  |
| Investments                      | 187,972                  | 3,717,810                  | 3,905,782                   |
| Accounts Receivable              | 8,223                    | 4,171                      | 12,394                      |
| Prepaid Expense                  | 32                       | 0                          | 32                          |
| Total Current Assets             | <u>\$ 216,599</u>        | <u>\$ 4,239,209</u>        | <u>\$ 4,455,808</u>         |
| Noncurrent Assets                |                          |                            |                             |
| Capital Assets                   |                          |                            |                             |
| Land                             | \$ 0                     | \$ 97,544                  | \$ 97,544                   |
| Total Noncurrent Assets          | <u>\$ 0</u>              | <u>\$ 97,544</u>           | <u>\$ 97,544</u>            |
| Total Assets                     | <u>\$ 216,599</u>        | <u>\$ 4,336,753</u>        | <u>\$ 4,553,352</u>         |
| LIABILITIES                      |                          |                            |                             |
| Current Liabilities              |                          |                            |                             |
| Accounts Payable                 | \$ 330                   | \$ 783                     | \$ 1,113                    |
| Due to Primary Government        | 9                        | 0                          | 9                           |
| Unearned Revenue                 | 0                        | 1,403                      | 1,403                       |
| Accrued Payroll                  | 357                      | 0                          | 357                         |
| Total Liabilities                | <u>\$ 696</u>            | <u>\$ 2,186</u>            | <u>\$ 2,882</u>             |
| NET POSITION                     |                          |                            |                             |
| Net Investment in Capital Assets | \$ 0                     | \$ 97,544                  | \$ 97,544                   |
| Unrestricted                     | 215,903                  | 4,237,023                  | 4,452,926                   |
| Total Net Position               | <u><u>\$ 215,903</u></u> | <u><u>\$ 4,334,567</u></u> | <u><u>\$ 4,550,470</u></u>  |

See Note 1 for descriptions of component units shown in column headings

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



CITY OF JONESVILLE  
COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE YEAR ENDED JUNE 30, 2025

|                                    | DDA                      | LDFA                       | Total<br>Component<br>Units |
|------------------------------------|--------------------------|----------------------------|-----------------------------|
| EXPENSES                           |                          |                            |                             |
| Downtown Development               | \$ 33,471                | \$ 0                       | \$ 33,471                   |
| Industrial Development             | 0                        | 29,394                     | 29,394                      |
| Contributions to City activities   | 89,450                   | 67,578                     | 157,028                     |
| Total Expenses                     | <u>\$ 122,921</u>        | <u>\$ 96,972</u>           | <u>\$ 219,893</u>           |
| PROGRAM REVENUE                    |                          |                            |                             |
| Charges for Services               | \$ 0                     | \$ 0                       | \$ 0                        |
| Operating Grants and Contributions | 27,542                   | 306,193                    | 333,735                     |
| Capital Grants and Contributions   | 0                        | 0                          | 0                           |
| Total Program Revenue              | <u>\$ 27,542</u>         | <u>\$ 306,193</u>          | <u>\$ 333,735</u>           |
| NET (EXPENSE) REVENUE              | <u>\$ (95,379)</u>       | <u>\$ 209,221</u>          | <u>\$ 113,842</u>           |
| GENERAL REVENUE                    |                          |                            |                             |
| Property Taxes Captured            | \$ 187,416               | \$ 129,020                 | \$ 316,436                  |
| Rent Income                        | 0                        | 25,714                     | 25,714                      |
| Investment Income                  | 6,790                    | 188,458                    | 195,248                     |
| Other Income                       | 0                        | 0                          | 0                           |
| Total General Revenue              | <u>\$ 194,206</u>        | <u>\$ 343,192</u>          | <u>\$ 537,398</u>           |
| CHANGE IN NET POSITION             | \$ 98,827                | \$ 552,413                 | \$ 651,240                  |
| NET POSITION – Beginning           | <u>117,076</u>           | <u>3,782,154</u>           | <u>3,899,230</u>            |
| NET POSITION - Ending              | <u><u>\$ 215,903</u></u> | <u><u>\$ 4,334,567</u></u> | <u><u>\$ 4,550,470</u></u>  |

See Note 1 for descriptions of component units shown in column headings

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

CITY OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Jonesville comprises a population of approximately 2,176 residents in Hillsdale County, Michigan. It is governed by a seven-member council with a Mayor as its head. As required by generally accepted accounting principles, these financial statements present the City's primary government and component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationship with the City (as distinct from legal relationships).

The following component units are reported in the City's financial statements:

- The Local Development Finance Authority (LDFA) was created under Public Act 281 of 1986 of the State of Michigan. The LDFA's purpose is to work towards the elimination of the causes of unemployment, underemployment and joblessness, and to promote economic growth in the City of Jonesville.
- The Downtown Development Authority (DDA) was created under Public Act 197 of 1975 of the State of Michigan. The DDA's purpose is to eliminate the causes of deterioration of property values in the business district of the City and to promote economic growth.

The City appoints the majority of the Boards of Directors of the LDFA and DDA. The budgets of both entities require the City's approval, and their main revenue source (tax increment financing) is a financial burden to the City.

The accounting policies of the City of Jonesville conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of significant accounting policies used by City of Jonesville:

**Government-Wide and Fund Financial Statements**

Government-Wide Financial Statements - The statement of net position and the statement of activities display financial information about the City as a whole, excluding fiduciary activities. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by property taxes and City general revenue, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, State Revenue Sharing, and other items not properly included among program revenues are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements - Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

CITY OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Measurement Focus and Basis of Accounting**

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP) and all relevant pronouncements of the Governmental Accounting Standards Board (GASB).

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments. Proprietary fund and component unit financial statements also report using this same focus and basis of accounting. Revenue is recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is to be collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if it is collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Under the modified accrual basis, property taxes, State revenue sharing, interest, and grants are considered to be both measurable and available at fiscal year-end. Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

Operating income reported in proprietary fund financial statements includes revenue and expenses related to the primary, continuing operations of the fund. Principal operating revenue for proprietary funds is charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenue and expenses are classified as non-operating in the financial statements.

**Financial Statement Presentation**

The City uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

The City reports the following major governmental funds:

General Fund - used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the laws of the State of Michigan.

Capital Projects Fund – used to account for bond proceeds and expenditures related to the West St/Adrian St project.

CITY OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Special Revenue Funds - used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes (i.e. Major Streets and Local Streets).

The City reports the following major enterprise funds:

Water Utilities Fund - accounts for the operating activities of the City's water utilities services.

Sewer Utilities Fund - accounts for the operating activities of the City's sewer utilities services.

Additionally, the City reports the following non-major fund types:

Special Revenue Fund – State Highway Fund

Debt Retirement Fund - used to account for the accumulation of resources for and the payment of principal and interest on the City's general obligation debt.

Internal Service Fund - accounts for the financing of goods and services provided by one department to other departments within the City on a cost-reimbursement basis (i.e. equipment and vehicle usage). This is a proprietary fund reported with governmental activities in the government-wide statements.

Fiduciary Fund - accounts for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others (i.e. property taxes collected for other governments).

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less. Investments in this account are stated at cost which equals market value.

Inventories - Inventories are stated at cost, which approximates market, using the first-in/first-out method.

Capital Assets - General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets paid for by component units are transferred to the primary government and are also reported in the government-wide statements. Proprietary Fund capital assets are reported in their respective fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$1,000. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related assets. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u>       | <u>Estimated Lives</u> |
|--------------------------|------------------------|
| Buildings & Improvements | 50 years               |
| Furniture & Equipment    | 5 - 20 years           |
| Vehicles                 | 5 years                |
| Infrastructure           | 20 - 30 years          |

CITY OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has no items that qualify for reporting in this category.

Compensated Absences (Vacation and Sick Leave) - It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Vacation and sick leave are 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 resignation, retirement, or death.

Interfund Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are reported as "due to/from other funds." These amounts are eliminated on the government-wide statement of net position.

Long-Term Obligations - In the government-wide financial statements, all payables, accrued liabilities and long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs are reported as debt retirement expenditures.

Fund Balance - In accordance with Governmental Account Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, the fund financial statements report the following components of fund balance:

- Non-spendable: Amounts that are not in a spendable form or are legally or contractually required to be maintained intact.
- Restricted: Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- Committed: Amounts that have been formally set aside by the City Council for use for specific purposes. Commitments are made and can be rescinded only by a resolution of the City Council.
- Assigned: Amounts that are intended to be spent on specific purposes, as expressed by the City Council or by a committee or individual designated by the City Council.
- Unassigned: Amounts that are available for day-to-day operations.

The City considers restricted funds to be spent first when expenditures are incurred for which both restricted and unrestricted amounts are available.

The City considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

CITY OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Interfund Activity - Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Budgetary Information - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The legal level of budgetary control has been established by the City Council at the function level. Any budgetary modifications may only be made by resolution of the City Council. All annual appropriations lapse at fiscal year end.

The City follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements:

- 1) Prior to June 30, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing on July 1.
- 2) A public hearing is conducted during June to obtain taxpayer comments.
- 3) Prior to June 30, the budget is legally enacted through passage of a resolution.
- 4) For purposes of meeting emergency needs of the City, transfer of appropriations may be made by the authorization of the City Manager. Such transfers appropriations must be approved by the City Council at its next regularly scheduled meeting.
- 5) The City Manager is charged with general supervision of the budget and shall hold the department heads responsible for performance of their responsibilities.
- 6) During the year the budget is monitored, and amendments to the budget resolution are made when deemed necessary.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

State of Michigan laws authorize the City to invest in bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The City's investment policy puts no further limits on its investment choices.

Deposits

Following are the components of the City's bank deposits at June 30, 2025:

|                               | Primary<br>Government | Component<br>Units |
|-------------------------------|-----------------------|--------------------|
| Cash on hand                  | \$ 450                | \$ 0               |
| Checking and savings accounts | 185,126               | 32,563             |
| Certificates of deposit       | 0                     | 505,037            |
|                               | <u>\$ 185,576</u>     | <u>\$ 537,600</u>  |

CITY OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 3 – DEPOSITS AND INVESTMENTS (continued)**

**Investments**

Following are the components of the City's investments at June 30, 2025:

|                            | Primary<br>Government | Component<br>Units  |
|----------------------------|-----------------------|---------------------|
| MBIA CLASS Investment Pool | <u>\$ 7,395,989</u>   | <u>\$ 3,905,781</u> |

The City's deposits and investments are subject to several types of risk, which are examined in more detail as follows:

*Interest Rate Risk* - In accordance with its investment policy, the City manages its exposure to declines in fair values due to changes in general interest rates by structuring the portfolio to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate securities at a loss prior to maturity.

*Credit Risk* – The City minimizes credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the safest types of securities, pre-qualifying the financial institutions with which the City will do business, and diversifying the portfolio so that potential losses on individual securities will be minimized. As of June 30, 2025, the City's investment in the MBIA CLASS Investment Pool was rated AAAm by Standard & Poor's.

*Concentration of credit risk* – The City minimizes the risk associated with placing a large portion of the portfolio with a single issuer by diversifying the portfolio so that the impact of potential losses from any one investment will be minimized.

*Custodial credit risk* – Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At June 30, 2025, the carrying amount of the City's deposits was \$722,726 and the bank balance was \$788,432. \$750,000 of the bank balance was covered by federal depository insurance, and the remaining \$38,432 was uninsured. The City minimizes custodial credit risk by holding all investments in the City's name.

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

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2025, consist of State revenue sharing, State highway contract revenue, utility and other receivables. All receivables are considered collectible in full due to the ability to lien for the nonpayment of utility bills and the stable condition of State programs.

A summary of the principal items of receivables follows:

|                       | General<br>Fund  | Major<br>Street  | Local<br>Street  | Proprietary<br>Funds | Total             |
|-----------------------|------------------|------------------|------------------|----------------------|-------------------|
| State Revenue Sharing | \$ 47,710        | \$ 44,649        | \$ 14,021        | \$ 0                 | \$ 106,380        |
| Property Taxes        | 15,472           | 0                | 0                | 0                    | 15,472            |
| Utility customers     | 0                | 0                | 0                | 30,075               | 30,075            |
| Other Receivables     | 9,042            | 0                | 1,178            | 3,860                | 14,080            |
| Total                 | <u>\$ 72,224</u> | <u>\$ 44,649</u> | <u>\$ 15,199</u> | <u>\$ 33,935</u>     | <u>\$ 166,007</u> |

CITY OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

|                                             | Beginning<br>Balance | Additions    | Deletions | Ending<br>Balance |
|---------------------------------------------|----------------------|--------------|-----------|-------------------|
| <b>PRIMARY GOVERNMENT</b>                   |                      |              |           |                   |
| <u>Governmental Activities</u>              |                      |              |           |                   |
| Capital assets not being depreciated        |                      |              |           |                   |
| Land                                        | \$ 189,255           | \$ 0         | \$ 0      | \$ 189,255        |
| Capital assets being depreciated            |                      |              |           |                   |
| Land Improvements                           | \$ 215,437           | \$ 0         | \$ 0      | \$ 215,437        |
| Buildings & Improvements                    | 1,440,957            | 19,604       | 0         | 1,460,561         |
| Furniture & Equipment                       | 1,335,503            | 38,902       | 0         | 1,374,405         |
| Vehicles                                    | 1,621,230            | 75,710       | (46,777)  | 1,650,163         |
| Infrastructure                              | 7,799,983            | 1,464,819    | 0         | 9,264,802         |
| Less accumulated depreciation               | (6,514,751)          | (572,097)    | 46,777    | (7,040,071)       |
| Total capital assets being depreciated, net | \$ 5,898,359         | \$ 1,026,938 | \$ 0      | \$ 6,925,297      |
| Total capital assets, net                   | \$ 6,087,614         | \$ 1,026,938 | \$ 0      | \$ 7,114,552      |
| <u>Business-Type Activities</u>             |                      |              |           |                   |
| Capital assets not being depreciated        |                      |              |           |                   |
| Land                                        | \$ 2,061             | \$ 0         | \$ 0      | \$ 2,061          |
| Capital assets being depreciated            |                      |              |           |                   |
| Facilities & Mains                          | \$ 17,447,901        | \$ 192,855   | \$ 0      | \$ 17,640,756     |
| Machinery & Equipment                       | 1,088,269            | 44,885       | 0         | 1,133,154         |
| Less accumulated depreciation               | (10,702,450)         | (423,118)    | 0         | (11,125,568)      |
| Total capital assets being depreciated, net | \$ 7,833,720         | \$ (185,378) | \$ 0      | \$ 7,648,342      |
| Total capital assets, net                   | \$ 7,835,781         | \$ (185,378) | \$ 0      | \$ 7,650,403      |
| <b>PRIMARY GOVERNMENT</b>                   |                      |              |           |                   |
| Total capital assets, net                   | \$ 13,923,395        | \$ 841,560   | \$ 0      | \$ 14,764,955     |
| <b>COMPONENT UNITS</b>                      |                      |              |           |                   |
| Capital assets not being depreciated        |                      |              |           |                   |
| Land                                        | \$ 97,544            | \$ 0         | \$ 0      | \$ 97,544         |

Depreciation expense was charged to activities of the City as follows:

|                                 |            |                                  |            |
|---------------------------------|------------|----------------------------------|------------|
| <b>Governmental Activities:</b> |            | <b>Business-Type Activities:</b> |            |
| General Government              | \$ 35,477  | Water                            | \$ 170,231 |
| Public Safety                   | 94,588     | Sewer                            | 252,887    |
| Public Improvements             | 47,335     | Total                            | \$ 423,118 |
| Streets, Highways and Drains    | 310,902    |                                  |            |
| Culture and Recreation          | 24,954     |                                  |            |
| Unallocated                     | 58,841     |                                  |            |
| Total                           | \$ 572,097 |                                  |            |



CITY OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances at June 30, 2025, is as follows:

| Fund          | Interfund Receivable | Fund               | Interfund Payable |
|---------------|----------------------|--------------------|-------------------|
| General Fund  | \$ 94                | Water Fund         | \$ 94             |
| General Fund  | 63                   | Motor Vehicle Pool | 63                |
| General Fund  | 10                   | Current Tax Fund   | 10                |
| Local Streets | 146,244              | Water Fund         | 146,244           |
| Local Streets | 3,446                | General Fund       | 3,446             |
| Sewer Fund    | 13,003               | Water Fund         | 13,003            |
| Sewer Fund    | 1,021                | General Fund       | 1,021             |
|               | <u>\$ 163,881</u>    |                    | <u>\$ 163,881</u> |

Interfund transfers during the year consisted of the following:

|                    | Transfer From     |                  |                   |                  |                  |                  | Motor<br>Vehicle<br>Pool | Total             |
|--------------------|-------------------|------------------|-------------------|------------------|------------------|------------------|--------------------------|-------------------|
|                    | General<br>Fund   | Major<br>Streets | Local<br>Streets  | State<br>Highway | Water            | Sewer            |                          |                   |
| Transfer to:       |                   |                  |                   |                  |                  |                  |                          |                   |
| General Fund       | \$ 0              | \$ 14,924        | \$ 85,684         | \$ 4,348         | \$ 34,414        | \$ 34,414        | \$ 12,932                | \$ 186,716        |
| Major Streets      | 1,500             | 0                | 0                 | 0                | 0                | 0                | 0                        | 1,500             |
| Local Streets      | 260,280           | 0                | 0                 | 0                | 0                |                  | 0                        | 260,280           |
| Debt Service       | 0                 | 0                | 89,375            | 0                | 0                | 0                | 0                        | 89,375            |
| Motor Vehicle Pool | 81,300            | 0                | 0                 | 0                | 6,000            | 2,000            | 0                        | 89,300            |
| Water Fund         | 146,244           | 0                | 0                 | 0                | 0                | 0                | 0                        | 146,244           |
| Total              | <u>\$ 489,324</u> | <u>\$ 14,924</u> | <u>\$ 175,059</u> | <u>\$ 4,348</u>  | <u>\$ 40,414</u> | <u>\$ 36,414</u> | <u>\$ 12,932</u>         | <u>\$ 773,415</u> |

Transfers are used to (1) account for overhead services provided by the General Fund to other funds, (2) to provide for future acquisition of capital assets.

**NOTE 7 - LONG-TERM DEBT**

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

West St/Adrian St Bonds – During the year 2023-24, the City issued bonds in the amount of \$1,000,000 for the reconstruction of West Street and Adrian Street.

Refunding Bonds - During the year 2005-06, the City completed construction on a new sewage treatment plant, funded partially by a \$4,065,000 loan from the USDA Rural Development Office. In March, 2014, the City issued \$3,485,000 in general obligation bonds to refund the USDA loan.

Water Revenue Bonds – During the year 2018-19, the City issued revenue bonds in the amount of \$2,765,000 for the acquisition, construction, and equipping of improvements to the water supply system.

CITY OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 7 - LONG-TERM DEBT (continued)**

The following is a summary of changes in long-term debt for the year ended June 30, 2025:

|                                         | Balance<br>6/30/2024       | Increases               | Decreases                  | Balance<br>6/30/2025       |
|-----------------------------------------|----------------------------|-------------------------|----------------------------|----------------------------|
| <b>Primary Government</b>               |                            |                         |                            |                            |
| <b><i>Governmental Activities</i></b>   |                            |                         |                            |                            |
| West St/Adrian St Bonds                 | \$ 1,000,000               | \$ 0                    | \$ (45,000)                | \$ 955,000                 |
| Compensated Absences                    | 59,707                     | 10,834                  | 0                          | 70,541                     |
| Total Governmental Activities           | <u>\$ 1,059,707</u>        | <u>\$ 10,834</u>        | <u>\$ (45,000)</u>         | <u>\$ 1,025,541</u>        |
| <b><i>Business-type Activities</i></b>  |                            |                         |                            |                            |
| Refunding Bonds – Sewer Fund            | \$ 2,350,000               | \$ 0                    | \$ (125,000)               | \$ 2,225,000               |
| Revenue Bonds - Water Fund              | 2,434,528                  | 0                       | (42,000)                   | 2,392,528                  |
| Compensated Absences                    | 15,004                     | 0                       | (5,771)                    | 9,233                      |
| Total Business-type Activities          | <u>\$ 4,799,532</u>        | <u>\$ 0</u>             | <u>\$ (172,771)</u>        | <u>\$ 4,626,761</u>        |
| Total Primary Government Long-Term Debt | <u><u>\$ 5,859,239</u></u> | <u><u>\$ 10,834</u></u> | <u><u>\$ (217,771)</u></u> | <u><u>\$ 5,652,302</u></u> |

Interest rates, maturity dates, and current portions for the above obligations are as follows:

|                              | Interest Rate(s) | Maturity Date | Current Portion          |
|------------------------------|------------------|---------------|--------------------------|
| West St/Adrian St Bonds      | 4.0% - 5.0%      | 1/1/2041      | \$ 40,000                |
| Refunding Bonds – Sewer Fund | 2.00% - 4.15%    | 1/1/2038      | 130,000                  |
| Revenue Bonds – Water Fund   | 3.125%           | 5/1/2059      | 43,000                   |
|                              |                  |               | <u><u>\$ 213,000</u></u> |

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

| Year Ending June 30 | Governmental Activities  |                          | Business-Type Activities   |                            |
|---------------------|--------------------------|--------------------------|----------------------------|----------------------------|
|                     | Principal                | Interest                 | Principal                  | Interest                   |
| 2026                | \$ 40,000                | \$ 42,750                | \$ 173,000                 | \$ 172,008                 |
| 2027                | 40,000                   | 40,750                   | 184,000                    | 165,464                    |
| 2028                | 45,000                   | 38,750                   | 191,000                    | 158,489                    |
| 2029                | 50,000                   | 36,500                   | 197,000                    | 151,251                    |
| 2030                | 50,000                   | 34,000                   | 204,000                    | 143,782                    |
| 2031-2035           | 295,000                  | 129,250                  | 1,147,000                  | 595,133                    |
| 2036-2040           | 355,000                  | 59,600                   | 935,000                    | 354,876                    |
| 2041-2045           | 80,000                   | 3,200                    | 362,000                    | 247,938                    |
| 2046-2050           | 0                        | 0                        | 422,000                    | 187,750                    |
| 2051-2055           | 0                        | 0                        | 493,000                    | 117,500                    |
| 2056-2058           | 0                        | 0                        | 309,528                    | 31,969                     |
| Total               | <u><u>\$ 955,000</u></u> | <u><u>\$ 384,800</u></u> | <u><u>\$ 4,617,528</u></u> | <u><u>\$ 2,326,160</u></u> |

CITY OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 8 – COMPONENT UNIT CONTRIBUTIONS**

During the year, the City's Local Development Finance Authority (LDFA) and Downtown Development Authority (DDA) contributed the following amounts to support the City's operations:

|                          |                  |                         |                  |
|--------------------------|------------------|-------------------------|------------------|
| LDFA:                    |                  | DDA:                    |                  |
| <u>General Fund</u>      |                  | <u>General Fund</u>     |                  |
| Salaries and wages       | \$ 35,714        | Salaries and wages      | \$ 33,770        |
| Street light electricity | 5,304            | Parking Lot Maintenance | 11,000           |
| Other                    | 1,560            | Capital Outlay          | 40,000           |
|                          |                  | Other                   | <u>4,680</u>     |
| <u>Water Fund</u>        |                  |                         |                  |
| Debt service             | <u>25,000</u>    |                         |                  |
| TOTAL                    | <u>\$ 67,578</u> | TOTAL                   | <u>\$ 89,450</u> |

**NOTE 9 - COMPENSATED ABSENCES**

Vested or accumulated vacation days and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. The entire compensated absence liability is reported on the government-wide financial statements. Employees of the City can accumulate vacation pay up to a maximum of 16 to 39 days depending on years of service, and employees have a vested right of 100% of allowable accumulated vacation pay upon termination. Accumulated sick time is vested based on years of service and the vested amount is payable upon termination.

**NOTE 10 - SEGMENT INFORMATION**

The City issues separate revenue bonds to finance its water and sewer departments. The fund financial statements report major funds with revenue - supported debt for the water and sewer funds. Services provided by these funds are described in Note 1.

**NOTE 11 - PROPERTY TAXES**

Real estate and personal property taxes are recorded as revenue in amounts equal to the total taxes levied. The total levy for 2024 was 16.388 mills. From this total, 4.6823 was transferred to the Local Streets Fund by vote of the City Council. The 2024 total state taxable value was approximately \$74,104,000 (\$72,198,000 ad valorem and \$1,906,000 industrial facilities tax). City properties are assessed as of December 31 (the lien date) - taxes levied July 1 of the succeeding year and are due without interest to September 15. After the final collection date, unpaid real property taxes are added to the county delinquent tax rolls. Personal property taxes unpaid continue to be collected by the City Treasurer.

**NOTE 12 - DEFINED CONTRIBUTION PENSION PLAN**

The City of Jonesville provides pension benefits for all of its full-time employees through a defined contribution money purchase plan administered by the International City Managers Association Retirement Corporation (ICMA-RC). All full-time employees are eligible to participate in the plan after 6 months of full-time service. Participants are vested incrementally, with full vesting after four years of continuous full-time service. The City is required to contribute 5% of covered payroll. If the employee makes a voluntary contribution of 5%, then the City contributes an additional 2%. Employees hired after January 1, 2010, must contribute at least 5% to be eligible for the 5% employer match.

CITY OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 12 - DEFINED CONTRIBUTION PENSION PLAN (continued)**

The activity in the plan for 2024-25 is as follows:

|                             |                            |
|-----------------------------|----------------------------|
| Asset Value - June 30, 2024 | \$ 1,989,367               |
| Employer Contributions      | 38,924                     |
| Employee Contributions      | 48,551                     |
| Investment Gain (Loss)      | 193,804                    |
| Distributions               | <u>(501,777)</u>           |
| Asset Value - June 30, 2025 | <u><u>\$ 1,768,869</u></u> |

**NOTE 13 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The City has purchased commercial insurance for each of these areas of risk and there have been no significant reduction in insurance coverages. Settled claims have not exceeded the amount of insurance coverage for the current or the three prior years.

**NOTE 14 - UNEMPLOYMENT TAXES**

The City is a reimbursing employer to the Michigan Unemployment Insurance Agency and, as such, is responsible to pay the Agency for those benefits paid and charged to its account. As of June 30, appropriate liabilities have been recorded for all claims paid by the Agency. However, no provision has been made for future payments that might result from claims in process or not filed.

**NOTE 15 – FUND BALANCE CONSTRAINTS**

Fund balances have been constrained for the following purposes:

|               |                      | Capital  |          |         |         |         |
|---------------|----------------------|----------|----------|---------|---------|---------|
|               |                      | General  | Projects | Major   | Local   | State   |
|               |                      | Fund     | Fund     | Streets | Streets | Highway |
| Nonspendable: | Inventory            | \$ 2,912 | \$ 0     | \$ 0    | \$ 0    | \$ 0    |
|               | Prepaid Expenditures | 57,569   | 0        | 0       | 0       | 0       |
| Restricted:   | Streets              | 0        | 0        | 820,584 | 721,884 | 21,052  |

**NOTE 16 – TAX ABATEMENTS**

Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, requires the disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenue. Disclosure of information about the nature and magnitude of tax abatements is intended to make these transactions more transparent to financial statement users.

The City receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions they have granted. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities. The property taxes abated for all funds under this program totaled \$15,618.

**NOTE 17 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 6, 2025, the date on which the financial statements were available to be issued.

CITY OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended June 30, 2025, the City implemented GASB 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.

As the result of this adoption, beginning net position was restated as follows:

|                                      | <u>Governmental</u><br><u>Activities</u> | <u>Water</u><br><u>Fund</u> | <u>Sewer</u><br><u>Fund</u> |
|--------------------------------------|------------------------------------------|-----------------------------|-----------------------------|
| Net Position, as previously reported | \$ 9,968,312                             | \$ 1,868,317                | \$ 4,085,792                |
| Change in accounting principle       | <u>(2,635)</u>                           | <u>(1,260)</u>              | <u>(6,383)</u>              |
| Net Position, as restated            | <u>\$ 9,965,677</u>                      | <u>\$ 1,867,057</u>         | <u>\$ 4,079,409</u>         |

**NOTE 19 – UPCOMING ACCOUNTING PRONOUNCEMENTS**

In April 2025, 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.

CITY OF JONESVILLE  
SCHEDULE OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2025

|                                    | Budget Amounts      |                     | Actual              | Actual<br>Over (Under) |
|------------------------------------|---------------------|---------------------|---------------------|------------------------|
|                                    | Original            | Final               |                     | Final Budget           |
| REVENUE                            |                     |                     |                     |                        |
| Property Taxes                     | \$ 968,413          | \$ 968,413          | \$ 951,923          | \$ (16,490)            |
| Licenses and Permits               | 1,560               | 1,560               | 2,838               | 1,278                  |
| State Shared Revenue               | 289,034             | 289,034             | 288,078             | (956)                  |
| Grants                             | 154,272             | 178,272             | 170,244             | (8,028)                |
| Charges and Fees                   | 97,100              | 97,100              | 101,614             | 4,514                  |
| Recreation                         | 26,500              | 26,500              | 37,812              | 11,312                 |
| Rents and Royalties                | 25,000              | 25,000              | 20,859              | (4,141)                |
| Cemetery Revenue                   | 27,000              | 27,000              | 23,440              | (3,560)                |
| Contributions                      | 2,850               | 2,850               | 4,173               | 1,323                  |
| Interest                           | 25,000              | 50,000              | 129,960             | 79,960                 |
| Contributions from Component Units | 1,310,586           | 141,586             | 132,028             | (9,558)                |
| Miscellaneous                      | 0                   | 0                   | 1,285               | 1,285                  |
| Total Revenue                      | <u>\$ 2,927,315</u> | <u>\$ 1,807,315</u> | <u>\$ 1,864,254</u> | <u>\$ 56,939</u>       |
| EXPENDITURES                       |                     |                     |                     |                        |
| General Government                 |                     |                     |                     |                        |
| City Council                       | \$ 28,000           | \$ 30,700           | \$ 30,583           | \$ (117)               |
| City Manager                       | 134,552             | 142,135             | 141,804             | (331)                  |
| Elections                          | 4,100               | 7,300               | 7,088               | (212)                  |
| City Clerk                         | 65,922              | 0                   | 0                   | 0                      |
| General Office                     | 262,602             | 291,970             | 291,744             | (226)                  |
| Board of Review                    | 1,045               | 1,045               | 791                 | (254)                  |
| Treasurer                          | 3,000               | 3,725               | 3,707               | (18)                   |
| Assessor                           | 23,860              | 24,460              | 24,422              | (38)                   |
| Data Processing                    | 21,125              | 21,125              | 18,868              | (2,257)                |
| City Hall                          | 14,015              | 19,715              | 19,143              | (572)                  |
| Cemetery                           | 87,865              | 74,865              | 73,401              | (1,464)                |
| Freedom Memorial                   | 900                 | 900                 | 791                 | (109)                  |
| Fringe Benefits                    | 44,420              | 44,420              | 26,907              | (17,513)               |
| Insurance                          | 14,500              | 14,500              | 13,442              | (1,058)                |

CITY OF JONESVILLE  
SCHEDULE OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2025  
(continued)

|                                  | Budget Amounts             |                            | Actual                     | Actual                       |
|----------------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
|                                  | Original                   | Final                      |                            | Over (Under)<br>Final Budget |
| Public Safety                    |                            |                            |                            |                              |
| Police                           | 338,794                    | 347,894                    | 347,441                    | (453)                        |
| Fire                             | 149,430                    | 158,530                    | 158,516                    | (14)                         |
| Economic & Community Development |                            |                            |                            |                              |
| Planning & Zoning                | 4,396                      | 4,396                      | 3,095                      | (1,301)                      |
| Public Works                     |                            |                            |                            |                              |
| Parking Lots                     | 14,090                     | 14,090                     | 11,901                     | (2,189)                      |
| Sidewalks                        | 1,210,430                  | 1,430                      | 350                        | (1,080)                      |
| Other                            | 26,340                     | 26,340                     | 20,464                     | (5,876)                      |
| Streets, Highways, and Drains    |                            |                            |                            |                              |
| Street Lighting                  | 33,000                     | 39,250                     | 39,223                     | (27)                         |
| Sanitation                       |                            |                            |                            |                              |
| Landfill                         | 8,325                      | 12,825                     | 12,323                     | (502)                        |
| Culture and Recreation           |                            |                            |                            |                              |
| Recreation                       | 43,416                     | 48,016                     | 47,910                     | (106)                        |
| Parks                            | 33,835                     | 45,535                     | 45,360                     | (175)                        |
| Rail/Trail                       | 15,885                     | 15,885                     | 7,904                      | (7,981)                      |
| Capital Outlay                   | 93,500                     | 107,350                    | 106,856                    | (494)                        |
| Total Expenditures               | <u>\$ 2,677,347</u>        | <u>\$ 1,498,401</u>        | <u>\$ 1,454,034</u>        | <u>\$ (44,367)</u>           |
| REVENUE OVER (UNDER)             |                            |                            |                            |                              |
| EXPENDITURES                     | <u>\$ 249,968</u>          | <u>\$ 308,914</u>          | <u>\$ 410,220</u>          | <u>\$ 101,306</u>            |
| OTHER FINANCING                  |                            |                            |                            |                              |
| SOURCES (USES)                   |                            |                            |                            |                              |
| Operating Transfers In           | \$ 180,575                 | \$ 180,575                 | \$ 186,716                 | \$ 6,141                     |
| Operating Transfers Out          | <u>(459,272)</u>           | <u>(492,172)</u>           | <u>(489,325)</u>           | <u>2,847</u>                 |
| Total Other                      |                            |                            |                            |                              |
| Financing Sources (Uses)         | <u>\$ (278,697)</u>        | <u>\$ (311,597)</u>        | <u>\$ (302,609)</u>        | <u>\$ 8,988</u>              |
| NET CHANGE IN FUND BALANCES      | <u>\$ (28,729)</u>         | <u>\$ (2,683)</u>          | <u>\$ 107,611</u>          | <u>\$ 110,294</u>            |
| FUND BALANCES - Beginning        | <u>2,158,172</u>           | <u>2,158,172</u>           | <u>2,158,172</u>           | <u>0</u>                     |
| FUND BALANCES - Ending           | <u><u>\$ 2,129,443</u></u> | <u><u>\$ 2,155,489</u></u> | <u><u>\$ 2,265,783</u></u> | <u><u>\$ 110,294</u></u>     |

CITY OF JONESVILLE  
SCHEDULE OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
MAJOR STREETS FUND  
FOR THE YEAR ENDED JUNE 30, 2025

|                                      | Budget Amounts           |                          | Actual                   | Actual                       |
|--------------------------------------|--------------------------|--------------------------|--------------------------|------------------------------|
|                                      | Original                 | Final                    |                          | Over (Under)<br>Final Budget |
| REVENUE                              |                          |                          |                          |                              |
| State Shared Revenue                 | \$ 287,615               | \$ 287,615               | \$ 289,220               | \$ 1,605                     |
| Interest                             | 10,000                   | 33,030                   | 34,409                   | 1,379                        |
| Miscellaneous                        | 5,000                    | 5,000                    | 500                      | (4,500)                      |
| Total Revenue                        | <u>\$ 302,615</u>        | <u>\$ 325,645</u>        | <u>\$ 324,129</u>        | <u>\$ (1,516)</u>            |
| EXPENDITURES                         |                          |                          |                          |                              |
| Street Construction                  | \$ 0                     | \$ 52,030                | \$ 51,990                | \$ (40)                      |
| Routine Maintenance                  | 89,795                   | 89,795                   | 52,191                   | (37,604)                     |
| Traffic Control                      | 4,405                    | 4,405                    | 701                      | (3,704)                      |
| Winter Maintenance                   | 22,915                   | 22,915                   | 18,522                   | (4,393)                      |
| Total Expenditures                   | <u>\$ 117,115</u>        | <u>\$ 169,145</u>        | <u>\$ 123,404</u>        | <u>\$ (45,741)</u>           |
| REVENUE OVER (UNDER)<br>EXPENDITURES | <u>\$ 185,500</u>        | <u>\$ 156,500</u>        | <u>\$ 200,725</u>        | <u>\$ 44,225</u>             |
| OTHER FINANCING SOURCES (USES)       |                          |                          |                          |                              |
| Transfers In                         | \$ 0                     | \$ 0                     | \$ 1,500                 | \$ 1,500                     |
| Transfers Out                        | (58,924)                 | (29,924)                 | (14,924)                 | 15,000                       |
| Total Other Financing Sources (Uses) | <u>\$ (58,924)</u>       | <u>\$ (29,924)</u>       | <u>\$ (13,424)</u>       | <u>\$ 16,500</u>             |
| NET CHANGE IN FUND BALANCES          | <u>\$ 126,576</u>        | <u>\$ 126,576</u>        | <u>\$ 187,301</u>        | <u>\$ 60,725</u>             |
| FUND BALANCES - Beginning            | 633,283                  | 633,283                  | 633,283                  | 0                            |
| FUND BALANCES - Ending               | <u><u>\$ 759,859</u></u> | <u><u>\$ 759,859</u></u> | <u><u>\$ 820,584</u></u> | <u><u>\$ 60,725</u></u>      |



CITY OF JONESVILLE  
SCHEDULE OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
LOCAL STREETS FUND  
FOR THE YEAR ENDED JUNE 30, 2025

|                                      | Budget Amounts           |                          | Actual                   | Actual                       |
|--------------------------------------|--------------------------|--------------------------|--------------------------|------------------------------|
|                                      | Original                 | Final                    |                          | Over (Under)<br>Final Budget |
| REVENUE                              |                          |                          |                          |                              |
| State Shared Revenue                 | \$ 90,448                | \$ 90,448                | \$ 90,823                | \$ 375                       |
| Interest                             | 15,000                   | 15,000                   | 59,858                   | 44,858                       |
| Miscellaneous                        | 925                      | 925                      | 940                      | 15                           |
| Total Revenue                        | <u>\$ 106,373</u>        | <u>\$ 106,373</u>        | <u>\$ 151,621</u>        | <u>\$ 45,248</u>             |
| EXPENDITURES                         |                          |                          |                          |                              |
| Street Construction                  | \$ 445,135               | \$ 405,842               | \$ 341,595               | \$ (64,247)                  |
| Routine Maintenance                  | 112,970                  | 129,970                  | 129,652                  | (318)                        |
| Traffic Control                      | 3,941                    | 2,941                    | 707                      | (2,234)                      |
| Winter Maintenance                   | 18,335                   | 18,335                   | 18,164                   | (171)                        |
| Administration                       | 0                        | 1,500                    | 1,142                    | (358)                        |
| Total Expenditures                   | <u>\$ 580,381</u>        | <u>\$ 558,588</u>        | <u>\$ 491,260</u>        | <u>\$ (67,328)</u>           |
| REVENUE OVER (UNDER) EXPENDITURES    | <u>\$ (474,008)</u>      | <u>\$ (452,215)</u>      | <u>\$ (339,639)</u>      | <u>\$ 112,576</u>            |
| OTHER FINANCING SOURCES (USES)       |                          |                          |                          |                              |
| Transfers In                         | \$ 458,272               | \$ 458,272               | \$ 260,280               | \$ (197,992)                 |
| Transfers Out                        | (167,684)                | (175,060)                | (175,059)                | 1                            |
| Total Other Financing Sources (Uses) | <u>\$ 290,588</u>        | <u>\$ 283,212</u>        | <u>\$ 85,221</u>         | <u>\$ (197,991)</u>          |
| NET CHANGE IN FUND BALANCES          | <u>\$ (183,420)</u>      | <u>\$ (169,003)</u>      | <u>\$ (254,418)</u>      | <u>\$ (85,415)</u>           |
| FUND BALANCES - Beginning            | <u>976,302</u>           | <u>976,302</u>           | <u>976,302</u>           | <u>0</u>                     |
| FUND BALANCES - Ending               | <u><u>\$ 792,882</u></u> | <u><u>\$ 807,299</u></u> | <u><u>\$ 721,884</u></u> | <u><u>\$ (85,415)</u></u>    |

CITY OF JONESVILLE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2025

|                                     | Debt<br>Service<br>Fund | State<br>Highway<br>Fund | Total            |
|-------------------------------------|-------------------------|--------------------------|------------------|
| ASSETS                              |                         |                          |                  |
| Cash                                | \$ 0                    | \$ 21,052                | \$ 21,052        |
| Due from Other Governmental Units   | 0                       | 0                        | 0                |
| Total Assets                        | <u>\$ 0</u>             | <u>\$ 21,052</u>         | <u>\$ 21,052</u> |
| LIABILITIES                         |                         |                          |                  |
| Accounts Payable                    | \$ 0                    | \$ 0                     | \$ 0             |
| Accrued Payroll                     | 0                       | 0                        | 0                |
| Total Liabilities                   | <u>\$ 0</u>             | <u>\$ 0</u>              | <u>\$ 0</u>      |
| FUND BALANCE                        |                         |                          |                  |
| Nonspendable                        | \$ 0                    | \$ 0                     | \$ 0             |
| Restricted                          | 0                       | 21,052                   | 21,052           |
| Committed                           | 0                       | 0                        | 0                |
| Assigned                            | 0                       | 0                        | 0                |
| Unassigned                          | 0                       | 0                        | 0                |
| Total Fund Balances                 | <u>\$ 0</u>             | <u>\$ 21,052</u>         | <u>\$ 21,052</u> |
| Total Liabilities and Fund Balances | <u>\$ 0</u>             | <u>\$ 21,052</u>         | <u>\$ 21,052</u> |

CITY OF JONESVILLE  
COMBINING STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

|                                                | Debt<br>Service<br>Fund | State<br>Highway<br>Fund | Total                   |
|------------------------------------------------|-------------------------|--------------------------|-------------------------|
| REVENUE                                        |                         |                          |                         |
| State Highway Contract                         | \$ 0                    | \$ 44,792                | \$ 44,792               |
| Interest Income                                | 0                       | 3                        | 3                       |
| Total Revenue                                  | <u>\$ 0</u>             | <u>\$ 44,795</u>         | <u>\$ 44,795</u>        |
| EXPENDITURES                                   |                         |                          |                         |
| Streets, Highways, Drains                      |                         |                          |                         |
| Routine Maintenance                            | \$ 0                    | \$ 20,713                | \$ 20,713               |
| Traffic Control                                | 0                       | 949                      | 949                     |
| Winter Maintenance                             | 0                       | 17,432                   | 17,432                  |
| Debt Service                                   |                         |                          |                         |
| Principal                                      | 45,000                  | 0                        | 45,000                  |
| Interest                                       | 44,375                  | 0                        | 44,375                  |
| Total Expenditures                             | <u>\$ 89,375</u>        | <u>\$ 39,094</u>         | <u>\$ 128,469</u>       |
| EXCESS OF REVENUE OVER<br>(UNDER) EXPENDITURES | <u>\$ (89,375)</u>      | <u>\$ 5,701</u>          | <u>\$ (83,674)</u>      |
| OTHER FINANCING SOURCES (USES)                 |                         |                          |                         |
| Operating Transfers In                         | \$ 89,375               | \$ 0                     | \$ 89,375               |
| Operating Transfers Out                        | 0                       | (4,348)                  | (4,348)                 |
| Total Other Financing Sources (Uses)           | <u>\$ 89,375</u>        | <u>\$ (4,348)</u>        | <u>\$ 85,027</u>        |
| NET CHANGES IN FUND BALANCES                   | \$ 0                    | \$ 1,353                 | \$ 1,353                |
| FUND BALANCES - Beginning                      | 0                       | 19,699                   | 19,699                  |
| FUND BALANCES - Ending                         | <u><u>\$ 0</u></u>      | <u><u>\$ 21,052</u></u>  | <u><u>\$ 21,052</u></u> |



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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  
City of Jonesville  
Jonesville, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jonesville as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Jonesville's basic financial statements and have issued our report thereon dated November 6, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Jonesville's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Jonesville's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Jonesville'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

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

*Bailey, Hodshire & Company, P.C.*

Jonesville, Michigan  
November 6, 2025



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November 6, 2025

To the City Council  
City of Jonesville  
Jonesville, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Jonesville as of and for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 18, 2025. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Jonesville are described in Note 1 to the financial statements. The City adopted GASB Statement No. 101, *Compensated Absences*, during the year. The application of existing policies was not changed during the year, and we noted no transactions entered into by the City of Jonesville during the year for which there is a lack of authoritative guidance on consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the depreciation expense is based on estimating the useful lives of capital assets and spreading the assets cost out over their useful lives as depreciation expense. We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 6, 2025.

*Management Consultations with Other Independent Accountants*

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

*Other Audit Findings or Issues*

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

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and the Budgetary Comparison Schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the combining statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Sincerely,

*Bailey, Hodshire & Company, P.C.*

Bailey, Hodshire & Company, P.C.



**ADDENDUM TO PURCHASE AND DEVELOPMENT AGREEMENT  
FOR  
KLEIN TOOL BUILDING  
JONESVILLE, MI 49250**

This Addendum to Purchase and Development Agreement ("Agreement") between, THE CITY OF JONESVILLE, MICHIGAN, a Michigan Municipality, whose address is 265 E. Chicago Street Jonesville, MI 49250 (hereinafter "City"); and VICTOR FACE ENTERPRISE, LLC, dba DH Roberts Construction, a Michigan Limited Liability Company, whose address is 222 Water Street, Jonesville, Michigan 49250 (hereinafter "Developer").

**RECITALS**

WHEREAS, the Developer is interested in purchasing property located at 121 Water Street, Jonesville, Michigan, as described more specifically in Exhibit "A" of this Agreement (hereinafter the "Property") from the City; and

WHEREAS, the City is willing to sell the Property to the Developer; and

WHEREAS, the Developer has proposed and intends to develop the Property including the construction of a commercial building and a residential building and associated site improvements; and

WHEREAS, the City has determined that selling this property to the Developer will further the City's goal of improving and revitalizing the City; and

WHEREAS, the Exhibits "A-D" attached to this Agreement are hereby incorporated in and made a part of this Agreement;

NOW THEREFORE, in consideration of the foregoing premises and of the covenants and agreements hereinafter contained, it is mutually agreed as follows:

- 1) Description of Property. The property is a parcel of real estate located in the City of Jonesville, Michigan as more particularly described in the legal description attached hereto as Exhibit "A" (hereinafter the "Property").

- 2) Sale. The City desires to sell and the Developer desires to purchase the Property, including all of City's right, title and interest in and to all appurtenances, easements, access rights and similar rights, under the terms and conditions contained herein.
- 3) Purchase Price. The purchase price for the Property (hereinafter "Purchase Price") shall be One and 00/100 Dollars (\$1.00) The Developer agrees to assume all other costs associated with the conveyance of the Property as outlined in this Agreement. The Developer and City agree and understand that as additional consideration for the Property, the Developer shall reconstruct and reconfigure the existing structure into a commercial building of just under 22,000 square feet and a residential building with 26 to 32 two- and three-bedroom apartments to be available for lease at market determined rates (the "Project"). A Description of the Project is attached hereto as Exhibit "B".
- 4) Irrevocable Standby Letter of Credit ("ISLOC"). Upon closing, the Developer shall establish an ISLOC to benefit the City in the amount of \$300,000.00 in the general form provided in Exhibit "C" and satisfactory to the City. The purpose of the ISLOC is to provide City with funds to remediate or complete the building improvements in the event that Developer fails to complete renovations to the project after initial demolition and completion of construction of a fourth wall and complete enclosure of the structure and the City exercises its Right of Reverter as set forth in Paragraph 10 of this Agreement. Drawdown or reduction of this ISLOC by the Developer shall be contingent upon completion of the phases of Development outlined in Section 14) b) ii) of this Agreement; and release of this ISLOC shall be contingent upon completion of construction of a fourth wall and complete enclosure of the structure.
- 5) City will provide Developer with a Commitment for Owner's Policy of Title Insurance. Developer must obtain and pay for a policy of title insurance in the amount of \$300,000.00 within ten (10) days of the closing.
- 6) Responsibility for Taxes and Other Charges. The City is a property tax-exempt entity and the purchased Property will remain tax exempt for the 2023 tax year. Any and all outstanding assessments or fees as of the closing date shall be the responsibility of the City. The City of Jonesville Assessor shall make the appropriate adjustments for the property tax roll on or before December 31, 2023, as required by Michigan law; and all subsequent property tax liabilities, associated fees and charges shall be the responsibility of the Developer.
- 7) Incentives. The City will support the Developer's pursuit of available incentives for the project including grants and local property tax abatements.
- 8) Closing Costs. Developer shall pay all transfer taxes, revenue or documentary stamps, recording fees, and any other closing costs.
- 9) Deed. The City will convey the Property by Warranty Deed (the "Warranty Deed") to the Developer at closing. The Deed shall reference that it is subject to the terms and conditions of this Agreement including the Right of Reverter set forth in paragraph 10 a) of this Agreement, and shall be recorded with the Hillsdale County Register of Deeds.
- 10) City's Right of Reverter.
  - a) Developer agrees to the City's Right of Reverter in order to ensure that the Developer does not default under the terms of this Agreement. Said right shall be set forth in the Warranty Deed that the City conveys to the Developer.

- b) If the Developer does not fulfill the conditions of this Agreement as listed in Section 14 "Representations and Warranties" for a period in excess of thirty (30) days after final resolution of any requests for extension, City will provide Developer with a Notice of Intent To Exercise the Right of Reverter, which Notice shall specify that if Developer does not provide proof of compliance with the "Representations and Warranties" or provide other acceptable assurances or accommodations within Ten (10) days of receipt of the Notice of Intent To Exercise the Right of Reverter, then City may exercise the Right of Reverter on the Property, with all the rights allowed under Michigan law. In exercising the Right of Reverter, the City may forcibly remove any materials and/or objects on the Property. The Right of Reverter reserved by the City regarding Parcels I and II as described in Exhibit "A", shall be fully released upon completion of construction of the fourth wall to the structure and roofing necessary to completely enclose the building as well as receipt by the City of confirmation that all conditions associated with issuance of a certain Grant from the State of Michigan Department of Environment, Great Lakes, and Energy (EGLE), have been fulfilled and that EGLE has released the subject property from further enforcement action against the City or Developer. The Right of Reverter reserved by the City regarding Parcel IV as described in Exhibit "A" shall remain until such time as Developer has completed construction and obtained a Certificate of Occupancy regarding Phase II as described in Exhibit "B".

11) Due Diligence Investigation.

- a) City and Developer agree that the Developer was provided access to the Property in order to perform any inspections and has been able to complete a thorough investigation of the Property ("Due Diligence Investigation").
- b) The Developer agrees and understands that the City will convey the Property to the Developer and that the Developer will only use the property consistent with the terms, conditions and understanding of this Agreement.

12) Condition of Property. The Developer takes the Property in an "AS IS," "WHERE IS" and "WITH ALL FAULTS" condition and no warranties.

13) Closing. Developer and City agree that Closing shall be scheduled within ninety (90) days after the execution of this Agreement. At the Closing the City and the Developer shall execute the following documents:

City shall:

- a) Execute and deliver to Developer a Warranty Deed for the Property in recordable form;
- b) Deliver possession of the Property to Developer subject to the permitted exceptions; and
- c) Provide Developer with a Commitment for Title Policy in the amount of \$300,000.00 at the expense of the Developer.

Developer shall:

- d) Pay all transfer taxes, revenue or documentary stamps, and any other closing costs;
- e) Present an Irrevocable Standby Letter of Credit (ISLOC) benefitting the City in the amount of \$300,000.00; the terms of which are described in Section 4 and the form for which is provided in Exhibit "C"; and

- f) Provide Proof of Insurance as outlined in Section 19 of this Agreement.

14) Representations and Warranties.

- a) As of the date of this Agreement, the following representations and warranties of Developer shall be deemed made and effective, all of which are deemed material to City and are being relied upon by City:
- i) Developer has the full right, capacity, power to enter into, and stands ready to perform, this Agreement and the transactions contemplated herein;
  - ii) Developer agrees to accept immediate custody, possession and control of the Property upon receipt of the Warranty Deed from the City. Upon accepting possession of the Property, the Developer agrees to begin the Development approvals process; and
  - iii) Developer agrees to proceed with construction at a reasonable pace and obtain a Certificate of Occupancy for the proposed building.
- b) Development Plan.
- i) The Developer must complete the Development of the commercial portion of the project within 1095-days (36-months) after the receipt of approval from the State of Michigan Department of Environment, Great Lakes, and Energy (EGLE) regarding funding for the project which is anticipated to be received by January, 2026, unless a written extension has been approved by the City. Further, the Developer must provide City with the following:

ii)

Within Six Months (by July 2026):

- Final project financing, including State grants to be issued to the City and/or developer, necessary to complete the project will be determined.
- Final development plan drawings completed.
- Submit Site Plan and Special Land Use applications and plan drawings, consistent with the requirements of the City's Zoning Ordinance, for review by the Planning Commission.

Within One Year (by January 2027):

- Submit building permit application to Hillsdale County Building Inspection Department and building design documents for the commercial/retail building improvements.
- Demolition of the other portions of the former factory to begin.

Within Two Years (by January 2028):

- Submit building permit application to Hillsdale County Building Inspection Department and building design documents for the residential building improvements.

Within Thirty Months (by July 2028):

- Occupancy permits issued for retail/commercial building improvements, pending final tenant build-out.
- Construction begins on residential building improvements.

Within Four To Seven Years (by January 2030-2033):

- Occupancy permits issued for the residential building improvements.
- iii) The City agrees that upon provision of the requisite documentation by the Developer and written concurrence by the City of work completed, the ISLOC required under Section 4 of this Agreement may be drawn down by a corresponding amount in accordance with the following schedule:
  - (1) Reduced to \$275,000.00 upon completion of the following:
    - (a) Submission of a Site Plan application and Site Plan documents prepared by a registered architect and/or engineer.
  - (2) Reduced to \$175,000.00 upon completion of the following:
    - (a) Demolition of the of the portion of the existing structure as set forth in the approved Site plan.
  - (3) The City shall release the ISLOC upon completion of construction of the fourth wall to the structure and roofing necessary to completely enclose the building.

If the Developer determines that it cannot completely perform all of its obligations within the timeframes stipulated, the Developer may request an extension in writing from the City. The request for extension shall set forth the reasons for delay, any changes in condition that have caused the delay, the Developer's detailed plan to complete the project and a revised timeline for achieving benchmarks and completion of the project. After consideration of the request for extension of deadlines, the City shall respond to such request within thirty (30) days of receipt of the same. The response by the City may approve the request or may request additional information or assurances that the Developer's revised estimate of completion is reasonably achievable. Upon receipt if such additional information as may be requested by City, City shall within thirty (30) days of receipt of such information either approve the extension or propose alternative deadlines for completion. City and Developer hereby obligate themselves to act in a good faith and timely manner in responding to requests for extension or requests for additional information or assurances pursuant to this paragraph.
- c) The City agrees that construction will be performed in accordance with the Michigan Building Code in effect at the time of the application for a Building Permit.
- d) All such representations, warranties, covenants and agreements by City or Developer shall be true and accurate as of the date of this Purchase and Development Agreement, during the term hereof and as of the date of Closing.
- e) City and Developer shall promptly disclose to one another any facts or circumstances of which City or Developer gains knowledge after the date of this Agreement and prior to the closing which would make any warranty or representation untrue in any material respect or which would, without such disclosure, make any warranty or representation misleading in any material respect.
- f) Developer agrees and understands that the representations and warranties listed in this section shall survive any third party conveyance by the Developer. Developer further agrees and understands that should it decide to convey the Property to a third party all representations or warranties, whether expressed or implied, existing in this Agreement shall be the sole responsibility of the Developer.

15) Default.

- a) If the Developer breaches any of the terms set forth in this Agreement, the Developer has the responsibility to give written notification of the default(s) under the notice provisions listed in this Agreement.
- b) Upon learning of any default, either from the Developer or upon its own investigation, the City may send a formal written notice of the default(s) to the Developer. The Developer shall respond in writing within 10-days of such notice of its plan to cure the default(s) and the time frame for completion of remediation of all default(s).
- c) Upon receipt of Developer's plan to cure default(s), City shall grant Developer a period of thirty (30) days or such longer time period as City deems reasonable to cure the default(s).
- d) If Developer fails to fully cure all default(s) as set forth in its plan to cure default(s) in the time period allowed by City for such cure, the Developer agrees that the City is hereby authorized to access the ISLOC, the form of which is provided in Exhibit "C", as compensation for the property; and/ or to invoke the Right of Reverter provisions listed in this Agreement and referenced on the Warranty Deed.

16) Remedies Upon Default.

- a) At any time after the occurrence of, and during the continuance of a Default by the Developer or any breach of any of the Developer's Representations or Warranties, the City shall have all of the following rights and remedies, which shall be cumulative:
  - i) The City may submit a claim against any remaining portions of the Irrevocable Standby Letter of Credit (ISLOC), the proceeds of which shall be considered fair market compensation for the property.
  - ii) The City may exercise its rights under the Right of Reverter provisions listed in Section 10 of this Agreement to the extent that such Right of Reverter has not previously been released.
- b) In no event shall the City its officers, agents and/or employees, be liable to the Developer in damages for any act, error, omission, breach or violation of this Agreement.

17) Brokerage. City and Developer represent that neither has used the services of any broker.

18) Termination of Agreement. The Parties have agreed that this Agreement shall terminate on the earlier of:

- a) The date in which all terms and benefits of this Agreement have been satisfied, which shall be evidenced by a written Satisfaction of Agreement from the City in the form provided in Exhibit "D"; or
- b) Upon an Event of Default which has not been cured, and reversion to the City.

19) Insurance. Upon delivery of the Warranty Deed from City to Developer, the Developer shall, at its sole cost, provide evidence of the following insurance:

- a) Developer shall purchase and maintain, and require that any contractor or subcontractor hired by Developer purchases and maintains, Comprehensive General Liability Insurance with minimum limits of bodily injury of \$1 Million Dollars per occurrence and

\$2 Million Dollars aggregate and with minimum limits for property damage of \$1 Million per occurrence and \$2 Million Dollars aggregate; and

- b) Developer shall purchase and maintain Builders Risk Insurance on the Property to equal the amount of any construction undertaken by the Developer. If, during the term of this Agreement, a change in conditions or other pertinent factors should, in the reasonable judgment of City, render inadequate the insurance limits, Developer will furnish, on demand, such additional coverage as may reasonably be required and available under the circumstances. All insurance policies must be written by carriers authorize and licensed to do business in the State of Michigan.
- c) All insurance policies described in this section must name Developer as the insured and the City and the City of JONESVILLE as additional insured, and shall be kept in full force and effect.

20) Indemnification. Developer agrees to indemnify, defend and hold harmless, the City, as well as any officer, agent and/or employee of the City, from any legal action instituted by a third party against the City and from any and all claims and losses, including attorneys' fees and costs, accruing, resulting, or arising from:

- a) The conveyance or re-conveyance of the Property back to the City.
- b) Developer or Developer's lenders, contractors, subcontractors, agents, employees, material providers, laborers and any other person, firm or corporation furnishing or supplying funding, work, services, materials or supplies in connection with the development of the Property referenced under this Agreement.
- c) Any person or entity injured or damaged by any act, omission, error, act of misconduct, and/or negligent act of Developer or Developer's lenders, contractors, subcontractors, agents, employees, material providers, laborers and any other person, firm, or corporation furnishing or supplying funding, work, services, materials or supplies in connection with the development of the Property referenced under this Agreement.
- d) To the extent permitted by law, Developer must defend, indemnify and hold harmless the City, its employees, agents, officers and directors, from and against any and all claims, demands, penalties, fines, liabilities, judgments settlements, damages, costs or expenses, including attorneys' and consultant's fees, investigation and laboratory fees, court costs and litigation expenses, known or unknown, contingent or otherwise, arising out of or related in any way to any environmental contamination on, over, under, from or affecting the Property.

21) Environmental Matters and Release of Predecessors in Interest.

- a) Developer acknowledges and agrees that (1) Developer has independently examined, inspected, and investigated to the full satisfaction of Developer, the physical nature and condition of the Property, including, without limitation, its environmental condition, (2) except as expressly set forth in this Agreement, neither City nor Klein Tools nor any agent, member, officer, partner, employee, representative, broker or third party consultant of City or Klein Tools has made any representation whatsoever regarding the subject matter of this Agreement or any part thereof, including (without limiting the generality of the foregoing) representations as to the physical nature or environmental

condition of the Property, the existence or non-existence of petroleum, asbestos, lead paint, fungi, including mold, or other microbial contamination, termites, hazardous substances or wastes, underground or above ground storage tanks or any other environmental hazards on, under or about of the Property, the compliance of the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental or quasi-governmental authority (including, without limitation, the Fair Housing Act and the Americans with Disabilities Act) or the habitability, merchantability, marketability, profitability, fitness or development of the Property for any purpose and (3) except as expressly set forth in this Agreement, Developer, in executing, delivering and performing this Agreement, does not rely upon any statement, offering material, operating statement, historical budget, engineering structural report, any environmental reports, development plans, information, or representation to whomsoever made or given, whether to Jonesville or others, and whether directly or indirectly, orally or in writing, made by any person, firm or corporation, and Developer acknowledges that any such statement, information, offering material, operating statement, historical budget, report or representation, if any, does not represent or guarantee future performance of the Property. Except as set forth elsewhere in this Section 21 of this Agreement, City shall deliver, and Developer shall take, the Premises in its "as is" "where is" condition and with all faults on the Closing Date, including without limitation, any notes or notices or violations of law or municipal ordinances, orders or requirements imposed or issued by any governmental or quasi governmental authority having or asserting jurisdiction, against or affecting the Premises and any conditions which may result in violations. The provisions of this Section 21(a) shall survive the Closing or the earlier termination of this Agreement.

- b) Except as set forth elsewhere in this Section 21 (and for the absence of doubt, in the event of any conflict between the provisions of this Section 21(b) and Section 21(e), Section 21(e) shall control), Klein Tools who is the predecessor in interest to the City to the Property shall retain liability Post-Closing for, and shall Post-Closing indemnify, defend and hold harmless City and Developer from and against and will reimburse Jonesville and Developer for, any and all damages, losses, costs, obligations, claims, suits, demands, assessments, judgments or liabilities resulting from or in connection with any and all Environmental Conditions that exist (if any), in whole or in part, as of December 28, 2010, which was the Closing Date of the Transfer from Klein Tools to City, if and only to the extent such Environmental Conditions extend beyond the boundaries of the Property and demonstrably originate from a source on, at or under the Property on December 28, 2010, which was the Closing Date of the Transfer from Klein Tools to City (and, for clarity, in no case directly or indirectly resulting from any Jonesville's or Developer's contractors', agents', or assigns' investigations, corrective actions, operations and development of the Property), and, in each such instance, providing that such Environmental Conditions require corrective action under the Environmental Laws, such that reimbursement hereunder is necessary to assure reasonable compliance under the said Environmental Laws.
- c) Except as set forth in Section 21(b) of this Agreement, Developer hereby waives, releases, holds harmless and forever discharges City and Klein Tools, their affiliates, subsidiaries, officers, directors, shareholders, employees, independent contractors, partners, representatives, agents, successors and assigns (collectively, the "Released Parties"), and each of them, from any and all causes of action, claims, assessments, losses, damages (compensatory, punitive or other), liabilities, obligations, reimbursements, costs and expenses of any kind or nature, actual, contingent, present,



future, known or unknown, suspected or unsuspected, including, without limitation, interest, penalties, fines, and attorneys' and experts' fees and expenses, whether caused by, arising from, or premised, in whole or in part, upon Environmental Conditions (as defined below), and notwithstanding that such acts or omissions are negligent or intentional, or premised in whole or in part on any theory of strict or absolute liability, which Jonesville, its successors or assigns or any subsequent owner of the Property may have or incur in any manner or way connected with, arising from, or related to the Property. Developer agrees, represents and warrants that the matters released herein are not limited to matters which are known, disclosed, suspected or foreseeable, and Developer hereby waives any and all rights and benefits which it now has, or in the future may have, conferred upon Developer by virtue of the provisions of any law which would limit or detract from the foregoing general release of known and unknown claims. The provisions of this Section 21(c) shall survive the Closing or termination of this Agreement.

- d) Developer covenants that Developer, its agents, employees and contractors, shall conduct all operations on the Property in compliance with all applicable laws Environmental Laws (as defined below) including without limitation, obtaining and maintaining in effect (or requiring the obtaining and maintaining by a third party of), any and all permits, approvals, authorizations, licenses and consents necessary for or applicable to the use of the Property by any person or entity pursuant to the Environmental Laws ("Permits").
- e) Developer, at its sole expense, shall be solely responsible Post-Closing for, and shall hold harmless City and Klein Tools from any and all damages, losses, costs, obligations, claims, suits, demands, assessments, judgments or liabilities resulting from or in connection with any of the following: (i) taking all precautions with respect to and conducting any investigation or remediation Necessary or required under applicable Environmental Laws which relate to any person or entity's Post-Closing presence or activities on or use of the Property, or Environmental Conditions at, on or under the Property including without limitation, due care obligations under Section 7a of Part 201(as defined below); and (ii) any and all investigation or remediation costs related to Environmental Conditions at the Property which are either initially incurred or initially discovered in whole or in part after Closing as a result of planning for or implementing redevelopment efforts at the Property. Jonesville covenants that in any future sale, transfer or lease transaction with respect to the Property, it shall include binding provisions in any transactional documents obligating the counterparties thereto to release and hold harmless Klein Tools to the same extent Jonesville is obligated under Sections 21(a), (c) and (e), further insulating Klein Tools against any potential liability assumed by Jonesville in this Section 21.
- f) For purposes of this Agreement, "Environmental Conditions" means any of the following conditions at or near the Property: (i) the presence, release or threatened release of hazardous materials or substances into the environment (including air, soil, surface water, groundwater, natural resources, and subsurface strata); (ii) the past or current presence of aboveground or underground storage tanks, landfills or other disposal areas; (iii) any actual or alleged violation of environmental laws or regulations in connection with the Property and/or any property conditions; and (iv) any building, structural materials, or other condition that could present a risk to human health or the environment or result in liabilities under any environmental laws with respect to the Property.

g) For purposes of this Agreement, "Environmental Laws" means those Laws which regulate or in any manner relate to, human health, natural resources or the environment, including without limitation, the federal Clean Air Act, as amended, the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the federal Water Pollution Control Act, as amended, the federal Occupational Safety and Health Act of 1970, as amended, the federal Resource Conservation and Recovery Act of 1976, as amended, the federal Hazardous Materials Transportation Act of 1975, as amended, the federal Safe Drinking Water Act, as amended, and the federal Toxic Substances Control Act, as amended, and all similar state and local laws, rules, regulations and ordinances, including without limitation, all parts of the Michigan Natural Resources and Environmental Protection Act and corresponding rules, including Part 201 of Michigan's Public Act 451 of 1994, as amended, and its corresponding administrative rules ("Part 201") and all court orders, governmental directives, and governmental orders and all interpretations of the foregoing, as in effect on or as may be amended after the date of this Agreement.

h) The provisions of this Section 21 shall survive the Closing.

22) Miscellaneous.

- a) Governing Law. This Agreement shall be governed by the laws of the State of Michigan or applicable Federal Law as the circumstances shall dictate.
- b) Counterparts. This Agreement may be executed in any number of counterparts, and each counterpart shall be deemed to be an original instrument, but all counterparts shall together constitute only one agreement.
- c) Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then all the remaining provisions of this Agreement shall remain in full force and effect to the extent permitted by law.
- d) Written Notice. All requirements for written notice contained in this Agreement shall be accomplished by any one of the following methods:
  - i) Personal service with service being effective upon delivery, or
  - ii) Certified mail, return receipt requested, with service being effective on the date of receipt or second attempted delivery.
  - iii) Notices shall be addressed as follows:

City:

City Manager  
City of JONESVILLE  
265 E. Chicago Street  
JONESVILLE, MI 49250  
(517) 849-2104

Developer:

DH Roberts Construction  
222 Water Street  
Jonesville, Michigan 49250

- IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date and year first above written.

Date: \_\_\_\_\_

Notary Public  
Hillsdale County, Michigan  
My Commission Expires: \_\_\_\_\_

DH Roberts Construction

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF MICHIGAN    )  
                                          ) ss  
COUNTY OF HILLSDALE)

This Addendum To Purchase and Development Agreement was acknowledged before me on  
\_\_\_\_\_, 2025, by \_\_\_\_\_(name),  
\_\_\_\_\_(title).

\_\_\_\_\_  
Notary Public  
Hillsdale County, Michigan  
My Commission Expires: \_\_\_\_\_

## **EXHIBIT A**

### **Legal Description**

LAND SITUATED IN THE CITY OF JONESVILLE, HILLSDALE COUNTY, MICHIGAN, DESCRIBED AS FOLLOWS:

PARCEL I (TAX PARCEL ID 30 21 060 001 038):

LOTS 21, 22, 23, 24 AND THE VACATED ALLEY BETWEEN LOTS 22 AND 23 OF JONES PLAT OF THE VILLAGE OF JONESVILLE, BEING A PART OF THE NORTHWEST  $\frac{1}{4}$  OF SECTION 4, TOWN 6 SOUTH, RANGE 3 WEST, FAYETTE TOWNSHIP, HILLSDALE COUNTY, MICHIGAN.

ALSO: A PARCEL OF LAND BEING PART OF THE VACATED NORTH STREET, BETWEEN LOTS 2 AND 21 OF JONES PLAT OF THE VILLAGE OF JONESVILLE, BEING PART OF THE NORTHWEST  $\frac{1}{4}$  OF SECTION 4, TOWN 6 SOUTH, RANGE 3 WEST, FAYETTE TOWNSHIP, HILLSDALE COUNTY, MICHIGAN, DESCRIBED AS: BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 21 OF JONES PLAT; THENCE SOUTH 61 DEGREES 45 MINUTES 47 SECONDS WEST ALONG THE NORTHERLY LINE OF SAID LOT 21, 177.38 FEET; THENCE NORTH 27 DEGREES 58 MINUTES 12 SECONDS WEST 31.0 FEET; THENCE NORTH 71 DEGREES 31 MINUTES 26 SECONDS EAST 82.58 FEET; THENCE SOUTH 27 DEGREES 44 MINUTES 06 SECONDS EAST 10.0 FEET; THENCE NORTH 61 DEGREES 45 MINUTES 47 SECONDS EAST 96.0 FEET; THENCE SOUTH 27 DEGREES 44 MINUTES 06 SECONDS EAST 7.0 FEET TO THE NORTHEAST CORNER OF SAID LOT 21, THE POINT OF BEGINNING.

PARCEL II (TAX PARCEL ID 30 21 060 001 004):

THE SOUTH HALF OF LOT 2, OF JONES PLAT OF THE VILLAGE OF JONESVILLE, BEING PART OF THE NORTHWEST  $\frac{1}{4}$  OF SECTION 4, TOWN 6 SOUTH, RANGE 3 WEST, FAYETTE TOWNSHIP, HILLSDALE COUNTY, MICHIGAN.

ALSO: A PARCEL OF LAND BEING PART OF VACATED NORTH STREET, BETWEEN LOTS 2 AND 21, OF JONES PLAT OF THE VILLAGE OF JONESVILLE, BEING PART OF THE NORTHWEST  $\frac{1}{4}$  OF SECTION 4, TOWN 6 SOUTH, RANGE 3 WEST, FAYETTE TOWNSHIP, HILLSDALE COUNTY, MICHIGAN, DESCRIBED AS: BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 2 OF JONES PLAT; THENCE SOUTH 27 DEGREES 44 MINUTES 06 SECONDS EAST ALONG THE EXTENSION OF EASTERLY LINE OF SAID LOT 2, 15.0 FEET; THENCE SOUTH 61 DEGREES 45 MINUTES 47 SECONDS WEST, 90 FEET; THENCE NORTH 27 DEGREES 44 MINUTES 06 SECONDS WEST, 15.0 FEET, TO THE SOUTHERLY LINE OF SAID LOT 2; THENCE NORTH 61 DEGREES 45 MINUTES 47 SECONDS EAST ALONG THE SOUTHERLY LINE OF SAID LOT 2, 90 FEET TO THE SOUTHEAST CORNER OF SAID LOT 2, THE POINT OF BEGINNING.

PARCEL IV (TAX PARCEL ID 30 21 060 001 036):

THE NORTH  $\frac{1}{2}$  OF LOT 20, ALSO THE WESTERLY 33 FEET OF THE NORTH  $\frac{1}{2}$  OF LOT 19 OF JONES PLAT OF THE VILLAGE OF JONESVILLE, BEING PART OF THE NORTHWEST  $\frac{1}{4}$  SECTION 4, TOWN 6 SOUTH, RANGE 3 WEST, FAYETTE TOWNSHIP, HILLSDALE COUNTY, MICHIGAN.

ALL BEING PART OF THE JONES PLAT OF THE VILLAGE OF JONESVILLE, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 1 OF DEEDS, PAGE 4, HILLSDALE COUNTY RECORDS.

ACCESS EASEMENT: AN EASEMENT AND RIGHT-OF-WAY FOR DRIVEWAY PURPOSES DESCRIBED AS: ALL THAT PART OF A STRIP OF LAND 18.00 FEET IN WIDTH, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF LOT 21 OF JONES PLAT OF THE VILLAGE OF JONESVILLE, ACCORDING TO THE RECORDED PLAT THEREOF, SAID NORTHEAST CORNER ALSO BEING THE INTERSECTION OF THE SOUTH LINE OF NORTH STREET AS VACATED, WITH THE WEST LINE OF WATER STREET; THENCE N27°-44'-06"W, 46.23 FEET TO THE TRUE POINT OF BEGINNING; AND RUNNING THENCE S82°-34'-29"W, 31.44 FEET; THENCE S64°-20'-09"W, 61.31 FEET; THENCE S50°-19'-09"E, 23.54 FEET; THENCE S34°-59'-09"W, 19.63 FEET; THENCE S20°-43'-09"W, 24.73 FEET; THENCE S58°-29'-41"E, 31.70 FEET TO THE SOUTH LINE OF SAID NORTH STREET AS VACATED AND THE POINT OF ENDING OF SAID CENTERLINE.

TOGETHER WITH AND SUBJECT TO THE TERMS AND CONDITIONS CONTAINED THEREIN AS RECORDED IN LIBER 522, PAGE 63 OF DEEDS, HILLSDALE COUNTY RECORDS.

## **EXHIBIT B**

### **Description of the Project**

The project will generally be developed as depicted in the Riverview Flats Development concept prepared by the Developer and approved by the City on December 14, 2022 ("Concept Plan"). The Concept Plan anticipates a market demand for both commercial and residential uses on the former factory site. It is anticipated that the project will be developed in two phases, generally described as follows:

#### **Phase I – Commercial Building:**

The northern approximately two-thirds of the existing factory will be demolished. The southernmost portion of the building, totaling approximately 22,000 square feet, will be developed for commercial uses consistent with others currently in Downtown Jonesville and allowed by the City of Jonesville Zoning Ordinance. The industrial appearance of the building will be enhanced with additional window openings, customer entries, lighting, and signage, similar to the depiction shown in the Concept Plan.

Private surface parking would be developed on-site, north of the Commercial Building during this phase, as well. Other site improvements are contemplated and would be developed to suit a future tenant or tenants, and may include such things as river walk enhancements, outdoor seating areas, and site landscaping. Such improvements will be depicted on final site plans for the project.

#### **Phase II – Residential Building:**

North of the Commercial Building, a multiple-family Residential Building would be constructed, as generally depicted in the Concept Plan. The Residential Building would consist of a minimum of 26 to 32 two- and three-bedroom apartments. The units would be available at market determined rates for rent and/or for sale.

A combination of on-site and off-site parking is contemplated to serve the Residential Building. The feasibility of underground on-site parking will be explored. Off-site surface parking will be developed on the property designated as Parcel IV in Exhibit A. Additional site improvements for outdoor amenities, river views, private recreation, and the like to improve the marketability of the Residential Building will be developed with Phase II and depicted on final site plans for the project.

#### **Electrical Substation:**

There is an electrical substation owned by Consumers Energy in the area between Parcel I and Parcel II described in Exhibit A. The City and Developer will work in good faith to collaborate with Consumers Energy to identify and determine the feasibility of enhancements and modifications to the substation that will improve the marketability of the project. Consumers Energy is not a party to this agreement and any such changes are subject to their approval.

## EXHIBIT C

### Form of Irrevocable Standby Letter of Credit (ISLOC)

#### IRREVOCABLE STANDBY LETTER OF CREDIT

Letter of Credit Number: 80390

Amount: U.S. \$ 300,000.00 (three hundred thousand dollars and zero cents U.S. DOLLARS)

This Letter of Credit is issued on May 15, 2023 by Issuer in favor of the Beneficiary for the account of Applicant. The parties' names and their addresses are as follows:

**APPLICANT:**

**VICTOR FACE ENTERPRISE, LLC. D/B/A: DH ROBERTS CONSTRUCTION OF JONESVILLE**  
Entity Type: Limited Liability Company  
222 WATER ST  
JONESVILLE, MI 49250-1034

**BENEFICIARY:**

**CITY OF JONESVILLE**  
Entity Type: Estate  
265 E. CHICAGO ST  
JONESVILLE, MI 49250

**ISSUER:**

**COUNTY NATIONAL BANK**  
One S. Howell St.  
Hillsdale, MI 49242

**1. LETTER OF CREDIT.** Issuer establishes this Irrevocable Standby Letter of Credit (Letter of Credit) in favor of Beneficiary in the amount indicated above. Beneficiary may draw on this Letter of Credit with a Draft (or Drafts, if the maximum number of drawings is greater than one). Each Draft shall be signed on behalf of Beneficiary and be marked "Drawn under County National Bank Letter of Credit No. 80390 dated May 15, 2023." Drafts must be presented at Issuer's address shown above on or before the Expiration Date. The presentation of any Draft shall reduce the Amount available under this Letter of Credit by the amount of the draft.

This Letter of Credit sets forth in full the terms of Issuer's obligation to Beneficiary. This obligation cannot be modified by any reference in this Letter of Credit, or any document to which this Letter of Credit may be related.

This Letter of Credit expires on the Expiration Date.

**2. DRAWINGS.** Partial drawings shall not be permitted under this Letter of Credit. "Draft" means a draft drawn at sight.

**3. DOCUMENTS.** Each Draft must be accompanied by the following, in original and two copies except as stated:

A. The original Letter of Credit, together with any amendments.

B. A sight draft drawn by Beneficiary on Issuer.

C. A signed statement by Beneficiary including the following statement: All drafts under this Irrevocable Standby Letter of Credit must be endorsed hereon and bear the clause: "Drawn under County National Bank Irrevocable Standby Letter of Credit No. 80390."

D. The following other documents: Accompanying the above statement, representations of the amount of billing(s) owed to the CITY OF JONESVILLE by VICTOR FACE ENTERPRISE, LLC D/B/A: DH ROBERTS CONSTRUCTION OF JONESVILLE for two consecutive quarters. -OR- A signed statement, reading as follows: "We certify that we have received a written notice of Bank'.

Issuer shall be entitled to accept a draft and the documentation described above, as required by the terms of this Letter of Credit, from any person purporting to be an authorized officer or representative of Beneficiary without any obligation or duty on the part of Issuer to verify the identity or authority of the person presenting the draft and such documentation.

**4. SPECIAL INSTRUCTIONS.** It is a condition of this Irrevocable Standby Letter of Credit that it shall be deemed automatically extended without amendment for one year periods from the expiration date stated below, or any future expiration date, unless at least sixty (60) days prior to any expiration date we shall notify you, unless you otherwise notify us of a change, at the address indicated above, unless a change of address is otherwise notified by you to us, in writing, that we elect not to consider the Letter of Credit renewed for any such additional period.

Drawdown or reduction of this ISLOC by the Developer shall be contingent upon completion of the phases of Development outlined in Section 14) b) ii) of the Purchase and Development Agreement for Klein Tool Building Jonesville, MI 49250; and release of this ISLOC shall be contingent upon completion of construction of a fourth wall and complete enclosure of the structure.

**5. EXPIRATION DATE.** This Letter of Credit expires at the close of business at Issuer's address at 5:00 P.M. Eastern Standard (Time) on May 15, 2024 (Date). Issuer agrees to honor all Drafts presented in strict compliance with the provisions of this Letter of Credit on or before the Expiration Date.

**6. NON-TRANSFERABLE.** This Letter of Credit is not transferable.

**7. APPLICABLE LAW.** This Letter of Credit is governed by the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (UCP), or any later version or amendment. This Letter of Credit is also governed by the laws of The State of Michigan, except as those laws conflict with the UCP.

**ISSUER:**

County National Bank



By  
Eric A. Potes, 2nd Vice President

Date 5-15-23



## EXHIBIT D

### Satisfaction of Agreement

THE CITY OF JONESVILLE, MICHIGAN, a Michigan Municipality, whose address is 265 E. Chicago Street Jonesville, MI 49250, having entered into a Purchase and Development Agreement dated \_\_\_\_\_, with VICTOR FACE ENTERPRISE, LLC, dba DH Roberts Construction, a Michigan Limited Liability Company, whose address is 222 Water Street, Jonesville, Michigan 49250, pertaining to property generally located at 121 Water Street, Jonesville, MI 49250, and legally described as:

*[INSERT LEGAL DESCRIPTION]*

acknowledges and confirms that the terms and benefits of the Agreement have been satisfied.

City of Jonesville, Michigan

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_



## MEMO

**TO:** Manager Gray  
**FROM:** Lenore Spahr  
**DATE:** September 24, 2025  
**SUBJECT:** Election Commission

Given my upcoming retirement and the fact that we aren't having an election in the near future, please accept this notice as my resignation to the Election Commission. This will allow sufficient time to appoint another official to the Commission.

It has been an honor to serve the City in many ways.

Thank you.

# EQUALIZATION & LAND INFORMATION

## HILLSDALE COUNTY, MICHIGAN

33 McCollum St. - Suite 223  
Hillsdale MI 49242-1688  
Phone: (517) 439-9166  
Email: [n.wheeler@hillsdalecounty.gov](mailto:n.wheeler@hillsdalecounty.gov)



November 3, 2025

Cindy Means, Clerk  
City of Jonesville  
265 E Chicago St  
Jonesville, MI 49250

RECEIVED  
NOV 05 2025  
BY: \_\_\_\_\_

Dear Clerk,

This letter is regarding the agreement for various services provided by the Hillsdale County Equalization Department in assisting local assessing units in the property tax administration process. Enclosed is a renewal of the current agreement that expires at the end of 2025 and is for a period of three (3) years commencing January 1, 2026 and ending December 31, 2028.

At their October 28, 2025 meeting the Hillsdale County Board of Commissioners approved an update to the fee schedule. The following is a summary of the fee schedule changes:

Option 1 \$1.20/parcel - No Change

Option 2 Includes Option 1 Services plus:

Summer Tax Bill/Roll Processing from \$0.50/Parcel to \$0.75/Parcel

Winter Tax Bill/Roll Processing from \$0.50/Parcel to \$0.75/Parcel

Assessment Change Notices from \$0.10/Notice to \$0.15/Parcel

Message on back of tax bill from \$0.085/Bill to \$0.10/Bill

Summer Reminder Bills from \$0.10/Bill to \$0.15/Bill

Newsletter/Insert 1-sided = \$0.10/Page (B&W) or \$0.15/Page (Color) - No Change

Newsletter/Insert 2-sided = \$0.15/Page (B&W) or \$0.20/Page (Color) - No Change

Folding Services from \$0.025/Piece to \$0.03/Piece

As part of the resolution to update the fee schedule, a portion of the fees paid by the local units will continue to be dedicated to future aerial imagery acquisitions and technology expenses pertaining to the County's Geographic Information System (GIS). Contributions to both the aerial replacement account and GIS Tech Fund will be increased from the current five (5) cents a parcel to ten (10) cents a parcel for a total of twenty (20) cents a parcel dedicated to these two accounts.

As we had in the previous agreement, we will be requiring all local units that choose the option in which the County processes the tax bills and tax rolls to make a declaration as to the source of certain data utilized in the processing and printing.

Over->

I ask that you please review, sign the enclosed agreements, return one original to this office and retain the other for your records. We look forward to continuing the excellent relationship that we have enjoyed with the local units and if you should have any questions or concerns, I would be more than happy to address them. Please call me at (517) 439-9166 or e-mail at [n.wheeler@hillsdalecounty.gov](mailto:n.wheeler@hillsdalecounty.gov)

Sincerely,

A handwritten signature in black ink, appearing to read "Nicolas L. Wheeler", with a stylized flourish at the end.

Nicolas L. Wheeler, Director  
Hillsdale County Equalization

Enclosures

# EQUALIZATION & LAND INFORMATION SERVICE AGREEMENT COUNTY OF HILLSDALE, MICHIGAN

BY: \_\_\_\_\_

This agreement dated October 28, 2025 between Hillsdale County (*hereinafter referred to as the County*) and the City of Jonesville (*hereinafter referred to as the City*) is to provide various services for a period of three (3) years commencing January 1, 2026 through December 31, 2028.

The County will provide all services for the option chosen below in accordance with Michigan Property Tax Law and the Michigan State Tax Commission Assessor's Manual. The County shall incur all normal expenses necessary while performing the services provided to the City under this agreement.

Under this agreement the City shall select one (1) of the following two (2) options and shall be billed annually the associated fee(s) for the option chosen:

**Note: Services offered in the option chosen by the City but not utilized by the City does not affect the fee charged for that option except for a reduction to the number of copies of tax bills printed noted below.**

## Fee Schedule for Services to Townships and Cities

### Option 1

- Parcel Mapping
- Process Approved Land Divisions (GIS & Assessing Software)
- Name & Address Changes (Township/City Provided, Deeds and other sources)\*
- Availability of a mapping/description analyst to:  
Township/City Officials, Tax Payers & General Public
- Property tax description audits (generally from deeds)\*
- Millage Request Forms (L-4029) Filled out with Truth  
in Taxation Hearing Information supplied
- Personal Property Statements
- Assessment Rolls \$1.20 / Parcel

### Option 2

- Includes all services in Option 1 plus \$1.20 / Parcel
- Summer Tax Bills & Tax Rolls (w/ alpha listings)\*\* \$0.75 / Parcel
- Winter Tax Bills & Tax Rolls (w/ alpha listings)\*\* \$0.75 / Parcel
- \$2.70 / Parcel

\* The City Council must indicate whether the name, addresses and tax descriptions utilized in the printing of tax bills and tax rolls will be from either the City Assessor or the County maintained database.

\*\* Tax Bills & Receipts are currently printed on 3 separate pieces of paper 1- (Green for Summer Bills & Pink for Winter Bills) 1-Yellow (Treasurer Copy) 1-White (Pre-Printed Receipt). Any units that do not have all three printed may deduct 5 cents a parcel for each form not used. Summer tax billing will be billed following the completion of printing the summer tax bills and tax rolls at the rate of \$0.75 per parcel. Winter tax billing will be billed following the completion of printing the winter tax bills and tax rolls at the rate of \$0.75 per parcel along with the additional service charge for the chosen option.

Parcel count is based on the post March Board of Review parcel count each year. Tax exempt parcels will not be charged a per parcel fee.

Either party may cancel this agreement with a Ninety (90) day written notice should it be determined to not be in their best interest. The Ninety (90) day notice may be waived with the concurrence of both parties should the City elect to change options at any time during the three (3) year period.

Under the agreement, the City of Jonesville confirms by council resolution its selection of option \_\_\_\_\_ and agrees to pay the fees associated with this option within 30 days of billing.  
(Enter 1 or 2 above)

If option 2 is selected, the City further states that tax bills and tax rolls will be printed utilizing the \_\_\_\_\_ maintained database.  
(Enter "City Assessor" or "County" above)

*Authorized Signatures:*

\_\_\_\_\_  
City of Jonesville, Mayor

\_\_\_\_\_  
Dated

\_\_\_\_\_  
City of Jonesville, Clerk

\_\_\_\_\_  
Dated

  
\_\_\_\_\_  
Nicolas L. Wheeler, Director  
Hillsdale County Equalization

\_\_\_\_\_  
10/28/2025

\_\_\_\_\_  
Dated

HILLSDALE COUNTY EQUALIZATION  
EQUALIZATION & LAND INFORMATION SERVICE AGREEMENT

| 2024            |                             | 2022-2025         | 2022-2025    | 2026-2028         | 2026-2028    |
|-----------------|-----------------------------|-------------------|--------------|-------------------|--------------|
| <u>QUANTITY</u> | <u>DESCRIPTION</u>          | <u>UNIT PRICE</u> | <u>TOTAL</u> | <u>UNIT PRICE</u> | <u>TOTAL</u> |
| 1,036           | SUMMER TAX BILLS & TAX ROLL | 0.450             | 466.20 *     | 0.700             | 725.20       |
| 1,036           | FOLDING SERVICES            | 0.025             | 25.90        | 0.030             | 31.08        |
| 1,033           | PARCEL MAPPING/ROLL MAINT   | 1.200             | 1,239.60     | 1.200             | 1,239.60     |
| 1,033           | WINTER TAX BILLS & TAX ROLL | 0.450             | 464.85 *     | 0.700             | 723.10       |
| 77              | SUMMER REMINDER BILLS       | 0.100             | 7.70         | 0.150             | 11.55        |
| 1,110           | FOLDING SERVICES            | 0.025             | 27.75        | 0.030             | 33.30        |
|                 |                             |                   | 2,232.00     |                   | 2,763.83     |

\* Tax bill printing cost is based on having three copies printed. The City only receives two copies, so they deduct 5-cent for each third copy not printed.

**CITY OF JONESVILLE**  
**2025 - 2026 BUDGET AMENDMENTS**  
**October 31, 2025**

|                                                                   | CURRENT<br>BUDGET | AMENDED<br>BUDGET | + OR (-)<br>CHANGE |
|-------------------------------------------------------------------|-------------------|-------------------|--------------------|
| <b><u>GENERAL FUND</u></b>                                        |                   |                   |                    |
| <u>REVENUE</u>                                                    |                   |                   |                    |
| 403    Real Property Taxes                                        | \$ 935,000        | \$ 965,000        | \$ 30,000          |
| <u>EXPENSE</u>                                                    |                   |                   |                    |
| 265 CITY HALL                                                     |                   |                   |                    |
| 910    Insurance (under-budgeted)                                 | \$ 2,000          | \$ 4,500          | \$ (2,500)         |
| 975    Repairs & Maintenance (gutter/window repairs)              | \$ 600            | \$ 2,400          | \$ (1,800)         |
| 975    Additions & Improvements (new furnace and air conditioner) | \$ -              | \$ 12,100         | \$ (12,100)        |
| 977    Equipment (replace refrigerator)                           | \$ -              | \$ 1,000          | \$ (1,000)         |
| 897 OTHER ACTIVITIES                                              |                   |                   |                    |
| 965.203 Contrib to Local Sts (Under-budgeted)                     | \$ 272,000        | \$ 282,000        | \$ (10,000)        |
| <b>GENERAL FUND CHANGE IN ESTIMATED YEAR END FUND BALANCE</b>     |                   |                   | <b>\$ 2,600</b>    |
| <b><u>DOWNTOWN DEVELOPMENT AUTHORITY</u></b>                      |                   |                   |                    |
| <u>REVENUE</u>                                                    |                   |                   |                    |
| 665    Interest Earnings (under-budgeted)                         | \$ 2,500          | \$ 6,500          | \$ 4,000           |
| <u>EXPENSE</u>                                                    |                   |                   |                    |
| 443 SIDEWALKS                                                     |                   |                   |                    |
| 702    Salaries & Wages (under-budgeted)                          | \$ 600            | \$ 4,600          | \$ (4,000)         |
| <b>DDA CHANGE IN ESTIMATED YEAR END FUND BALANCE</b>              |                   |                   | <b>\$ -</b>        |
| <b><u>MOTOR VEHICLE POOL</u></b>                                  |                   |                   |                    |
| <u>REVENUE</u>                                                    |                   |                   |                    |
| 665    Interest Earnings                                          | \$ 4,000          | \$ 9,000          | \$ 5,000           |
| <u>EXPENSE</u>                                                    |                   |                   |                    |
| 896 MOTOR VEHICLE POOL                                            |                   |                   |                    |
| 977    Equipment (Leaf vac refurbishment)                         | \$ 5,000          | \$ 10,000         | \$ (5,000)         |
| <b>MVP CHANGE IN ESTIMATED YEAR END FUND BALANCE</b>              |                   |                   | <b>\$ -</b>        |



11/20/2025

| <u>Vendor</u>                                               | <u>Description</u>                           | <u>Amount</u> |
|-------------------------------------------------------------|----------------------------------------------|---------------|
| ACRISURE GREAT LAKES PARTNERSTIMPSON TRANSPORT OVERPAYMENT  |                                              | 722.63        |
| ACRISURE, LLC/GREAT LAKES PARCYBER SECURITY INSURANCE       |                                              | 3,248.00      |
| APPLIED INNOVATION                                          | CITY HALL COPIER MAINT.                      | 42.14         |
| AT&T                                                        | LOCAL/LONG DISTANCE                          | 889.84        |
| BAILEY, HODSHIRE & CO, PC                                   | FISCAL YEAR 2025 AUDIT                       | 4,300.00      |
| BAKER, VICKI/B & B CLEANING,                                | JPD/JFD/CITY HALL CLEANING SERVICES          | 566.50        |
| BLONDE PAINTING LLC                                         | DDA PAINT STREET LIGHT BASES                 | 1,440.00      |
| BRINER OIL CO., INC.                                        | JFD GASOLINE                                 | 19.78         |
|                                                             | MVP/JPD/WWTP GASOLINE                        | 528.22        |
|                                                             | JFD GASOLINE                                 | 101.47        |
|                                                             | JPD/WWTP/DPW GASOLINE                        | 599.19        |
|                                                             |                                              | 1,248.66      |
| BS&A SOFTWARE                                               | ASSESSING SOFTWARE SUPPORT FEE               | 951.00        |
| BUEHRER DORIS                                               | UB refund for account: 000992-00             | 2.83          |
| BUTTERS EXCAVATING & LAWN CARCEMETERY MAINT/SEXTON SERVICES |                                              | 3,833.33      |
| CAPITAL ONE                                                 | WALMART-OPERATING SUPPLIES/REPAIRS           | 626.81        |
| CLEAR VIEW B.R. LLC                                         | CITY HALL/JPD WINDOW CLEANING                | 40.00         |
| COLOSSUS, INC/DBA INTERACT PUJPD - REPORTING SOFTWARE       |                                              | 4,115.72      |
| CONSUMERS ENERGY                                            | IRP ELECTRICITY                              | 1,228.22      |
|                                                             | CEMETERY ELECTRICITY                         | 38.51         |
|                                                             | CITY HALL METER REPAIR                       | 174.33        |
|                                                             |                                              | 1,441.06      |
| COUNTRYSIDE TROPHIES                                        | LDFA NAME PLATE                              | 9.00          |
| CREEK ENTERPRISE, INC                                       | NEW PHONE SYSTEM CABLING                     | 1,845.39      |
| DEPENDABLE FIRE APPARATUS, LIJFD - TRUCK 539 REPAIRS        |                                              | 1,089.39      |
|                                                             | JFD TRUCK INSPECTION                         | 157.50        |
|                                                             |                                              | 1,246.89      |
| DETROIT SALT COMPANY                                        | SALT                                         | 3,444.32      |
| DINGES FIRE COMPANY                                         | JFD - VENTILATION FAN                        | 6,500.00      |
| DMCI BROADBAND, LLC                                         | WATER TOWER INTERNET/CAMERA ACCESS           | 591.48        |
|                                                             | IRON REMOVAL PLANT INTERNET/CAMERA ACCESS    | 591.48        |
|                                                             |                                              | 1,182.96      |
| EDP OF HILLSDALE COUNTY                                     | LDFA MEMBERSHIP RENEWAL                      | 15,000.00     |
| ESO SOLUTIONS, INC                                          | JEF - FIRE INCIDENT SOFTWARE                 | 2,547.62      |
| FLEIS & VANDENBRINK ENG, INC.                               | WATER - TMF GRANT                            | 1,701.00      |
| FORCE FLOW                                                  | IRP CHLORINE SCALE REPAIRS                   | 875.53        |
| GANNETT MICHIGAN LOCALIQ                                    | PUBLIC HEARING ADS PC/COUNCIL                | 106.90        |
| GREENMARK EQUIPMENT                                         | DPW VEHICLE REPAIR                           | 25.28         |
| HYDROCORP, LLC                                              | WATER - COMMERCIAL CROSS CONNECTION PROGRAM  | 586.67        |
|                                                             | WATER - RESIDENTIAL CROSS CONNECTION PROGRAM | 504.00        |
|                                                             |                                              | 1,090.67      |
| JACKSON, CITY OF                                            | JPD TRAINING CONSORTIUM                      | 209.60        |
| JONESVILLE HARDWARE                                         | SUPPLIES/REPAIRS                             | 508.59        |
| JONESVILLE LUMBER                                           | WWTP/POLICE DEPT REPAIRS                     | 41.28         |
| JONESVILLE, CITY OF                                         | WWTP WATER & SEWER                           | 138.11        |
|                                                             | JPD WATER & SEWER                            | 54.13         |
|                                                             | CITY HALL WATER & SEWER                      | 54.13         |
|                                                             | PARK PAVILLION WATER & SEWER                 | 55.79         |
|                                                             | JFD WATER & SEWER                            | 63.20         |
|                                                             | DRINKING FTN WATER & SEWER                   | 52.92         |
|                                                             | DPW WATER & SEWER                            | 54.13         |
|                                                             | DDA SPRINKLERS WATER & SEWER                 | 129.43        |
|                                                             |                                              | 601.84        |
| KEN STILLWELL FORD-MERCURY, I2025 FORD PICKUP               |                                              | 41,688.40     |
| KENNEDY INDUSTRIES, INC.                                    | WWTP PUMP REBUILD                            | 24,450.00     |
| LAPEW SANITATION                                            | WRIGHT STREET PARK PORTABLE RESTROOM         | 170.00        |
| LOCKWOOD, MITCHELL                                          | WATER - EXAM MILEAGE                         | 92.40         |
| LOVINGER & THOMPSON, P.C.                                   | LEGAL FEES                                   | 416.25        |
| LRS, LLC                                                    | CITY HALL/JPD/JFD/DPW/WWTP - TRASH/RECYCLING | 217.00        |
| MERIT LABORATORIES                                          | WW LAB TESTING                               | 258.00        |
|                                                             | WW LAB TESTING                               | 258.00        |
|                                                             | WW LAB TESTING                               | 258.00        |
|                                                             | WW LAB TESTING                               | 258.00        |

11/20/2025

| <u>Vendor</u>                 | <u>Description</u>                                  | <u>Amount</u> |
|-------------------------------|-----------------------------------------------------|---------------|
|                               | WWTP - TESTING                                      | 516.00        |
|                               | 1,548.00                                            |               |
| MERIT NETWORK INC             | JPD INTERNET ROUTER                                 | 3,460.00      |
|                               | JPD INTERNET ROUTER                                 | 3,460.00      |
|                               | 6,920.00                                            |               |
| MICHIGAN GAS UTILITIES        | IRP GAS SERVICE                                     | 48.15         |
|                               | CITY HALL GAS SERVICE                               | 43.51         |
|                               | DPW GARAGE GAS SERVICE                              | 41.08         |
|                               | FIRE STATION GAS SERVICE                            | 41.73         |
|                               | WWTP GAS SERVICE                                    | 828.35        |
|                               | POLICE STATION GAS SERVICE                          | 41.64         |
|                               | 1,044.46                                            |               |
| MICHIGAN LAWN & LANDSCAPE     | MOWING SERVICES                                     | 2,797.56      |
| MICHIGAN WATER ENVIRONMENT    | ASWWTP KELLEY-MEMBERSHIP RENEWAL                    | 115.00        |
| MML WORKERS COMPENSATION      | FUNEWORX COMP QUARTERLY INVOICE                     | 1,927.00      |
| MULLALLY, SHAWN               | WWTP - TRAINING/EXAM MILEAGE                        | 256.20        |
| NAPOLEON FEED MILL, INC       | CALCIUM CHLORIDE                                    | 189.90        |
| NORM'S AUTO-JONESVILLE        | LEAF VAC TIRE REPAIRS                               | 112.50        |
| NORTH EAST FABRICATION CO,    | INMVP - LEAF VAC REPAIRS                            | 482.60        |
| PARAGON LABORATORIES, INC.    | LAB TESTING                                         | 150.00        |
| PAVEMENT SOLUTIONS, INC.      | LOCAL ST CHIP/FOG SEAL RETAINAGE                    | 4,793.54      |
|                               | LOCAL ST CHIP/FOG SEAL RETAINAGE                    | 4,949.74      |
|                               | 9,743.28                                            |               |
| PERFORMANCE AUTOMOTIVE        | WW/MVP REPAIRS                                      | 462.65        |
| POSTMASTER                    | POSTAGE - WATER/SEWER BILLS                         | 390.31        |
| POWERS CLOTHING, INC.         | WWTP - UNIFORMS                                     | 964.54        |
| PRIORITY ONE EMERGENCY, INC   | JPD - UNIFORMS                                      | 520.43        |
|                               | JPD - UNIFORM PATCHES                               | 469.00        |
|                               | JPD UNIFORM PATCHES                                 | 105.95        |
|                               | 1,095.38                                            |               |
| REDLINE EQUIPMENT             | MVP - LEAF VAC REPAIRS                              | 646.06        |
| REGION 2 PLANNING COMMISSION  | MEMBERSHIP RENEWAL                                  | 587.52        |
| REPUBLIC WASTE SERVICES       | WWTP SLUDGE DISPOSAL                                | 3,585.37      |
| SANDY'S AMERICAN AUTO DETAIL  | JPD DETAIL                                          | 375.00        |
| SHIRT SHACK, LLC              | DPW/WWTP - SWEATSHIRTS/T-SHIRTS                     | 974.00        |
| SPENCER, WINDY                | WEB PAGE PHOTOS                                     | 200.00        |
| STATE OF MICHIGAN             | WATER - WSSN ANNUAL FEE                             | 1,710.30      |
|                               | DDA - STREETSCAPE PROJECT                           | 31,162.97     |
|                               | 32,873.27                                           |               |
| STOCKHOUSE CORPORATION        | JPD DECAL INSTALL                                   | 30.00         |
|                               | JPD LOGO DECAL AND INSTALL                          | 91.60         |
|                               | 121.60                                              |               |
| SUPERIOR INDUSTRIAL SALES, IN | WWTP - GENERATOR SERVICE                            | 1,595.00      |
|                               | WWTP - GENERATOR SERVICE                            | 353.25        |
|                               | IRP GENERATOR SERVICE                               | 1,470.00      |
|                               | 3,418.25                                            |               |
| TELEDYNE INSTRUMENTS, INC     | WW AUTOMATIC SAMPLER SUPPLIES                       | 1,427.00      |
| TRACTOR SUPPLY CREDIT PLAN    | SMALL TOOLS/MAINTANCE/REPAIRS                       | 137.91        |
| UNIFIRST CORPORATION          | JPD/ CITY HALL FLOOR MATS                           | 37.75         |
|                               | MVP - SHOP TOWELS                                   | 25.25         |
|                               | WWTP - UNIFORM RENTAL                               | 52.89         |
|                               | WWTP - UNIFORM RENTAL                               | 52.89         |
|                               | WWTP - UNIFORM RENTAL                               | 52.89         |
|                               | WWTP - UNIFORM RENTAL                               | 52.89         |
|                               | MVP - SHOP TOWELS                                   | 25.25         |
|                               | WWTP - UNIFORM RENTAL                               | 52.89         |
|                               | 352.70                                              |               |
| UTILITY SERVICE CO, INC       | WATER TOWER SERVICE CONTRACT                        | 9,155.96      |
| VC3, INC.                     | EXCHANGE ONLINE                                     | 100.80        |
|                               | EMAIL CLOUD PROTECTION                              | 52.00         |
|                               | 152.80                                              |               |
| VERIZON WIRELESS              | JPD/WWTP/DPW-CELL PHONES/RADIO TOWER/JPD/JFD-MODEM: | 340.89        |

11/14/2025  
User: LSPAHR  
DB: Jonesville

CITY OF JONESVILLE  
INVOICE APPROVAL LIST  
11/20/2025

| <u>Vendor</u>               | <u>Description</u>                 | <u>Amount</u> |
|-----------------------------|------------------------------------|---------------|
| VINTAGE 720                 | DDA FACADE GRANT                   | 180.15        |
| WASTE MANAGEMENT OF MI, INC | STREET SWEEPING DEBRIS TO LANDFILL | 1,178.74      |
| Total:                      |                                    | 211,346.04    |

# Jonesville Police Department

116 West Chicago Road  
Jonesville, Michigan. 49250

911 Police Service      Administration (517) 849-2101

FAX (517) 849-2520

## ACTIVITY SUMMARY FOR OCTOBER 2025

Total reports written: 59  
Assault and Battery: 1  
Break and Enter: 1  
Larceny/Other: 1  
Operating while Intoxicated: 0  
Damage to Property: 1  
Retail Fraud: 3  
Public Peace/Disturbance: 2  
Non-Violent Domestic: 0  
Driving Law Violations: 1  
Disorderly Conduct: 1  
Obstructing Justice: 1  
Minor In Possession: 4  
Public Roadway Accidents: 10  
Private Property Accidents: 6  
Other Arrests: 4 (warrants, traffic-DWLS/Revoked, etc.)  
Alarm: 0  
Open Door: 0  
Civil Matter/Family Disputes: 1  
Medical Emergency: 2  
Trespass: 0  
Nuisance Animals: 0  
Ordinance Violations: 1 (warnings)  
Lost and Found Property: 0  
Suspicious Situations: 3  
General Assistance: 18  
Traffic/Moving Violations: 9  
Warrants Received from Prosecutor: 6

JONESVILLE CITY FIRE DEPARTMENT OCTOBER 2025 FIRE INCIDENTS

List of Incidents

| Time in Alarm DateTime | Incident Type                             | District            | Aid Given Or Received  | Aiding Agency Name             | Aided Agency                   |
|------------------------|-------------------------------------------|---------------------|------------------------|--------------------------------|--------------------------------|
| 10/02/2025 00:23       | Medical assist, assist EMS crew           | JONESVILLE CITY     | None                   | N/A                            | N/A                            |
| 10/02/2025 08:35       | Dispatched & canceled en route            | JONESVILLE CITY     | None                   | N/A                            | N/A                            |
| 10/04/2025 22:18       | Outside rubbish, trash or waste fire      | FAYETTE TOWNSHIP    | None                   | N/A                            | N/A                            |
| 10/08/2025 00:48       | Dispatched & canceled en route            | JONESVILLE CITY     | None                   | N/A                            | N/A                            |
| 10/09/2025 12:22       | Power line down                           | SCIPIO TOWNSHIP     | None                   | N/A                            | N/A                            |
| 10/10/2025 06:13       | Medical assist, assist EMS crew           | FAYETTE TOWNSHIP    | None                   | N/A                            | N/A                            |
| 10/10/2025 12:40       | Cooking fire, confined to container       | JONESVILLE CITY     | None                   | N/A                            | N/A                            |
| 10/10/2025 19:54       | Medical assist, assist EMS crew           | FAYETTE TOWNSHIP    | None                   | N/A                            | N/A                            |
| 10/13/2025 14:17       | Cover assignment, standby, moveup         | HILLSDALE CITY      | Automatic aid given    | N/A                            | Hillsdale City Fire Department |
| 10/14/2025 00:11       | Dispatched & canceled en route            | HILLSDALE CITY      | Automatic aid given    | N/A                            | Hillsdale City Fire Department |
| 10/14/2025 11:39       | Dispatched & canceled en route            | FAYETTE TOWNSHIP    | None                   | N/A                            | N/A                            |
| 10/17/2025 13:38       | Dispatched & canceled en route            | JONESVILLE CITY     | None                   | N/A                            | N/A                            |
| 10/18/2025 13:44       | Building fire                             | LITCHFIELD TOWNSHIP | Mutual aid given       | N/A                            | Litchfield Fire Department     |
| 10/18/2025 23:39       | Building fire                             | JONESVILLE CITY     | Automatic aid received | Hillsdale City Fire Department | N/A                            |
|                        |                                           |                     |                        | Litchfield Fire Department     | N/A                            |
| 10/19/2025 00:52       | Power line down                           | JONESVILLE CITY     | None                   | N/A                            | N/A                            |
| 10/21/2025 11:20       | Building fire                             | LITCHFIELD CITY     | Automatic aid given    | N/A                            | Litchfield Fire Department     |
| 10/25/2025 05:26       | Carbon monoxide incident                  | JONESVILLE CITY     | None                   | N/A                            | N/A                            |
| 10/27/2025 15:00       | CO detector activation due to malfunction | SCIPIO TOWNSHIP     | None                   | N/A                            | N/A                            |
| 10/30/2025 21:30       | Extrication of victim(s) from vehicle     | JONESVILLE CITY     | None                   | N/A                            | N/A                            |
| 10/31/2025 15:17       | Medical assist, assist EMS crew           | FAYETTE TOWNSHIP    | None                   | N/A                            | N/A                            |

# MONTHLY OPERATING REPORT

## October 2025

**SUBMITTED: November 12, 2025**

### **WATER FLOW**

|         |          |
|---------|----------|
| MAXIMUM | 240,000  |
| MINIMUM | 140,000  |
| AVERAGE | 177,000  |
| TOTAL   | 5.475 MG |

### **WASTEWATER FLOW**

|         |          |
|---------|----------|
| MAXIMUM | 321,400  |
| MINIMUM | 193,000  |
| AVERAGE | 224,300  |
| TOTAL   | 6.954 MG |

**CALLOUTS:** There were two Call-In incidents. Both were for high inlet level readings, due to problems with the bubbler-level sensor system.

**OPERATION & MAINTENANCE:** The plant was in compliance with the NPDES permit limitations during the month of October 2025.

The Wastewater Plant Laboratory processed 189 Coliform Bacteria tests, 35 Nitrate tests and 19 Nitrite tests in the month of October 2025. **Totaling \$4,860.** The annual totals to date are 1,696 Coliform Bacteria, 272 Nitrates, and 160 Nitrites. **Totaling \$42,560** for 2025. These are gross totals before expenses.

-Bryan Farwell, Kerr Pump engineer was on site to go over options for Vega sonic-level transducers. These could possibly replace the bubbler system, alleviating current false reading issues.

-The second Netzsch pump is setup and running in sequence with pump number 1 in auto.

-Phase 2 of PFAS sampling has taken place.

-The new pickup truck has arrived, and is much appreciated.

-Superior Industries performed a load bank test and preventative maintenance on the generators at the wastewater plant and iron removal plan.

-Superintendent Mullaly attended training at MWEA in Lansing.

-Operators Denton Kelley and Mitchell Lockwood assisted Dubois Trucking with the vactor truck.

-The City of Jonesville has been assisting Key Opportunities with their development project.

-The inlet works has been cleaned out with the vactor truck. This has helped with the bubbler system level reading issues.

-Biotech hauled 165,00 gallons of sludge from our storage and land applied on 12 acres.

### **5-Day Biochemical Oxygen Demand**

**NPDES Permit 30 Day Average Limit is 4 mg/l**

**NPDES Permit Daily Maximum-10 mg/l**

The BOD-5 test tells us how much of the oxygen in the water is being used up or demanded by the waste in the water. High oxygen demand will deplete the oxygen in the receiving water. This will have adverse effects on the quality of life (fish) in the Receiving stream.

***Jonesville Monthly Average—1.5 mg/l***

***Average Percent Removal from the Raw Wastewater—99 %***

***Daily Maximum—3 mg/l***

### **Total Suspended Solids**

**NPDES Permit Limit is 20 mg/l**

Suspended solids are very important in controlling the process in the plant. Suspended solids are removed via settling clarifiers and are pumped to the anaerobic digester for treatment. The digested biosolids are applied to farmland at agronomic rates as fertilizer.

***Jonesville Monthly Average—1.9 mg/l***

***Average Percent Removal from the Raw Wastewater—97%***

***Daily Maximum—5 mg/l***

### **Total Phosphorus**

**NPDES Permit Limit 1 mg/l Year Round**

Phosphorus is a nutrient that promotes growth. In fact, farmers use phosphorus as a fertilizer on crop lands. Phosphorus is found in many cleaning agents and industrial processes. Excessive phosphorus in wastewater promotes the excessive growth of micro and macro-organisms in the receiving stream. In other words, phosphorus promotes excessive growth of algae and seaweed. These plants demand oxygen from the water and tend to decrease the quality of life in the receiving stream.

***Jonesville Monthly Average—0.60 mg/l***

***Average Percent Removal from the Raw Wastewater—83.4 %***

***Jonesville Daily Maximum 1.06mg/l***

### **Ammonia Nitrogen**

**Monthly Average Limit is 0.5 mg/l**

**Daily Maximum Limit is 2.0 mg/l**

Ammonia Nitrogen is the result of bacterial decomposition of organic nitrogen. Examples Of organic nitrogen include animal and plant protein, amino acids and urea from urine. Ammonia nitrogen is a very unstable form of nitrogen. In wastewater plants ammonia nitrogen is oxidized to form nitrite nitrogen. Further oxidation of nitrite nitrogen will form the stable compound called nitrate nitrogen. This process is called nitrification and occurs in the trickling filter towers. If nitrification does not occur in the treatment plant, it will occur in the receiving stream once again depriving oxygen from the aquatic population. Because of the sensitive nature of the microorganisms involved in the nitrification process, the ammonia nitrogen limits are about the hardest to hit.

***Jonesville Monthly Average—0.214 mg/l***

***Average Percent Removal from the Raw Wastewater—99.0%***

***Jonesville Daily Maximum—1.22 mg/l***

Shawn Mullaly/Rick Mahoney

# City of Jonesville DPW Monthly Report

## October 2025

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Staff and I have been responding to MISS DIG tickets.

Staff and I removed dead trees in town.

Staff and I have been working along with MDOT on the City's Road diet project.

Staff and I trimmed multiple trees around the city.

Staff and I continue to work with residents assisting them with water shut-offs so they can make internal repairs to there plumbing as needed.

Staff and I have been assisting residents with other individual water concerns like low flow issues and high usage issues.

Staff and I began preparing for the winter season by getting salt delivered and more sand for Chloride for really cold days.

Staff and I have been working along with sub-contractor Dukes to help identify the city's unknown water services.

Staff and I delivered multiple dump trucks to residents for brush collection.

Staff and I have begun the leaf collection season.

I worked with many sub-contractors to get quotes for the city for its multiple upcoming projects.

I attended the Small Urban project update at the Hillsdale County Road commission.

I attended the MDOT Traffic Summit at Hillsdale City Hall.

Staff has been continuing along with its daily brush collection program.

I attended a meeting with Key Opportunities in regards to there project on Beck Road .

Staff and I attended a virtual summit hosted by EGLE on Microplastics.

Staff has completed pulling weeds for the season.

Staff and I cleared overgrowth along Fayette and Franklin Streets.

I have been completing multiple zoning applications for business and residents.

Staff has been working to clear overgrowth from the city's Rail Trail.

Staff and I have been working on reviving our underground irrigation system that waters all of our new trees downtown.

Staff and I worked with city hall staff to clean out upper floors at city hall.

Charles Crouch  
DPW Superintendent



**CITY OF JONESVILLE  
CASH BALANCES**

|                               |                                    | October-2025    | BANK BALANCE         |
|-------------------------------|------------------------------------|-----------------|----------------------|
| <b>GENERAL FUND:</b>          |                                    |                 |                      |
|                               | General Fund Now Checking          | 101-000-001     | 0.00                 |
|                               | General Fund ICS                   | 101-000-002     | 153,746.70           |
|                               | General Fund Fire Insurance Escrow | 101-000-002.100 | 1.61                 |
|                               | General Fund CLASS Acct            | 101-000-007     | 2,277,870.36         |
|                               | General Fund Cemetery CLASS Acct   | 101-000-007.100 | 109,043.65           |
|                               | General Fund Alloc of Assets CLASS | 101-000-007.200 | 484,414.80           |
| <b>MAJOR STREETS:</b>         |                                    |                 |                      |
|                               | Major Streets Now Checking         | 202-000-001     | 36,581.26            |
|                               | Major Streets CLASS Acct           | 202-000-007     | 823,770.87           |
| <b>LOCAL STREETS:</b>         |                                    |                 |                      |
|                               | Local Streets Now Checking         | 203-000-001     | 58,007.35            |
|                               | Local Streets CLASS Acct           | 203-000-007     | 984,352.41           |
| <b>STATE HIGHWAY:</b>         |                                    |                 |                      |
|                               | State Highway Now Checking         | 211-000-001     | 24,224.25            |
| <b>L.D.F.A.:</b>              |                                    |                 |                      |
|                               | LDFA Operating Now Checking        | 247-000-001     | 7,934.32             |
|                               | LDFA CD - Flagstar Bank            | 247-000-003.200 | 250,000.00           |
|                               | LDFA CD - So MI Bank & Trust       | 247-000-003.300 | 250,000.00           |
|                               | LDFA Operating CLASS Acct          | 247-000-007     | 3,771,568.43         |
| <b>D.D.A.:</b>                |                                    |                 |                      |
|                               | DDA Now Checking                   | 248-000-001     | 2,214.51             |
|                               | DDA Operating CLASS Acct           | 248-000-007     | 181,692.43           |
| <b>SEWER FUND:</b>            |                                    |                 |                      |
|                               | Sewer Receiving Now Checking       | 590-000-001     | 77,237.40            |
|                               | Sewer Bond & Interest Checking     | 590-000-001.300 | 10.00                |
|                               | Sewer Receiving CLASS Acct         | 590-000-007     | 489,141.58           |
|                               | Sewer Plant Improv. CLASS Acct     | 590-000-007.200 | 1,514,234.37         |
| <b>WATER FUND:</b>            |                                    |                 |                      |
|                               | Water Receiving Now Checking       | 591-000-001     | 65,422.50            |
|                               | Water Receiving CLASS Acct         | 591-000-007     | 380,183.05           |
|                               | Water Plant Improvement CLASS Acct | 591-000-007.100 | 450,604.81           |
|                               | Water Bond Reserve CLASS           | 591-000-007.200 | 82,099.42            |
|                               | Water RR&I Reserve CLASS           | 591-000-007.250 | 68,976.41            |
|                               | Water Tower Maint CLASS Acct       | 591-000-007.300 | 61,090.02            |
|                               | Water Maint CLASS Acct             | 591-000-007.400 | 109,636.00           |
| <b>MOTOR VEHICLE POOL:</b>    |                                    |                 |                      |
|                               | Motor Vehicle Pool Now Checking    | 661-000-001     | 6,841.49             |
|                               | Equip. Replace CLASS - Police Car  | 661-000-007.301 | 6,419.11             |
|                               | Equip. Replace CLASS - Fire Truck  | 661-000-007.336 | 109,684.42           |
|                               | Equip. Replace CLASS - DPW Equip   | 661-000-007.463 | 17,910.01            |
|                               | Equip. Replace CLASS - WWTP/Vactor | 661-000-007.590 | 36,085.67            |
| <b>CURRENT TAX:</b>           |                                    |                 |                      |
|                               | Current Tax Checking               | 703-000-001     | 6,790.74             |
|                               | Current Tax Savings Account        | 703-000-002     | 132,586.94           |
| <b>PAYROLL FUND CHECKING:</b> |                                    |                 |                      |
|                               |                                    | 750-000-001     | 2,520.68             |
| <b>GRAND TOTAL</b>            |                                    |                 | <b>13,032,897.57</b> |

# MICHIGAN STATE UNIVERSITY

*on recommendation of the faculty of the*

## First Line Supervision Course

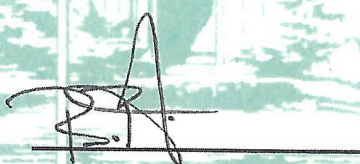
*does hereby confer upon*

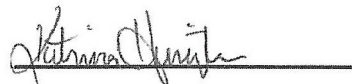
*David Martin*

### CERTIFICATE OF SUCCESSFUL ACHIEVEMENT

*with all the rights and privileges appertaining thereto. Given at Charlotte, Michigan this Seventeenth Day of October, Two  
Thousand and Twenty-Five.*

  
Jim Craig  
Michigan State University  
Team Facilitator

  
Captain Bryan Pizzuti  
Bloomfield Township Police  
Department  
Team Facilitator

  
Lieutenant Katrina Herrington  
Calhoun County Sheriff's Office  
Team Facilitator



Michigan State Police



# Certification of Training

*This is to certify that*

Sarah Rose

*has successfully completed a course in*

Advanced Roadside Impaired Driving Enforcement  
(ARIDE) Program

consisting of 16 hours of instruction

15 Sep 2025 08:00, 16 Sep 2025 08:00



MICHIGAN DEPARTMENT OF  
ENVIRONMENT, GREAT LAKES, AND ENERGY

# CERTIFICATE OF ATTENDANCE

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The Michigan Department of Environment, Great Lakes, and Energy (EGLE) confirms that

**Joshua Crandall**

---

has attended the live virtual event:



**2025 Great Lakes  
Microplastics Summit**

VIRTUAL EVENT | OCTOBER 22

**Hosted by:** The Michigan Department of Environment, Great Lakes, and Energy (EGLE)

**Continuing Education Hours (CEH)/Professional Development Hours (PDH):** 6.00  
(up to 6 hours)





MICHIGAN DEPARTMENT OF  
ENVIRONMENT, GREAT LAKES, AND ENERGY

# CERTIFICATE OF ATTENDANCE

---

The Michigan Department of Environment, Great Lakes, and Energy (EGLE) confirms that

**Charles Crouch**

---

has attended the live virtual event:



**2025 Great Lakes  
Microplastics Summit**

VIRTUAL EVENT | OCTOBER 22

**Hosted by:** The Michigan Department of Environment, Great Lakes, and Energy (EGLE)

**Continuing Education Hours (CEH)/Professional Development Hours (PDH):** 6.00  
(up to 6 hours)



MICHIGAN DEPARTMENT OF  
ENVIRONMENT, GREAT LAKES, AND ENERGY

# CERTIFICATE OF ATTENDANCE

---

The Michigan Department of Environment, Great Lakes, and Energy (EGLE) confirms that

**Todd A. Ruden**

---

has attended the live virtual event:



**2025 Great Lakes  
Microplastics Summit**

VIRTUAL EVENT | OCTOBER 22

**Hosted by:** The Michigan Department of Environment, Great Lakes, and Energy (EGLE)

**Continuing Education Hours (CEH)/Professional Development Hours (PDH):** 6.00  
(up to 6 hours)



A CENTURY OF EXCELLENCE & A FUTURE OF POSSIBILITIES

Hereby verifies that

**Shawn Mullaly**

Has successfully completed the course listed below

**Wastewater Math 1**

October 21, 2025

MWEA

EGLE Course Code: 1776

Wastewater CECs - Technical: 0.6

Professional Development Hours: 6.0



A CENTURY OF EXCELLENCE & A FUTURE OF POSSIBILITIES

Hereby verifies that

**Shawn Mullaly**

Has successfully completed the course listed below

**Wastewater Math 2**

October 22, 2025

MWEA

EGLE Course Code: 1787

Wastewater CECs - Technical: 0.6

Professional Development Hours: 6.0





RECEIVED  
NOV 10 2025

BY: \_\_\_\_\_

November 5, 2025

City Manager  
City of Jonesville  
265 East Chicago Street  
Jonesville, MI 49250-1002

**Re: Removal of Channels Owned by Versant from Digital Economy Tier**

Dear City Manager:

As part of our ongoing commitment to keep you and our customers informed about changes to Xfinity TV services, we wanted to update you that Comcast's right to continue carrying channels owned by Versant on the legacy video tiers will expire on January 8, 2026. The impacted channels remain available through other Xfinity product tiers.

Impacted customers are being notified with the bill message below. We will continue to provide updates to you and our customers as they become available.

TV Update: Effective January 8, 2026, CNBC, E!, MSNBC (rebranding to MS Now on November 15, 2025), Oxygen, SYFY, and USA will no longer be included in your current TV package. These channels will still be available with Popular TV, the Sports & News genre pack (CNBC and MSNBC), and the Entertainment genre pack (E!, Oxygen, SYFY, and USA).

Additionally, pursuant to P.A. 480 of 2006, Section 9 (4), Comcast Cable's local operating entity hereby reports that Comcast does not deny access to services to any group of potential residential subscribers because of the race or income of the residents in the local area. A similar report will be filed with the Michigan Public Service Commission.

Sincerely,

Eric Woody  
Manager, Government & Regulatory Affairs  
Comcast, Heartland Region  
41112 Concept Drive  
Plymouth, MI 48170