



# **CITY OF GRAND HAVEN, MICHIGAN**

## **FINANCIAL STATEMENTS**

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



Vredeveld Haefner LLC  
CPAs and Consultants

# CITY OF GRAND HAVEN

## TABLE OF CONTENTS

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<b>FINANCIAL SECTION</b>	<b><u>PAGE</u></b>
Independent Auditors' Report	1-3
Management's Discussion and Analysis	5-11
<b>Basic Financial Statements</b>	
<b>Governmental-wide Financial Statements</b>	
Statement of Net Position	13
Statement of Activities	14-15
<b>Fund Financial Statements</b>	
Balance Sheet - Governmental Funds	16
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to the Net Position of Governmental Activities on the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Net Position - Proprietary Funds	20
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22
Statement of Net Position - Fiduciary Funds	23
Statement of Changes in Net Position - Fiduciary Funds	24
Combining Statement of Net Position - Component Units	25
Combining Statement of Activities - Component Units	26
<b>Notes to the Financial Statements</b>	27-62
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	63
Defined Benefit Pension Plan	
Schedule of Changes in Employers Net Pension Liability and Other Ratios	64
Schedule of Employer Contributions	65
Schedule of Changes in Employers Net Pension Liability and Other Ratios – Board of Light and Power	66
Schedule of Employer Contributions – Board of Light and Power	67
Retiree Health Other Post-Employment Benefits Plan	
Schedule of Changes in Employers Net OPEB Liability and Related Ratios	68
Schedule of Investment Returns	68
Schedule of Employer Contributions	69
Notes to Required Supplementary Information	69
Schedule of Changes in Employers Net OPEB Liability and Related Ratios – Board of Light and Power	70
Schedule of Employer Contributions – Board of Light and Power	71
Schedule of Investment Returns – Board of Light and Power	71
<b>Combining and Individual Fund Statements and Schedules</b>	
<b>Nonmajor Governmental Funds</b>	
Combining Balance Sheet	74-75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	76-77
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Major Streets	78

# CITY OF GRAND HAVEN

## TABLE OF CONTENTS

---

	<u>PAGE</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Local Streets	79
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Housing	80
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - 2014 Capital Improvement Bonds	81
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - 2008 UTGO Bond	82
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - 2015 Infrastructure Bonds	83
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Lighthouse Maintenance	84
<b>Nonmajor Enterprise Funds</b>	
Combining Statement of Net Position	85
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	86
Combining Statement of Cash Flows	87
<b>Internal Service Funds</b>	
Combining Statement of Net Position	88
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	89
Combining Statement of Cash Flows	90
<b>Custodial Funds</b>	
Combining Statement of Net Position	91
Combining Statement of Changes in Net Position	92
<b>Component Units</b>	
<b>Economic Development Corporation</b>	
Balance Sheet/Statement of Net Position	93
Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities	94
<b>Main Street Downtown Development Authority</b>	
Balance Sheet/Statement of Net Position	95
Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities	96
<b>Brownfield Redevelopment Authority</b>	
Balance Sheet/Statement of Net Position	97
Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities	98
<b>SCHEDULE OF DEBT ISSUED AND OUTSTANDING</b>	99-100
<b>INTERNAL CONTROL AND COMPLIANCE</b>	
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 <i>Government Auditing Standards</i>	101-102



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### INDEPENDENT AUDITORS' REPORT

November 13, 2023

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, 2023, 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, 2023, 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 13, 2023, 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.

*Uredewald 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, 2023. 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, and the 2022 total taxable value increased approximately 8% from the prior tax year. Some of this increase is due to several large development projects planned over the past many years being newly completed.
- The Community Land Trust (CLT) was created in FY2021/22 for the Comstock property sold in the prior fiscal year. The Robinson Landing development has 30 homes--16 with lots owned by the CLT for income qualified housing. Five of the CLT homes sold in FY2021/22, and the remaining 11 homes were completed and sold this fiscal year.
- 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 throughout the City. The City was required to obtain a \$3 million bond for the DWSRF project, which is forgivable when the work and documentation reporting are complete. This work is scheduled to be completed in Fall 2023.
- Continuing to seek grant funding to help offset expenses, the Department of Public Safety was awarded an Assistance to Firefighters Grant (AFG) through FEMA, and the Department of Public Works was awarded a Drinking Water Asset Management (DWAM) Grant through the State of Michigan.
- Construction on the Fulton Street Phase II project was completed.
- With the City hosting over 150 events each year, a cap for fee waivers was implemented allowing for increased revenue to cover actual departmental costs.
- State of Michigan Adult-Use Marijuana Tax revenue of \$52,048 was received for the first time in FY2022/23.
- The Diesel Plant was sold in May 2023 for \$1 million.
- The City received American Rescue Plan Act (ARPA) funds totaling \$1,160,915 in FY2021/22. The ARPA funds are required to be allocated by 12/31/24 and expended by 12/31/26.
- As of December 31, 2022, the Defined Benefit (DB) pension plan, through Municipal Employees' Retirement System (MERS), was funded at 68% for all divisions. The DB plan was closed to new employees hired on or after 07/01/2022. Employees hired prior to 07/01/22 were given an option to convert to a Defined Contribution (DC) plan. Thirty percent of existing employees converted from the DB plan to the DC plan.
- 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 project.
- The City provides financial and administrative support for the Grand Haven-Spring Lake Sewer Authority, Northwest Ottawa Water System, Northwest Ottawa Recreation Authority, and Ottawa County Central Dispatch Authority. The City began providing Finance and Human Resources services to Loutit District Library in November 2022.

### 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 exceeded liabilities by \$115,807,941 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$22,257,302	\$19,132,896	\$64,777,706	\$64,643,216	\$ 87,035,008	\$ 83,776,112
Capital assets	60,471,287	62,404,708	64,113,024	61,639,971	124,584,311	124,044,679
<b>Total assets</b>	<b>82,728,589</b>	<b>81,537,604</b>	<b>128,890,730</b>	<b>126,283,187</b>	<b>211,619,319</b>	<b>207,820,791</b>
Deferred outflows of resources	8,457,502	7,423,399	5,545,440	2,149,010	14,002,942	9,572,409
Current and other liabilities	3,949,241	4,486,652	6,605,196	6,841,693	10,554,437	11,328,345
Long-term liabilities	49,597,014	42,003,173	48,663,763	44,266,646	98,260,777	86,269,819
<b>Total liabilities</b>	<b>53,546,255</b>	<b>46,489,825</b>	<b>55,268,959</b>	<b>51,108,339</b>	<b>108,815,214</b>	<b>97,598,164</b>
Deferred inflows of resources	881,101	5,283,615	118,005	3,835,274	999,106	9,118,889
Net position						
Net investment in capital assets	49,099,594	49,720,681	56,473,054	56,620,757	105,572,648	106,341,438
Restricted	2,943,936	2,973,730	-	-	2,943,936	2,973,730
Unrestricted	(15,284,795)	(15,506,848)	22,576,152	16,867,827	7,291,357	1,360,979
<b>Total net position</b>	<b>\$36,758,735</b>	<b>\$37,187,563</b>	<b>\$79,049,206</b>	<b>\$73,488,584</b>	<b>\$115,807,941</b>	<b>\$110,676,147</b>

The net position of the City's governmental activities decreased by \$428,828 which is primarily due to an increase in the net pension liability only partially offset by changes in deferred outflows and inflows. The business-type activities increase in net position of \$5,560,622 is primarily due to a decrease in the expenses for the Board of Light and Power.

## Summary of Activities

	Governmental Activities		Business-type Activities		Totals	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenue</b>						
Program revenue						
Charges for services	\$ 2,491,376	\$ 1,712,408	\$44,559,970	\$42,969,146	\$ 47,051,346	\$ 44,681,554
Operating grants and contributions	4,034,832	2,872,518	194,021	122,550	4,228,853	2,995,068
Capital grants and Contributions	748,489	1,852,610	2,177,332	868,668	2,925,821	2,721,278
General revenue						
Property taxes	10,433,373	10,168,083	-	-	10,433,373	10,168,083
State revenues	1,362,468	1,371,241	-	-	1,362,468	1,371,241
Unrestricted investment earnings	477,260	157,290	919,315	(1,069,984)	1,396,575	(912,694)
Other	1,417,239	286,882	-	-	1,417,239	286,882
<b>Total revenues</b>	<b>20,965,037</b>	<b>18,421,032</b>	<b>47,850,638</b>	<b>42,890,380</b>	<b>68,815,675</b>	<b>61,311,412</b>
<b>Expenses</b>						
General government	4,064,228	5,547,938	-	-	4,064,228	5,547,938
Public safety	8,138,722	8,480,633	-	-	8,138,722	8,480,633
Public works	8,977,714	7,605,810	-	-	8,977,714	7,605,810
Culture and recreation	1,972,918	1,817,927	-	-	1,972,918	1,817,927
Interest	353,678	341,698	-	-	353,678	341,698
Board of Light & Power	-	-	32,103,718	37,428,523	32,103,718	37,428,523
Municipal Sewer	-	-	2,798,020	2,517,998	2,798,020	2,517,998
Municipal Water	-	-	4,457,615	2,811,000	4,457,615	2,811,000
Other business-type	-	-	817,268	770,269	817,268	770,269
<b>Total expenses</b>	<b>23,507,260</b>	<b>23,794,006</b>	<b>40,176,621</b>	<b>43,527,790</b>	<b>63,683,881</b>	<b>67,321,796</b>
Change in net position before transfers	(2,542,223)	(5,372,974)	7,674,017	(637,410)	5,131,794	(6,010,384)
Transfers	2,113,395	2,027,027	(2,113,395)	(2,027,027)	-	-
Change in net position	(428,828)	(3,345,947)	5,560,622	(2,664,437)	5,131,794	(6,010,384)
<b>Net position-beginning of year</b>	<b>37,187,563</b>	<b>40,533,510</b>	<b>73,488,584</b>	<b>76,153,021</b>	<b>110,676,147</b>	<b>116,686,531</b>
<b>Net position-end of year</b>	<b>\$36,758,735</b>	<b>\$37,187,563</b>	<b>\$79,049,206</b>	<b>\$73,488,584</b>	<b>\$115,807,941</b>	<b>\$110,676,147</b>

**Governmental activities.** During the year the City invested \$8,977,714 or 38% of governmental activities expenses in public works. Public safety was \$8,138,722 or 35% of governmental activities expenses while general government, culture and recreation, and interest on long-term debt made up the remaining 27% of governmental activities expenses.

**Business-type activities.** Business-type activities increased the City's net position by \$5,560,622 for the current year. By comparison, business-type activities reported a decrease in net position the previous fiscal year of \$2,664,437. 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 \$13,782,500, an increase of \$3,417,476 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 \$4,280,953 while total fund balance was \$7,530,809. 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, 2023, total fund balance represents 60 percent of total prior year General fund expenditures.

The fund balance of the City's General fund increased by \$2,302,363 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 \$18,210,015, \$1,857,622 and \$1,846,109, respectively. The Board of Light and Power had an increase of \$4,289,168, the Municipal Sewer fund had an increase of \$352,636, and the Municipal Water fund had an increase of \$1,010,485 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 \$2,302,363 to \$7,530,809, higher than the amended budget projection of \$5,772,398. The difference includes Diesel Plant sale revenue, LCSA revenue and Marijuana Tax revenue, which were anticipated but not guaranteed at budget time.
- Local Community Stabilization Authority tax revenue received was \$17,001 more than the prior year, a 1.87% increase.
- State revenue sharing decreased \$9,941 from the prior year, a 0.73% decrease.
- Tax revenue increased \$488,162, a 6.36% increase.
- Adult-Use Marijuana Tax revenue first year distribution received was \$52,048.
- Investment earnings increased \$141,875.
- Public Works administrative expenditures were \$116,085 under the amended budget for the year. Overall, all Public Works departments in the General Fund were under budget by \$428,419.
- Building Permit revenue was \$472,666, a decrease of 14.47% from the prior year.
- Public Safety General Fund amended budget for expenditures was \$6,363,412; actual expenses were \$5,934,993 for the year.
- In the General Fund, the total Department of Public Safety MERS DB employer expense paid was \$1,290,673, which is 68% of the total General Fund MERS DB employer expense paid during 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, 2023, amounted to \$124,584,311 (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	\$ 8,746,444	\$ 388,171	\$ 9,134,615
Construction in progress	1,009,572	1,190,588	2,200,160
Structures & improvements	9,399,141	4,069,146	13,468,287
Machinery, equipment, vehicles & fixtures	3,706,810	146,187	3,852,997
Buildings	8,668,194	-	8,668,194
Parking facilities	3,647,666	-	3,647,666
Infrastructure	25,293,460	-	25,293,460
Transmission and distribution	-	57,062,636	57,062,636
General plant	-	1,256,296	1,256,296
<b>Total</b>	<b>\$60,471,287</b>	<b>\$64,113,024</b>	<b>\$124,584,311</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	\$ 5,082,671	\$ 957,328	\$ 6,039,999
Direct placements and direct borrowings	5,961,885	-	5,961,885
Bond anticipation notes	-	22,700,000	22,700,000
Bond premiums	327,137	-	327,137
Accrued employee benefits	481,635	312,834	794,469
<b>Total</b>	<b>\$11,853,328</b>	<b>\$23,970,162</b>	<b>\$35,823,490</b>

Additional information on the City's long-term debt can be found in Note 7 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 2023-24 fiscal year:

- We conservatively estimated property tax revenue to increase approximately 4% next tax year.
- Health benefit costs continue to be reviewed with our provider and third-party administrator. Each year adjustments are made to maintain the best benefit with the lowest possible cost. We budget for a 10 percent increase in health care costs.
- Increased costs for the MERS Defined Benefit (DB) plans have been an ongoing concern for many years. The DB plan was closed to new employees hired on or after 07/01/2022. Employees hired prior to 07/01/22 were given an option to convert to a Defined Contribution (DC) plan. Annual required employer contributions for the DB plan total approximately \$2.2 million.
- Rebranding of the Community Center to Central Park Place has increased revenue in its first year.
- Beginning in FY2023-24, Local Community Stabilization Authority tax revenue is budgeted at \$500,000; in prior years the City has not budgeted this revenue due to the unknown total amount.

- 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.

## **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:

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City Manager  
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[alatsch@grandhaven.org](mailto:alatsch@grandhaven.org)

Emily Greene  
Finance Director  
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[egreene@grandhaven.org](mailto:egreene@grandhaven.org)

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## **BASIC FINANCIAL STATEMENTS**

**CITY OF GRAND HAVEN**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	Primary Government			Component
	Governmental	Business-Type	Total	Units
	Activities	Activities		
<b>Assets</b>				
Cash and pooled investments	\$ 20,112,380	\$ 46,075,096	\$ 66,187,476	\$ 816,108
Accounts receivable	640,591	5,443,316	6,083,907	657,531
Due from other governments	900,876	12,495,200	13,396,076	6,613
Taxes receivable	24,495	-	24,495	1,362
Special assessments receivable	132,760	39,288	172,048	271,382
Internal balances	163,089	(163,089)	-	-
Due from primary government	-	-	-	99,794
Advance to other funds	-	720,182	720,182	-
Contract receivable	-	-	-	1,058,931
Prepaid items	135,883	43,217	179,100	9,318
Inventory	147,228	124,496	271,724	-
Capital assets				
Land	8,746,444	388,171	9,134,615	-
Construction in progress	1,009,572	1,190,588	2,200,160	-
Depreciable capital assets, net	50,715,271	62,534,265	113,249,536	-
<b>Total assets</b>	<b>82,728,589</b>	<b>128,890,730</b>	<b>211,619,319</b>	<b>2,921,039</b>
<b>Deferred outflows of resources</b>				
Pension related	7,823,933	5,423,878	13,247,811	91,030
Other post-employment benefits related	571,596	121,562	693,158	-
Deferred charge on refunding	61,973	-	61,973	60,572
<b>Total deferred outflows of resources</b>	<b>8,457,502</b>	<b>5,545,440</b>	<b>14,002,942</b>	<b>151,602</b>
<b>Liabilities</b>				
Accounts payable	624,349	2,707,186	3,331,535	101,624
Accrued liabilities	193,832	1,316,778	1,510,610	-
Due to component units	72,272	27,522	99,794	-
Advance from other funds	720,182	-	720,182	-
Accrued interest payable	81,686	9,573	91,259	42,992
Unearned revenue	984,456	-	984,456	419,438
Debt due within one year	1,272,464	2,544,137	3,816,601	560,000
Noncurrent liabilities				
Accrued compensated absences	481,635	312,834	794,469	-
Asset retirement obligation	-	16,889,004	16,889,004	-
Other post-employment benefits obligation	7,190,960	829,861	8,020,821	-
Net pension liability	31,825,190	9,518,873	41,344,063	370,283
Bond premium	327,137	-	327,137	248,231
Due in more than one year	9,772,092	21,113,191	30,885,283	5,079,779
<b>Total liabilities</b>	<b>53,546,255</b>	<b>55,268,959</b>	<b>108,815,214</b>	<b>6,822,347</b>
<b>Deferred inflows of resources</b>				
Pension related	881,101	89,078	970,179	10,251
Other post-employment benefits related	-	28,927	28,927	-
<b>Total deferred inflows of resources</b>	<b>881,101</b>	<b>118,005</b>	<b>999,106</b>	<b>10,251</b>
<b>Net position</b>				
Net investment in capital assets	49,099,594	56,473,054	105,572,648	-
Restricted for				
Streets	887,567	-	887,567	-
Capital projects	1,233,043	-	1,233,043	-
Permanent trust				
Cemetery - nonexpendable portion	823,326	-	823,326	-
Unrestricted (deficit)	(15,284,795)	22,576,152	7,291,357	(3,759,957)
<b>Total net position</b>	<b>\$ 36,758,735</b>	<b>\$ 79,049,206</b>	<b>\$ 115,807,941</b>	<b>\$ (3,759,957)</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, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General government	\$ 4,064,228	\$ 1,089,424	\$ 1,019,606	\$ 715,481	\$ (1,239,717)
Public safety	8,138,722	244,526	6,371	-	(7,887,825)
Public works	8,977,714	842,515	3,008,855	1,048	(5,125,296)
Culture and recreation	1,972,918	314,911	-	31,960	(1,626,047)
Interest on long-term debt	353,678	-	-	-	(353,678)
Total governmental activities	23,507,260	2,491,376	4,034,832	748,489	(16,232,563)
Business-type activities					
Board of Light and Power	32,103,718	37,227,717	49,659	-	5,173,658
Sewer	2,798,020	3,329,950	89,006	-	620,936
Water	4,457,615	3,312,575	22,345	2,177,332	1,054,637
Other business-type activities	817,268	689,728	33,011	-	(94,529)
Total business-type activities	40,176,621	44,559,970	194,021	2,177,332	6,754,702
Total primary government	\$ 63,683,881	\$ 47,051,346	\$ 4,228,853	\$ 2,925,821	\$ (9,477,861)
Component units					
Economic Development Corporation	\$ 28,242	\$ -	\$ 13,224	\$ -	\$ (15,018)
Main Street Downtown Development Authority	510,932	-	89,723	-	(421,209)
Brownfield Redevelopment Authority	1,820,242	-	1,004,888	-	(815,354)
Total component units	\$ 2,359,416	\$ -	\$ 1,107,835	\$ -	\$ (1,251,581)

(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, 2023**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Changes in net position</b>				
<b>Net (expense) revenue</b>	<u>\$ (16,232,563)</u>	<u>\$ 6,754,702</u>	<u>\$ (9,477,861)</u>	<u>\$ (1,251,581)</u>
General revenues				
Property taxes	10,433,373	-	10,433,373	1,620,565
State shared revenues	1,362,468	-	1,362,468	-
Unrestricted investment earnings	477,260	919,315	1,396,575	67,783
Other general revenues	1,417,239	-	1,417,239	19,235
Transfers - internal activities	<u>2,113,395</u>	<u>(2,113,395)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>15,803,735</u>	<u>(1,194,080)</u>	<u>14,609,655</u>	<u>1,707,583</u>
Change in net position	(428,828)	5,560,622	5,131,794	456,002
<b>Net position, beginning of year</b>	<u>37,187,563</u>	<u>73,488,584</u>	<u>110,676,147</u>	<u>(4,215,959)</u>
<b>Net position, end of year</b>	<u>\$ 36,758,735</u>	<u>\$ 79,049,206</u>	<u>\$ 115,807,941</u>	<u>\$ (3,759,957)</u>

(Concluded)

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

# CITY OF GRAND HAVEN

## GOVERNMENTAL FUNDS BALANCE SHEET

JUNE 30, 2023

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Assets</b>			
Cash and pooled investments	\$ 8,449,777	\$ 6,236,931	\$ 14,686,708
Accounts receivable	501,030	119,727	620,757
Due from other governments	230,875	669,934	900,809
Taxes receivable	21,828	2,667	24,495
Special assessments receivable	124,303	8,457	132,760
Due from other funds	159,152	-	159,152
Prepaid items	39,978	13,697	53,675
Inventory	28,582	61,558	90,140
<b>Total assets</b>	<u>\$ 9,555,525</u>	<u>\$ 7,112,971</u>	<u>\$ 16,668,496</u>
<b>Liabilities, deferred inflows and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 528,079	\$ 63,530	\$ 591,609
Accrued liabilities	140,919	6,304	147,223
Due to component units	29,603	42,669	72,272
Advance from other funds	-	720,182	720,182
Due to other funds	14,741	4,236	18,977
Unearned revenue	969,456	15,000	984,456
<b>Total liabilities</b>	<u>1,682,798</u>	<u>851,921</u>	<u>2,534,719</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue	<u>341,918</u>	<u>9,359</u>	<u>351,277</u>
<b>Fund balances</b>			
Non-spendable			
Prepaid items	39,978	13,697	53,675
Permanent fund corpus	-	823,326	823,326
Inventory	28,582	61,558	90,140
Restricted			
Streets	-	814,002	814,002
Public works	-	2,473,180	2,473,180
Public safety K-9	63,836	-	63,836
Committed			
Capital projects	-	2,065,928	2,065,928
Budget stabilization	3,117,460	-	3,117,460
Unassigned	4,280,953	-	4,280,953
<b>Total fund balances</b>	<u>7,530,809</u>	<u>6,251,691</u>	<u>13,782,500</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 9,555,525</u>	<u>\$ 7,112,971</u>	<u>\$ 16,668,496</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, 2023**

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<b>Fund balances - total governmental funds</b>	<b>\$ 13,782,500</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	8,746,444
Add - construction in progress	1,009,572
Add - capital assets (net of accumulated depreciation)	47,948,222

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	351,277
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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	7,587,916
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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	(477,675)
Deduct - other post-employment benefits	(7,067,442)
Deduct - long-term debt	(11,044,556)
Deduct - bond premium	(327,137)
Deduct - net pension liability	(31,068,238)
Add - deferred charge on refunding	61,973
Add - deferred inflows and outflows related to pension	6,777,698
Add - deferred inflows and outflows related to OPEB	559,867
Deduct - accrued interest on long-term debt	(81,686)

<b>Net position of governmental activities</b>	<b><u>\$ 36,758,735</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, 2023**

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	<u>Total</u>
<b>Revenues</b>			
Taxes	\$ 8,134,403	\$ 2,283,891	\$ 10,418,294
Intergovernmental revenues			
Federal	1,224	392,680	393,904
State	1,368,839	1,720,416	3,089,255
Local	156,760	1,584,637	1,741,397
Special assessments	25,523	33,423	58,946
Licenses and permits	894,412	-	894,412
Charges for services	2,304,025	1,048	2,305,073
Fines	88,364	250	88,614
Investment earnings	353,479	123,781	477,260
Miscellaneous	1,250,711	258,879	1,509,590
<b>Total revenues</b>	<u>14,577,740</u>	<u>6,399,005</u>	<u>20,976,745</u>
<b>Expenditures</b>			
Current			
General government	2,713,400	-	2,713,400
Public safety	5,934,993	-	5,934,993
Public works	3,867,092	2,545,190	6,412,282
Culture and recreation	1,101,441	31,960	1,133,401
Debt service			
Principal	17,428	1,188,286	1,205,714
Interest	17,569	384,118	401,687
Capital outlay	42,319	1,828,868	1,871,187
<b>Total expenditures</b>	<u>13,694,242</u>	<u>5,978,422</u>	<u>19,672,664</u>
Revenues over (under) expenditures	<u>883,498</u>	<u>420,583</u>	<u>1,304,081</u>
Other financing sources (uses)			
Transfers in	2,318,280	2,896,941	5,215,221
Transfers out	(899,415)	(2,202,411)	(3,101,826)
Total other financing sources (uses)	<u>1,418,865</u>	<u>694,530</u>	<u>2,113,395</u>
Net changes in fund balances	2,302,363	1,115,113	3,417,476
<b>Fund balances, beginning of year</b>	<u>5,228,446</u>	<u>5,136,578</u>	<u>10,365,024</u>
<b>Fund balances, end of year</b>	<u>\$ 7,530,809</u>	<u>\$ 6,251,691</u>	<u>\$ 13,782,500</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, 2023**

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<b>Net changes in fund balances - total governmental funds</b>	<b>\$ 3,417,476</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	1,444,792
Deduct - net book value of disposed assets	(6,630)
Deduct - depreciation expense	(3,244,212)

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 - decrease in unavailable revenues	(11,708)
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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	1,205,714
Add - adjustment to contract payable	43,562
Deduct - amortization of deferred bond refunding costs	(23,336)
Add - bond premium amortization	63,058

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	52,841
Deduct - increase in net pension liability	(9,265,449)
Add - increase in deferred outflows	1,140,076
Add - decrease in deferred inflows	4,161,735
Add - decrease in other post-employment benefit liability	484,302
Add - decrease in accrued interest	8,287

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>100,664</u>
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<b>Change in net position of governmental activities</b>	<b><u>\$ (428,828)</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, 2023

	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	\$ 41,374,111	\$ 2,373,910	\$ 1,483,865	\$ 843,210	\$ 46,075,096	\$ 5,425,672
Accounts receivable	4,306,172	545,262	570,705	21,177	5,443,316	19,834
Due from other governments	10,316,269	-	2,177,332	1,599	12,495,200	67
Special assessments receivable	-	39,288	-	-	39,288	-
Due from other funds	-	-	-	1,500	1,500	22,914
Advance to other funds	720,182	-	-	-	720,182	-
Prepaid items	-	18,029	22,244	2,944	43,217	82,208
Inventory	-	6,123	118,373	-	124,496	57,088
Total current assets	56,716,734	2,982,612	4,372,519	870,430	64,942,295	5,607,783
Noncurrent assets						
Capital assets						
Land	78,849	5,260	-	304,062	388,171	-
Construction in progress	1,060,098	81,614	48,876	-	1,190,588	-
Depreciable capital assets, net	36,127,937	8,489,652	13,821,778	4,094,898	62,534,265	2,767,049
Total noncurrent assets	37,266,884	8,576,526	13,870,654	4,398,960	64,113,024	2,767,049
<b>Total assets</b>	<b>93,983,618</b>	<b>11,559,138</b>	<b>18,243,173</b>	<b>5,269,390</b>	<b>129,055,319</b>	<b>8,374,832</b>
<b>Deferred outflows of resources</b>						
Pension related	4,632,883	259,753	486,698	44,544	5,423,878	186,090
Other post-employment benefits related	77,156	17,964	21,936	4,506	121,562	11,729
Total deferred outflows of resources	4,710,039	277,717	508,634	49,050	5,545,440	197,819
<b>Liabilities</b>						
Current liabilities						
Accounts payable	1,740,095	147,481	787,907	31,703	2,707,186	32,740
Accrued liabilities	1,300,612	4,744	5,652	5,770	1,316,778	46,609
Due to component units	-	13,403	14,119	-	27,522	-
Accrued interest payable	-	-	9,573	-	9,573	-
Due to other funds	159,152	3,498	1,194	745	164,589	-
Current portion of long-term debt	2,400,000	-	144,137	-	2,544,137	-
Total current liabilities	5,599,859	169,126	962,582	38,218	6,769,785	79,349
Long-term liabilities						
Accrued compensated absences	279,360	16,772	14,097	2,605	312,834	3,960
Asset retirement obligation	16,889,004	-	-	-	16,889,004	-
Net pension liability	6,301,362	1,056,592	1,979,730	181,189	9,518,873	756,952
Other post-employment benefits obligation	500,888	130,965	167,962	30,046	829,861	123,518
Bonds payable, net of current portion	20,300,000	-	813,191	-	21,113,191	-
Total long-term liabilities	44,270,614	1,204,329	2,974,980	213,840	48,663,763	884,430
<b>Total liabilities</b>	<b>49,870,473</b>	<b>1,373,455</b>	<b>3,937,562</b>	<b>252,058</b>	<b>55,433,548</b>	<b>963,779</b>
<b>Deferred inflows of resources</b>						
Pension related	-	29,252	54,810	5,016	89,078	20,956
OPEB related	28,927	-	-	-	28,927	-
Total deferred inflows of resources	28,927	29,252	54,810	5,016	118,005	20,956
<b>Net position</b>						
Net investment in capital assets	30,584,242	8,576,526	12,913,326	4,398,960	56,473,054	2,767,049
Unrestricted	18,210,015	1,857,622	1,846,109	662,406	22,576,152	4,820,867
<b>Total net position</b>	<b>\$ 48,794,257</b>	<b>\$ 10,434,148</b>	<b>\$ 14,759,435</b>	<b>\$ 5,061,366</b>	<b>\$ 79,049,206</b>	<b>\$ 7,587,916</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, 2023**

	Enterprise Funds					Governmental Activities
	Board of Light and Power	Municipal Sewer	Municipal Water	Nonmajor Enterprise Funds	Enterprise Fund Total	Internal Service Funds
Operating revenues						
Charges for services	\$ 37,227,717	\$ 3,329,950	\$ 3,312,575	\$ 688,719	\$ 44,558,961	\$ 4,007,174
Employer contributions	-	-	-	-	-	531,310
Total operating revenue	37,227,717	3,329,950	3,312,575	688,719	44,558,961	4,538,484
Operating expenses						
Operating costs and expenses	17,572,992	2,054,110	3,654,397	525,462	23,806,961	3,382,949
Insurance payments	-	-	-	-	-	509,819
Distribution	8,007,369	-	-	-	8,007,369	-
Customer accounts	704,565	-	-	-	704,565	-
Administrative and general	2,491,816	442,126	460,451	16,328	3,410,721	197,625
Depreciation	1,986,281	246,649	286,030	275,478	2,794,438	476,763
Total operating expenses	30,763,023	2,742,885	4,400,878	817,268	38,724,054	4,567,156
Operating income (loss)	6,464,694	587,065	(1,088,303)	(128,549)	5,834,907	(28,672)
Non-operating revenues (expenses)						
Gain (loss) on disposal of capital assets	36,135	-	-	-	36,135	(5,244)
Asset retirement	(1,000,000)	-	-	-	(1,000,000)	-
Investment earnings	946,972	(17,728)	(12,791)	2,862	919,315	20,067
Other	49,659	89,006	22,345	34,020	195,030	114,513
Interest expense	(376,830)	(55,135)	(56,737)	-	(488,702)	-
Total non-operating revenues (expenses)	(344,064)	16,143	(47,183)	36,882	(338,222)	129,336
Income (loss) before other items	6,120,630	603,208	(1,135,486)	(91,667)	5,496,685	100,664
Transfers and other items						
Contribution in aid of construction	-	-	2,177,332	-	2,177,332	-
Transfers in	-	-	91,861	-	91,861	-
Transfers out	(1,831,462)	(250,572)	(123,222)	-	(2,205,256)	-
Total transfers and other items	(1,831,462)	(250,572)	2,145,971	-	63,937	-
Changes in net position	4,289,168	352,636	1,010,485	(91,667)	5,560,622	100,664
Net position, beginning of year	44,505,089	10,081,512	13,748,950	5,153,033	73,488,584	7,487,252
Net position, end of year	\$ 48,794,257	\$ 10,434,148	\$ 14,759,435	\$ 5,061,366	\$ 79,049,206	\$ 7,587,916

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, 2023**

	Enterprise Funds				Governmental Activities
	Board of Light and Power	Municipal Sewer	Municipal Water	Nonmajor Enterprise Funds	Enterprise Fund Total
<b>Cash flows from operating activities</b>					
Receipts from internal services provided	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts from customers and users	37,000,483	3,475,350	1,072,586	864,286	42,412,705
Payments to employees	(8,912,197)	(294,246)	(564,193)	(194,116)	(9,964,752)
Payments to suppliers	(22,541,837)	(2,251,018)	(3,164,797)	(313,727)	(28,271,379)
Claims paid	-	-	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>5,546,449</b>	<b>930,086</b>	<b>(2,656,404)</b>	<b>356,443</b>	<b>4,176,574</b>
<b>Cash flows from non-capital financing activities</b>					
Transfers in	-	-	91,861	-	91,861
Transfers out	(1,823,458)	(250,572)	(123,222)	-	(2,197,252)
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>(1,823,458)</b>	<b>(250,572)</b>	<b>(31,361)</b>	<b>-</b>	<b>(2,105,391)</b>
<b>Cash flows from capital and related financing activities</b>					
Interest paid on long-term debt	(412,556)	(55,135)	(58,136)	-	(525,827)
Special assessments receivable	-	8,457	-	-	8,457
Contribution in aid of construction	-	-	2,177,332	-	2,177,332
Principal paid on long-term debt	(2,300,000)	-	(139,835)	-	(2,439,835)
Asset retirement	9,574	-	-	-	9,574
Acquisitions of capital assets	(4,963,508)	(57,437)	(463,180)	-	(5,484,125)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(7,666,490)</b>	<b>(104,115)</b>	<b>1,516,181</b>	<b>-</b>	<b>(6,254,424)</b>
<b>Cash flows from investing activities</b>					
Interest received	946,972	(17,728)	(12,791)	2,862	919,315
<b>Net increase (decrease) in cash and pooled investments</b>	<b>(2,996,527)</b>	<b>557,671</b>	<b>(1,184,375)</b>	<b>359,305</b>	<b>(3,263,926)</b>
<b>Cash and pooled investments, beginning of year</b>	<b>44,370,638</b>	<b>1,816,239</b>	<b>2,668,240</b>	<b>483,905</b>	<b>49,339,022</b>
<b>Cash and pooled investments, end of year</b>	<b>\$ 41,374,111</b>	<b>\$ 2,373,910</b>	<b>\$ 1,483,865</b>	<b>\$ 843,210</b>	<b>\$ 46,075,096</b>
<b>Cash flows from operating activities</b>					
Operating income (loss)	\$ 6,514,353	\$ 587,065	\$ (1,088,303)	\$ (128,549)	\$ 5,884,566
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	1,986,281	246,649	286,030	275,478	2,794,438
Miscellaneous revenue	-	89,006	22,345	34,020	145,371
Deferred outflows of resources for pension	(3,130,290)	(123,876)	(228,927)	(20,556)	(3,503,649)
Deferred outflows of resources for OPEB	90,195	8,512	8,512	-	107,219
Deferred inflows of resources for pension	(3,285,074)	(117,340)	(223,289)	(20,864)	(3,646,567)
Deferred inflows of resources for OPEB	(67,068)	(1,817)	(1,817)	-	(70,702)
Change in operating assets and liabilities which provided (used) cash					
Accounts receivable	(326,027)	(78,881)	(85,002)	(9,793)	(499,703)
Due from other funds	316,969	-	-	(1,500)	315,469
Due from other governmental units	-	135,275	(2,177,332)	186,860	(1,855,197)
Prepaid items	9,917	(9,896)	(13,244)	(598)	(13,821)
Inventory	-	(78)	(25,032)	-	(25,110)
Deposit with others	(1,092,139)	-	-	-	(1,092,139)
Accounts payable	(158,729)	(79,821)	210,523	(10,967)	(38,994)
Accrued liabilities	(317,689)	(7,136)	(6,853)	(9,660)	(341,338)
Other liabilities	49,134	-	-	-	49,134
Due to component units	-	13,403	14,119	-	27,522
Due to other governmental units	-	-	-	-	-
Due to other funds	-	(141,266)	(102,928)	(182)	(244,376)
Compensated absences	(20,115)	(139)	(681)	(4,669)	(25,604)
Net pension liability	5,114,768	412,189	757,239	67,423	6,351,619
Net OPEB obligation	(138,037)	(1,763)	(1,764)	-	(141,564)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 5,546,449</b>	<b>\$ 930,086</b>	<b>\$ (2,656,404)</b>	<b>\$ 356,443</b>	<b>\$ 4,176,574</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, 2023**

	<b>Retiree Health Care</b>	<b>BLP OPEB Trust Fund</b>	<b>Custodial Funds</b>
<b>Assets</b>			
Cash and pooled investments	\$ -	\$ -	\$ 2,636,882
Funds on deposit with MERS	<u>2,127,852</u>	<u>634,954</u>	<u>-</u>
<b>Total assets</b>	<u>2,127,852</u>	<u>634,954</u>	<u>2,636,882</u>
<b>Liabilities</b>			
Accounts payable	-	-	164
Due to other governmental units	<u>-</u>	<u>-</u>	<u>1,152</u>
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>1,316</u>
<b>Net position</b>			
Restricted for post-employment benefits	2,127,852	634,954	-
Unrestricted	<u>-</u>	<u>-</u>	<u>2,635,566</u>
<b>Total net position</b>	<u>\$ 2,127,852</u>	<u>\$ 634,954</u>	<u>\$ 2,635,566</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, 2023**

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	<b>Retiree Health Care</b>	<b>BLP OPEB Trust Fund</b>	<b>Custodial Funds</b>
<b>Additions</b>			
Employer contributions	\$ -	\$ 244,837	\$ -
Investment earnings (loss)	144,089	42,996	-
Property taxes collected for other governments	-	-	46,471,180
Charges for services and non-operating receipts	-	-	5,035,736
	<u>144,089</u>	<u>287,833</u>	<u>51,506,916</u>
<b>Total additions</b>	<u>144,089</u>	<u>287,833</u>	<u>51,506,916</u>
<b>Deductions</b>			
Health insurance premiums	-	244,837	-
Taxes to other governments	-	-	46,471,180
Operating costs and non-operating expenses	-	-	3,236,436
	<u>-</u>	<u>244,837</u>	<u>49,707,616</u>
<b>Total deductions</b>	<u>-</u>	<u>244,837</u>	<u>49,707,616</u>
Changes in net position	144,089	42,996	1,799,300
<b>Net position, beginning of year, as restated</b>	<u>1,983,763</u>	<u>591,958</u>	<u>836,266</u>
<b>Net position, end of year</b>	<u>\$ 2,127,852</u>	<u>\$ 634,954</u>	<u>\$ 2,635,566</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, 2023**

	<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	\$ 158,578	\$ 225,064	\$ 432,466	\$ 816,108
Accounts receivable	134,616	21,851	501,064	657,531
Due from other governments	-	-	6,613	6,613
Taxes receivable	-	593	769	1,362
Special assessments receivable	-	271,382	-	271,382
Due from primary government	-	99,794	-	99,794
Contract receivable	-	1,058,931	-	1,058,931
Prepaid items	6,739	2,579	-	9,318
<b>Total assets</b>	<u>299,933</u>	<u>1,680,194</u>	<u>940,912</u>	<u>2,921,039</u>
<b>Deferred outflows of resources</b>				
Pension related	-	91,030	-	91,030
Deferred charge on refunding	-	60,572	-	60,572
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>151,602</u>	<u>-</u>	<u>151,602</u>
<b>Liabilities</b>				
Accounts payable	-	7,644	93,980	101,624
Accrued interest	-	42,992	-	42,992
Unearned revenue	-	-	419,438	419,438
Debt due within one year	-	560,000	-	560,000
Noncurrent liabilities				
Net pension liability	-	370,283	-	370,283
Bond premium	-	248,231	-	248,231
Debt due in more than one year	-	4,690,000	389,779	5,079,779
<b>Total liabilities</b>	<u>-</u>	<u>5,919,150</u>	<u>903,197</u>	<u>6,822,347</u>
<b>Deferred inflows of resources</b>				
Pension related	-	10,251	-	10,251
<b>Net position (deficit)</b>				
Unrestricted	<u>\$ 299,933</u>	<u>\$ (4,097,605)</u>	<u>\$ 37,715</u>	<u>\$ (3,759,957)</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, 2023**

	<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	\$ 28,242	\$ -	\$ -	\$ 28,242
Main Street Downtown Development Authority	-	510,932	-	510,932
Brownfield Redevelopment Authority	<u>-</u>	<u>-</u>	<u>1,820,242</u>	<u>1,820,242</u>
<b>Total expenses</b>	<u>28,242</u>	<u>510,932</u>	<u>1,820,242</u>	<u>2,359,416</u>
<b>Revenues</b>				
Program revenues				
Operating grants and contributions	13,224	89,723	1,004,888	1,107,835
General revenues				
Property taxes	-	746,208	874,357	1,620,565
Unrestricted investment earnings	3,167	57,335	7,281	67,783
Miscellaneous	<u>-</u>	<u>19,235</u>	<u>-</u>	<u>19,235</u>
<b>Total revenues</b>	<u>16,391</u>	<u>912,501</u>	<u>1,886,526</u>	<u>2,815,418</u>
Change in net position	(11,851)	401,569	66,284	456,002
<b>Net position (deficit), beginning of year</b>	<u>311,784</u>	<u>(4,499,174)</u>	<u>(28,569)</u>	<u>(4,215,959)</u>
<b>Net position (deficit), end of year</b>	<u>\$ 299,933</u>	<u>\$ (4,097,605)</u>	<u>\$ 37,715</u>	<u>\$ (3,759,957)</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, 2023

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Grand Haven, Michigan (the City) was established in 1854 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 10 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 2027.

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, 2023

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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 10 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 or very limited 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.

#### ***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 \$1,540,784 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

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

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to the participating governments in the near future. Complete financial statements can be obtained at Grand Haven City Hall.

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, 2023, the City distributed tax revenues of \$400,223 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 \$134,300,000 declines from a commitment maximum of approximately \$14,870,000 in 2024 to \$578,000 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	\$11,141,494
Payments to MPPA for electricity transmission	1,451,673
Payments to MPPA for renewable energy	3,986,315
Payments to MPPA for capacity	2,164,580
Payments to MPPA for other	354,847

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

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#### ***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 \$758,967 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 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

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

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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, 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.

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.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

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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.

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.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

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- 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.

#### ***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 \$720,182 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

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

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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	3-200
Machinery, equipment, vehicles and fixtures	2-30
Buildings	5-100
Parking facilities	1-35
Production and treatment	5-50
Transmission and distribution	5-50
General plant	5-30
Infrastructure	7-150

#### ***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.

#### ***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 which are discussed in Notes 8 and 9.

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

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

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the period that the amounts become available. The City also has items that qualify for reporting in this category related to pension and other post-employment benefits which are discussed in Notes 8 and 9.

#### ***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.
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 44 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.



# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### ***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. Accumulated vacation time of governmental funds is recorded on the statement of net position and not on the governmental fund balance sheets because it is not expected to be liquidated with expendable available financial resources.

### ***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.

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, 2023, the City reported an unrestricted deficit net position of \$15,284,795 for governmental activities. The Main Street Downtown Development Authority reported unrestricted deficit net position of \$4,097,605.

## **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.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

During the year ended June 30, 2023, the City incurred expenditures in the General and special revenue funds which were in excess of the amounts appropriated as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance (Unfavorable)</u>
<b>General Fund</b>			
City Clerk – Elections	\$ 52,710	\$ 52,980	\$ (270)
DPW – Public Safety Building Operations	128,709	142,786	(14,077)
DPW – Community Promotion	127,477	130,758	(3,281)
DPW – Central Park Place Building Operations	-	4,408	(4,408)
Public Safety – TEAM – CSO	65,877	69,041	(3,164)
<b>Major Streets Fund</b>			
Administration and General	167,505	171,967	(4,462)
Pavement Marking	31,045	34,919	(3,874)
Winter Maintenance	341,270	351,332	(10,062)
<b>Local Streets Fund</b>			
Construction	20,375	281,719	(261,344)
<b>Housing Fund</b>			
Transfers Out	-	57,771	(57,771)

#### 4. DEPOSITS

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

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Fiduciary Activities</u>	<u>Component Units</u>	<u>Total</u>
Cash and pooled investments	\$20,112,380	\$46,075,096	\$2,636,882	\$816,108	\$69,640,466
Funds on deposit with MERS	-	-	2,762,806	-	2,762,806
	<u>\$20,112,380</u>	<u>\$46,075,096</u>	<u>\$5,399,688</u>	<u>\$816,108</u>	<u>\$72,403,272</u>

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

Deposits	\$52,335,190
Investments	20,066,302
Petty cash	<u>1,780</u>
Total	<u>\$72,403,272</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.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### Investments

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

	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
Government money market funds	N/A	\$ 751,192	Unrated	
Funds on deposit with MERS	N/A	2,762,806	Unrated	
Michigan CLASS pool	N/A	4,033,733	AAAm	S&P
US Government and agency securities/pools				
GNMA pool 2.5%	1/20/47	4,677	Unrated	
GNMA pool 2.25%	3/20/47	39,493	Unrated	
GNMA pool 2.75%	3/20/49	111,209	Unrated	
FHLMC pool 1.25%	6/25/49	82,081	Unrated	
FHLMC pool 2%	7/25/49	33,324	Unrated	
FHLMC pool 1%	12/25/50	105,720	Unrated	
FHLMC pool 1%	7/25/51	272,429	Unrated	
FHLMC pool 3%	12/15/41	56,492	Unrated	
GNMA pool 2.5%	1/20/47	8,794	Unrated	
GNMA pool 2.5%	3/20/47	9,279	Unrated	
FHLMC pool 2.5%	7/15/47	17,446	Unrated	
FNMA pool 2.25%	11/25/47	32,685	Unrated	
GNMA pool 2.5%	12/20/48	8,828	Unrated	
GNMA pool 2.75%	3/20/49	39,554	Unrated	
FHLMC pool 2%	7/25/49	53,830	Unrated	
FNMA pool 1%	2/25/50	220,896	Unrated	
FHLMC pool 1%	7/25/51	106,835	Unrated	
FNMA pool 2.5%	3/25/28	17,176	Unrated	
FNMA pool 4%	6/25/41	78,252	Unrated	
FHLMC pool 2.5%	7/15/42	83,387	Unrated	
FNMA pool 2.25%	7/25/43	80,826	Unrated	
FNMA pool 3%	12/25/43	31,860	Unrated	
GNMA pool 2%	1/16/45	115,635	Unrated	
FHLMC pool 2%	10/15/46	18,859	Unrated	
GNMA pool 2.5%	1/20/47	7,110	Unrated	
GNMA pool 2.5%	3/20/47	14,498	Unrated	
FHLMC pool 2.5%	7/15/47	37,298	Unrated	
FNMA pool 2.5%	11/25/47	35,979	Unrated	
GNMA pool 2%	3/20/49	55,492	Unrated	
FHLMC pool 1.25%	6/25/49	283,552	Unrated	
FHLMC pool 2%	7/25/49	53,830	Unrated	
FHLMC pool 1%	12/25/50	169,152	Unrated	
FHLMC pool 1%	7/25/51	408,643	Unrated	
U.S. Treasury	9/21/23	4,942,600	Unrated	
U.S. Treasury	12/14/23	4,880,850	Unrated	
<b>Total</b>		<b><u>\$20,066,302</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, \$51,013,102 of the City's bank balance of \$51,763,102 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

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*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 \$20,066,302 of investments, the City has custodial credit risk of \$12,518,571 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, \$7,547,731 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 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).

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

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

### 5. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<b>Balance July 1, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2023</b>
<b>Governmental activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 8,746,444	\$ -	\$ -	\$ 8,746,444
Construction in progress	372,644	871,166	234,238	1,009,572
<b>Total capital assets, not being depreciated</b>	<b>9,119,088</b>	<b>871,166</b>	<b>234,238</b>	<b>9,756,016</b>
<b>Capital assets, being depreciated</b>				
Structures and improvements	18,115,666	91,184	-	18,206,850
Machinery, equipment, vehicles and fixtures	8,660,512	455,900	196,872	8,919,540
Buildings	15,350,449	-	-	15,350,449
Parking facilities	9,810,407	-	-	9,810,407
Infrastructure	43,129,497	615,416	-	43,744,913
Total capital assets, being depreciated	95,066,531	1,162,500	196,872	96,032,159
Less accumulated depreciation:				
Structures and improvements	8,246,655	561,054	-	8,807,709
Machinery, equipment, vehicles and fixtures	4,757,304	640,424	184,998	5,212,730
Buildings	6,268,408	413,847	-	6,682,255
Parking facilities	5,886,984	275,757	-	6,162,741
Infrastructure	16,621,560	1,829,893	-	18,451,453
Total accumulated depreciation	41,780,911	3,720,975	184,998	45,316,888
<b>Net capital assets, being depreciated</b>	<b>53,285,620</b>	<b>(2,558,475)</b>	<b>11,874</b>	<b>50,715,271</b>
<b>Governmental activities capital assets, net</b>	<b>\$62,404,708</b>	<b>\$(1,687,309)</b>	<b>\$246,112</b>	<b>\$60,471,287</b>
<b>Business-type activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 388,171	\$ -	\$ -	\$ 388,171
Construction in progress	602,741	5,058,819	4,470,972	1,190,588
<b>Total capital assets, not being depreciated</b>	<b>990,912</b>	<b>5,058,819</b>	<b>4,470,972</b>	<b>1,578,759</b>
<b>Capital assets being depreciated</b>				
Structures and improvements	9,881,489	-	-	9,881,489
Machinery, equipment, vehicles and fixtures	545,485	-	-	545,485
Transmission and distribution	89,523,477	4,888,631	1,249,415	93,162,693
General plant	2,570,405	7,647	-	2,578,052
Total capital assets, being depreciated	102,520,856	4,896,278	1,249,415	106,167,719
Less accumulated depreciation for:				
Structures and improvements	5,540,938	271,405	-	5,812,343
Machinery, equipment, vehicles and fixtures	371,537	27,761	-	399,298
Transmission and distribution	34,765,306	2,367,532	1,032,781	36,100,057
General plant	1,194,016	127,740	-	1,321,756
Total accumulated depreciation	41,871,797	2,794,438	1,032,781	43,633,454
<b>Net capital assets, being depreciated</b>	<b>60,649,059</b>	<b>2,101,840</b>	<b>216,634</b>	<b>62,534,265</b>
<b>Business-type activities capital assets, net</b>	<b>\$61,639,971</b>	<b>\$7,160,659</b>	<b>\$4,687,606</b>	<b>\$64,113,024</b>

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

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

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

<b>Governmental activities</b>	
General government	\$ 571,069
Public safety	87,479
Public works	1,955,304
Culture and recreation	630,360
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	476,763
<b>Total depreciation expense - governmental activities</b>	<b><u>\$3,720,975</u></b>
<b>Business-type activities</b>	
Board of Light and Power	\$1,986,281
Municipal Sewer	246,649
Municipal Water	286,030
Other business-type	275,478
<b>Total depreciation expense – business- type activities</b>	<b><u>\$2,794,438</u></b>

### 6. INTERFUND TRANSACTIONS

Internal balances for the year ended June 30, 2023 are as follows:

<b>Due from</b>	<b>Due to</b>					<b>Total</b>
	<b>General Fund</b>	<b>Board of Light and Power</b>	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Non-major Funds</b>	
General fund	\$ -	\$159,152	\$ -	\$ -	\$ -	\$159,152
Non-major funds	14,741	-	3,498	1,194	4,981	24,414
	<b><u>\$14,741</u></b>	<b><u>\$159,152</u></b>	<b><u>\$3,498</u></b>	<b><u>\$1,194</u></b>	<b><u>\$4,981</u></b>	<b><u>\$183,566</u></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, 2023 are as follows:

<b>Transfers in</b>	<b>Transfers out</b>					<b>Total</b>
	<b>General Fund</b>	<b>Board of Light and Power</b>	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Non-major Funds</b>	
General fund	\$ -	\$1,831,462	\$158,711	\$123,222	\$ 204,885	\$2,318,280
Water fund	-	-	91,861	-	-	91,861
Non-major funds	899,415	-	-	-	1,997,526	2,896,941
<b>Totals</b>	<b><u>\$899,415</u></b>	<b><u>\$1,831,462</u></b>	<b><u>\$250,572</u></b>	<b><u>\$123,222</u></b>	<b><u>\$2,202,411</u></b>	<b><u>\$5,307,082</u></b>

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

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.

#### 7. LONG-TERM DEBT

The following is a summary of the debt transactions of the City for the year ended June 30, 2023.

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
<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%	\$ 1,452,836	\$ -	\$ 185,165	\$ 1,267,671	\$ 190,863
\$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%	4,460,000	-	645,000	3,815,000	685,000
Total public offering bonds	5,912,836	-	830,165	5,082,671	875,863
<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%	4,785,000	-	285,000	4,500,000	300,000
\$839,000 2020 General Obligation Bonds due in annual installments of \$47,000 to \$67,000 through April 2035; interest at 2.73%	743,000	-	48,000	695,000	50,000
\$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%	809,434	-	42,549	766,885	46,601
Total direct placements and direct borrowings	6,337,434	-	375,549	5,961,885	396,601
Total	12,250,270	-	1,205,714	11,044,556	1,272,464
Bond premiums	390,195	-	63,058	327,137	-
Accrued employee benefits	535,685	-	54,050	481,635	-
<b>Total Governmental Activities</b>	<b>\$13,176,150</b>	<b>\$ -</b>	<b>\$1,322,822</b>	<b>\$11,853,328</b>	<b>\$1,272,464</b>

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

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

	Balance July 1, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2023</u>	Due Within One Year
<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%	\$ 1,097,163	\$ -	\$ 139,835	\$ 957,328	\$ 144,137
<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%	25,000,000	-	2,300,000	22,700,000	2,400,000
Accrued employee benefits	338,438	-	25,604	312,834	-
<b>Total Business-type Activities</b>	<b>\$26,435,601</b>	<b>\$ -</b>	<b>\$2,465,439</b>	<b>\$23,970,162</b>	<b>\$2,544,137</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%	\$3,995,000	\$ -	\$210,000	\$3,785,000	\$230,000
<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%	1,765,000	-	300,000	1,465,000	330,000
\$900,000 EGLE Loan due in annual installments of \$88,044 through July 2036; interest at 1.5%	823,125	-	433,346	389,779	-
Total direct placements and direct borrowings	2,588,125	-	733,346	1,854,779	330,000
<b>Other debt</b>					
Bond premiums	289,640	-	41,409	248,231	-
Accrued employee benefits	4,476	-	4,476	-	-
<b>Total Component Units</b>	<b>\$6,877,241</b>	<b>\$ -</b>	<b>\$989,231</b>	<b>\$5,888,010</b>	<b>\$560,000</b>



# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

The annual requirements to amortize all public offering bonds and leases outstanding as of June 30, 2023 are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 875,863	\$127,769	\$144,137	\$ 38,294	\$ 230,000	\$138,300
2025	916,560	106,298	148,440	32,528	245,000	129,100
2026	972,955	83,892	157,045	26,590	275,000	119,300
2027	1,016,501	60,121	163,499	20,308	295,000	108,300
2028	1,070,047	35,301	169,953	13,768	315,000	96,500
2029-2033	230,745	9,230	174,254	6,970	1,990,000	274,850
2034	-	-	-	-	435,000	13,050
<b>Total</b>	<b>\$5,082,671</b>	<b>\$422,611</b>	<b>\$957,328</b>	<b>\$138,458</b>	<b>\$3,785,000</b>	<b>\$879,400</b>

The annual requirements to amortize all direct placements and direct borrowings outstanding as of June 30, 2023 are as follows:

Year Ending June 30	Governmental Activities		Component Units	
	Principal	Interest	Principal	Interest
2024	\$ 396,601	\$ 226,995	\$ 330,000	\$29,874
2025	410,640	211,765	370,000	21,831
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
2029-2033	2,678,197	522,714	171,822	18,831
2034-2037	1,125,136	62,678	146,970	5,553
<b>Total</b>	<b>\$5,961,885</b>	<b>\$1,561,501</b>	<b>\$1,854,779</b>	<b>\$98,886</b>

Future minimum payments on the direct purchase debt as of June 30, 2023 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2024	\$ 2,400,000	\$ 358,660
2025	2,400,000	320,740
2026	2,400,000	282,820
2027	2,500,000	244,900
2028	2,500,000	205,400
2029-2032	10,500,000	417,120
<b>Total</b>	<b>\$22,700,000</b>	<b>\$1,829,640</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, 2023

### 8. 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, 2022):

	Total City
Active plan members	60
Inactive employees or beneficiaries currently receiving benefits	180
Inactive employees entitled but not yet receiving benefits	96
Total	336

##### **Contributions**

The City is required to contribute at an actuarially determined rate. The current fiscal year contribution rates began as a percentage amount from 21.50% to 40.41% of annual covered payroll depending on position and classification then changed to a flat dollar amount ranging from \$39,267 to \$92,894 per month depending on position and classification due to closure of the Defined Benefit plan. Participating employees are required to contribute 0.0% to 17.0% of covered payroll to the plan based on position and classification. The contribution requirements of the City are established and may be amended by the MERS Retirement Board. The contribution requirements of employees are established and may be amended by labor agreements.

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

The City's net pension liability was measured as of December 31, 2022, 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, 2023

The total pension liability in the December 31, 2022 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: 7.00%, 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 2022 actuarial experience study.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Expected Money Weighted Rate of Return*</u>
Global Equity	60.0%	4.50%	2.70%
Global Fixed Income	20.0%	2.00%	0.40%
Private Investments	20.0%	7.00%	1.40%
Inflation			2.50%
Administrative fee			0.25%
Discount rate			7.25%

Discount rate. The discount rate used to measure the total pension liability is 7.25%. 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, 2023**

<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, 2021	\$89,735,711	\$65,205,202	\$24,530,509
Changes for the Year:			
Service cost	852,162	-	852,162
Interest	6,299,683	-	6,299,683
Change in benefits	-	-	-
Differences between expected and actual experience	1,531,421	-	1,531,421
Change in assumptions	-	-	-
Contributions: employer	-	2,539,724	(2,539,724)
Contributions: employee	-	1,096,928	(1,096,928)
Net investment Income	-	(6,780,228)	6,780,228
Benefit payments, including refunds	(6,539,218)	(5,512,915)	(1,026,303)
Administrative expense	-	(118,409)	118,409
Transfer to BLP for division separation	(1,062,776)	(1,026,303)	(36,473)
Other changes	-	-	-
Net changes	1,081,272	(9,801,203)	10,882,475
Balance at December 31, 2022	\$90,816,983	\$55,403,999	\$35,412,984

### **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 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or higher (8.25%) than the current rate.

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Total Pension Liability	\$102,014,020	\$90,816,983	\$81,619,647
Fiduciary Net Position	55,403,999	55,403,999	55,403,999
Net Pension Liability	\$ 46,610,021	\$35,412,984	\$26,215,648

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

For the year ended June 30, 2023 the City recognized pension expense of \$6,532,887. 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	\$ 765,711	\$(980,430)
Differences in assumptions	1,157,889	-
(Excess) deficit investment returns	5,552,700	-
Contributions subsequent to the measurement date*	1,229,658	-
Total	\$8,705,958	\$(980,430)

\* 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 2022.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

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:

2024	\$1,152,751
2025	1,105,804
2026	1,957,695
2027	2,279,619
2028	-
Thereafter	-
Total	<u>\$6,495,869</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, 2022):

Active plan members	23
Inactive employees or beneficiaries currently receiving benefits	70
Inactive employees entitled but not yet receiving benefits	<u>20</u>
Total	<u>113</u>

##### **Contributions**

The Board is required to contribute at an actuarially determined rate, which for the current year was \$78,528 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, 2022, 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, 2023

The total pension liability in the December 31, 2022 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: 7.00%, 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 most recent (2018) actuarial experience study.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Expected Money Weighted Rate of Return*</u>
Global Equity	60.0%	4.50%	2.70%
Global Fixed Income	20.0%	2.00%	0.40%
Private Investments	20.0%	7.00%	1.40%
Inflation			2.50%
Administrative fee			0.25%
Discount rate			7.25%

Discount rate. The discount rate used to measure the total pension liability is 7.25%. 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, 2023**

<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, 2021	\$45,286,889	\$44,100,295	\$1,186,594
Changes for the Year:			
Service cost	356,420	-	356,420
Interest	3,189,558	-	3,189,558
Change in benefits	-	-	-
Differences between expected and actual experience	339,916	-	339,916
Change in assumptions	-	-	-
Contributions: employer	-	3,133,328	(3,133,328)
Contributions: employee	-	223,524	(223,524)
Net investment income	-	(4,503,490)	4,503,490
Benefit payments, including refunds	(2,942,376)	(2,942,376)	-
Administrative expense	-	(82,235)	82,235
Other changes	1	-	1
Net changes	943,519	(4,171,249)	5,114,768
Balance at December 31, 2022	\$46,230,408	\$39,929,046	\$6,301,362

2022 is 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 7.25%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (6.25%) or higher (8.25%) than the current rate.

	<b>1% Decrease</b>	<b>Current Discount rate</b>	<b>1% Increase</b>
Total pension liability	\$51,721,709	\$46,230,408	\$41,679,125
Fiduciary net position	39,929,046	39,929,046	39,929,046
Net pension liability	\$11,792,663	\$ 6,301,362	\$ 1,750,079

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

For the year ended June 30, 2023 the Board recognized pension expense of \$1,641,740. 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	\$ 169,958	\$ -
Differences in assumptions	-	-
(Excess) deficit investment returns	3,991,757	-
Contributions subsequent to the measurement date*	471,168	-
Total	\$4,632,883	\$ -

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

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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 2022.

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:

2024	\$ 656,162
2025	826,543
2026	1,136,449
2027	1,542,561
Thereafter	<u>-</u>
Total	<u>\$4,161,715</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 \$251,773 and participant contributions were \$183,412 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 of Light and Power provides a defined contribution pension plan (the Plan) that provides pension benefits to all fulltime 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 \$82,263 and the Board contributed \$164,525 to the plan.



# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### 9. 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 \$1,271,254 while actual contributions were \$1,155,671.

##### **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	56
Active plan members	<u>51</u>
Total	<u>107</u>

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

The net OPEB liability was rolled forward through June 30, 2022 based on an annual actuarial valuation as of June 30, 2022. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5 %

Salary Increases: 3.3%

Investment rate of return: 7.00%, 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, 2023

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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%	2.00%
Private Equity	20.0%	7.00%
Cash	0.0%	0.00%

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 7.00%.

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

Rate of return. For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 7.2%. 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 7.00%. 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, 2023**

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, 2022	\$9,995,610	\$1,983,763	\$8,011,847
Changes for the Year:			
Service cost	38,826	-	38,826
Interest	661,963	-	661,963
Change in benefits	-	-	-
Differences between expected and actual experience	(15,602)	-	(15,602)
Change in assumptions	122,659	-	122,659
Benefits paid from general operating funds	-	1,155,671	(1,155,671)
Net investment Income	-	147,832	(147,832)
Benefit payments, including refunds	(1,155,671)	(1,155,671)	-
Administrative expense	-	(3,743)	3,743
Other changes	-	-	-
Net changes	(347,825)	144,089	(491,914)
Balance at June 30, 2023	\$9,647,785	\$2,127,852	\$7,519,933

**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 7.00%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower (6.00%) or higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	\$10,270,094	\$9,647,785	\$9,083,325
Fiduciary net position	2,127,852	2,127,852	2,127,852
Net OPEB liability	\$ 8,142,242	\$7,519,933	\$6,955,473
Plan fiduciary position as a percentage of the total OPEB liability	20.72%	22.06%	23.43%

**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	\$8,960,053	\$9,647,785	\$10,410,358
Fiduciary net position	2,127,852	2,127,852	2,127,852
Net OBEB liability	\$6,832,201	\$7,519,933	\$ 8,282,506

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

For the year ended June 30, 2023 the employer recognized OPEB expense of \$2,531,086. 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	\$264,583	\$26,889
Differences in assumptions	312,915	6,257
Excess (deficit) investment returns	71,655	-
Total	<u>\$649,153</u>	<u>\$33,146</u>

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

2024	\$557,360
2025	(4,922)
2026	65,389
2027	(1,820)
2028	-
Thereafter	-
Total	<u>\$616,007</u>

### 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	20
Covered spouses	0
Active plan members	<u>24</u>
Total	<u>44</u>

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

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#### **Net OPEB Liability**

The net OPEB liability was based on an actuarial valuation as of June 30, 2023. The total OPEB liability in the June 30, 2023 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: 7.0% 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

The actuarial assumptions used in the 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%	2.00%
Private Equity	20.0%	7.00%
Cash	0.0%	0.00%

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 7.00%.

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

Rate of return. For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 7.2%. 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 7.00%. The projection of cash flows used to determine the discount rate assumes that employer will pay the annual insurance benefit costs from operating funds until the plan is fully funded.

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, 2023

### 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, 2022	\$1,230,883	\$591,958	\$638,925
Changes for the Year:			
Service cost	14,854	-	14,854
Interest	78,633	-	78,633
Change in benefits	-	-	-
Differences between expected and actual experience	44,149	-	44,149
Change in assumptions	12,160	-	12,160
Contributions to OPEB trust	-	-	-
Benefits paid from general operating funds	-	244,837	(244,837)
Net investment income	-	44,113	(44,113)
Benefit payments, including refunds	(244,837)	(244,837)	-
Administrative expense	-	(1,117)	1,117
Other changes	-	-	-
Net changes	(95,041)	42,996	(138,037)
Balance at June 30, 2023	\$1,135,842	\$634,954	\$500,888

#### 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 7.00%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower (6.00%) or higher (8.00%) than the current rate.

	1% Decrease	Current Discount rate	1% increase
Total OPEB liability	\$1,191,529	\$1,135,842	\$1,085,058
Fiduciary net position	634,954	634,954	634,954
Net OPEB liability	\$ 556,575	\$ 500,888	\$ 450,104

#### 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	\$1,067,159	\$1,135,842	\$1,213,202
Fiduciary net position	634,954	634,954	634,954
Net OBEB liability	\$ 432,205	\$ 500,888	\$ 578,248

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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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, 2023 the employer recognized OPEB expense of \$129,927. 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	\$22,044	\$28,927
Differences in assumptions	32,807	-
Excess(deficit) investment returns	22,305	-
Total	<u>\$77,156</u>	<u>\$28,927</u>

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

2024	\$30,109
2025	(1,175)
2026	19,838
2027	(543)
2028	-
Thereafter	<u>-</u>
Total	<u>\$48,229</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 \$167,247 and participant contributions were \$256,431 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 \$31,368 and the Board contributed \$55,077 to the plan.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### 10. 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 \$43,770 reported at June 30, 2023 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, 2022 and 2023 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>
2022	\$118,200	\$2,219,662	\$2,276,408	\$61,454
2023	61,454	2,012,522	2,030,206	43,770



# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

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>2023</u>	<u>2022</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 \$7,816,269 which excluded assets set aside for estimated claims of \$86,543. 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, 2023 and 2022 was \$86,543 and \$69,500 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, 2023 and 2022 were \$17,043 and \$0 respectively.

#### 11. DEFERRED SPECIAL ASSESSMENTS RECEIVABLE

The Brownfield Redevelopment Authority component unit has outstanding deferred special assessments receivable totaling \$5,900,912 at June 30, 2023. The assessments are in place for condominium units, retail outlets, and property not yet developed. Considering the uncertainty of collection of the assessments, and the amount of the assessments to be received not readily determinable, the assessments receivable have been fully offset with an allowance for doubtful accounts, and as such, there is no net receivable reported in the financial statements of the Brownfield Redevelopment Authority component unit at June 30, 2023.

# **CITY OF GRAND HAVEN**

## **NOTES TO THE FINANCIAL STATEMENTS**

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

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### **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, 2023, the City abated property tax revenues of approximately \$131,730.

### **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 5 percent of gross retail sales to the City under provisions of the City Charter. The payment of the 5 percent of gross sales to the City is reported as transfers out to the City of Grand Haven.

# CITY OF GRAND HAVEN

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

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#### 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, 2022	\$(608,901)
Current year building permit revenues	472,666
Related expenses	
Direct costs	(493,492)
Estimated indirect costs	<u>(62,228)</u>
Cumulative shortfall – June 30, 2023	<u><u>\$(691,955)</u></u>

#### 17. 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 \$16,889,004 based on known costs of similar plant closures and engineering estimates.

## **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, 2023**

	<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				
Property taxes	\$ 7,329,400	\$ 8,122,895	\$ 8,134,403	\$ 11,508
Intergovernmental revenues				
Federal	250	-	1,224	1,224
State	1,140,500	1,222,500	1,368,839	146,339
Local	-	180,316	156,760	(23,556)
Special assessments	13,000	13,000	25,523	12,523
Licenses and permits	728,200	810,884	894,412	83,528
Charges for services	2,206,738	2,280,335	2,304,025	23,690
Fines	77,500	76,000	88,364	12,364
Investment earnings	236,000	199,000	353,479	154,479
Miscellaneous	94,000	1,190,965	1,250,711	59,746
<b>Total revenues</b>	<u>11,825,588</u>	<u>14,095,895</u>	<u>14,577,740</u>	<u>481,845</u>
<b>Expenditures</b>				
Current				
General government	3,129,611	2,941,297	2,713,400	227,897
Public safety	5,894,454	6,363,412	5,934,993	428,419
Public works	3,307,165	4,246,332	3,867,092	379,240
Culture and recreation	988,789	1,191,961	1,101,441	90,520
Debt service				
Principal	-	17,428	17,428	-
Interest and fiscal charges	40,423	41,778	17,569	24,209
Capital outlay	25,000	42,000	42,319	(319)
<b>Total expenditures</b>	<u>13,385,442</u>	<u>14,844,208</u>	<u>13,694,242</u>	<u>1,149,966</u>
<b>Revenues over (under) expenditures</b>	<u>(1,559,854)</u>	<u>(748,313)</u>	<u>883,498</u>	<u>1,631,811</u>
Other financing sources (uses)				
Transfers in	2,150,500	2,184,000	2,318,280	134,280
Transfers out	(841,904)	(891,735)	(899,415)	(7,680)
<b>Total other financing sources (uses)</b>	<u>1,308,596</u>	<u>1,292,265</u>	<u>1,418,865</u>	<u>126,600</u>
<b>Net changes in fund balance</b>	<u>(251,258)</u>	<u>543,952</u>	<u>2,302,363</u>	<u>1,758,411</u>
<b>Fund balance, beginning of year</b>	<u>5,228,446</u>	<u>5,228,446</u>	<u>5,228,446</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 4,977,188</u>	<u>\$ 5,772,398</u>	<u>\$ 7,530,809</u>	<u>\$ 1,758,411</u>

**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, 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Total pension liability</b>									
Service cost	\$ 1,714,380	\$ 1,784,375	\$ 1,938,291	\$ 1,896,453	\$ 1,876,313	\$ 1,787,913	\$ 1,719,873	\$ 1,220,104	\$ 852,162
Interest	6,872,845	6,970,006	7,719,273	7,931,391	8,390,678	8,623,429	8,876,309	9,507,015	6,299,683
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
Changes in assumptions	-	4,451,385	-	-	-	4,122,188	3,919,533	3,473,668	-
Benefit payments including employee refunds	(4,522,352)	(5,086,362)	(5,306,454)	(6,048,965)	(6,066,289)	(6,669,279)	(7,437,446)	(5,739,852)	(6,539,218)
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)	-
<b>Net change in total pension liability</b>	<u>4,064,873</u>	<u>9,398,920</u>	<u>3,043,663</u>	<u>5,759,789</u>	<u>3,255,091</u>	<u>9,418,795</u>	<u>7,699,848</u>	<u>(37,616,468)</u>	<u>1,081,272</u>
<b>Total pension liability, beginning of year</b>	<u>84,711,200</u>	<u>88,776,073</u>	<u>98,174,993</u>	<u>101,218,656</u>	<u>106,978,445</u>	<u>110,233,536</u>	<u>119,652,331</u>	<u>127,352,179</u>	<u>89,735,711</u>
<b>Total pension liability, end of year</b>	<u>\$ 88,776,073</u>	<u>\$ 98,174,993</u>	<u>\$ 101,218,656</u>	<u>\$ 106,978,445</u>	<u>\$ 110,233,536</u>	<u>\$ 119,652,331</u>	<u>\$ 127,352,179</u>	<u>\$ 89,735,711</u>	<u>\$ 90,816,983</u>
<b>Plan Fiduciary Net Position</b>									
Contributions-employer	\$ 1,230,140	\$ 1,351,197	\$ 1,528,835	\$ 6,969,429	\$ 2,803,011	\$ 2,096,764	\$ 6,530,362	\$ 2,187,153	\$ 2,539,724
Contributions-employee	1,017,387	1,188,014	1,399,568	1,649,872	1,583,711	1,619,918	1,519,254	1,185,750	1,096,928
Net investment income	4,384,730	(1,056,807)	7,662,061	9,637,326	(3,336,775)	10,759,791	10,939,329	8,701,598	(6,780,228)
Benefit payments including employee refunds	(4,522,352)	(5,086,362)	(5,306,454)	(6,048,965)	(6,066,289)	(6,669,279)	(7,437,446)	(5,739,852)	(5,512,915)
Transfer to BLP for division separation	-	-	-	-	-	-	-	(40,085,898)	-
Transfers and refunds for DC plan conversion	-	-	-	-	-	-	-	-	(1,026,303)
Administrative expense	(160,769)	(155,709)	(151,314)	(152,492)	(164,445)	(185,343)	(174,529)	(94,791)	(118,407)
<b>Net change in plan fiduciary net position</b>	<u>1,949,136</u>	<u>(3,759,667)</u>	<u>5,132,696</u>	<u>12,055,170</u>	<u>(5,180,787)</u>	<u>7,621,851</u>	<u>11,376,970</u>	<u>(33,846,040)</u>	<u>(9,801,201)</u>
<b>Plan fiduciary net position, beginning of year</b>	<u>69,855,871</u>	<u>71,805,007</u>	<u>68,045,340</u>	<u>73,178,036</u>	<u>85,233,206</u>	<u>80,052,419</u>	<u>87,674,270</u>	<u>99,051,240</u>	<u>65,205,200</u>
<b>Plan fiduciary net position, end of year</b>	<u>\$ 71,805,007</u>	<u>\$ 68,045,340</u>	<u>\$ 73,178,036</u>	<u>\$ 85,233,206</u>	<u>\$ 80,052,419</u>	<u>\$ 87,674,270</u>	<u>\$ 99,051,240</u>	<u>\$ 65,205,200</u>	<u>\$ 55,403,999</u>
<b>Total net pension liability</b>	<u>\$ 16,971,066</u>	<u>\$ 30,129,653</u>	<u>\$ 28,040,620</u>	<u>\$ 21,745,239</u>	<u>\$ 30,181,117</u>	<u>\$ 31,978,061</u>	<u>\$ 28,300,939</u>	<u>\$ 24,530,511</u>	<u>\$ 35,412,984</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	81%	69%	72%	80%	73%	73%	78%	73%	61%
<b>Covered employee payroll</b>	\$ 11,071,127	\$ 11,535,426	\$ 12,103,488	\$ 11,544,999	\$ 11,230,904	\$ 10,471,556	\$ 9,766,065	\$ 6,974,003	\$ 4,390,812
<b>Employer's net pension liability as a percentage of covered employee payroll</b>	153%	261%	232%	188%	269%	305%	290%	352%	807%

**CITY OF GRAND HAVEN**  
**DEFINED BENEFIT PENSION PLAN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contributions	\$ 1,285,986	\$ 1,533,911	\$ 1,528,835	\$ 1,976,799	\$ 1,832,196	\$ 2,259,855	\$ 1,823,154	\$ 2,333,502	\$ 2,721,068
Contributions in relation to the actuarially determined contribution	1,285,986	1,533,911	1,528,835	6,976,799	2,832,196	2,259,855	5,823,154	2,333,502	2,721,068
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (5,000,000)	\$ (1,000,000)	\$ -	\$ (4,000,000)	\$ -	\$ -
Covered employee payroll	\$ 11,071,127	\$ 11,535,426	\$ 12,103,488	\$ 11,544,999	\$ 11,230,904	\$ 10,471,556	\$ 9,766,065	\$ 6,974,003	\$ 4,390,812
Contributions as a percentage of covered employee payroll	11.6%	13.3%	12.6%	60.4%	25.2%	21.6%	59.6%	33.5%	62.0%

**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	7.00% (7.35% for 2020 and 2021; 7.75% for 2015 through 2019)
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, 2015 through 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Total pension liability</b>									
Service cost	\$ 1,714,380	\$ 1,784,375	\$ 1,938,292	\$ 1,896,453	\$ 1,876,313	\$ 1,787,913	\$ 1,719,873	\$ 346,845	\$ 356,420
Interest	6,872,845	6,970,006	7,719,273	7,931,391	8,390,678	8,623,429	8,876,309	3,205,780	3,189,558
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
Changes in assumptions	-	4,451,385	-	-	-	4,122,188	3,919,533	1,680,863	-
Benefit payments including employee refunds	(4,522,352)	(5,086,362)	(5,306,454)	(6,048,965)	(6,066,289)	(6,669,279)	(7,437,446)	(2,256,423)	(2,942,376)
Other	-	217,812	(1)	-	(4)	(2)	1	-	1
<b>Net change in total pension liability</b>	<b>4,064,873</b>	<b>9,398,920</b>	<b>3,043,663</b>	<b>5,759,789</b>	<b>3,255,091</b>	<b>9,418,795</b>	<b>7,699,848</b>	<b>2,150,779</b>	<b>943,519</b>
<b>Total pension liability, beginning of year</b>	<b>84,711,200</b>	<b>88,776,073</b>	<b>98,174,993</b>	<b>101,218,656</b>	<b>106,978,445</b>	<b>110,233,536</b>	<b>119,652,331</b>	<b>43,136,110</b>	<b>45,286,889</b>
<b>Total pension liability, end of year</b>	<b>\$ 88,776,073</b>	<b>\$ 98,174,993</b>	<b>\$ 101,218,656</b>	<b>\$ 106,978,445</b>	<b>\$ 110,233,536</b>	<b>\$ 119,652,331</b>	<b>\$ 127,352,179</b>	<b>\$ 45,286,889</b>	<b>\$ 46,230,408</b>
<b>Plan Fiduciary Net Position</b>									
Contributions-employer	\$ 1,230,140	\$ 1,351,197	\$ 1,528,835	\$ 6,969,429	\$ 2,803,011	\$ 2,096,764	\$ 6,530,362	\$ 1,062,160	\$ 3,133,328
Contributions-employee	1,017,387	1,188,014	1,399,568	1,649,872	1,583,711	1,619,918	1,519,254	233,792	223,524
Net investment income	4,384,730	(1,056,807)	7,662,061	9,637,326	(3,336,775)	10,759,791	10,939,329	5,038,183	(4,503,490)
Benefit payments including employee refunds	(4,522,352)	(5,086,362)	(5,306,454)	(6,048,965)	(6,066,289)	(6,669,279)	(7,437,446)	(2,256,423)	(2,942,376)
Administrative expense	(160,769)	(155,709)	(151,314)	(152,492)	(164,445)	(185,343)	(174,529)	(63,315)	(82,236)
<b>Net change in plan fiduciary net position</b>	<b>1,949,136</b>	<b>(3,759,667)</b>	<b>5,132,696</b>	<b>12,055,170</b>	<b>(5,180,787)</b>	<b>7,621,851</b>	<b>11,376,970</b>	<b>4,014,397</b>	<b>(4,171,250)</b>
<b>Plan fiduciary net position, beginning of year</b>	<b>69,855,871</b>	<b>71,805,007</b>	<b>68,045,340</b>	<b>73,178,036</b>	<b>85,233,206</b>	<b>80,052,419</b>	<b>87,674,270</b>	<b>40,085,898</b>	<b>44,100,296</b>
<b>Plan fiduciary net position, end of year</b>	<b>\$ 71,805,007</b>	<b>\$ 68,045,340</b>	<b>\$ 73,178,036</b>	<b>\$ 85,233,206</b>	<b>\$ 80,052,419</b>	<b>\$ 87,674,270</b>	<b>\$ 99,051,240</b>	<b>\$ 44,100,295</b>	<b>\$ 39,929,046</b>
<b>Employer net pension liability</b>	<b>\$ 16,971,066</b>	<b>\$ 30,129,653</b>	<b>\$ 28,040,620</b>	<b>\$ 21,745,239</b>	<b>\$ 30,181,117</b>	<b>\$ 31,978,061</b>	<b>\$ 28,300,939</b>	<b>\$ 1,186,594</b>	<b>\$ 6,301,362</b>
Employer net pension liability reported by Grand Haven Board of Light and Power **	\$ 6,141,039	\$ 12,039,809	\$ 11,524,695	\$ 4,196,831	\$ 4,941,117	\$ 7,520,756	\$ 4,450,113	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	81%	69%	72%	80%	73%	73%	78%	97%	86%
Covered employee payroll	\$ 11,071,127	\$ 11,535,426	\$ 12,103,488	\$ 11,544,999	\$ 11,230,904	\$ 10,471,556	\$ 9,766,065	\$ 2,164,742	\$ 2,084,285
Employer's net pension liability as a percentage of covered employee payroll	153%	261%	232%	188%	269%	305%	290%	55%	302%

### 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 for 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, 2015 through 2023

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 **
6/30/2015	\$ 542,904	\$ 542,904	\$ -	\$ 4,672,250	12%
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%

### 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, 2023

	2017	2018	2019	2020	2021	2022	2023
<b>Total OPEB liability</b>							
Service cost	\$ 52,122	\$ 49,554	\$ 42,889	\$ 46,820	\$ 43,640	\$ 26,241	\$ 38,826
Interest	456,376	456,247	556,550	623,499	593,625	420,162	661,963
Changes in benefit terms	-	-	-	(34,994)	-	785,603	-
Difference between expected and actual experience	79,952	1,015,790	141,760	(101,970)	(75,976)	1,893,952	(15,602)
Changes in assumptions	-	292,450	864,802	207,572	(27,044)	2,003,766	122,659
Benefit payments including employee refunds	(535,595)	(639,638)	(779,102)	(713,057)	(699,661)	(1,648,715)	(1,155,671)
Transfer to BLP for division separation	-	-	-	-	-	(1,702,702)	-
Other	-	-	-	-	-	-	-
<b>Net change in total OPEB liability</b>	52,855	1,174,403	826,899	27,870	(165,416)	1,778,307	(347,825)
<b>Total OPEB liability, beginning of year</b>	<u>6,300,692</u>	<u>6,353,547</u>	<u>7,527,950</u>	<u>8,354,849</u>	<u>8,382,719</u>	<u>8,217,303</u>	<u>9,995,610</u>
<b>Total OPEB liability, end of year</b>	<u>\$ 6,353,547</u>	<u>\$ 7,527,950</u>	<u>\$ 8,354,849</u>	<u>\$ 8,382,719</u>	<u>\$ 8,217,303</u>	<u>\$ 9,995,610</u>	<u>\$ 9,647,785</u>
<b>Plan Fiduciary Net Position</b>							
Contributions-employer	\$ 500,000	\$ -	\$ 779,102	\$ 713,057	\$ 699,661	\$ 1,648,715	\$ 1,155,671
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
Benefit payments including employee refunds	(535,595)	(639,638)	(779,102)	(713,057)	(699,661)	(1,648,715)	(1,155,671)
Administrative expense	(4,014)	(4,916)	(4,396)	(3,939)	(4,546)	(4,357)	(3,743)
Transfer to BLP for division separation	-	-	-	-	-	(647,015)	-
Other	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	694,851	146,542	57,612	46,266	613,490	(828,417)	144,089
<b>Plan fiduciary net position, beginning of year</b>	<u>1,253,419</u>	<u>1,948,270</u>	<u>2,094,812</u>	<u>2,152,424</u>	<u>2,198,690</u>	<u>2,812,180</u>	<u>1,983,763</u>
<b>Plan fiduciary net position, end of year</b>	<u>\$ 1,948,270</u>	<u>\$ 2,094,812</u>	<u>\$ 2,152,424</u>	<u>\$ 2,198,690</u>	<u>\$ 2,812,180</u>	<u>\$ 1,983,763</u>	<u>\$ 2,127,852</u>
<b>Employer net OPEB liability</b>	<u>\$ 4,405,277</u>	<u>\$ 5,433,138</u>	<u>\$ 6,202,425</u>	<u>\$ 6,184,029</u>	<u>\$ 5,405,123</u>	<u>\$ 8,011,847</u>	<u>\$ 7,519,933</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	31%	28%	26%	26%	34%	20%	22%
<b>Covered employee payroll</b>	\$ 11,180,895	\$ 5,713,567	\$ 5,833,306	\$ 4,286,167	\$ 4,228,786	\$ 3,318,646	\$ 4,417,682
<b>Employer's net OPEB liability as a percentage of covered employee payroll</b>	39%	95%	106%	144%	128%	241%	170%

## SCHEDULE OF INVESTMENT RETURNS

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

**CITY OF GRAND HAVEN**  
**DEFINED BENEFIT OPEB PLAN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contributions	\$ 859,095	\$ 646,318	\$ 906,928	\$ 1,119,545	\$ 1,208,354	\$ 950,545	\$ 1,271,254
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
Contribution deficiency (excess)	\$ (176,500)	\$ 6,680	\$ 127,826	\$ 406,488	\$ 508,693	\$ (698,170)	\$ 115,583
Covered employee payroll	\$ 11,180,895	\$ 5,713,567	\$ 5,833,306	\$ 4,286,167	\$ 4,228,786	\$ 3,318,646	\$ 4,417,682
Contributions as a percentage of covered employee payroll	9%	11%	13%	17%	17%	50%	26%

**Notes to schedule**

Actuarial cost method	Entry Age
Amortization method	Level percent, closed
Remaining amortization period	9 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	3.30%
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, 2019 Improvement

**State of Michigan PA 202 Information**

Actuarially recommended contributions in accordance with State PA 202	\$ 1,279,852
Minimum required contribution under PA 202	1,155,671
Actual contribution	1,155,671
Contribution for employees hired after June 30, 2018	n/a

State of Michigan PA 202 assumptions, if different from GASB:  
Effective discount rate - 6.85%

**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, 2023**

	2017	2018	2019	2020	2021	2022	2023
<b>Total OPEB liability</b>							
Service cost	\$ 52,122	\$ 49,554	\$ 42,889	\$ 46,820	\$ 43,640	\$ 15,611	\$ 14,854
Interest	456,376	456,247	556,550	623,499	593,625	113,978	78,633
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
Change on plan terms	-	-	-	-	-	(334,645)	-
Changes in assumptions	-	292,450	864,802	207,572	(27,044)	110,853	12,160
Benefit payments including employee refunds	(535,595)	(639,638)	(779,102)	(713,057)	(699,661)	(335,192)	(244,837)
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>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>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>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
Net Investment income	198,865	151,458	62,008	50,205	618,036	(54,370)	44,113
Benefit payments including employee refunds	(535,595)	(639,638)	(779,102)	(713,057)	(699,661)	(335,192)	(244,837)
Administrative expense	(4,014)	(4,917)	(4,396)	(3,939)	(4,546)	(687)	(1,117)
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>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>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>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>
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>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>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>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>

**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 for 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, 2023**

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%

### 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 2022**

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%

### 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 for 2022.

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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**CITY OF GRAND HAVEN**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

**JUNE 30, 2023**

	<b>Special Revenue</b>						
	<b>Major Streets</b>	<b>Local Streets</b>	<b>Housing</b>	<b>2014 Capital Improvement Bonds</b>	<b>2008 UTGO Bonds</b>	<b>2015 Infrastructure Bonds</b>	<b>Lighthouse Maintenance</b>
<b>Assets</b>							
Cash and pooled investments	\$ 47,047	\$ 551,077	\$ -	\$ 327,202	\$ 1,020,768	\$ 1,125,210	\$ -
Accounts receivable	34,074	-	-	-	-	-	15,725
Due from other governments	195,302	68,319	-	-	-	-	-
Taxes receivable	-	-	-	-	-	1,898	-
Special assessments receivable	8,457	-	-	-	-	-	-
Prepaid items	7,150	4,857	-	-	-	-	-
Inventory	30,779	30,779	-	-	-	-	-
<b>Total assets</b>	<b>\$ 322,809</b>	<b>\$ 655,032</b>	<b>\$ -</b>	<b>\$ 327,202</b>	<b>\$ 1,020,768</b>	<b>\$ 1,127,108</b>	<b>\$ 15,725</b>
<b>Liabilities, deferred inflows and fund balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 24,023	\$ 6,350	\$ -	\$ -	\$ -	\$ -	\$ 15,725
Accrued liabilities	3,889	2,415	-	-	-	-	-
Due to component units	-	42,669	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-
Due to other funds	2,172	2,064	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>30,084</b>	<b>53,498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,725</b>
<b>Deferred inflows of resources</b>							
Unavailable revenue	6,692	-	-	-	-	1,898	-
<b>Fund balances (deficit)</b>							
Non-spendable							
Prepaid items	7,150	4,857	-	-	-	-	-
Permanent fund corpus	-	-	-	-	-	-	-
Inventory	30,779	30,779	-	-	-	-	-
Restricted							
Streets	248,104	565,898	-	-	-	-	-
Public works	-	-	-	327,202	1,020,768	1,125,210	-
Committed							
Capital projects	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>286,033</b>	<b>601,534</b>	<b>-</b>	<b>327,202</b>	<b>1,020,768</b>	<b>1,125,210</b>	<b>-</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 322,809</b>	<b>\$ 655,032</b>	<b>\$ -</b>	<b>\$ 327,202</b>	<b>\$ 1,020,768</b>	<b>\$ 1,127,108</b>	<b>\$ 15,725</b>

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	
\$ -	\$ -	\$ -	\$ -	\$ 1,290,015	\$ 284,530	\$ 545,419	\$ 291,449	\$ 754,214	\$ 6,236,931	
-	-	-	-	-	-	816	-	69,112	119,727	
-	-	-	-	406,313	-	-	-	-	669,934	
-	-	-	-	769	-	-	-	-	2,667	
-	-	-	-	-	-	-	-	-	8,457	
-	-	-	-	1,690	-	-	-	-	13,697	
-	-	-	-	-	-	-	-	-	61,558	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,698,787</u>	<u>\$ 284,530</u>	<u>\$ 546,235</u>	<u>\$ 291,449</u>	<u>\$ 823,326</u>	<u>\$ 7,112,971</u>	
\$ -	\$ -	\$ -	\$ -	\$ 14,323	\$ -	\$ 3,109	\$ -	\$ -	\$ 63,530	
-	-	-	-	-	-	-	-	-	6,304	
-	-	-	-	-	-	-	-	-	42,669	
-	-	-	-	720,182	-	-	-	-	720,182	
-	-	-	-	-	-	-	-	-	4,236	
-	-	-	-	15,000	-	-	-	-	15,000	
-	-	-	-	749,505	-	3,109	-	-	851,921	
-	-	-	-	769	-	-	-	-	9,359	
-	-	-	-	1,690	-	-	-	-	13,697	
-	-	-	-	-	-	-	-	823,326	823,326	
-	-	-	-	-	-	-	-	-	61,558	
-	-	-	-	-	-	-	-	-	814,002	
-	-	-	-	-	-	-	-	-	2,473,180	
-	-	-	-	946,823	284,530	543,126	291,449	-	2,065,928	
-	-	-	-	948,513	284,530	543,126	291,449	823,326	6,251,691	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,698,787</u>	<u>\$ 284,530</u>	<u>\$ 546,235</u>	<u>\$ 291,449</u>	<u>\$ 823,326</u>	<u>\$ 7,112,971</u>	

**CITY OF GRAND HAVEN**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Special Revenue						
	<u>Major Streets</u>	<u>Local Streets</u>	<u>Housing</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	\$ -	\$ -	\$ -	\$ -	\$ 819,577	\$ 737,614	\$ -
Intergovernmental revenues							
Federal	-	-	-	-	-	-	-
State	1,299,434	420,982	-	-	-	-	-
Local	155,027	-	-	-	-	-	31,960
Special assessments	1,048	-	-	-	-	-	-
Licenses and permits	250	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Investment earnings	638	2,710	-	1,573	1,035	18,528	-
Miscellaneous	-	231,916	-	-	-	-	-
<b>Total revenues</b>	<u>1,456,397</u>	<u>655,608</u>	<u>-</u>	<u>1,573</u>	<u>820,612</u>	<u>756,142</u>	<u>31,960</u>
<b>Expenditures</b>							
Current							
Public works	1,313,282	641,872	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	31,960
Debt service							
Principal	-	25,121	-	-	-	-	-
Interest	-	25,324	-	-	-	-	-
Capital outlay	<u>937,308</u>	<u>281,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>2,250,590</u>	<u>974,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,960</u>
Revenues over (under) expenditures	<u>(794,193)</u>	<u>(318,428)</u>	<u>-</u>	<u>1,573</u>	<u>820,612</u>	<u>756,142</u>	<u>-</u>
Other financing sources (uses)							
Transfers in	360,000	530,000	-	427,302	-	-	-
Transfers out	-	-	(57,771)	(427,300)	(733,826)	(476,400)	-
Total other financing sources (uses)	<u>360,000</u>	<u>530,000</u>	<u>(57,771)</u>	<u>2</u>	<u>(733,826)</u>	<u>(476,400)</u>	<u>-</u>
Net changes in fund balances	(434,193)	211,572	(57,771)	1,575	86,786	279,742	-
<b>Fund balances, beginning of year</b>	<u>720,226</u>	<u>389,962</u>	<u>57,771</u>	<u>325,627</u>	<u>933,982</u>	<u>845,468</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 286,033</u>	<u>\$ 601,534</u>	<u>\$ -</u>	<u>\$ 327,202</u>	<u>\$ 1,020,768</u>	<u>\$ 1,125,210</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
\$ -	\$ -	\$ -	\$ -	\$ 84,977	\$ -	\$ -	\$ 641,723	\$ -	\$ 2,283,891
-	-	-	-	392,680	-	-	-	-	392,680
-	-	-	-	-	-	-	-	-	1,720,416
-	-	-	-	264,488	-	1,133,162	-	-	1,584,637
-	-	-	-	-	-	-	-	-	1,048
-	-	-	-	-	-	-	-	-	250
-	-	-	-	-	-	-	-	33,423	33,423
-	-	-	-	7,366	(845)	-	9,726	83,050	123,781
-	-	-	-	26,963	-	-	-	-	258,879
-	-	-	-	776,474	(845)	1,133,162	651,449	116,473	6,399,005
-	-	-	-	-	-	590,036	-	-	2,545,190
-	-	-	-	-	-	-	-	-	31,960
185,165	285,000	48,000	645,000	-	-	-	-	-	1,188,286
58,284	191,400	20,284	88,826	-	-	-	-	-	384,118
-	-	-	-	609,841	-	-	-	-	1,828,868
243,449	476,400	68,284	733,826	609,841	-	590,036	-	-	5,978,422
(243,449)	(476,400)	(68,284)	(733,826)	166,633	(845)	543,126	651,449	116,473	420,583
243,449	476,400	68,284	733,826	57,680	-	-	-	-	2,896,941
-	-	-	-	(140,000)	-	-	(360,000)	(7,114)	(2,202,411)
243,449	476,400	68,284	733,826	(82,320)	-	-	(360,000)	(7,114)	694,530
-	-	-	-	84,313	(845)	543,126	291,449	109,359	1,115,113
-	-	-	-	864,200	285,375	-	-	713,967	5,136,578
\$ -	\$ -	\$ -	\$ -	\$ 948,513	\$ 284,530	\$ 543,126	\$ 291,449	\$ 823,326	\$ 6,251,691

# CITY OF GRAND HAVEN

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

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

	<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	\$ 1,195,720	\$ 1,300,600	\$ 1,299,434	\$ (1,166)
Local	97,500	158,000	155,027	(2,973)
Special assessments	-	-	1,048	1,048
Licenses and permits	-	175	250	75
Investment earnings	-	-	638	638
<b>Total revenues</b>	<u>1,293,220</u>	<u>1,458,775</u>	<u>1,456,397</u>	<u>(2,378)</u>
<b>Expenditures</b>				
Current				
Public works	1,330,421	1,440,004	1,313,282	126,722
Capital outlay	<u>356,080</u>	<u>1,005,350</u>	<u>937,308</u>	<u>68,042</u>
<b>Total expenditures</b>	<u>1,686,501</u>	<u>2,445,354</u>	<u>2,250,590</u>	<u>194,764</u>
Revenues over (under) expenditures	(393,281)	(986,579)	(794,193)	192,386
Other financing sources (uses)				
Transfers in	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>-</u>
Net changes in fund balance	(33,281)	(626,579)	(434,193)	192,386
<b>Fund balance, beginning of year</b>	<u>720,226</u>	<u>720,226</u>	<u>720,226</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 686,945</u>	<u>\$ 93,647</u>	<u>\$ 286,033</u>	<u>\$ 192,386</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, 2023**

	<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	\$ 388,220	\$ 406,000	\$ 420,982	\$ 14,982
Investment earnings	-	-	2,710	2,710
Miscellaneous	3,500	223,500	231,916	8,416
<b>Total revenues</b>	<u>391,720</u>	<u>629,500</u>	<u>655,608</u>	<u>26,108</u>
<b>Expenditures</b>				
Current				
Public works	834,380	848,940	641,872	207,068
Debt service				
Principal	25,120	25,121	25,121	-
Interest	17,549	60,218	25,324	34,894
Capital outlay	284,080	20,375	281,719	(261,344)
<b>Total expenditures</b>	<u>1,161,129</u>	<u>954,654</u>	<u>974,036</u>	<u>(19,382)</u>
Revenues over (under) expenditures	(769,409)	(325,154)	(318,428)	6,726
Other financing sources (uses)				
Transfers in	530,000	530,000	530,000	-
Net changes in fund balance	(239,409)	204,846	211,572	6,726
<b>Fund balance, beginning of year</b>	<u>389,962</u>	<u>389,962</u>	<u>389,962</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 150,553</u>	<u>\$ 594,808</u>	<u>\$ 601,534</u>	<u>\$ 6,726</u>

# CITY OF GRAND HAVEN

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

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

	<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				
Federal	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current				
Public works	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers out	-	-	(57,771)	(57,771)
Net changes in fund balance	-	-	(57,771)	(57,771)
<b>Fund balance, beginning of year</b>	<u>57,771</u>	<u>57,771</u>	<u>57,771</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 57,771</u>	<u>\$ 57,771</u>	<u>\$ -</u>	<u>\$ (57,771)</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, 2023**

	<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	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Investment earnings	-	800	1,573	773
<b>Total revenues</b>	25,000	25,800	1,573	(24,227)
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Revenues over (under) expenditures	25,000	25,800	1,573	(24,227)
Other financing sources (uses)				
Transfers in	427,600	427,302	427,302	-
Transfers out	(427,600)	(427,300)	(427,300)	-
Total other financing sources (uses)	-	2	2	-
Net changes in fund balance	25,000	25,802	1,575	(24,227)
<b>Fund balance, beginning of year</b>	325,627	325,627	325,627	-
<b>Fund balance, end of year</b>	<u>\$ 350,627</u>	<u>\$ 351,429</u>	<u>\$ 327,202</u>	<u>\$ (24,227)</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, 2023**

	<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	\$ 705,000	\$ 770,641	\$ 819,577	\$ 48,936
Investment earnings	100	-	1,035	1,035
<b>Total revenues</b>	705,100	770,641	820,612	49,971
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Revenues over (under) expenditures	705,100	770,641	820,612	49,971
Other financing sources (uses)				
Transfers out	(735,092)	(733,826)	(733,826)	-
Net changes in fund balance	(29,992)	36,815	86,786	49,971
<b>Fund balance, beginning of year</b>	933,982	933,982	933,982	-
<b>Fund balance, end of year</b>	<u>\$ 903,990</u>	<u>\$ 970,797</u>	<u>\$ 1,020,768</u>	<u>\$ 49,971</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, 2023**

	<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	\$ 625,000	\$ 701,072	\$ 737,614	\$ 36,542
Investment earnings	100	12,000	18,528	6,528
<b>Total revenues</b>	625,100	713,072	756,142	43,070
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Revenues over (under) expenditures	625,100	713,072	756,142	43,070
Other financing sources (uses)				
Transfers out	(476,400)	(476,400)	(476,400)	-
Net changes in fund balance	148,700	236,672	279,742	43,070
<b>Fund balance, beginning of year</b>	845,468	845,468	845,468	-
<b>Fund balance, end of year</b>	<u>\$ 994,168</u>	<u>\$ 1,082,140</u>	<u>\$ 1,125,210</u>	<u>\$ 43,070</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, 2023***

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	<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				
Federal	\$ 60,000	\$ -	\$ -	\$ -
Local	<u>76,409</u>	<u>148,600</u>	<u>31,960</u>	<u>(116,640)</u>
<b>Total revenues</b>	<u>136,409</u>	<u>148,600</u>	<u>31,960</u>	<u>(116,640)</u>
<b>Expenditures</b>				
Current				
Culture and recreation	<u>136,409</u>	<u>148,600</u>	<u>31,960</u>	<u>116,640</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, 2023**

	<b>Marina and Boat Launch</b>	<b>Airport</b>	<b>Chinook Pier Rental</b>	<b>Total</b>
<b>Assets</b>				
Current assets				
Cash and pooled investments	\$ 416,921	\$ 316,865	\$ 109,424	\$ 843,210
Accounts receivable	15,190	143	5,844	21,177
Due from other governments	1,599	-	-	1,599
Due from other funds	1,500	-	-	1,500
Prepaid items	-	2,944	-	2,944
Total current assets	<u>435,210</u>	<u>319,952</u>	<u>115,268</u>	<u>870,430</u>
Non-current assets				
Capital assets				
Land	94,000	181,762	28,300	304,062
Depreciable capital assets, net	<u>1,617,946</u>	<u>2,476,952</u>	<u>-</u>	<u>4,094,898</u>
Total capital assets	<u>1,711,946</u>	<u>2,658,714</u>	<u>28,300</u>	<u>4,398,960</u>
<b>Total assets</b>	<u>2,147,156</u>	<u>2,978,666</u>	<u>143,568</u>	<u>5,269,390</u>
<b>Deferred outflows of resources</b>				
Pension related	44,544	-	-	44,544
Other post-employment benefits related	<u>4,506</u>	<u>-</u>	<u>-</u>	<u>4,506</u>
<b>Total deferred outflows of resources</b>	<u>49,050</u>	<u>-</u>	<u>-</u>	<u>49,050</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	10,007	21,696	-	31,703
Accrued liabilities	4,346	1,424	-	5,770
Due to other funds	<u>745</u>	<u>-</u>	<u>-</u>	<u>745</u>
Total current liabilities	<u>15,098</u>	<u>23,120</u>	<u>-</u>	<u>38,218</u>
Long-term liabilities				
Accrued compensated absences	7	2,598	-	2,605
Other post-employment benefits	30,046	-	-	30,046
Net pension liability	<u>181,189</u>	<u>-</u>	<u>-</u>	<u>181,189</u>
Total long-term liabilities	<u>211,242</u>	<u>2,598</u>	<u>-</u>	<u>213,840</u>
<b>Total liabilities</b>	<u>226,340</u>	<u>25,718</u>	<u>-</u>	<u>252,058</u>
<b>Deferred inflows of resources</b>				
Pension related	<u>5,016</u>	<u>-</u>	<u>-</u>	<u>5,016</u>
<b>Net position</b>				
Net investment in capital assets	1,711,946	2,658,714	28,300	4,398,960
Unrestricted	<u>252,904</u>	<u>294,234</u>	<u>115,268</u>	<u>662,406</u>
<b>Total net position</b>	<u>\$ 1,964,850</u>	<u>\$ 2,952,948</u>	<u>\$ 143,568</u>	<u>\$ 5,061,366</u>

# CITY OF GRAND HAVEN

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

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

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	<u>Marina and Boat Launch</u>	<u>Airport</u>	<u>Chinook Pier Rental</u>	<u>Total</u>
<b>Operating revenue</b>				
Charges for services	\$ 368,987	\$ 319,732	\$ -	\$ 688,719
<b>Total operating revenue</b>	<u>368,987</u>	<u>319,732</u>	<u>-</u>	<u>688,719</u>
<b>Operating expense</b>				
Operating	295,372	230,090	-	525,462
Administrative and general	-	16,328	-	16,328
Depreciation	<u>111,326</u>	<u>164,152</u>	<u>-</u>	<u>275,478</u>
<b>Total operating expense</b>	<u>406,698</u>	<u>410,570</u>	<u>-</u>	<u>817,268</u>
Operating income (loss)	<u>(37,711)</u>	<u>(90,838)</u>	<u>-</u>	<u>(128,549)</u>
<b>Non-operating revenue (expense)</b>				
Investment earnings	1,894	968	-	2,862
Other	<u>1,009</u>	<u>33,011</u>	<u>-</u>	<u>34,020</u>
<b>Total non-operating revenue (expense)</b>	<u>2,903</u>	<u>33,979</u>	<u>-</u>	<u>36,882</u>
Changes in net position	(34,808)	(56,859)	-	(91,667)
<b>Net position, beginning of year</b>	<u>1,999,658</u>	<u>3,009,807</u>	<u>143,568</u>	<u>5,153,033</u>
<b>Net position, end of year</b>	<u>\$ 1,964,850</u>	<u>\$ 2,952,948</u>	<u>\$ 143,568</u>	<u>\$ 5,061,366</u>

**CITY OF GRAND HAVEN**

**NONMAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS**

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

	<u>Marina and Boat Launch</u>	<u>Airport</u>	<u>Chinook Pier Rental</u>	<u>Total</u>
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 367,367	\$ 496,919	\$ -	\$ 864,286
Payments to employees	(140,425)	(53,691)	-	(194,116)
Payments to suppliers	(137,362)	(176,365)	-	(313,727)
<b>Net cash provided by (used in) operating activities</b>	<u>89,580</u>	<u>266,863</u>	<u>-</u>	<u>356,443</u>
<b>Cash flows from investing activities</b>				
Interest income	<u>1,894</u>	<u>968</u>	<u>-</u>	<u>2,862</u>
Net increase (decrease) in cash and pooled investments	91,474	267,831	-	359,305
<b>Cash and pooled investments, beginning of year</b>	<u>325,447</u>	<u>49,034</u>	<u>109,424</u>	<u>483,905</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 416,921</u>	<u>\$ 316,865</u>	<u>\$ 109,424</u>	<u>\$ 843,210</u>
<b>Cash flows from operating activities</b>				
Operating income (loss)	\$ (37,711)	\$ (90,838)	\$ -	\$ (128,549)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	111,326	164,152	-	275,478
Miscellaneous revenue	1,009	33,011	-	34,020
Deferred outflows of resources for pension	(20,556)	-	-	(20,556)
Deferred inflows of resources for pension	(20,864)	-	-	(20,864)
Change in operating assets and liabilities which provided (used) cash				
Accounts receivable	(9,890)	97	-	(9,793)
Due from other governmental units	9,770	177,090	-	186,860
Due from other funds	(1,500)	-	-	(1,500)
Prepaid expenses	-	(598)	-	(598)
Accounts payable	3,982	(14,949)	-	(10,967)
Accrued liabilities	(8,028)	(1,632)	-	(9,660)
Due to other funds	(182)	-	-	(182)
Compensated absences	(5,199)	530	-	(4,669)
Net pension liability	<u>67,423</u>	<u>-</u>	<u>-</u>	<u>67,423</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 89,580</u>	<u>\$ 266,863</u>	<u>\$ -</u>	<u>\$ 356,443</u>

**CITY OF GRAND HAVEN**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**

**JUNE 30, 2023**

	<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	\$ 2,019,585	\$ 1,277,117	\$ 1,659,491	\$ 469,479	\$ 5,425,672
Accounts receivable	-	-	19,801	33	19,834
Due from other governments	67	-	-	-	67
Due from other funds	22,914	-	-	-	22,914
Prepaid items	349	81,859	-	-	82,208
Inventory	57,088	-	-	-	57,088
<b>Total current assets</b>	<b>2,100,003</b>	<b>1,358,976</b>	<b>1,679,292</b>	<b>469,512</b>	<b>5,607,783</b>
Non-current assets					
Capital assets					
Depreciable capital assets, net	2,767,049	-	-	-	2,767,049
<b>Total non-current assets</b>	<b>2,767,049</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,767,049</b>
<b>Total assets</b>	<b>4,867,052</b>	<b>1,358,976</b>	<b>1,679,292</b>	<b>469,512</b>	<b>8,374,832</b>
<b>Deferred outflows of resources</b>					
Pension related	186,090	-	-	-	186,090
Other post-employment benefits related	11,729	-	-	-	11,729
<b>Total deferred outflows of resources</b>	<b>197,819</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>197,819</b>
<b>Liabilities</b>					
Current liabilities					
Accounts payable	31,212	-	1,528	-	32,740
Accrued liabilities	2,839	-	43,770	-	46,609
<b>Total current liabilities</b>	<b>34,051</b>	<b>-</b>	<b>45,298</b>	<b>-</b>	<b>79,349</b>
Long-term liabilities					
Accrued compensated absences	3,960	-	-	-	3,960
Other post-employment benefits	123,518	-	-	-	123,518
Net pension liability	756,952	-	-	-	756,952
<b>Total long-term liabilities</b>	<b>884,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>884,430</b>
<b>Total liabilities</b>	<b>918,481</b>	<b>-</b>	<b>45,298</b>	<b>-</b>	<b>963,779</b>
<b>Deferred inflows of resources</b>					
Pension related	20,956	-	-	-	20,956
<b>Net position</b>					
Net investment in capital assets	2,767,049	-	-	-	2,767,049
Unrestricted	1,358,385	1,358,976	1,633,994	469,512	4,820,867
<b>Total net position</b>	<b>\$ 4,125,434</b>	<b>\$ 1,358,976</b>	<b>\$ 1,633,994</b>	<b>\$ 469,512</b>	<b>\$ 7,587,916</b>

# CITY OF GRAND HAVEN

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

	<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	\$ 1,302,915	\$ 403,511	\$ 2,300,748	\$ -	\$ 4,007,174
Employer contributions	-	-	-	531,310	531,310
<b>Total operating revenue</b>	<u>1,302,915</u>	<u>403,511</u>	<u>2,300,748</u>	<u>531,310</u>	<u>4,538,484</u>
<b>Operating expense</b>					
Operating	995,720	355,243	2,031,986	-	3,382,949
Insurance payments	-	-	-	509,819	509,819
Administrative and general	-	-	197,625	-	197,625
Depreciation	<u>476,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>476,763</u>
<b>Total operating expense</b>	<u>1,472,483</u>	<u>355,243</u>	<u>2,229,611</u>	<u>509,819</u>	<u>4,567,156</u>
Operating income (loss)	<u>(169,568)</u>	<u>48,268</u>	<u>71,137</u>	<u>21,491</u>	<u>(28,672)</u>
<b>Non-operating revenue (expense)</b>					
Gain (loss) on disposal of capital assets	(5,244)	-	-	-	(5,244)
Investment earnings	(2,947)	20,403	7,951	(5,340)	20,067
Other	<u>15,907</u>	<u>-</u>	<u>98,472</u>	<u>134</u>	<u>114,513</u>
<b>Total non-operating revenue (expense)</b>	<u>7,716</u>	<u>20,403</u>	<u>106,423</u>	<u>(5,206)</u>	<u>129,336</u>
Changes in net position	(161,852)	68,671	177,560	16,285	100,664
<b>Net position, beginning of year</b>	<u>4,287,286</u>	<u>1,290,305</u>	<u>1,456,434</u>	<u>453,227</u>	<u>7,487,252</u>
<b>Net position, end of year</b>	<u>\$ 4,125,434</u>	<u>\$ 1,358,976</u>	<u>\$ 1,633,994</u>	<u>\$ 469,512</u>	<u>\$ 7,587,916</u>



**CITY OF GRAND HAVEN**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<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	\$ 1,356,913	\$ 404,530	\$ 2,288,829	\$ 532,289	\$ 4,582,561
Payments to employees	(210,403)	-	-	-	(210,403)
Payments to suppliers	(740,221)	(364,592)	(197,831)	(509,685)	(1,812,329)
Claims paid	-	-	(1,951,198)	-	(1,951,198)
<b>Net cash provided by (used in) operating activities</b>	<b>406,289</b>	<b>39,938</b>	<b>139,800</b>	<b>22,604</b>	<b>608,631</b>
<b>Cash flows from capital and related financing activities</b>					
Acquisitions of capital assets	(354,636)	-	-	-	(354,636)
<b>Cash flows from investing activities</b>					
Interest income	(2,947)	20,403	7,951	(5,340)	20,067
Net increase (decrease) in cash and pooled investments	48,706	60,341	147,751	17,264	274,062
<b>Cash and pooled investments, beginning of year</b>	<b>1,970,879</b>	<b>1,216,776</b>	<b>1,511,740</b>	<b>452,215</b>	<b>5,151,610</b>
<b>Cash and pooled investments, end of year</b>	<b>\$ 2,019,585</b>	<b>\$ 1,277,117</b>	<b>\$ 1,659,491</b>	<b>\$ 469,479</b>	<b>\$ 5,425,672</b>
<b>Cash flows from operating activities</b>					
Operating income (loss)	\$ (169,568)	\$ 48,268	\$ 71,137	\$ 21,491	\$ (28,672)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	476,763	-	-	-	476,763
Miscellaneous revenue	15,907	-	98,472	134	114,513
Deferred outflows of resources for pension	(78,109)	-	-	-	(78,109)
Deferred outflows of resources for OPEB	19,869	-	-	-	19,869
Deferred inflows of resources for pension	(95,540)	-	-	-	(95,540)
Deferred inflows of resources for OPEB	(4,362)	-	-	-	(4,362)
Change in operating assets and liabilities which provided (used) cash					
Accounts receivable	-	1,019	(6,896)	29	(5,848)
Due from other funds	38,158	-	3,239	7,657	49,054
Due from other governmental units	(67)	-	-	-	(67)
Prepaid expenses	40	(9,349)	-	-	(9,309)
Inventory	4,136	-	-	-	4,136
Accounts payable	(36,018)	-	(206)	-	(36,224)
Accrued liabilities	(4,474)	-	(17,684)	-	(22,158)
Due to other funds	-	-	(8,262)	(6,707)	(14,969)
Compensated absences	(1,209)	-	-	-	(1,209)
Net pension liability	244,848	-	-	-	244,848
Net OPEB obligation	(4,085)	-	-	-	(4,085)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 406,289</b>	<b>\$ 39,938</b>	<b>\$ 139,800</b>	<b>\$ 22,604</b>	<b>\$ 608,631</b>

**CITY OF GRAND HAVEN**  
**CUSTODIAL FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

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	<b><u>Current Tax Fund</u></b>	<b><u>Grand Haven - Spring Lake Sewer Authority</u></b>	<b><u>Northwest Ottawa Water Treatment Plant</u></b>	<b><u>Total</u></b>
<b>Assets</b>				
Cash and pooled investments	\$ 1,316	\$ 1,392,778	\$ 1,242,788	\$ 2,636,882
<b>Total assets</b>	<u>1,316</u>	<u>1,392,778</u>	<u>1,242,788</u>	<u>2,636,882</u>
<b>Liabilities</b>				
Accounts payable	\$ 164	\$ -	\$ -	\$ 164
Due to other governmental units	<u>1,152</u>	<u>-</u>	<u>-</u>	<u>1,152</u>
<b>Total liabilities</b>	<u>1,316</u>	<u>-</u>	<u>-</u>	<u>1,316</u>
<b>Net position</b>	<u>\$ -</u>	<u>\$ 1,392,778</u>	<u>\$ 1,242,788</u>	<u>\$ 2,635,566</u>

**CITY OF GRAND HAVEN**  
**CUSTODIAL FUNDS**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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	<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	\$ 46,471,180	\$ -	\$ -	\$ 46,471,180
Charges for services and non-operating receipts	<u>-</u>	<u>2,292,778</u>	<u>2,742,958</u>	<u>5,035,736</u>
<b>Total additions</b>	<u>46,471,180</u>	<u>2,292,778</u>	<u>2,742,958</u>	<u>51,506,916</u>
<b>Deductions</b>				
Taxes to other governments	46,471,180	-	-	46,471,180
Operating costs and non-operating expenses	<u>-</u>	<u>900,000</u>	<u>2,336,436</u>	<u>3,236,436</u>
<b>Total deductions</b>	<u>46,471,180</u>	<u>900,000</u>	<u>2,336,436</u>	<u>49,707,616</u>
Changes in net position	-	1,392,778	406,522	1,799,300
<b>Net position, beginning of year</b>	<u>-</u>	<u>-</u>	<u>836,266</u>	<u>836,266</u>
<b>Net position, end of year</b>	<u>\$ -</u>	<u>\$ 1,392,778</u>	<u>\$ 1,242,788</u>	<u>\$ 2,635,566</u>

# CITY OF GRAND HAVEN

## ***ECONOMIC DEVELOPMENT CORPORATION BALANCE SHEET/STATEMENT OF NET POSITION***

***JUNE 30, 2023***

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	<u>Governmental Fund Type</u>		<u>Statement of Net Position</u>
	<u>General Fund</u>	<u>Adjustments</u>	
<b>Assets</b>			
Cash and pooled investments	\$ 158,578	\$ -	\$ 158,578
Accounts receivable	134,616	-	134,616
Prepaid items	<u>6,739</u>	<u>-</u>	<u>6,739</u>
<b>Total assets</b>	<u>\$ 299,933</u>	<u>-</u>	<u>299,933</u>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>			
Unassigned	<u>299,933</u>	<u>(299,933)</u>	
<b>Total liabilities and fund balances</b>	<u>\$ 299,933</u>		
<b>Net position</b>			
Unrestricted		<u>\$ 299,933</u>	<u>\$ 299,933</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, 2023***

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	<b><u>General Fund</u></b>	<b><u>Adjustments</u></b>	<b><u>Statement of Activities</u></b>
<b>Revenues</b>			
Intergovernmental revenues			
Local	\$ 13,224	\$ -	\$ 13,224
Investment earnings	<u>3,167</u>	<u>-</u>	<u>3,167</u>
<b>Total revenues</b>	<u>16,391</u>	<u>-</u>	<u>16,391</u>
<b>Expenditures/expenses</b>			
Operations	<u>28,242</u>	<u>-</u>	<u>28,242</u>
Net changes in fund balances	(11,851)	11,851	
Change in net position		(11,851)	(11,851)
<b>Fund balances/net position, beginning of year</b>	<u>311,784</u>		<u>311,784</u>
<b>Fund balances/net position, end of year</b>	<u>\$ 299,933</u>		<u>\$ 299,933</u>

# CITY OF GRAND HAVEN

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

JUNE 30, 2023

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets</b>			
Cash and pooled investments	\$ 225,064	\$ -	\$ 225,064
Accounts receivable	21,851	-	21,851
Taxes receivable	593	-	593
Special assessments receivable	271,382	-	271,382
Contract receivable	1,058,931	-	1,058,931
Due from primary government	99,794	-	99,794
Prepaid items	<u>2,579</u>	<u>-</u>	<u>2,579</u>
<b>Total assets</b>	<u>\$ 1,680,194</u>	<u>-</u>	<u>1,680,194</u>
<b>Deferred outflows of resources</b>			
Pension related	-	91,030	91,030
Deferred charge on refunding	<u>-</u>	<u>60,572</u>	<u>60,572</u>
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>151,602</u>	<u>151,602</u>
<b>Liabilities, deferred inflows and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 7,644	-	7,644
Accrued interest	-	42,992	42,992
Debt due within one year	-	560,000	560,000
Long-term debt			
Debt due in more than one year	-	4,690,000	4,690,000
Net pension liability	-	370,283	370,283
Bond premium	<u>-</u>	<u>248,231</u>	<u>248,231</u>
<b>Total liabilities</b>	<u>7,644</u>	<u>5,911,506</u>	<u>5,919,150</u>
<b>Deferred inflows of resources</b>			
Pension related	-	10,251	10,251
Unavailable revenue	<u>1,330,906</u>	<u>(1,330,906)</u>	<u>-</u>
<b>Total deferred inflows of resources</b>	<u>1,330,906</u>	<u>(1,320,655)</u>	<u>10,251</u>
<b>Fund balances</b>			
Unassigned	<u>341,644</u>	<u>(341,644)</u>	
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 1,680,194</u>		
<b>Net position (deficit)</b>			
Unrestricted		<u>\$ (5,569,862)</u>	<u>\$ (4,097,605)</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>			\$ 341,644
Add deferred outflows of resources			151,602
Deduct accrued interest			(42,992)
Deduct long-term debt			(5,250,000)
Deduct net pension liability			(370,283)
Deduct bond premium			(248,231)
Deduct deferred inflows of resources			(10,251)
Add long-term deferred receivables			<u>1,330,906</u>
<b>Net position (deficit)</b>			<u>\$ (4,097,605)</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, 2023

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Taxes	\$ 746,208	\$ -	\$ 746,208
Intergovernmental revenues			
State	70,000	-	70,000
Local	49,949	(49,949)	-
Operating grants and contributions	19,723	-	19,723
Special assessments	97,390	(97,390)	-
Investment earnings	57,335	-	57,335
Miscellaneous	19,235	-	19,235
<b>Total revenues</b>	<u>1,059,840</u>	<u>(147,339)</u>	<u>912,501</u>
<b>Expenditures/expenses</b>			
Salaries	63,539	50,639	114,178
Administration	15,233	-	15,233
Operations	158,743	68,863	227,606
Debt service			
Principal	510,000	(510,000)	-
Interest	184,813	(30,898)	153,915
<b>Total expenditures/expenses</b>	<u>932,328</u>	<u>(421,396)</u>	<u>510,932</u>
Net changes in fund balances	127,512	(127,512)	
Change in net position		401,569	401,569
<b>Fund balances/net position (deficit), beginning of year</b>	<u>214,132</u>		<u>(4,499,174)</u>
<b>Fund balances/net position (deficit), end of year</b>	<u>\$ 341,644</u>		<u>\$ (4,097,605)</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>			\$ 127,512
Add principal payments on debt			510,000
Deduct increase in unavailable revenues			(216,202)
Add decrease in accrued interest			3,823
Add amortization of bond premium			41,409
Deduct amortization of refunding charges			(14,334)
Deduct increase in net pension liability			(135,325)
Add increase in deferred outflows			41,488
Add decrease in deferred inflows			43,198
<b>Change in net position</b>			<u>\$ 401,569</u>

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

**JUNE 30, 2023**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets</b>			
Cash and pooled investments	\$ 432,466	\$ -	\$ 432,466
Accounts receivable	501,064	-	501,064
Due from other governments	6,613	-	6,613
Taxes receivable	<u>769</u>	<u>-</u>	<u>769</u>
<b>Total assets</b>	<u>\$ 940,912</u>	<u>-</u>	<u>940,912</u>
<b>Liabilities, deferred inflows and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 93,980	-	93,980
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>513,418</u>	<u>389,779</u>	<u>903,197</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue	<u>769</u>	<u>(769)</u>	<u>-</u>
<b>Fund balances</b>			
Unassigned	<u>426,725</u>	<u>(426,725)</u>	
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 940,912</u>		
<b>Net position (deficit)</b>			
Unrestricted		<u>\$ 36,946</u>	<u>\$ 37,715</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>			\$ 426,725
Deduct long-term debt			(389,779)
Add long-term deferred assessment receivables			<u>769</u>
<b>Net position (deficit)</b>			<u>\$ 37,715</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, 2023**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Taxes	\$ 874,357	\$ -	\$ 874,357
Intergovernmental revenues			
State	254,704	-	254,704
Local	750,000	-	750,000
Special assessments	-	-	-
Investment earnings	7,281	-	7,281
Miscellaneous	-	184	184
	<u>1,886,342</u>	<u>184</u>	<u>1,886,526</u>
<b>Total revenues</b>			
	<u>1,886,342</u>	<u>184</u>	<u>1,886,526</u>
<b>Expenditures/expenses</b>			
Operations	1,820,242	-	1,820,242
Debt Service			
Principal	433,346	(433,346)	-
	<u>2,253,588</u>	<u>(433,346)</u>	<u>1,820,242</u>
<b>Total expenditures/expenses</b>			
	<u>2,253,588</u>	<u>(433,346)</u>	<u>1,820,242</u>
Net changes in fund balances	(367,246)	367,246	
Change in net position		66,284	66,284
<b>Fund balances/net position (deficit), beginning of year</b>	<u>793,971</u>		<u>(28,569)</u>
<b>Fund balances/net position (deficit), end of year</b>	<u>\$ 426,725</u>		<u>\$ 37,715</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>			\$ (367,246)
Add principal payments on debt			433,346
Add increase in unavailable revenues			<u>184</u>
<b>Change in net position</b>			<u>\$ 66,284</u>

## **OTHER INFORMATION**

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

**JUNE 30, 2023**

<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>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 335,000	\$ 89,000	\$ 46,601	\$ 28,021	\$ 300,000	\$ 180,000	\$ 685,000	\$ 77,063	\$ 50,000	\$ 18,974
2025	345,000	75,600	49,640	26,157	310,000	168,000	720,000	63,226	51,000	17,609
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>\$ 2,225,000</u>	<u>\$ 321,800</u>	<u>\$ 766,885</u>	<u>\$ 178,177</u>	<u>\$ 4,500,000</u>	<u>\$ 1,254,000</u>	<u>\$ 3,815,000</u>	<u>\$ 239,269</u>	<u>\$ 695,000</u>	<u>\$ 129,320</u>

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

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

**JUNE 30, 2023**

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<i>Year Ending June 30,</i>	<b>2015 LTGO Refunding</b>		<b>2019 LTGO Refunding</b>		<b>EGLE Loan</b>		<b>Total</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 330,000	\$ 29,874	\$ 230,000	\$ 138,300	\$ -	\$ -	\$ 1,976,601	\$ 561,232
2025	370,000	21,831	245,000	129,100	-	-	2,090,640	501,523
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>\$ 1,465,000</u>	<u>\$ 69,227</u>	<u>\$ 3,785,000</u>	<u>\$ 879,400</u>	<u>\$ 389,779</u>	<u>\$ 29,659</u>	<u>\$ 17,641,664</u>	<u>\$ 3,100,852</u>

## **INTERNAL CONTROL AND COMPLIANCE**



## Vredeveld 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 13, 2023

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, 2023, 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 13, 2023.

#### **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.

*Vredendael Haefner LLC*