

**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

**Paul D. Joyce, CPA  
State Examiner**

FINANCIAL STATEMENT AND  
FEDERAL COMPLIANCE AUDIT REPORT  
OF  
CITY OF MISHAWAKA  
SAINT JOSEPH COUNTY, INDIANA  
January 1, 2024 to December 31, 2024



**FILED**

10/10/2025



Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769  
Telephone: (317) 232-2513  
Fax: (317) 232-4711  
[www.in.gov/sboa](http://www.in.gov/sboa)

October 10, 2025

To: The Officials of the City of Mishawaka  
City of Mishawaka  
Saint Joseph County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of City of Mishawaka. We have reviewed the audit report opined upon by Katz, Sapper & Miller, LLP, Independent Public Accountants, for the period January 1, 2024 to December 31, 2024. Per the *Independent Auditor's Report*, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In our opinion, Katz, Sapper & Miller, LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a supplemental report for City of Mishawaka was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA  
Deputy State Examiner

# **City of Mishawaka, Indiana**

Annual Financial Report

December 31, 2024

# City of Mishawaka, Indiana

---

Table of Contents  
December 31, 2024

	<u>Page</u>
<b>Independent Auditor's Report</b>	i
<b>Schedule of Officials</b>	v
<b>Management's Discussion and Analysis</b>	vi
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	3
Fund Financial Statements:	
Balance Sheet - Governmental Funds	4
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	5
Statement of Revenues, Expenditures and Other Changes in Fund Balances - Governmental Funds	6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	7
Statement of Net Position - Proprietary Funds	8
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	10
Statement of Cash Flows - Proprietary Funds	11
Statement of Fiduciary Net Position - Pension Trust Funds	13
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	14
Notes to Financial Statements	15

# City of Mishawaka, Indiana

---

Table of Contents  
December 31, 2024

	<u>Page</u>
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis) - General Fund	75
Budget/GAAP Reconciliation - General Fund	77
Schedule of the City's Proportionate Share of the Net Pension Liability - Public Employees' Retirement Fund	78
Schedule of City Contributions - Public Employees Retirement Fund	79
Schedule of the City's Proportionate Share of the Net Pension Liability - Police Officers' 1977 Fund	80
Schedule of City Contributions - Police Officers' 1977 Fund	81
Schedule of the City's Proportionate Share of the Net Pension Liability - Firefighters' 1977 Fund	82
Schedule of City Contributions - Firefighters' 1977 Fund	83
Schedule of Changes in Net Pension Liability and Related Ratios	84
Schedule of Changes in the City's Net Pension Liability and Related Ratios	85
Schedule of Contributions	86
Schedule of Investment Returns	87
Schedule of Changes in Net OPEB Liability	88
Schedule of Net OPEB Liability	89
Schedule of Employer Contributions	90
Notes to Required Supplementary Information	92

# City of Mishawaka, Indiana

---

Table of Contents  
December 31, 2024

	<u>Page</u>
<b>Supplementary Information</b>	
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	99
Nonmajor Special Revenue Funds:	
Combining Balance Sheet - Nonmajor Special Revenue Funds	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	104
Nonmajor Debt Service Funds:	
Combining Balance Sheet - Nonmajor Debt Service Funds	107
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds	108
Nonmajor Capital Projects Funds:	
Combining Balance Sheet - Nonmajor Capital Projects Funds	109
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	110
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position - Pension Trust Funds	111
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds	112

## *Independent Auditor's Report*

The Officials of the City of Mishawaka, Indiana

### **Report on the Audit of Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mishawaka, Indiana (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of 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's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; budgetary comparison schedule (non-GAAP budgetary basis) - general fund, budget/GAAP reconciliation - general fund, schedule of the City's proportionate share of the net pension liability - Public Employees' Retirement Fund, schedule of City contributions - Public Employees' Retirement Fund, schedule of the City's proportionate share of the net pension liability - Police Officers' 1977 Fund, schedule of City contributions - Police Officers' 1977 Fund, schedule of the City's proportionate share of the net pension liability - Firefighters' 1977 Fund, schedule of City contributions - Firefighters' 1977 Fund, schedule of changes in net pension liability and related ratios, schedule of changes in the City's net pension liability and related ratios, schedule of contributions, schedule of investment returns, schedule of changes in net OPEB liability, schedule of net OPEB liability, and schedule of employer contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying 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. In our opinion, 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 September 29, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
September 29, 2025

# City of Mishawaka

---

Schedule of Officials  
December 31, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Rebecca S. Maguire	01-01-24 to 12-31-24
Mayor	David A. Wood	01-01-24 to 12-31-27
City Clerk	Deborah S. Block	01-01-24 to 12-31-27
President of the Board of Public Works and Safety	Kenneth B. Prince	01-01-24 to 12-31-24
President of the Common Council	Gregg Hixenbaugh	01-01-24 to 12-31-27

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

# City of Mishawaka, Indiana

Management's Discussion and Analysis  
Year Ended December 31, 2024

---

As management of the City of Mishawaka, Indiana, (the City), we offer this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024.

## Financial Highlights

- The assets, \$510,236,649, and deferred outflows of resources, \$18,603,756, of the City's governmental activities exceeded its liabilities and deferred inflows of resources of \$170,138,431 and \$42,635,659, respectively at the close of the most recent fiscal year by \$316,066,315 (net position).
- The City's governmental activities total net position decreased by \$9,161,249 during the current fiscal year.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$83,665,973, a decrease of \$15,063,292 during the current fiscal year. Approximately 25.15% of the total amount in the combined ending fund balances, \$21,041,354 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$21,086,504 which represented 49.51% of total general fund expenditures of \$42,589,390, excluding transfers out.
- The City's total amount of bonds for the governmental activities decreased by \$4,537,625 during the current fiscal year. The net change was the result of a \$3,425,000 of principal payments, on existing debt, and \$1,112,625 of amortization expense on bond premiums/discounts.
- The business-type activities assets and deferred outflows of resources of \$436,322,049 and \$1,729,312, respectively of the City exceeded its liabilities and deferred inflows of resources of \$189,049,990 and \$2,957,920, respectively at the close of the most recent fiscal year by \$246,043,451 (net position).
- The City's business-type activities total net position increased by \$16,473,168 during the current fiscal year.

## Overview of the Financial Statements

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

### Government-Wide Financial Statements

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

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

# City of Mishawaka, Indiana

Management's Discussion and Analysis  
Year Ended December 31, 2024

---

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, community development, health and welfare, culture and recreation and sanitation.

Component units, which are other governmental units over which the City may exercise influence and/or be obligated to provide financial subsidy, are presented as individual activities in the fund financial statements or have been blended with the activities of the City.

The government-wide financial statements can be found on pages 1-3 of this report.

## Fund Financial Statements

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

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

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Redevelopment TIF Allocation and Redevelopment Bond Fund which are considered to be major funds. Data for the remaining City governmental funds are combined into a single, aggregated presentation. Individual fund data for nonmajor governmental funds is provided in the form of combining statements elsewhere in the report. The City adopts an annual appropriated budget for its general fund, certain special revenue funds and certain capital projects funds. A budgetary comparison schedule has been provided for the general fund in the required supplementary information.

The governmental fund financial statements can be found on pages 4-7 of this report.

# City of Mishawaka, Indiana

Management's Discussion and Analysis  
Year Ended December 31, 2024

---

**Proprietary Funds** - The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility operations, wastewater utility operations and electric utility operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses the internal service fund to account for health insurance/flexible spending. Because these services benefit the governmental-type functions, they have been included within the governmental activities on the Statement of Net Position and in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 8-12 of this report.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports its pension trust funds in one column on the financial statements, which accounts for activity of the 1925 Police Officers' Pension Plan, 1937 Firefighters' Pension Plan and the Utility Retirement Plan which all provide defined benefit retirement, disability and death benefits to plan members and beneficiaries.

The basic fiduciary fund financial statements can be found on pages 13-14 of this report.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15-74 of this report.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget for its General Fund as well as a reconciliation between the budget schedule and fund financial statements. Supplementary information on the General Fund budget by department is on pages 75-77. In addition, the City's funding progress for its obligation to provide pension and other postemployment benefits to certain employees is included as supplementary information. Required supplementary information can be found on pages 78-97 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules can be found on pages 98-112 of this report.

## New Accounting Pronouncements

The City adopted GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The standard 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 standard was implemented January 1, 2024, with no impact to prior periods.

The City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The standard seeks to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This standard was implemented January 1, 2024.

# City of Mishawaka, Indiana

Management's Discussion and Analysis  
Year Ended December 31, 2024

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the City, assets and deferred outflows of resources, exceeded liabilities and deferred inflows of resources by \$562,109,766 at the close of the most recent fiscal year.

The largest portion, \$485,571,017 (86.38%), of the City's net position reflects the investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed statement of net position:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$127,558,198	\$147,978,929	\$114,248,067	\$123,134,723	\$241,806,265	\$271,113,652
Capital assets	<u>382,678,451</u>	<u>376,827,343</u>	<u>322,073,982</u>	<u>306,391,024</u>	<u>704,752,433</u>	<u>683,218,367</u>
Total assets	510,236,649	524,806,272	436,322,049	429,525,747	946,558,698	954,332,019
Deferred outflows of resources	<u>18,603,756</u>	<u>19,860,760</u>	<u>1,729,312</u>	<u>3,582,650</u>	<u>20,333,068</u>	<u>23,443,410</u>
Long-term liabilities	161,691,914	162,789,124	172,823,112	185,805,648	334,515,026	348,594,772
Other liabilities	<u>8,446,517</u>	<u>12,385,309</u>	<u>16,226,878</u>	<u>14,400,668</u>	<u>24,673,395</u>	<u>26,785,977</u>
Total liabilities	<u>170,138,431</u>	<u>175,174,433</u>	<u>189,049,990</u>	<u>200,206,316</u>	<u>359,188,421</u>	<u>375,380,749</u>
Deferred inflows of resources	<u>42,635,659</u>	<u>44,265,035</u>	<u>2,957,920</u>	<u>3,331,798</u>	<u>45,593,579</u>	<u>47,596,833</u>
Net investment in capital assets	306,430,184	309,581,651	179,140,833	166,519,747	485,571,017	476,101,398
Restricted net position	59,268,565	68,181,455	49,097,958	61,640,400	108,366,523	129,821,855
Unrestricted net position (deficit)	<u>(49,632,434)</u>	<u>(52,535,542)</u>	<u>17,804,660</u>	<u>1,410,136</u>	<u>(31,827,774)</u>	<u>(51,125,406)</u>
Total net position	<u>\$316,066,315</u>	<u>\$325,227,564</u>	<u>\$246,043,451</u>	<u>\$229,570,283</u>	<u>\$562,109,766</u>	<u>\$554,797,847</u>

An additional portion of the City's net position, \$108,366,523 (19.28%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, unrestricted (deficit), may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported a positive balance in net position for net investment in capital assets and restricted net position. During 2024, government-wide net position increased by \$7,311,919 primarily due to investments in capital assets during 2024, which also resulted in a decrease in current and other assets from the cash outlay. The City's deferred outflow of resources decreased due to a change in actuarial valuation of the City's pension and OPEB plans. The City's long-term liabilities decreased during 2024 due to payments made on bonds during the year, with no new bond issuances, partially offset by an increase in the pension liability. Other liabilities decreased due to the City using grant funds from the Coronavirus State and Local Fiscal Recovery Funds grant program initially recorded in unearned revenue, which is slightly offset by an increase in accounts payable.

# City of Mishawaka, Indiana

Management's Discussion and Analysis  
Year Ended December 31, 2024

## Summary Changes in Net Position

The following table provides a comparative summary of changes in net position.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 10,541,210	\$ 9,488,595	\$ 95,245,636	\$ 93,291,004	\$105,786,846	\$102,779,599
Operating grants and contributions	8,437,085	5,775,537	-	-	8,437,085	5,775,537
Capital grants and contributions	10,880,082	11,502,645	3,180,688	4,565,506	14,060,770	16,068,151
General revenues:						
Property taxes	52,196,118	48,462,504	-	-	52,196,118	48,462,504
Income taxes	14,450,234	16,318,163	-	-	14,450,234	16,318,163
Other	10,420,242	14,553,880	5,377,133	3,894,803	15,797,375	18,448,683
Total revenues	<u>106,924,971</u>	<u>106,101,324</u>	<u>103,803,457</u>	<u>101,751,313</u>	<u>210,728,428</u>	<u>207,852,637</u>
<b>Expenses</b>						
General government	15,512,383	10,742,641	-	-	15,512,383	10,742,641
Public safety	37,846,542	34,940,428	-	-	37,846,542	34,940,428
Highways and streets	17,143,383	13,415,152	-	-	17,143,383	13,415,152
Water Utility	-	-	11,326,412	9,257,817	11,326,412	9,257,817
Wastewater Utility	-	-	22,479,529	24,708,193	22,479,529	24,708,193
Electric Utility	-	-	53,122,252	52,146,121	53,122,252	52,146,121
Health and welfare	476,596	187,509	-	-	476,596	187,509
Community development	32,031,149	696,513	-	-	32,031,149	696,513
Culture and recreation	8,198,177	7,057,620	-	-	8,198,177	7,057,620
Sanitation	2,878,229	2,764,334	-	-	2,878,229	2,764,334
Interest on long term debt	2,401,857	2,341,864	-	-	2,401,857	2,341,864
Total expense	<u>116,488,316</u>	<u>72,146,061</u>	<u>86,928,193</u>	<u>86,112,131</u>	<u>203,416,509</u>	<u>158,258,192</u>
Change in net position before transfers	(9,563,345)	33,955,263	16,875,264	15,639,182	7,311,919	49,594,445
Transfers	<u>402,096</u>	<u>874,963</u>	<u>(402,096)</u>	<u>(874,963)</u>	<u>-</u>	<u>-</u>
Change in net position	(9,161,249)	34,830,226	16,473,168	14,764,219	7,311,919	49,594,445
<b>Net Position, Beginning</b>	<u>325,227,564</u>	<u>290,397,338</u>	<u>229,570,283</u>	<u>214,806,064</u>	<u>554,797,847</u>	<u>505,203,402</u>
<b>Net Position, Ending</b>	<u>\$316,066,315</u>	<u>\$325,227,564</u>	<u>\$246,043,451</u>	<u>\$229,570,283</u>	<u>\$562,109,766</u>	<u>\$554,797,847</u>

The City's net position from governmental activities, including the statement of net position decreased by \$9,161,249 or (2.82)% in 2024, over the net position of 2023. Notable changes in governmental activities revenues and expenses in 2024 compared to 2023 include the following:

- Property tax revenues increased in 2024 by \$3,733,614 due to the increase in statewide property tax rate.
- The City's property tax rate for 2024 increased to \$2.0047 from \$1.8575 for 2023, per \$100 of assessed value.

## City of Mishawaka, Indiana

---

Management's Discussion and Analysis  
Year Ended December 31, 2024

- Income taxes decreased by \$1,867,929 due to a decrease in amounts distributed by the state.
- Operating grants and contributions increased by \$2,661,548 due to spending of the Coronavirus State and Local Fiscal Recovery Funds.
- General government expenses increased by \$4,769,742 due primarily to a change in actuarial valuation of the pension and OPEB plans.
- Public safety expenses increased by \$2,906,114 in 2024 due primarily to giving raises for police and fire personnel as well as the addition of new staff.
- Highways and streets expenses increased by \$3,728,231 in 2024 due to more spending on the 12th street improvements.
- Community development expenses increased by \$31,334,636 in 2024 due to donating the fieldhouse during 2024.

The City's overall governmental activities' unrestricted cash and cash equivalents of \$72,577,132 remained very strong in the current economic environment.

The City's net position from business-type activities, including the statement of net position increased by \$16,473,168 or 7.18% in 2024, over the net position of 2023. Total revenues were \$103,803,457 in 2024, which is consistent with \$101,751,313 in 2023. Total expenses increased by \$816,062 primarily due to operation and maintenance expense.

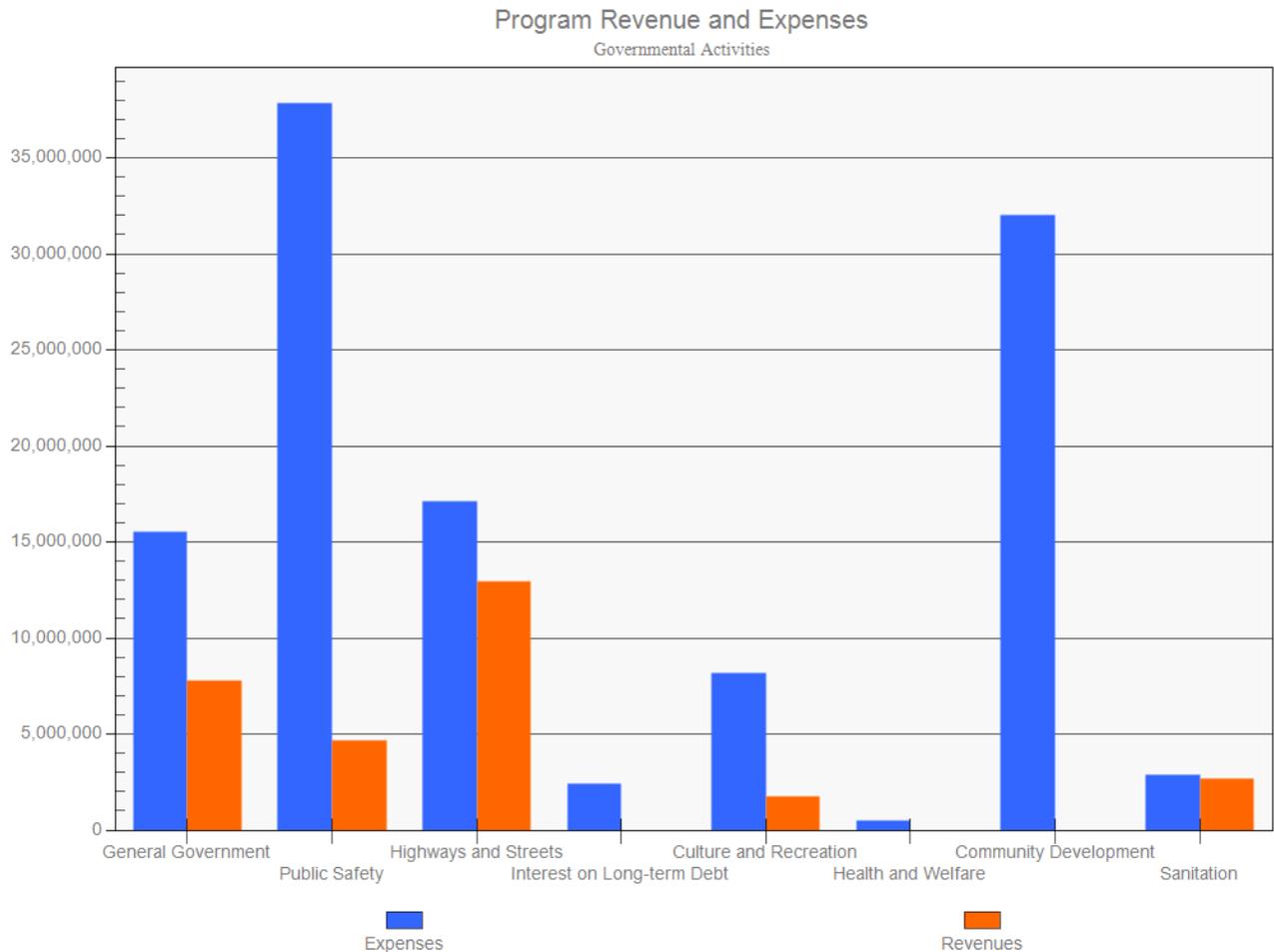
# City of Mishawaka, Indiana

Management's Discussion and Analysis  
Year Ended December 31, 2024

## Program Revenue and Expenses - Governmental Activities

The following table displays program revenues as compared to program expenses. Deficits in programs are made up by general revenues. Taxes, as in prior years, were the City's major source of revenue supporting its activities, primarily in the area of public safety, health and welfare and general government. Other sources of revenue consisted primarily of unrestricted investment earnings, local shared revenue, and miscellaneous revenue.

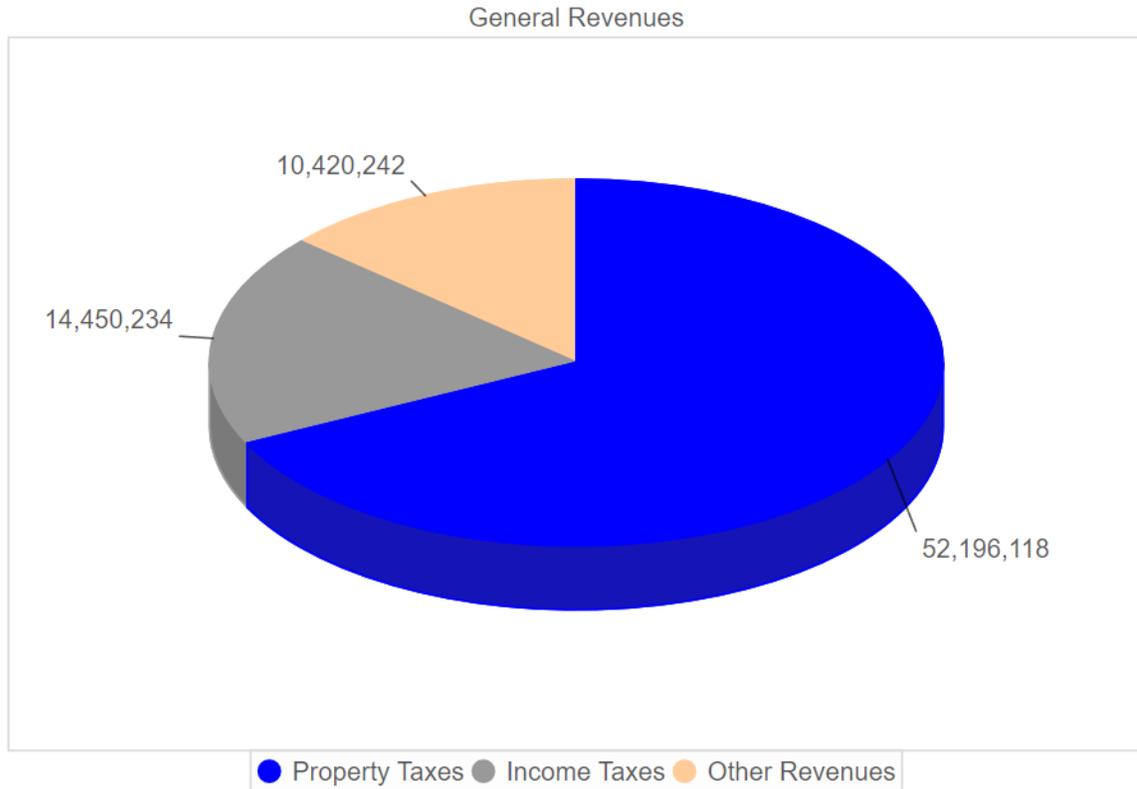
The following displays the expenses and program revenues of the City' governmental activities.



# City of Mishawaka, Indiana

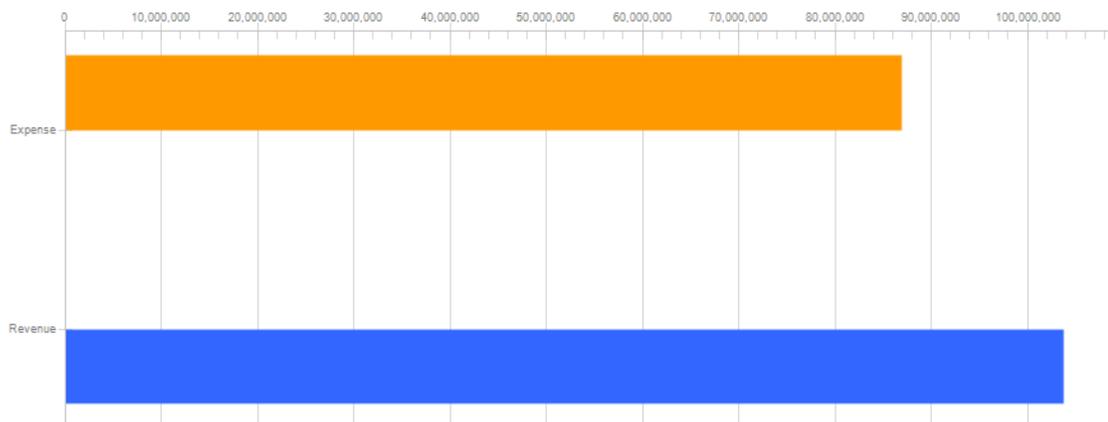
Management's Discussion and Analysis  
Year Ended December 31, 2024

The following table displays the General Revenues by source for the City's governmental activities. General revenues are used to help offset funding shortfalls related to governmental functions detailed in the preceding graph:



## Business-Type Activities

Business-type activities resulted in an increase in net position of \$16,473,168 in 2024 compared to an increase of \$14,764,219 in 2023. The primary reason was the increase in customer revenue. The following displays revenues and expenses for business-type activities:



## Financial Analysis of the City Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of City of Mishawaka can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

### Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful to assess the City's financial requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Fund balances are the differences between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in a governmental fund. The nonspendable fund balance includes amounts that are not in spendable form or amounts that are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision-making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body or authorized officials and applies to remaining resources in any governmental fund other than the general fund. Unassigned fund balances include all amounts not contained in other classifications for the general fund and deficit fund balances in any other governmental fund.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$83,665,973 a decrease of \$15,063,292 in comparison with the prior year. The fund balance has restricted fund balance of \$62,274,804, assigned fund balance of \$349,815, and unassigned fund balance of \$21,041,354. (See page 4).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$21,086,504. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total expenditures of \$42,589,390, excluding transfers. Unassigned fund balance represents 49.51% of total general fund expenditures.

The fund balance of the City's general fund had an increase of \$1,061,473 during the current fiscal year. Key factors in this increase are as follows:

- The City's revenue changes resulted from transfers from other funds of \$3,762,096 for payments in lieu of taxes.
- The City's expenses increased by \$5,621,116 which offset the increased revenues noted above primarily due to public safety, which is due to giving raises for police and fire personnel as well as the addition of new staff.

The Redevelopment TIF Allocation fund is a major fund. It accounts for revenues and expenditures related to the City's TIF area. At the end of the current fiscal year, the restricted fund balance of the Redevelopment TIF Allocation fund was \$16,178,188. The fund had a net increase in fund balance of \$7,584,706 which was comprised of excess property tax revenues received of \$13,506,171 over expenditures, offset by transfers out of \$8,499,000 to cover debt payments.

The Redevelopment Bond fund is a major fund that accounts for the bond proceeds and expenditures related to construction. At the end of the current fiscal year, the restricted fund balance of the Redevelopment Bond fund was \$1,272 due to spending for several capital projects during 2024.

# City of Mishawaka, Indiana

Management's Discussion and Analysis  
Year Ended December 31, 2024

## General Fund Budgetary Highlights

Elected officials and department heads submit budgets to allow for the effective operation of the City. Several revenue assumptions are used at the time of budget development, but when the actual revenue information becomes available, the City adjusts the budget accordingly.

Differences between the original budget and the final budget included a \$1,012,310 increase in appropriations that is briefly summarized below:

The final budget for the general fund increased \$1,012,310 from the original budget passed by the City council. General government decreased \$290,151 for personal services, decreased \$21,967 for supplies, increased \$89,555 for other service charges and increased \$1,726 for capital outlay. Public safety increased \$826,498 for personal services, \$76,620 for supplies and \$151,903 for other service and charges.

During the year on a budgetary basis, expenditures exceeded revenue, excluding other financing sources (uses) for the general fund in the amount of \$2,896,047.

## Capital Asset and Debt Administration

Major capital asset events during the current fiscal year included the following:

- Construction in progress expenditures totaling \$87,591,818 and \$100,334,097 during 2024 related to projects for the governmental activities and the business-type activities, respectively.
- Major capital asset projects completed and added during the current calendar year include the following:
  - City Hall Campus Building ENT 21-022 - \$29.6 million
  - City Hall Municipal Building - \$18.4 million
- The City additionally donated the Fieldhouse during the year for approximately 31.2 million.

The following table displays the City's capital assets.

	<b>Capital Assets</b>					
	<b>Governmental Funds</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Land	\$ 12,976,200	\$ 13,304,950	\$ 3,329,154	\$ 3,329,154	\$ 16,305,354	\$ 16,634,104
Construction in progress	87,591,818	116,854,309	100,334,097	89,091,104	187,925,915	205,945,413
Buildings	67,447,314	37,885,336	58,092,680	56,274,030	125,539,994	94,159,366
Improvements	49,944,875	46,369,571	283,480,794	272,896,942	333,425,669	319,266,513
Infrastructure	255,102,320	243,181,374	-	-	255,102,320	243,181,374
Transportation	-	-	7,638,343	7,636,373	7,638,343	7,636,373
Leased assets	22,150	22,150	-	-	22,150	22,150
SBITA assets	462,920	342,639	-	325,241	462,920	667,880
Machinery and equipment	44,349,112	45,386,351	46,945,374	46,765,507	91,294,486	92,151,858
<b>Total capital and lease assets</b>	<b>517,896,709</b>	<b>503,346,680</b>	<b>499,820,442</b>	<b>476,318,351</b>	<b>1,017,717,151</b>	<b>979,665,031</b>
Accumulated depreciation and amortization	(135,218,258)	(126,519,337)	(177,746,460)	(169,927,327)	(312,964,718)	(296,446,664)
<b>Net capital assets</b>	<b>\$ 382,678,451</b>	<b>\$ 376,827,343</b>	<b>\$ 322,073,982</b>	<b>\$ 306,391,024</b>	<b>\$ 704,752,433</b>	<b>\$ 683,218,367</b>

# City of Mishawaka, Indiana

Management's Discussion and Analysis  
Year Ended December 31, 2024

Additional information on the City's capital assets can be found on pages 32 through 33 in the Notes to the Financial Statements of this report.

## Long-Term Obligations

At the end of the current fiscal year, the City had outstanding total long-term debt related liabilities (net of unamortized premiums and discounts and current portion) of \$152,560,107 related to governmental activities and \$161,411,929 related to business-type activities. Of this amount, \$75,450,551 comprises of TIF bonds for governmental activities and \$167,746,926 relates to revenue bond debt for the business-type activities.

The remainder of the City's long-term obligations consist of \$13,783 related to leases for the governmental activities \$32,269,925 and \$3,271,175 of other postemployment benefits for governmental activities and business-type activities, respectively; \$52,697,271 and \$637,650 of net pension liability for governmental activities and business-type activities, respectively; \$85,080 related to subscription-based IT arrangements for governmental activities; \$1,076,189 and \$353,361 related to compensated absences for governmental activities and business-type activities, respectively; \$814,000 related to notes and loans payable for business-type activities; and finance purchase agreements of \$99,115 for the governmental activities. The following table reflects the City's long-term obligations:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenue bonds, net	\$ -	\$ -	\$167,746,926	\$178,890,913	\$167,746,926	\$178,890,913
TIF bonds payables, net	75,450,551	79,988,176	-	-	75,450,551	79,988,176
Subtotal	75,450,551	79,988,176	167,746,926	178,890,913	243,197,477	258,879,089
Leases payable	13,783	18,039	-	-	13,783	18,039
Finance purchase agreements	99,115	294,686	-	-	99,115	294,686
SBITA	85,080	125,496	-	113,811	85,080	239,307
Other post employment benefits	32,269,925	33,817,756	3,271,175	3,824,195	35,541,100	37,641,951
Compensated absences	1,076,189	1,073,439	353,361	325,527	1,429,550	1,398,966
Notes and loans payable	-	-	814,000	947,000	814,000	947,000
Net pension liability	52,697,271	47,471,532	637,650	1,704,202	53,334,921	49,175,734
Total	161,691,914	162,789,124	172,823,112	185,805,648	334,515,026	348,594,772
Less current portion	(9,131,807)	(8,848,700)	(11,411,183)	(10,851,670)	(20,542,990)	(19,700,370)
Total long-term obligations	\$152,560,107	\$153,940,424	\$161,411,929	\$174,953,978	\$313,972,036	\$328,894,402

The City's total long-term obligations (net of the current portion) decreased by \$14,922,366 during the current fiscal year.

- Bonds payable decreased by \$15,681,612 during the year primarily due to the principal paid on outstanding bonds payable totaling \$13,723,000 and amortization of bond discounts and premiums of \$1,958,612.
- Other postemployment benefits decreased by \$2,100,851 as a result of updated actuarial studies performed for the City.
- Net pension liability for pensions increased by \$4,159,187 as a result of updated actuarial studies performed for the City.

## City of Mishawaka, Indiana

---

Management's Discussion and Analysis  
Year Ended December 31, 2024

The City maintains long-term ratings of "AAA" on its outstanding general obligation bonds and redevelopment district and redevelopment authority bonds (which are rated as general obligation security pledges), a long-term rating of "AA+" on its outstanding COIT/local income tax revenue bonds, a long-term rating of "AA" on its outstanding sewage works revenue bonds and a long-term rating of "BBB+" on outstanding bonds which are secured by tax increment revenues assigned by S&P Global Ratings.

Additional information of the City's long-term debt can be found on pages 35-39 in the Notes to the Financial Statements of this report.

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

- The 2024 tax rates for the City of Mishawaka increased from \$1.8575 in 2023 to a rate of \$2.0047 per \$100 in assessed value. Overall, the City's assessed value increased by approximately 4.08% from 2023 to 2024.
- The City is continuing to see an increase in new building and development activity, an indicator that the current economic climate is good. As a result, prior estimates of growth in tax base and related property tax revenues are showing improvement.
- Property tax is the City's largest source of revenue. Local Income Tax (LIT) formerly known as City option income tax (COIT) is the second largest source of the City's current governmental revenues. These funds can be used for capital projects as well as ongoing operating expenses. The recent improvement in employment has had a positive impact on LIT paid by City residents.
- State-wide property tax caps (based upon a percent of gross AV by property class) became effective in 2009, yet they had a minimal impact on the City's revenues received. For the 2024 budget year, the expected loss to the City due to the caps is \$8,384,263. Expenditure restraints have been used to offset this loss.

All the above factors were considered in preparing the City's budget for the 2025 calendar year.

### **Request for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Controller, 100 Lincolnway West, Mishawaka, IN 46544 or by email at [rmaguire@mishawaka.in.gov](mailto:rmaguire@mishawaka.in.gov).

## **BASIC FINANCIAL STATEMENTS**

**City of Mishawaka, Indiana**

Statement of Net Position  
December 31, 2024

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets and Deferred Outflows of Resources</b>			
<b>Assets</b>			
Cash and cash equivalents	\$ 72,577,132	\$ 46,190,446	\$ 118,767,578
Receivables (net of allowances for uncollectibles):			
Accounts	584,924	5,108,901	5,693,825
Interest	42,989	-	42,989
Taxes	34,268,001	-	34,268,001
Intergovernmental	3,042,572	-	3,042,572
Leases	697,050	313,316	1,010,366
Inventories	-	7,598,718	7,598,718
Prepays	887,641	473,948	1,361,589
Restricted assets:			
Revenue bond and interest cash	-	5,827,257	5,827,257
Debt service reserve cash	-	12,376,472	12,376,472
Construction fund cash	-	27,079,936	27,079,936
Consumer meter deposit cash	-	5,464,780	5,464,780
Repair cash	-	3,159,129	3,159,129
Net pension asset	-	655,164	655,164
Cash and cash equivalents	15,457,889	-	15,457,889
Capital assets:			
Land and construction in progress	100,568,018	103,663,251	204,231,269
Other capital assets, net of depreciation/amortization	282,110,433	218,410,731	500,521,164
	<u>510,236,649</u>	<u>436,322,049</u>	<u>946,558,698</u>
<b>Total assets</b>			
	<u>510,236,649</u>	<u>436,322,049</u>	<u>946,558,698</u>
<b>Deferred Outflows of Resources</b>			
Deferred amount on refunding of debt	-	195,421	195,421
Pension related	15,431,264	762,367	16,193,631
OPEB related	3,172,492	321,595	3,494,087
Utility rate making expenses	-	449,929	449,929
	<u>18,603,756</u>	<u>1,729,312</u>	<u>20,333,068</u>
<b>Total deferred outflows of resources</b>			
	<u>18,603,756</u>	<u>1,729,312</u>	<u>20,333,068</u>

See notes to financial statements

**City of Mishawaka, Indiana**

Statement of Net Position  
December 31, 2024

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 3,954,191	\$ 7,261,915	\$ 11,216,106
Accrued payroll and withholdings payable	319,052	331,589	650,641
Taxes payable	-	288,117	288,117
Accrued interest payable	1,297,984	1,721,511	3,019,495
Claims payable	650,422	-	650,422
Retainage payable	1,390,729	1,120,529	2,511,258
Unearned revenue	834,139	-	834,139
Hydrant use deposit payable	-	33,661	33,661
Customer deposits payable	-	5,469,556	5,469,556
<b>Long-term Liabilities</b>			
Due within one year:			
Leases payable	4,401	-	4,401
Financed purchases	99,115	-	99,115
Subscription payable	44,606	-	44,606
Compensated absences	731,824	176,417	908,241
Notes and loans payable	-	137,000	137,000
Revenue bonds payable	-	10,962,000	10,962,000
TIF bonds payable	3,590,000	-	3,590,000
Net pension liability	3,322,548	-	3,322,548
Total OPEB liability	1,339,313	135,766	1,475,079
Due in more than one year:			
Leases payable	9,382	-	9,382
Subscription payable	40,474	-	40,474
Revenue bonds payable (net of unamortized premiums)	-	156,784,926	156,784,926
Notes and loans payable	-	677,000	677,000
TIF bonds payable (net of amortized discounts)	71,860,551	-	71,860,551
Compensated absences	344,365	176,944	521,309
Other long-term payables:			
Net pension liability	49,374,723	637,650	50,012,373
Total OPEB liability	30,930,612	3,135,409	34,066,021
Total liabilities	<u>170,138,431</u>	<u>189,049,990</u>	<u>359,188,421</u>
<b>Deferred Inflows of Resources</b>			
Leases	697,050	313,316	1,010,366
Pension related	98,769	1,427,578	1,526,347
OPEB related	12,005,897	1,217,026	13,222,923
Unavailable revenue	29,833,943	-	29,833,943
Total deferred inflows of resources	<u>42,635,659</u>	<u>2,957,920</u>	<u>45,593,579</u>
<b>Net Position</b>			
Net investment in capital assets	306,430,184	179,140,833	485,571,017
Net position, restricted for:			
Public safety	8,275,202	-	8,275,202
Highways and streets	2,825,678	-	2,825,678
Health and welfare	822,359	-	822,359
General government	10,369	-	10,369
Culture and recreation	4,733,602	-	4,733,602
Economic development	16,375,082	-	16,375,082
Capital projects	11,281,661	30,239,065	41,520,726
Debt service	14,175,115	18,203,729	32,378,844
Sanitation	769,497	-	769,497
Pension	-	655,164	655,164
Net position, unrestricted (deficit)	<u>(49,632,434)</u>	<u>17,804,660</u>	<u>(31,827,774)</u>
Total net position	<u>\$ 316,066,315</u>	<u>\$ 246,043,451</u>	<u>\$ 562,109,766</u>

See notes to financial statements

**City of Mishawaka, Indiana**

Statement of Activities

Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Primary Government</b>							
Governmental activities:							
General government	\$ 15,512,383	\$ 1,252,296	\$ 6,514,210	\$ -	\$ (7,745,877)	\$ -	\$ (7,745,877)
Public safety	37,846,542	4,181,550	204,010	293,044	(33,167,938)	-	(33,167,938)
Highways and streets	17,143,383	664,730	1,718,865	10,587,038	(4,172,750)	-	(4,172,750)
Community development	32,031,149	-	-	-	(32,031,149)	-	(32,031,149)
Health and welfare	476,596	-	-	-	(476,596)	-	(476,596)
Culture and recreation	8,198,177	1,784,617	-	-	(6,413,560)	-	(6,413,560)
Sanitation	2,878,229	2,658,017	-	-	(220,212)	-	(220,212)
Interest on long-term debt	2,401,857	-	-	-	(2,401,857)	-	(2,401,857)
Total governmental activities	<u>116,488,316</u>	<u>10,541,210</u>	<u>8,437,085</u>	<u>10,880,082</u>	<u>(86,629,939)</u>	<u>-</u>	<u>(86,629,939)</u>
Business-type activities:							
Water Utility	11,326,412	15,401,078	-	1,136,359	-	5,211,025	5,211,025
Wastewater Utility	22,479,529	21,330,822	-	2,044,329	-	895,622	895,622
Electric Utility	53,122,252	58,513,736	-	-	-	5,391,484	5,391,484
Total business-type activities	<u>86,928,193</u>	<u>95,245,636</u>	<u>-</u>	<u>3,180,688</u>	<u>-</u>	<u>11,498,131</u>	<u>11,498,131</u>
Total primary government	<u>\$ 203,416,509</u>	<u>\$ 105,786,846</u>	<u>\$ 8,437,085</u>	<u>\$ 14,060,770</u>	<u>(86,629,939)</u>	<u>11,498,131</u>	<u>(75,131,808)</u>
<b>General Revenues</b>							
Property taxes					52,196,118	-	52,196,118
Income taxes					14,450,234	-	14,450,234
Local shared revenue					4,204,561	-	4,204,561
Unrestricted investment earnings					4,646,557	5,395,382	10,041,939
Donations					196,199	-	196,199
Gain (loss) on sale and disposal					46,668	(18,249)	28,419
Miscellaneous					1,326,257	-	1,326,257
Transfers					402,096	(402,096)	-
Total general revenues and transfers					<u>77,468,690</u>	<u>4,975,037</u>	<u>82,443,727</u>
Change in net position					(9,161,249)	16,473,168	7,311,919
Net Position, Beginning					<u>325,227,564</u>	<u>229,570,283</u>	<u>554,797,847</u>
Net Position, Ending					<u>\$ 316,066,315</u>	<u>\$ 246,043,451</u>	<u>\$ 562,109,766</u>

See notes to financial statements

**City of Mishawaka, Indiana**

Balance Sheet -  
Governmental Funds  
December 31, 2024

	General	Redevelopment TIF Allocation	Redevelopment Bond	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 21,481,933	\$ 18,738,179	\$ 12,879	\$ 32,254,791	\$ 72,487,782
Receivables:					
Taxes	23,990,312	-	-	10,277,689	34,268,001
Interest	6,089	8,505	3,224	25,171	42,989
Accounts	98,642	-	-	426,225	524,867
Intergovernmental	1,156,629	-	-	1,885,943	3,042,572
Leases	-	-	-	697,050	697,050
Restricted:					
Cash and cash equivalents	-	-	-	15,457,889	15,457,889
Total assets	<u>\$ 46,733,605</u>	<u>\$ 18,746,684</u>	<u>\$ 16,103</u>	<u>\$ 61,024,758</u>	<u>\$ 126,521,150</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 113,347	\$ 2,568,496	\$ 14,831	\$ 1,205,933	\$ 3,902,607
Accrued payroll and withholdings payable	177,876	-	-	141,176	319,052
Unearned revenue	-	-	-	834,139	834,139
Total liabilities	<u>291,223</u>	<u>2,568,496</u>	<u>14,831</u>	<u>2,181,248</u>	<u>5,055,798</u>
<b>Deferred Inflows of Resources</b>					
Leases	-	-	-	697,050	697,050
Unavailable revenue	25,006,063	-	-	12,096,266	37,102,329
Total deferred inflows of resources	<u>25,006,063</u>	<u>-</u>	<u>-</u>	<u>12,793,316</u>	<u>37,799,379</u>
<b>Fund Balances</b>					
Restricted	-	16,178,188	1,272	46,095,344	62,274,804
Assigned	349,815	-	-	-	349,815
Unassigned	21,086,504	-	-	(45,150)	21,041,354
Total fund balances	<u>21,436,319</u>	<u>16,178,188</u>	<u>1,272</u>	<u>46,050,194</u>	<u>83,665,973</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 46,733,605</u>	<u>\$ 18,746,684</u>	<u>\$ 16,103</u>	<u>\$ 61,024,758</u>	<u>\$ 126,521,150</u>

See notes to financial statements

## City of Mishawaka, Indiana

Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
December 31, 2024

<b>Fund Balances, Governmental Funds</b>		<b>\$ 83,665,973</b>
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:		
Land and construction in progress	\$ 100,568,018	
Capital assets, net of depreciation/amortization	<u>282,110,433</u>	382,678,451
Prepays are not current financial resources and, therefore, are not reported in the funds.		887,641
Pension liability, pension assets, and OPEB liabilities, are not paid from or used for current financial resources and therefore are not shown in the funds.		
OPEB liability	(32,269,925)	
Net pension liability	<u>(52,697,271)</u>	(84,967,196)
Deferred outflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position.		15,431,264
Deferred outflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position.		3,172,492
Deferred inflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position.		(98,769)
Deferred inflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the Statement of Net Position.		(12,005,897)
Unavailable revenues are not available to pay current liabilities and, therefore, are not reported as liabilities in the Statement of Net Position.		7,268,386
Internal service funds are used by management to charge the costs of insurance to General and Highway Funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		(552,599)
Retainage payables are not due and payable in the current period and, therefore, are not reported in the funds.		(1,390,729)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(1,076,189)
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.		(1,297,984)
Long-term liabilities, including financed purchases, are not due and payable in the current period and, therefore, are not reported in the funds:		(99,115)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Subscription payable		(85,080)
Lease payable		(13,783)
Tax increment financing bonds		<u>(75,450,551)</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 316,066,315</u></b>

See notes to financial statements

**City of Mishawaka, Indiana**

Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds  
Year Ended December 31, 2024

		(Formerly nonmajor)	(Formerly major)			
	General	Redevelopment TIF Allocation	Redevelopment Bond	Fieldhouse Construction	Nonmajor Governmental Funds	Total
<b>Revenues</b>						
Taxes:						
Property	\$ 25,367,033	\$ 22,593,541	\$ -	\$ -	\$ 4,167,576	\$ 52,128,150
Income	4,962,501	-	-	-	11,318,662	16,281,163
Licenses and permits	839,687	-	-	-	198,537	1,038,224
Intergovernmental	2,657,554	-	-	-	11,444,153	14,101,707
Charges for services	3,570,092	15,680	-	-	5,893,448	9,479,220
Fines and forfeits	21,139	-	-	-	2,627	23,766
Investment earnings	2,379,936	959,801	330,115	-	976,705	4,646,557
Other:						
Donation	-	-	-	-	196,199	196,199
Miscellaneous	59,050	368,244	86,950	-	613,628	1,127,872
<b>Total revenues</b>	<b>39,856,992</b>	<b>23,937,266</b>	<b>417,065</b>	<b>-</b>	<b>34,811,535</b>	<b>99,022,858</b>
<b>Expenditures</b>						
Current:						
General government	6,406,487	-	-	-	4,624,843	11,031,330
Public safety	34,776,653	-	-	-	1,776,802	36,553,455
Highways and streets	590,808	3,536,329	-	-	5,340,336	9,467,473
Health and welfare	-	-	-	-	476,942	476,942
Culture and recreation	-	43,659	-	-	5,708,417	5,752,076
Sanitation	-	-	-	-	2,878,229	2,878,229
Community development	318,889	480,586	-	-	20,034	819,509
Debt service:						
Principal	-	-	-	-	3,785,524	3,785,524
Interest	-	-	-	-	3,579,052	3,579,052
Capital outlay:						
General government	496,553	-	-	-	415,835	912,388
Public safety	-	-	8,822,111	-	947,554	9,769,665
Highways and streets	-	3,731,884	2,653,454	-	2,940,381	9,325,719
Health and welfare	-	-	-	-	4,034,247	4,034,247
Community development	-	-	-	-	13,490,833	13,490,833
Culture and recreation	-	1,294,912	-	-	1,483,841	2,778,753
<b>Total expenditures</b>	<b>42,589,390</b>	<b>9,087,370</b>	<b>11,475,565</b>	<b>-</b>	<b>51,502,870</b>	<b>114,655,195</b>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,732,398)</u>	<u>14,849,896</u>	<u>(11,058,500)</u>	<u>-</u>	<u>(16,691,335)</u>	<u>(15,632,337)</u>
<b>Other Financing Sources (Uses)</b>						
Subscription proceeds	-	-	-	-	120,281	120,281
Sale of assets	31,775	-	-	-	14,893	46,668
Transfers in	3,762,096	1,233,810	-	-	7,203,694	12,199,600
Transfers out	-	(8,499,000)	-	-	(3,298,504)	(11,797,504)
<b>Total other financing sources (uses)</b>	<b>3,793,871</b>	<b>(7,265,190)</b>	<b>-</b>	<b>-</b>	<b>4,040,364</b>	<b>569,045</b>
<b>Net change in fund balances</b>	<b>1,061,473</b>	<b>7,584,706</b>	<b>(11,058,500)</b>	<b>-</b>	<b>(12,650,971)</b>	<b>(15,063,292)</b>
<b>Fund Balance, Beginning as Previously Stated</b>	<b>20,374,846</b>	<b>8,593,482</b>	<b>-</b>	<b>11,123,624</b>	<b>69,760,937</b>	<b>109,852,889</b>
Adjustment, change from major fund to nonmajor fund (See note 3)	-	-	-	(11,123,624)	11,123,624	-
Adjustment, change from nonmajor fund to major fund (See note 3)	-	-	11,059,772	-	(11,059,772)	-
<b>Fund Balances, Beginning as Adjusted</b>	<b>20,374,846</b>	<b>8,593,482</b>	<b>11,059,772</b>	<b>-</b>	<b>58,701,165</b>	<b>98,729,265</b>
<b>Fund Balances, Ending</b>	<b>\$ 21,436,319</b>	<b>\$ 16,178,188</b>	<b>\$ 1,272</b>	<b>\$ -</b>	<b>\$ 46,050,194</b>	<b>\$ 83,665,973</b>

See notes to financial statements

**City of Mishawaka, Indiana**

Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2024

**Net Change in Fund Balances, Total Governmental Funds** **\$ (15,063,292)**

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. This is the amount which capital outlays exceeded depreciation and other transactions that impact capital assets in the current period:

Capital outlays	40,311,605	
Retainage payable	421,472	
Contribution of Fieldhouse	(31,237,336)	
Federal contributions	9,178,186	
Loss on disposal of assets	(1,496,636)	
Depreciation expense	<u>(11,326,183)</u>	5,851,108

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal payments	\$ 3,785,524	
Amortization of bond discount/premium and loss on refunding	1,112,625	
New subscription payable	<u>(120,281)</u>	4,777,868

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Deferred inflows, pensions	231,525	
Deferred inflows, OPEB	1,824,939	
Unavailable revenue	<u>(1,521,126)</u>	535,338

Expenses in the Statement of Activities that do not provide current financial resources are not reported as expenditures in the funds:

Deferred outflows of resources, pensions	(269,707)	
Deferred outflows of resources, OPEB	<u>(987,297)</u>	(1,257,004)

Compensated absences reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds. (2,750)

Retainage payables reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds. (421,472)

Prepays amortized in the Statement of Activities require the use of current financial resources and, therefore, are reported as expenditures in governmental funds when paid. 28,884

Accrued interest reported in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 64,570

Pension obligations are considered expenses of the general government and, therefore, are not reported as current expenditures in the funds. (5,225,739)

OPEB liability reported in the Statement of Activities does not require the use of current resources and, therefore, are not reported as expenditures in governmental funds. 1,547,831

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 3,409

**Change in Net Position of Governmental Activities (Statement of Activities)** **\$ (9,161,249)**

*See notes to financial statements*

**City of Mishawaka, Indiana**

Statement of Net Position -  
 Proprietary Funds  
 December 31, 2024

	Business-Type Activities - Enterprise Funds				Internal Service Fund
	Water Utility	Wastewater Utility	Electric Utility	Total	
<b>Assets and Deferred Outflows of Resources</b>					
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 14,175,995	\$ 15,579,447	\$ 16,435,004	\$ 46,190,446	\$ 89,350
Receivables					
Accounts (net of allowance)	729,352	1,186,462	3,193,087	5,108,901	60,057
Lease	313,316	-	-	313,316	-
Inventory	679,179	-	6,919,539	7,598,718	-
Prepays	112,649	149,723	211,576	473,948	-
Restricted assets:					
Bond and interest cash	2,163,125	3,478,553	185,579	5,827,257	-
Debt service reserve cash	3,998,808	5,939,182	2,438,482	12,376,472	-
Construction fund cash	788,374	26,289,848	1,714	27,079,936	-
Consumer meter deposit cash	1,096,766	5,074	4,362,940	5,464,780	-
Repair cash	20,587	3,097,841	40,701	3,159,129	-
Net pension asset	163,791	163,791	327,582	655,164	-
Capital assets:					
Land and construction in progress	72,595,390	20,224,965	10,842,896	103,663,251	-
Other capital assets, net of depreciation/amortization	42,226,717	132,560,595	43,623,419	218,410,731	-
<b>Total assets</b>	<b>139,064,049</b>	<b>208,675,481</b>	<b>88,582,519</b>	<b>436,322,049</b>	<b>149,407</b>
<b>Deferred Outflows of Resources</b>					
Unamortized deferral on bond refunding	-	195,421	-	195,421	-
Pension related	139,569	343,668	279,130	762,367	-
OPEB related	91,812	75,884	153,899	321,595	-
Utility rate making expenses	-	-	449,929	449,929	-
<b>Total deferred outflows of resources</b>	<b>231,381</b>	<b>614,973</b>	<b>882,958</b>	<b>1,729,312</b>	<b>-</b>

See notes to financial statements

**City of Mishawaka, Indiana**

 Statement of Net Position -  
 Proprietary Funds  
 December 31, 2024

	Business-Type Activities - Enterprise Funds				Internal Service Fund
	Water Utility	Wastewater Utility	Electric Utility	Total	
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>					
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	\$ 943,319	\$ 1,481,956	\$ 4,836,640	\$ 7,261,915	\$ 51,584
Retainage payable	833,750	286,779	-	1,120,529	-
Accrued payroll and withholdings payable	89,595	97,638	144,356	331,589	-
Taxes payable	49,509	-	238,608	288,117	-
Accrued interest payable	730,850	990,661	-	1,721,511	-
Claims payable	-	-	-	-	650,422
Hydrant use deposit payable	33,661	-	-	33,661	-
Customer deposits payable	1,096,766	6,426	4,366,364	5,469,556	-
Total current liabilities	3,777,450	2,863,460	9,585,968	16,226,878	702,006
<b>Noncurrent Liabilities</b>					
Due within one year:					
Compensated absences	51,373	43,947	81,097	176,417	-
Notes and loans payable	-	137,000	-	137,000	-
Revenue bonds, current	2,602,000	6,620,000	1,740,000	10,962,000	-
Total OPEB liability	38,760	32,036	64,970	135,766	-
Due in more than one year:					
Leases	-	-	-	-	-
Subscription payable	-	-	-	-	-
Revenue bonds payable (net of unamortized premium)	57,935,901	73,704,496	25,144,529	156,784,926	-
Notes and loans payable	-	677,000	-	677,000	-
Compensated absences	53,258	51,396	72,290	176,944	-
Net pension liability	3,292	627,772	6,586	637,650	-
Total OPEB liability	895,132	739,843	1,500,434	3,135,409	-
Total noncurrent liabilities	61,579,716	82,633,490	28,609,906	172,823,112	-
Total liabilities	65,357,166	85,496,950	38,195,874	189,049,990	702,006
<b>Deferred Inflows of Resources</b>					
Lease	313,316	-	-	313,316	-
Pension related	355,318	361,622	710,638	1,427,578	-
OPEB related	347,452	287,173	582,401	1,217,026	-
Total deferred inflows of resources	1,016,086	648,795	1,293,039	2,957,920	-
<b>Net Position</b>					
Net investment in capital assets	54,008,847	97,098,557	28,033,429	179,140,833	-
Restricted:					
Debt service	6,161,933	9,417,735	2,624,061	18,203,729	-
Capital projects	808,961	29,387,689	42,415	30,239,065	-
Pension	163,791	163,791	327,582	655,164	-
Unrestricted	11,778,646	(12,923,063)	18,949,077	17,804,660	(552,599)
Total net position	\$ 72,922,178	\$ 123,144,709	\$ 49,976,564	\$ 246,043,451	\$ (552,599)

See notes to financial statements

**City of Mishawaka, Indiana**

Statement of Revenues, Expenses and Changes in Fund Net Position -  
 Proprietary Funds  
 Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds				Internal Service Fund
	Water Utility	Wastewater Utility	Electric Utility	Total	
<b>Operating Revenues</b>					
Unmetered revenue	\$ 4,715	\$ -	\$ -	\$ 4,715	\$ -
Metered revenue:					
Residential	5,827,420	-	28,942,742	34,770,162	-
Commercial	5,888,120	-	27,405,818	33,293,938	-
Public street and highway lighting	-	-	704,088	704,088	-
Measured revenue:					
Residential	-	9,975,976	-	9,975,976	-
Commercial	-	10,555,998	-	10,555,998	-
Fire protection	3,287,784	-	-	3,287,784	-
Penalties	66,631	290,919	253,050	610,600	-
Insurance reimbursements and refunds	-	-	-	-	13,727,151
Miscellaneous	326,408	507,929	1,208,038	2,042,375	198,385
<b>Total operating revenues</b>	<b>15,401,078</b>	<b>21,330,822</b>	<b>58,513,736</b>	<b>95,245,636</b>	<b>13,925,536</b>
<b>Operating Expenses</b>					
Source of supply and expense, operation and maintenance	6,070,600	4,075,589	111,032	10,257,221	-
Transmission and distribution	1,062,197	-	7,455,893	8,518,090	-
Customer accounts	23,270	24,187	203,452	250,909	-
Administrative and general	-	1,084,388	3,692,171	4,776,559	171,874
Insurance claims and expenses	-	411,144	-	411,144	13,750,253
Purchased power	673,361	588,798	38,714,342	39,976,501	-
Sewer, operation and maintenance	-	2,103,897	-	2,103,897	-
Pretreatment, operation and maintenance	-	784,922	-	784,922	-
Chemicals	-	273,765	-	273,765	-
Depreciation	1,631,386	4,435,847	2,850,789	8,918,022	-
Other	15,382	-	-	15,382	-
<b>Total operating expenses</b>	<b>9,476,196</b>	<b>13,782,537</b>	<b>53,027,679</b>	<b>76,286,412</b>	<b>13,922,127</b>
<b>Operating income (loss)</b>	<b>5,924,882</b>	<b>7,548,285</b>	<b>5,486,057</b>	<b>18,959,224</b>	<b>3,409</b>
<b>Nonoperating Revenues (Expenses)</b>					
Interest and investment revenue	1,072,979	3,398,692	923,711	5,395,382	-
Bond issuance costs	-	(1,650)	-	(1,650)	-
Amortization expense	(186,041)	(54,008)	(27,358)	(267,407)	-
Gain (loss) on disposal of assets	8,345	151	(26,745)	(18,249)	-
Interest expense	(1,480,415)	(2,604,768)	(67,215)	(4,152,398)	-
Capital contributions	1,136,359	2,044,329	-	3,180,688	-
Contribution expense	(183,760)	(6,036,566)	-	(6,220,326)	-
Transfers in	-	3,360,000	852,024	4,212,024	-
Transfers out	(952,105)	(2,123,481)	(1,538,534)	(4,614,120)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(584,638)</b>	<b>(2,017,301)</b>	<b>115,883</b>	<b>(2,486,056)</b>	<b>-</b>
<b>Change in net position</b>	<b>5,340,244</b>	<b>5,530,984</b>	<b>5,601,940</b>	<b>16,473,168</b>	<b>3,409</b>
<b>Total Net Position, Beginning</b>	<b>67,581,934</b>	<b>117,613,725</b>	<b>44,374,624</b>	<b>229,570,283</b>	<b>(556,008)</b>
<b>Total Net Position, Ending</b>	<b>\$ 72,922,178</b>	<b>\$ 123,144,709</b>	<b>\$ 49,976,564</b>	<b>\$ 246,043,451</b>	<b>\$ (552,599)</b>

See notes to financial statements

**City of Mishawaka, Indiana**Statement of Cash Flows -  
Proprietary Funds  
Year Ended December 31, 2024

	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Electric Utility</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and users	\$ 16,945,033	\$ 21,313,541	\$ 61,760,431	\$ 100,019,005	\$ -
Receipts from interfund services provided	-	-	-	-	13,865,479
Payments to suppliers	(8,137,460)	(6,651,904)	(53,314,466)	(68,103,830)	-
Payments to employees	(1,780,178)	(2,129,325)	(3,101,867)	(7,011,370)	-
Payments for interfund services used	-	-	-	-	(14,182,151)
Net cash provided (used) by operating activities	<u>7,027,395</u>	<u>12,532,312</u>	<u>5,344,098</u>	<u>24,903,805</u>	<u>(316,672)</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Transfer from/(to) other funds	<u>(952,105)</u>	<u>1,236,519</u>	<u>(686,510)</u>	<u>(402,096)</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Acquisition and construction of capital assets	(7,227,558)	(13,004,440)	(4,309,834)	(24,541,832)	-
Principal paid on bonds	(2,508,000)	(6,115,000)	(1,675,000)	(10,298,000)	-
Principal paid on loans	-	(133,000)	-	(133,000)	-
Interest paid	(1,517,886)	(3,178,161)	(783,194)	(5,479,241)	-
Proceeds from sale of assets	4,632	-	9,219	13,851	-
Net cash used by capital and related financing activities	<u>(11,248,812)</u>	<u>(22,430,601)</u>	<u>(6,758,809)</u>	<u>(40,438,222)</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>					
Interest received	<u>1,072,979</u>	<u>3,398,692</u>	<u>923,711</u>	<u>5,395,382</u>	<u>-</u>
Net cash provided by investing activities	<u>1,072,979</u>	<u>3,398,692</u>	<u>923,711</u>	<u>5,395,382</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>(4,100,543)</u>	<u>(5,263,078)</u>	<u>(1,177,510)</u>	<u>(10,541,131)</u>	<u>(316,672)</u>
<b>Cash and Cash Equivalents, Beginning</b>	<u>26,344,198</u>	<u>59,653,023</u>	<u>24,641,930</u>	<u>110,639,151</u>	<u>406,022</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 22,243,655</u>	<u>\$ 54,389,945</u>	<u>\$ 23,464,420</u>	<u>\$ 100,098,020</u>	<u>\$ 89,350</u>

See notes to financial statements

**City of Mishawaka, Indiana**

 Statement of Cash Flows -  
 Proprietary Funds  
 Year Ended December 31, 2024

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Electric Utility</u>	<u>Total</u>	<u>Internal Service Fund</u>
<b>Reconciliation of Operating Income to</b>					
<b>Net Cash From Operating Activities</b>					
Operating income	\$ 5,924,882	\$ 7,548,285	\$ 5,486,057	\$ 18,959,224	\$ 3,409
Adjustments to reconcile operating income to net cash provided by (used by) operating activities:					
Depreciation expense	1,631,386	4,435,847	2,850,789	8,918,022	-
Bad debt expense	23,270	24,187	203,452	250,909	-
(Increase) decrease in assets:					
Accounts receivable	(47)	(19,510)	(145,414)	(164,971)	(60,057)
Inventories	146,935	-	(1,238,032)	(1,091,097)	-
Lease	5,848	-	-	5,848	-
Net pension asset	(163,791)	(163,791)	(327,582)	(655,164)	-
Increase (decrease) in liabilities:					
Accounts payable	(456,504)	632,562	(1,845,111)	(1,669,053)	15,343
Accrued payroll and withholdings payable	23,142	15,427	30,282	68,851	-
Subscription payable	(28,453)	(28,453)	(56,905)	(113,811)	-
Taxes payable	(5,022)	-	(11,777)	(16,799)	-
Customer deposits	72,027	(319)	241,078	312,786	-
Compensated absences payable	6,458	2,607	18,769	27,834	-
Claims payable	-	-	-	-	(275,367)
Net pension liability	(276,356)	(236,573)	(253,623)	(766,552)	-
OPEB	(193,750)	(72,234)	(287,036)	(553,020)	-
(Increase) decrease in deferred outflows:					
Deferred outflows, pensions	394,037	433,456	788,376	1,615,869	-
Deferred outflows, OPEB	46,895	27,947	73,965	148,807	-
Increase (decrease) in deferred inflows:					
Lease	(5,848)	-	-	(5,848)	-
Deferred inflows, pension	(3,981)	(9,073)	(7,978)	(21,032)	-
Deferred inflows, OPEB	(113,733)	(58,053)	(175,212)	(346,998)	-
Total adjustments	<u>1,102,513</u>	<u>4,984,027</u>	<u>(141,959)</u>	<u>5,944,581</u>	<u>(320,081)</u>
Net cash provided (used) by operating activities	<u>\$ 7,027,395</u>	<u>\$ 12,532,312</u>	<u>\$ 5,344,098</u>	<u>\$ 24,903,805</u>	<u>\$ (316,672)</u>
<b>Noncash Investing, Capital and Financing Activities</b>					
Work in progress moved to capital assets	\$ 3,455,398	\$ 4,002,878	\$ -	\$ 7,458,276	
Disposal of capital assets	256,218	193,626	695,203	1,145,047	
Contribution of capital assets	1,136,359	2,044,329	-	3,180,688	

See notes to financial statements

**City of Mishawaka, Indiana**

Statement of Fiduciary Net Position -

Fiduciary Funds

December 31, 2024

	<b>Pension Trust Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 2,398,341
Receivables:	
Interest	118,726
Total receivables	118,726
Investments at fair value:	
Mutual funds	30,092,571
Total investments	30,092,571
Total assets	32,609,638
<b>Net Position</b>	
Restricted for pensions	\$ 32,609,638

*See notes to financial statements*

## City of Mishawaka, Indiana

### Statement of Changes in Fiduciary Net Position -

#### Pension Trust Funds

Year Ended December 31, 2024

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions:	
On behalf contributions	\$ 4,733,779
Total contributions	<u>4,733,779</u>
Investment income:	
Interest	118,763
Net increase in fair value of investments	<u>2,681,854</u>
Total investment income	<u>2,800,617</u>
Total additions	<u>7,534,396</u>
<b>Deductions</b>	
Benefit payments (including refunds of employee contributions)	4,564,464
Administrative expense	<u>1,200</u>
Total deductions	<u>4,565,664</u>
Change in fiduciary net position	2,968,732
<b>Net Position, Beginning</b>	<u>29,640,906</u>
<b>Net Position, Ending</b>	<u><u>\$ 32,609,638</u></u>

See notes to financial statements

# City of Mishawaka, Indiana

Index to Notes to Financial Statements  
December 31, 2024

---

	<b>Page</b>
<b>1. Summary of Significant Accounting Policies</b>	<b>16</b>
Reporting Entity	16
Government-Wide and Fund Financial Statements	17
Measurement Focus, Basis of Accounting and Financial Statement Presentation	20
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity	21
Deposits and Investments	21
Receivables	22
Inventories and Prepaid Items	23
Restricted Assets	23
Capital Assets	23
Deferred Outflows of Resources	24
Compensated Absences	24
Long-Term Obligations	25
Leases as a Lessor	25
Unearned Revenue	25
Deferred Inflows of Resources	25
Net Position/Fund Balance Classifications	25
Postemployment Benefits Other Than Pensions (OPEB)	26
Basis for Existing Rates	27
Interfund Transactions and Balances	27
Encumbrances	27
Pensions	27
Utility Ratemaking Expenses	27
<b>2. Stewardship, Compliance and Accountability</b>	<b>28</b>
Budgetary Information	28
Conduit Debt Obligation	28
<b>3. Detailed Notes on All Funds</b>	<b>29</b>
Deposits and Investments	29
Receivables	31
Restricted Assets	32
Capital Assets	32
Interfund Transfers	34
Long-Term Obligations	35
Lessor - Lease Receivables	40
Net Position/Fund Balances	40
Restatement of Fund Balances	42
<b>4. Other Information</b>	<b>42</b>
Employees' Retirement System	42
Risk Management	69
Commitments and Contingencies	70
Other Postemployment Benefits	71
Effect of New Accounting Standards on Current-Period Financial Statements	74

# City of Mishawaka, Indiana

---

Notes to Financial Statements  
December 31, 2024

## 1. Summary of Significant Accounting Policies

The City of Mishawaka, Indiana (City or Primary Government) was established under the laws of the State of Indiana. The Primary Government operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, general administrative services, sanitation, electric, water, wastewater and urban redevelopment and housing.

The accounting policies of the City of Mishawaka, Indiana conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

### Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of the Primary Government and its component units. Component units are legally separate organizations for which the Primary Government is financially accountable or other organizations for which the nature and significance of their relationship with the Primary Government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The Primary Government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Primary Government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Primary Government. Certain legally separate, tax-exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the Primary Government, its component units, or its constituents; (2) the Primary Government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the Primary Government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the Primary Government.

Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the Primary Government using the blending method if it meets any one of the following criteria: (1) the Primary Government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the Primary Government and the component unit have substantively the same governing body and management of the Primary Government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the Primary Government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the Primary Government.

## Blended Component Units

The Building Corporation (Building Corporation) is a blended component unit of the City. The Building Corporation's main purpose is to finance construction and remodeling of City buildings for the City of Mishawaka. Debt of the Building Corporation is repaid through lease payments from the City. Financial statements for the Building Corporation are available at the City Controller's Office, City of Mishawaka, 100 Lincolnway West, Mishawaka, Indiana, 46544.

The Mishawaka Local Public Improvement Bond Bank (Bond Bank) is a blended component unit of the Primary Government. In 2008, the Bond Bank was created pursuant to Indiana Code 5-1.4 established by ordinance and adopted by the Mishawaka Common Council which is the legislative body of the City. The Bond Bank is governed by a board of directors composed of five members. The Primary Government appoints all members of the board in accordance with Indiana Code 5-1.4-2-2. The City created the Bond Bank to issue revenue bonds and other obligations to finance projects and purchase equipment. The City directs the actions of the Bond Bank. The financial statements of the component unit may be obtained from the Controller, City of Mishawaka at 100 Lincolnway West, Mishawaka, Indiana, 46544.

## Related Organizations

The City's officials are responsible for appointing the board members of the Mishawaka Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments. The Primary Government, acting through the Mayor, appoints the board of the Mishawaka Housing Authority.

## Government-Wide and Fund Financial Statements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus 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 standard was implemented January 1, 2024. No cumulative effect adjustment to net position was required upon adoption of this Standard.

## Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the Primary Government is reported separately from certain legally separate component units for which the Primary Government is financially accountable.

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

## Fund Financial Statements

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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

The City reports the following major governmental funds:

### General Fund

General Fund accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

### Redevelopment Bond - Capital Projects Fund

Redevelopment Bond - Capital Projects Fund is used to account for receipts and expenditures related to the Redevelopment Bond.

### Redevelopment TIF Allocation - Capital Projects Fund

Redevelopment TIF Allocation - Capital Projects Fund accounts for revenues and expenditures related to the City's TIF area. Financing is provided by incremental taxes collected on property located in the districts. Amounts needed for bond retirements are transferred annually to the proper debt service funds.

### Fieldhouse Construction - Capital Projects Fund

During the current year, the City had a change within the reporting entity, which resulted in the Fieldhouse Construction fund being reported as a nonmajor fund as opposed to being reported as a major fund as of December 31, 2023. See the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds for impact on the reporting entity.

The City reports the following major enterprise funds

**Water Utility Fund**

Water Utility Fund accounts for the operations of the City's water system. The fund's operations are financed by water utility fees charged to residential and commercial customers.

**Wastewater Utility Fund**

Wastewater Utility Fund accounts for the operations of the City's wastewater system. The fund's operations are financed by utility fees charged to residential and commercial customers.

**Electric Utility Fund**

Electric Utility Fund accounts for the operations of the City's electric system. The fund's operations are financed by electric utility fees charged mostly to residential and commercial customers.

The City reports the following nonmajor governmental funds:

**Special Revenue Funds**

Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

**Debt Service Funds**

Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs.

**Capital Projects Funds**

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

In addition, the City reports the following fund types:

**Internal Service Funds**

Internal Service Funds are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

**Pension Trust Funds**

Pension Trust Funds are used to account for the activities of the 1925 police, 1937 fire and utility pension funds which accumulate resources for pension benefit payments.

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

### **Government-Wide Financial Statements**

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

### **Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

## City of Mishawaka, Indiana

---

Notes to Financial Statements  
December 31, 2024

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, Wastewater Utility and Electric Utility are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity**

#### **Deposits and Investments**

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of at least two years and not more than five years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of or interest in an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed fifty percent (50%) of the funds held by the City and available for investment.

## City of Mishawaka, Indiana

---

Notes to Financial Statements  
December 31, 2024

The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAAM, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc. or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the City's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current fair value.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3.

No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note 3. for further information.

### Receivables

Property taxes levied are collected by the County Treasurer and are distributed to the Primary Government in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 15 or January 15, depending on the type of levy appeal the City may file. These rates were based upon the preceding year's January 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Primary Government prior to December 31 of the year collected. Delinquent property taxes outstanding at year end for governmental funds are recorded as a receivable with an offset to deferred inflows of resources - unavailable revenue since the amounts are not considered available.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

# City of Mishawaka, Indiana

Notes to Financial Statements

December 31, 2024

## Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. Transformer inventory of the electric utility is valued at actual cost. All other inventory of the electric utility is valued at average cost. Material and supplies use average costing for water utility. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

## Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

## Capital Assets

### Government-Wide Statements

Capital assets, which include property, plant and equipment, including right to use lease assets and right to use subscription assets, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$100,000 for buildings and improvements, \$3,000,000 for roads and \$5,000 for all other general capital assets and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets are recorded at original cost, which includes material, labor, overhead and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

	<b>Capitalization Threshold</b>	<b>Depreciation Method</b>	<b>Estimated Useful Life</b>
Buildings and improvements	\$100,000	Straight-line	20-50 Years
Equipment	5,000	Straight-line	3-15 Years
Water collection system	5,000	Straight-line	5-50 Years
Wastewater distribution and collection systems	5,000	Straight-line	5-50 Years
Electric distribution systems	5,000	Straight-line	5-50 Years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Lease assets are initially recorded based on the initial measurement of the lease liability, adjusted for lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor during that period, and including any direct costs necessary to place the asset into service. Lease assets are amortized on a straight-line basis over the term of the related lease agreement.

Subscription assets are initially recorded based on the initial measurement of the subscription liability, adjusted for subscription payments made at or certain prepayments made before the commencement of the subscription-based information technology arrangement (SBITA) term, less any vendor incentives received at or before the commencement of the SBITA term, and including capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the term of the related arrangement.

### Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

### Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time. The City is reporting deferred outflows for pension and OPEB related items, utility rate making expenses and a deferred amount on refunding of debt.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

### Compensated Absences

- a. **Flexible Time** - Primary Government employees earn flexible time off at the rate of one-half day per month and may accumulate to a maximum of twenty-five days. The Primary Government may buy back flexible time off days from any employee up to a maximum of six flexible time off days per year. Flexible time off is paid to employees upon termination.
- b. **Vacation Leave** - Nonunion Primary Government employees earn vacation leave at rates from ten days to twenty-five days per year based upon the number of years of service. Union utility employees earn vacation leave at rates from five to thirty days per year based upon the number of years of service, plus one day for each year of service after thirty years. Vacation leave does not accumulate from year to year.
- c. **Compensatory Leave** - All employees except utility union employees have accumulated compensatory leave for a variety of reasons.

Flexible time off and compensatory leave are accrued when incurred and reported as a liability in the Statement of Net Position and in the Proprietary Fund statements when it is more likely than not that the leave will be used for time off or otherwise paid to employees. No liability is recognized in the Governmental Fund statements because no amounts were due and payable at year-end to terminated employees.

# City of Mishawaka, Indiana

---

Notes to Financial Statements  
December 31, 2024

Under terms of employment, employees are granted vacation leave in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2024, are determined on the basis of current salary rates and include salary related payments.

## Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line or effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

## Leases as a Lessor

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements.

## Unearned Revenue

The City is reporting unearned revenue for funds received but not yet obligated for a particular purpose.

## Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. The City is reporting deferred inflows related to pension and OPEB related items, leases and unavailable revenue related to the approved tax levy at year end.

## Net Position/Fund Balance Classifications

### Government-Wide Statements

Net position is classified in three components:

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

## City of Mishawaka, Indiana

---

Notes to Financial Statements  
December 31, 2024

- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

### Fund Statements

Governmental fund balances are classified as follows:

- a. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- b. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- c. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- d. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 3. for further information.

### Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the Total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the City OPEB Plan and additions to/deductions from the City OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the City OPEB plan. For this purpose, the City OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

**Basis for Existing Rates**

**Utility Rates and Charges**

Current water rates were approved by the Common Council on December 20, 2020.

Current sewer rates were approved by the Common Council on March 7, 2017.

Current electric rates were approved by the Common Council on December 22, 2020.

**Interfund Transactions and Balances**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables" (i.e., the current and noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "interfund services provided/used". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**Encumbrances**

Contracts and purchasing commitments are reported as encumbrances when the contract or purchase order is executed. When the terms of the purchase order or contract have been fulfilled and payment to the contracting party is due, the encumbrance is liquidated and the liability and expenditure are recorded. Encumbrances remaining at fiscal year-end are reported within the restricted, committed or assigned fund balances of the governmental funds.

**Pensions**

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions expense, information about the fiduciary net position of the 1977 Police Officers' and Firefighters' Pension and Disability Fund, the 1925 Police Officers' Pension Plan, the 1937 Firefighters' Pension Plan, Utility Pension Plan and the Indiana Public Employees' Retirement Fund (the Plans) and additions to and deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with benefit terms. Pension investments are reported at fair value.

**Utility Ratemaking Expenses**

The utilities amortize ratemaking expenses to transparently communicate the formal regulatory process of setting utility rates and charges. Ratemaking, typically carried out before the Indiana Utility Regulatory Commission, required utilities to account and report for this cost through the annual financial statements. Although GASB no longer requires such reporting, the unit continues this practice to better facilitate the local regulatory processes.

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## 2. Stewardship, Compliance and Accountability

### Budgetary Information

Annual budgets are adopted on the cash basis which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end.

Annual budgets are adopted for the following governmental funds:

General Funds	Nonmajor Governmental Funds	
	Special Revenue Funds	Capital Projects Funds
General fund	Motor vehicle highway (restricted & unrestricted)	Cumulative capital improvement
	Local road and street	Cumulative sewer
	LIT - public safety	Cumulative capital development
	Park and recreation - operating	Cumulative economic
		development income tax
	Local law enforcement continuing education	
	Park non reverting operating	

The Primary Government's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the Common Council. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds. Expenditures did not exceed appropriations for any funds or any departments within the General Fund, which required legally-approved budgets.

### Conduit Debt Obligation

From time to time, the Primary Government has issued economic development revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the primary government, nor the State, nor any political subdivision thereof, is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2024, there was one series of economic development revenue bonds outstanding with an aggregate principal amount payable of \$10,306,000.

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## 3. Detailed Notes on All Funds

### Deposits and Investments

The City's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>
Deposits	\$ 188,333,815	\$ 193,031,955
Mutual funds	30,092,571	30,092,571
Money market funds	<u>2,197,567</u>	<u>2,202,550</u>
Total deposits and investments	<u>\$ 220,623,953</u>	<u>\$ 225,327,076</u>
Reconciliation to financial statements		
Per statement of net position:		
Unrestricted cash and investments	\$ 118,767,578	
Restricted cash and investments	69,365,463	
Per statement of net position, fiduciary funds:		
Pension trust funds cash	2,398,341	
Pension trust investments	<u>30,092,571</u>	
Total deposits and investments	<u>\$ 220,623,953</u>	

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts. All deposit accounts at December 31, 2024 were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

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

The valuation methods for recurring fair value measurements are as follows:

Level 1 - Mutual funds are valued based on quoted prices

	<u>December 31, 2024</u>			
<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 30,092,571	\$ -	\$ -	\$ 30,092,571

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Custodial Credit Risk

### Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Primary Government does not have a deposit policy for custodial credit risk.

At December 31, 2024, the Primary Government had deposit balances in the amount of \$195,234,505, including mutual funds. Of this amount, the following was exposed to custodial credit risk.

Uninsured and collateral held by the pledging financial institution's trust department or agent not in the City's name	\$ 2,202,550
--	--------------

### Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Utility's Pension Plan does not have a formal investment policy for custodial credit risk for investments.

## Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Utility's Pension Plan does not have a formal investment policy for credit risk for investments. At December 31, 2024, no investments were exposed to credit risk.

## Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2024, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio	Amounts
Dodge & Cox Income	Mutual fund	6.22 %	\$ 1,871,346
Russell Investment Grade Bond S	Mutual fund	16.60	4,995,003
Vanguard Developed Markets Index Admiral	Mutual fund	5.60	1,686,275
Vanguard Large Cap Index Admiral	Mutual fund	22.26	6,698,276
Vanguard Windsor II Adm	Mutual fund	6.09	1,833,997

## Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The City must follow state statute and limit the stated final maturities of the investments to no more than five years.

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

The Utility's Pension Plan does not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

As of December 31, 2024, the City's investments were as follows:

## Pension Fund

Investment Type	Fair Value	Maturity (in Years)		
		Less Than 1	1 to 5	More Than 2
Mutual funds	\$ 30,092,571	\$ 30,092,571	\$ -	\$ -

See Note 1. for further information on deposit and investment policies.

## Receivables

Revenues of the water utility, wastewater utility and electric utility are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to water utility	\$ 13,161
Uncollectibles related to wastewater utility	8,557
Uncollectibles related to electric utility	<u>204,319</u>
Total uncollectibles of the current fiscal year	<u>\$ 226,037</u>

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ -	\$ 29,833,944
Delinquent property taxes receivable	-	902,570
Local income taxes	-	3,531,487
Other taxes	-	1,313,147
Opioid receivable	-	1,521,181
ARPA funds received, not yet obligated	<u>834,139</u>	<u>-</u>
Total unearned and unavailable revenue for governmental funds	<u>\$ 834,139</u>	<u>\$ 37,102,329</u>

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Restricted Assets

Following is a list of restricted assets at December 31, 2024:

	<u>Restricted Assets</u>
Customer meter deposit cash	\$ 5,464,780
Revenue bond and interest cash	5,827,257
Debt service reserve cash	12,376,472
Construction fund cash	27,079,936
Net pension asset	655,164
City debt service accounts	15,457,889
Repair cash	<u>3,159,129</u>
Total	<u>\$ 70,020,627</u>

## Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 13,304,950	\$ -	\$ 328,750	\$ 12,976,200
Construction in progress	<u>116,854,309</u>	<u>44,268,529</u>	<u>73,531,020</u>	<u>87,591,818</u>
Total capital assets not being depreciated/amortized	<u>130,159,259</u>	<u>44,268,529</u>	<u>73,859,770</u>	<u>100,568,018</u>
Capital assets being depreciated/amortized:				
Buildings	37,885,336	29,561,978	-	67,447,314
Improvements other than buildings	46,369,571	3,575,304	-	49,944,875
Machinery, equipment and vehicles	45,386,351	2,482,727	3,519,966	44,349,112
Infrastructure	243,181,374	11,920,946	-	255,102,320
Leased machinery and equipment	22,150	-	-	22,150
Subscription assets	<u>342,639</u>	<u>120,281</u>	<u>-</u>	<u>462,920</u>
Total capital assets being depreciated/amortized	<u>373,187,421</u>	<u>47,661,236</u>	<u>3,519,966</u>	<u>417,328,691</u>
Total capital assets, gross	<u>503,346,680</u>	<u>91,929,765</u>	<u>77,379,736</u>	<u>517,896,709</u>
Less accumulated depreciation/amortization for:				
Buildings	(11,292,233)	(772,463)	-	(12,064,696)
Improvements other than buildings	(21,774,502)	(1,592,828)	-	(23,367,330)
Machinery, equipment and vehicles	(31,382,908)	(2,364,752)	2,627,262	(31,120,398)
Infrastructure	(61,848,440)	(6,431,187)	-	(68,279,627)
Leased machinery and equipment	(4,111)	(4,256)	-	(8,367)
Subscription assets	<u>(217,143)</u>	<u>(160,697)</u>	<u>-</u>	<u>(377,840)</u>
Total accumulated depreciation/amortization	<u>(126,519,337)</u>	<u>(11,326,183)</u>	<u>2,627,262</u>	<u>(135,218,258)</u>
Net capital assets being depreciated/amortized	<u>246,668,084</u>	<u>36,335,053</u>	<u>892,704</u>	<u>282,110,433</u>
Total governmental activities capital assets, net of accumulated depreciation/amortization	<u>\$ 376,827,343</u>	<u>\$ 80,603,582</u>	<u>\$ 74,752,474</u>	<u>\$ 382,678,451</u>

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

Depreciation expense was charged to functions as follows:

## Governmental Activities

General government	\$ 339,623
Public safety	2,152,112
Highways and streets	6,315,234
Community development	6,152
Culture and recreation	<u>2,513,062</u>

Total governmental activities depreciation/amortization  
expense

\$ 11,326,183

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital assets not being depreciated:				
Land	\$ 3,329,154	\$ -	\$ -	\$ 3,329,154
Construction in progress	<u>89,091,104</u>	<u>24,347,155</u>	<u>13,104,162</u>	<u>100,334,097</u>
Total capital assets not being depreciated/amortized	<u>92,420,258</u>	<u>24,347,155</u>	<u>13,104,162</u>	<u>103,663,251</u>
Capital assets being depreciated/amortized:				
Buildings	56,274,030	1,818,650	-	58,092,680
Improvements other than buildings	272,896,942	10,964,379	380,527	283,480,794
Machinery, equipment and vehicles	46,765,507	179,867	-	46,945,374
Transportation	7,636,373	441,249	439,279	7,638,343
Subscription assets	<u>325,241</u>	<u>-</u>	<u>325,241</u>	<u>-</u>
Total capital assets being depreciated/amortized	<u>383,898,093</u>	<u>13,404,145</u>	<u>1,145,047</u>	<u>396,157,191</u>
Total capital assets	<u>476,318,351</u>	<u>37,751,300</u>	<u>14,249,209</u>	<u>499,820,442</u>
Less accumulated depreciation/amortization for:				
Buildings	(26,115,753)	(1,108,819)	-	(27,224,572)
Improvements other than buildings	(100,072,239)	(6,227,864)	334,369	(105,965,734)
Machinery, equipment and vehicles	(37,551,009)	(1,007,289)	-	(38,558,298)
Transportation	(5,976,896)	(460,239)	439,279	(5,997,856)
Subscription assets	<u>(211,430)</u>	<u>(113,811)</u>	<u>325,241</u>	<u>-</u>
Total accumulated depreciation/amortization	<u>(169,927,327)</u>	<u>(8,918,022)</u>	<u>1,098,889</u>	<u>(177,746,460)</u>
Net capital assets being Depreciated/amortized	<u>213,970,766</u>	<u>4,486,123</u>	<u>46,158</u>	<u>218,410,731</u>
Business-type capital assets, net of accumulated depreciation/amortization	<u>\$ 306,391,024</u>	<u>\$ 28,833,278</u>	<u>\$ 13,150,320</u>	<u>\$ 322,073,982</u>

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

Depreciation expense was charged to functions as follows:

### Business-Type Activities

Water	\$ 1,631,386
Wastewater	4,435,847
Electric	<u>2,850,789</u>
Total business-type activities depreciation expense	<u>\$ 8,918,022</u>

### Interfund Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Electric Utility	\$ 1,538,534	Transfers from reserve, payments in lieu of taxes
General Fund	Water Utility	526,093	Transfers from reserve, payments in lieu of taxes
General Fund	Wastewater Utility	1,697,469	Transfers from reserve, payments in lieu of taxes
Wastewater Utility	Redevelopment TIF Allocation	3,360,000	Debt payments
Electric Utility	Water Utility	426,012	Business office expenses
Electric Utility	Wastewater Utility	426,012	Business office expenses
Nonmajor funds	Redevelopment TIF Allocation	5,139,000	Debt payments
Redevelopment TIF Allocation	Nonmajor funds	1,233,810	Debt payments
Nonmajor funds	Nonmajor funds	<u>2,064,694</u>	LRS, MVH and bond bank transfers
Total, fund financial statements		16,411,624	
Less fund eliminations		<u>(16,009,528)</u>	
Total transfers, government-wide statement of activities		<u>\$ 402,096</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds, notes and other payables:					
Tax increment financing bonds	\$ 74,690,000	\$ -	\$ 3,425,000	\$ 71,265,000	\$ 3,590,000
Notes and loans payable and financed purchases	294,686	-	195,571	99,115	99,115
Subscription based information technology agreements	125,496	120,281	160,697	85,080	44,606
(Discounts)/premiums	<u>5,298,176</u>	<u>-</u>	<u>1,112,625</u>	<u>4,185,551</u>	<u>-</u>
Subtotal	<u>80,408,358</u>	<u>120,281</u>	<u>4,893,893</u>	<u>75,634,746</u>	<u>3,733,721</u>
Other liabilities:					
Compensated absences	1,073,439	42,088	39,338	1,076,189	731,824
Leases payable	18,039	-	4,256	13,783	4,401
Total other postemployment benefits	33,817,756	3,001,512	4,549,343	32,269,925	1,339,313
Net pension liability	<u>47,471,532</u>	<u>19,409,956</u>	<u>14,184,217</u>	<u>52,697,271</u>	<u>3,322,548</u>
Total other liabilities	<u>82,380,766</u>	<u>22,453,556</u>	<u>18,777,154</u>	<u>86,057,168</u>	<u>5,398,086</u>
Total governmental activities long-term liabilities	<u>\$ 162,789,124</u>	<u>\$ 22,573,837</u>	<u>\$ 23,671,047</u>	<u>\$ 161,691,914</u>	<u>\$ 9,131,807</u>
<b>Business-Type Activities</b>					
Bonds, notes and other payables:					
Water utility	\$ 61,313,000	\$ -	\$ 2,508,000	\$ 58,805,000	\$ 2,602,000
Wastewater utility	85,310,000	-	6,115,000	79,195,000	6,620,000
Electric utility	26,950,000	-	1,675,000	25,275,000	1,740,000
Notes and loans payable	947,000	-	133,000	814,000	137,000
Subscription based information technology agreements	113,811	-	113,811	-	-
(Discounts)/premiums	<u>5,317,913</u>	<u>-</u>	<u>845,987</u>	<u>4,471,926</u>	<u>-</u>
Subtotal	<u>179,951,724</u>	<u>-</u>	<u>11,390,798</u>	<u>168,560,926</u>	<u>11,099,000</u>
Other liabilities:					
Compensated absences	325,527	31,394	3,560	353,361	176,417
Total other postemployment benefits	3,824,195	339,418	892,438	3,271,175	135,766
Net pension liability	<u>1,704,202</u>	<u>4,252,166</u>	<u>5,318,718</u>	<u>637,650</u>	<u>-</u>
Total other liabilities	<u>5,853,924</u>	<u>4,622,978</u>	<u>6,214,716</u>	<u>4,262,186</u>	<u>312,183</u>
Total business-type activities long-term liabilities	<u>\$ 185,805,648</u>	<u>\$ 4,622,978</u>	<u>\$ 17,605,514</u>	<u>\$ 172,823,112</u>	<u>\$ 11,411,183</u>

Note: The General Fund, Motor Vehicle Highway Fund, Park Fund, Water, Wastewater and Electric funds have historically been used to liquidate the liability for total other-postemployment benefits, compensated absences and net pension liability.

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Revenue Debt

The Primary Government has pledged future revenues, net of operating expenses, equal to future annual debt service payments to repay water and wastewater utilities' bonds. The bonds were originally issued to finance certain improvements and extensions to the utilities. The Bond ordinances require monthly deposits of a portion of user fee revenues sufficient to meet requirements of the next principal, interest and bank fiscal charge payments throughout the life of the bonds. Water and Wastewater bond ordinances also require monthly deposits of user fee revenues over 60 months to produce a bond reserve to approximate the maximum annual debt service.

During 2024, the water utility paid \$2,508,000 in debt payments or approximately 16.28% of operating revenues. The wastewater utility paid \$6,115,000 in debt payments or approximately 28.67% of operating revenues. The electric utility paid \$1,675,000 in debt payments or approximately 2.86%. Bond coverage for the water utility at December 31, 2024 was 393%. Bond coverage for the wastewater utility at December 31, 2024 was 376%. Bond coverage for the electric utility at December 31, 2024 was 45%. Bond coverage is based on the operating income (loss) reported on the City's financial statements.

Revenue debt payable at December 31, 2024, consists of the following:

### Business-Type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2024</u>
<b>Water Utility</b>					
Waterworks Refunding Revenue Bonds of 2018	10/29/18	07/01/39	2.82%	\$ 13,000,000	\$ 11,195,000
Waterworks Revenue Bonds of 2021	05/19/21	01/01/42	2%-4%	51,600,000	<u>47,610,000</u>
				Total Water Utility	<u>58,805,000</u>
<b>Wastewater Utility</b>					
2015 Wastewater refunding revenue bonds	08/20/15	03/01/27	2.25%-5%	34,755,000	9,090,000
2017 Sewage Works Revenue Bonds, Series A	12/08/17	03/01/34	3%-4%	16,315,000	9,175,000
2017 Sewage Works Revenue Bonds, Series B	12/08/17	09/01/34	2.85%	24,210,000	16,670,000
2018 Sewage Works Revenue Bonds	10/16/18	09/01/39	2%-6%	12,550,000	10,485,000
2023 Sewage Works Revenue Bonds	05/10/23	03/01/43	4%-5%	33,775,000	<u>33,775,000</u>
				Total Wastewater Utility	<u>79,195,000</u>
<b>Electric Utility</b>					
Electric Utility Revenue Bonds of 2021	06/03/21	01/01/42	2%-4%	30,855,000	<u>25,275,000</u>
Total business-type activities, revenue debt					<u>\$ 163,275,000</u>

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Business-Type Activities Revenue Debt</b>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 9,190,000	\$ 4,244,954
2026	9,825,000	3,841,404
2027	7,140,000	3,451,204
2028	5,530,000	3,185,141
2029	5,720,000	2,960,166
2030-2034	35,270,000	11,572,612
2035-2039	36,605,000	6,476,743
2040-2044	26,130,000	1,190,529
Total	<u>\$ 135,410,000</u>	<u>\$ 36,922,753</u>

<u>Years</u>	<b>Business-Type Activities Revenue Debt - Direct Placement</b>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,772,000	\$ 786,437
2026	1,813,000	736,009
2027	3,049,000	667,460
2028	3,127,000	580,205
2029	3,213,000	490,675
2030-2034	10,683,000	1,494,996
2035-2039	4,208,000	332,577
Total	<u>\$ 27,865,000</u>	<u>\$ 5,088,359</u>

## Tax Increment Financing Bonds

Tax increment financing bonds are payable from incremental taxes derived from a separately created tax increment financing district.

The City has pledged future TIF revenues, net of specified operating expenses, to repay revenue bonds issued in 2021. Proceeds from the bonds provided financing for the certain local public improvements through the City. The bonds are payable solely from TIF revenues and are payable through 2033. Annual principal and interest payments on the bonds are expected to require 17.84% of net revenues. The total principal and interest remaining to be paid on the bonds is \$42,377,250. Principal and interest paid for the current year was \$5,085,000.

The City has pledged future TIF revenues, net of specified operating expenses, to repay revenue bonds issued in 2023. Proceeds from the bonds provided financing for the certain local public improvements through the City. The bonds are payable solely from TIF revenues and are payable through 2033. Annual principal and interest payments on the bonds are expected to require 4.85%, of net revenues. The total principal and interest remaining to be paid on the bonds is \$62,207,349. Principal and interest paid for the current year was \$1,911,479.

## City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

Tax Increment Financing Bonds at December 31, 2024, consists of the following:

<b>Governmental Activities</b>					<b>Balance</b>
<b>Tax Increment Financing Bonds</b>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>December 31, 2024</b>
Lease Rental Revenue Bonds of 2021	06/28/21	02/15/33	3-5%	\$ 42,190,000	\$ 35,800,000
Lease Rental Revenue Bonds of 2023	01/10/23	08/15/46	4.7-5.7%	35,465,000	<u>35,465,000</u>
Total governmental activities tax Increment financing bonds					<u>\$ 71,265,000</u>

Debt service requirements to maturity are as follows:

<b>Years</b>	<b>Governmental Activities Tax Increment Financing Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
2025	\$ 3,590,000	\$ 3,398,104
2026	4,725,000	3,205,247
2027	4,910,000	2,969,410
2028	5,110,000	2,724,147
2029	5,355,000	2,467,790
2030-2034	22,770,000	8,905,341
2035-2039	8,405,000	5,953,387
2044-2044	11,045,000	3,309,428
	<u>5,355,000</u>	<u>386,745</u>
Total	<u>\$ 71,265,000</u>	<u>\$ 33,319,599</u>

### Remedies for Failure to Comply with Bond Agreements

The bond agreements have Continuing Disclosure Undertaking Certificates. The sole remedy against the City for any failure to carry out any provision of the Certificate shall be for specific performance of the City's disclosure obligations, as defined and not for money damages of any kind or in any amount or for any other remedy. The City's failure to honor its covenants, as defined, shall not constitute a breach or default of the bonds, the ordinance or any other agreement to which the City is a party and shall not give rise to any other rights or remedies.

### Notes and Loans Payable and Financed Purchases

The City has the following financed purchase agreements as of December 31, 2024:

<b>Governmental Activities</b>					
<b>Notes and Loans Payable and Financed Purchases</b>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Balance December 31, 2024</b>
U.S. Bancorp Police Cars	05/01/20	08/01/25	1.8%	\$ 956,400	<u>\$ 99,115</u>
Total governmental activities notes and loans payable and financed purchases					<u>\$ 99,115</u>

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Business-Type Activities

Notes and Loans Payable and Financed Purchases	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2024
2010A Sewage Works revenue bonds	01/28/10	03/01/30	3.05%	\$ 2,398,000	\$ 814,000
Total business-type activities notes and loans payable and financed purchases					<u>\$ 814,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Notes and Loans Payable and Financed Purchases</b>		<b>Notes and Loans Payable and Financed Purchases</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 99,115	\$ 896	\$ 137,000	\$ 23,790
2026	-	-	143,000	19,566
2027	-	-	147,000	15,174
2028	-	-	151,000	10,660
2029	-	-	156,000	6,024
2030-2034	-	-	80,000	1,220
Total	<u>\$ 99,115</u>	<u>\$ 896</u>	<u>\$ 814,000</u>	<u>\$ 76,434</u>

## Subscription Based Information Technology Agreements (SBITA)

SBITAs consisted of the following as of December 31, 2024:

<b>Governmental Activities</b>	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance
<b>SBITAs</b>					December 31, 2024
Lucidia IT Elenovo	06/02/23	06/02/26	4.00%	\$ 18,420	\$ 6,037
ESRI Contract for GIS	11/12/24	11/12/27	4.00%	125,768	79,043
Total governmental activities SBITAs					<u>\$ 85,080</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Governmental Activities</b>	
	<b>SBITAs</b>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 44,606	\$ 3,457
2026	40,474	1,449
Total	<u>\$ 85,080</u>	<u>\$ 4,906</u>

## City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

### Lessor - Lease Receivables

#### Business-Type Activities

<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Receivable Balance December 31, 2024</u>
Juday Creek Golf Course Lease	07/10/17	07/10/47	3.00%	\$ 313,316
Total business-type activities lease receivables				<u>\$ 313,316</u>

The City recognized \$2,848 of lease revenue during the fiscal year for this lease.

The City recognized \$15,082 of interest revenue during the fiscal year for this lease.

<u>Governmental Activities Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Receivable Balance December 31, 2024</u>
Ironworks Building	01/17/23	01/17/33	5.00%	\$ 697,050
Total governmental activities lease receivables				<u>\$ 697,050</u>

The City recognized \$57,600 of lease revenue during the fiscal year for this lease.

The City recognized \$50,400 of interest revenue during the fiscal year for this lease.

### Net Position/Fund Balances

Net position reported on the government wide statement of net position at December 31, 2024, includes the following:

#### Governmental Activities

Net investment in capital assets:

Land and construction in progress	\$ 100,568,018
Other capital assets, net of accumulated depreciation	282,110,433
Less long-term debt outstanding	(75,648,529)
Plus unspent capital related debt proceeds	1,708,255
Less retainage and accounts payable associated with capital assets	<u>(2,307,993)</u>
Total net investment in capital assets	<u>\$ 306,430,184</u>

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2024, include the following:

	<u>General Fund</u>	<u>Redevelopment TIF Allocation</u>	<u>Redevelopment Bond</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Fund Balances</b>					
<b>Restricted for:</b>					
Public safety	\$ -	\$ -	\$ -	\$ 8,275,202	\$ 8,275,202
Highways and streets	-	-	-	2,825,678	2,825,678
Economic development	-	16,178,188	-	196,894	16,375,082
General government	-	-	-	10,369	10,369
Culture and recreation	-	-	-	4,733,602	4,733,602
Debt service	-	-	-	15,473,099	15,473,099
Capital projects	-	-	1,272	12,988,644	12,989,916
Sanitation	-	-	-	769,497	769,497
Health and welfare	-	-	-	822,359	822,359
Subtotal	<u>-</u>	<u>16,178,188</u>	<u>1,272</u>	<u>46,095,344</u>	<u>62,274,804</u>
<b>Assigned to:</b>					
General government	349,815	-	-	-	349,815
Subtotal	<u>349,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>349,815</u>
<b>Unassigned</b>	<u>21,086,504</u>	<u>-</u>	<u>-</u>	<u>(45,150)</u>	<u>21,041,354</u>
Total fund balances	<u>\$ 21,436,319</u>	<u>\$ 16,178,188</u>	<u>\$ 1,272</u>	<u>\$ 46,050,194</u>	<u>\$ 83,665,973</u>

## Business-Type Activities

Net investment in capital assets:	
Land and construction in progress	\$ 103,663,251
Other capital assets, net of accumulated depreciation	218,410,731
Less long-term debt outstanding	(168,560,926)
Plus unspent capital related debt proceeds	27,079,936
Plus deferred amount on refunding	195,421
Plus deferred utility ratemaking expenses	449,929
Less retainage payable and accounts payable associated with capital assets	<u>(2,097,509)</u>
Total net investment in capital assets	<u>179,140,833</u>
Restricted:	
Debt service	18,203,729
Capital projects	30,239,065
Pension	<u>655,164</u>
Total restricted	<u>49,097,958</u>
Unrestricted	<u>17,804,660</u>
Total business-type activities net position	<u>\$ 246,043,451</u>

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Restatement of Fund Balances

The Redevelopment Bond fund, which was previously reported as a nonmajor fund as of December 31, 2023 is now considered to be a major fund as of December 31, 2024 and was reclassified to be included as a major fund for the year ended December 31, 2024. The Fieldhouse Construction fund, which was previously reported as a major fund as of December 31, 2023 was no longer considered to be a major fund for the year ended December 31, 2024.

### Redevelopment Bond Fund (Major Fund)

Redevelopment Bond Fund balance, December 31, 2023 (as reported)	\$ -
Change within the financial reporting entity	<u>11,059,772</u>
Fund balance, December 31, 2023 (as restated)	<u><u>\$ 11,059,772</u></u>

### Fieldhouse Construction Fund (Major Fund)

Fieldhouse Construction Fund balance, December 31, 2023 (as reported)	\$ 11,123,624
Change within the financial reporting entity	<u>(11,123,624)</u>
Fund balance, December 31, 2023 (as restated)	<u><u>\$ -</u></u>

### Nonmajor Governmental Funds

Nonmajor Governmental Funds fund balance, December 31, 2023 (as reported)	\$ 58,637,313
Change within the financial reporting entity	<u>63,852</u>
Fund balance, December 31, 2023 (as restated)	<u><u>\$ 58,701,165</u></u>

## 4. Other Information

### Employees' Retirement System

	<u>Net Pension Liability (Asset)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PERF	\$ 5,258,019	\$ 1,796,997	\$ 53,087
1977 Police	8,292,844	6,804,530	23,649
1977 Fire	8,798,131	7,038,178	28,469
1925 Police	12,343,142	-	-
1937 Fire	18,642,785	-	-
Utility	<u>(655,164)</u>	<u>553,926</u>	<u>1,421,142</u>
Total	<u><u>\$ 52,679,757</u></u>	<u><u>\$ 16,193,631</u></u>	<u><u>\$ 1,526,347</u></u>

## **Public Employees' Retirement Fund**

### **Plan Description**

The City participates in the Public Employees' Retirement Fund, a cost-sharing multiple-employer defined benefit plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan and certain INPRS employees. Political subdivisions mean a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, township and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation. There are two (2) tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the My Choice Retirement Savings Plan for Public Employees (My Choice). Details of the PERF Hybrid Plan are described below.

### **PERF Hybrid Plan Description**

The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3 and IC 5-10.5. There are two (2) aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Public Employees' Hybrid Members Defined Contribution Account (DC Account), formerly known as the Annuity Savings Account (ASA), which that supplements the defined benefit at retirement.

### **Contributions**

Members are required to contribute 3% of their annual covered salary to their defined contribution account. The Primary Government is required to contribute at an actuarially determined rate. The current rate is 11.20% of annual covered payroll. The contribution requirements of plan members and the Primary Government are established and may be amended by the INPRS Board of Trustees. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PERF plan from the City were \$978,619 for the calendar year ended December 31, 2024.

### **Retirement Benefits**

The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's DC Account. Pension benefits vest after 10 years of creditable service. The vesting period is eight (8) years for certain elected officials. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait 30 days after termination, may withdraw their DC account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the DC Account. A nonvested member who terminates employment prior to retirement may withdraw his/her DC Account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.1% times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) different groups. For PERF members who serve as an elected official, the highest one (1) year (total of four (4) consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100% of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89%. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84%) to age 50 being 44%.

The monthly pension benefits for members in pay status may be increased periodically as cost-of-living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

### **Disability and Survivor Benefits**

The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired at the later of age 50 or the age the day before the member's death. If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment.

### **Retirement Benefits - My Choice**

Members are required to participate in My Choice. The My Choice DC Account consists of the member's contributions, set by statute at 3% of compensation as defined by IC 5-10.2-3-2 for PERF, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. The City has elected to make the contributions on behalf of the member. In addition, under certain conditions, members may elect to make additional voluntary contributions of up to 10% of their compensation into their DC Account. A member's contributions and interest credits belong to the member and do not belong to the State or political subdivision.

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the fiscal year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for Public Employee's Retirement Fund was 8.0%.

## Net Pension Liability

At December 31, 2024, the City reported a Liability (Asset) of \$5,258,019 for its proportionate share of the net pension Liability (Asset). The City allocates the pension liability to Governmental Activities and Business-Type Activities based on their respective contributions to INPRS. As of December 31, 2024, the allocation was \$4,620,369 and \$637,650 respectively. The City's proportion of the total was measured on the ratio of the wages reported by employers relative to the collective wages of the plan. This basis of allocation measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. The plan does not have a special funding situation, as there is not a nonemployer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan. At December 31, 2024, the City's proportion was allocated as follows using the June 30, 2024 and 2023 measurement dates, respectively:

	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2024	0.0013044	0.0011462	0.0001582
2023	0.0012963	0.0011257	0.0001706

The net pension liability for fiscal year 2024 is calculated as set forth in the following table:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net pension liability, beginning December 31, 2023	\$ 3,972,997	\$ 602,079
Total pension expense	1,617,482	169,455
Difference between expected and actual experience	391,278	53,999
Net difference between projected and actual investments	(309,700)	(42,741)
Change in assumptions	(219,230)	(30,256)
Change in proportionate share of contributions	7,229	998
Defined benefit plan employer contributions	<u>(839,687)</u>	<u>(115,884)</u>
Net pension liability, December 31, 2024	<u>\$ 4,620,369</u>	<u>\$ 637,650</u>

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Governmental Activities</b>		
Differences between expected and actual experience	\$ 473,532	\$ -
Net differences between projected and actual earnings on pension plan investments	611,752	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	64,713	46,649
Employer contributions subsequent to the measurement date	<u>438,556</u>	<u>-</u>
Total	<u>\$ 1,588,553</u>	<u>\$ 46,649</u>
<b>Business-Type Activities</b>		
Differences between expected and actual experience	\$ 65,351	\$ -
Net differences between projected and actual earnings on pension plan investments	84,427	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,931	6,438
Employer contributions subsequent to the measurement date	<u>49,735</u>	<u>-</u>
Total	<u>\$ 208,444</u>	<u>\$ 6,438</u>

\$438,556 and \$49,735 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Years Ending December 31:</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
2025	\$ 208,438	\$ 28,765
2026	724,103	99,933
2027	208,600	28,789
2028	(37,793)	(5,216)

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Pension Expense

The City recognized pension expense for the following proportionate share of pension expense:

<u>Pension Expense</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Proportionate share of plan pension expense	\$ 1,544,672	\$ 213,178
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	25,558	3,529
Internal change in proportionate share	<u>47,252</u>	<u>(47,252)</u>
Total	<u>\$ 1,617,482</u>	<u>\$ 169,455</u>

**Key Methods and Assumptions.** Key methods and assumptions used to calculate the total pension liability in the latest actuarial valuations are presented below:

### Valuation Date:

Assets: June 30, 2024

Liabilities: June 30, 2023 - Member census data as of June 30, 2023 as used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2023 and June 30, 2024. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2023 to the June 30, 2024 measurement date.

Actuarial Cost Method: Entry Age Normal (level percent of payroll)

Experience Study Date: Period of 5 years ended June 30, 2019

Investment Rate of Return: 6.25%, net of investment expense, including inflation

Cost of Living Increases: A one-time 13th check was granted and payable by October 1, 2024. Thereafter, the following annual cost of living adjustments are assumed:

For members retired before 7/1/2025 - indexed 13th checks, increasing 2% per year

For members retired on or after 7/1/2025 - 1.0% COLA, compounded annually

Salary Increases, including inflation: 2.65%-8.65%

Inflation: 2.00%

### Mortality:

Healthy: General Employee table with a 3 year set forward for males and a 1 year set forward for females

Retirees: General Retiree with a 3 year set forward for males and a 1 year set forward for females

Beneficiaries: Contingent Survivor table with no set forward for males and a 2 year set forward for females

Disabled: General Disabled table with a 140% load

Funding policy location: [www.in.gov/inprs/publications/](http://www.in.gov/inprs/publications/)

## City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

**Change in Assumptions.** The COLA assumption was revised following the passage of HEA 1004-2024.

**Changes in Actuarial Methods.** Pursuant to Section 5 of HEA 1004-2024, the 1% cap on the surcharge rates was removed. The surcharge rates may not decrease, but may increase by no more than 0.1% of payroll per year. This section expires December 31, 2029. The surcharge rate method was significantly revised following the passage of HEA 1004-2024.

**Changes in Plan Provisions.** A 13th check to be paid in fiscal year 2025 was granted. For the actuarial valuation as of June 30, 2024, the postretirement benefit increase assumption was changed due to the passage of House Enrolled Act No. 1004. In lieu of a select and ultimate COLA assumption of 0.4% until 2034, 0.5% until 2039 and 0.6% in 2039 and thereafter, the act requires supplemental benefit funding for an inflation-indexed 13th check for participants who commence prior to July 1, 2025 and a 1% COLA for commencements thereafter. No additional benefits have yet been granted beyond this fiscal year 2025 13th check.

**Long-Term Return Expectation.** The long-term return expectation has been determined by using a building-block approach and assumes a time horizon, as defined by INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal market rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real market rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return.

<u>Global Asset Class</u>	<u>Long-Term Expected Rate of Return (Geometric Basis)</u>	<u>Target Asset Allocation</u>
Public Equity	4.6%	20.0%
Private Markets	7.1	15.0
Fixed Income - Ex Inflation-Linked	3.6	20.0
Fixed Income - Inflation-Linked	2.1	15.0
Commodities	2.8	10.0
Real Estate	5.4	10.0
Absolute Return	2.5	5.0
Risk Parity	6.3	20.0
Cash and Cash Overlay	1.7	NA

**Discount Rate.** The discount rate used to measure the total pension liability was 6.25% as of the June 30, 2024 measurement date and is equal to the long-term expected return on plan investments.

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension Liability (Asset) calculated using the discount rate of 6.25%, as well as what the City's proportionate share of the net pension Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	<b>1% Decrease to Discount Rate (5.25%)</b>	<b>Current Discount Rate (6.25%)</b>	<b>1% Increase to Discount Rate (7.25%)</b>
Governmental activity's proportionate share of the net pension liability	\$ 7,360,907	\$ 4,620,369	\$ 2,341,661
Business-type activity's proportionate share of the net pension liability	1,015,868	637,650	323,169

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS Annual Comprehensive Financial Report (ACFR) and Actuarial Valuations. These reports can be found at:

[https://www.in.gov/inprs/files/INPRSAnnualReportBook\\_FY24.pdf](https://www.in.gov/inprs/files/INPRSAnnualReportBook_FY24.pdf)  
[https://www.in.gov/inprs/files/2024ActuarialValuation\\_PERF.pdf](https://www.in.gov/inprs/files/2024ActuarialValuation_PERF.pdf)

## Utility Pension Plan

### Plan Description

The Primary Government's Utilities (water, wastewater and electric) contribute to the Mishawaka Utilities Retirement System, a single employer defined benefit pension plan administered by the Indiana Trust & Investment Management Company, as trustee.

The pension board consists of the Mayor, the City Controller, the General Manager of the Utilities and four elected employees of the Mishawaka Utilities. The plan covers all employees of the three utilities except for sewer maintenance employees of the Wastewater Utility who are covered by PERF. The plan is administered by the Primary Government's Board of Public Works, as provided by state statute (IC 8-1.5-3-7) and provides retirement, termination/severance, disability and death benefits to plan members and beneficiaries. The trustee does not issue a publicly available financial report that includes financial statements and supplementary information of the plan.

The plan remains open to new participants.

At December 31, 2024, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	78
Terminated employees entitled to but not yet receiving benefits	4
Current active employees	<u>127</u>
Total	<u><u>209</u></u>

**Benefits Provided**

The plan provides retirement, termination/severance, disability and death benefits to plan members and beneficiaries. The plan covers all employees of the three utilities except for sewer maintenance employees of the Wastewater Utility who are covered by INPRS. The plan provides that the monthly retirement benefit shall be a pension payable for the member's lifetime with five years of payments guaranteed equal to one and one-half percent (1-1/2%) of the member's average monthly wage, which is based upon regular straight time rate, received during the highest paid five (5) consecutive fiscal years before retirement multiplied by the member's years of credited service, plus one hundred and twenty dollars (\$120). Members are eligible to retire as of normal retirement for an unreduced benefit upon the earlier of 1) attainment of age fifty-five (55), or 2) the completion of thirty years of credited service, or 3) the date on which the sum of the member's age and years of credited service equals 85.

A reduced early retirement benefit is available to members with at least fifteen years of credited service any time after attainment of age sixty with a reduction factor of one-fourth percent (1/4%) for each month by which the early retirement date precedes what would have been the normal retirement date.

A disability retirement benefit is available to members with at least ten (10) years of credited service and permanent disability as determined for purposes of the Federal Social Security Act.

A terminated participant not eligible for death, disability or retirement may choose benefits based on a vested schedule as determined by years of credited service or a lump sum equal to 5% of the highest annual compensation multiplied by credited service.

A death benefit is available equal to 5% of the highest annual compensation multiplied by credited service, or the survivor's portion of a joint and 50% survivor annuity, payable to a surviving spouse.

**Contributions**

The employer intends to contribute to the plan each year such amounts as may be required to operate the plan on a sound actuarial basis.

The minimum annual contribution by the employer must be sufficient, as determined by the pension actuaries, to prevent deterioration in the actuarial status of the trust fund during the year.

For the year ended December 31, 2024, the mandatory member contribution rate was 0% of annual pay and the actuarially determined Employer's contribution rate was 13.92% of annual payroll.

## City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

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

For the year ended December 31, 2024, the City recognized pension expense of \$925,332 for the utility pension plan.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>		
	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Electric Utility</b>
Changes in assumptions	\$ 138,481	\$ 138,481	\$ 276,964
Total	<u>\$ 138,481</u>	<u>\$ 138,481</u>	<u>\$ 276,964</u>
	<b>Deferred Inflows of Resources</b>		
	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Electric Utility</b>
Differences between expected and actual experience	\$ 335,434	\$ 335,434	\$ 670,868
Changes in assumptions	3,460	3,460	6,919
Net differences between projected and actual earnings on pension plan investments	<u>16,392</u>	<u>16,392</u>	<u>32,783</u>
Total	<u>\$ 355,286</u>	<u>\$ 355,286</u>	<u>\$ 710,570</u>

As shown in Note 4, the wastewater also participates in the INPRS pension program. As such, the reported totals for deferred inflows and deferred outflows reflect the totals from Note 4 and the above table.

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

<b>Years Ending December 31:</b>	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Electric Utility</b>
2025	\$ 39,348	\$ 39,348	\$ 78,696
2026	116,934	116,934	233,868
2027	(223,304)	(223,304)	(446,608)
2028	(103,470)	(103,470)	(206,936)
2029	(34,442)	(34,442)	(68,884)
Thereafter	<u>(11,871)</u>	<u>(11,871)</u>	<u>(23,742)</u>
Total	<u>\$ (216,805)</u>	<u>\$ (216,805)</u>	<u>\$ (433,606)</u>

## City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

### Pension Plan Investments - Policy and Rate of Return

The pension plan investment policy is consistent with the overall policy of the City as described in Note 1. The plan held \$30,092,571 of investments as of December 31, 2024. See Note 3. Deposits and Investments for more detail on these investments and their risks.

### Net Pension Liability (Asset)

The components of the net pension liability (asset) of the Utility Pension Plan at December 31, 2024 were as follows:

	Utility Pension	Allocated to:		
		Water Utility	Wastewater Utility	Electric Utility
Actuarial net pension liability	\$ 30,151,325	\$ 7,537,831	\$ 7,537,831	\$ 15,075,663
Plan fiduciary net position	(30,806,489)	(7,701,622)	(7,701,622)	(15,403,245)
Net pension liability (asset)	<u>\$ (655,164)</u>	<u>\$ (163,791)</u>	<u>\$ (163,791)</u>	<u>\$ (327,582)</u>
Plan fiduciary net position as a percentage of total pension liability	<u>102.17 %</u>	<u>102.17 %</u>	<u>102.17 %</u>	<u>102.17 %</u>

Change in net pension liability (assets) are as follows:

Changes in Net Pension Liability (Asset)	Utility Pension		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2023	\$ 29,113,443	\$ (28,011,320)	\$ 1,102,123
Service cost	869,921	-	869,921
Interest cost	1,832,246	-	1,832,246
Differences between expected and actual experience (gain)/loss	(432,118)	-	(432,118)
Employer contributions	-	(1,125,000)	(1,125,000)
Net investment income	-	(2,995,714)	(2,995,714)
Administrative expense	-	93,378	93,378
Benefit payments, including refunds	(1,232,167)	1,232,167	-
Total	<u>\$ 30,151,325</u>	<u>\$ (30,806,489)</u>	<u>\$ (655,164)</u>

**Actuarial Assumptions**

The actuarial assumptions used in the valuation were selected and approved by the Board of Trustees for the plan.

The total pension liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date	December 31, 2024
Valuation Date	December 31, 2024
Inflation	2.50% per annum
Salary Increases	3.50% per annum, (2.50% for inflation and 1.00% for merit/seniority)
Investment Rate of Return	6.25%, net of pension plan investment expenses, including inflation
Cost of Living Increases for Certain Retirees	2.00% per annum

Mortality rates were based on Pub-2010 General Amount-Weighted Mortality Projected Generationally with Mortality Improvement Scale MP-2021 (separate employee, retiree, contingent survivor and disabled retiree tables and separate male & female tables).

**Discount Rate**

The discount rate used to measure the total pension liability was 6.25% as of December 31, 2024, and is equal to the long-term expected return on plan investments. The projection cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed to prevent the deterioration in the actuarial status of the trust. The future contribution assumption was based upon the review of recent Employer contribution history compared to the corresponding actuarially determined contributions. Based on this assumption, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**Amortization Periods**

The changes in total pension liability due to liability experience losses/(gains) and changes in assumptions for the most current year have been amortized over 6.644 years, the average remaining service of all members with any liability in the plan as of January 1, 2024. The change in net pension liability due to investment losses/(gains) has been amortized over 5.000 years as prescribed.

**Assumption Changes**

There were no assumption changes for base year ended December 31, 2024.

**Projected Cash Flows**

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the discount rate of 6.25% is equal to the long-term expected return of plan investments. The rate was applied to all remaining periods.

The long-term expected rate of return on the utility pension plan investments was determined based on the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation).

The long-term expected rate of return on plan investments is 6.25%.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the net pension liability (asset) of the plan, calculated using the discount rate of 6.25%, as well as what the plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	<b>Net Pension Liability (Asset)</b>		
	<b>1% Decrease to Discount Rate (5.25%)</b>	<b>Current Discount Rate (6.25%)</b>	<b>1% Increase to Discount Rate (7.25%)</b>
Water Utility	\$ 730,226	\$ (163,791)	\$ (920,040)
Wastewater Utility	730,226	(163,791)	(920,040)
Electric Utility	1,460,451	(327,582)	(1,840,081)

**Pension Plan Fiduciary Net Position**

Detailed information about the plan's fiduciary net position is not available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

**1925 Police Officers' Pension Plan**

**Plan Description**

The City contributes to the 1925 Police Officers' Pension Plan which is a single employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6).

The pension board consists of nine members. Three are members by virtue of office: the Mayor, the City Controller and the Police Chief. Five members are elected representatives of the active membership of the police department, and one additional member, a retired officer, is elected. The plan provides retirement, disability and death benefits to plan members and beneficiaries.

The financial statements of the plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

The plan was established and may be amended by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

### **Plan Membership**

At December 31, 2024, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	30
---	----

### **Benefits Provided**

The plan provides retirement, disability and death benefits. The benefit provisions of the plan for nonconverted members are set forth in Indiana Code 38-8-6. The benefit provisions for the converted members are set forth in Indiana Code 36-8-8. Unless specifically denoted, provisions for converted and nonconverted members are the same. All full-time, fully paid police officers who were hired before May 1, 1977 or rehired between April 30, 1977 and February 1, 1979 are eligible participants. The pension plan is closed to new entrants.

Eligibility for annuity benefits is as follows. Nonconverted members of any age with twenty or more years of creditable service and converted plan members who are age fifty-two with twenty or more years of creditable service are eligible for normal benefits. Normal retirement benefits are calculated at 50% of the base salary of a first-class patrolman, plus an additional 1% for each completed six months of service over twenty years up to a maximum of 74% with 32 years of service.

Nonconverted plan members of any age with twenty or more years of creditable service and converted plan members age fifty with twenty years or more of creditable service are eligible to receive early retirement benefits. Early retirement benefits are unreduced for nonconverted plan members. Early retirement benefits are reduced by 7% per year for converted plan members between ages fifty and fifty-two. Late retirement benefits are calculated in the same manner as normal retirement benefits.

Disability retirement benefits are equal to a sum determined by a disability medical panel, but not exceeding 55% of the monthly salary (with longevity pay) of a first-class patrolman. If a member has more than twenty years of service, the disability benefit, if greater, will be equal to the pension the member would have received if the member had retired on the date of disability. For converted plan members, the disability benefit is equal to the benefit the member would have received if the member had retired.

If a converted member does not have twenty years of service or is not at least age fifty-two on the date of disability, the benefit is computed as if the member does have twenty years of service and is age fifty-two at the date of disability.

Pre-retirement death benefits vary for converted and nonconverted plan members and depending upon whether the death is considered in the line of duty or not in the line of duty. Such benefits range from 20-50% of a first-class patrolman salary, with longevity, or from 55-100% of the monthly benefit the member was receiving, or was entitled to receive, on the date of death. Pre-retirement death benefits are payable to the surviving spouse, children and dependent parents of plan members provided they meet eligibility guidelines. A one-time funeral death benefit is paid to the heirs or estate upon a member's death from any cause and is equal to at least \$12,000. An additional benefit of \$150,000 is paid from the Pension Relief Fund to a surviving spouse, children or parent(s) if death occurs in the line of duty.

Nonconverted members are entitled to the normal retirement benefit described above if termination occurs after earning twenty years of service. If termination occurs before completing twenty years of service, no benefits are payable. Converted members are entitled to the accrued retirement benefit determined as of the termination date and payable commencing on the normal retirement date. If termination occurs before completing twenty years of service, the member shall be entitled to the member's contributions plus accumulated interest.

Benefits for nonconverted retired members are increased annually based on increases in the first-class salary as approved by the employer. Converted retired member benefits are increased annually based on increases in the CPI-U index. The increase is subject to a 3% maximum and 0% minimum.

### **Contributions**

Plan members are required by state statute (IC 36-8-6-4) to contribute an amount equal to six percent (6%) of the salary of a first-class patrolman until they have completed thirty-two years of service.

Actuarial valuations are performed annually for the 1925 Police Officers' Pension Plan. The assumptions used in the valuation are selected and approved by the Indiana Public Retirement System (INPRS) Board of Trustees.

Benefits to members of the plan are funded on a pay-as-you-go basis by certain revenues and appropriations of the State of Indiana to the Pension Relief Fund. On-behalf contributions from the State of Indiana of \$1,289,088 approximate an equal amount paid out for benefits. The Primary Government has recognized these on-behalf payments as intergovernmental revenue and public safety expenditures in the General Fund. The Pension Relief Fund has been created within the INPRS and is administered by INPRS and is used as a temporary holding account for collecting State revenues and appropriations before funds are distributed to employers. Amounts required to pay benefits are distributed from the fund to the City.

### **Pension Plan Investments - Policy and Rate of Return**

The pension plan investment policy is consistent with the overall policy of the City as described in Note 1. The plan held no investments during the reporting period.

### **Deferred Retirement Option Plan**

The Deferred Retirement Option Plan (DROP) is an optional form of benefit, which allows members who are eligible for an unreduced retirement benefit to continue to work and earn a salary while accumulating a DROP benefit. A member who elects to enter the DROP shall execute an irrevocable election to retire on the DROP retirement date. The member shall select a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date. While in the DROP, the member shall continue to make applicable fund contributions. When a member enters the DROP, a "DROP frozen benefit" will be calculated. Members of the DROP are eligible to receive a lump sum equal to the amount of the DROP frozen benefit multiplied by the number of months in the DROP. A member may elect to receive this amount in three annual installments instead of a single lump sum. In addition, the member will receive a monthly retirement benefit equal to the DROP frozen benefit. Forms of payment include a single life annuity or a joint annuity with 60% survivor benefits. A member, upon retirement, may elect to forgo DROP benefits and instead receive monthly retirement benefits calculated as if the member never elected to participate in the DROP. There is no balance of amounts held by the pension plan pursuant to the DROP.

## City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

### Net Pension Liability (Asset)

The components of the net pension liability of the 1925 Police Officers' Pension Plan at December 31, 2024 were as follows:

	<b>1925 Police Officers' Pension</b>
Actuarial net pension liability	\$ 13,191,584
Plan fiduciary net position	<u>(848,442)</u>
Net pension liability	<u>\$ 12,343,142</u>
Plan fiduciary net position as a percentage of total pension liability	<u>6.43 %</u>

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

<b>Changes in Net Pension Liability</b>	<b>1925 Police Officers' Pension</b>		
	<b>Total Pension Liability</b>	<b>Plan Net Position</b>	<b>Net Pension Liability</b>
Balance at December 31, 2023	\$ 11,836,094	\$ (809,529)	\$ 11,026,565
Interest cost	512,716	-	512,716
Differences between expected and actual experience (gain)/loss	2,658,475	-	2,658,475
Changes in assumptions (gain)/loss	(466,222)	-	(466,222)
Nonemployer contributing entity contributions	-	(1,331,001)	(1,331,001)
Administrative expense	-	3,000	3,000
Benefit payments, including refunds	<u>(1,349,479)</u>	<u>1,289,088</u>	<u>(60,391)</u>
Balance at December 31, 2024	<u>\$ 13,191,584</u>	<u>\$ (848,442)</u>	<u>\$ 12,343,142</u>

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

For the year ended December 31, 2024, the City recognized pension expense of \$2,704,969. At December 31, 2024, the City reported no deferred outflows of resources and deferred inflows of resources related to the 1925 Police Officers' Pension Plan.

**Actuarial Assumptions**

The actuarial assumptions used in the valuation were selected and approved by the INPRS Board of Trustees.

The total pension liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date	December 31, 2024
Valuation Date	January 1, 2024
Inflation	2.00% per annum
Salary increases	2.65% per annum
Cost of Living Increases for Certain Retirees	
Nonconverted	2.65% per year in retirement
Converted	3.00% on July 1, 2024; 1.95% thereafter

Mortality rates were based on Pub-2010 Public Retirement Plans mortality tables (amount-weighted), with a fully generational projection of mortality improvements using SOA MP-2019.

The actuarial assumptions used in the valuation are based on the results of the actuarial experience study completed for the 1977 Police Officers' and Firefighters' Pension and Disability Fund in June 2020, which covered the period beginning July 1, 2015 and ending June 30, 2019, along with the results of the INPRS asset liability study adopted by the INPRS Board in May 2021.

**Discount Rate**

The discount rate is set equal to the Barclay's 20-year Municipal Bond Index rate of 4.15% as of December 31, 2024. The discount rate increased from the 3.71% used for the December 31, 2023 calculation of the net pension liability. The projection of cash flows used to determine the discount rate considered the fact that on-behalf contributions made by the State of Indiana are made as benefit payments become due for payment.

**Projected Cash Flows**

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 4.15%. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2024. The municipal bond rate was applied to all remaining periods.

The pension plan currently has no investments.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the plan, calculated using the discount rate of 4.15%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.15%) or 1-percentage-point higher (5.15%) than the current rate:

	<b>1% Decrease to Discount Rate (3.15%)</b>	<b>Current Discount Rate (4.15%)</b>	<b>1% Increase to Discount Rate (5.15%)</b>
Net pension liability	\$ 13,449,254	\$ 12,343,142	\$ 11,388,245

**Funding Status and Funding Progress**

As of the January 1, 2024 actuarial valuation date, the plan was not funded and is on a pay as you go basis. The actuarial accrued liability for benefits was \$13,191,584, and the actuarial value of assets was \$848,442, resulting in an unfunded actuarial accrued liability of \$12,343,142. The covered payroll (annual payroll to active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll were not available.

**Pension Plan Fiduciary Net Position**

Detailed information about the plan's fiduciary net position is not available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are report by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

**1937 Firefighters' Pension Plan**

**Plan Description**

The City contributes to the 1937 Firefighters' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7).

The pension board consists of seven members, which include the Mayor, the Fire Chief, the Pension Secretary, three trustees elected from active members and one trustee elected from retired members.

The plan provides retirement, disability and death benefits to plan members and beneficiaries. The plan was established and can be amended by the plan administrator, as provided by state statute.

The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

**Plan Membership**

At December 31, 2024, Plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	55
---	----

**Benefits Provided**

The plan provides retirement, disability and death benefits. The benefit provisions of the 1937 Firefighters' Pension Plan for nonconverted members are set forth in Indiana Code 36-8-7. The benefit provisions for converted members are set forth in Indiana Code 36-8-8.

Unless specifically denoted, provisions for converted and nonconverted members are the same. All full-time, fully paid firefighters who were hired before May 1, 1977 or rehired between April 30, 1977 and February 1, 1979 are eligible participants. The pension plan is closed to new entrants.

Eligibility for annuity benefits is as follows. Nonconverted members of any age with twenty or more years of creditable service and converted plan members who are age fifty-two with twenty or more years of creditable service are eligible for normal benefits. Normal retirement benefits are calculated at 50% of the base salary of a First-Class Firefighter, plus an additional 1% for each completed six months of service over twenty years up to a maximum of 74% with 32 years of service.

Nonconverted plan members of any age with twenty or more years of creditable service and converted plan members age fifty with twenty years or more of creditable service are eligible to receive early retirement benefits. Early retirement benefits are unreduced for unconverted plan members. Early retirement benefits are reduced by 7% per year for converted plan members between ages fifty and fifty-two. Late retirement benefits are calculated in the same manner as normal retirement benefits.

Disability retirement benefits are equal to a sum determined by a disability medical panel, but not exceeding 55% of the monthly salary (with longevity pay) of a First-Class Firefighter. If a member has more than twenty years of service, the disability benefit, if greater, will be equal to the pension the member would have received if the member had retired on the date of disability. For converted plan members, the disability benefit is equal to the benefit the member would have received if the member had retired. If a converted member does not have twenty years of service or is not at least age fifty-two on the date of disability, the benefit is computed as if the member does have twenty years of service and is age fifty-two at the date of disability.

Pre-retirement death benefits vary for converted and nonconverted plan members and depending upon whether the death is considered in the line of duty or not in the line of duty. Such benefits range from 20-50% of a First-Class Firefighter's salary, with longevity, or from 55-100% of the monthly benefit the member was receiving, or was entitled to receive, on the date of death.

Pre-retirement death benefits are payable to the surviving spouse, children and dependent parents of plan members provided they meet eligibility guidelines. A one-time funeral death benefit is paid to the heirs or estate upon a member's death from any cause and is equal to at least \$12,000. An additional benefit of \$150,000 is paid from the Pension Relief Fund to a surviving spouse, children or parent(s) if death occurs in the line of duty.

Nonconverted members are entitled to the normal retirement benefit described above if termination occurs after earning twenty years of service. If termination occurs before completing twenty years of service, no benefits are payable. Converted members are entitled to the accrued retirement benefit determined as of the termination date and payable commencing on the normal retirement date.

If termination occurs before completing twenty years of service, the member shall be entitled to the member's contributions plus accumulated interest.

Benefits for nonconverted retired members are increased annually based on increases in the First-Class Firefighter's salary as approved by the employer.

Converted retired member benefits are increased annually based on increases in the CPI-U index. The increase is subject to a 3% maximum and 0% minimum.

### **Contributions**

Plan members are required by state statute (IC 36-8-7-8) to contribute an amount equal to six percent (6%) of the salary of a First-Class Firefighter until they have completed thirty-two years of service.

Actuarial valuations are performed annually for the 1937 Firefighters' Pension Plan. Benefits to members of the Plan are funded on a pay-as-you-go basis by certain revenues and appropriations from the State of Indiana to the Pension Relief Fund. On-behalf contributions from the State of Indiana of \$2,152,778 approximate an equal amount paid out for benefits.

The Primary Government has recognized these on-behalf payments as intergovernmental revenue and public safety expenditures in the General Fund. The Pension Relief Fund has been created within the Indiana Public Retirement System (INPRS) and is administered by INPRS and is used as a temporary holding account for collecting State revenues and appropriations before funds are distributed to employers. Amounts required to pay benefits are distributed from the fund to the City.

### **Pension Plan Investments - Policy and Rate of Return**

The pension plan investment policy is consistent with the overall policy of the City as described in Note 1. The plan held no investments during the reporting period.

### **Deferred Retirement Option Plan**

The Deferred Retirement Option Plan (DROP) is an optional form of benefit, which allows members who are eligible for an unreduced retirement benefit to continue to work and earn a salary while accumulating a DROP benefit. A member who elects to enter the DROP shall execute an irrevocable election to retire on the DROP retirement date. The member shall select a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date. While in the DROP, the member shall continue to make applicable fund contributions.

When a member enters the DROP, a "DROP frozen benefit" will be calculated. Members of the DROP are eligible to receive a lump sum equal to the amount of the DROP frozen benefit multiplied by the number of months in the DROP. A member may elect to receive this amount in three annual installments instead of a single lump sum. In addition, the member will receive a monthly retirement benefit equal to the DROP frozen benefit. Forms of payment include a single life annuity or a joint annuity with 60% survivor benefits. A member, upon retirement, may elect to forgo DROP benefits and instead receive monthly retirement benefits calculated as if the member never elected to participate in the DROP. There is no balance of amounts held by the pension plan pursuant to the DROP.

## City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

### Net Pension Liability (Asset)

The components of the net pension liability of the 1937 Firefighters' Pension Plan at December 31, 2024 were as follows:

	<b>1937 Firefighters' Pension</b>
Actuarial net pension liability	\$ 19,597,491
Plan fiduciary net position	<u>(954,706)</u>
Net pension liability	<u>\$ 18,642,785</u>
Plan fiduciary net position as a percentage of total pension liability	<u>4.87 %</u>

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

<b>Changes in Net Pension Liability</b>	<b>1937 Firefighters' Pension</b>		
	<b>Total Pension Liability</b>	<b>Plan Net Position</b>	<b>Net Pension Liability</b>
Balance at December 31, 2023	\$ 20,234,994	\$ (842,138)	\$ 19,392,856
Interest cost	760,082	-	760,082
Differences between expected and actual experience (gain)/loss	1,279,848	-	1,279,848
Changes in assumptions (gain)/loss	(622,510)	-	(622,510)
Nonemployer contributing entity contributions	-	(2,152,778)	(2,152,778)
Administrative expense	-	6,750	6,750
Benefit payments, including refunds	(2,054,923)	2,033,460	(21,463)
Balance at December 31, 2024	<u>\$ 19,597,491</u>	<u>\$ (954,706)</u>	<u>\$ 18,642,785</u>

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

For the year ended December 31, 2024, the City recognized pension expense of \$1,417,420. At December 31, 2024, the City reported no deferred outflows of resources and deferred inflows of resources related to the 1937 Firefighters' Pension Plan.

**Actuarial Assumptions**

The actuarial assumptions used in the valuation were selected and approved by the INPRS Board of Trustees.

The total pension liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date	December 31, 2024
Valuation Date	January 1, 2024
Inflation	2.00% per annum
Salary Increases	2.65% per annum
Cost of Living Increases:	
Nonconverted	2.65% each July 1st
Converted	3.00% on July 1, 2024; 1.95% thereafter

Mortality rates were based on Pub-2010 Public Retirement Plans mortality tables (amount-weighted), with a fully generational projection of mortality improvements using SOA MP-2019.

The actuarial assumptions used in the valuation are based on the results of the actuarial experience study completed for the 1977 Police Officers' and Firefighters' Pension and Disability Fund in June 2021, which covered the period beginning July 1, 2015 and ending June 30, 2019, along with the results of the INPRS asset liability study adopted by the INPRS Board in May 2021.

**Discount Rate**

The discount rate is set equal to the Barclay's 20-year Municipal Bond Index rate of 4.15% as of December 31, 2024, an increase from the 3.71% used for the December 31, 2023 calculation of the net pension liability. The projection of cash flows used to determine the discount rate considered the fact that on-behalf contributions made by the State of Indiana are made as benefit payments become due for payment.

**Projected Cash Flows**

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 4.15%. The source of that bond rate was the Barclay's 20-year Municipal Bond Index as of December 31, 2024. The municipal bond rate was applied to all remaining periods.

The pension plan currently has no investments.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the plan, calculated using the discount rate of 4.15%, as well as what the plan's net pension Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.15%) or 1-percentage-point higher (5.15%) than the current rate:

	<b>1% Decrease to Discount Rate (3.15%)</b>	<b>Current Discount Rate (4.15%)</b>	<b>1% Increase to Discount Rate (5.15%)</b>
Net pension liability	\$ 20,110,424	\$ 18,642,785	\$ 17,349,581

**Funding Status and Funding Progress**

As of the January 1, 2024 actuarial valuation date, the plan was not funded and is on a pay as you go basis. The actuarial accrued liability for benefits was \$19,597,491, and the actuarial value of assets was \$954,706, resulting in an unfunded actuarial accrued liability of \$18,642,785. The covered payroll (annual payroll to active employees covered by the plan) and the ratio of the unfunded actuarial accrued liability to the covered payroll were not available.

**Pension Plan Fiduciary Net Position**

Detailed information about the plan's fiduciary net position is not available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are report by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

**1977 Police Officers' and Firefighters' Pension and Disability Fund**

**Plan Description**

The 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund) provides pensions for all police officers and firefighters hired after April 30, 1977. The plan is a cost-sharing, multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (INPRS). The pension system issues a publicly available financial report that can be obtained at <http://www.inprs.in.gov>.

For purposes of employer allocations, the Police Officers and Firefighters are considered separate submission units and their respective pension items are reported herein.

**Retirement Benefits**

The plan provides retirement, disability and death benefits. Benefit terms are established and amended by State legislative action.

Annual retirement benefits for employees are calculated equal to 50% of the salary of a first class officer for 20 years of service. Normal retirement age is 52 with early retirement at 50. Employees are eligible for non-duty disability benefits after five years of services and for duty related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date.

The annual adjustments are determined by statute equal to the change in the Consumer Price Index but not in excess of a 3% increase.

### **Retirement Benefits - Disability and Survivor Benefits**

The 1977 Fund also provides disability and survivor benefits. An active member may file an application for disability benefits. A determination is then made by the local pension board, and reviewed by the INPRS Board of Trustees, as to whether the member has a covered impairment and whether the impairment was incurred in the line of duty or not.

The calculation for disability benefits is based on when the member was first hired, the type of impairment and other factors. In addition, the heirs or estate of a fund member may be entitled to receive \$12,000 upon the member's death.

If a member dies while receiving retirement or disability benefits, there are provisions for the surviving spouse and child(ren) to receive a portion of the benefits. The member's surviving spouse is entitled to a monthly benefit equal to 60% of the member's monthly benefit during the spouse's lifetime. Each of the member's surviving child(ren) is entitled to a monthly benefit equal to 20% of the member's monthly benefit until the age of 18, or age 23, if a full-time student. If there is no eligible surviving spouse or child(ren), a dependent parent(s) may receive 50% of the member's monthly benefit during their lifetime.

### **Retirement Benefits - Deferred Retirement Option Plan**

The Deferred Retirement Option Plan (DROP) for the 1977 Fund was established by the Indiana Legislature in 2002 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 36-8-8.5. Members of the 1977 Fund that are eligible to retire may elect to accumulate a DROP benefit while continuing to work. At the time of their election, the member executes an irrevocable election to retire on a DROP retirement date and remains in active service contributing to the fund until that date. The DROP retirement date must be not less than twelve (12) months and not more than thirty-six (36) months after their DROP entry date, and not after the date they reach any mandatory retirement age that may apply.

The member may make an election to enter the DROP only once in their lifetime. The DROP and future retirement monthly benefit is calculated as of the member's DROP entry date. At the time of retirement, the member must choose among the available options for distribution of the accumulated benefit under the DROP. As of June 30, 2024 the amount held by the plan pursuant to the DROP is \$76.4 million

**Contributions**

The funding policy for the 1977 Fund requires remittances of member and employer contributions based on percentages of the salary of a first class officer or firefighter rather than actual payroll. The employer contribution rate is actuarially determined. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 36-8-8-6. As the 1977 Fund is a cost-sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers. During calendar year 2024, all participating employers were required to contribute 18% of the salary of a first-class officer or firefighter. City contributions for the year ended December 31, 2024 were \$1,637,374 and \$1,551,619 for the Police Officers and Firefighters Funds, respectively.

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

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

As of December 31, 2024, the City reported a net pension liability of \$8,292,844 for the Police and \$8,798,131 for the Firefighter proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's reported wages as a proportion of total collective reported wages for all employers. At June 30, 2024, the City's proportion of the Police Officers' fund was 0.65665%, which is an increase of 0.05483% from its proportion measured as of June 30, 2023. At June 30, 2024, the City's proportion of the Firefighters' fund was 0.69666%, which was an increase of 0.02176% from its proportion measured as of June 30, 2023.

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

For the year ended December 31, 2024, the City recognized pension expense of \$3,480,827 for the Police Officers and \$3,678,073 for the Firefighters' fund. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>		
	<b>Police</b>	<b>Fire</b>	<b>Total</b>
Differences between expected and actual experience	\$ 2,877,159	\$ 3,052,465	\$ 5,929,624
Changes in assumptions	1,213,600	1,287,545	2,501,145
Net differences between projected and actual earnings on pension plan investments	1,784,411	1,893,136	3,677,547
Changes in proportion and differences between employer contributions and proportionate share of contributions	100,002	32,527	132,529
Employer contributions subsequent to the measurement date	829,358	772,505	1,601,863
<b>Total</b>	<b><u>\$ 6,804,530</u></b>	<b><u>\$ 7,038,178</u></b>	<b><u>\$ 13,842,708</u></b>

	<b>Deferred Inflows of Resources</b>		
	<b>Police</b>	<b>Fire</b>	<b>Total</b>
Changes in assumptions	\$ 14,443	\$ 15,323	\$ 29,766
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,206	13,146	22,352
<b>Total</b>	<b><u>\$ 23,649</u></b>	<b><u>\$ 28,469</u></b>	<b><u>\$ 52,118</u></b>

\$829,358 reported for the Police Officers' and \$772,505 reported for the Firefighters' funds as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Years Ending December 31:</b>	<b>Police</b>	<b>Fire</b>	<b>Total</b>
2025	\$ 949,492	\$ 993,442	\$ 1,942,934
2026	2,520,914	2,660,540	5,181,454
2027	1,065,677	1,116,863	2,182,540
2028	672,953	698,947	1,371,900
2029	450,264	465,780	916,044
Thereafter	292,223	301,632	593,855
<b>Total</b>	<b><u>\$ 5,951,523</u></b>	<b><u>\$ 6,237,204</u></b>	<b><u>\$ 12,188,727</u></b>

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Actuarial Assumptions

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

Inflation	2.00%
Salary increases	2.65%
Mortality rates	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019
Investment rate of return	6.25% net of investment expense, including inflation
(COLA) or "Ad Hoc"	1.95%, compounded annually, beginning July 1, 2025. Actual COLA increases at July 1, 2023 (3.00%) and July 1, 2024 (3.00%) are reflected in valuation

The actuarial assumptions used in the June 30, 2024 valuation of the 1977 Police Officers' and Firefighters' Retirement Fund were adopted by the INPRS Board in April 2024. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019 and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and last updated in October 2024. The funding policy is available online at:

[www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](http://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf)

The target allocation and best estimates of arithmetic real rates of return as of June 30, 2024 for each major asset class are summarized in the following table:

<u>Global Asset Class</u>	<u>Long-Term Expected Rate of Return (Geometric Basis)</u>	<u>Target Asset Allocation</u>
Public Equity	4.6%	20.0%
Private Markets	7.1	15.0
Fixed Income - Ex Inflation-Linked	3.6	20.0
Fixed Income - Inflation-Linked	2.1	15.0
Commodities	2.8	10.0
Real Estate	5.4	10.0
Absolute Return	2.5	5.0
Risk Parity	6.3	20.0
Cash and Cash Overlay	1.7	NA

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Discount Rate

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from units will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.25%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	<b>1% Decrease to Discount Rate (5.25%)</b>	<b>Current Discount Rate (6.25%)</b>	<b>1% Increase to Discount Rate (7.25%)</b>
City's proportionate share of the net pension liability (asset), Police Officers'	\$ 18,135,192	\$ 8,292,844	\$ 395,698
City's proportionate share of the net pension liability (asset), Firefighters'	19,240,178	8,798,131	419,808

## Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS Comprehensive Annual Financial Report and Actuarial Valuations. These reports can be found at:

[https://www.in.gov/inprs/files/INPRSAnnualReportBook\\_FY24.pdf](https://www.in.gov/inprs/files/INPRSAnnualReportBook_FY24.pdf)  
[https://www.in.gov/inprs/files/2024ActuarialValuation\\_77Fund.pdf](https://www.in.gov/inprs/files/2024ActuarialValuation_77Fund.pdf)

## Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City purchases commercial insurance to provide coverage for losses from (torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees). However, other risks, such as (torts; theft of, damage to, or destruction of assets; errors and omission; workers compensation; and health care of its employees) are accounted for and financed by the City in the general fund.

## Self Insurance

	<b>Prior Year</b>	<b>Current Year</b>
Unpaid claims, beginning of year	\$ 637,117	\$ 925,789
Current year claims and changes in estimates	13,281,760	13,750,253
Claim payments	<u>(12,993,088)</u>	<u>(14,025,620)</u>
Unpaid claims, end of year	<u>\$ 925,789</u>	<u>\$ 650,422</u>

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

### Consent Decree

On May 23, 2014, the City, the United States Department of Justice, and the State of Indiana, agreed to a consent decree to resolve claims against the City for alleged violations of the Clean Water Act. The decree includes several provisions, including a combined sewer overflow (CSO) long-term control plan (LTCP) that requires the City to complete a construction program by December 31, 2031 at a cost of approximately \$480 million in 2021 dollars to comprehensively upgrade and expand the City's sewage collection, storage, conveyance, and treatment system.

The LTCP level of control is zero combined sewer overflows in the typical year, or 100% volume reduction. To date the City has spent \$292 million and has achieved a 99.5% CSO volume reduction. To achieve an additional 0.5% volume reduction, it would cost an additional \$188 million. The impact on improvement to water quality would be negligible. In January 2018, the City notified the agencies that it desired to renegotiate its consent decree LTCP.

A new LTCP has been developed that would result in 4 CSOs in the typical year and result in a 99.9% volume reduction. The cost for this revised plan would be an additional \$29 million for a total cost of \$321 million. The plan will meet the same environmental goals and will shorten the implementation schedule by four years. Mishawaka has submitted its revised LTCP to the agencies for their review. Consent Decree modification negotiations are underway.

Mishawaka has continued to negotiate a revised Long Term Control Plan since the request to modify in January of 2018. During this time, Mishawaka has continued to work towards the reduction of combined sewer overflows. In May of 2023, Mishawaka sold \$33 million in revenue bonds for the continued construction and upgrade of the City's sewage collection system.

The City has active construction projects as of December 31, 2024. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

<u>Project</u>	<u>Total Project Authorized</u>	<u>Expended to December 31, 2024</u>	<u>Remaining Commitments</u>
<b>Governmental Activities</b>			
2024 Community Crossing	\$ 1,839,321	\$ 1,800,924	\$ 38,397
Crawford Park Improvements Phase I	2,419,095	2,119,097	299,998
Fire Station #2	22,504,957	12,681,384	9,823,573
Cedar Street Bridge Widening	19,001,760	9,178,186	9,823,574
Front, Main, Church Intersection Improvements	3,919,124	3,881,377	37,747
Ironworks Phase II - Ice, Cafe' & Event Center	18,410,440	18,406,206	4,234
Liberty & Grove Parking Lot	751,454	725,326	26,128
Riverwalk Restoration	1,970,664	877,687	1,092,977
Rose Park Improvements Phase II	229,074	-	229,074
Veterans Parkway Ph II	5,183,589	4,527,964	655,625
West Street Ph III B	<u>5,574,454</u>	<u>2,881,316</u>	<u>2,693,138</u>
Total governmental activities	<u>\$ 81,803,932</u>	<u>\$ 57,079,467</u>	<u>\$ 24,724,465</u>

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

Project	Total Project Authorized	Expended to December 31, 2024	Remaining Commitments
<b>Business-Type Activities</b>			
Electric:			
Union Street Substation	\$ 7,568,364	\$ 7,501,455	\$ 66,909
Juday Creek Well Field	483,990	152,260	331,730
Water:			
Gunwood Water Tower	8,192,921	7,824,558	368,363
Virgil Water Treatment Plant	15,268,960	9,033,478	6,235,482
Wastewater:			
Linden Area LTCP Div. A1	1,324,021	1,262,118	61,903
West St Project	668,068	658,794	9,274
3rd Street Sewer Improvement	4,742,551	4,653,246	89,305
3rd Street Sewer Improvement (Phase II)	6,897,885	2,147,856	4,750,029
LTCP - CSO	5,445,416	2,196,038	3,249,378
Miscellaneous Projects	<u>4,297,020</u>	<u>4,245,302</u>	<u>51,718</u>
Total business-type activities	<u>\$ 54,889,196</u>	<u>\$ 39,675,105</u>	<u>\$ 15,214,091</u>

The City has the following encumbrances outstanding at year end expected to be honored upon performance by the vendor:

General	\$ 349,815
Nonmajor funds	<u>4,485,636</u>
Total	<u>\$ 4,835,451</u>

## Other Postemployment Benefits

### General Information About the OPEB Plan

#### Plan Description

The City's Retiree Healthcare Plan is a self-funded single-employer defined benefit healthcare plan administered by the City of Mishawaka, Department of Finance, through the City's self-insurance fund.

The plan provides for medical insurance benefits to eligible retirees and their spouses. Indiana Code 5-10-8 gives the Primary Government the authority to establish the plan.

The City administers the plan and issues a report that includes financial information and required supplementary information for the plan as a whole. The report may be obtained by contacting the Controller at 600 E. 3rd Street, Mishawaka, IN 46544 or by calling (574) 258-1622.

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

## Funding Policy and Benefits Provided

The contribution requirements of plan members for the City of Mishawaka Retiree Healthcare Plan are established and can be amended by the City's Common Council. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2024, the Primary Government contributed \$1,711,398 to the plan for current premiums. For Pre-Medicare retirees, the Primary Government annually provides \$400 for covered employees with less than 20 years of service and pays the full single premium cost for employees who retire with 20 or more years of service. For Post-Medicare employees, the Primary Government provides \$400 annually towards the cost of medical coverage regardless of the years of service.

## Employees Covered by Benefit Terms

At December 31, 2024, the following employees were covered by the benefit terms:

Retirement participants	86
Active plan members	<u>599</u>
	<u><u>685</u></u>

## Total OPEB Liability

The City's total OPEB liability of \$35,541,100 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

## Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	December 31, 2024
Actuarial Valuation Date	January 1, 2025
	Liabilities as of December 31, 2024 are based on an actuarial valuation date of January 1, 2025 with no adjustments.
Discount Rate	4.00% as of December 31, 2023 and 4.28% as of December 31, 2024
Inflation	2.00%
Salary Increases	2.65% plus merit raises
Healthcare Cost Trend Rates	8.50% for 2024 trending down to 4.50% as of 2033

The discount rate was based on a range of indices: Bond Buyer 20-Year GO Index, S&P Municipal Bond 20-Year High Grade Rate Index and Fidelity 20-Year GO Municipal Bond Index.

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

Mortality rates were based on:

General: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021

Public Safety: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021

Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021

## Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at December 31, 2023	\$ 37,641,951
Changes for the year:	
Service cost	1,797,256
Interest	1,543,675
Differences between expected and actual experience	(1,476,101)
Changes in assumptions or other inputs	(2,254,283)
Benefit payments	<u>(1,711,398)</u>
Net changes	<u>(2,100,851)</u>
Balances at December 31, 2024	<u>\$ 35,541,100</u>

## Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28%) or 1-percentage-point higher (5.28%) than the current discount rate:

	<u>1% Decrease (3.28%)</u>	<u>Discount Rate (4.28%)</u>	<u>1% Increase (5.28%)</u>
Net OPEB liability	\$ 38,589,210	\$ 35,541,100	\$ 32,763,738

## Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.5% decreasing to 3.5%) or 1-percentage-point higher (9.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	<u>1% Decrease (7.5% Decreasing to 3.5%)</u>	<u>Healthcare Cost Trend Rates (8.5% Decreasing to 4.5%)</u>	<u>1% Increase (9.5% Decreasing to 5.5%)</u>
Net OPEB liability	\$ 32,077,810	\$ 35,541,100	\$ 39,608,166

# City of Mishawaka, Indiana

Notes to Financial Statements  
December 31, 2024

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

For the year ended December 31, 2024, the City recognized OPEB expense of \$1,425,285. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 791,003	\$ 7,970,428
Changes of assumptions or other inputs	<u>2,703,084</u>	<u>5,252,495</u>
Total	<u>\$ 3,494,087</u>	<u>\$ 13,222,923</u>

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

<u>Years Ending December 31:</u>	<u>Balance</u>
2025	\$ (3,046,989)
2026	(3,634,357)
2027	(1,669,745)
2028	(922,047)
2029	5,298
Thereafter	(460,996)

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Mishawaka, Indiana**

Required Supplementary Information  
 Budgetary Comparison Schedule (Non-GAAP Budgetary Basis)  
 General Fund  
 Year Ended December 31, 2024

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Property	\$ 23,454,566	\$ 23,454,566	\$ 25,367,033	\$ 1,912,467
Income	4,304,909	4,304,909	4,962,500	657,591
Licenses and permits	885,350	885,350	1,084,719	199,369
Intergovernmental	2,063,182	2,063,182	2,185,508	122,326
Fines and forfeits	16,000	16,000	34,947	18,947
Charges for services	1,545,600	1,545,600	2,540,808	995,208
Sale and use of property	-	-	31,775	31,775
Reimbursements	425,000	425,000	1,374,164	949,164
Interest	800,000	800,000	2,379,236	1,579,236
Miscellaneous	-	-	2,664	2,664
Total revenues	<u>33,494,607</u>	<u>33,494,607</u>	<u>39,963,354</u>	<u>6,468,747</u>
<b>Expenditures</b>				
Current:				
General government:				
Mayor:				
Personal services	194,082	258,282	253,020	5,262
Supplies	1,000	1,000	1,128	(128)
Other services and charges	19,000	19,161	18,751	410
City clerk:				
Personal services	183,567	236,367	220,913	15,454
Supplies	4,000	9,649	6,467	3,182
Other services and charges	24,350	26,912	16,778	10,134
Central services:				
Personal services	946,389	1,294,427	1,155,094	139,333
Supplies	1,194,550	1,165,718	1,018,073	147,645
Other services and charges	159,580	204,178	175,409	28,769
Common council:				
Personal services	147,763	338,263	337,737	526
Supplies	1,500	1,593	1,381	212
Other services and charges	16,500	17,170	15,735	1,435
Controller:				
Personal services	2,936,169	1,655,303	1,568,783	86,520
Supplies	15,000	16,058	12,075	3,983
Other services and charges	2,547,500	2,575,694	2,208,787	366,907
Capital outlay	500,000	501,726	498,279	3,447
Other financing uses	-	-	10,091	(10,091)
Human resources:				
Personal services	114,256	189,634	177,125	12,509
Supplies	1,000	1,000	1,000	-
Other services and charges	103,500	114,923	110,899	4,024
Information technology:				
Personal services	447,825	558,225	541,595	16,630
Supplies	20,000	20,000	8,278	11,722
Other services and charges	23,000	23,000	7,584	15,416
Cemetery:				
Other services and charges	30,000	30,000	-	30,000
Legal:				
Personal services	133,976	152,575	97,041	55,534
Supplies	1,000	1,000	77	923
Other services and charges	57,500	57,929	17,593	40,336
Planning:				
Personal services	337,186	467,986	467,892	94
Supplies	5,000	5,065	1,369	3,696
Other services and charges	12,500	14,018	6,069	7,949
Total general government	<u>10,177,693</u>	<u>9,956,856</u>	<u>8,955,023</u>	<u>1,001,833</u>

See notes to required supplementary information

**City of Mishawaka, Indiana**

Required Supplementary Information  
 Budgetary Comparison Schedule (Non-GAAP Budgetary Basis)  
 General Fund  
 Year Ended December 31, 2024

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Police:				
Personal services	\$ 15,470,335	\$ 15,727,076	\$ 15,400,762	\$ 326,314
Supplies	121,000	140,202	124,033	16,169
Other services and charges	186,600	328,224	190,186	138,038
Fire:				
Personal services	15,867,124	16,161,606	15,690,605	471,001
Supplies	472,000	528,113	355,202	172,911
Other services and charges	358,800	369,022	283,238	85,784
Building department:				
Personal services	255,885	366,285	366,285	-
Supplies	2,000	2,000	698	1,302
Other services and charges	5,900	5,900	3,917	1,983
Code enforcement:				
Personal services	402,178	567,053	566,778	275
Supplies	3,500	4,805	4,484	321
Other services and charges	45,200	45,257	19,639	25,618
Total public safety	<u>33,190,522</u>	<u>34,245,543</u>	<u>33,005,827</u>	<u>1,239,716</u>
Highways and streets:				
Engineering:				
Personal services	470,522	583,022	571,173	11,849
Supplies	8,000	8,126	1,937	6,189
Other services and charges	19,250	21,150	6,553	14,597
Total highways and streets	<u>497,772</u>	<u>612,298</u>	<u>579,663</u>	<u>32,635</u>
Community development:				
Redevelopment:				
Personal services	251,930	315,530	233,753	81,777
Supplies	1,000	1,000	-	1,000
Other services and charges	135,200	135,200	85,135	50,065
Total community development	<u>388,130</u>	<u>451,730</u>	<u>318,888</u>	<u>132,842</u>
Total expenditures	<u>44,254,117</u>	<u>45,266,427</u>	<u>42,859,401</u>	<u>2,407,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,759,510)</u>	<u>(11,771,820)</u>	<u>(2,896,047)</u>	<u>8,875,773</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>4,234,964</u>	<u>4,234,964</u>	<u>3,762,096</u>	<u>(472,868)</u>
Total other financing sources (uses)	<u>4,234,964</u>	<u>4,234,964</u>	<u>3,762,096</u>	<u>(472,868)</u>
Net changes in fund balances	(6,524,546)	(7,536,856)	866,049	8,402,905
<b>Fund Balance, Beginning</b>	<u>16,495,388</u>	<u>14,931,797</u>	<u>15,487,924</u>	<u>556,127</u>
<b>Fund Balance, Ending</b>	<u>\$ 9,970,842</u>	<u>\$ 7,394,941</u>	<u>\$ 16,353,973</u>	<u>\$ 8,959,032</u>

See notes to required supplementary information.

**City of Mishawaka, Indiana**

Required Supplementary Information

Budget/GAAP Reconciliation

General Fund

Year Ended December 31, 2024

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).
- c. Expenditures are recorded as expenditures for budgetary purposes when purchase orders are issued.

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	<u>General</u>
Net changes in fund balances (budgetary basis)	\$ 866,049
Adjustments:	
To adjust revenues for accruals	(89,191)
To adjust expenditures for accruals	(65,200)
To adjust expenditures for encumbrances	<u>349,815</u>
Net change in fund balances (GAAP basis)	<u>\$ 1,061,473</u>

**City of Mishawaka, Indiana**

Required Supplementary Information  
Schedule of the City's Proportionate Share of the Net Pension Liability -  
Public Employees' Retirement Fund  
Available Data: Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.0013044	0.0012963	0.0013449	0.0012841	0.0012836	0.0012883	0.0012780	0.0013270	0.0013284	0.0014061
City's proportionate share of the net pension liability	\$ 5,258,019	\$ 4,575,076	\$ 4,241,589	\$ 1,689,681	\$ 3,876,978	\$ 4,257,914	\$ 4,341,424	\$ 5,920,468	\$ 6,028,870	\$ 5,726,908
City's covered payroll	\$ 8,761,555	\$ 8,149,593	\$ 7,740,030	\$ 7,079,921	\$ 6,929,442	\$ 6,712,240	\$ 6,521,331	\$ 6,583,570	\$ 6,366,358	\$ 6,734,743
City's proportionate share of the net pension liability as a percentage of its covered payroll	60.01%	56.14%	54.80%	23.87%	55.95%	63.44%	66.57%	89.93%	94.70%	85.04%
Plan fiduciary net position as a percentage of total pension liability	79.50%	80.80%	82.50%	92.50%	81.40%	80.10%	78.90%	72.70%	71.20%	73.30%

Note: Information is presented for the reporting entity. Allocations between Governmental and Business-Type activities are shown in the notes to the financial statements.

*See notes to required supplementary information*

**City of Mishawaka, Indiana**

Required Supplementary Information  
Schedule of City Contributions -  
Public Employees' Retirement Fund  
Available Data: Last 10 Calendar Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 978,619	\$ 908,385	\$ 868,010	\$ 825,946	\$ 769,773	\$ 745,596	\$ 722,847	\$ 731,175	\$ 707,253	\$ 748,561
Contributions in relation to the contractually required contribution	<u>(978,619)</u>	<u>(908,385)</u>	<u>(868,010)</u>	<u>(825,946)</u>	<u>(769,773)</u>	<u>(745,596)</u>	<u>(722,847)</u>	<u>(731,175)</u>	<u>(707,253)</u>	<u>(748,561)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
City's covered payroll	\$ 8,737,670	\$ 8,110,578	\$ 7,750,088	\$ 7,374,517	\$ 6,615,318	\$ 6,612,204	\$ 6,597,594	\$ 6,263,435	\$ 6,376,627	\$ 6,515,060
Contributions as a percentage of covered payroll	11.20%	11.20%	11.20%	11.20%	11.64%	11.28%	10.96%	11.67%	11.09%	11.49%

Note: Information is presented for the reporting entity. Allocations between Governmental and Business-Type activities are shown in the notes to the financial statements.

See notes to required supplementary information

**City of Mishawaka, Indiana**

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability -

Police Officers' 1977 Fund

Available Data: Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.0065665	0.0060182	0.0065895	0.0067410	0.0065912	0.0067964	0.0068926	0.0072750	0.0071511	0.0071297
Proportionate share of the net pension liability (asset)	\$ 8,292,844	\$ 6,165,230	\$ 4,269,020	\$ (3,984,033)	\$ 1,600,395	\$ 62,635	\$ (605,936)	\$ (112,220)	\$ 635,282	\$ (1,053,200)
Covered payroll	\$ 7,504,757	\$ 6,538,742	\$ 6,660,891	\$ 6,400,009	\$ 6,111,923	\$ 6,007,566	\$ 5,804,845	\$ 5,897,944	\$ 5,526,966	\$ 5,316,603
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	110.50%	94.29%	64.09%	-62.25%	26.18%	1.04%	-10.44%	-1.90%	11.49%	-19.81%
Plan fiduciary net position as a percentage of total pension liability	86.80%	88.40%	92.20%	107.80%	96.40%	99.90%	101.50%	100.30%	98.20%	103.20%

*See notes to required supplementary information*

**City of Mishawaka, Indiana**

Required Supplementary Information  
Schedule of City Contributions -  
Police Officers' 1977 Fund  
Available Data: Last 10 Calendar Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,637,374	\$ 1,192,994	\$ 1,148,407	\$ 1,142,332	\$ 1,069,574	\$ 1,051,317	\$ 1,015,850	\$ 1,099,360	\$ 1,088,820	\$ 1,047,375
Contributions in relation to the contractually required contribution	<u>(1,637,374)</u>	<u>(1,192,994)</u>	<u>(1,148,407)</u>	<u>(1,142,332)</u>	<u>(1,069,574)</u>	<u>(1,051,317)</u>	<u>(1,015,850)</u>	<u>(1,099,360)</u>	<u>(1,088,820)</u>	<u>(1,047,375)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
City's covered payroll	\$ 8,065,881	\$ 6,627,742	\$ 6,562,323	\$ 6,527,611	\$ 7,461,211	\$ 7,152,682	\$ 5,302,532	\$ 5,663,477	\$ 5,434,709	\$ 5,243,094
Contributions as a percentage of covered payroll	20.30%	18.00%	17.50%	17.50%	14.34%	14.70%	19.16%	19.41%	20.03%	19.98%

See notes to required supplementary information

**City of Mishawaka, Indiana**

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability -

Firefighters' 1977 Fund

Available Data: Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.0069666	0.0067490	0.0069490	0.0068542	0.0069072	0.0069997	0.0073905	0.0073905	0.0071635	0.0073620
City's proportionate share of the net pension liability (asset)	\$ 8,798,131	\$ 6,913,884	\$ 4,501,922	\$ (4,050,937)	\$ 1,677,122	\$ 64,509	\$ (615,220)	\$ (114,001)	\$ 636,383	\$ (1,087,515)
City's covered payroll	\$ 7,961,988	\$ 7,332,678	\$ 7,024,193	\$ 6,507,511	\$ 6,405,018	\$ 6,187,260	\$ 5,893,797	\$ 5,991,548	\$ 5,536,602	\$ 5,489,804
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	110.50%	94.29%	64.09%	-62.25%	26.18%	1.04%	-10.44%	-1.90%	11.49%	-19.81%
Plan fiduciary net position as a percentage of total pension liability	86.80%	88.40%	92.20%	107.80%	96.40%	99.90%	101.50%	100.30%	98.20%	103.20%

*See notes to required supplementary information*

**City of Mishawaka, Indiana**

Required Supplementary Information

Schedule of City Contributions -

Firefighters' 1977 Fund

Available Data: Last 10 Calendar Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,551,619	\$ 1,363,462	\$ 1,263,924	\$ 1,190,537	\$ 1,120,884	\$ 1,131,606	\$ 1,031,420	\$ 1,116,201	\$ 1,090,710	\$ 1,081,481
Contributions in relation to the contractually required contribution	<u>(1,551,619)</u>	<u>(1,363,462)</u>	<u>(1,263,924)</u>	<u>(1,190,537)</u>	<u>(1,120,884)</u>	<u>(1,082,771)</u>	<u>(1,031,420)</u>	<u>(1,116,201)</u>	<u>(1,090,710)</u>	<u>(1,081,481)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 48,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
City's covered payroll	\$ 7,961,988	\$ 7,574,787	\$ 7,222,421	\$ 6,803,069	\$ 7,733,297	\$ 7,596,554	\$ 5,354,904	\$ 5,767,526	\$ 5,670,591	\$ 5,603,416
Contributions as a percentage of covered payroll	20.30%	18.00%	17.50%	17.50%	14.49%	14.25%	19.26%	19.35%	19.23%	19.30%

*See notes to required supplementary information*

**City of Mishawaka, Indiana**

Required Supplementary Information  
 Schedule of Changes in Net Pension Liability and Related Ratios  
 Available Data: Last 10 Calendar Years

<b>1925 Police Officers' Pension Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total pension liability:										
Total pension liability, beginning of year	\$ 11,836,094	\$ 11,615,491	\$ 15,774,656	\$ 16,968,702	\$ 17,725,332	\$ 16,936,338	\$ 18,095,597	\$ 17,519,874	\$ 20,074,686	\$ 20,977,077
Service cost	-	-	-	-	-	-	29,111	25,219	30,691	29,939
Interest cost	512,716	475,407	211,105	241,017	367,782	503,407	486,154	562,636	489,297	513,029
Experience (gains)/losses	2,658,475	-	-	-	201,289	(29,018)	227,404	547,357	(606,418)	1,711
Assumption changes	(466,222)	486,028	(32,636)	(179,109)	(6,023)	1,541,162	(554,336)	795,978	(1,111,822)	(60,691)
Plan amendments	-	384,177	(3,228,393)	(28,075)	-	110,206	-	-	-	-
Projected benefit payments	(1,349,479)	(1,125,009)	(1,109,241)	(1,227,879)	(1,319,678)	(1,336,763)	(1,347,592)	(1,355,467)	(1,356,560)	(1,386,379)
Total pension liability, end of year	<u>\$ 13,191,584</u>	<u>\$ 11,836,094</u>	<u>\$ 11,615,491</u>	<u>\$ 15,774,656</u>	<u>\$ 16,968,702</u>	<u>\$ 17,725,332</u>	<u>\$ 16,936,338</u>	<u>\$ 18,095,597</u>	<u>\$ 17,519,874</u>	<u>\$ 20,074,686</u>
Plan fiduciary net position:										
Plan fiduciary net position, beginning of year	\$ 809,529	\$ 785,891	\$ 851,864	\$ 795,240	\$ 803,828	\$ 585,213	\$ 763,592	\$ 756,901	\$ 741,320	\$ 787,611
Employer contributions	-	8,431	-	-	-	-	-	-	-	-
Administrative	(3,000)	(3,000)	(3,000)	(2,999)	(3,000)	(1,500)	(3,000)	-	(35)	(4,450)
Nonemployer contributing entity contributions	1,331,001	1,124,738	1,045,997	1,224,258	1,306,969	1,504,630	1,340,080	1,359,986	1,379,034	1,364,012
Actual benefit payments	(1,289,088)	(1,106,531)	(1,108,970)	(1,164,635)	(1,312,557)	(1,284,515)	(1,515,459)	(1,353,295)	(1,363,418)	(1,405,853)
Plan fiduciary net position, end of year	<u>\$ 848,442</u>	<u>\$ 809,529</u>	<u>\$ 785,891</u>	<u>\$ 851,864</u>	<u>\$ 795,240</u>	<u>\$ 803,828</u>	<u>\$ 585,213</u>	<u>\$ 763,592</u>	<u>\$ 756,901</u>	<u>\$ 741,320</u>
Net pension liability	<u>\$ 12,343,142</u>	<u>\$ 11,026,565</u>	<u>\$ 10,829,600</u>	<u>\$ 14,922,792</u>	<u>\$ 16,173,462</u>	<u>\$ 16,921,504</u>	<u>\$ 16,351,125</u>	<u>\$ 17,332,005</u>	<u>\$ 16,762,973</u>	<u>\$ 19,333,366</u>
<b>1937 Firefighters' Pension</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total pension liability:										
Total pension liability, beginning of year	\$ 20,234,994	\$ 20,385,408	\$ 25,736,272	\$ 26,749,822	\$ 27,865,364	\$ 26,271,884	\$ 27,182,688	\$ 27,573,516	\$ 31,563,080	\$ 34,780,160
Interest cost	760,082	815,027	363,654	392,697	580,210	791,672	753,705	843,915	783,385	830,569
Experience (gains)/losses	1,279,848	371,529	1,411,603	565,477	353,573	252,684	1,245,739	(433,951)	(825,334)	(1,706,681)
Assumption changes	(622,510)	612,468	(5,154,649)	(52,174)	(91,288)	2,414,108	(868,298)	1,223,513	(1,791,378)	(97,894)
Plan amendments	-	-	-	-	-	108,564	-	-	-	-
Projected benefit payments	(2,054,923)	(1,949,438)	(1,971,472)	(1,919,550)	(1,958,037)	(1,973,548)	(2,041,950)	(2,024,305)	(2,156,237)	(2,243,074)
Total pension liability, end of year	<u>\$ 19,597,491</u>	<u>\$ 20,234,994</u>	<u>\$ 20,385,408</u>	<u>\$ 25,736,272</u>	<u>\$ 26,749,822</u>	<u>\$ 27,865,364</u>	<u>\$ 26,271,884</u>	<u>\$ 27,182,688</u>	<u>\$ 27,573,516</u>	<u>\$ 31,563,080</u>
Plan fiduciary net position:										
Plan fiduciary net position, beginning of year	\$ 842,138	\$ 957,887	\$ 935,553	\$ 960,391	\$ 946,597	\$ 1,015,084	\$ 955,915	\$ 953,399	\$ 980,987	\$ 1,003,077
Administration	(6,750)	(6,750)	(6,000)	(7,650)	(6,750)	(6,751)	(7,914)	-	(100)	(7,875)
Nonemployer contributing entity contributions	2,152,778	1,938,294	1,988,662	1,919,552	1,975,083	1,928,858	2,064,343	2,059,663	2,171,516	2,241,138
Actual benefit payments	(2,033,460)	(2,047,293)	(1,960,328)	(1,936,740)	(1,954,539)	(1,990,594)	(1,997,260)	(2,057,147)	(2,199,004)	(2,255,353)
Plan fiduciary net position, end of year	<u>\$ 954,706</u>	<u>\$ 842,138</u>	<u>\$ 957,887</u>	<u>\$ 935,553</u>	<u>\$ 960,391</u>	<u>\$ 946,597</u>	<u>\$ 1,015,084</u>	<u>\$ 955,915</u>	<u>\$ 953,399</u>	<u>\$ 980,987</u>
Net pension liability	<u>\$ 18,642,785</u>	<u>\$ 19,392,856</u>	<u>\$ 19,427,521</u>	<u>\$ 24,800,719</u>	<u>\$ 25,789,431</u>	<u>\$ 26,918,767</u>	<u>\$ 25,256,800</u>	<u>\$ 26,226,773</u>	<u>\$ 26,620,117</u>	<u>\$ 30,582,093</u>

See notes to required supplementary information

**City of Mishawaka, Indiana**

Required Supplementary Information  
 Schedule of Changes in Net Pension Liability and Related Ratios  
 Available Data: Last 10 Calendar Years

<u>Utilities Pension</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:										
Total pension liability, beginning of year	\$ 29,113,443	\$ 28,262,126	\$ 27,262,177	\$ 25,872,578	\$ 25,200,949	\$ 23,690,327	\$ 23,001,227	\$ 22,338,927	\$ 22,565,043	\$ 21,966,679
Service cost	869,921	860,551	801,903	656,666	599,489	581,919	578,732	572,487	531,666	551,697
Interest cost	1,832,246	1,777,117	1,709,672	1,744,869	1,696,384	1,588,963	1,551,071	1,508,344	1,520,132	1,482,659
Experience (gains)/losses	(432,118)	(514,703)	(202,110)	(1,204,137)	(291,266)	(419,816)	(257,443)	(237,501)	(931,461)	(135,067)
Assumption changes	-	-	-	1,446,368	(98,218)	1,111,060	(73,486)	(136,901)	(282,632)	(279,902)
Plan amendments	(1,232,167)	(1,271,648)	(1,309,516)	(1,254,167)	(1,234,760)	(1,351,504)	(1,109,774)	(1,044,129)	(1,063,821)	(1,021,023)
Total pension liability, end of year	<u>\$ 30,151,325</u>	<u>\$ 29,113,443</u>	<u>\$ 28,262,126</u>	<u>\$ 27,262,177</u>	<u>\$ 25,872,578</u>	<u>\$ 25,200,949</u>	<u>\$ 23,690,327</u>	<u>\$ 23,001,227</u>	<u>\$ 22,338,927</u>	<u>\$ 22,565,043</u>
Plan fiduciary net position:										
Plan fiduciary net position, beginning of year	\$ 28,011,320	\$ 24,306,994	\$ 29,452,259	\$ 26,561,211	\$ 23,318,947	\$ 20,014,789	\$ 21,292,912	\$ 18,510,885	\$ 17,431,518	\$ 17,659,728
Employer contributions	1,125,000	1,114,550	1,037,151	1,215,067	1,175,200	1,041,600	1,057,700	1,094,354	1,047,200	1,025,201
Investment return	2,995,714	3,949,950	(4,784,801)	3,018,367	3,377,094	3,685,334	(1,148,432)	2,789,417	1,153,814	(173,954)
Actual benefit payments	(1,232,167)	(1,271,648)	(1,309,516)	(1,254,167)	(1,234,760)	(1,351,504)	(1,109,774)	(1,044,129)	(1,063,821)	(1,021,023)
Administrative and project expenses	(93,378)	(88,526)	(88,099)	(88,219)	(75,270)	(71,272)	(77,617)	(57,615)	(57,826)	(58,434)
Plan fiduciary net position, end of year	<u>\$ 30,806,489</u>	<u>\$ 28,011,320</u>	<u>\$ 24,306,994</u>	<u>\$ 29,452,259</u>	<u>\$ 26,561,211</u>	<u>\$ 23,318,947</u>	<u>\$ 20,014,789</u>	<u>\$ 21,292,912</u>	<u>\$ 18,510,885</u>	<u>\$ 17,431,518</u>
Net pension liability (asset)	<u>\$ (655,164)</u>	<u>\$ 1,102,123</u>	<u>\$ 3,955,132</u>	<u>\$ (2,190,082)</u>	<u>\$ (688,633)</u>	<u>\$ 1,882,002</u>	<u>\$ 3,675,538</u>	<u>\$ 1,708,315</u>	<u>\$ 3,828,042</u>	<u>\$ 5,133,525</u>

See notes to required supplementary information

**City of Mishawaka, Indiana**

Required Supplementary Information  
 Schedule of Changes in the City's Net Pension Liability and Related Ratios  
 Available Data: Last 10 Calendar Years

<b>1925 Police Officers' Pension Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total pension liability	\$ 13,191,584	\$ 11,836,094	\$ 11,615,491	\$ 15,774,656	\$ 16,968,702	\$ 17,725,332	\$ 16,936,338	\$ 18,095,597	\$ 17,519,874	\$ 20,074,686
Less plan fiduciary net position	(848,442)	(809,529)	(785,891)	(851,864)	(795,240)	(803,828)	(585,213)	(763,592)	(756,901)	(741,320)
Net pension liability	<u>\$ 12,343,142</u>	<u>\$ 11,026,565</u>	<u>\$ 10,829,600</u>	<u>\$ 14,922,792</u>	<u>\$ 16,173,462</u>	<u>\$ 16,921,504</u>	<u>\$ 16,351,125</u>	<u>\$ 17,332,005</u>	<u>\$ 16,762,973</u>	<u>\$ 19,333,366</u>
Plan fiduciary net position as a percentage of the total pension liability	6.43%	6.84%	6.77%	5.40%	4.69%	4.53%	3.46%	4.22%	4.32%	3.69%
Covered payroll	**	**	**	**	**	**	**	**	**	**
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>1937 Firefighters' Pension Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total pension liability	\$ 19,597,491	\$ 20,234,994	\$ 20,385,408	\$ 25,736,272	\$ 26,749,822	\$ 27,865,364	\$ 26,271,884	\$ 27,182,688	\$ 27,573,516	\$ 31,563,080
Less plan fiduciary net position	(954,706)	(842,138)	(957,887)	(935,553)	(960,391)	(946,597)	(1,015,084)	(955,915)	(953,399)	(980,987)
Net pension liability	<u>\$ 18,642,785</u>	<u>\$ 19,392,856</u>	<u>\$ 19,427,521</u>	<u>\$ 24,800,719</u>	<u>\$ 25,789,431</u>	<u>\$ 26,918,767</u>	<u>\$ 25,256,800</u>	<u>\$ 26,226,773</u>	<u>\$ 26,620,117</u>	<u>\$ 30,582,093</u>
Plan fiduciary net position as a percentage of the total pension liability	4.87%	4.16%	4.70%	3.64%	3.59%	3.40%	3.86%	3.52%	3.46%	3.11%
Covered payroll	**	**	**	**	**	**	**	**	**	**
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Utilities Pension Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total pension liability (asset)	\$ 30,151,325	\$ 29,113,443	\$ 28,262,126	\$ 27,262,177	\$ 25,872,578	\$ 25,200,949	\$ 23,690,327	\$ 23,001,227	\$ 22,338,927	\$ 22,565,043
Less plan fiduciary net position	(30,806,489)	(28,011,320)	(24,306,994)	(29,452,259)	(26,561,211)	(23,318,947)	(20,014,789)	(21,292,912)	(18,510,885)	(17,431,516)
Net pension liability (asset)	<u>\$ (655,164)</u>	<u>\$ 1,102,123</u>	<u>\$ 3,955,132</u>	<u>\$ (2,190,082)</u>	<u>\$ (688,633)</u>	<u>\$ 1,882,002</u>	<u>\$ 3,675,538</u>	<u>\$ 1,708,315</u>	<u>\$ 3,828,042</u>	<u>\$ 5,133,527</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.17%	96.21%	86.01%	108.03%	102.66%	92.53%	84.49%	92.57%	82.86%	77.25%
Covered payroll	\$ 8,527,261	\$ 8,171,855	\$ 8,062,830	\$ 7,492,147	\$ 7,010,376	\$ 6,279,655	\$ 6,396,977	\$ 6,211,193	\$ 6,012,037	\$ 6,119,311
Net pension liability (asset) as a percentage of covered payroll	-7.68%	13.49%	49.05%	-29.23%	-9.82%	29.97%	57.46%	27.50%	63.67%	83.89%

See notes to required supplementary information

**City of Mishawaka, Indiana**

Required Supplementary Information  
 Schedule of Contributions  
 Available Data: Last 10 Calendar Years

<b>1925 Police Officers' Pension Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 1,289,088	\$ 1,106,531	\$ 1,108,970	\$ 1,164,635	\$ 1,312,557	\$ 1,284,515	\$ 1,515,459	\$ 1,347,955	\$ 1,358,078	\$ 1,405,853
Less contributions in relation to the actuarially determined contribution	<u>(1,289,088)</u>	<u>(1,106,531)</u>	<u>(1,108,970)</u>	<u>(1,164,635)</u>	<u>(1,312,557)</u>	<u>(1,284,515)</u>	<u>(1,515,459)</u>	<u>(1,347,955)</u>	<u>(1,358,078)</u>	<u>(1,405,853)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	**	**	**	**	**	**	**	**	**	**
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>1937 Firefighters' Pension Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 2,033,460	\$ 2,047,293	\$ 1,960,328	\$ 1,936,740	\$ 1,954,539	\$ 1,990,594	\$ 1,997,260	\$ 2,046,698	\$ 2,188,594	\$ 2,255,353
Less contributions in relation to the actuarially determined contribution	<u>(2,033,460)</u>	<u>(2,047,293)</u>	<u>(1,960,328)</u>	<u>(1,936,740)</u>	<u>(1,954,539)</u>	<u>(1,990,594)</u>	<u>(1,997,260)</u>	<u>(2,046,698)</u>	<u>(2,188,594)</u>	<u>(2,255,353)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	**	**	**	**	**	**	**	**	**	**
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Utilities Pension Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 1,018,351	\$ 1,007,941	\$ 954,718	\$ 881,611	\$ 959,444	\$ 905,591	\$ 882,692	\$ 910,977	\$ 956,702	\$ 1,012,206
Less contributions in relation to the actuarially determined contribution	<u>(1,125,000)</u>	<u>(1,114,550)</u>	<u>(1,037,151)</u>	<u>(1,215,067)</u>	<u>(1,175,200)</u>	<u>(1,041,600)</u>	<u>(1,057,700)</u>	<u>(1,094,354)</u>	<u>(1,047,200)</u>	<u>(1,025,201)</u>
Contribution deficiency (excess)	<u>\$ (106,649)</u>	<u>\$ (106,609)</u>	<u>\$ (82,433)</u>	<u>\$ (333,456)</u>	<u>\$ (215,756)</u>	<u>\$ (136,009)</u>	<u>\$ (175,008)</u>	<u>\$ (183,377)</u>	<u>\$ (90,498)</u>	<u>\$ (12,995)</u>
Covered employee payroll	\$ 8,083,843	\$ 7,899,013	\$ 8,062,830	\$ 7,492,147	\$ 7,010,376	\$ 6,279,655	\$ 6,396,977	\$ 6,211,193	\$ 6,012,037	\$ 6,119,311
Contributions as a percentage of covered employee payroll	13.92%	14.11%	12.86%	16.22%	16.76%	16.59%	16.53%	17.62%	17.42%	16.75%

**Notes to Statement:**

\*\* Not available.

See notes to required supplementary information

**City of Mishawaka, Indiana**

Required Supplementary Information  
Schedule of Investment Returns  
Available Data: Last 10 Calendar Years

<b>1925 Police Officers' Pension Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Annual money-weighted rate of return, net of investment expense	N/A **									
<b>1937 Firefighters' Pension Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Annual money-weighted rate of return, net of investment expense	N/A **									
<b>Utilities Pension Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Annual money-weighted rate of return, net of investment expense	10.73%	16.34%	-16.53%	11.36%	14.52%	18.63%	-5.41%	15.07%	6.64%	-1.30%

**Notes to Statement:**

\*\* The City pension funds do not have investments and, therefore, no returns on investment to report.

**City of Mishawaka, Indiana**

Required Supplementary Information  
 Schedule of Changes in Net OPEB Liability  
 Available Data: Last 7 Calendar Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Net OPEB Liability</b>							
Total OPEB Liability							
Service cost	\$ 1,797,256	\$ 1,511,505	\$ 2,124,608	\$ 2,340,926	\$ 2,447,315	\$ 1,975,381	\$ 2,763,976
Interest	1,543,675	1,430,242	883,650	914,698	1,782,982	1,979,760	2,000,815
Change in plan provisions	-	-	(419,464)	-	-	-	-
Differences between expected and actual experience	(2,254,283)	2,718,098	(4,945,394)	(395,998)	(995,205)	(539,974)	(7,188,975)
Changes in assumptions	(1,476,101)	1,054,671	(1,546,039)	(4,837,879)	(12,757,077)	4,651,552	(4,845,588)
Benefit payments	(1,711,398)	(1,475,078)	(1,677,877)	(1,679,029)	(2,148,940)	(1,879,944)	(1,993,055)
Net change in total OPEB liability	(2,100,851)	5,239,438	(5,580,516)	(3,657,282)	(11,670,925)	6,186,775	(9,262,827)
Total OPEB liability, beginning of year	37,641,951	32,402,513	37,983,029	41,640,311	53,311,236	47,124,461	56,387,288
Total OPEB liability, end of year (1)	<u>\$ 35,541,100</u>	<u>\$ 37,641,951</u>	<u>\$ 32,402,513</u>	<u>\$ 37,983,029</u>	<u>\$ 41,640,311</u>	<u>\$ 53,311,236</u>	<u>\$ 47,124,461</u>
<b>Plan Fiduciary Net Position</b>							
Contributions	\$ 1,711,398	\$ 1,475,078	\$ 1,677,877	\$ 1,679,029	\$ 2,148,940	\$ 1,879,944	\$ 1,993,055
Net investment income	-	-	-	-	-	-	-
Benefit payments	(1,711,398)	(1,475,078)	(1,677,877)	(1,679,029)	(2,148,940)	(1,879,944)	(1,993,055)
Net change in plan fiduciary net position	-	-	-	-	-	-	-
<b>Plan Fiduciary Net Position, Beginning (1)</b>	-	-	-	-	-	-	-
<b>Plan Fiduciary Net Position, Ending (2)</b>	-	-	-	-	-	-	-
Total OPEB liability, end of year (1) - (2)	<u>\$ 35,541,100</u>	<u>\$ 37,641,951</u>	<u>\$ 32,402,513</u>	<u>\$ 37,983,029</u>	<u>\$ 41,640,311</u>	<u>\$ 53,311,236</u>	<u>\$ 47,124,461</u>

**Notes to Statement:**

Information presented for the years information is available.

**City of Mishawaka, Indiana**

Required Supplementary Information  
Schedule of Net OPEB Liability  
Available Data: Last 8 Calendar Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
1. Total OPEB Liability	\$ 35,541,100	\$ 37,641,951	\$ 32,402,513	\$ 37,983,029	\$ 41,640,311	\$ 53,311,236	\$ 47,124,461	\$ 84,306,691
2. Plan Fiduciary Net Position	-	-	-	-	-	-	-	-
3. Total OPEB Liability	<u>\$ 35,541,100</u>	<u>\$ 37,641,951</u>	<u>\$ 32,402,513</u>	<u>\$ 37,983,029</u>	<u>\$ 41,640,311</u>	<u>\$ 53,311,236</u>	<u>\$ 47,124,461</u>	<u>\$ 84,306,691</u>
4. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability = (2) / (1)	0%	0%	0%	0%	0%	0%	0%	0%
5. Covered Payroll	\$ 38,124,126	\$ 34,732,755	\$ 30,294,787	\$ 29,618,045	\$ 28,825,348	N/A	N/A	\$ 28,924,333
6. Total OPEB Liability as a Percentage of Covered-Employee Payroll = (3) / (5)	93.2%	108.4%	107.0%	128.2%	144.5%	N/A	N/A	291.5%

**Notes to Statement:**

Information presented for the years information is available.

*See notes to required supplementary information*

**City of Mishawaka, Indiana**

Required Supplementary Information  
 Schedule of Employer Contributions  
 Available Data: Last 7 Calendar Years

<u>OPEB Contributions</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution**	\$ 1,711,398	\$ 1,475,078	\$ 1,677,877	\$ 1,679,029	\$ 2,148,940	\$ 1,879,944	\$ 1,993,055
Actual employer contributions	<u>1,711,398</u>	<u>1,475,078</u>	<u>1,677,877</u>	<u>1,679,029</u>	<u>2,148,940</u>	<u>1,879,944</u>	<u>1,993,055</u>
Contribution deficiency (excess)	<u>\$ -</u>						
Covered employee payroll	N/A						
Contributions as a percentage of covered - employee payroll	N/A						

\*\*This is a pay as you go plan, assumed to be the same as the contributions.

**Notes to Statement:**

Information presented for the years information is available.

# City of Mishawaka, Indiana

Notes to Required Supplementary Information  
December 31, 2024

---

## 1. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

- A. After individual meetings with the Common Council and Civil City department heads, the Controller submits to the Common Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing.
- B. Prior to adoption, the City advertises the budget and the Common Council holds a public hearing to obtain taxpayer comments. The Common Council may reduce but not increase the budget from the advertised amounts.
- C. No later than November 1 of each year, the budget for the next year is approved by the Common Council through the passage of an ordinance.
- D. Copies of the budget ordinance and advertisements for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance for their review and approval. The budget becomes legally enacted after the City Controller receives approval from the Indiana Department of Local Government Finance. This approval is required by Indiana Statute and ad valorem property tax rates are to be set by February 15 of the year budgeted. The budget ordinance as approved by the Indiana Department of Local Government Finance becomes the City's expenditures budget. The City's maximum tax levy is restricted by Indiana Law, with certain adjustments and exceptions. If the advertised budget, for funds for which property taxes are levied or for which highway use taxes are received, exceeds the spending and tax limits of the state control laws, an excess levy can be granted by the Indiana Department of Local Government Finance, upon appeal by the City.
- E. The legal level of budgetary control (the level at which expenditures may not exceed appropriations without the governing body's approval) is by object classification for all funds except for the General fund, which is by object classification within each department. The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the Common Council. Any revisions that alter the total appropriations for any fund or any department of the General fund must be approved by the Common Council and, in some instances, by the Indiana Department of Local Government Finance. Formal budgetary integration is required by state statute and is employed as a management control method.
- F. An annual budget was legally adopted for the following twelve governmental funds:

Major funds (1):

General fund

Nonmajor funds:

Special revenue funds (7):

Motor Vehicle Highway (including MVH - Restricted), Local Road and Street, Park and Recreation - Operating, LIT - Public Safety, Law Enforcement Continuing Education and Park Non reverting Operating

Capital projects funds (4):

Cumulative Capital Improvement, Cumulative Sewer, Cumulative Capital Development, and Cumulative Economic Development Income Tax

- G. The City's budgetary process is based upon cash outflows, which is a Non-GAAP basis. Appropriations lapse with the expiration of the budgetary period unless encumbered by a purchase order or contract. Encumbered appropriations are carried over and added to the subsequent year's budget.
- H. Budgeted amounts are as originally adopted, or as amended by the Common Council and approved by the Indiana Department of Local Government Finance in the regular legal manner.
- I. Expenditures did not exceed appropriations for any funds which required legally approved budgets.

## **2. Financial Reporting, Pension Plans**

- A. Plan Amendments (PERF Plan): A 13th check to be paid in fiscal year 2025 was granted. For the actuarial valuation as of June 30, 2024, the postretirement benefit increase assumption was changed due to the passage of House Enrolled Act No. 1004. In lieu of a select and ultimate COLA assumption of 0.4% until 2034, 0.5% until 2039, and 0.6% in 2039 and thereafter, the act requires supplemental benefit funding for an inflation-indexed 13th check for participants who commence prior to July 1, 2025 and a 1% COLA for commencements thereafter. No additional benefits have yet been granted beyond this fiscal year 2025 13th check.

Assumptions: The COLA assumption was revised following the passage of HEA 1004-2024.

PERF Plan:

- a) The actuarial assumptions and methods used in the June 30, 2024 valuation of the Public Employees' Defined Benefit Account were adopted by the INPRS Board in April 2024. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2024.

1977 Police Officers' and Firefighters' Pension and Disability Fund:

- b) The actuarial assumptions and methods used in the June 30, 2024 valuation of the 1977 Police Officers' and Firefighters' Retirement Fund were adopted by the INPRS board in April 2024. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019, and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2024.

1925 and 1937 Plans:

- c) The discount rate used for the December 31, 2024 valuation was 4.15% based on the Barclay's 20-year Municipal Bond Index. This is an increase from 3.71% used for the December 31, 2023 valuation.

## City of Mishawaka, Indiana

Notes to Required Supplementary Information  
December 31, 2024

---

### C. Method and assumptions used in the calculations of actuarially determined contributions.

The actuarially determined contribution rates in the schedule of the 1937 Firefighters', 1925 Police Officers' and Utility Pension plans contributions are calculated as of December 31, 2024. The following actuarial method and assumptions were used to determine contribution rates reported in their respective schedules:

#### **1937 Firefighters' and 1925 Police Officers' Pension Plans**

Actuarial cost method	Entry Age Normal - Level Percent of Payroll
Amortization method	Level percentage of projected payroll, closed
Remaining amortization period	20 years
Inflation	2.00%
Salary increases	2.65%
Cost-of-Living increases	Nonconverted 2.65% per year in retirement Converted 3.00% on July 1, 2024; 1.95% thereafter
Discount rate	4.15% (Based on Barclay's 20-year Municipal Bond Index rate)
Mortality assumption	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA MP-2019

#### **Utility Pension Plan**

Actuarial cost method	Entry Age Normal - Level Percent of Payroll
Amortization method	Level percentage of projected payroll, open
Remaining amortization period	20 years
Inflation	2.50%
Cost-of-Living increases	3.50% average, including inflation
Discount rate	6.25%
Mortality assumption	Pub-2010 General Amount-Weighted Mortality Projected Generationally with Mortality Improvement Project Scale MP-2021

# City of Mishawaka, Indiana

Notes to Required Supplementary Information

December 31, 2024

## 3. Financial Reporting, OPEB

### A. Method and assumptions used in the calculations of actuarially determined contributions

Cost method	Entry Age Normal Level % of Salary
Amortization method	Not Applicable
Discount rate	4.28% per annum
Discount rate basis	S & P municipal bond 20-year high grade rate index
Inflation rate	2.00% per annum
Investment rate of return	Not applicable since the plan is not currently prefunded
Disability	None
Mortality:	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021, SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021, and SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021
Coverage rate:	Active employees with current coverage with less than 20 years of service at retirement 40%, Pre-Medicare with at least 20 years of service 100%, and post-Medicare with at least 20 years of service 40%; Inactive employees with current coverage that are currently under age 65 100% (decreases to 40% upon reaching age 65), currently over age 65 100%, and inactive employees with no coverage 0% medical benefit & 100% for life insurance benefit

### Retirement rates:

Age	General				Public Safety	
	10 YOS	15 YOS	25 YOS	35+ YOS	Age	All YOS
50	0	4	4	4	50	5 %
55	0	5	5	14	55	15
60	0	12	12	12	60	25
65	30	30	30	30	65	50
70	30	30	30	30	70+	100
75+	100	100	100	100		

# City of Mishawaka, Indiana

Notes to Required Supplementary Information  
December 31, 2024

Turnover:

Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months. The termination rates for general employees are based on the most recent Indiana Public Retirement System Public Employees' Retirement Fund actuarial valuation as of June 30, 2024. The termination rates for public safety employees are based on the most recent Indiana Retirement System 1977 Police Officers' and Firefighters' Retirement Fund actuarial valuation as of June 30, 2024. The assumptions from these state-wide valuations provide reasonable estimates of experience for municipal employers such as the City of Mishawaka.

Sample annual turnover rates are shown below:

<u>YOS</u>	<u>General</u>	<u>Public Safety</u>
0	18.00 %	10.00 %
5	8.00	2.50
10	6.50	1.50
15	5.25	1.00
20	4.00	2.00
25+	3.00	2.00

Per capita costs:

Annual per capita costs were calculated based on 2025 premium equivalent rates by plan actuarially increased using health index factors and current enrollment. The costs are assumed to increase with health care trend rates.

Annual per capita costs are as shown below:

<u>Age</u>	<u>Male</u>	<u>Female</u>
<50	\$ 9,700	\$ 13,300
50-54	\$ 13,500	\$ 15,500
55-59	\$ 18,200	\$ 17,700
60-64	\$ 24,000	\$ 21,700
65-69	\$ 6,600	\$ 6,600
70-74	\$ 8,300	\$ 8,300
75+	\$ 9,400	\$ 9,400

**City of Mishawaka, Indiana**

Notes to Required Supplementary Information  
December 31, 2024

---

Health care trend rates:

<u>FYE</u>	<u>Medical/Rx Pre-65</u>	<u>Medical/Rx Post-65</u>
2025	8.50	6.25
2026	8.00	6.00
2027	7.50	5.75
2028	7.00	5.50
2029	6.50	5.25
2030	6.00	5.00
2031	5.50	4.75
2032	5.00	4.50
2033+	4.50	4.50

## **SUPPLEMENTARY INFORMATION**

## City of Mishawaka, Indiana

Combining Balance Sheet -  
 Nonmajor Governmental Funds  
 December 31, 2024

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 18,818,162	\$ -	\$ 13,436,629	\$ 32,254,791
Receivables:				
Taxes	8,063,149	-	2,214,540	10,277,689
Interest	-	15,210	9,961	25,171
Accounts	171,108	-	255,117	426,225
Intergovernmental	1,856,269	-	29,674	1,885,943
Leases	697,050	-	-	697,050
Restricted:				
Cash and cash equivalents	-	15,457,889	-	15,457,889
<b>Total assets</b>	<b><u>\$ 29,605,738</u></b>	<b><u>\$ 15,473,099</u></b>	<b><u>\$ 15,945,921</u></b>	<b><u>\$ 61,024,758</u></b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 447,720	\$ -	\$ 758,213	\$ 1,205,933
Accrued payroll and withholdings payable	141,176	-	-	141,176
Unearned revenue	834,139	-	-	834,139
<b>Total liabilities</b>	<b><u>1,423,035</u></b>	<b><u>-</u></b>	<b><u>758,213</u></b>	<b><u>2,181,248</u></b>
<b>Deferred Inflows of Resources</b>				
Leases	697,050	-	-	697,050
Unavailable revenue	9,852,052	-	2,244,214	12,096,266
<b>Total deferred inflows of resources</b>	<b><u>10,549,102</u></b>	<b><u>-</u></b>	<b><u>2,244,214</u></b>	<b><u>12,793,316</u></b>
<b>Fund Balances</b>				
Restricted	17,633,601	15,473,099	12,988,644	46,095,344
Unassigned (deficit)	-	-	(45,150)	(45,150)
<b>Total fund balances</b>	<b><u>17,633,601</u></b>	<b><u>15,473,099</u></b>	<b><u>12,943,494</u></b>	<b><u>46,050,194</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 29,605,738</u></b>	<b><u>\$ 15,473,099</u></b>	<b><u>\$ 15,945,921</u></b>	<b><u>\$ 61,024,758</u></b>

## City of Mishawaka, Indiana

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2024

	Special Revenue	Debt Service	Capital Projects	Total
<b>Revenues</b>				
Taxes:				
Property	\$ 3,429,429	\$ -	\$ 738,147	\$ 4,167,576
Income	4,703,896	-	6,614,766	11,318,662
Licenses and permits	54,670	-	143,867	198,537
Intergovernmental	11,318,360	-	125,793	11,444,153
Charges for services	5,259,082	-	634,366	5,893,448
Fines and forfeits	2,627	-	-	2,627
Investment earnings	50,469	594,401	331,835	976,705
Other:				
Donation	196,199	-	-	196,199
Miscellaneous	329,565	284,063	-	613,628
	<u>25,344,297</u>	<u>878,464</u>	<u>8,588,774</u>	<u>34,811,535</u>
Total revenues				
<b>Expenditures</b>				
Current:				
General government	2,111,896	288,563	2,224,384	4,624,843
Public safety	1,025,572	-	751,230	1,776,802
Highways and streets	3,840,503	-	1,499,833	5,340,336
Health and welfare	-	-	476,942	476,942
Culture and recreation	5,708,417	-	-	5,708,417
Sanitation	2,878,229	-	-	2,878,229
Community development	20,034	-	-	20,034
Debt service:				
Principal	199,827	3,425,000	160,697	3,785,524
Interest	5,028	1,660,000	1,914,024	3,579,052
Capital outlay:				
General government	-	-	415,835	415,835
Public safety	898,411	-	49,143	947,554
Highways and streets	2,435,366	-	505,015	2,940,381
Health and welfare	3,985,803	-	48,444	4,034,247
Community development	-	-	13,490,833	13,490,833
Culture and recreation	435,394	-	1,048,447	1,483,841
	<u>23,544,480</u>	<u>5,373,563</u>	<u>22,584,827</u>	<u>51,502,870</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>1,799,817</u>	<u>(4,495,099)</u>	<u>(13,996,053)</u>	<u>(16,691,335)</u>
<b>Other Financing Sources (Uses)</b>				
Subscription proceeds	-	-	120,281	120,281
Sale of assets	14,893	-	-	14,893
Transfers in	1,016,753	6,186,941	-	7,203,694
Transfers out	(1,907,220)	(1,282,810)	(108,474)	(3,298,504)
	<u>(875,574)</u>	<u>4,904,131</u>	<u>11,807</u>	<u>4,040,364</u>
Total other financing sources (uses)				
Net change in fund balances	<u>924,243</u>	<u>409,032</u>	<u>(13,984,246)</u>	<u>(12,650,971)</u>
Fund Balance, Beginning, as Previously Stated	16,709,358	15,064,067	26,863,888	58,637,313
Adjustment, change from major fund to nonmajor fund	-	-	11,123,624	11,123,624
Adjustment, change from nonmajor fund to major fund	-	-	(11,059,772)	(11,059,772)
Fund Balances, Beginning as Adjusted	<u>16,709,358</u>	<u>15,064,067</u>	<u>26,927,740</u>	<u>58,701,165</u>
Fund Balances, Ending	<u>\$ 17,633,601</u>	<u>\$ 15,473,099</u>	<u>\$ 12,943,494</u>	<u>\$ 46,050,194</u>

**City of Mishawaka, Indiana**

Combining Balance Sheet -  
 Nonmajor Special Revenue Funds  
 December 31, 2024

	<u>Motor Vehicle Highway</u>	<u>Local Road and Street</u>	<u>MVH Restricted</u>	<u>Park and Recreation - Operating</u>	<u>Donations - Park</u>	<u>LIT - Public Safety</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 830,829	\$ 1,370,216	\$ -	\$ 2,499,637	\$ 490,746	\$ 6,279,313
Receivables:						
Taxes	2,798,627	-	-	4,242,426	-	1,022,096
Accounts Intergovernmental	-	-	-	2,165	7,141	26,570
Leases	173,778	-	-	161,310	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 3,803,234</u>	<u>\$ 1,370,216</u>	<u>\$ -</u>	<u>\$ 6,905,538</u>	<u>\$ 497,887</u>	<u>\$ 7,327,979</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 924	\$ 38,355	\$ -	\$ 77,110	\$ 3,327	\$ 18,686
Accrued payroll and withholdings payable	80,695	-	-	60,481	-	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>81,619</u>	<u>38,355</u>	<u>-</u>	<u>137,591</u>	<u>3,327</u>	<u>18,686</u>
<b>Deferred Inflows of Resources</b>						
Leases	-	-	-	-	-	-
Unavailable revenue	<u>2,905,039</u>	<u>-</u>	<u>-</u>	<u>4,403,736</u>	<u>-</u>	<u>1,022,096</u>
Total deferred inflows of resources	<u>2,905,039</u>	<u>-</u>	<u>-</u>	<u>4,403,736</u>	<u>-</u>	<u>1,022,096</u>
<b>Fund Balances</b>						
Restricted	<u>816,576</u>	<u>1,331,861</u>	<u>-</u>	<u>2,364,211</u>	<u>494,560</u>	<u>6,287,197</u>
Total fund balances	<u>816,576</u>	<u>1,331,861</u>	<u>-</u>	<u>2,364,211</u>	<u>494,560</u>	<u>6,287,197</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,803,234</u>	<u>\$ 1,370,216</u>	<u>\$ -</u>	<u>\$ 6,905,538</u>	<u>\$ 497,887</u>	<u>\$ 7,327,979</u>



**City of Mishawaka, Indiana**

Combining Balance Sheet -  
 Nonmajor Special Revenue Funds  
 December 31, 2024

	<b>Trash &amp; Garbage Pickup</b>	<b>Donations</b>	<b>Local Law Enforcement Continuing Education</b>	<b>Donations - Bicentennial</b>	<b>Community Development</b>	<b>Property Rehab Revolving</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 869,899	\$ 494,846	\$ 173,673	\$ 1,523	\$ -	\$ 138,736
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	132,629	-	2,503	-	-	-
Intergovernmental	-	-	-	-	-	-
Leases	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<		

**City of Mishawaka, Indiana**

Combining Balance Sheet -  
 Nonmajor Special Revenue Funds  
 December 31, 2024

	<u>Park Non Reverting Operating</u>	<u>Criminal Assistance Grant</u>	<u>Local Road &amp; Bridge Matching Grant</u>	<u>Opioid Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 1,401,355	\$ 63,931	\$ 158,076	\$ 822,359	\$ 18,818,162
Receivables:					
Taxes	-	-	-	-	8,063,149
Accounts	100	-	-	-	171,108
Intergovernmental	-	-	-	1,521,181	1,856,269
Leases	697,050	-	-	-	697,050
	<u>697,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>697,050</u>
Total assets	<u>\$ 2,098,505</u>	<u>\$ 63,931</u>	<u>\$ 158,076</u>	<u>\$ 2,343,540</u>	<u>\$ 29,605,738</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 19,935	\$ -	\$ -	\$ -	\$ 447,720
Accrued payroll and withholdings payable	-	-	-	-	141,176
Unearned revenue	-	-	-	-	834,139
	<u>19,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,423,035</u>
Total liabilities	<u>19,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,423,035</u>
<b>Deferred Inflows of Resources</b>					
Leases	697,050	-	-	-	697,050
Unavailable revenue	-	-	-	1,521,181	9,852,052
	<u>697,050</u>	<u>-</u>	<u>-</u>	<u>1,521,181</u>	<u>10,549,102</u>
Total deferred inflows of resources	<u>697,050</u>	<u>-</u>	<u>-</u>	<u>1,521,181</u>	<u>10,549,102</u>
<b>Fund Balances</b>					
Restricted	<u>1,381,520</u>	<u>63,931</u>	<u>158,076</u>	<u>822,359</u>	<u>17,633,601</u>
Total fund balances	<u>1,381,520</u>	<u>63,931</u>	<u>158,076</u>	<u>822,359</u>	<u>17,633,601</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,098,505</u>	<u>\$ 63,931</u>	<u>\$ 158,076</u>	<u>\$ 2,343,540</u>	<u>\$ 29,605,738</u>

**City of Mishawaka, Indiana**

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances -  
 Nonmajor Special Revenue Funds  
 Year Ended December 31, 2024

	<u>Motor Vehicle Highway</u>	<u>Local Road and Street</u>	<u>MVH Restricted</u>	<u>Park and Recreation - Operating</u>	<u>Donations - Park</u>	<u>LIT - Public Safety</u>	<u>ARP Corona Local Fiscal Grant</u>	<u>CEDIT Revolving Fund</u>	<u>Police Arson/Drug Invest</u>
<b>Revenues</b>									
Taxes:									
Property	\$ 129,914	\$ -	\$ -	\$ 3,299,515	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	4,703,896	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	1,802,996	826,446	892,419	193,066	-	1,665	5,534,710	-	-
Charges for services	10,852	-	-	1,326,434	-	-	-	-	82,078
Fines and forfeits	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	8	-
Donation	-	-	-	-	84,490	-	-	-	-
Miscellaneous	3,102	-	-	-	35,047	152,179	-	-	-
<b>Total revenues</b>	<b>1,946,864</b>	<b>826,446</b>	<b>892,419</b>	<b>4,819,015</b>	<b>119,537</b>	<b>4,857,740</b>	<b>5,534,710</b>	<b>8</b>	<b>82,078</b>
<b>Expenditures</b>									
Current:									
General government	-	-	-	-	-	-	2,001,078	-	57,543
Public safety	-	-	-	-	-	728,864	-	-	-
Highways and streets	3,099,686	719,252	-	-	-	-	-	-	-
Culture and recreation	-	-	-	5,057,605	188,129	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	199,827	-	-	-
Interest	-	-	-	-	-	5,028	-	-	-
Public safety	-	-	-	-	-	878,272	-	-	-
Highways and streets	-	-	520,500	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	3,533,632	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,099,686</b>	<b>719,252</b>	<b>520,500</b>	<b>5,057,605</b>	<b>188,129</b>	<b>1,811,991</b>	<b>5,534,710</b>	<b>-</b>	<b>57,543</b>
Excess (deficiency) of revenues over (under) expenditures	(1,152,822)	107,194	371,919	(238,590)	(68,592)	3,045,749	-	8	24,535
<b>Other Financing Sources (Uses)</b>									
Sale of assets	1,572	-	-	13,321	-	-	-	-	-
Transfers in	-	-	37,253	-	-	-	-	-	-
Transfers out	(37,253)	-	(979,500)	-	-	(890,467)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(35,681)</b>	<b>-</b>	<b>(942,247)</b>	<b>13,321</b>	<b>-</b>	<b>(890,467)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(1,188,503)</b>	<b>107,194</b>	<b>(570,328)</b>	<b>(225,269)</b>	<b>(68,592)</b>	<b>2,155,282</b>	<b>-</b>	<b>8</b>	<b>24,535</b>
<b>Fund Balances (Deficit), Beginning</b>	<b>2,005,079</b>	<b>1,224,667</b>	<b>570,328</b>	<b>2,589,480</b>	<b>563,152</b>	<b>4,131,915</b>	<b>-</b>	<b>510,513</b>	<b>128,114</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ 816,576</b>	<b>\$ 1,331,861</b>	<b>\$ -</b>	<b>\$ 2,364,211</b>	<b>\$ 494,560</b>	<b>\$ 6,287,197</b>	<b>\$ -</b>	<b>\$ 510,521</b>	<b>\$ 152,649</b>

**City of Mishawaka, Indiana**

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances -  
 Nonmajor Special Revenue Funds  
 Year Ended December 31, 2024

	<u>Parking</u>	<u>Flexible Spending Account</u>	<u>Emergency Medical Services</u>	<u>Industrial Development</u>	<u>Trash &amp; Garbage Pickup</u>	<u>Donations</u>	<u>Local Law Enforcement Continuing Education</u>	<u>Donations - Bicentennial</u>
<b>Revenues</b>								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income	-	-	-	-	-	-	-	-
Licenses and permits	10,940	-	-	-	-	-	43,730	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	675,888	-	2,658,017	-	47,630	-
Fines and forfeits	-	-	-	-	-	-	2,627	-
Investment earnings	-	-	-	-	-	-	-	61
Donation	-	-	-	-	-	111,709	-	-
Miscellaneous	-	63,644	-	-	1,787	-	-	-
Total revenues	<u>10,940</u>	<u>63,644</u>	<u>675,888</u>	<u>-</u>	<u>2,659,804</u>	<u>111,709</u>	<u>93,987</u>	<u>61</u>
<b>Expenditures</b>								
Current:								
General government	-	53,275	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	75,711	-
Highways and streets	21,565	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	71,731	-	-
Sanitation	-	-	-	-	2,878,229	-	-	-
Community Development	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	20,139	-
Highways and streets	-	-	-	-	-	-	-	-
Health and welfare	-	-	452,171	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Total expenditures	<u>21,565</u>	<u>53,275</u>	<u>452,171</u>	<u>-</u>	<u>2,878,229</u>	<u>71,731</u>	<u>95,850</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,625)</u>	<u>10,369</u>	<u>223,717</u>	<u>-</u>	<u>(218,425)</u>	<u>39,978</u>	<u>(1,863)</u>	<u>61</u>
<b>Other Financing Sources (Uses)</b>								
Sale of assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(10,625)</u>	<u>10,369</u>	<u>223,717</u>	<u>-</u>	<u>(218,425)</u>	<u>39,978</u>	<u>(1,863)</u>	<u>61</u>
<b>Fund Balances (Deficit), Beginning</b>	<u>19,269</u>	<u>-</u>	<u>1,371,833</u>	<u>58,158</u>	<u>987,922</u>	<u>451,810</u>	<u>177,738</u>	<u>1,462</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ 8,644</u>	<u>\$ 10,369</u>	<u>\$ 1,595,550</u>	<u>\$ 58,158</u>	<u>\$ 769,497</u>	<u>\$ 491,788</u>	<u>\$ 175,875</u>	<u>\$ 1,523</u>

**City of Mishawaka, Indiana**

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances -  
 Nonmajor Special Revenue Funds  
 Year Ended December 31, 2024

	<u>Community Development</u>	<u>Property Rehab Revolving</u>	<u>Park Non Reverting Operating</u>	<u>Criminal Assistance Grant</u>	<u>Local Road &amp; Bridge Matching Grant</u>	<u>Opioid Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Revenues</b>							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,429,429
Income	-	-	-	-	-	-	4,703,896
Licenses and permits	-	-	-	-	-	-	54,670
Intergovernmental	433,831	-	-	202,345	979,500	451,382	11,318,360
Charges for services	-	-	458,183	-	-	-	5,259,082
Fines and forfeits	-	-	-	-	-	-	2,627
Investment earnings	-	-	50,400	-	-	-	50,469
Donation	-	-	-	-	-	-	196,199
Miscellaneous	16,206	-	57,600	-	-	-	329,565
<b>Total revenues</b>	<b>450,037</b>	<b>-</b>	<b>566,183</b>	<b>202,345</b>	<b>979,500</b>	<b>451,382</b>	<b>25,344,297</b>
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	-	2,111,896
Public safety	-	-	-	220,997	-	-	1,025,572
Highways and streets	-	-	-	-	-	-	3,840,503
Culture and recreation	152,669	-	238,283	-	-	-	5,708,417
Sanitation	-	-	-	-	-	-	2,878,229
Community Development	-	20,034	-	-	-	-	20,034
Debt service:							
Principal	-	-	-	-	-	-	199,827
Interest	-	-	-	-	-	-	5,028
Public safety	-	-	-	-	-	-	898,411
Highways and streets	-	-	-	-	1,914,866	-	2,435,366
Health and welfare	-	-	-	-	-	-	3,985,803
Culture and recreation	297,368	-	138,026	-	-	-	435,394
<b>Total expenditures</b>	<b>450,037</b>	<b>20,034</b>	<b>376,309</b>	<b>220,997</b>	<b>1,914,866</b>	<b>-</b>	<b>23,544,480</b>
Excess (deficiency) of revenues over (under) expenditures	-	(20,034)	189,874	(18,652)	(935,366)	451,382	1,799,817
<b>Other Financing Sources (Uses)</b>							
Sale of assets	-	-	-	-	-	-	14,893
Transfers in	-	-	-	-	979,500	-	1,016,753
Transfers out	-	-	-	-	-	-	(1,907,220)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>979,500</b>	<b>-</b>	<b>(875,574)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(20,034)</b>	<b>189,874</b>	<b>(18,652)</b>	<b>44,134</b>	<b>451,382</b>	<b>924,243</b>
<b>Fund Balances (Deficit), Beginning</b>	<b>-</b>	<b>158,770</b>	<b>1,191,646</b>	<b>82,583</b>	<b>113,942</b>	<b>370,977</b>	<b>16,709,358</b>
<b>Fund Balances (Deficit), Ending</b>	<b>\$ -</b>	<b>\$ 138,736</b>	<b>\$ 1,381,520</b>	<b>\$ 63,931</b>	<b>\$ 158,076</b>	<b>\$ 822,359</b>	<b>\$ 17,633,601</b>

**City of Mishawaka, Indiana**

Combining Balance Sheet -  
 Nonmajor Debt Service Funds  
 December 31, 2024

	<u>Mill at Ironworks Debt Reserve</u>	<u>Redevelopment Stimulus Debt Reserve</u>	<u>Fieldhouse Debt Reserve</u>	<u>Mill at Ironworks Cost of Issuance</u>	<u>Mishawaka Building Corporation</u>	<u>Redevelopment Bond Sinking</u>	<u>City of Mishawaka Bond Bank</u>	<u>Total Nonmajor Debt Service Funds</u>
<b>Assets</b>								
Receivables:								
Interest	\$ -	\$ 13,954	\$ -	\$ 189	\$ -	\$ 1,067	\$ -	\$ 15,210
Restricted:								
Cash and cash equivalents	-	5,094,769	2,874,753	32,092	-	2,933,964	4,522,311	15,457,889
Total assets	<u>\$ -</u>	<u>\$ 5,108,723</u>	<u>\$ 2,874,753</u>	<u>\$ 32,281</u>	<u>\$ -</u>	<u>\$ 2,935,031</u>	<u>\$ 4,522,311</u>	<u>\$ 15,473,099</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>								
<b>Fund Balances</b>								
Restricted	\$ -	\$ 5,108,723	\$ 2,874,753	\$ 32,281	\$ -	\$ 2,935,031	\$ 4,522,311	\$ 15,473,099
Total fund balances	<u>-</u>	<u>5,108,723</u>	<u>2,874,753</u>	<u>32,281</u>	<u>-</u>	<u>2,935,031</u>	<u>4,522,311</u>	<u>15,473,099</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 5,108,723</u>	<u>\$ 2,874,753</u>	<u>\$ 32,281</u>	<u>\$ -</u>	<u>\$ 2,935,031</u>	<u>\$ 4,522,311</u>	<u>\$ 15,473,099</u>

**City of Mishawaka, Indiana**

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances -  
 Nonmajor Debt Service Funds  
 Year Ended December 31, 2024

	<b>Mill at Ironworks Debt Reserve</b>	<b>Redevelopment Stimulus Debt Reserve</b>	<b>Fieldhouse Debt Reserve</b>	<b>Mill at Ironworks Cost of Issuance</b>	<b>Mishawaka Building Corporation</b>	<b>Redevelopment Bond Sinking</b>	<b>City of Mishawaka Bond Bank</b>	<b>Total Nonmajor Debt Service Funds</b>
<b>Revenues</b>								
Investment earnings (loss)	\$ 26,189	\$ (23,009)	\$ -	\$ 1,388	\$ -	\$ 249,986	\$ 339,847	\$ 594,401
Miscellaneous	-	-	-	-	284,063	-	-	284,063
<b>Total revenues</b>	<b>26,189</b>	<b>(23,009)</b>	<b>-</b>	<b>1,388</b>	<b>284,063</b>	<b>249,986</b>	<b>339,847</b>	<b>878,464</b>
<b>Expenditures</b>								
Current:								
General government	-	-	-	-	284,063	4,500	-	288,563
Debt service:								
Principal	-	-	-	-	-	3,425,000	-	3,425,000
Interest	-	-	-	-	-	1,660,000	-	1,660,000
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>284,063</b>	<b>5,089,500</b>	<b>-</b>	<b>5,373,563</b>
Excess (deficiency) of revenues over (under) expenditures	26,189	(23,009)	-	1,388	-	(4,839,514)	339,847	(4,495,099)
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	-	-	-	5,139,000	1,047,941	6,186,941
Transfers out	(1,232,185)	-	-	-	-	(50,625)	-	(1,282,810)
<b>Total other financing sources (uses)</b>	<b>(1,232,185)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,088,375</b>	<b>1,047,941</b>	<b>4,904,131</b>
Net change in fund balances	(1,205,996)	(23,009)	-	1,388	-	248,861	1,387,788	409,032
<b>Fund Balances, Beginning</b>	<b>1,205,996</b>	<b>5,131,732</b>	<b>2,874,753</b>	<b>30,893</b>	<b>-</b>	<b>2,686,170</b>	<b>3,134,523</b>	<b>15,064,067</b>
<b>Fund Balances, Ending</b>	<b>\$ -</b>	<b>\$ 5,108,723</b>	<b>\$ 2,874,753</b>	<b>\$ 32,281</b>	<b>\$ -</b>	<b>\$ 2,935,031</b>	<b>\$ 4,522,311</b>	<b>\$ 15,473,099</b>

**City of Mishawaka, Indiana**

Combining Balance Sheet -  
 Nonmajor Capital Project Funds  
 December 31, 2024

	(Formerly major)								
	Cumulative Capital Improvement	Cumulative Sewer	Cumulative Capital Development	Local Major Moves Construction	TIF Fieldhouse	County Economic Development Income Tax	Mill at Ironworks Construction	Fieldhouse Construction	Total Nonmajor Capital Project Funds
<b>Assets</b>									
Cash and cash equivalents	\$ 1,818,125	\$ 363,670	\$ 853,392	\$ -	\$ 1,687,224	\$ 8,705,999	\$ 67	\$ 8,152	\$ 13,436,629
Receivables:									
Taxes	-	-	780,431	-	-	1,434,109	-	-	2,214,540
Interest	-	-	-	-	9,913	-	-	48	9,961
Accounts	-	-	-	-	-	255,117	-	-	255,117
Intergovernmental	-	-	29,674	-	-	-	-	-	29,674
Total assets	<u>\$ 1,818,125</u>	<u>\$ 363,670</u>	<u>\$ 1,663,497</u>	<u>\$ -</u>	<u>\$ 1,697,137</u>	<u>\$ 10,395,225</u>	<u>\$ 67</u>	<u>\$ 8,200</u>	<u>\$ 15,945,921</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable	\$ -	\$ -	\$ 122,832	\$ 45,150	\$ -	\$ 590,231	\$ -	\$ -	\$ 758,213
Total liabilities	<u>-</u>	<u>-</u>	<u>122,832</u>	<u>45,150</u>	<u>-</u>	<u>590,231</u>	<u>-</u>	<u>-</u>	<u>758,213</u>
<b>Deferred Inflows of Resources</b>									
Unavailable revenue	-	-	810,105	-	-	1,434,109	-	-	2,244,214
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>810,105</u>	<u>-</u>	<u>-</u>	<u>1,434,109</u>	<u>-</u>	<u>-</u>	<u>2,244,214</u>
<b>Fund Balances</b>									
Restricted	1,818,125	363,670	730,560	-	1,697,137	8,370,885	67	8,200	12,988,644
Unrestricted	-	-	-	(45,150)	-	-	-	-	(45,150)
Total fund balances	<u>1,818,125</u>	<u>363,670</u>	<u>730,560</u>	<u>(45,150)</u>	<u>1,697,137</u>	<u>8,370,885</u>	<u>67</u>	<u>8,200</u>	<u>12,943,494</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,818,125</u>	<u>\$ 363,670</u>	<u>\$ 1,663,497</u>	<u>\$ -</u>	<u>\$ 1,697,137</u>	<u>\$ 10,395,225</u>	<u>\$ 67</u>	<u>\$ 8,200</u>	<u>\$ 15,945,921</u>

**City of Mishawaka, Indiana**

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances -  
 Nonmajor Capital Projects Funds  
 Year Ended December 31, 2024

							(Formerly major)	(Formerly nonmajor)		
	Cumulative Capital Improvement	Cumulative Sewer	Cumulative Capital Development	Local Major Moves Construction	TIF Fieldhouse	County Economic Development Income Tax	Mill at Ironworks Construction	Fieldhouse Construction	Redevelopment Bond	Total Nonmajor Capital Project Funds
<b>Revenues</b>										
Taxes:										
Property	\$ -	\$ -	\$ 738,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 738,147
Income	-	-	-	-	-	6,614,766	-	-	-	6,614,766
Licenses and permits	-	143,867	-	-	-	-	-	-	-	143,867
Intergovernmental	82,602	-	43,191	-	-	-	-	-	-	125,793
Charges for services	-	-	-	-	-	634,366	-	-	-	634,366
Investment earnings	-	-	-	-	109,188	-	15,560	207,087	-	331,835
<b>Total revenues</b>	<b>82,602</b>	<b>143,867</b>	<b>781,338</b>	<b>-</b>	<b>109,188</b>	<b>7,249,132</b>	<b>15,560</b>	<b>207,087</b>	<b>-</b>	<b>8,588,774</b>
<b>Expenditures</b>										
Current:										
General government	-	-	337,762	-	-	1,886,622	-	-	-	2,224,384
Public safety	-	-	-	-	-	751,230	-	-	-	751,230
Highways and streets	-	-	-	45,150	-	1,454,683	-	-	-	1,499,833
Health and welfare	-	-	-	-	-	476,942	-	-	-	476,942
Debt service:										
Principal	-	-	46,887	-	-	113,810	-	-	-	160,697
Interest	-	-	1,176	-	1,911,479	1,369	-	-	-	1,914,024
Capital outlay:										
General government	-	-	377,504	-	-	38,331	-	-	-	415,835
Public safety	-	-	-	-	-	49,143	-	-	-	49,143
Highways and streets	-	-	-	-	-	505,015	-	-	-	505,015
Health and welfare	-	48,444	-	-	-	-	-	-	-	48,444
Community development	-	-	-	-	-	-	2,168,322	11,322,511	-	13,490,833
Culture and recreation	-	-	-	-	-	1,048,447	-	-	-	1,048,447
<b>Total expenditures</b>	<b>-</b>	<b>48,444</b>	<b>763,329</b>	<b>45,150</b>	<b>1,911,479</b>	<b>6,325,592</b>	<b>2,168,322</b>	<b>11,322,511</b>	<b>-</b>	<b>22,584,827</b>
Excess (deficiency) of revenues over (under) expenditures	82,602	95,423	18,009	(45,150)	(1,802,291)	923,540	(2,152,762)	(11,115,424)	-	(13,996,053)
<b>Other Financing Sources (Uses)</b>										
Subscription proceeds	-	-	120,281	-	-	-	-	-	-	120,281
Transfers out	(108,474)	-	-	-	-	-	-	-	-	(108,474)
<b>Total other financing sources (uses)</b>	<b>(108,474)</b>	<b>-</b>	<b>120,281</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,807</b>
<b>Net change in fund balances</b>	<b>(25,872)</b>	<b>95,423</b>	<b>138,290</b>	<b>(45,150)</b>	<b>(1,802,291)</b>	<b>923,540</b>	<b>(2,152,762)</b>	<b>(11,115,424)</b>	<b>-</b>	<b>(13,984,246)</b>
<b>Fund Balance, Beginning, as Previously Stated</b>	<b>1,843,997</b>	<b>268,247</b>	<b>592,270</b>	<b>-</b>	<b>3,499,428</b>	<b>7,447,345</b>	<b>2,152,829</b>	<b>-</b>	<b>11,059,772</b>	<b>26,863,888</b>
Adjustment, change from major fund to nonmajor fund	-	-	-	-	-	-	-	11,123,624	-	11,123,624
Adjustment, change from nonmajor fund to major fund	-	-	-	-	-	-	-	-	(11,059,772)	(11,059,772)
<b>Fund Balances, Beginning as Adjusted</b>	<b>1,843,997</b>	<b>268,247</b>	<b>592,270</b>	<b>-</b>	<b>3,499,428</b>	<b>7,447,345</b>	<b>2,152,829</b>	<b>11,123,624</b>	<b>-</b>	<b>26,927,740</b>
<b>Fund Balances, Ending</b>	<b>\$ 1,818,125</b>	<b>\$ 363,670</b>	<b>\$ 730,560</b>	<b>\$ (45,150)</b>	<b>\$ 1,697,137</b>	<b>\$ 8,370,885</b>	<b>\$ 67</b>	<b>\$ 8,200</b>	<b>\$ -</b>	<b>\$ 12,943,494</b>

**City of Mishawaka, Indiana**

Combining Statement of Fiduciary Net Position -

Pension Trust Funds

December 31, 2024

	<b>Police Pension</b>	<b>Fire Pension</b>	<b>Utility Pension</b>	<b>Total Pension Trust Funds</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 848,442	\$ 954,706	\$ 595,193	\$ 2,398,341
Receivables:				
Interest	-	-	118,726	118,726
Total receivables	-	-	118,726	118,726
Investments at fair value:				
Mutual funds	-	-	30,092,571	30,092,571
Total investments	-	-	30,092,571	30,092,571
Total assets	848,442	954,706	30,806,490	32,609,638
<b>Net Position</b>				
Restricted for net position	\$ 848,442	\$ 954,706	\$ 30,806,490	\$ 32,609,638

**City of Mishawaka, Indiana**

Combining Statement of Changes in Fiduciary Net Position -  
Pension Trust Funds  
Year Ended December 31, 2024

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Utility Pension</u>	<u>Total</u>
<b>Additions</b>				
Contributions:				
On behalf contributions	\$ 1,331,001	\$ 2,152,778	\$ 1,250,000	\$ 4,733,779
Total contributions and transfers	<u>1,331,001</u>	<u>2,152,778</u>	<u>1,250,000</u>	<u>4,733,779</u>
Investment income:				
Interest	-	-	118,763	118,763
Net increase in fair value of investments	-	-	2,681,854	2,681,854
Total investment income	<u>-</u>	<u>-</u>	<u>2,800,617</u>	<u>2,800,617</u>
Total additions	<u>1,331,001</u>	<u>2,152,778</u>	<u>4,050,617</u>	<u>7,534,396</u>
<b>Deductions</b>				
Benefit payments (including refunds of employee contributions)	1,292,088	2,040,210	1,232,166	4,564,464
Administrative expense	-	-	1,200	1,200
Total deductions	<u>1,292,088</u>	<u>2,040,210</u>	<u>1,233,366</u>	<u>4,565,664</u>
Change in fiduciary net position	<u>38,913</u>	<u>112,568</u>	<u>2,817,251</u>	<u>2,968,732</u>
<b>Net Position, Beginning</b>	<u>809,529</u>	<u>842,138</u>	<u>27,989,239</u>	<u>29,640,906</u>
<b>Net Position, Ending</b>	<u>\$ 848,442</u>	<u>\$ 954,706</u>	<u>\$ 30,806,490</u>	<u>\$ 32,609,638</u>

# CITY OF MISHAWAKA, INDIANA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND INDEPENDENT AUDITOR'S REPORTS

December 31, 2024



**Katz, Sapper & Miller, LLP**  
Certified Public Accountants

# CITY OF MISHAWAKA, INDIANA

## CONTENTS

	<b>Page</b>
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 <i>Government Auditing Standards</i>	1-2
Independent Auditor's Report on Compliance for Each Major Federal Program Required by the Uniform Guidance and on Internal Control Over Compliance	3-5
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8
Summary of Prior Year Audit Findings	9

*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*

The Officials of the City of Mishawaka, Indiana

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, each major fund, and the aggregate remaining fund information of the City of Mishawaka, Indiana (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 29, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

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

### Purpose of this Report

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

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
September 29, 2025

*Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by the Uniform Guidance*

The Officials of the City of Mishawaka, Indiana

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Mishawaka, Indiana's (the City's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and the provisions of contracts or grant agreements applicable to the City's federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated September 29, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
September 29, 2025

**CITY OF MISHAWAKA, INDIANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2024**

	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Amount Provided to Subrecipients
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
Direct Award:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>\$ 5,504,584</u>	
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Passed through Indiana Criminal Justice Institute:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	CHIRP 2024 - 0035	161,450	\$ 15,664
National Priority Safety Programs	20.616	CHIRP 2024 - 0035	<u>19,562</u>	<u>8,923</u>
Total Highway Safety Cluster			<u>181,012</u>	<u>24,587</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	CHIRP 2024 - 0035	39,986	3,097
			<u>220,998</u>	<u>27,684</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Direct Award:				
Bulletproof Vest Partnership Program	16.607		<u>13,725</u>	
<b>U.S. DEPARTMENT OF ENERGY</b>				
Direct Award:				
Energy Efficiency and Conservation Block Grant	81.128		<u>115,067</u>	
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Direct Awards:				
CDBG - Entitlement Grants Cluster:				
2022 Community Development Block Grants/Entitlement Grants	14.218	B22MC180017	149,503	
2023 Community Development Block Grants/Entitlement Grants	14.218	B23MC180017	<u>284,328</u>	<u>68,623</u>
			<u>433,831</u>	<u>68,623</u>
			<u>\$ 6,288,205</u>	<u>\$ 96,307</u>

See accompanying notes to schedule of expenditures of federal awards.

## CITY OF MISHAWAKA, INDIANA

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended December 31, 2024

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

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Mishawaka, Indiana (City). The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR), *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance, or cash flows of the City. In addition, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Expenditures** reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or federal award guidance, when such cost principles are not applicable to the specific federal award. Under the cost principles contained in the Uniform Guidance and federal award guidance, certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

**Amount Provided to Subrecipients** represents the actual expenditures incurred by subrecipients.

#### NOTE 2 - INDIRECT COST RATE

The City has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**CITY OF MISHAWAKA, INDIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2024**

**Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes ✓\_\_\_\_\_ no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓\_\_\_\_\_ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes ✓\_\_\_\_\_ no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes ✓\_\_\_\_\_ no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓\_\_\_\_\_ none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? \_\_\_\_\_yes ✓\_\_\_\_\_ no

Identification of major programs:

Federal Assistance Listing Number	Agency	Title
21.027	U.S Department of Treasury	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes ✓\_\_\_\_\_ no

**Financial Statement Findings**

None

**Federal Award Findings and Questioned Costs**

None



# CITY OF MISHAWAKA

DAVID A. WOOD, MAYOR

DEPARTMENT OF FINANCE  
Rebecca S. Maguire, Controller  
Kayla Yoder, Deputy Controller

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended December 31, 2024

### FINANCIAL STATEMENT FINDINGS

#### **2023-001 (Repeat Finding of 2020-001, 2021-001, and 2022-001) Material Weakness – Financial Reporting**

*Condition:* This finding was a material weakness over financial reporting stating that internal controls over financial reporting were not appropriately designed to either prevent or detect and correct misstatements on a timely basis to provide reasonable assurance that financial statements are free of material misstatement.

*Recommendations:* The auditor recommended the City review the year-end financial statement preparation process and determine what appropriate procedures and review processes are necessary to prevent or detect misstatements.

*Status:* Corrective action was taken as recommended.

### FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**Subject:** 2023-002 (repeat finding of 2021-003, 2022-002) Coronavirus State and Local Fiscal Recovery Funds – Reporting

**Federal Agency:** Department of the Treasury

**Federal Program:** Coronavirus State and Local Fiscal Recovery Funds

**Assistance Listing Number:** 21.027

**Compliance Requirement:** Reporting

**Audit Finding:** Significant Deficiency

*Condition:* This finding was a significant deficiency over compliance stating that internal controls over the reporting compliance requirement were not appropriately designed and implemented to ensure the accuracy of key line items on reporting submitted related to this federal award because there was no review of the report performed.

*Recommendation:* The auditor recommend the City implement procedures to ensure reports are being reviewed by an individual or third-party familiar with the program prior to submission.

*Status:* Corrective action was taken as recommended.