



# **CITY OF GRAND HAVEN, MICHIGAN**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**



Vredeveld Haefner LLC  
CPAs and Consultants

# CITY OF GRAND HAVEN

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## INDEPENDENT AUDITORS' REPORT

November 10, 2025

Honorable Mayor and Members of the City Council  
City of Grand Haven, Michigan

### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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 on pages 5 through 11 and the required supplementary information on pages 63 through 71 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 Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 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.

*Uradexeld Haefner LLC*

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



## Management's Discussion and Analysis

As management of the City of Grand Haven (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### Financial Highlights

- Property values continue to rise in Grand Haven with the total taxable value in 2025 increasing 6.2% from the prior tax year. Additional increases will be realized as anticipated development projects around the City are completed.
- State of Michigan Adult-Use Marijuana Tax revenue received was \$116,457 in FY2024/25.
- The City was granted the State of Michigan's Drinking Water State Revolving Fund loan (through the Water Infrastructure Fund Transfer Act) for lead service line replacement work in the City, which was completed in FY2024/25. The required \$3 million bond for the DWSRF project was forgivable.
- The City received American Rescue Plan Act (ARPA) funds totaling \$1,160,915 in FY2021/22, with ARPA funds required to be allocated by 12/31/24 and expended by 12/31/26. Council obligated ARPA funds to pay Harbor Island remediation expenditures, all ARPA funds were expended in FY2024/25.
- Harbor Island has been utilized for waste disposal and industrial purposes for over 100 years. Beginning in FY2022/23, the City and Board of Light & Power started working with regulatory bodies and environmental consultants to identify and comply with requirements to navigate the co-mingled contaminants. Remediation of Harbor Island will be a multi-year endeavor, and City and BLP staff are committed to working together on this project.
- As part of the State of Michigan FY2024 budget process, the City was awarded a Michigan Economic Development Corporation (MEDC) grant totaling \$2,500,000 for environmental mitigation work around a former industrial site, Harbor Island. Initial disbursement of \$1,250,000 was received in FY2023/24; the City began expending these funds in FY2024/25. The second \$1,250,000 will be reimbursed to the City when costs have been appropriately expended. Funds are required to be expended by 09/30/28.
- Continuing to seek grant funding to help offset expenses, the Department of Public Safety was awarded another Bullet Proof Vests grant for equipment, the Department of Public Works was awarded a Land and Water Conservation Fund (LWCF) grant for Sluka Field improvements, and Central Park Place was awarded a Michigan Arts & Culture Council (MACC) grant for theatre LED lighting improvements.
- Several deferred priority capital projects were completed in FY2024/25 including the 5-Mile Hill overlook rehabilitation, Beechtree path improvements, Bicentennial Park retaining wall, Central Park fountain rehabilitation, and East End parking lot construction. With fundraising and generous donations, the Boardwalk overhaul and Riverview Deck replacement projects were also completed.
- As of December 31, 2024, the Defined Benefit (DB) pension plan through Municipal Employees' Retirement System (MERS) was funded at 66% for all divisions. The DB plan was closed to new employees hired on or after 07/01/22. Employees hired prior to 07/01/22 were given an option to convert to a Defined Contribution (DC) plan, and 30% of existing employees converted from the DB plan to the DC plan. The City set up a Surplus Division at MERS and contributed \$600,000 to begin offsetting the Unfunded Accrued Liabilities.
- The City provides administrative, human resources, and financial support to the Grand Haven-Spring Lake Sewer Authority, Northwest Ottawa Water System, Northwest Ottawa Recreation Authority, Ottawa County Central Dispatch Authority, and Loutit District Library.

### Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Grand Haven that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government administration, public safety, public works including major and local street construction and maintenance, culture and recreation, and debt service activities. The major business-type activities of the City consist primarily of Board of Light and Power, sewer, and water operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Economic Development Corporation, Main Street Downtown Development Authority, and the Brownfield Redevelopment Authority for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

**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 of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General fund which is considered to be a major fund. Data is combined into a single aggregated presentation for the other governmental funds. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements and schedules.

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

**Proprietary funds.** The City maintains two different 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 Board of Light and Power, sewer, water, and other operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, insurance, and health benefits. Because these services predominantly benefit governmental

rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Board of Light and Power, water and sewer activities, all of which are considered to be major funds of the City. Data is combined into a single aggregated presentation for the other enterprise funds. Individual fund data for each of the non-major enterprise funds is provided in the form of combining statements and schedules.

**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 statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* which includes this management discussion and analysis as well as major fund budgetary schedules, pension and other post-employment benefit schedules.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Grand Haven, assets and deferred outflows exceeded liabilities and deferred inflows by \$140,137,804 at the close of the most recent fiscal year.

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

### Summary of Net Position

	Governmental Activities		Business-type Activities		Totals	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current and other assets	\$28,898,731	\$26,394,403	\$74,974,061	\$69,363,332	\$103,872,792	\$ 95,757,735
Capital assets	60,155,523	60,004,857	66,408,722	64,341,637	126,564,245	124,346,494
<b>Total assets</b>	89,054,254	86,399,260	141,382,783	133,704,969	230,437,037	220,104,229
Deferred outflows of resources	4,619,082	5,141,867	2,893,274	4,262,692	7,512,356	9,404,559
Current and other liabilities	4,873,377	5,011,092	6,516,228	5,919,290	11,389,605	10,930,382
Long-term liabilities	42,745,811	44,866,798	42,431,986	46,266,528	85,177,797	91,133,326
<b>Total liabilities</b>	47,619,188	49,877,890	48,948,214	52,185,818	96,567,402	102,063,708
Deferred inflows of resources	1,071,895	1,432,139	172,292	-	1,244,187	1,432,139
Net position						
Net investment in capital assets	51,492,966	49,963,209	49,931,406	55,797,831	101,424,372	105,761,040
Restricted	4,000,638	3,233,951	1,396,742	-	5,397,380	3,233,951
Unrestricted	(10,511,351)	(12,966,062)	43,827,403	29,984,012	33,316,052	17,017,950
<b>Total net position</b>	\$44,982,253	\$40,231,098	\$95,155,551	\$85,781,843	\$140,137,804	\$126,012,941

The net position of the City's governmental activities increased by \$4,751,155 which is primarily due to an increase in capital grants and property tax revenue. The business-type activities increase in net position of \$9,373,708 is primarily due to the Board of Light and Power continuing to invest in capital and pay down debt.

### Summary of Activities

	Governmental Activities		Business-type Activities		Totals	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<b>Revenue</b>						
Program revenue						
Charges for services	\$ 2,896,931	\$ 2,721,078	\$46,342,266	\$44,918,736	\$ 49,239,197	\$ 47,639,814
Operating grants and contributions	3,475,798	4,081,648	231,788	357,002	3,707,586	4,438,650
Capital grants and Contributions	1,488,211	572,603	182,284	690,161	1,670,495	1,262,764
General revenue						
Property taxes	12,499,804	11,501,930	-	-	12,499,804	11,501,930
State revenues	1,387,275	1,401,826	-	-	1,387,275	1,401,826
Unrestricted investment earnings	892,247	695,658	2,555,912	2,617,345	3,448,159	3,313,003
Other	868,075	242,703	-	-	868,075	242,703
<b>Total revenues</b>	<b>23,508,341</b>	<b>21,217,446</b>	<b>49,312,250</b>	<b>48,583,244</b>	<b>72,820,591</b>	<b>69,800,690</b>
<b>Expenses</b>						
General government	3,771,995	3,652,616	-	-	3,771,995	3,652,616
Public safety	6,909,881	6,891,487	-	-	6,909,881	6,891,487
Public works	7,091,626	6,458,261	-	-	7,091,626	6,458,261
Culture and recreation	2,918,067	2,724,148	-	-	2,918,067	2,724,148
Interest	273,671	314,076	-	-	273,671	314,076
Board of Light & Power	-	-	31,787,217	30,700,129	31,787,217	30,700,129
Municipal Sewer	-	-	2,464,288	3,098,042	2,464,288	3,098,042
Municipal Water	-	-	2,907,214	4,849,344	2,907,214	4,849,344
Other business-type	-	-	571,769	907,587	571,769	907,587
<b>Total expenses</b>	<b>20,965,240</b>	<b>20,040,588</b>	<b>37,730,488</b>	<b>39,555,102</b>	<b>58,695,728</b>	<b>59,595,690</b>
Change in net position before transfers	2,543,101	1,176,858	11,581,762	9,028,142	14,124,863	10,205,000
Transfers	2,208,054	2,295,505	(2,208,054)	(2,295,505)	-	-
Change in net position	4,751,155	3,472,363	9,373,708	6,732,637	14,124,863	10,205,000
<b>Net position-beginning of year</b>	<b>40,231,098</b>	<b>36,758,735</b>	<b>85,781,843</b>	<b>79,049,206</b>	<b>126,012,941</b>	<b>115,807,941</b>
<b>Net position-end of year</b>	<b>\$44,982,253</b>	<b>\$40,231,098</b>	<b>\$95,155,551</b>	<b>\$85,781,843</b>	<b>\$140,137,804</b>	<b>\$126,012,941</b>

**Governmental activities.** During the year the City invested \$7,091,626 or 33% of governmental activities expenses in public works. Public safety was \$6,909,881 or 33% of governmental activities expenses while general government, culture and recreation, and interest on long-term debt made up the remaining 34% of governmental activities expenses.

**Business-type activities.** Business-type activities increased the City's net position by \$9,373,708 for the current year. By comparison, business-type activities reported an increase in net position in the previous fiscal year of \$6,732,637. The primary reason for the increase is due to a decrease in the expenses for the Board of Light and Power.

## Financial Analysis of the Government's Funds

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

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,484,753, an increase of \$2,715,940 in comparison with the prior year.

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 \$5,998,675 while total fund balance was \$9,105,705. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The City Council has adopted a minimum fund balance policy in which the total fund balance of the General fund will be equal to at least 25 percent of the previous year's expenditures. At June 30, 2025, total fund balance represents 65 percent of total prior year General fund expenditures.

The fund balance of the City's General fund increased by \$16,011 during the current fiscal year.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Board of Light and Power, Municipal Sewer and Municipal Water funds at the end of the year amounted to \$37,252,388, \$2,565,993, and \$3,091,610 respectively. The Board of Light and Power had an increase of \$11,755,959, the Municipal Sewer fund had an increase of \$939,590, and the Municipal Water fund had an increase of \$717,728 in net position for the year. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## General Fund Budgetary Highlights

Differences between original and final budgets for the General fund were the result of the following:

- General Fund increased its fund balance by \$16,011 to \$9,105,705, higher than the amended budget projection of \$7,587,294. The difference includes anticipated but not guaranteed Local Community Stabilization Act revenue, lower personnel costs due to unanticipated staffing changes and unfilled positions, and lower projected costs from completed and uncompleted capital projects scheduled in FY2024/25.
- Local Community Stabilization Authority tax revenue received was \$106,797 more than the previous year, a 12% increase.
- State revenue sharing received was \$14,551 less than the prior year, a 1.04% decrease.
- Tax revenue increased \$789,558, an 8.79% increase.
- Adult-Use Marijuana Tax annual revenue distribution received was \$116,457, an increase of \$57,371 due to increasing the registered facilities from one to two.
- Interest earnings were \$64,308 more than the prior year, a 25.13% increase.
- Rental Housing Licenses revenue was \$227,985, a decrease of \$54,525.
- Building Permit revenue was \$528,332, an increase of 26.94% from the prior year.
- Public Works administrative expenditures were \$56,614 under the amended budget for the year. Overall, all Public Works departments in the General Fund were under budget by \$270,962.
- Public Safety General Fund amended budget for expenditures was \$7,535,951; actual expenses were \$6,792,655 for the year.
- In the General Fund, the total Department of Public Safety MERS DB employer expense paid was \$1,397,248, which is 41.79% of the total General Fund MERS DB employer expense paid for the year.

## Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business type activities as of June 30, 2025, amounted to \$126,564,245 (net of accumulated depreciation).

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

<b>Capital Assets</b>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Land	\$ 8,774,744	\$ 359,871	\$ 9,134,615
Construction in progress	1,999,639	2,817,248	4,816,887
Structures & improvements	9,689,636	3,619,568	13,309,204
Machinery, equipment, vehicles & fixtures	3,848,386	134,353	3,982,739
Buildings	8,655,011	-	8,655,011
Parking facilities	3,098,157	-	3,098,157
Infrastructure	24,089,950	-	24,089,950
Transmission and distribution	-	58,232,245	58,232,245
General plant	-	1,245,437	1,245,437
<b>Total</b>	<b>\$60,155,523</b>	<b>\$66,408,722</b>	<b>\$126,564,245</b>

Additional information on the City of Grand Haven's capital assets can be found in Note 5 of these financial statements.

**Debt.** At the end of the current fiscal year, the City had total debt outstanding as follows:

<b>Debt</b>			
	<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Total</b>
Public offering bonds	\$ 3,290,248	\$ 664,751	\$ 3,954,999
Direct placements and direct borrowings	5,154,645	-	5,154,645
Bond anticipation notes	-	17,900,000	17,900,000
Bond premiums	217,664	-	217,664
Accrued employee benefits	446,025	317,765	763,790
<b>Total</b>	<b>\$9,108,582</b>	<b>\$18,882,516</b>	<b>\$27,991,098</b>

Additional information on the City's long-term debt can be found in Note 8 of these financial statements.

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

The following factors were considered in preparing the City's budget for the 2025/26 fiscal year:

- We conservatively estimated property tax revenue to increase approximately 4.5% next tax year.
- The City's fee schedule was evaluated with changes to short- and long-term rental fees, marina/boat launch fees, Cemetery fees, airport fees, Central Park Place fees, and building permit fees to better reflect the cost of operations.
- The City continues to review health benefit costs with provider and third-party administrator. Each year adjustments are made to maintain the best benefit with the lowest possible employee and employer cost. Generally, a 10% increase in health care costs is budgeted.
- Increased costs for the MERS DB plans have been an ongoing concern for many years. Annual required employer contributions for the DB plan total approximately \$2.9 million. Additionally, the City budgeted to contribute \$168,000 to the MERS Surplus Division to continue offsetting the unfunded accrued liabilities.

- With a healthy General Fund balance and previously deferred public improvement projects to complete, the City's FY2025/26 budget has planned capital projects including connector path repaving, depot basement repairs, east grand river restroom updates, and park equipment upgrades.

## **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information, contact us at 519 Washington Ave, Grand Haven, MI 49417, or as noted below:

Ashley Latsch  
City Manager  
616 847-4888  
[alatsch@grandhaven.org](mailto:alatsch@grandhaven.org)

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Finance Director  
616-847-4893  
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## **BASIC FINANCIAL STATEMENTS**

**CITY OF GRAND HAVEN**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	Primary Government			Component
	Governmental	Business-Type	Total	Units
	Activities	Activities		
<b>Assets</b>				
Cash and pooled investments	\$ 26,725,728	\$ 53,783,878	\$ 80,509,606	\$ 1,752,009
Accounts receivable	788,539	5,405,657	6,194,196	585,273
Due from other governments	865,537	13,848,053	14,713,590	30,759
Taxes receivable	38,960	-	38,960	1,118
Special assessments receivable	86,407	22,507	108,914	85,917
Internal balances	160,852	(160,852)	-	-
Due from primary government	-	-	-	10,655
Advance to other funds	-	492,666	492,666	-
Contract receivable	-	-	-	926,040
Prepaid items	93,468	49,625	143,093	2,340
Inventory	139,240	135,785	275,025	-
Restricted cash	-	1,396,742	1,396,742	-
Capital assets				
Land	8,774,744	359,871	9,134,615	-
Construction in progress	1,999,639	2,817,248	4,816,887	-
Depreciable capital assets, net	49,381,140	63,231,603	112,612,743	-
<b>Total assets</b>	<b>89,054,254</b>	<b>141,382,783</b>	<b>230,437,037</b>	<b>3,394,111</b>
<b>Deferred outflows of resources</b>				
Pension related	3,983,203	2,501,025	6,484,228	29,560
Other post-employment benefits related	610,242	392,249	1,002,491	-
Deferred charge on refunding	25,637	-	25,637	37,083
<b>Total deferred outflows of resources</b>	<b>4,619,082</b>	<b>2,893,274</b>	<b>7,512,356</b>	<b>66,643</b>
<b>Liabilities</b>				
Accounts payable	1,653,222	2,606,373	4,259,595	42,854
Accrued liabilities	315,661	1,345,094	1,660,755	1,408
Due to other governments	238,556	1,068	239,624	-
Advance from other funds	492,666	-	492,666	-
Due to primary government	-	-	-	10,655
Accrued interest payable	63,927	6,648	70,575	34,219
Unearned revenue	702,672	-	702,672	419,438
Debt due within one year	1,406,673	2,557,045	3,963,718	660,000
Noncurrent liabilities				
Accrued compensated absences	446,025	317,765	763,790	1,000
Asset retirement obligation	-	17,807,754	17,807,754	-
Other post-employment benefits obligation	4,445,914	698,439	5,144,353	-
Net pension liability	30,597,988	7,600,322	38,198,310	247,640
Bond premium	217,664	-	217,664	172,751
Debt due in more than one year	7,038,220	16,007,706	23,045,926	3,804,779
<b>Total liabilities</b>	<b>47,619,188</b>	<b>48,948,214</b>	<b>96,567,402</b>	<b>5,394,744</b>
<b>Deferred inflows of resources</b>				
Other post-employment benefits related	1,071,895	172,292	1,244,187	-
<b>Net position</b>				
Net investment in capital assets	51,492,966	49,931,406	101,424,372	-
Restricted for				
Debt service	-	1,396,742	1,396,742	-
Streets	1,215,607	-	1,215,607	-
Capital projects	1,830,127	-	1,830,127	-
Permanent trust				
Cemetery - nonexpendable portion	954,904	-	954,904	-
Unrestricted (deficit)	(10,511,351)	43,827,403	33,316,052	(1,933,990)
<b>Total net position</b>	<b>\$ 44,982,253</b>	<b>\$ 95,155,551</b>	<b>\$ 140,137,804</b>	<b>\$ (1,933,990)</b>

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

**CITY OF GRAND HAVEN**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
<b>Primary government</b>				
Governmental activities				
General government	\$ 3,771,995	\$ 1,429,387	\$ 1,175,353	\$ 459,555
Public safety	6,909,881	362,250	10,855	-
Public works	7,091,626	881,814	2,289,590	948,481
Culture and recreation	2,918,067	223,480	-	80,175
Interest on long-term debt	273,671	-	-	-
Total governmental activities	20,965,240	2,896,931	3,475,798	1,488,211
Business-type activities				
Board of Light and Power	31,787,217	38,504,654	-	-
Sewer	2,464,288	3,621,275	33,956	-
Water	2,907,214	3,514,154	166,735	182,284
Other business-type activities	571,769	702,183	31,097	-
Total business-type activities	37,730,488	46,342,266	231,788	182,284
<b>Total primary government</b>	<b>\$ 58,695,728</b>	<b>\$ 49,239,197</b>	<b>\$ 3,707,586</b>	<b>\$ 1,670,495</b>
<b>Component units</b>				
Economic Development Corporation	\$ 16,959	\$ -	\$ 4,880	\$ -
Main Street Downtown Development Authority	391,009	-	62,506	-
Brownfield Redevelopment Authority	1,511,632	-	23,297	-
<b>Total component units</b>	<b>\$ 1,919,600</b>	<b>\$ -</b>	<b>\$ 90,683</b>	<b>\$ -</b>

(Continued)

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

**CITY OF GRAND HAVEN**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Changes in net position</b>				
<b>Net (expense) revenue</b>	\$ (13,104,300)	\$ 9,025,850	\$ (4,078,450)	\$ (1,828,917)
General revenues				
Property taxes	12,499,804	-	12,499,804	2,670,963
State shared revenues	1,387,275	-	1,387,275	-
Unrestricted investment earnings	892,247	2,555,912	3,448,159	70,423
Other general revenues	868,075	-	868,075	50,061
Transfers - internal activities	2,208,054	(2,208,054)	-	-
Total general revenues and transfers	17,855,455	347,858	18,203,313	2,791,447
Change in net position	4,751,155	9,373,708	14,124,863	962,530
<b>Net position, beginning of year</b>	40,231,098	85,781,843	126,012,941	(2,896,520)
<b>Net position, end of year</b>	\$ 44,982,253	\$ 95,155,551	\$ 140,137,804	\$ (1,933,990)

(Concluded)

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

# CITY OF GRAND HAVEN

## GOVERNMENTAL FUNDS BALANCE SHEET

JUNE 30, 2025

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Assets</b>			
Cash and pooled investments	\$ 9,096,268	\$ 11,736,597	\$ 20,832,865
Accounts receivable	433,053	305,617	738,670
Due from other governments	520,014	345,479	865,493
Taxes receivable	32,461	6,499	38,960
Special assessments receivable	73,348	13,059	86,407
Due from other funds	162,148	-	162,148
Prepaid items	67,822	25,277	93,099
Inventory	13,541	60,596	74,137
<b>Total assets</b>	<u>\$ 10,398,655</u>	<u>\$ 12,493,124</u>	<u>\$ 22,891,779</u>
<b>Liabilities, deferred inflows and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 668,481	\$ 945,592	\$ 1,614,073
Accrued liabilities	158,526	5,995	164,521
Due to other governments	226,207	9,540	235,747
Advance from other funds	-	492,666	492,666
Due to other funds	19,851	2,875	22,726
Unearned revenue	56,358	646,314	702,672
<b>Total liabilities</b>	<u>1,129,423</u>	<u>2,102,982</u>	<u>3,232,405</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue	<u>163,527</u>	<u>11,094</u>	<u>174,621</u>
<b>Fund balances</b>			
Non-spendable			
Prepaid items	67,822	25,277	93,099
Permanent fund corpus	-	954,904	954,904
Inventory	13,541	60,596	74,137
Restricted			
Streets	-	1,148,181	1,148,181
Public works	-	3,399,528	3,399,528
Public safety K-9	4,586	-	4,586
Committed			
Capital projects	-	4,790,562	4,790,562
Budget stabilization	3,021,081	-	3,021,081
Unassigned	5,998,675	-	5,998,675
<b>Total fund balances</b>	<u>9,105,705</u>	<u>10,379,048</u>	<u>19,484,753</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 10,398,655</u>	<u>\$ 12,493,124</u>	<u>\$ 22,891,779</u>

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

# CITY OF GRAND HAVEN

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

**JUNE 30, 2025**

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<b>Fund balances - total governmental funds</b>	<b>\$ 19,484,753</b>
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Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.

Add - land	8,774,744
Add - construction in progress	1,841,530
Add - capital assets (net of accumulated depreciation)	46,042,492

Certain assets are not due and receivable in the current period and therefore are offset with unavailable revenue in the funds.

Add - long-term deferred receivables	174,621
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Internal service funds are used by management to charge the costs of centralized services, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities.

Add - net position of governmental activities accounted for in the internal service funds	8,626,927
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Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.

Deduct - compensated absences payable	(443,913)
Deduct - other post-employment benefits	(4,445,914)
Deduct - long-term debt	(8,444,893)
Deduct - bond premium	(217,664)
Deduct - net pension liability	(29,789,306)
Add - deferred charge on refunding	25,637
Add - deferred inflows and outflows related to pension	3,878,819
Add - deferred inflows and outflows related to OPEB	(461,653)
Deduct - accrued interest on long-term debt	(63,927)

<b>Net position of governmental activities</b>	<b><u>\$ 44,982,253</u></b>
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The accompanying notes are an integral part of these financial statements.

**CITY OF GRAND HAVEN**

**GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Revenues</b>			
Taxes	\$ 9,825,411	\$ 2,674,393	\$ 12,499,804
Intergovernmental revenues			
Federal	-	396,154	396,154
State	1,398,130	2,464,090	3,862,220
Local	95,311	673,265	768,576
Special assessments	21,593	43,875	65,468
Licenses and permits	1,130,784	-	1,130,784
Charges for services	2,813,720	1,048	2,814,768
Fines	85,899	360	86,259
Investment earnings	587,343	304,904	892,247
Miscellaneous	760,898	189,127	950,025
<b>Total revenues</b>	<u>16,719,089</u>	<u>6,747,216</u>	<u>23,466,305</u>
<b>Expenditures</b>			
Current			
General government	3,567,072	-	3,567,072
Public safety	7,026,013	-	7,026,013
Public works	2,394,921	2,779,340	5,174,261
Culture and recreation	2,086,351	106,658	2,193,009
Debt service			
Principal	20,333	1,306,867	1,327,200
Interest	10,714	307,522	318,236
Capital outlay	-	3,352,628	3,352,628
<b>Total expenditures</b>	<u>15,105,404</u>	<u>7,853,015</u>	<u>22,958,419</u>
Revenues over (under) expenditures	<u>1,613,685</u>	<u>(1,105,799)</u>	<u>507,886</u>
Other financing sources (uses)			
Transfers in	2,220,054	5,599,854	7,819,908
Transfers out	(3,817,728)	(1,794,126)	(5,611,854)
Total other financing sources (uses)	<u>(1,597,674)</u>	<u>3,805,728</u>	<u>2,208,054</u>
Net changes in fund balances	16,011	2,699,929	2,715,940
<b>Fund balances, beginning of year</b>	<u>9,089,694</u>	<u>7,679,119</u>	<u>16,768,813</u>
<b>Fund balances, end of year</b>	<u>\$ 9,105,705</u>	<u>\$ 10,379,048</u>	<u>\$ 19,484,753</u>

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

# CITY OF GRAND HAVEN

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

**FOR THE YEAR ENDED JUNE 30, 2025**

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<b>Net changes in fund balances - total governmental funds</b>	<b>\$ 2,715,940</b>
--	---------------------

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 are allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay	3,212,732
Add - value of donated capital assets	175,429
Deduct - depreciation expense	(3,279,739)

Certain receivables are long-term in nature and are collectable over several years. However only the current year's receipts are reflected as revenues on the fund statements.

Deduct - increase in unavailable revenues	(128,513)
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Bond or note proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond or note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Add - principal payments on debt	1,327,200
Deduct - amortization of deferred charge on bond refunding	(16,376)
Add - bond premium amortization	51,891

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

Add - decrease in accrued employee benefits	11,766
Add - decrease in net pension liability	692,281
Add - increase in deferred outflows	892,820
Deduct - increase in deferred inflows	(997,420)
Deduct - increase in other post-employment benefit liability	(191,075)
Add - decrease in accrued interest	9,050

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

Deduct - decrease in net position from the internal service funds	<u>275,169</u>
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<b>Change in net position of governmental activities</b>	<b><u>\$ 4,751,155</u></b>
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The accompanying notes are an integral part of these financial statements.



**CITY OF GRAND HAVEN**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**

**JUNE 30, 2025**

	Enterprise Funds					Governmental Activities
	Board of Light and Power	Municipal Sewer	Municipal Water	Nonmajor Enterprise Funds	Enterprise Fund Total	Internal Service Funds
<b>Assets</b>						
Current assets						
Cash and pooled investments	\$ 45,842,875	\$ 3,104,653	\$ 3,938,820	\$ 897,530	\$ 53,783,878	\$ 5,892,863
Accounts receivable	4,195,484	560,543	613,185	36,445	5,405,657	49,869
Due from other governments	13,622,678	-	223,534	1,841	13,848,053	44
Special assessments receivable	-	22,507	-	-	22,507	-
Due from other funds	-	-	-	-	-	26,486
Advance to other funds	492,666	-	-	-	492,666	-
Prepaid items	3,369	22,162	20,089	4,005	49,625	369
Inventory	-	5,944	129,841	-	135,785	65,103
Total current assets	64,157,072	3,715,809	4,925,469	939,821	73,738,171	6,034,734
Noncurrent assets						
Restricted cash and pooled investments	1,396,742	-	-	-	1,396,742	-
Capital assets						
Land	78,849	5,260	-	275,762	359,871	-
Construction in progress	2,182,283	536,739	95,826	2,400	2,817,248	158,109
Depreciable capital assets, net	38,009,088	8,738,120	12,815,886	3,668,509	63,231,603	3,338,648
Total noncurrent assets	41,666,962	9,280,119	12,911,712	3,946,671	67,805,464	3,496,757
<b>Total assets</b>	<b>105,824,034</b>	<b>12,995,928</b>	<b>17,837,181</b>	<b>4,886,492</b>	<b>141,543,635</b>	<b>9,531,491</b>
<b>Deferred outflows of resources</b>						
Pension related	2,119,779	145,892	235,354	-	2,501,025	104,384
Other post-employment benefits related	384,833	3,708	3,708	-	392,249	-
<b>Total deferred outflows of resources</b>	<b>2,504,612</b>	<b>149,600</b>	<b>239,062</b>	<b>-</b>	<b>2,893,274</b>	<b>104,384</b>
<b>Liabilities</b>						
Current liabilities						
Accounts payable	2,185,200	224,722	186,210	10,241	2,606,373	39,149
Accrued liabilities	1,327,436	1,813	8,646	7,199	1,345,094	151,140
Due to other governments	-	534	534	-	1,068	2,809
Accrued interest payable	-	-	6,648	-	6,648	-
Due to other funds	157,092	360	2,945	455	160,852	5,056
Current portion of long-term debt	2,400,000	-	157,045	-	2,557,045	-
Total current liabilities	6,069,728	227,429	362,028	17,895	6,677,080	198,154
Long-term liabilities						
Accrued compensated absences	293,413	10,192	9,646	4,514	317,765	2,112
Asset retirement obligation	17,807,754	-	-	-	17,807,754	-
Net pension liability	4,747,289	1,028,268	1,824,765	-	7,600,322	808,682
Other post-employment benefits obligation	644,413	27,013	27,013	-	698,439	-
Bonds payable, net of current portion	15,500,000	-	507,706	-	16,007,706	-
Total long-term liabilities	38,992,869	1,065,473	2,369,130	4,514	42,431,986	810,794
<b>Total liabilities</b>	<b>45,062,597</b>	<b>1,292,902</b>	<b>2,731,158</b>	<b>22,409</b>	<b>49,109,066</b>	<b>1,008,948</b>
<b>Deferred inflows of resources</b>						
OPEB related	159,264	6,514	6,514	-	172,292	-
<b>Net position</b>						
Net investment in capital assets	24,457,655	9,280,119	12,246,961	3,946,671	49,931,406	3,496,757
Restricted for revenue bond requirements	1,396,742	-	-	-	1,396,742	-
Unrestricted	37,252,388	2,565,993	3,091,610	917,412	43,827,403	5,130,170
<b>Total net position</b>	<b>\$ 63,106,785</b>	<b>\$ 11,846,112</b>	<b>\$ 15,338,571</b>	<b>\$ 4,864,083</b>	<b>\$ 95,155,551</b>	<b>\$ 8,626,927</b>

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

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

	Enterprise Funds				Governmental Activities Internal Service Funds
	Board of Light and Power	Municipal Sewer	Municipal Water	Nonmajor Enterprise Funds	Enterprise Fund Total
<b>Operating revenues</b>					
Charges for services	\$ 37,556,110	\$ 3,621,275	\$ 3,514,154	\$ 700,799	\$ 45,392,338
Employer contributions	-	-	-	-	-
<b>Total operating revenue</b>	<u>37,556,110</u>	<u>3,621,275</u>	<u>3,514,154</u>	<u>700,799</u>	<u>45,392,338</u>
<b>Operating expenses</b>					
Operating costs and expenses	20,541,070	1,922,497	1,971,467	300,134	24,735,168
Insurance payments	-	-	-	-	-
Distribution	4,648,676	-	-	-	4,648,676
Customer accounts	651,722	-	-	-	651,722
Administrative and general	2,527,688	223,066	513,977	13,415	3,278,146
Depreciation	2,212,144	266,449	375,789	258,220	3,112,602
<b>Total operating expenses</b>	<u>30,581,300</u>	<u>2,412,012</u>	<u>2,861,233</u>	<u>571,769</u>	<u>36,426,314</u>
Operating income (loss)	<u>6,974,810</u>	<u>1,209,263</u>	<u>652,921</u>	<u>129,030</u>	<u>8,966,024</u>
<b>Non-operating revenues (expenses)</b>					
Gain (loss) on disposal/demolition	(904,137)	-	-	-	(904,137)
Mitigation surcharge	948,544	-	-	-	948,544
Investment earnings	2,200,250	332,714	8,580	14,368	2,555,912
Other	-	33,956	166,735	32,481	233,172
Interest expense	(301,780)	(52,276)	(45,981)	-	(400,037)
<b>Total non-operating revenues (expenses)</b>	<u>1,942,877</u>	<u>314,394</u>	<u>129,334</u>	<u>46,849</u>	<u>2,433,454</u>
Income (loss) before other items	<u>8,917,687</u>	<u>1,523,657</u>	<u>782,255</u>	<u>175,879</u>	<u>11,399,478</u>
<b>Transfers and other items</b>					
Contribution in aid of construction	-	-	182,284	-	182,284
Transfers in	-	-	90,484	-	90,484
Transfers out	(1,891,573)	(266,465)	(140,500)	-	(2,298,538)
<b>Total transfers and other items</b>	<u>(1,891,573)</u>	<u>(266,465)</u>	<u>132,268</u>	<u>-</u>	<u>(2,025,770)</u>
Changes in net position	7,026,114	1,257,192	914,523	175,879	9,373,708
<b>Net position, beginning of year</b>	<u>56,080,671</u>	<u>10,588,920</u>	<u>14,424,048</u>	<u>4,688,204</u>	<u>85,781,843</u>
<b>Net position, end of year</b>	<u>\$ 63,106,785</u>	<u>\$ 11,846,112</u>	<u>\$ 15,338,571</u>	<u>\$ 4,864,083</u>	<u>\$ 95,155,551</u>

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

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

	Enterprise Funds				Enterprise Fund Total	Governmental Activities Internal Service Funds
	Board of Light and Power	Municipal Sewer	Municipal Water	Nonmajor Enterprise Funds		
<b>Cash flows from operating activities</b>						
Receipts from internal services provided	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,367,682
Receipts from customers and users	37,638,615	3,701,614	3,586,581	694,234	45,621,044	-
Payments to employees	(3,764,113)	(278,532)	(636,335)	(309,547)	(4,988,527)	(403,567)
Payments to suppliers	(24,893,633)	(2,029,697)	(2,016,019)	(185,758)	(29,125,107)	(1,651,257)
Claims paid	-	-	-	-	-	(2,526,844)
<b>Net cash provided by (used in) operating activities</b>	<b>8,980,869</b>	<b>1,393,385</b>	<b>934,227</b>	<b>198,929</b>	<b>11,507,410</b>	<b>786,014</b>
<b>Cash flows from non-capital financing activities</b>						
Transfers in	-	-	90,484	-	90,484	-
Transfers out	(1,894,029)	(266,465)	(140,500)	-	(2,300,994)	-
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>(1,894,029)</b>	<b>(266,465)</b>	<b>(50,016)</b>	<b>-</b>	<b>(2,210,510)</b>	<b>-</b>
<b>Cash flows from capital and related financing activities</b>						
Proceeds from sale of capital assets	-	-	-	-	-	76,235
Interest paid on long-term debt	(320,740)	(52,276)	(47,465)	-	(420,481)	-
Special assessments receivable	-	8,368	-	-	8,368	-
Contribution in aid of construction	-	-	182,284	-	182,284	-
Principal paid on long-term debt	(2,400,000)	-	(148,440)	-	(2,548,440)	-
Asset retirement	388,440	-	-	-	388,440	-
Acquisitions of capital assets	(4,260,093)	(584,051)	(424,144)	(3,987)	(5,272,275)	(627,792)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(6,592,393)</b>	<b>(627,959)</b>	<b>(437,765)</b>	<b>(3,987)</b>	<b>(7,662,104)</b>	<b>(551,557)</b>
<b>Cash flows from investing activities</b>						
Interest received	2,200,250	332,714	8,580	14,368	2,555,912	115,805
<b>Net increase (decrease) in cash and pooled investments</b>	<b>2,694,697</b>	<b>831,675</b>	<b>455,026</b>	<b>209,310</b>	<b>4,190,708</b>	<b>350,262</b>
<b>Cash and pooled investments, beginning of year</b>	<b>44,544,920</b>	<b>2,272,978</b>	<b>3,483,794</b>	<b>688,220</b>	<b>50,989,912</b>	<b>5,542,601</b>
<b>Cash and pooled investments, end of year</b>	<b>\$ 47,239,617</b>	<b>\$ 3,104,653</b>	<b>\$ 3,938,820</b>	<b>\$ 897,530</b>	<b>\$ 55,180,620</b>	<b>\$ 5,892,863</b>
<b>Cash flows from operating activities</b>						
Operating income (loss)	\$ 6,974,810	\$ 1,209,263	\$ 652,921	\$ 129,030	\$ 8,966,024	\$ 104,712
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	2,212,144	266,449	375,789	258,220	3,112,602	562,176
Miscellaneous revenue	-	33,956	166,735	32,481	233,172	1,809
Net pension liability	(744,274)	(19,288)	(57,398)	(208,653)	(1,029,613)	(25,356)
Net OPEB obligation	(285,069)	(86,862)	(123,860)	(30,046)	(525,837)	(123,498)
Deferred outflows of resources for pension	1,119,500	22,707	67,570	33,581	1,243,358	29,850
Deferred outflows of resources for OPEB	112,692	2,445	6,417	4,506	126,060	11,715
Deferred inflows of resources for OPEB	159,264	6,514	6,514	-	172,292	-
Change in operating assets and liabilities which provided (used) cash						
Accounts receivable	121,314	37,883	26,401	(12,431)	173,167	(22,425)
Due from other funds	129,815	8,500	8,575	27	146,917	55,845
Due from other governmental units	-	-	(129,284)	5,839	(123,445)	348
Prepaid items	501	(7,413)	294	(150)	(6,768)	108,976
Inventory	-	-	(28,260)	-	(28,260)	(12,969)
Deposit with others	(1,579,317)	-	-	-	(1,579,317)	-
Accounts payable	732,403	(69,209)	(37,355)	(13,193)	612,646	5,649
Accrued liabilities	32,961	(2,766)	2,932	747	33,874	107,401
Other liabilities	(38,809)	-	-	-	(38,809)	2,809
Unearned revenue	-	-	-	-	-	(5,850)
Due to other governmental units	-	534	534	-	1,068	(14,581)
Due to other funds	-	(5,011)	(1,318)	(1,898)	(8,227)	-
Compensated absences	32,934	(4,317)	(2,980)	869	26,506	(597)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 8,980,869</b>	<b>\$ 1,393,385</b>	<b>\$ 934,227</b>	<b>\$ 198,929</b>	<b>\$ 11,507,410</b>	<b>\$ 786,014</b>

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

# CITY OF GRAND HAVEN

## FIDUCIARY FUNDS STATEMENT OF NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

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	Retiree Health <u>Care</u>	BLP OPEB <u>Trust Fund</u>	Custodial <u>Funds</u>
<b>Assets</b>			
Cash and pooled investments	\$ -	\$ -	\$ 3,420,961
Funds on deposit with MERS	<u>2,564,541</u>	<u>765,263</u>	<u>-</u>
<b>Total assets</b>	<u>2,564,541</u>	<u>765,263</u>	<u>3,420,961</u>
<b>Liabilities</b>			
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net position</b>			
Restricted for post-employment benefits	2,564,541	765,263	-
Unrestricted	<u>-</u>	<u>-</u>	<u>3,420,961</u>
<b>Total net position</b>	<u>\$ 2,564,541</u>	<u>\$ 765,263</u>	<u>\$ 3,420,961</u>

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

**CITY OF GRAND HAVEN**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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	<b>Retiree Health Care</b>	<b>BLP OPEB Trust Fund</b>	<b>Custodial Funds</b>
<b>Additions</b>			
Employer contributions	\$ -	\$ 174,713	\$ -
Investment earnings (loss)	222,932	66,523	-
Property taxes collected for other governments	-	-	22,815,068
Charges for services and non-operating receipts	-	-	5,304,602
	<u>222,932</u>	<u>241,236</u>	<u>28,119,670</u>
<b>Total additions</b>	<u>222,932</u>	<u>241,236</u>	<u>28,119,670</u>
<b>Deductions</b>			
Health insurance premiums	-	174,713	-
Taxes to other governments	-	-	22,815,068
Operating costs and non-operating expenses	-	-	4,244,008
	<u>-</u>	<u>174,713</u>	<u>27,059,076</u>
<b>Total deductions</b>	<u>-</u>	<u>174,713</u>	<u>27,059,076</u>
Changes in net position	222,932	66,523	1,060,594
<b>Net position, beginning of year, as restated</b>	<u>2,341,609</u>	<u>698,740</u>	<u>2,360,367</u>
<b>Net position, end of year</b>	<u>\$ 2,564,541</u>	<u>\$ 765,263</u>	<u>\$ 3,420,961</u>

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

**CITY OF GRAND HAVEN**  
**COMPONENT UNITS**  
**COMBINING STATEMENT OF NET POSITION**

**JUNE 30, 2025**

	<b><u>Economic Development Corporation</u></b>	<b><u>Main Street Downtown Development Authority</u></b>	<b><u>Brownfield Redevelopment Authority</u></b>	<b><u>Total</u></b>
<b>Assets</b>				
Cash and pooled investments	\$ 140,362	\$ 1,177,317	\$ 434,330	\$ 1,752,009
Accounts receivable	151,726	14,109	419,438	585,273
Due from other governments	-	-	30,759	30,759
Taxes receivable	-	462	656	1,118
Special assessments receivable	-	85,917	-	85,917
Due from primary government	-	10,655	-	10,655
Contract receivable	-	926,040	-	926,040
Prepaid items	-	2,340	-	2,340
<b>Total assets</b>	<u>292,088</u>	<u>2,216,840</u>	<u>885,183</u>	<u>3,394,111</u>
<b>Deferred outflows of resources</b>				
Pension related	-	29,560	-	29,560
Deferred charge on refunding	-	37,083	-	37,083
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>66,643</u>	<u>-</u>	<u>66,643</u>
<b>Liabilities</b>				
Accounts payable	-	4,723	38,131	42,854
Accrued liabilities	-	1,408	-	1,408
Due to primary government	-	10,655	-	10,655
Accrued interest	-	34,219	-	34,219
Unearned revenue	-	-	419,438	419,438
Debt due within one year	-	660,000	-	660,000
Noncurrent liabilities				
Accrued compensated absences	-	1,000	-	1,000
Net pension liability	-	247,640	-	247,640
Bond premium	-	172,751	-	172,751
Debt due in more than one year	-	3,415,000	389,779	3,804,779
<b>Total liabilities</b>	<u>-</u>	<u>4,547,396</u>	<u>847,348</u>	<u>5,394,744</u>
<b>Net position (deficit)</b>				
Unrestricted	<u>\$ 292,088</u>	<u>\$ (2,263,913)</u>	<u>\$ 37,835</u>	<u>\$ (1,933,990)</u>

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

**CITY OF GRAND HAVEN**  
**COMPONENT UNITS**  
**COMBINING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<b><u>Economic Development Corporation</u></b>	<b><u>Main Street Downtown Development Authority</u></b>	<b><u>Brownfield Redevelopment Authority</u></b>	<b><u>Total</u></b>
<b>Expenses</b>				
Economic Development Corp	\$ 16,959	\$ -	\$ -	\$ 16,959
Main Street Downtown Development Authority	-	391,009	-	391,009
Brownfield Redevelopment Authority	-	-	1,511,632	1,511,632
<b>Total expenses</b>	<u>16,959</u>	<u>391,009</u>	<u>1,511,632</u>	<u>1,919,600</u>
<b>Revenues</b>				
Program revenues				
Operating grants and contributions	4,880	62,506	23,297	90,683
General revenues				
Property taxes	-	1,192,886	1,478,077	2,670,963
Unrestricted investment earnings	12,024	49,842	8,557	70,423
Miscellaneous	-	35,998	14,063	50,061
<b>Total revenues</b>	<u>16,904</u>	<u>1,341,232</u>	<u>1,523,994</u>	<u>2,882,130</u>
Change in net position	(55)	950,223	12,362	962,530
<b>Net position (deficit), beginning of year</b>	<u>292,143</u>	<u>(3,214,136)</u>	<u>25,473</u>	<u>(2,896,520)</u>
<b>Net position (deficit), end of year</b>	<u>\$ 292,088</u>	<u>\$ (2,263,913)</u>	<u>\$ 37,835</u>	<u>\$ (1,933,990)</u>

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

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Grand Haven, Michigan (the City) was established in 1837 and incorporated in 1867 under the provisions of Act 279, P.A. 1909, as amended. The City operates under a council-manager form of government and provides services as authorized by its charter.

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

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

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

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

The City of Grand Haven Building Authority was established on April 12, 1993 under State Law (Act 31 of 1948, as amended) to effect improvements within the City. The Building Authority is a blended component unit as its relationship with the City permeates the financial operations of the City. The Building Authority's governing body is selected by City Council and currently includes the City Manager, the City Clerk and the Finance Director. A separate report is not prepared for the Building Authority. The Building Authority paid the final debt service payment on the community center building authority bond in October 2014. The Building Authority is currently inactive but is available for future use as necessary.

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

The **Economic Development Corporation** (the Corporation) was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the City so as to provide needed services and facilities of such enterprises to the residents of the City. The Corporation's governing body, which consists of 9 individuals, is selected by the City Council.

The **Main Street Downtown Development Authority** (MSDDA) operates to correct and prevent deterioration in the downtown district, encourage historical preservation, and to promote economic growth within the downtown district. The Authority's governing body, which consists of 10 individuals, is selected by the City Council.

Recommended in December 2004, the City Council adopted the MSDDA's Tax Increment Financing (TIF) and Development Plan which set forth guidelines for downtown public improvements. In January 2006, the City issued \$3,345,000 in Downtown TIF bonds for the first project series, being improvements to parking lots on Franklin Street between Harbor Avenue and Third Street. This bond was refunded in 2015 and final payment will be made in fiscal year 2028.

In October 2009, to provide funding for reconstruction of utilities and Washington Avenue, a \$5,600,000 Capital Improvement (Recovery Zone Economic Development Bond) was issued with a Standard and Poor's "AA" rating at 5.6%. The effective municipal interest cost of the bond was 3.12%. The Federal Government will pay 45% of the annual interest costs over the life of the bond.



# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

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Funds for debt service will be drawn from the MSDDA taxation, streets, water and sewer funds as needed. The 2009 bond was refunded in 2019 and final payment will be made in fiscal year 2034.

The **Brownfield Redevelopment Authority** (the Brownfield) was created to account for the redevelopment of environmentally contaminated and other underutilized sites within the City. The Brownfield's governing body, which consists of 9 individuals, is selected by the City Council.

The Brownfield Redevelopment Authority assisted razing the Grand Haven Brass Foundry and constructing the Grand Haven Boat Storage facility in fiscal year 2005-06. Public infrastructure reconstruction costs were paid by a \$710,000 Brownfield Tax Increment Financing Bond issued March 31, 2005. Payments of principal and interest on the bond from tax revenue began in October 2005 and continued to October 2017.

In 2006, the Brownfield Redevelopment Authority assisted with the sale of City-owned property to Grand Landing, LLC, on the City's north end. Public infrastructure reconstruction was supported by a \$15,095,000 Brownfield Tax Increment Financing Bond issued October 10, 2006. Payments of principal and interest on the bond from tax revenue began in May 2007 and continued to November 2021. The Brownfield Redevelopment Authority created three internal funds to account for project and debt service costs including a special revenue fund to account for tax and interest revenue, a debt service fund to account for principal and interest payments and a capital projects fund to account for construction costs. In the summer of 2012, the property was sold to Redstar Development, LLC after the bankruptcy of Grand Landing, LLC. The City completed its public infrastructure improvements. No future public investment on the property is anticipated at this time.

The Brownfield Redevelopment Authority maintains a single sub-fund to consider future Brownfield projects within the City. This fund receives transfers from the Economic Development Corporation (EDC) to cover its costs. As new projects are considered, the EDC may be reimbursed for costs leading up to new projects, however, no guarantee of reimbursement is noted. If no project is forthcoming from certain costs, the EDC is not anticipated to be reimbursed.

Condensed financial statements for each of the discretely presented component units are included in the government-wide financial statements. Complete financial statements of the individual component units can be obtained from their respective administrative offices at 519 Washington, Grand Haven, MI 49417 or on the City's website [www.grandhaven.org](http://www.grandhaven.org).

#### **Joint Ventures**

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

The City is a member of the Grand Haven – Spring Lake Sewer Authority (the Authority). The City can appoint two members to the joint venture's governing board, which then approves the annual budget. In the current year, the City incurred expenses totaling \$1,520,616 to the Authority. The purpose of the Grand Haven-Spring Lake Sewer Authority is to acquire, own, improve, enlarge, extend, and operate a sewage disposal system. The Authority is governed by a Board of Trustees containing six members. The participating communities (Cities of Grand Haven and Ferrysburg, Townships of Spring Lake and Grand Haven, Village of Spring Lake, and County of Ottawa) pay a set rate to the Authority to process waste. This rate includes amounts to finance the Authority's debt. The City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements can be obtained at Grand Haven City Hall.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

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The City is a member of the Harbor Transit Multi-Modal Transportation System (HTMMTS), created January 1, 2012 from Harbor Transit, formerly an enterprise fund of the City. HTMMTS provides transportation services within and for the Cities of Grand Haven and Ferrysburg, Charter Township of Grand Haven, the Village of Spring Lake and Spring Lake Township. HTMMTS is governed by a Board of Trustees containing 11 members. The HTMMTS Articles of Incorporation require the Members to have two members serving on the HTMMTS Board, one being the local unit Manager. The participating communities provide local support through taxation for services provided. HTMMTS also receives revenue from Federal and State grants, farebox and other revenue sources. During the year ended June 30, 2025, the City distributed tax revenues of \$503,610 to HTMMTS. Complete financial statements for the Harbor Transit Multi-Modal Transportation System can be obtained from the administrative offices at 440 North Ferry Street, Grand Haven, Michigan 49417.

The Board of Light and Power is a member of a joint venture, the Michigan Public Power Agency (MPPA), with 16 other municipal electric systems. The MPPA was formed to undertake the planning, financing, development, acquisition, construction, improvement, operation and maintenance of projects to supply electric power and energy for present or future needs of its members. Each MPPA member is a municipal corporation organized under the laws of the State of Michigan and owns and operates a municipal electric system. Complete financial statements for the Michigan Public Power Agency can be obtained from the administrative offices at 809 Centennial Way, Lansing, Michigan 48917.

The MPPA operates various projects. The Board participates in multiple MPPA projects for generation, purchase and transmission of electricity. The dollar amount of Board's commitments for participation in the various MPPA projects of \$142,134,409 declines from a commitment maximum of approximately \$15,297,000 in 2026 to \$200,000 in 2048.

The Transmission Project was financed with initial capital contributions of 13 MPPA participants which were utilized to purchase an undivided interest in the transmission grid by the MPPA.

The Board of Light and Power participates in multiple MPPA renewable energy projects to meet Michigan requirements.

The Energy Services Project provides MPPA participants with capacity and energy provided by third parties through the MPPA.

During the current year the Board of Light and Power had the following transactions with the MPPA:

Electricity purchase from/through MPPA	\$9,469,498
Payments to MPPA for electricity transmission	1,555,196
Payments to MPPA for renewable energy	4,736,968
Payments to MPPA for capacity	3,439,973
Payments to MPPA for other	448,403

#### ***Joint Purchase Agreement***

The City is also a member of the Northwest Ottawa Water Treatment Plant (the Plant). The City appoints one member to the Plant's governing board, which then approves the annual budget. In the current year, the City incurred expenses totaling \$802,220 to the Plant. The purpose of the Northwest Ottawa Water Treatment Plant is to acquire, construct, finance, operate and maintain a water production facility. The Plant is governed by an administrative committee composed of one representative from each of the participating communities (Cities of Grand Haven and Ferrysburg, Village of Spring Lake, Townships of Grand Haven and Spring Lake, and County of Ottawa). These

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

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participating communities pay for water at a rate that is estimated to cover operation, maintenance, replacement and debt service. Complete financial statements can be obtained at Grand Haven City Hall.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

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

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

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

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

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

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

The City reports the following major governmental fund:

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

The City reports the following major proprietary funds:

The *Board of Light and Power Fund* accounts for the operation, maintenance, capital additions and retirement of revenue bonds of the electric supply system. Financing is provided by user charges from the sale of electricity.

The *Municipal Sewer Enterprise Fund* is used to account for the cost of collecting and treating wastewater. Revenues are chiefly from service charges to customers. These revenues are also used to pay principal and interest on bonds which were used to finance improvements to the system.

The *Municipal Water Enterprise Fund* is used to account for the cost of providing water services to customers. Revenues are primarily charges to customers for water usage. These revenues are used to pay operating costs and principal and interest on bonds which were used to finance improvements to the system.

Additionally, the City reports the following fund types:

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Debt Service Funds* are used to account for the financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The *Capital Projects Funds* are used to account for the financial resources and activities relating to specific construction projects.

The *Permanent Fund* is used to record activity of legal trusts for which the interest on the corpus provides funds for the City cemetery operations.

The *Internal Service Funds* are used to account for the revenues and costs of goods or services provided by the City to other departments and funds or to other governmental units on a cost reimbursement basis.

The *Retiree Health Care Trust Fund* is used to account for the operations of the other post-employment benefits plan which provides post-employment benefits to the City's employees.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

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The *Custodial Funds* are used to account for the collection and disbursement of resources that are held on behalf of outside governments, entities and individuals.

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

Comparisons to budget are presented for governmental funds. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget is adopted at the activity level.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for all funds except agency funds.
5. Budgets for the General and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Adoption and amendments of all budgets used by the City are governed by Public Act 621. The appropriations ordinances are based on the projected expenditures budget of the department heads of the City. Any amendment to the original budget must meet the requirements of Public Act 621. The City did amend its budget during the year. Any revisions that alter the total expenditures of any activity must be approved by the City Council.
7. Budgeted amounts are as originally adopted, or as amended, by the City Council.

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

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

#### ***Statutory Authority***

State statutes authorize the City to invest in:

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

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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### **Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible balances at year-end were immaterial.

### **Advances to and from Other Funds**

The balances presented as advance to/from other funds include \$492,666 expended by the Grand Haven Board of Light and Power on equipment and system components to produce and provide heat to the City of Grand Haven's downtown snowmelt system. Repayment of this balance is received from the Board of Light & Power's Power Supply Cost Adjustment (PSCA) 5% transfer fee and then repaid in monthly installments.

### **Inventory and Prepaid Items**

Inventory consists principally of supplies in addition to meters and parts for the Municipal Water and Municipal Sewer enterprise funds, which is valued at cost on the first-in/first-out (FIFO) method. Inventory is 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. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

### **Capital Assets**

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

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at acquisition value (the price that would be paid to acquire an asset with an equivalent service potential in an orderly market transaction) on the date received. The amount reported for infrastructure includes only assets added since 2003.

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

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

	<u>Years</u>
Structures and improvements	5-60
Machinery, equipment, vehicles and fixtures	3-60
Buildings	5-60
Parking facilities	15-35
Production and treatment	5-50
Transmission and distribution	5-50
General plant	5-30
Infrastructure	10-75

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

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#### **Property Taxes**

City property taxes are attached as an enforceable lien on property as of December 31. Summer taxes are levied July 1 and are due without penalty on or before September 15, and winter taxes are levied on December 1 and are due without penalty on or before February 14. The summer tax bills include the City's own property taxes. When property owners' aggregate winter taxes are less than \$100, their winter taxes are added to the summer tax bill. Real property taxes not collected are turned over to the County for collection, which advances the City 100% for the delinquent real property taxes. Collection of delinquent personal property taxes remains the responsibility of the City Treasurer.

Property taxes are levied on July 1 of each year and are recognized as revenue in that year. The City's 2024 taxable value was \$842,016,546 for which they levied 10.5535 mills for general fund operations, .9535 mills for infrastructure and 1.9000 mills for debt service.

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has several items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also has items that qualify for reporting in this category related to pension and other post-employment benefits plans which are discussed in Notes 9 and 10.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from special assessments, leases, and other long-term receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has items that qualify for reporting in this category related to other post-employment benefits plans which is discussed in Note 10.

#### **Net Position and Fund Balance Reporting**

Governmental funds report fund balance in the following five categories:

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

# **CITY OF GRAND HAVEN**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED JUNE 30, 2025**

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4. Assigned – the related assets can only be spent for a specific purpose identified by the City Manager or his designee as authorized by the City's governing board.
5. Unassigned – is the residual classification and includes all spendable amounts not contained in the other classifications.

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

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

The City Council has adopted a minimum fund balance policy in which the total fund balance of the General fund will be equal to at least 25 percent of the previous year's expenditures. If the fund balance of the General fund falls below the minimum range, the City will replenish shortages or deficiencies using budget strategies and timeframes as detailed in the policy. Stabilization amounts are established by formal action of the City Council. Any increases or uses of stabilization amounts are required to be authorized by the City Council. At year-end, the fund balance of the General fund was approximately 75 percent of the previous year's expenditures.

#### ***Interfund Transactions***

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

#### ***Compensated Absences***

Under contracts and employee policy, employee groups and individual employees have a vested right to receive payments for unused vacation benefits under formulas and conditions specified in the contracts. The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is recognized in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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

In the government-wide financial statements and proprietary fund types in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method.



# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

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

#### **Pensions**

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

#### **2. DEFICIT NET POSITION**

At June 30, 2025, the City reported an unrestricted deficit net position of \$10,511,351 for governmental activities. The Main Street Downtown Development Authority reported unrestricted deficit net position of \$2,263,915.

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

PA. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the City's actual expenditures and budgeted expenditures for the budgetary funds have been shown at the functional level. The approved budgets of the City for these budgetary funds were adopted at the activity level.

During the year ended June 30, 2025, the City incurred expenditures in the General and special revenue funds which were in excess of the amounts appropriated as follows:

	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance (Unfavorable)</u></b>
<b>General Fund</b>			
Current			
City Manager	\$629,784	\$633,846	\$ (4,062)
Public Safety			
Team/CSO	66,555	67,328	(733)
Public Work			
Sidewalks	286,265	306,028	(19,763)
Culture and Recreation			
Central Park Place	419,771	420,034	(263)
<b>Major Streets Fund</b>			
Capital Outlay	610,409	643,050	(32,641)

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

### 4. DEPOSITS

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

	<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Fiduciary Funds</b>	<b>Component Units</b>	<b>Total</b>
Cash and pooled investments	\$26,725,728	\$53,783,878	\$ 3,420,961	\$1,752,009	\$85,682,576
Restricted Cash	-	1,396,742	-	-	1,396,742
Funds on deposit with MERS	-	-	3,329,804	-	3,329,804
	<u>\$26,725,728</u>	<u>\$55,180,620</u>	<u>\$6,750,765</u>	<u>\$1,752,009</u>	<u>\$90,409,122</u>

The cash and investments making up the above balances are as follows:

Deposits	\$53,966,607
Investments	36,440,575
Petty cash	<u>1,940</u>
Total	<u>\$90,409,122</u>

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

### Investments

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

	<b>Maturity</b>	<b>Fair Value</b>	<b>Rating</b>	<b>Source</b>
Federated Hermes Govt Oblig	N/A	\$ 1,381,707	Unrated	
Funds on deposit with MERS	N/A	3,329,804	Unrated	
Michigan CLASS pool	N/A	12,796,686	AAAm	S&P
Invesco Stit	N/A	1,201,319	AAAm	S&P
SSTP	N/A	598,596	AAAm	S&P
US Government and agency securities/pools				
GNMA pool 2.5%	1/20/47	9,548	Unrated	
GNMA pool 2.25%	3/20/47	32,678	Unrated	
GNMA pool 2.75%	3/20/49	77,017	Unrated	
FHLMC pool 1.25%	6/25/49	70,256	Unrated	
FHLMC pool 2%	7/25/49	29,045	Unrated	
FHLMC pool 1%	12/25/50	85,291	Unrated	
FHLMC pool 1%	7/25/51	224,958	Unrated	
FHLMC pool 3%	12/15/41	38,547	Unrated	
GNMA pool 2.5%	3/20/47	7,958	Unrated	
FHLMC pool 2.5%	7/15/47	13,778	Unrated	
FNMA pool 2.25%	11/25/47	28,710	Unrated	
GNMA pool 2.5%	12/20/48	5,940	Unrated	
GNMA pool 2.75%	3/20/49	27,393	Unrated	
FHLMC pool 2%	7/25/49	46,918	Unrated	
FNMA pool 1%	2/25/50	181,835	Unrated	
FHLMC pool 1%	7/25/51	88,219	Unrated	
FNMA pool 4%	6/25/41	58,381	Unrated	

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
FHLMC pool 2.5%	7/15/42	\$ 68,055	Unrated	
FNMA pool 2.25%	7/25/43	63,599	Unrated	
FNMA pool 3%	12/25/43	19,374	Unrated	
GNMA pool 2%	1/16/45	86,778	Unrated	
FHLMC pool 2%	10/15/46	15,448	Unrated	
GNMA pool 2.5%	1/20/47	5,038	Unrated	
GNMA pool 2.5%	3/20/47	12,434	Unrated	
FHLMC pool 2.5%	7/15/47	29,456	Unrated	
FNMA pool 2.5%	11/25/47	30,936	Unrated	
GNMA pool 2%	3/20/49	45,982	Unrated	
FHLMC pool 1.25%	6/25/49	242,703	Unrated	
FHLMC pool 2%	7/25/49	46,918	Unrated	
FHLMC pool 1%	12/25/50	136,466	Unrated	
FHLMC pool 1%	7/25/51	337,436	Unrated	
U.S. Treasury bills	12/26/25	4,898,300	Unrated	
U.S. Treasury bills	9/4/25	4,961,550	Unrated	
U.S. Treasury bills	3/19/26	4,858,200	Unrated	
JP Morgan Chase	8/16/27	247,318	Unrated	
<b>Total</b>		<b><u>\$36,440,575</u></b>		

### Investment and Deposit Risk

**Custodial Credit Risk - Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. As of year-end, \$53,948,685 of the City's bank balance of \$54,698,685 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

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

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

**Custodial Credit Risk - Investments.** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the City does not have a policy for investment custodial credit risk. Of the above \$21,722,525 of investments, the City has custodial credit risk of \$2,414,413 because the related securities are uninsured, unregistered and held by the government's brokerage firm which is also the counterparty for these particular securities. Of the above investments, \$19,308,112 is invested in money market funds and external investment funds/pools for which the City's custodial credit risk exposure cannot be determined because the money market funds and external investment pools do not consist of specifically identifiable securities.

**Concentration of Credit Risk.** State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. The City's investment

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

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

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

- U.S. Government treasuries are valued using quoted market prices (Level 1 inputs).
- Money market funds, funds on deposit with MERS, Michigan CLASS pool, and US Government agency pools are valued using a pricing model utilizing observable fair value measures of fund/pool investments and other observable inputs to determining the fair value of the securities making up the of investments fund/pool (Level 2 inputs).
- The City does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

#### 5. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<b>Balance July 1, 2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2025</b>
<b>Governmental activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 8,774,744	\$ -	\$ -	\$ 8,774,744
Construction in progress	314,457	1,791,129	105,947	1,999,639
<b>Total capital assets, not being depreciated</b>	<b>9,089,201</b>	<b>1,791,129</b>	<b>105,947</b>	<b>10,774,383</b>
<b>Capital assets, being depreciated</b>				
Structures and improvements	19,015,454	662,673	-	19,678,127
Machinery, equipment, vehicles and fixtures	9,514,427	565,591	190,656	9,889,362
Buildings	15,973,942	266,810	-	16,240,752
Parking facilities	9,810,406	-	-	9,810,406
Infrastructure	45,357,242	835,698	-	46,192,940
<b>Total capital assets, being depreciated</b>	<b>99,671,471</b>	<b>2,330,772</b>	<b>190,656</b>	<b>101,811,587</b>
<b>Less accumulated depreciation:</b>				
Structures and improvements	9,373,195	615,296	-	9,988,491
Machinery, equipment, vehicles and fixtures	5,477,869	730,391	167,284	6,040,976
Buildings	7,118,704	467,037	-	7,585,741
Parking facilities	6,438,497	273,752	-	6,712,249
Infrastructure	20,347,551	1,755,439	-	22,102,990
<b>Total accumulated depreciation</b>	<b>48,755,816</b>	<b>3,841,915</b>	<b>167,284</b>	<b>52,430,447</b>
<b>Net capital assets, being depreciated</b>	<b>50,915,655</b>	<b>(1,511,143)</b>	<b>23,372</b>	<b>49,381,140</b>
<b>Governmental activities capital assets, net</b>	<b>\$60,004,856</b>	<b>\$ 279,986</b>	<b>\$129,319</b>	<b>\$60,155,523</b>

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2025**

	Balance July 1, <u>2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2025</u>
<b>Business-type activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 359,871	\$ -	\$ -	\$ 359,871
Construction in progress	3,643,167	4,799,665	5,625,584	2,817,248
<b>Total capital assets, not being depreciated</b>	<u>4,003,038</u>	<u>4,799,665</u>	<u>5,625,584</u>	<u>3,177,119</u>
<b>Capital assets being depreciated</b>				
Structures and improvements	9,945,225	1,587	-	9,946,812
Machinery, equipment, vehicles and fixtures	536,560	-	-	536,560
Transmission and distribution	92,910,611	5,985,431	434,894	98,461,148
General plant	2,726,437	111,174	-	2,837,611
Total capital assets, being depreciated	<u>106,118,833</u>	<u>6,098,192</u>	<u>434,894</u>	<u>111,782,131</u>
Less accumulated depreciation for:				
Structures and improvements	6,075,068	252,176	-	6,327,244
Machinery, equipment, vehicles and fixtures	379,532	22,675	-	402,207
Transmission and distribution	37,880,170	2,691,041	342,308	40,228,903
General plant	1,445,464	146,710	-	1,592,174
Total accumulated depreciation	<u>45,780,234</u>	<u>3,112,602</u>	<u>342,308</u>	<u>48,550,528</u>
<b>Net capital assets, being depreciated</b>	<u>60,338,599</u>	<u>2,985,590</u>	<u>92,586</u>	<u>63,231,603</u>
<b>Business-type activities capital assets, net</b>	<u><b>\$64,341,637</b></u>	<u><b>\$7,785,255</b></u>	<u><b>\$5,718,170</b></u>	<u><b>\$66,408,722</b></u>

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

<b>Governmental activities</b>	
General government	\$ 281,934
Public safety	138,283
Public works	2,085,352
Culture and recreation	774,170
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>562,176</u>
<b>Total depreciation expense - governmental activities</b>	<u><b>\$3,841,915</b></u>
<b>Business-type activities</b>	
Board of Light and Power	\$2,212,144
Municipal Sewer	266,449
Municipal Water	375,789
Other business-type	<u>258,220</u>
<b>Total depreciation expense – business- type activities</b>	<u><b>\$3,112,602</b></u>

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

### 6. ASSET RETIREMENT

The Board of Light and Power closed the Sims III 70-megawatt coal fired power plant in fiscal year 2020. The Board's operation of electricity generating facilities required use of fuel and ash management facilities that will require environmental remediation under various state and federal laws. The Board of Light and Power has estimated the remaining cost of remediating fuel and ash management facilities at \$17,807,754 based on known costs of similar plant closures and engineering estimates.

### 7. INTERFUND TRANSACTIONS

Internal balances for the year ended June 30, 2025 are as follows:

Due from	Due to							Total
	General Fund	Board of Light and Power	Sewer Fund	Water Fund	Non-major Governmental Funds	Non-major Enterprise Funds	Internal Service Funds	
General fund	\$ -	\$157,092	\$ -	\$ -	\$ -	\$ -	\$5,056	\$162,148
Internal Service Funds	19,851	-	360	2,945	2,875	455	-	26,486
	<b>\$19,851</b>	<b>\$157,092</b>	<b>\$360</b>	<b>\$2,945</b>	<b>\$2,875</b>	<b>\$455</b>	<b>\$5,056</b>	<b>\$188,634</b>

Interfund balances reflect loans made from funds with cash and pooled investments to those funds requiring temporary cash flow.

Transfers in and out for the year ended June 30, 2025 are as follows:

Transfers in	Transfers out						Total
	General Fund	Board of Light and Power	Sewer Fund	Water Fund	Non-major Governmental Funds		
General Fund	\$ -	\$1,891,573	\$175,981	\$140,500	\$ 12,000		\$2,220,054
Water Fund	-	-	90,484	-	-		90,484
Non-major Governmental Funds	3,817,728	-	-	-	1,782,126		5,599,854
Totals	<b>\$3,817,728</b>	<b>\$1,891,573</b>	<b>\$266,465</b>	<b>\$140,500</b>	<b>\$1,794,126</b>		<b>\$7,910,392</b>

Transfers are used to allocate various costs and move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them. The amount transferred from the Board of Light and Power, Municipal Sewer fund, and Municipal Water fund, to the General fund consists of payments in lieu of tax.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

#### 8. LONG-TERM DEBT

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

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
<b>Public offering bonds</b>					
\$4,775,000 2014 Unlimited Tax General Obligation Bonds due in annual installments of \$150,000 to \$255,000 through April 2029; interest at 2.0 to 4.0%	\$ 1,076,809	\$ -	\$ 196,560	\$ 880,249	\$ 207,955
\$6,720,000 2017 Unlimited Tax General Obligation Refunding Bonds due in annual installments of \$20,000 to \$845,000 through April 2028; interest at 2.0%	3,130,000	-	720,000	2,410,000	765,000
Total public offering bonds	4,206,809	-	916,560	3,290,249	972,955
<b>Direct placements and direct borrowings</b>					
\$6,545,000 2015 Unlimited Tax General Obligation Bonds due in annual installments of \$230,000 to \$460,000 through April 2035; interest at 2.0 to 4.0%	4,200,000	-	310,000	3,890,000	325,000
\$839,000 2020 General Obligation Bonds due in annual installments of \$47,000 to \$67,000 through April 2035; interest at 2.73%	645,000	-	51,000	594,000	53,000
\$1,134,626 2010 Contract Payable due in annual installments of \$18,235 to \$91,175 through April 2034; interest at 3.25 to 6.5%	720,284	-	49,640	670,644	55,718
Total direct placements and direct borrowings	5,565,284	-	410,640	5,154,644	433,718
Total	9,772,093	-	1,327,200	8,444,893	1,406,673
Bond premiums	269,555	-	51,891	217,664	-
Accrued employee benefits	458,388	-	12,363	446,025	-
<b>Total Governmental Activities</b>	<b>\$10,500,036</b>	<b>\$ -</b>	<b>\$1,391,454</b>	<b>\$9,108,582</b>	<b>\$1,406,673</b>

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>	<u>Due Within One Year</u>
<b>Business-type Activities</b>					
<b>Public offering bonds</b>					
\$4,775,000 2014 Unlimited Tax General Obligation Bonds due in annual installments of \$255,000 to \$405,000 through April 2029; interest at 2.0 to 4.0%	\$ 813,191	\$ -	\$ 148,440	\$ 664,751	\$ 157,045
<b>Other debt</b>					
Series 2021A direct purchase of \$25,000,000 with payments due in semiannual installments ranging from \$2,300,000 to \$2,700,000 beginning July 1, 2022 through January 1, 2032; interest at 1.580%	20,300,000	-	2,400,000	17,900,000	2,400,000
Accrued employee benefits	291,259	26,506	-	317,765	-
<b>Total Business-type Activities</b>	<b>\$21,404,450</b>	<b>\$ 26,506</b>	<b>\$2,548,440</b>	<b>\$18,882,516</b>	<b>\$2,557,045</b>
<b>Component Units</b>					
<b>Public offering bonds</b>					
\$4,540,000 2019 General Obligation Refunding Bonds due in annual installments of \$175,000 to \$440,000 through April 2034; interest at 3.0% to 4.0%	\$3,555,000	\$ -	\$245,000	\$3,310,000	\$275,000
<b>Direct placements and direct borrowings</b>					
\$2,960,000 2015 General Obligation Refunding Bonds due in annual installments of \$135,000 to \$380,000 through October 2026; interest at 2.3%	1,135,000	-	370,000	765,000	385,000
\$900,000 EGLE Loan due in annual installments of \$88,044 through July 2036; interest at 1.5%	389,779	-	-	389,779	-
Total direct placements and direct borrowings	1,524,779	-	370,000	1,154,779	385,000
<b>Other debt</b>					
Bond premiums	209,193	-	36,442	172,751	-
Accrued employee benefits	1,077	-	77	1,000	-
<b>Total Component Units</b>	<b>\$5,290,049</b>	<b>\$ -</b>	<b>\$651,519</b>	<b>\$4,638,530</b>	<b>\$660,000</b>



# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

The annual requirements to amortize all public offering bonds and leases outstanding as of June 30, 2025 are as follows:

<b>Year Ending June 30</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Component Units</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 972,955	\$ 83,892	\$157,045	\$26,590	\$ 275,000	\$119,300
2027	1,016,502	60,121	163,499	20,308	295,000	108,300
2028	1,070,047	35,301	169,953	13,765	315,000	96,500
2029	230,745	9,230	174,254	6,970	345,000	83,900
2030	-	-	-	-	370,000	70,100
2031-2035	-	-	-	-	1,710,000	133,900
<b>Total</b>	<b>\$3,290,249</b>	<b>\$188,544</b>	<b>\$664,751</b>	<b>\$67,633</b>	<b>\$3,310,000</b>	<b>\$612,000</b>

The annual requirements to amortize all direct placements and direct borrowings outstanding as of June 30, 2025 are as follows:

<b>Year Ending June 30</b>	<b>Governmental Activities</b>		<b>Component Units</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 433,718	\$ 195,988	\$ 385,000	\$13,156
2027	448,770	179,313	418,131	4,366
2028	468,823	162,048	32,856	5,275
2029	566,867	158,196	33,349	4,782
2030	607,181	130,005	33,849	4,282
2031-2035	2,629,285	297,191	177,015	13,639
2036-2040	-	-	74,579	1,682
<b>Total</b>	<b>\$5,154,644</b>	<b>\$1,122,741</b>	<b>\$1,154,779</b>	<b>\$47,182</b>

Future minimum payments on the direct purchase debt as of June 30, 2025 are as follows:

<b>Year Ending June 30</b>	<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2026	\$ 2,400,000	\$ 282,820
2027	2,500,000	244,900
2028	2,500,000	205,400
2029	2,600,000	165,900
2030	2,600,000	124,820
2031-2035	5,300,000	126,400
<b>Total</b>	<b>\$17,900,000</b>	<b>\$1,150,240</b>

In the event of default, the City will be required to use money from its General fund or levy an ad-valorem tax sufficient to pay the obligation, subject to applicable constitutional, statutory and charter limitations.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

### 9. PENSION PLANS

#### ***Defined Benefit Pension Plan – City***

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

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

Effective July 1, 2022, this plan was closed to new entrants.

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

Pension benefits approved by the City Council are provided to all full-time participating employees based on division/bargaining unit. Benefits provided include a multiplier of 1.75% (for non-union and SEIU) and 2.5% (for POLC) times final average compensation. Normal retirement is at age 60 with proper vesting (10 years for POLC and 6 years for SEIU and NU), Department of Public Safety early retirement is at age 50 with 25 years of service and other early retirement is at age 55 with 25 years of service. Final average compensation is calculated based on a 3 year average.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2024):

	Total City
Active plan members	45
Inactive employees or beneficiaries currently receiving benefits	190
Inactive employees entitled but not yet receiving benefits	87
Total	322

##### ***Contributions***

The City is required to contribute at an actuarially determined rate. The current fiscal year contribution rate was a flat dollar amount ranging from \$2,515 to \$94,513 per month depending on position and classification due to closure of the Defined Benefit plan. Participating employees are required to contribute 17.0% of covered payroll to the plan. The contribution requirements of the City are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

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

The City's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

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

Inflation: 2.5%

Salary Increases: base wage inflation of 3.00% in the long-term

Investment rate of return: 6.93%, net of investment expense, including inflation

Mortality rates used for non-disabled plan member were based on 106% of PubG-2010 tables with future mortality improvements using MP-2019 scale applied fully generationally from the Pub-2010 base year of 2010. Mortality rates used for disabled plan member were based on PubNS-2010 Disabled Retiree Tables.

The actuarial assumptions used in the valuation were based on the results of the 2023 actuarial experience study first used in the December 31, 2024 valuation.

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

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

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

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

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2025**

<b>Changes in the Net Pension Liability</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balance at December 31, 2023	\$93,779,160	\$59,067,392	\$34,711,768
Changes for the Year:			
Service cost	744,985	-	744,985
Interest	6,540,572	-	6,540,572
Change in benefits	-	-	-
Differences between expected and actual experience	(273,626)	-	(273,626)
Change in assumptions	(324,404)	-	(324,404)
Contributions: employer	-	2,758,254	(2,758,254)
Contributions: employee	-	721,689	(721,689)
Net investment Income	-	4,349,454	(4,349,454)
Benefit payments, including refunds	(6,114,680)	(6,114,680)	-
Administrative expense	-	(128,762)	128,762
Transfer to BLP for division separation	-	-	-
Other changes	1	-	1
Net changes	572,848	1,585,955	(1,013,107)
Balance at December 31, 2024	\$94,352,008	\$60,653,347	\$33,698,661

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

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

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total Pension Liability	\$105,800,688	\$94,352,008	\$84,946,235
Fiduciary Net Position	60,653,347	60,653,347	60,653,347
Net Pension Liability	\$ 45,147,341	\$33,698,661	\$24,292,888

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

For the year ended June 30, 2025 the City recognized pension expense of \$3,381,763. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences in experience	\$ -	\$ -
Differences in assumptions	-	-
(Excess) deficit investment returns	2,792,903	-
Contributions subsequent to the measurement date*	1,601,106	-
Total	\$4,394,009	\$ -

\* The amount reported as deferred outflows of resources resulting from the contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2026.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

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

2026	\$1,490,066
2027	1,811,990
2028	(467,628)
2029	(41,525)
2030	-
Thereafter	-
Total	<u>\$2,792,903</u>

#### **Defined Benefit Pension Plan – Grand Haven Board of Light and Power**

##### **Plan Description**

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

##### **Benefits Provided**

Pension benefits approved by the Board are provided to all full-time participating employees hired before 7/1/17 based on division/bargaining unit. The plan is closed to new Board employees. Benefits provided include a multiplier of 2.25 times final average compensation. Vesting period of 6 years. Normal retirement age is 60 with early retirement at 50 to 55 with from 15 to 25 years of service. Final average compensation is calculated based on a 3 year average.

Membership of the defined benefit plan consisted of the following at the date of the latest actuarial valuation (December 31, 2024):

Active plan members	15
Inactive employees or beneficiaries currently receiving benefits	76
Inactive employees entitled but not yet receiving benefits	<u>16</u>
Total	<u>107</u>

##### **Contributions**

The Board is required to contribute at an actuarially determined rate, which for the current year was \$28,419 per month depending on position and classification. Participating employees are required to contribute from 10% of covered payroll to the Plan based on position and classification. The contribution requirements of the Utility are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

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

The Board's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

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

Inflation: 2.5%

Salary Increases: base wage inflation of 3.00% annually

Investment rate of return: 6.93%, net of investment expense, including inflation

Mortality rates used for non-disabled plan member were based on 106% of PubG-2010 tables with future mortality improvements using MP-2019 scale applied fully generationally from the Pub-2010 base year of 2010. Mortality rates used for disabled plan member were based on PubNS-2010 Disabled Retiree Tables.

The actuarial assumptions used in the valuation were based on the results of the 2018 actuarial experience study first used in the December 31, 2020 valuation.

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

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

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

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

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2025**

<b>Changes in the Net Pension Liability</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balance at December 31, 2023	\$47,557,297	\$42,065,734	\$5,491,563
Changes for the Year:			
Service cost	274,817	-	274,817
Interest	3,307,885	-	3,307,885
Change in benefits	-	-	-
Differences between expected and actual experience	(211,607)	-	(211,607)
Change in assumptions	(143,501)	-	(143,501)
Contributions: employer	-	750,824	(750,824)
Contributions: employee	-	190,835	(190,835)
Net investment income	-	3,122,325	(3,122,325)
Benefit payments, including refunds	(3,247,750)	(3,247,750)	-
Administrative expense	-	(92,116)	92,116
Other changes	-	-	-
Net changes	(20,156)	724,118	(744,274)
Balance at December 31, 2024	\$47,537,141	\$42,789,852	\$4,747,289

2022 was the first year in which the Board's MERS defined benefit pension plan was segregated from the City-wide plan.

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

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

	<b>1% Decrease</b>	<b>Current Discount rate</b>	<b>1% Increase</b>
Total pension liability	\$53,099,879	\$47,537,141	\$42,928,428
Fiduciary net position	42,789,852	42,789,852	42,789,852
Net pension liability	\$10,310,027	\$ 4,747,289	\$ 138,576

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

For the year ended June 30, 2025 the Board recognized pension expense of \$1,121,574. The Board reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences in experience	\$ -	\$ -
Differences in assumptions	-	-
(Excess) deficit investment returns	1,609,265	-
Contributions subsequent to the measurement date*	510,514	-
Total	\$2,119,779	\$ -

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

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\* The amount reported as deferred outflows of resources resulting from the contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2026.

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

2026	\$ 792,408
2027	1,198,519
2028	(344,042)
2029	(37,620)
2030	-
Thereafter	-
Total	<u>\$1,609,265</u>

#### Defined Contribution Plans

The City provides a defined contribution pension plan (externally managed IRS Section 401a plan), which provides pension benefits to qualified employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City's contribution for employees eligible to participate in the plan vests 33 percent after 1 year, 66 percent after 2 years and 100 percent after 3 years. Participants contribute 2% of covered wages which is matched by the City. During fiscal year 2020, employees who were hired prior to March 1, 2019 and previously opted out of the plan, had a one-time opportunity to participate to obtain the employer match if the employee agrees to contribute 2% of covered wages into the IRS Section 457 plan with the employer match being contributed to the IRS Section 401a plan. With the closure of the defined benefit plan for employees hired after 07/01/22 and for employees who converted from the defined benefit plan to the defined contribution plan during fiscal year 2022-23, the City's contribution for employees eligible to participate in the plans vests 50 percent after 3 years and 100 percent after 5 years. Participants contribute 6% to 8% of covered wages depending on employee position, and the City contributes 6%, 10%, or 12% of covered wages depending on employee position. City contributions were \$421,149 and participant contributions were \$283,248 to the plan during the year. The plan provisions and contribution amounts were established by the City Council and may be amended by the Council.

The City provides an externally managed IRS Section 457 plan which provides pension benefits to qualified employees. The City does not contribute to the plan. Participants may elect to contribute up to the legal maximum. The plan provisions and contribution amounts were established by the City Council and may be amended by the Council. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The balance of employee contributions and earnings are held in trust for employees by an organization separate from the City.

The Board provides a defined contribution pension plan (the Plan) that provides pension benefits to all participating full-time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to contribute 4% and the Board contributes 8% of each participant's compensation to the Plan. The Board's contributions are fully vested after four years of service. During the year employees contributed \$80,116 and the Board contributed \$160,231 to the plan.



# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

### 10. OTHER POST-EMPLOYMENT BENEFITS

#### Defined Benefit Healthcare Plan

##### **Plan Description**

The City administers a single-employer defined benefit healthcare plan (the Plan). In addition to retirement benefits, the Plan provides health insurance benefits to certain retirees and their beneficiaries, which are advance-funded on a discretionary basis. In accordance with the City's policy, the City provides health care benefits to retirees in accordance with the pension ordinance. For retirees below age 65, the City pays 75% to 80% of the annual premium (depending on the bargaining unit) and the retiree pays the balance. For retirees age 65 and older, the City pays up to 10 percent of the annual premium (depending on the bargaining unit) and the retiree pays the balance. Retirees are required to purchase and pay for Medicare supplemental insurance when they become eligible. The Plan is closed to new participants. The City adopted a legal trust for the Plan which is included in the City's financial statements. The Plan does not issue a publicly available financial report.

##### **Contributions**

The Plan was established and is being funded under the authority of the City Council and under agreements with unions representing various classes of employees. The Plan's funding policy is that the employer will contribute any discretionary contributions. There are no long-term contracts for contributions to the Plan. The plan has no legally required reserves.

The contribution requirements of the plan members and the City are determined and may be amended by the City. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City. For the current year the City's actuarially determined contribution (ADC) was \$749,635 while actual contributions were \$1,149,576.

##### **Benefits Provided**

In accordance with the collective bargaining agreements, retirees receive an employer-paid benefit toward health and life insurance premiums for the retiree and spouse. For employees hired before October 1, 2013 based on hire date the Plan pays from 75% to 80% of the premium payment until age 65 and 0-10% thereafter.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	49
Active plan members	<u>54</u>
Total	<u>103</u>

##### **Net OPEB Liability**

The net OPEB liability was determined by an actuarial valuation as of June 30, 2025. The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5 %

Salary Increases: 3.0%

Investment rate of return: 6.93%, including inflation

Healthcare cost trend rates: 7.25% graded down 0.25% to an ultimate rate of 4.5%, post Medicare, 5.5% graded down by .25% to an ultimate rate of 4.5%

Mortality: Public general 2010 Employee and Healthy Retiree, Headcount weighted, MP-2021 improvement scale

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Rate of Return</u>
Global Equity	60.0%	4.50%
Global Fixed Income	20.0%	2.16%
Private Equity	20.0%	6.50%

The City, as plan sponsor and investment fiduciary, has chosen for the Plan an asset mix intended to meet or exceed a long-term rate of return of 6.93%.

Concentrations. 100% of the Plan's investments are invested in the MERS total market portfolio.

Rate of return. For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 9.3%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate. The discount rate used to measure the total OPEB liability is 6.93%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Changes in the Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at June 30, 2024	\$7,014,740	\$2,341,609	\$4,673,131
Changes for the Year:			
Service cost	30,254	-	30,254
Interest	452,915	-	452,915
Change in benefits	-	-	-
Differences between expected and actual experience	475,798	-	475,798
Change in assumptions	240,350	-	240,350
Benefits paid from general operating funds	-	1,149,576	(1,149,576)
Net investment Income	-	228,050	(228,050)
Benefit payments, including refunds	(1,149,576)	(1,149,576)	-
Administrative expense	-	(5,118)	5,118
Other changes	-	-	-
Net changes	49,741	222,932	(173,191)
Balance at June 30, 2025	\$7,064,481	\$2,564,541	\$4,499,940

### Sensitivity of the Net OPEB Liability to changes in the discount rate.

The following presents the net OPEB liability of the employer, calculated using the discount rate of 6.93%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower (5.93%) or higher (7.93%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	\$7,510,181	\$7,064,481	\$6,659,806
Fiduciary net position	2,564,541	2,564,541	2,564,541
Net OPEB liability	\$4,945,640	\$4,499,940	\$4,095,265
Plan fiduciary position as a percentage of the total OPEB liability	34.15%	36.30%	38.51%

### Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates.

The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate of 7.25%, as well as what the employer's net OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower (6.25%) or higher (8.25%) than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	\$6,583,665	\$7,064,481	\$7,598,808
Fiduciary net position	2,564,541	2,564,541	2,564,541
Net OBEB liability	\$4,019,124	\$4,499,940	\$5,034,267

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2025**

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

For the year ended June 30, 2025 the employer recognized OPEB expense of \$92,074. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences in experience	\$ 372,364	\$ 1,055,260
Changes in assumptions	245,294	-
Excess (deficit) investment returns	-	29,663
<b>Total</b>	<b>\$ 617,658</b>	<b>\$ 1,084,923</b>

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

2026	\$(162,168)
2027	(229,377)
2028	(156,268)
2029	80,548
2030	-
Thereafter	-
<b>Total</b>	<b>\$(467,265)</b>

### **Defined Benefit Healthcare Plan – Grand Haven Board of Light and Power**

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

The Board participates in a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides health insurance premiums for retirees and their beneficiaries, which are advance-funded on a discretionary basis. Benefit provisions are established through the pension ordinance and negotiations between the Board and bargaining units and employee groups. The plan was closed to employees hired subsequent to September 30, 2013. The Retiree Health Plan does not issue a publicly available financial report and a legal trust has been established for the plan. The method used to determine the actuarial valuation of assets is market. There are no long-term contracts for contributions to the Plan. The plan has no legally required reserves.

#### ***Benefits provided***

In accordance with the collective bargaining agreements, retirees receive an employer-paid benefit toward health and life insurance premiums for the retiree and spouse. For employees hired before October 1, 2013 the Plan pay from 75% to 80% of the premium payment until age 65 and 0-10% thereafter.

Membership of the Plan consisted of the following at the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	23
Covered spouses	-
Active plan members	23
<b>Total</b>	<b>46</b>

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

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#### **Net OPEB Liability**

The net OPEB liability was based on an actuarial valuation as of June 30, 2025. The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5 %

Salary Increases: 3.5%

Investment rate of return: 6.93% including inflation

Healthcare cost trend rates: Pre-Medicare: 7.25% graded down 0.25% to an ultimate rate of 4.5%; post Medicare: 5.5% graded down by .25% to an ultimate rate of 4.5%

Mortality:

Healthy: Pub-2016 General Employees and Retirees, Headcount weighted

Disabled: Pub-2016 Disability mortality, Headcount weighted

Improvement scale: IRS 2024 Adjusted Scale MP-2021

An actuarial experience study was not conducted as the plan has fewer than 100 members.

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

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

Asset Class	Target Allocation	Expected Rate of Return
Global Equity	60.0%	4.50%
Global Fixed Income	20.0%	2.16%
Real Assets	20.0%	6.50%

The Board, as plan sponsor and investment fiduciary, has chosen for the Plan an asset mix intended to meet or exceed a long-term rate of return of 6.93%.

Concentrations. 100% of the Plan's investments are invested in the MERS total market portfolio.

Rate of return. For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 9.09%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate. The discount rate used to measure the total OPEB liability is 6.93%. Because the employer continues to pay retiree health care benefits from general operating funds until the OPEB trust is sufficient to pay benefits, the assets are not projected to be depleted. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefits payments were not projected to be covered by projected assets (the "depletion date", not applicable for this plan), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rates that yields the same present value is calculated. This discount rate is used to determine the Total OPEB Liability. As of June 30, 2024 the discount rate used to value the OPEB liability was 7.00%.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

#### Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balance at June 30, 2024	\$1,628,222	\$698,740	\$ 929,482
Changes for the Year:			
Service cost	12,420	-	12,420
Interest	108,730	-	108,730
Change in benefits	-	-	-
Differences between expected and actual experience	(195,602)	-	(195,602)
Change in assumptions	30,619	-	30,619
Contributions to OPEB trust	-	-	-
Benefits paid from general operating funds	-	174,713	(174,713)
Net investment income	-	68,050	(68,050)
Benefit payments, including refunds	(174,713)	(174,713)	-
Administrative expense	-	(1,527)	1,527
Other changes	-	-	-
Net changes	(218,546)	66,523	(285,069)
Balance at June 30, 2025	\$1,409,676	\$765,263	\$ 644,413

#### Sensitivity of the Net OPEB Liability to changes in the discount rate.

The following presents the net OPEB liability of the employer, calculated using the discount rate of 6.93%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower (5.93%) or higher (7.93%) than the current rate.

	1% Decrease	Current Discount rate	1% increase
Total OPEB liability	\$1,478,613	\$1,409,676	\$1,347,564
Fiduciary net position	765,263	765,263	765,263
Net OPEB liability	\$ 713,350	\$ 644,413	\$ 582,301

#### Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates.

The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate, as well as what the employer's net OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower (6.25%) or higher (8.25%) than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	\$1,325,279	\$1,409,676	\$1,505,995
Fiduciary net position	765,263	765,263	765,263
Net OBEB liability	\$ 560,016	\$ 644,413	\$ 740,732

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

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

For the year ended June 30, 2025 the employer recognized OPEB expense of \$161,600. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$349,384	\$150,739
Differences in assumptions	35,449	-
Excess(deficit) investment returns	-	8,525
Total	<u>\$384,833</u>	<u>\$159,264</u>

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

2026	\$108,795
2027	88,414
2028	45,822
2029	(17,462)
2030	-
Thereafter	-
Total	<u>\$225,569</u>

#### Defined Contribution Plan – Health Care Savings Plan

The City provides a Health Care Savings Plan (HCSP), which provides health insurance benefits to qualified employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. In 2008 the HCSP was opened with a mandatory employee contribution rate of .25% of covered wages. Employees could elect to contribute up to 10%. In May 2011 MERS determined that the range was not allowed and froze contributions at the levels they were currently at. The City was not required to contribute. Employees hired after May 2011 are required to contribute 3% with a 3% City match, except for SEIU union employees who in the fall of 2013 voted to increase employee contributions to 5% with the City matching 3%. Beginning in 2020, SEIU union employees voted to decrease employee contributions to 3% with the City matching 3%. City contributions were \$188,986 and participant contributions were \$224,445 to the plan during the year. The plan provisions and contribution amounts were established and may be amended by MERS.

The Grand Haven Board of Light and Power provides a defined contribution post-employment benefit plan (the Plan) that provides a health care saving account to eligible employees hired after September 30, 2008. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate immediately upon employment. Employees are required to contribute 1% and the Board contributes 2% of each participant's compensation to the Plan. The Board's contributions are fully vested after five years of service. During the year employees contributed \$29,524 and the Board contributed \$54,984 to the plan.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

### 11. RISK MANAGEMENT

#### *Primary Government*

The City purchases insurance and participates in public entity risk pools for the various risks associated with City operations. Significant risk management activities of the City are accounted for and disclosed below.

The City is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City obtains its liability insurance coverage from Municipal Underwriters of West Michigan, Inc. The City pays an annual premium to Municipal Underwriters of West Michigan, Inc. for liability insurance coverage. Municipal Underwriters of West Michigan, Inc. is self-sustaining through member premiums and provides, subject to certain deductibles, occurrences-based coverage by internally insuring certain risks and reinsuring risks through commercial companies. A \$1,000 deductible is maintained to place the responsibility for small charges with the City. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The City manages its workers' compensation risk by participating in the Michigan Municipal League Workers' Compensation Fund (MMLWCF), a public entity risk pool providing workers' compensation coverage to its participating members. The City pays an annual premium to MMLWCF for its workers compensation coverage. The MMLWCF is self-sustaining through member premiums and provides statutory workers compensation coverage to its members by internally insuring certain risks and reinsuring risks through commercial companies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The City is self-funded for medical, dental, and disability insurance. The claims liability of \$147,973 reported at June 30, 2025 is based on the requirements of accounting standards which require that a liability for claims be reported if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

The activity of the self-funded insurance is accounted for in the Insurance internal service fund. An independent administrator is contracted to process the daily claims. An excess coverage insurance policy covers individual claims in excess of \$70,000 per covered individual with a 125% aggregate. The City is responsible for paying administrative charges which are included in this fund. The revenues for this fund's operation are charges to various funds, employee withholdings, and co-payments. The liability at the end of the year included claims already incurred and reported as well as an estimate for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation and recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Settled claims have not exceeded insurance coverage in the history of the self-insurance program, and there have been no significant reductions in insurance coverage from the prior year.

The changes in the claims liability for the years ended June 30, 2024 and 2025 were as follows:

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2025	\$40,849	\$2,193,212	\$2,086,088	\$147,973
2024	43,770	2,021,038	2,023,959	40,849



# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

The Board of Light and Power is exposed to various risks related to liability, damage or loss for which it participated in the creation of a self-insurance program known as the Michigan Professional Insurance Association (MPIA). The MPIA was established pursuant to the State of Michigan Act 35 of 1951; Intergovernmental Contracts between Municipal Corporations.

MPIA administers an actuarially based risk management fund and utilizes such funds deposited by the Board of Light and Power to defend and protect Board of Light and Power. MPIA has purchased commercial insurance for coverage in excess of the Board of Light and Power's self-insured reserve limits. MPIA assumes risk of loss within the scope of the memorandum of coverage to the extent of the coverage limits offered by the memorandum of coverage.

Following is insurance coverage and related deductibles effect at year-end:

	<u>Deductible/Retention</u>	
	<u>2025</u>	<u>2024</u>
Property and equipment	\$50,000 - 500,000	\$50,000 - 500,000
General liability	50,000	50,000
Public officials liability	25,000	25,000
Employee benefits liability	50,000	50,000
Crime	25,000	25,000

The Board of Light and Power makes annual payments to the MPIA for administrative charges, insurance purchases and estimated risk retention reserves. At year-end the risk retention reserve balance held by the MPIA for the Board of Light and Power was \$11,122,678 which excluded assets set aside for estimated claims of \$150,034. The estimated claims at the end of the year included claims already incurred and reported as well as an estimate for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation and recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Settled claims have not exceeded insurance coverage in any of the past three years, and changes in insurance coverage are reflected above.

The claims liability for the Board of Light and Power as reported by the MPIA for the years ended June 30, 2025 and 2024 was \$150,034 and \$104,938 respectively. Claims adjustment expense cannot be specifically identified to each participant in the MPIA. Total claims expense reported by the MPIA for the years ended June 30, 2025 and 2024 were \$45,096 and \$18,395 respectively.

## 12. TAX ABATEMENTS

The City entered into property tax abatements agreements with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high-tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government. The agreements entered into by the City include claw back provisions should the recipient of the tax abatement fail to fully meet its commitments, such as employment levels and timelines for relocation. The IFT is computed at half the local property tax millage rate. This amounts to a reduction in property taxes of approximately 50%.

For the year ended June 30, 2025, the City abated property tax revenues of approximately \$112,523.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

### 13. CONTINGENCIES

In the normal course of its activities, the City has become a party in various legal actions, including property tax assessment appeals. Management of the City is of the opinion that the outcome of such actions will not have a material effect on the financial position of the City and, therefore, has not reflected loss reserves in the financial statements.

The Grand Haven Board of Light and Power decommissioned the Sims Coal fired electricity plant in 2020 and is actively engaged with the Michigan Department of Environment, Great Lakes and Energy (EGLE) to finalize regulatory action on coal ash impoundments. Grand Haven Board of Light and Power activity on the island has triggered EGLE involvement, and the City dump, which lies beneath the Sims site and was formally closed by the City of Grand Haven in 1970, is a source of concern. It is impossible to determine the financial obligation that the City and the Grand Haven Board of Light and Power may ultimately have regarding the landfill and coal ash impoundments until further studies and tests are performed.

### 14. COMMITMENTS

As disclosed in Note 1, the City is a member of the Grand Haven-Spring Lake Sewer Authority and the Northwest Ottawa Water Treatment Plant. The City, along with the other participating communities, has pledged their full faith and credit for repayment of the outstanding debt of these entities. For all debt, the amount the City is required to contribute to these entities for repayment of debt is not a fixed amount but is based on the volume of sewage treated and water purchased and is included in the rate charged by these entities.

### 15. RELATED PARTY TRANSACTIONS

City-owned facilities are users of Board of Light and Power electric services. The Board of Light and Power includes the sale of such services in its charges for services revenue and reflects balances receivable for these services as accounts receivable. The Board of Light and Power is required to pay five percent of gross retail sales to the City under provisions of the City Charter. The payment of the five percent of gross sales to the City is reported as transfers out to the City of Grand Haven.

### 16. CONSTRUCTION CODE FEES

The City oversees building construction in accordance with the State of Michigan Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall – July 1, 2024	\$(895,057)
Current year building permit revenues	526,210
Related expenses	
Direct costs	(204,551)
Estimated indirect costs	<u>(128,027)</u>
Cumulative shortfall – June 30, 2025	<u><u>\$(701,425)</u></u>

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## **REQUIRED SUPPLEMENTARY INFORMATION**

# CITY OF GRAND HAVEN

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

**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Amount</u></b>	<b><u>Positive (Negative)</u></b>
<b>Revenues</b>				
Taxes				
Property taxes	\$ 9,537,800	\$ 9,808,943	\$ 9,825,411	\$ 16,468
Intergovernmental revenues				
State	1,388,000	1,398,404	1,398,130	(274)
Local	-	83,798	95,311	11,513
Special assessments	20,000	20,000	21,593	1,593
Licenses and permits	1,100,000	1,097,657	1,130,784	33,127
Charges for services	2,464,485	2,794,951	2,813,720	18,769
Fines	91,000	79,620	85,899	6,279
Investment earnings	470,712	500,716	587,343	86,627
Miscellaneous	621,700	625,899	760,898	134,999
<b>Total revenues</b>	<b><u>15,693,697</u></b>	<b><u>16,409,988</u></b>	<b><u>16,719,089</u></b>	<b><u>309,101</u></b>
<b>Expenditures</b>				
Current				
General government	3,559,343	3,688,531	3,567,072	121,459
Public safety	7,669,318	7,785,161	7,026,013	759,148
Public works	2,238,909	2,542,441	2,394,921	147,520
Culture and recreation	2,107,186	2,184,596	2,086,351	98,245
Debt service				
Principal	20,333	20,333	20,333	-
Interest and fiscal charges	10,715	10,715	10,714	1
<b>Total expenditures</b>	<b><u>15,605,804</u></b>	<b><u>16,231,777</u></b>	<b><u>15,105,404</u></b>	<b><u>1,126,373</u></b>
<b>Revenues over (under) expenditures</b>	<b><u>87,893</u></b>	<b><u>178,211</u></b>	<b><u>1,613,685</u></b>	<b><u>1,435,474</u></b>
Other financing sources (uses)				
Transfers in	2,122,000	2,199,500	2,220,054	20,554
Transfers out	(3,768,413)	(3,828,713)	(3,817,728)	10,985
<b>Total other financing sources (uses)</b>	<b><u>(1,646,413)</u></b>	<b><u>(1,629,213)</u></b>	<b><u>(1,597,674)</u></b>	<b><u>31,539</u></b>
<b>Net changes in fund balance</b>	<b><u>(1,558,520)</u></b>	<b><u>(1,451,002)</u></b>	<b><u>16,011</u></b>	<b><u>1,467,013</u></b>
<b>Fund balance, beginning of year</b>	<b><u>9,089,694</u></b>	<b><u>9,089,694</u></b>	<b><u>9,089,694</u></b>	<b><u>-</u></b>
<b>Fund balance, end of year</b>	<b><u>\$ 7,531,174</u></b>	<b><u>\$ 7,638,692</u></b>	<b><u>\$ 9,105,705</u></b>	<b><u>\$ 1,467,013</u></b>

# CITY OF GRAND HAVEN

## DEFINED BENEFIT PENSION PLAN SCHEDULE OF CHANGES IN EMPLOYERS NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED JUNE 30, 2025

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total pension liability</b>										
Service cost	\$ 1,784,375	\$ 1,938,291	\$ 1,896,453	\$ 1,876,313	\$ 1,787,913	\$ 1,719,873	\$ 1,220,104	\$ 852,162	\$ 866,057	\$ 744,985
Interest	6,970,006	7,719,273	7,931,391	8,390,678	8,623,429	8,876,309	9,507,015	6,299,683	6,402,197	6,540,572
Changes in benefit terms	(8,167)	(27,927)	(54,797)	2,423	(25,121)	(883,918)	-	-	-	-
Difference between expected and actual experience	1,069,871	(1,279,520)	2,035,707	(948,030)	1,579,667	1,505,496	(2,941,291)	1,531,421	859,551	(273,626)
Changes in assumptions	4,451,385	-	-	-	4,122,188	3,919,533	3,473,668	-	722,080	(324,404)
Benefit payments including employee refunds	(5,086,362)	(5,306,454)	(6,048,965)	(6,066,289)	(6,669,279)	(7,437,446)	(5,739,852)	(6,539,218)	(5,887,710)	(6,114,680)
Transfer to BLP for division separation	-	-	-	-	-	-	(43,136,110)	-	-	-
Transfers and refunds for DC plan conversion	-	-	-	-	-	-	-	(1,062,776)	-	-
Other	217,812	-	-	(4)	(2)	1	(2)	-	2	1
<b>Net change in total pension liability</b>	9,398,920	3,043,663	5,759,789	3,255,091	9,418,795	7,699,848	(37,616,468)	1,081,272	2,962,177	572,848
<b>Total pension liability, beginning of year</b>	88,776,073	98,174,993	101,218,656	106,978,445	110,233,536	119,652,331	127,352,179	89,735,711	90,816,983	93,779,160
<b>Total pension liability, end of year</b>	\$ 98,174,993	\$ 101,218,656	\$ 106,978,445	\$ 110,233,536	\$ 119,652,331	\$ 127,352,179	\$ 89,735,711	\$ 90,816,983	\$ 93,779,160	\$ 94,352,008
<b>Plan Fiduciary Net Position</b>										
Contributions-employer	\$ 1,351,197	\$ 1,528,835	\$ 6,969,429	\$ 2,803,011	\$ 2,096,764	\$ 6,530,362	\$ 2,187,153	\$ 2,539,724	\$ 2,886,806	\$ 2,758,254
Contributions-employee	1,188,014	1,399,568	1,649,872	1,583,711	1,619,918	1,519,254	1,185,750	1,096,928	768,468	721,689
Net investment income	(1,056,807)	7,662,061	9,637,326	(3,336,775)	10,759,791	10,939,329	8,701,598	(6,780,228)	6,023,787	4,349,454
Benefit payments including employee refunds	(5,086,362)	(5,306,454)	(6,048,965)	(6,066,289)	(6,669,279)	(7,437,446)	(5,739,852)	(5,512,915)	(5,887,710)	(6,114,680)
Transfer to BLP for division separation	-	-	-	-	-	-	(40,085,898)	-	-	-
Transfers and refunds for DC plan conversion	-	-	-	-	-	-	-	(1,026,303)	-	-
Administrative expense	(155,709)	(151,314)	(152,492)	(164,445)	(185,343)	(174,529)	(94,791)	(118,407)	(127,958)	(128,762)
<b>Net change in plan fiduciary net position</b>	(3,759,667)	5,132,696	12,055,170	(5,180,787)	7,621,851	11,376,970	(33,846,040)	(9,801,201)	3,663,393	1,585,955
<b>Plan fiduciary net position, beginning of year</b>	71,805,007	68,045,340	73,178,036	85,233,206	80,052,419	87,674,270	99,051,240	65,205,200	55,403,999	59,067,392
<b>Plan fiduciary net position, end of year</b>	\$ 68,045,340	\$ 73,178,036	\$ 85,233,206	\$ 80,052,419	\$ 87,674,270	\$ 99,051,240	\$ 65,205,200	\$ 55,403,999	\$ 59,067,392	\$ 60,653,347
<b>Total net pension liability</b>	\$ 30,129,653	\$ 28,040,620	\$ 21,745,239	\$ 30,181,117	\$ 31,978,061	\$ 28,300,939	\$ 24,530,511	\$ 35,412,984	\$ 34,711,768	\$ 33,698,661
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	69%	72%	80%	73%	73%	78%	73%	61%	63%	64%
<b>Covered employee payroll</b>	\$ 11,535,426	\$ 12,103,488	\$ 11,544,999	\$ 11,230,904	\$ 10,471,556	\$ 9,766,065	\$ 6,974,003	\$ 4,390,812	\$ 4,350,786	\$ 3,737,709
<b>Employer's net pension liability as a percentage of covered employee payroll</b>	261%	232%	188%	269%	305%	290%	352%	807%	798%	902%

**CITY OF GRAND HAVEN**  
**DEFINED BENEFIT PENSION PLAN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contributions	\$ 1,533,911	\$ 1,528,835	\$ 1,976,799	\$ 1,832,196	\$ 2,259,855	\$ 1,823,154	\$ 2,333,502	\$ 2,721,068	\$ 2,314,296	\$ 2,602,212
Contributions in relation to the actuarially determined contribution	1,533,911	1,528,835	6,976,799	2,832,196	2,259,855	5,823,154	2,333,502	2,721,068	2,814,296	3,202,212
Contribution deficiency (excess)	\$ -	\$ -	\$ (5,000,000)	\$ (1,000,000)	\$ -	\$ (4,000,000)	\$ -	\$ -	\$ (500,000)	\$ (600,000)
Covered employee payroll	\$ 11,535,426	\$ 12,103,488	\$ 11,544,999	\$ 11,230,904	\$ 10,471,556	\$ 9,766,065	\$ 6,974,003	\$ 4,390,812	\$ 4,350,786	\$ 3,737,709
Contributions as a percentage of covered employee payroll	13.3%	12.6%	60.4%	25.2%	21.6%	59.6%	33.5%	62.0%	64.7%	85.7%

**Notes to schedule**

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	10-18 years
Asset valuation method	5 year smoothed (10 year smothing 2014)
Inflation	2.5% (3.5% 2014)
Salary increases	3.00% (3.75% for 2015 through 2019)
Investment rate of return	6.93% (7.35% for 2020 and 2021; 7.75% 2015-2019; 7.00% 2020-2023)
Retirement age	Varies depending on plan adoption
Mortality	50% female/ 50% male RP-2014 mortality table

# GRAND HAVEN BOARD OF LIGHT AND POWER

## DEFINED BENEFIT PENSION PLAN SCHEDULE OF CHANGES IN EMPLOYERS NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEARS ENDED JUNE 30, 2016 through 2025

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total pension liability</b>										
Service cost	\$ 1,784,375	\$ 1,938,292	\$ 1,896,453	\$ 1,876,313	\$ 1,787,913	\$ 1,719,873	\$ 346,845	\$ 356,420	\$ 332,669	\$ 274,817
Interest	6,970,006	7,719,273	7,931,391	8,390,678	8,623,429	8,876,309	3,205,780	3,189,558	3,249,780	3,307,885
Changes in benefit terms	(8,167)	(27,927)	(54,797)	2,423	(25,121)	(883,918)	-	-	-	-
Difference between expected and actual experience	1,069,871	(1,279,520)	2,035,707	(948,030)	1,579,667	1,505,496	(826,286)	339,916	533,973	(211,607)
Changes in assumptions	4,451,385	-	-	-	4,122,188	3,919,533	1,680,863	-	354,870	(143,501)
Benefit payments including employee refunds	(5,086,362)	(5,306,454)	(6,048,965)	(6,066,289)	(6,669,279)	(7,437,446)	(2,256,423)	(2,942,376)	(3,144,402)	(3,247,750)
Other	217,812	(1)	-	(4)	(2)	1	-	1	(1)	-
<b>Net change in total pension liability</b>	9,398,920	3,043,663	5,759,789	3,255,091	9,418,795	7,699,848	2,150,779	943,519	1,326,889	(20,156)
<b>Total pension liability, beginning of year</b>	88,776,073	98,174,993	101,218,656	106,978,445	110,233,536	119,652,331	43,136,110	45,286,889	46,230,408	47,557,297
<b>Total pension liability, end of year</b>	\$ 98,174,993	\$ 101,218,656	\$ 106,978,445	\$ 110,233,536	\$ 119,652,331	\$ 127,352,179	\$ 45,286,889	\$ 46,230,408	\$ 47,557,297	\$ 47,537,141
<b>Plan Fiduciary Net Position</b>										
Contributions-employer	\$ 1,351,197	\$ 1,528,835	\$ 6,969,429	\$ 2,803,011	\$ 2,096,764	\$ 6,530,362	\$ 1,062,160	\$ 3,133,328	\$ 821,166	\$ 750,824
Contributions-employee	1,188,014	1,399,568	1,649,872	1,583,711	1,619,918	1,519,254	233,792	223,524	205,503	190,835
Net investment income	(1,056,807)	7,662,061	9,637,326	(3,336,775)	10,759,791	10,939,329	5,038,183	(4,503,490)	4,346,844	3,122,325
Benefit payments including employee refunds	(5,086,362)	(5,306,454)	(6,048,965)	(6,066,289)	(6,669,279)	(7,437,446)	(2,256,423)	(2,942,376)	(3,144,402)	(3,247,750)
Administrative expense	(155,709)	(151,314)	(152,492)	(164,445)	(185,343)	(174,529)	(63,315)	(82,236)	(92,423)	(92,116)
<b>Net change in plan fiduciary net position</b>	(3,759,667)	5,132,696	12,055,170	(5,180,787)	7,621,851	11,376,970	4,014,397	(4,171,250)	2,136,688	724,118
<b>Plan fiduciary net position, beginning of year</b>	71,805,007	68,045,340	73,178,036	85,233,206	80,052,419	87,674,270	40,085,898	44,100,296	39,929,046	42,065,734
<b>Plan fiduciary net position, end of year</b>	\$ 68,045,340	\$ 73,178,036	\$ 85,233,206	\$ 80,052,419	\$ 87,674,270	\$ 99,051,240	\$ 44,100,295	\$ 39,929,046	\$ 42,065,734	\$ 42,789,852
<b>Employer net pension liability</b>	\$ 30,129,653	\$ 28,040,620	\$ 21,745,239	\$ 30,181,117	\$ 31,978,061	\$ 28,300,939	\$ 1,186,594	\$ 6,301,362	\$ 5,491,563	\$ 4,747,289
Employer net pension liability reported by Grand Haven Board of Light and Power **	\$ 12,039,809	\$ 11,524,695	\$ 4,196,831	\$ 4,941,117	\$ 7,520,756	\$ 4,450,113	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	69%	72%	80%	73%	73%	78%	97%	86%	88%	90%
Covered employee payroll	\$ 11,535,426	\$ 12,103,488	\$ 11,544,999	\$ 11,230,904	\$ 10,471,556	\$ 9,766,065	\$ 2,164,742	\$ 2,084,285	\$ 2,774,545	\$ 2,213,797
Employer's net pension liability as a percentage of covered employee payroll	261%	232%	188%	269%	305%	290%	55%	302%	198%	214%

### Notes to schedule:

\*\*The above schedule provides information for the City of Grand Haven plan as a whole through 2020 with the exception of this item.

The Grand Haven Board of Light and Power defined benefit pension plan was split from, and is presented separately from, the City plan beginning in 2021.

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



# GRAND HAVEN BOARD OF LIGHT AND POWER

## DEFINED BENEFIT PENSION PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEARS ENDED JUNE 30, 2016 through 2025

Fiscal Year end	Actuarially determined contributions **	Contributions in relation to the actuarially determined contribution **	Contribution deficiency (excess) **	Covered employee payroll **	Contributions as a percentage of covered employee payroll **
6/30/2016	\$ 582,225	\$ 582,225	\$ -	\$ 4,689,604	12%
6/30/2017	688,049	688,049	-	5,733,742	12%
6/30/2018	657,368	5,657,368	(5,000,000)	4,265,218	133%
6/30/2019	525,540	1,525,540	(1,000,000)	3,771,656	40%
6/30/2020	525,804	753,552	(227,748)	3,188,749	24%
6/30/2021	960,000	4,960,000	(4,000,000)	3,692,923	134%
6/30/2022	832,788	1,324,320	(491,532)	2,351,628	56%
6/30/2023	991,534	2,991,534	(2,000,000)	2,239,798	134%
6/30/2024	699,996	864,988	(164,992)	2,774,545	31%
6/30/2025	341,028	681,028	(340,000)	2,213,797	31%

### Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	16 years
Asset valuation method	5 year smoothed (10 year smothing 2014)
Inflation	2.5% (3.5% 2014)
Salary increases	3.00% (3.75% for 2015 through 2019)
Investment rate of return	7.00% (7.35% through 2020, 7.75% for 2015 through 2019)
Retirement age	Varies depending on plan adoption
Mortality	50% female/ 50% male RP-2014 mortality table

### Notes to schedule:

\*\*The above schedule provides information for the City of Grand Haven plan as a whole through 2020 with the exception of this item.

The Grand Haven Board of Light and Power defined benefit pension plan was split from, and is presented separately from, the City plan beginning in 2021.

**CITY OF GRAND HAVEN**  
**DEFINED BENEFIT OPEB PLAN**  
**SCHEDULE OF CHANGES IN EMPLOYERS NET OPEB**  
**LIABILITY AND RELATED RATIOS**

**FOR THE YEAR ENDED JUNE 30, 2025**

	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total OPEB liability</b>									
Service cost	\$ 52,122	\$ 49,554	\$ 42,889	\$ 46,820	\$ 43,640	\$ 26,241	\$ 38,826	\$ 37,962	\$ 30,254
Interest	456,376	456,247	556,550	623,499	593,625	420,162	661,963	627,338	452,915
Changes in benefit terms	-	-	-	(34,994)	-	785,603	-	(139,837)	475,798
Difference between expected and actual experience	79,952	1,015,790	141,760	(101,970)	(75,976)	1,893,952	(15,602)	(1,809,018)	-
Changes in assumptions	-	292,450	864,802	207,572	(27,044)	2,003,766	122,659	98,048	240,350
Benefit payments including employee refunds	(535,595)	(639,638)	(779,102)	(713,057)	(699,661)	(1,648,715)	(1,155,671)	(1,447,538)	(1,149,576)
Transfer to BLP for division separation	-	-	-	-	-	(1,702,702)	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Net change in total OPEB liability</b>	<b>52,855</b>	<b>1,174,403</b>	<b>826,899</b>	<b>27,870</b>	<b>(165,416)</b>	<b>1,778,307</b>	<b>(347,825)</b>	<b>(2,633,045)</b>	<b>49,741</b>
<b>Total OPEB liability, beginning of year</b>	<b>6,300,692</b>	<b>6,353,547</b>	<b>7,527,950</b>	<b>8,354,849</b>	<b>8,382,719</b>	<b>8,217,303</b>	<b>9,995,610</b>	<b>9,647,785</b>	<b>7,014,740</b>
<b>Total OPEB liability, end of year</b>	<b>\$ 6,353,547</b>	<b>\$ 7,527,950</b>	<b>\$ 8,354,849</b>	<b>\$ 8,382,719</b>	<b>\$ 8,217,303</b>	<b>\$ 9,995,610</b>	<b>\$ 9,647,785</b>	<b>\$ 7,014,740</b>	<b>\$ 7,064,481</b>
<b>Plan Fiduciary Net Position</b>									
Contributions-employer	\$ 500,000	\$ -	\$ 779,102	\$ 713,057	\$ 699,661	\$ 1,648,715	\$ 1,155,671	\$ 1,447,538	\$ 1,149,576
Contributions/benefit payments made from general operating fund	535,595	639,638	-	-	-	-	-	-	-
Net investment income	198,865	151,458	62,008	50,205	618,036	(177,045)	147,832	218,418	228,050
Benefit payments including employee refunds	(535,595)	(639,638)	(779,102)	(713,057)	(699,661)	(1,648,715)	(1,155,671)	(1,447,538)	(1,149,576)
Administrative expense	(4,014)	(4,916)	(4,396)	(3,939)	(4,546)	(4,357)	(3,743)	(4,661)	(5,118)
Transfer to BLP for division separation	-	-	-	-	-	(647,015)	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>694,851</b>	<b>146,542</b>	<b>57,612</b>	<b>46,266</b>	<b>613,490</b>	<b>(828,417)</b>	<b>144,089</b>	<b>213,757</b>	<b>222,932</b>
<b>Plan fiduciary net position, beginning of year</b>	<b>1,253,419</b>	<b>1,948,270</b>	<b>2,094,812</b>	<b>2,152,424</b>	<b>2,198,690</b>	<b>2,812,180</b>	<b>1,983,763</b>	<b>2,127,852</b>	<b>2,341,609</b>
<b>Plan fiduciary net position, end of year</b>	<b>\$ 1,948,270</b>	<b>\$ 2,094,812</b>	<b>\$ 2,152,424</b>	<b>\$ 2,198,690</b>	<b>\$ 2,812,180</b>	<b>\$ 1,983,763</b>	<b>\$ 2,127,852</b>	<b>\$ 2,341,609</b>	<b>\$ 2,564,541</b>
<b>Employer net OPEB liability</b>	<b>\$ 4,405,277</b>	<b>\$ 5,433,138</b>	<b>\$ 6,202,425</b>	<b>\$ 6,184,029</b>	<b>\$ 5,405,123</b>	<b>\$ 8,011,847</b>	<b>\$ 7,519,933</b>	<b>\$ 4,673,131</b>	<b>\$ 4,499,940</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>31%</b>	<b>28%</b>	<b>26%</b>	<b>26%</b>	<b>34%</b>	<b>20%</b>	<b>22%</b>	<b>33%</b>	<b>36%</b>
<b>Covered employee payroll</b>	<b>\$ 11,180,895</b>	<b>\$ 5,713,567</b>	<b>\$ 5,833,306</b>	<b>\$ 4,286,167</b>	<b>\$ 4,228,786</b>	<b>\$ 3,318,646</b>	<b>\$ 4,417,682</b>	<b>\$ 3,577,526</b>	<b>\$ 1,634,725</b>
<b>Employer's net OPEB liability as a percentage of covered employee payroll</b>	<b>39%</b>	<b>95%</b>	<b>106%</b>	<b>144%</b>	<b>128%</b>	<b>241%</b>	<b>170%</b>	<b>131%</b>	<b>275%</b>

**SCHEDULE OF INVESTMENT RETURNS**

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual money-weighted rate of return net of investment expense	12.2%	7.7%	2.9%	7.2%	28.1%	-8.5%	7.2%	9.8%	9.3%

**CITY OF GRAND HAVEN**  
**DEFINED BENEFIT OPEB PLAN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contributions	\$ 859,095	\$ 646,318	\$ 906,928	\$ 1,119,545	\$ 1,208,354	\$ 950,545	\$ 1,271,254	\$ 1,299,965	\$ 749,635
Contributions in relation to the actuarially determined contribution	1,035,595	639,638	779,102	713,057	699,661	1,648,715	1,155,671	1,447,538	1,149,576
Contribution deficiency (excess)	<u>\$ (176,500)</u>	<u>\$ 6,680</u>	<u>\$ 127,826</u>	<u>\$ 406,488</u>	<u>\$ 508,693</u>	<u>\$ (698,170)</u>	<u>\$ 115,583</u>	<u>\$ (147,573)</u>	<u>\$ (399,941)</u>
Covered employee payroll	\$ 11,180,895	\$ 5,713,567	\$ 5,833,306	\$ 4,286,167	\$ 4,228,786	\$ 3,318,646	\$ 4,417,682	\$ 3,577,526	\$ 1,634,725
Contributions as a percentage of covered employee payroll	9%	11%	13%	17%	17%	50%	26%	40%	70%

**Notes to schedule**

Actuarial cost method	Entry Age
Amortization method	Level percent, closed
Remaining amortization period	8 years
Asset valuation method	Market value
Inflation	2.25%
Healthcare cost trend rates	7.25% graded down .25% per year until reaching 4.5%
Salary increases	3.00%
Investment rate of return	7.00% (7.35% 2020-2021) (7.75% 2017-2019)
Retirement age	Varies depending on plan adoption
Mortality	2010 Employee and Healthy Retiree; headcount weighted, IRS 2024 adjusted scale MP-2021

**State of Michigan PA 202 Information**

Actuarially recommended contributions in accordance with State PA 202	\$ 749,635
Minimum required contribution under PA 202	1,149,576
Actual contribution	1,149,576
Contribution for employees hired after June 30, 2018	n/a

State of Michigan PA 202 assumptions, if different from GASB:

Effective discount rate - 6.93%  
Salary scale - 3.65%

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Basis of Accounting**

Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**Pension and OPEB data**

The data presented on the schedule of changes in employers net pension liability schedule is based on a December 31 measurement date.

The data presented on the schedule of changes in employers net OPEB liability schedule is based on a June 30 measurement date.

The pension and OPEB schedules are being accumulated prospectively until 10 years of information is presented.

# CITY OF GRAND HAVEN

## GRAND HAVEN BOARD OF LIGHT AND POWER DEFINED BENEFIT OPEB PLAN SCHEDULE OF CHANGES IN EMPLOYERS NET OPEB LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED JUNE 30, 2025

	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total OPEB liability</b>									
Service cost	\$ 52,122	\$ 49,554	\$ 42,889	\$ 46,820	\$ 43,640	\$ 15,611	\$ 14,854	\$ 13,823	\$ 12,420
Interest	456,376	456,247	556,550	623,499	593,625	113,978	78,633	72,607	108,730
Changes in benefit terms	-	-	-	(34,994)	-	-	-	-	-
Difference between expected and actual experience	79,952	1,015,790	141,760	(101,970)	(75,976)	(42,424)	44,149	610,120	(195,602)
Change on plan terms	-	-	-	-	-	(334,645)	-	-	-
Changes in assumptions	-	292,450	864,802	207,572	(27,044)	110,853	12,160	20,699	30,619
Benefit payments including employee refunds	(535,595)	(639,638)	(779,102)	(713,057)	(699,661)	(335,192)	(244,837)	(224,869)	(174,713)
Other	-	-	-	-	-	-	-	-	-
<b>Net change in total OPEB liability</b>	<b>52,855</b>	<b>1,174,403</b>	<b>826,899</b>	<b>27,870</b>	<b>(165,416)</b>	<b>(471,819)</b>	<b>(95,041)</b>	<b>492,380</b>	<b>(218,546)</b>
<b>Total OPEB liability, beginning of year</b>	<b>6,300,692</b>	<b>6,353,547</b>	<b>7,527,950</b>	<b>8,354,849</b>	<b>8,382,719</b>	<b>1,702,702</b>	<b>1,230,883</b>	<b>1,135,842</b>	<b>1,628,222</b>
<b>Total OPEB liability, end of year</b>	<b>\$ 6,353,547</b>	<b>\$ 7,527,950</b>	<b>\$ 8,354,849</b>	<b>\$ 8,382,719</b>	<b>\$ 8,217,303</b>	<b>\$ 1,230,883</b>	<b>\$ 1,135,842</b>	<b>\$ 1,628,222</b>	<b>\$ 1,409,676</b>
<b>Plan Fiduciary Net Position</b>									
Contributions-employer	\$ 500,000	\$ -	\$ 779,102	\$ 713,057	\$ 699,661	\$ -	\$ -	\$ -	\$ -
Contributions/benefit payments made from general operating funds	535,595	639,638	-	-	-	335,192	244,837	224,869	174,713
Net Investment income	198,865	151,458	62,008	50,205	618,036	(54,370)	44,113	65,177	68,050
Benefit payments including employee refunds	(535,595)	(639,638)	(779,102)	(713,057)	(699,661)	(335,192)	(244,837)	(224,869)	(174,713)
Administrative expense	(4,014)	(4,917)	(4,396)	(3,939)	(4,546)	(687)	(1,117)	(1,391)	(1,527)
Other	-	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>694,851</b>	<b>146,541</b>	<b>57,612</b>	<b>46,266</b>	<b>613,490</b>	<b>(55,057)</b>	<b>42,996</b>	<b>63,786</b>	<b>66,523</b>
<b>Plan fiduciary net position, beginning of year</b>	<b>1,253,420</b>	<b>1,948,271</b>	<b>2,094,812</b>	<b>2,152,424</b>	<b>2,198,690</b>	<b>647,015</b>	<b>591,958</b>	<b>634,954</b>	<b>698,740</b>
<b>Plan fiduciary net position, end of year</b>	<b>\$ 1,948,271</b>	<b>\$ 2,094,812</b>	<b>\$ 2,152,424</b>	<b>\$ 2,198,690</b>	<b>\$ 2,812,180</b>	<b>\$ 591,958</b>	<b>\$ 634,954</b>	<b>\$ 698,740</b>	<b>\$ 765,263</b>
<b>Employer net OPEB liability</b>	<b>\$ 4,405,276</b>	<b>\$ 5,433,138</b>	<b>\$ 6,202,425</b>	<b>\$ 6,184,029</b>	<b>\$ 5,405,123</b>	<b>\$ 638,925</b>	<b>\$ 500,888</b>	<b>\$ 929,482</b>	<b>\$ 644,413</b>
Employer net OPEB liability reported by Grand Haven Board of Light and Power **	<b>\$ 1,013,548</b>	<b>\$ 1,319,831</b>	<b>\$ 1,146,013</b>	<b>\$ 1,091,795</b>	<b>\$ 1,055,687</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>31%</b>	<b>28%</b>	<b>26%</b>	<b>26%</b>	<b>34%</b>	<b>48%</b>	<b>56%</b>	<b>43%</b>	<b>54%</b>
<b>Covered employee payroll</b>	<b>\$ 11,180,895</b>	<b>\$ 5,433,138</b>	<b>\$ 5,833,306</b>	<b>\$ 4,286,167</b>	<b>\$ 4,228,786</b>	<b>\$ 1,187,543</b>	<b>\$ 1,097,102</b>	<b>\$ 2,218,649</b>	<b>\$ 880,788</b>
<b>Employer's net OPEB liability as a percentage of covered employee payroll</b>	<b>39%</b>	<b>100%</b>	<b>106%</b>	<b>144%</b>	<b>128%</b>	<b>54%</b>	<b>46%</b>	<b>42%</b>	<b>73%</b>

**Notes to schedule:**

\*\*The above schedule provides information for the City of Grand Haven plan as a whole through 2021 with the exception of this item.

The Grand Haven Board of Light and Power defined benefit pension plan was split from, and is presented separately from, the City plan beginning in 2022.

Above data is based on a June 30 measurement date.

# CITY OF GRAND HAVEN

## GRAND HAVEN BOARD OF LIGHT AND POWER DEFINED BENEFIT OPEB PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS

**FOR THE YEAR ENDED JUNE 30, 2025**

Fiscal Year end	Actuarially determined contributions **	Contributions in relation to the actuarially determined contribution **	Contribution deficiency (excess) **	Covered employee payroll **	Contributions as a percentage of covered employee payroll **
6/30/2017	\$ 202,700	\$ 208,736	\$ (6,036)	\$ 4,398,937	5%
6/30/2018	215,813	215,813	-	3,280,409	7%
6/30/2019	212,789	212,789	-	3,041,327	7%
6/30/2020	273,794	280,815	(7,021)	1,738,293	16%
6/30/2021	251,488	212,119	39,369	1,720,867	12%
6/30/2022	240,636	335,192	(94,556)	1,187,543	28%
6/30/2023	123,449	244,837	(121,388)	1,097,102	22%
6/30/2024	119,876	224,869	(104,993)	2,218,649	10%
6/30/2025	155,952	174,713	(18,761)	880,788	20%

### Notes to schedule

Actuarial cost method	Entry Age
Amortization method	Level percent, closed
Remaining amortization period	6 years
Asset valuation method	Market value
Inflation	2.25%
Healthcare cost trend rates	7.25% graded down .25% per year until reaching 4.5%
Salary increases	3.00%
Investment rate of return	7% (7.35% through 2021, 7.75% 2017-2019)
Retirement age	Varies depending on plan adoption
Mortality	2010 Employee and Healthy Retiree; headcount weighted, 2021 Improvement

## SCHEDULE OF INVESTMENT RETURNS

**FOR THE YEARS ENDED JUNE 30, 2017 through 2025**

Fiscal Year end	Annual money-weighted rate of return net of investment expense
6/30/2017	12.2%
6/30/2018	7.7%
6/30/2019	2.9%
6/30/2020	7.2%
6/30/2021	28.1%
6/30/2022	-4.4%
6/30/2023	7.2%
6/30/2024	9.8%
6/30/2025	9.1%

### Notes to schedule:

Above returns are based on a measurement date of June 30.

\*\*The above schedule provides information for the City of Grand Haven plan as a whole through 2021 with the exception of this item. The Grand Haven Board of Light and Power defined benefit pension plan was split from, and is presented separately from, the City plan beginning in 2022.

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**CITY OF GRAND HAVEN**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Expenditures	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Current				
General government				
City council	\$ 135,800	\$ 130,837	\$ 122,208	\$ 8,629
City manager	441,310	629,784	633,846	(4,062)
Finance and treasury	1,530,247	1,457,423	1,452,266	5,157
City clerk	374,560	340,522	324,818	15,704
Information technology	107,700	114,351	112,032	2,319
Insurance administration	93,970	155,243	155,223	20
Assessing	220,243	202,776	200,335	2,441
Elections	66,250	46,250	43,162	3,088
Legal services	150,000	143,000	103,936	39,064
Human resources	217,837	206,587	174,056	32,531
City hall building operations	45,250	104,580	94,756	9,824
Planning and community development	176,176	157,178	150,434	6,744
	<u>3,559,343</u>	<u>3,688,531</u>	<u>3,567,072</u>	<u>121,459</u>
Public safety				
Public safety administration	897,120	900,632	773,600	127,032
TEAM/CSO	66,450	66,555	67,328	(773)
Police and fire operations	5,871,415	5,891,002	5,442,092	448,910
Building inspector	728,355	650,212	485,938	164,274
Emergency preparation	12,250	27,550	23,697	3,853
Public safety building operations	93,728	249,210	233,358	15,852
	<u>7,669,318</u>	<u>7,785,161</u>	<u>7,026,013</u>	<u>759,148</u>
Public works				
Public works administration	771,147	866,346	809,732	56,614
Right-of-way and sidewalks	135,186	286,265	306,028	(19,763)
Street lighting	220,000	200,000	195,721	4,279
Downtown dumpster	71,602	68,465	66,013	2,452
Community promotion	120,595	121,760	115,697	6,063
Parking lots	444,769	400,389	335,342	65,047
Sewer authority	23,557	45,845	41,975	3,870
Cemetery	425,001	513,531	488,706	24,825
Airport	27,052	39,840	35,707	4,133
	<u>2,238,909</u>	<u>2,542,441</u>	<u>2,394,921</u>	<u>147,520</u>
Culture and recreation				
Waterfront operations	137,855	164,745	133,540	31,205
Parks and playgrounds	1,030,940	1,080,670	1,069,186	11,484
Duncan woods	20,000	20,000	12,534	7,466
Central park place building operations	141,145	61,965	52,370	9,595
Musical fountain	33,018	31,335	27,463	3,872
Mulligan's lodge	222,165	238,495	208,985	29,510
Depot	38,910	49,000	44,366	4,634
Mini golf	44,800	38,870	38,143	727
Central park place	358,478	419,771	420,034	(263)
Coast Guard festival	79,875	79,745	79,730	15
	<u>2,107,186</u>	<u>2,184,596</u>	<u>2,086,351</u>	<u>98,245</u>
Debt service				
Principal	20,333	20,333	20,333	-
Interest and fiscal charges	10,715	10,715	10,714	1
	<u>31,048</u>	<u>31,048</u>	<u>31,047</u>	<u>1</u>
<b>Total expenditures</b>	<u>\$ 15,605,804</u>	<u>\$ 16,231,777</u>	<u>\$ 15,105,404</u>	<u>\$ 1,126,373</u>



**CITY OF GRAND HAVEN**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2025**

	Special Revenue					
	<u>Major Streets</u>	<u>Local Streets</u>	<u>2014 Capital Improvement Bonds</u>	<u>2008 UTGO Bonds</u>	<u>2015 Infrastructure Bonds</u>	<u>Lighthouse Maintenance</u>
<b>Assets</b>						
Cash and pooled investments	\$ 415,245	\$ 1,057,511	\$ 325,632	\$ 1,327,056	\$ 1,746,840	\$ -
Accounts receivable	21,295	-	-	-	-	50,376
Due from other governments	208,049	68,732	-	-	-	26,483
Taxes receivable	-	-	-	3,075	2,768	-
Special assessments receivable	13,059	-	-	-	-	-
Prepaid items	3,415	3,415	-	-	-	-
Inventory	30,298	30,298	-	-	-	-
<b>Total assets</b>	<u>\$ 691,361</u>	<u>\$ 1,159,956</u>	<u>\$ 325,632</u>	<u>\$ 1,330,131</u>	<u>\$ 1,749,608</u>	<u>\$ 76,859</u>
<b>Liabilities, deferred inflows and fund balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 395,200	\$ 217,505	\$ -	\$ -	\$ -	\$ 76,859
Accrued liabilities	4,417	1,578	-	-	-	-
Due to other governments	9,540	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-
Due to other funds	1,494	1,381	-	-	-	-
Unearned revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<u>410,651</u>	<u>220,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,859</u>
<b>Deferred inflows of resources</b>						
Unavailable revenue	4,595	-	-	3,075	2,768	-
<b>Fund balances (deficit)</b>						
Non-spendable						
Prepaid items	3,415	3,415	-	-	-	-
Permanent fund corpus	-	-	-	-	-	-
Inventory	30,298	30,298	-	-	-	-
Restricted						
Streets	242,402	905,779	-	-	-	-
Public works	-	-	325,632	1,327,056	1,746,840	-
Committed						
Capital projects	-	-	-	-	-	-
<b>Total fund balances</b>	<u>276,115</u>	<u>939,492</u>	<u>325,632</u>	<u>1,327,056</u>	<u>1,746,840</u>	<u>-</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 691,361</u>	<u>\$ 1,159,956</u>	<u>\$ 325,632</u>	<u>\$ 1,330,131</u>	<u>\$ 1,749,608</u>	<u>\$ 76,859</u>

<u>Debt Service</u>				<u>Capital Projects</u>				<u>Permanent</u>	<u>Total</u>
<u>2014 Capital Improvement Bonds</u>	<u>2015 Infrastructure Bonds</u>	<u>2020 Warber Drain Bonds</u>	<u>2008 UTGO Bonds</u>	<u>Public Improvement</u>	<u>Fire Truck</u>	<u>Harbor Island Remediation</u>	<u>Infrastructure Millage</u>	<u>Cemetery Perpetual Care</u>	
\$ -	\$ -	\$ -	\$ -	\$ 1,894,287	\$ 409,931	\$ 1,729,726	\$ 1,875,465	\$ 954,904	\$ 11,736,597
-	-	-	-	161,227	-	70,568	2,151	-	305,617
-	-	-	-	42,215	-	-	-	-	345,479
-	-	-	-	656	-	-	-	-	6,499
-	-	-	-	-	-	-	-	-	13,059
-	-	-	-	15,576	-	2,871	-	-	25,277
-	-	-	-	-	-	-	-	-	60,596
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,113,961</u>	<u>\$ 409,931</u>	<u>\$ 1,803,165</u>	<u>\$ 1,877,616</u>	<u>\$ 954,904</u>	<u>\$ 12,493,124</u>
\$ -	\$ -	\$ -	\$ -	\$ 200,443	\$ -	\$ 55,585	\$ -	\$ -	\$ 945,592
-	-	-	-	-	-	-	-	-	5,995
-	-	-	-	-	-	-	-	-	9,540
-	-	-	-	492,666	-	-	-	-	492,666
-	-	-	-	-	-	-	-	-	2,875
-	-	-	-	-	-	644,163	2,151	-	646,314
-	-	-	-	693,109	-	699,748	2,151	-	2,102,982
-	-	-	-	656	-	-	-	-	11,094
-	-	-	-	15,576	-	2,871	-	-	25,277
-	-	-	-	-	-	-	-	954,904	954,904
-	-	-	-	-	-	-	-	-	60,596
-	-	-	-	-	-	-	-	-	1,148,181
-	-	-	-	-	-	-	-	-	3,399,528
-	-	-	-	1,404,620	409,931	1,100,546	1,875,465	-	4,790,562
-	-	-	-	1,420,196	409,931	1,103,417	1,875,465	954,904	10,379,048
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,113,961</u>	<u>\$ 409,931</u>	<u>\$ 1,803,165</u>	<u>\$ 1,877,616</u>	<u>\$ 954,904</u>	<u>\$ 12,493,124</u>

**CITY OF GRAND HAVEN**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Special Revenue					
	<u>Major Streets</u>	<u>Local Streets</u>	<u>2014 Capital Improvement Bonds</u>	<u>2008 UTGO Bonds</u>	<u>2015 Infrastructure Bonds</u>	<u>Lighthouse Maintenance</u>
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ 965,530	\$ 868,972	\$ -
Intergovernmental revenues						
Federal	-	-	-	-	-	-
State	1,378,918	452,852	-	-	-	26,483
Local	77,576	-	-	-	-	80,175
Special assessments	1,048	-	-	-	-	-
Licenses and permits	360	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment earnings	5,378	14,600	-	10,337	-	-
Miscellaneous	-	9,114	-	-	-	-
<b>Total revenues</b>	<u>1,463,280</u>	<u>476,566</u>	<u>-</u>	<u>975,867</u>	<u>868,972</u>	<u>106,658</u>
<b>Expenditures</b>						
Current						
Public works	1,225,946	601,296	-	-	-	-
Culture and recreation	-	-	-	-	-	106,658
Debt service						
Principal	-	29,307	-	-	-	-
Interest	-	15,443	-	-	-	-
Capital outlay	<u>643,050</u>	<u>333,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>1,868,996</u>	<u>979,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,658</u>
Revenues over (under) expenditures	<u>(405,716)</u>	<u>(502,665)</u>	<u>-</u>	<u>975,867</u>	<u>868,972</u>	<u>-</u>
Other financing sources (uses)						
Transfers in	251,800	677,700	420,900	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(420,900)</u>	<u>(783,226)</u>	<u>(478,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>251,800</u>	<u>677,700</u>	<u>-</u>	<u>(783,226)</u>	<u>(478,000)</u>	<u>-</u>
Net changes in fund balances	<u>(153,916)</u>	<u>175,035</u>	<u>-</u>	<u>192,641</u>	<u>390,972</u>	<u>-</u>
<b>Fund balances, beginning of year</b>	<u>430,031</u>	<u>764,457</u>	<u>325,632</u>	<u>1,134,415</u>	<u>1,355,868</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 276,115</u>	<u>\$ 939,492</u>	<u>\$ 325,632</u>	<u>\$ 1,327,056</u>	<u>\$ 1,746,840</u>	<u>\$ -</u>

Debt Service				Capital Projects				Permanent	
2014 Capital Improvement Bonds	2015 Infrastructure Bonds	2020 Warber Drain Bonds	2008 UTGO Bonds	Public Improvement	Fire Truck	Harbor Island Remediation	Infrastructure Millage	Cemetery Perpetual Care	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 839,891	\$ -	\$ 2,674,393
-	-	-	-	54,558	-	341,596	-	-	396,154
-	-	-	-	-	-	605,837	-	-	2,464,090
-	-	-	-	162,113	-	353,401	-	-	673,265
-	-	-	-	-	-	-	-	-	1,048
-	-	-	-	-	-	-	-	-	360
-	-	-	-	-	-	-	-	43,875	43,875
-	-	-	-	71,079	15,366	71,888	80,016	36,240	304,904
-	-	-	-	170,915	-	9,098	-	-	189,127
-	-	-	-	458,665	15,366	1,381,820	919,907	80,115	6,747,216
-	-	-	-	-	-	952,098	-	-	2,779,340
-	-	-	-	-	-	-	-	-	106,658
196,560	310,000	51,000	720,000	-	-	-	-	-	1,306,867
43,244	168,000	17,609	63,226	-	-	-	-	-	307,522
-	-	-	-	2,376,393	-	-	-	-	3,352,628
239,804	478,000	68,609	783,226	2,376,393	-	952,098	-	-	7,853,015
(239,804)	(478,000)	(68,609)	(783,226)	(1,917,728)	15,366	429,722	919,907	80,115	(1,105,799)
239,804	478,000	68,609	783,226	2,579,815	100,000	-	-	-	5,599,854
-	-	-	-	(100,000)	-	-	-	(12,000)	(1,794,126)
239,804	478,000	68,609	783,226	2,479,815	100,000	-	-	(12,000)	3,805,728
-	-	-	-	562,087	115,366	429,722	919,907	68,115	2,699,929
-	-	-	-	858,109	294,565	673,695	955,558	886,789	7,679,119
\$ -	\$ -	\$ -	\$ -	\$ 1,420,196	\$ 409,931	\$ 1,103,417	\$ 1,875,465	\$ 954,904	\$ 10,379,048

# CITY OF GRAND HAVEN

## MAJOR STREETS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental revenues				
State	\$ 1,707,000	\$ 1,707,000	\$ 1,378,918	\$ (328,082)
Local	102,000	76,830	77,576	746
Special assessments	1,048	1,048	1,048	-
Licenses and permits	250	360	360	-
Investment earnings	1,000	5,000	5,378	378
<b>Total revenues</b>	<u>1,811,298</u>	<u>1,790,238</u>	<u>1,463,280</u>	<u>(326,958)</u>
<b>Expenditures</b>				
Current				
Public works	1,401,536	1,358,610	1,225,946	132,664
Capital outlay	640,099	610,409	643,050	(32,641)
<b>Total expenditures</b>	<u>2,041,635</u>	<u>1,969,019</u>	<u>1,868,996</u>	<u>100,023</u>
Revenues over (under) expenditures	(230,337)	(178,781)	(405,716)	(226,935)
Other financing sources (uses)				
Transfers in	244,000	251,800	251,800	-
Net changes in fund balance	13,663	73,019	(153,916)	(226,935)
<b>Fund balance, beginning of year</b>	<u>430,031</u>	<u>430,031</u>	<u>430,031</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 443,694</u>	<u>\$ 503,050</u>	<u>\$ 276,115</u>	<u>\$ (226,935)</u>

# CITY OF GRAND HAVEN

## LOCAL STREETS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Amount</u></b>	<b><u>Positive (Negative)</u></b>
<b>Revenues</b>				
Intergovernmental revenues				
State	\$ 431,700	\$ 431,700	\$ 452,852	\$ 21,152
Investment earnings	3,000	10,000	14,600	4,600
Miscellaneous	3,000	6,913	9,114	2,201
<b>Total revenues</b>	<u>437,700</u>	<u>448,613</u>	<u>476,566</u>	<u>27,953</u>
<b>Expenditures</b>				
Current				
Public works	743,120	699,927	601,296	98,631
Debt service				
Principal	29,308	29,308	29,307	1
Interest	15,444	15,444	15,443	1
Capital outlay	291,797	411,385	333,185	78,200
<b>Total expenditures</b>	<u>1,079,669</u>	<u>1,156,064</u>	<u>979,231</u>	<u>176,833</u>
Revenues over (under) expenditures	(641,969)	(707,451)	(502,665)	204,786
Other financing sources (uses)				
Transfers in	666,000	677,700	677,700	-
Net changes in fund balance	24,031	(29,751)	175,035	204,786
<b>Fund balance, beginning of year</b>	<u>764,457</u>	<u>764,457</u>	<u>764,457</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 788,488</u>	<u>\$ 734,706</u>	<u>\$ 939,492</u>	<u>\$ 204,786</u>

# CITY OF GRAND HAVEN

## 2014 CAPITAL IMPROVEMENT BONDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	420,900	420,900	420,900	-
Transfers out	(420,900)	(420,900)	(420,900)	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	-	-	-
<b>Fund balance, beginning of year</b>	<u>325,632</u>	<u>325,632</u>	<u>325,632</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 325,632</u>	<u>\$ 325,632</u>	<u>\$ 325,632</u>	<u>\$ -</u>

# CITY OF GRAND HAVEN

## 2008 UTGO BOND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Amount</u></b>	<b><u>Positive (Negative)</u></b>
<b>Revenues</b>				
Taxes	\$ 915,000	\$ 963,630	\$ 965,530	\$ 1,900
Investment earnings	-	-	10,337	10,337
<b>Total revenues</b>	915,000	963,630	975,867	12,237
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Revenues over (under) expenditures	915,000	963,630	975,867	12,237
Other financing sources (uses)				
Transfers out	(783,226)	(783,226)	(783,226)	-
Net changes in fund balance	131,774	180,404	192,641	12,237
<b>Fund balance, beginning of year</b>	<u>1,134,415</u>	<u>1,134,415</u>	<u>1,134,415</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,266,189</u>	<u>\$ 1,314,819</u>	<u>\$ 1,327,056</u>	<u>\$ 12,237</u>



# CITY OF GRAND HAVEN

## 2015 INFRASTRUCTURE BONDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Taxes	\$ 835,000	\$ 867,917	\$ 868,972	\$ 1,055
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Revenues over (under) expenditures	835,000	867,917	868,972	1,055
Other financing sources (uses)				
Transfers out	(478,000)	(478,000)	(478,000)	-
Net changes in fund balance	357,000	389,917	390,972	1,055
<b>Fund balance, beginning of year</b>	<u>1,355,868</u>	<u>1,355,868</u>	<u>1,355,868</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,712,868</u>	<u>\$ 1,745,785</u>	<u>\$ 1,746,840</u>	<u>\$ 1,055</u>

# CITY OF GRAND HAVEN

## **LIGHTHOUSE MAINTENANCE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2025**

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	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Amount</u></b>	<b><u>Positive (Negative)</u></b>
<b>Revenues</b>				
Intergovernmental revenues				
Federal	\$ -	\$ 7,500	\$ -	\$ (7,500)
State	301,185	67,500	26,483	(41,017)
Local	<u>30,000</u>	<u>74,939</u>	<u>80,175</u>	<u>5,236</u>
<b>Total revenues</b>	331,185	149,939	106,658	(43,281)
<b>Expenditures</b>				
Current				
Culture and recreation	<u>331,185</u>	<u>149,939</u>	<u>106,658</u>	<u>43,281</u>
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF GRAND HAVEN**

**NONMAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF NET POSITION**

**JUNE 30, 2025**

	<b>Marina and Boat Launch</b>	<b>Airport</b>	<b>Total</b>
<b>Assets</b>			
Current assets			
Cash and pooled investments	\$ 492,416	\$ 405,114	\$ 897,530
Accounts receivable	29,301	7,144	36,445
Due from other governments	1,841	-	1,841
Prepaid items	304	3,701	4,005
	<u>523,862</u>	<u>415,959</u>	<u>939,821</u>
Total current assets			
Capital assets			
Land	94,000	181,762	275,762
Construction in progress	-	2,400	2,400
Depreciable capital assets, net	1,443,154	2,225,355	3,668,509
	<u>1,537,154</u>	<u>2,409,517</u>	<u>3,946,671</u>
Total capital assets			
<b>Total assets</b>	<u>2,061,016</u>	<u>2,825,476</u>	<u>4,886,492</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	9,810	431	10,241
Accrued liabilities	5,352	1,847	7,199
Due to other funds	455	-	455
	<u>15,617</u>	<u>2,278</u>	<u>17,895</u>
Total current liabilities			
Long-term liabilities			
Accrued compensated absences	230	4,284	4,514
	<u>15,847</u>	<u>6,562</u>	<u>22,409</u>
<b>Total liabilities</b>			
<b>Net position</b>			
Net investment in capital assets	1,537,154	2,409,517	3,946,671
Unrestricted	508,015	409,397	917,412
<b>Total net position</b>	<u>\$ 2,045,169</u>	<u>\$ 2,818,914</u>	<u>\$ 4,864,083</u>

# CITY OF GRAND HAVEN

## NONMAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

**FOR THE YEAR ENDED JUNE 30, 2025**

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	<u>Marina and Boat Launch</u>	<u>Airport</u>	<u>Total</u>
<b>Operating revenue</b>			
Charges for services	\$ 392,898	\$ 307,901	\$ 700,799
<b>Operating expense</b>			
Operating	77,753	222,381	300,134
Administrative and general	-	13,415	13,415
Depreciation	<u>107,112</u>	<u>151,108</u>	<u>258,220</u>
<b>Total operating expense</b>	<u>184,865</u>	<u>386,904</u>	<u>571,769</u>
Operating income (loss)	<u>208,033</u>	<u>(79,003)</u>	<u>129,030</u>
Non-operating revenue (expense)			
Investment earnings	7,848	6,520	14,368
Other	<u>1,384</u>	<u>31,097</u>	<u>32,481</u>
Total non-operating revenue (expense)	<u>9,232</u>	<u>37,617</u>	<u>46,849</u>
Changes in net position	217,265	(41,386)	175,879
<b>Net position, beginning of year</b>	<u>1,827,904</u>	<u>2,860,300</u>	<u>4,688,204</u>
<b>Net position, end of year</b>	<u>\$ 2,045,169</u>	<u>\$ 2,818,914</u>	<u>\$ 4,864,083</u>

**CITY OF GRAND HAVEN**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Marina and Boat Launch</u>	<u>Airport</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Receipts from customers and users	\$ 389,035	\$ 305,199	\$ 694,234
Payments to employees	(252,253)	(57,294)	(309,547)
Payments to suppliers	(28,170)	(157,588)	(185,758)
<b>Net cash provided by (used in) operating activities</b>	<u>108,612</u>	<u>90,317</u>	<u>198,929</u>
<b>Cash flows from capital and related financing activities</b>			
Acquisitions of capital assets	-	(3,987)	(3,987)
<b>Cash flows from investing activities</b>			
Interest income	7,848	6,520	14,368
Net increase (decrease) in cash and pooled investments	116,460	92,850	209,310
<b>Cash and pooled investments, beginning of year</b>	<u>375,956</u>	<u>312,264</u>	<u>688,220</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 492,416</u>	<u>\$ 405,114</u>	<u>\$ 897,530</u>
<b>Cash flows from operating activities</b>			
Operating income (loss)	\$ 208,033	\$ (79,003)	\$ 129,030
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	107,112	151,108	258,220
Miscellaneous revenue	1,384	31,097	32,481
Deferred outflows of resources for pension	33,581	-	33,581
Deferred outflows of resources for OPEB	4,506	-	4,506
Change in operating assets and liabilities which provided (used) cash			
Accounts receivable	(9,704)	(2,727)	(12,431)
Due from other governmental units	5,839	-	5,839
Due from other funds	2	25	27
Prepaid expenses	(304)	154	(150)
Accounts payable	(2,224)	(10,969)	(13,193)
Accrued liabilities	358	389	747
Due to other funds	(1,260)	(638)	(1,898)
Compensated absences	(12)	881	869
Net pension liability	(208,653)	-	(208,653)
Net OPEB obligation	(30,046)	-	(30,046)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 108,612</u>	<u>\$ 90,317</u>	<u>\$ 198,929</u>

**CITY OF GRAND HAVEN**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	<b>Motor Pool</b>	<b>Insurance</b>	<b>Health Benefits</b>	<b>Retiree Health Care</b>	<b>Total</b>
<b>Assets</b>					
Current assets					
Cash and pooled investments	\$ 1,634,586	\$ 1,458,932	\$ 1,656,267	\$ 1,143,078	\$ 5,892,863
Accounts receivable	-	-	7,170	42,699	49,869
Due from other governments	44	-	-	-	44
Due from other funds	26,486	-	-	-	26,486
Prepaid items	369	-	-	-	369
Inventory	65,103	-	-	-	65,103
Total current assets	1,726,588	1,458,932	1,663,437	1,185,777	6,034,734
Non-current assets					
Capital assets					
Construction in progress	158,109	-	-	-	158,109
Depreciable capital assets, net	3,338,648	-	-	-	3,338,648
Total non-current assets	3,496,757	-	-	-	3,496,757
<b>Total assets</b>	5,223,345	1,458,932	1,663,437	1,185,777	9,531,491
<b>Deferred outflows of resources</b>					
Pension related	104,384	-	-	-	104,384
<b>Liabilities</b>					
Current liabilities					
Accounts payable	34,439	125	92	4,493	39,149
Accrued liabilities	3,167	-	147,973	-	151,140
Due to other funds	-	-	4,829	227	5,056
Due to other governments	2,809	-	-	-	2,809
Total current liabilities	40,415	125	152,894	4,720	198,154
Long-term liabilities					
Accrued compensated absences	2,112	-	-	-	2,112
Net pension liability	808,682	-	-	-	808,682
Total long-term liabilities	810,794	-	-	-	810,794
<b>Total liabilities</b>	851,209	125	152,894	4,720	1,008,948
<b>Net position</b>					
Net investment in capital assets	3,496,757	-	-	-	3,496,757
Unrestricted	979,763	1,458,807	1,510,543	1,181,057	5,130,170
<b>Total net position</b>	\$ 4,476,520	\$ 1,458,807	\$ 1,510,543	\$ 1,181,057	\$ 8,626,927

**CITY OF GRAND HAVEN**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Motor Pool</u>	<u>Insurance</u>	<u>Health Benefits</u>	<u>Retiree Health Care</u>	<u>Total</u>
<b>Operating revenue</b>					
Charges for services	\$ 1,372,293	\$ 500,096	\$ 2,712,585	\$ -	\$ 4,584,974
Employer contributions	-	-	-	750,649	750,649
<b>Total operating revenue</b>	<u>1,372,293</u>	<u>500,096</u>	<u>2,712,585</u>	<u>750,649</u>	<u>5,335,623</u>
<b>Operating expense</b>					
Operating	789,614	487,888	2,633,968	-	3,911,470
Insurance payments	-	-	-	520,889	520,889
Administrative and general	-	-	236,376	-	236,376
Depreciation	<u>562,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>562,176</u>
<b>Total operating expense</b>	<u>1,351,790</u>	<u>487,888</u>	<u>2,870,344</u>	<u>520,889</u>	<u>5,230,911</u>
Operating income (loss)	<u>20,503</u>	<u>12,208</u>	<u>(157,759)</u>	<u>229,760</u>	<u>104,712</u>
Non-operating revenue (expense)					
Gain (loss) on disposal of capital assets	52,843	-	-	-	52,843
Investment earnings	42,796	27,422	30,602	14,985	115,805
Other	<u>1,722</u>	<u>-</u>	<u>-</u>	<u>87</u>	<u>1,809</u>
Total non-operating revenue (expense)	<u>97,361</u>	<u>27,422</u>	<u>30,602</u>	<u>15,072</u>	<u>170,457</u>
Changes in net position	117,864	39,630	(127,157)	244,832	275,169
<b>Net position, beginning of year</b>	<u>4,358,656</u>	<u>1,419,177</u>	<u>1,637,700</u>	<u>936,225</u>	<u>8,351,758</u>
<b>Net position, end of year</b>	<u>\$ 4,476,520</u>	<u>\$ 1,458,807</u>	<u>\$ 1,510,543</u>	<u>\$ 1,181,057</u>	<u>\$ 8,626,927</u>

**CITY OF GRAND HAVEN**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Motor Pool</b>	<b>Insurance</b>	<b>Health Benefits</b>	<b>Retiree Health Care</b>	<b>Total</b>
<b>Cash flows from operating activities</b>					
Receipts from internal services provided	\$ 1,427,503	\$ 500,096	\$ 2,711,585	\$ 728,498	\$ 5,367,682
Payments to employees	(403,567)	-	-	-	(403,567)
Payments to suppliers	(519,225)	(378,783)	(236,940)	(516,309)	(1,651,257)
Claims paid	-	-	(2,526,844)	-	(2,526,844)
<b>Net cash provided by (used in) operating activities</b>	<b>504,711</b>	<b>121,313</b>	<b>(52,199)</b>	<b>212,189</b>	<b>786,014</b>
<b>Cash flows from capital and related financing activities</b>					
Proceeds from sale of capital assets	76,235	-	-	-	76,235
Acquisitions of capital assets	(627,792)	-	-	-	(627,792)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(551,557)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(551,557)</b>
<b>Cash flows from investing activities</b>					
Interest income	42,796	27,422	30,602	14,985	115,805
Net increase (decrease) in cash and pooled investments	(4,050)	148,735	(21,597)	227,174	350,262
<b>Cash and pooled investments, beginning of year</b>	<b>1,638,636</b>	<b>1,310,197</b>	<b>1,677,864</b>	<b>915,904</b>	<b>5,542,601</b>
<b>Cash and pooled investments, end of year</b>	<b>\$ 1,634,586</b>	<b>\$ 1,458,932</b>	<b>\$ 1,656,267</b>	<b>\$ 1,143,078</b>	<b>\$ 5,892,863</b>
<b>Cash flows from operating activities</b>					
Operating income (loss)	\$ 20,503	\$ 12,208	\$ (157,759)	\$ 229,760	\$ 104,712
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	562,176	-	-	-	562,176
Miscellaneous revenue	1,722	-	-	87	1,809
Deferred outflows of resources for pension	29,850	-	-	-	29,850
Deferred outflows of resources for OPEB	11,715	-	-	-	11,715
Change in operating assets and liabilities which provided (used) cash					
Accounts receivable	3,775	-	(5,829)	(20,371)	(22,425)
Due from other funds	55,215	-	-	630	55,845
Due from other governmental units	348	-	-	-	348
Prepaid expenses	(4)	108,980	-	-	108,976
Inventory	(12,969)	-	-	-	(12,969)
Accounts payable	1,595	125	(564)	4,493	5,649
Accrued liabilities	277	-	107,124	-	107,401
Due to other governments	2,809	-	-	-	2,809
Due to other funds	(17,000)	-	4,829	(2,410)	(14,581)
Unearned revenue	(5,850)	-	-	-	(5,850)
Compensated absences	(597)	-	-	-	(597)
Net pension liability	(25,356)	-	-	-	(25,356)
Net OPEB obligation	(123,498)	-	-	-	(123,498)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 504,711</b>	<b>\$ 121,313</b>	<b>\$ (52,199)</b>	<b>\$ 212,189</b>	<b>\$ 786,014</b>



**CITY OF GRAND HAVEN**  
**CUSTODIAL FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

---

	<u>Current Tax Fund</u>	<u>Grand Haven - Spring Lake Sewer Authority</u>	<u>Northwest Ottawa Water Treatment Plant</u>	<u>Total</u>
<b>Assets</b>				
Cash and pooled investments	\$ -	\$ 1,274,709	\$ 2,146,252	\$ 3,420,961
<b>Total assets</b>	<u>-</u>	<u>1,274,709</u>	<u>2,146,252</u>	<u>3,420,961</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net position</b>	<u>\$ -</u>	<u>\$ 1,274,709</u>	<u>\$ 2,146,252</u>	<u>\$ 3,420,961</u>

**CITY OF GRAND HAVEN**  
**CUSTODIAL FUNDS**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

---

	<b>Current Tax Fund</b>	<b>Grand Haven - Spring Lake Sewer Authority</b>	<b>Northwest Ottawa Water Treatment Plant</b>	<b>Total</b>
<b>Additions</b>				
Property taxes collected for other governments	\$ 22,815,068	\$ -	\$ -	\$ 22,815,068
Charges for services and non-operating receipts	<u>-</u>	<u>158,949</u>	<u>5,145,653</u>	<u>5,304,602</u>
<b>Total additions</b>	<u>22,815,068</u>	<u>158,949</u>	<u>5,145,653</u>	<u>28,119,670</u>
<b>Deductions</b>				
Taxes to other governments	\$ 22,815,068	-	-	22,815,068
Operating costs and non-operating expenses	<u>-</u>	<u>100,000</u>	<u>4,144,008</u>	<u>4,244,008</u>
<b>Total deductions</b>	<u>22,815,068</u>	<u>100,000</u>	<u>4,144,008</u>	<u>27,059,076</u>
Changes in net position	-	58,949	1,001,645	1,060,594
<b>Net position, beginning of year</b>	<u>-</u>	<u>1,215,760</u>	<u>1,144,607</u>	<u>2,360,367</u>
<b>Net position, end of year</b>	<u>\$ -</u>	<u>\$ 1,274,709</u>	<u>\$ 2,146,252</u>	<u>\$ 3,420,961</u>

**CITY OF GRAND HAVEN**  
**ECONOMIC DEVELOPMENT CORPORATION**  
**BALANCE SHEET/STATEMENT OF NET POSITION**

**JUNE 30, 2025**

	<b>Governmental Fund Type</b>		<b>Statement of</b>
	<b>General Fund</b>	<b>Adjustments</b>	<b>Net Position</b>
<b>Assets</b>			
Cash and pooled investments	\$ 140,362	\$ -	\$ 140,362
Accounts receivable	151,726	-	151,726
<b>Total assets</b>	<u>\$ 292,088</u>	<u>-</u>	<u>292,088</u>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	-	-
<b>Fund balances</b>			
Unassigned	<u>292,088</u>	<u>(292,088)</u>	
<b>Total liabilities and fund balances</b>	<u>\$ 292,088</u>		
<b>Net position</b>			
Unrestricted		<u>\$ 292,088</u>	<u>\$ 292,088</u>

**CITY OF GRAND HAVEN**  
**ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE/STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Intergovernmental revenues			
Local	\$ 4,880	\$ -	\$ 4,880
Investment earnings	<u>12,024</u>	<u>-</u>	<u>12,024</u>
<b>Total revenues</b>	16,904	-	16,904
<b>Expenditures/expenses</b>			
Operations	<u>16,959</u>	<u>-</u>	<u>16,959</u>
Net changes in fund balances	(55)	55	
Change in net position		(55)	(55)
<b>Fund balances/net position, beginning of year</b>	<u>292,143</u>		<u>292,143</u>
<b>Fund balances/net position, end of year</b>	<u>\$ 292,088</u>		<u>\$ 292,088</u>

# CITY OF GRAND HAVEN

## MAIN STREET DOWNTOWN DEVELOPMENT AUTHORITY BALANCE SHEET/STATEMENT OF NET POSITION

JUNE 30, 2025

	General Fund	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and pooled investments	\$ 1,177,317	\$ -	\$ 1,177,317
Accounts receivable	14,109	-	14,109
Taxes receivable	462	-	462
Special assessments receivable	85,917	-	85,917
Contract receivable	926,040	-	926,040
Due from primary government	10,655	-	10,655
Prepaid items	2,340	-	2,340
<b>Total assets</b>	<u>\$ 2,216,840</u>	<u>-</u>	<u>2,216,840</u>
<b>Deferred outflows of resources</b>			
Pension related	-	29,560	29,560
Deferred charge on refunding	-	37,083	37,083
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>66,643</u>	<u>66,643</u>
<b>Liabilities, deferred inflows and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 4,723	-	4,723
Accrued liabilities	1,408	-	1,408
Accrued interest	-	34,219	34,219
Due to primary government	10,655	-	10,655
Debt due within one year	-	660,000	660,000
Long-term debt			
Accrued compensated absences	1,000	-	1,000
Debt due in more than one year	-	3,415,000	3,415,000
Net pension liability	-	247,640	247,640
Bond premium	-	172,751	172,751
<b>Total liabilities</b>	<u>17,786</u>	<u>4,529,610</u>	<u>4,547,396</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue	1,012,419	(1,012,419)	-
<b>Fund balances</b>			
Unassigned	1,186,635	(1,186,635)	
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 2,216,840</u>		
<b>Net position (deficit)</b>			
Unrestricted		\$ (3,342,975)	\$ (2,263,913)
<b>Reconciliation of Fund Balance on the Balance Sheet for the General Fund to Net Position on the Statement of Net Position</b>			
Fund balance - general fund			\$ 1,186,635
Add deferred outflows of resources			66,643
Deduct accrued interest			(34,219)
Deduct long-term debt			(4,075,000)
Deduct net pension liability			(247,640)
Deduct bond premium			(172,751)
Add long-term deferred receivables			1,012,419
<b>Net position (deficit)</b>			<u>\$ (2,263,913)</u>

# CITY OF GRAND HAVEN

## MAIN STREET DOWNTOWN DEVELOPMENT AUTHORITY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Adjustments	Statement of Activities
<b>Revenues</b>			
Taxes	\$ 1,192,886	\$ -	\$ 1,192,886
Intergovernmental revenues			
State	25,000	-	25,000
Local	68,543	(68,543)	-
Operating grants and contributions	37,506	-	37,506
Special assessments	89,692	(89,692)	-
Investment earnings	49,961	(119)	49,842
Miscellaneous	35,998	-	35,998
<b>Total revenues</b>	<u>1,499,586</u>	<u>(158,354)</u>	<u>1,341,232</u>
<b>Expenditures/expenses</b>			
Salaries	80,801	1,796	82,597
Administration	19,355	-	19,355
Operations	167,321	-	167,321
Debt service			
Principal	615,000	(615,000)	-
Interest	151,931	(30,195)	121,736
<b>Total expenditures/expenses</b>	<u>1,034,408</u>	<u>(643,399)</u>	<u>391,009</u>
Net changes in fund balances	465,178	(465,178)	
Change in net position		950,223	950,223
<b>Fund balances/net position (deficit), beginning of year</b>	<u>721,457</u>		<u>(3,214,136)</u>
<b>Fund balances/net position (deficit), end of year</b>	<u>\$ 1,186,635</u>		<u>\$ (2,263,913)</u>
<b>Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the General Fund to the Change in Net Position on the Statement of Activities</b>			
Net change in fund balance - general fund			\$ 465,178
Add principal payments on debt			615,000
Deduct increase in unavailable revenues			(158,354)
Add decrease in accrued interest			4,576
Add amortization of bond premium			36,442
Deduct amortization of refunding charges			(10,823)
Add decrease in net pension liability			10,131
Deduct decrease in deferred outflows			(4,346)
Deduct increase in deferred inflows			(7,581)
<b>Change in net position</b>			<u>\$ 950,223</u>

**CITY OF GRAND HAVEN**  
**BROWNFIELD REDEVELOPMENT AUTHORITY**  
**BALANCE SHEET/STATEMENT OF NET POSITION**

**JUNE 30, 2025**

	<b>General Fund</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>Assets</b>			
Cash and pooled investments	\$ 434,330	\$ -	\$ 434,330
Accounts receivable	419,438	-	419,438
Due from other governments	30,759	-	30,759
Taxes receivable	<u>656</u>	<u>-</u>	<u>656</u>
<b>Total assets</b>	<u>\$ 885,183</u>	<u>-</u>	<u>885,183</u>
<b>Liabilities, deferred inflows and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 38,131	-	38,131
Unearned revenue	419,438	-	419,438
Long-term debt			
Debt due in more than one year	<u>-</u>	<u>389,779</u>	<u>389,779</u>
<b>Total liabilities</b>	<u>457,569</u>	<u>389,779</u>	<u>847,348</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue	<u>656</u>	<u>(656)</u>	<u>-</u>
<b>Fund balances</b>			
Unassigned	<u>426,958</u>	<u>(426,958)</u>	
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 885,183</u>		
<b>Net position (deficit)</b>			
Unrestricted		<u>\$ 37,179</u>	<u>\$ 37,835</u>
<b>Reconciliation of Fund Balance on the Balance Sheet for the General Fund to Net Position on the Statement of Net Position</b>			
<b>Fund balance - general fund</b>			\$ 426,958
Deduct long-term debt			(389,779)
Add long-term deferred assessment receivables			<u>656</u>
<b>Net position (deficit)</b>			<u>\$ 37,835</u>

**CITY OF GRAND HAVEN**

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

**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Taxes	\$ 1,478,077	\$ -	\$ 1,478,077
Intergovernmental revenues			
State	23,374	-	23,374
Investment earnings	8,557	-	8,557
Miscellaneous	<u>14,063</u>	<u>(77)</u>	<u>13,986</u>
<b>Total revenues</b>	1,524,071	(77)	1,523,994
<b>Expenditures/expenses</b>			
Operations	<u>1,511,632</u>	<u>-</u>	<u>1,511,632</u>
Net changes in fund balances	12,439	(12,439)	
Change in net position		12,362	12,362
<b>Fund balances/net position (deficit), beginning of year</b>	<u>414,519</u>		<u>25,473</u>
<b>Fund balances/net position (deficit), end of year</b>	<u>\$ 426,958</u>		<u>\$ 37,835</u>
<b>Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the General Fund to the Change in Net Position on the Statement of Activities</b>			
<b>Net change in fund balance - general fund</b>			\$ 12,439
Add increase in unavailable revenues			<u>(77)</u>
<b>Change in net position</b>			<u>\$ 12,362</u>



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**CITY OF GRAND HAVEN**  
**SCHEDULE OF DEBT ISSUED AND OUTSTANDING**

**JUNE 30, 2025**

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<i>Year Ending June 30,</i>	<b>2014 UTGO</b>		<b>Contract Payable</b>		<b>2015 UTGO</b>		<b>2017 UTGO Refunding</b>		<b>2020 LTGO</b>	
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2026	365,000	61,800	55,718	24,172	325,000	155,600	765,000	48,682	53,000	16,216
2027	380,000	47,200	59,770	21,943	335,000	142,600	800,000	33,229	54,000	14,769
2028	395,000	32,000	63,823	19,552	350,000	129,200	845,000	17,069	55,000	13,295
2029	405,000	16,200	69,901	16,999	365,000	115,200	-	-	57,000	11,794
2030	-	-	74,966	14,203	380,000	100,600	-	-	58,000	10,238
2031	-	-	81,045	11,204	395,000	85,400	-	-	60,000	8,654
2032	-	-	88,136	7,963	410,000	69,600	-	-	62,000	7,016
2033	-	-	89,149	5,319	425,000	53,200	-	-	63,000	5,324
2034	-	-	88,136	2,644	445,000	36,200	-	-	65,000	3,604
2035	-	-	-	-	460,000	18,400	-	-	67,000	1,829
2036	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-
	<u>\$ 1,545,000</u>	<u>\$ 157,200</u>	<u>\$ 670,644</u>	<u>\$ 123,999</u>	<u>\$ 3,890,000</u>	<u>\$ 906,000</u>	<u>\$ 2,410,000</u>	<u>\$ 98,980</u>	<u>\$ 594,000</u>	<u>\$ 92,738</u>

NOTE: above schedule excludes Board of Light and Power debt.

# CITY OF GRAND HAVEN

## SCHEDULE OF DEBT ISSUED AND OUTSTANDING

JUNE 30, 2025

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Year Ending June 30,	2015 LTGO Refunding		2019 LTGO Refunding		EGLE Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	385,000	13,156	275,000	119,300	-	-	2,223,718	438,926
2027	380,000	4,366	295,000	108,300	38,131	-	2,341,901	372,408
2028	-	-	315,000	96,500	32,856	5,275	2,056,679	312,891
2029	-	-	345,000	83,900	33,349	4,782	1,275,250	248,875
2030	-	-	370,000	70,100	33,849	4,282	916,815	199,423
2031	-	-	400,000	55,300	34,357	3,774	970,402	164,332
2032	-	-	435,000	39,300	34,872	3,258	1,030,008	127,137
2033	-	-	440,000	26,250	35,395	2,735	1,052,544	92,828
2034	-	-	435,000	13,050	35,926	2,205	1,069,062	57,703
2035	-	-	-	-	36,465	1,666	563,465	21,895
2036	-	-	-	-	37,012	1,119	37,012	1,119
2037	-	-	-	-	37,567	563	37,567	563
	<u>\$ 765,000</u>	<u>\$ 17,522</u>	<u>\$ 3,310,000</u>	<u>\$ 612,000</u>	<u>\$ 389,779</u>	<u>\$ 29,659</u>	<u>\$ 13,574,423</u>	<u>\$ 2,038,098</u>

## **INTERNAL CONTROL AND COMPLIANCE**



## Vredevelde Haefner LLC

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

November 10, 2025

Honorable Mayor and Members of the City Council  
City of Grand Haven, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Haven, Michigan (the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 10, 2025.

#### **Internal Control Over Financial Reporting**

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

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

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

#### **Compliance and Other Matters**

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

**Purpose of this Report**

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

*Ordevel Haefner LLC*