City of Zeeland
Ottawa County, Michigan

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2025



ANNUAL COMPREHENSIVE
FINANCIAL REPORT
CITY OF ZEELAND, MICHIGAN
For the Fiscal Year Ended June 30, 2025

CITY COUNCIL

Richard VanDorp III – Mayor

Sally Gruppen	Mary Beth Timmer
Phung Lam	Andrew Bult
Amy Langland	Rebecca Perkins

PREPARED BY
CITY OF ZEELAND FINANCE DEPARTMENT

City of Zeeland

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INTRODUCTORY SECTION

21 South Elm Street • Zeeland, Michigan 49464 • (616) 772-6400 • FAX (616) 772-5352

December 10, 2025

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Zeeland:

The City Charter and State law require that the City publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Zeeland for the fiscal year ended June 30, 2025.

This report consists of management's representations concerning the finances of the City of Zeeland. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Zeeland has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Zeeland's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Zeeland's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Zeeland's financial statements have been audited by Brickley DeLong, PC, an independent firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Zeeland for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Zeeland's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. An unmodified opinion is the best opinion that an organization can receive on its financial statements. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and an analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Zeeland's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Zeeland, incorporated in 1907, is in Western Michigan, approximately 25 miles west of Grand Rapids. The population of Zeeland is 5,719 within the City's three-square miles. Many more people reside in numerous new housing developments surrounding the City, and the City is an employment center with many world-class manufacturing facilities within its borders. A strong work ethic is evident in the quality work force in the area, and pride is apparent in the upkeep of homes and businesses. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City operates under a Council-Manager form of government. Policy-making and legislative authority are vested in the City Council, which consists of a mayor and six-member council. The City Council is responsible, among other things, for setting policies, approving ordinances, adopting the budget, appointing committees, and hiring the City Manager. The City Manager and department heads are responsible for carrying out the policies and ordinances of the governing council. The mayor and council members are elected at large. Council members are elected to four-year staggered terms with three council members elected every two years. The mayor is elected every two years for a two-year term.

The City of Zeeland provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; recreational activities and cultural events; public improvements; planning; zoning and general administrative services. The Board of Public Works, which entails the Electric Utility Fund and Water Utility Fund is not a legally separate component unit but is reported separately from governmental activities. These business-type activities are reported separately because they rely to a significant extent on fees and charges for support, whereas the governmental activities are normally supported by taxes and intergovernmental revenues. The City Council appoints its five-member board and approves rates for user charges, their budget, and any bond issuance authorizations. The legal liability for any general bonded debt remains with the City. The Electric Utility and Water Utility Funds are presented as a proprietary fund type. The Clean Water Utility Fund is directly controlled by the City Council and does not fall under the Board of Public Works. It is also reported as a proprietary fund type and combined under business-type activities.

The City maintains budgetary controls. An annual budget is adopted in accordance with the legal requirements set forth in the Uniform Budgeting Act, State of Michigan P.A. 621 of 1978 as well as the City Charter. The annual budget serves as the foundation for the City of Zeeland's financial planning and control. All departments of the City of Zeeland are required to submit requests for appropriations to the City Manager. These requests form the basis for the development of a proposed budget. On or before March 31, the proposed budget is presented by the City Manager to the City Council for review. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than their first regular meeting in May. The budget is prepared by fund, function, activity (i.e. assessor, police patrol) and line item. The budget is appropriated at the activity level. Expenditures may not legally exceed budget appropriations at the activity level within the fund, department, and activity. Department heads may adjust line items within the activity; however, only the City Council has the authority to amend the total activity budget. Transfers of appropriations between activities require approval of the City Council. Unexpended amounts lapse at year end; however, funding for committed capital projects is generally re-appropriated as part of the following year's budget. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. The General Fund comparison can be found in the required supplementary information section of the financial statements. For other governmental funds this comparison can be found in the other supplemental information section of the financial statements.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Zeeland operates.

Local Economy

The City is an industrial and commercial oriented community serving as a principal business, marketing and cultural center for the surrounding suburban and agricultural area. Industrial and commercial valuations comprise 70% of the City's ad valorem tax base of $560,070,481 (Taxable Value FY 2025). Additional tax base is provided from the industrial facilities tax (IFT) on property valued at $36,814,770 and levied at one-half the regular property tax rate.

Zeeland's industrial composition is well diversified, with some 60 industries located within the corporate limits employing over 11,000 persons. Included are such well-known corporations as MillerKnoll, an international leader in the manufacturing of office systems furniture; Howard Miller Clock Company, one of the largest producers of grandfather clocks in the world; Gentex Corporation, a manufacturer of transportation equipment for the auto and aerospace industry; Reckitt, a large producer of nutritional infant formula; ODL, a maker of door glass and skylights; Aurorium Chemicals, a large manufacturer of chemicals; and Consumer's Energy, an electric generating plant with a 935-megawatt simple and combined cycle turbine facility.

In addition to industrial employers, over 200 commercial and service businesses employing more than 1,000 persons are located within the City. Over 3,000 people volunteer their time in our schools, churches, hospital, nursing homes, and service organizations.

The unemployment rate increased in Ottawa County (Zeeland's Metropolitan Statistical Area (MSA)) to 4.8% from 4.1% while the State of Michigan increased from 4.7% to 5.3% (October 2025). The City of Zeeland remains optimistic that its commercial and industrial tax bases will continue to thrive.

For its part, the City in conjunction with its Board of Public works continues to spur the local economy with numerous capital improvement projects involving streets, parks, and City buildings in 2025. The estimated economic impact of these projects is not insignificant with the estimated project amounts being over $10 million dollars. Included in this investment is a major streetscape project for the Downtown District to complement the investment being made by the private sector in the district.

Long-Term Financial Planning and Major Initiatives

The City's financial health remains strong and there remains optimism for the long-term financial health of Zeeland. Indicators such as General Fund fund balance, Debt Ratios, Pension, and OPEB liabilities all provide positive benchmarks compared with many other local units of government.

The City's fund balances across all Governmental Funds has been increasing over the past 13 years. Starting with a combined fund balance at the end of Fiscal Year 2008 of $6,012,385 the combined governmental fund balance has grown to a balance of $21,468,017 in Fiscal Year 2025, a growth of $15,455,632. During this same time period the City has been invested over $44 Million in park, streets, and building capital improvement projects. The General Fund fund balance of $7,082,373 also represents 66% of General Fund Expenditures and Transfers, a number that is well within the City's Fund Balance Policy.

The City's Debt ratio is also well within the confines set by the State of Michigan. The State of Michigan mandates that the City's debt cannot exceed 10% of its State Equalized Value. At the end of Fiscal Year 2025, the City's debt limit was $81,913,030. The City has outstanding debt of $1,595,000, or 1.95% of this legal debt limit.

The City's Pension and OPEB plans are also well-funded compared to that of its peers. The average Pension Plan in the State of Michigan is 71% funded (mackinac.org/pensions). The City of Zeeland's Pension Plan is currently 118.7% funded. This funding status is calculated using the most current mortality tables, an investment rate of return of 5.60%, and the plan is closed to new hires. The City's OPEB plan is fully funded and maintains a funding status of 165.60%. This plan is also closed to new employees and uses the most current mortality tables and an assumed rate of return of 5.01%. The assumptions made by these plans and the funding status paint a picture that leads to long-term financial health for the City.

A major challenge for the City that will have long-term financial planning implications is the City's adjustment to the ongoing phase out of the state's personal property tax. A phase-out of personal property tax began in 2014. The timeline for the complete phase out is scheduled as follows:

- Beginning January 1, 2014, industrial and commercial businesses will be able to be exempted from personal property tax if the total value of their personal property in a tax collecting unit is $80,000 (true cash value) or less.

- Beginning January 1, 2016, all new business personal property, all personal property purchased before 2006 and after 2012 will be exempt from personal property tax.

- On the first of January in subsequent years, personal property purchased before 2007 will be exempt on January 1, 2017; personal property purchased before 2008 will be exempt on January 1, 2018; and so on, with the phase out completed in 2023.

For Fiscal Year 2025, the result of this phase out of personal property taxes was approximately $1,231,000. While the State of Michigan did fully reimburse this amount and more in 2025, only 29.7866% of this lost revenue is guaranteed to be refunded, while the remaining portion is funded on a year-by-year basis. Prior to the phasing in of this legislation, Personal Property Taxes accounted for over 30% of the City's tax revenue. The uncertainty surrounding the amount of reimbursement for this lost tax revenue has caused the City to exercise caution when setting budgets as it embraces this new funding mechanism.

In addition to the phase out of Personal Property Taxes, the City does continue to consider the budgetary implications that would be caused by the departure of the City's largest taxpayers. While there is no immediate concern, the City continues to plan around the concentration of its tax base.

The City continues to monitor its operational expenses to account for the uncertainty it sees in the future, but also understands that it must continue to reinvest in the community in order to fortify the quality of life our constituents' desire and have come to expect. The City annually sets a Strategic Action Plan that addresses short, mid and long-term goals and the City also maintains a six-year Capital Improvement Program which serves as a planning document to ensure that our facilities, equipment, and infrastructure are well maintained and in peak operating condition. Major capital expenditures that the City plans to undertake in the upcoming year are the continued work on the Clean Water Plant expansion, electric and water utility improvements, street and sidewalk improvements and park improvements. In total, for Fiscal Year 2025/2026 the City and Board of Public Works plan to invest $14 million in capital projects. Finally, the City will continue to pursue action steps that have been outlined in our 2025 Strategic Plan in the areas of financial stability, policy and services, economic and community development, infrastructure, organizational development, and culture, parks, and recreation. A detailed listing of this Strategic Action Plan can be found on the City's website www.cityofzeeland.com.

Awards and Acknowledgements

Certificate of Achievement for Excellence in Financial Reporting. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Zeeland for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of State and local government financial reports.

To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR, whose contents conform to program standards. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. The City of Zeeland has achieved a Certificate of Achievement for the last thirty consecutive years. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would also like to express our appreciation to all the employees of the City who assisted and contributed to this report. Credit must also be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Zeeland's finances.

Respectfully submitted,



Timothy R. Klunder
City Manager



Kevin Plockmeyer
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Zeeland
Michigan

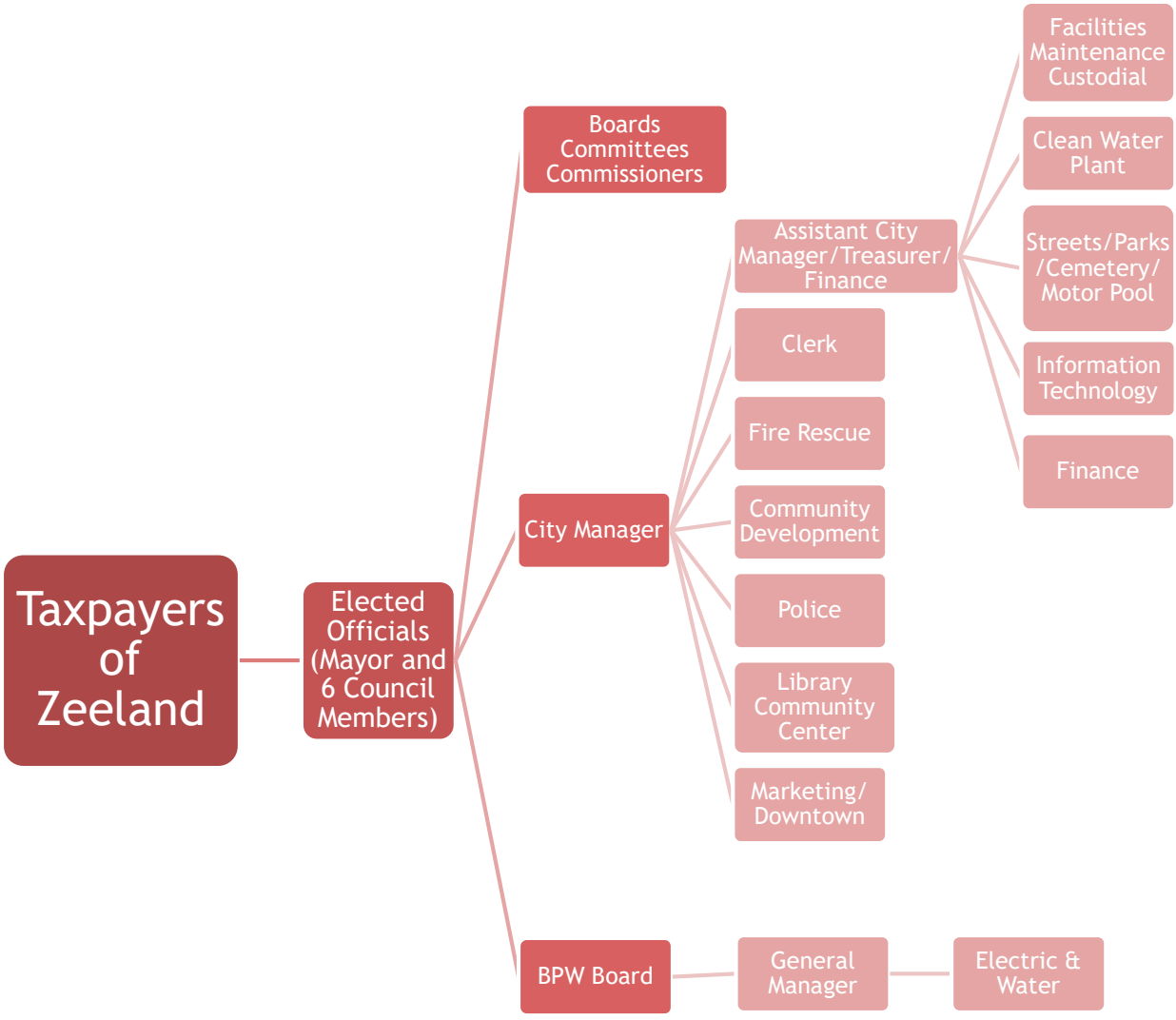
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

City of Zeeland Michigan Organizational Chart



CITY COUNCIL

Mayor ..... Richard VanDorp III
Mayor Pro Tem ..... Sally Gruppen
Council Person ..... Mary Beth Timmer
Council Person ..... Phung Lam
Council Person ..... Andrew Bult
Council Person ..... Amy Langland
Council Person ..... Rebecca Perkins

ADMINISTRATION

City Manager ..... Timothy Klunder
Board of Public Works General Manager ..... Andrew Boatright
Assistant City Manager/Finance Director/Treasurer ..... Kevin Plockmeyer
City Clerk ..... Kristi DeVerney
Community Development Director/Assessor ..... Timothy Maday
Police Chief ..... Timothy Jungel
Howard Miller Library/Community Center Director ..... Amanda Hanson
Fire – Rescue Chief (Interim) ..... Mitchell Harsevoort
City Attorney ..... James Donkersloot

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Zeeland
Zeeland, Michigan

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Zeeland, Michigan'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 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, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Zeeland, Michigan's basic financial statements. The combining nonmajor and individual fund financial statements and budgetary information for nonmajor funds 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 nonmajor and individual fund financial statements and budgetary information for nonmajor funds 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 annual report. The other information comprises the introductory and statistical sections 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.

Brickley DeLong, P.C.

Muskegon, Michigan
December 10, 2025

Management's Discussion and Analysis

As management of the City of Zeeland, Michigan, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found prior to the financial section.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities at the close of the most recent fiscal year by $227,818,695 (*net position*). Of this amount, $99,292,014 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by $8,953,759. This increase is largely attributable to market driven gains on the City's investments and a larger than expected reimbursement for lost personal property tax revenue from the State of Michigan.

- As of the close of the current fiscal year, the City of Zeeland's governmental funds reported combined ending fund balances of $21,468,017, an increase of $312,406 in comparison with the prior year. Approximately 83% of the fund balance, $17,909,616 is *available for spending* at the City's discretion *(committed, assigned and unassigned fund balances*).

- At the end of the current fiscal year, fund balance of the General Fund was $7,082,373 or 66% of total FY 2025 General Fund expenditures and transfers out.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of 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 like a private-sector business.

The statement of net position presents information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 of Zeeland 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., uncollected taxes and accrued interest payable).

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

The location of the government-wide financial statements can be found in the table of contents.

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

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

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

The City maintains seventeen (17) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Municipal Streets Fund, and Snowmelt Construction Fund, which are considered to be major funds. The City of Zeeland has fourteen (14) non-major funds and three (3) major funds. These include the General Fund, nine (9) special revenue funds, six (6) capital projects funds and one (1) permanent fund. The permanent fund is used to record the activity of the Cemetery Trust. Data from the fourteen (14) non-major governmental funds are combined into a single aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets.

The location of the governmental fund financial statements can be found in the table of contents.

Proprietary funds. The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its electric, water and clean water 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 vehicle and equipment maintenance activities, information technology, building maintenance activities and health-care insurance. Because these services predominantly benefit governmental rather than business-type functions, the assets and liabilities of the internal service funds have been included within *governmental activities* in the government-wide statement of net position.

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 Electric, Water, and Clean Water Utility funds, all of which are major funds of the City. Conversely, the internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The location of the proprietary fund financial statements can be found in the table of contents.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for the proprietary funds. The City accounts for two types of fiduciary funds – pension and benefit trust funds and custodial funds.

The City of Zeeland Defined Benefit Pension Trust Fund accounts for the activities of the City's defined benefit pension plan for eligible employees and the Retiree Health Benefits Trust Fund accounts for the activities of the City's Other Post-Employment Benefits (OPEB) Plan for eligible employees. In addition, the City maintains custodial funds to account for tax collections and related payments owed to third parties.

The location of the fiduciary fund financial statements can be found in the table of contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The location of the notes to the financial statements can be found in the table of contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* presenting the City of Zeeland's budgetary comparison schedules for its General Fund. Information concerning the City of Zeeland's defined benefit pension plan schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of investment returns, and the City's other post-employment benefits schedule of changes in the net OPEB liability and related ratios, schedule of contributions, and schedule of investment returns are presented as well. The location of the required supplementary information can be found in the table of contents.

The combining statements referred to earlier in connection with the non-major governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information. The location of the combing statements and individual non-major governmental fund budgetary comparison schedules can be found in the table of contents.

Immediately following the combining statements is a statistical section which provides certain information pertaining to general government revenues, expenditures, tax revenues and collections, demographics, and other statistical data.

Government-wide Financial Analysis

Net Position - 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 Zeeland, assets and deferred outflows of resources exceeded liabilities by $227,818,695 at the close of the most recent fiscal year.

The largest portion of the City's net position (54%) reflects its investment 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.

City of Zeeland's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 29,149,555	$ 27,556,569	$ 82,314,130	$ 77,410,488	$ 111,463,685	$ 104,967,057
Capital assets	36,971,617	35,689,027	87,503,215	86,491,242	124,474,832	122,180,269
Total assets	66,121,172	63,245,596	169,817,345	163,901,730	235,938,517	227,147,326
Deferred outflows of resources	-	-	-	342	-	342
Total assets and deferred outflows of resources	66,121,172	63,245,596	169,817,345	163,902,072	235,938,517	227,147,668
Long-term debt outstanding	140,000	280,000	1,512,000	1,640,000	1,652,000	1,920,000
Net pension liability	-	-	-	31,440	-	31,440
Other liabilities	1,640,048	1,390,645	3,272,516	3,650,908	4,912,564	5,041,553
Total liabilities	1,780,048	1,670,645	4,784,516	5,322,348	6,564,564	6,992,993
Deferred inflows of resources	403,909	90,273	1,151,349	1,199,466	1,555,258	1,289,739
Total liabilities and deferred inflows of resources	2,183,957	1,760,918	5,935,865	6,521,814	8,119,822	8,282,732
Net position:						
Net investment in capital assets	36,684,155	34,725,599	85,533,361	84,200,399	122,217,516	118,925,998
Restricted	6,000,652	5,581,750	308,513	173,657	6,309,165	5,755,407
Unrestricted	21,252,408	21,177,329	78,039,606	73,006,202	99,292,014	94,183,531
Total net position	$ 63,937,215	$ 61,484,678	$ 163,881,480	$ 157,380,258	$ 227,818,695	$ 218,864,936

An additional portion of the City's net position (2.76%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* ($99,292,014) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Change in Net Position - The City of Zeeland's net position increased by $8,953,759 during the current fiscal year. This increase in net position is broken down as a $2,452,537 increase in governmental activities and a $6,501,222 increase in business-type activities.

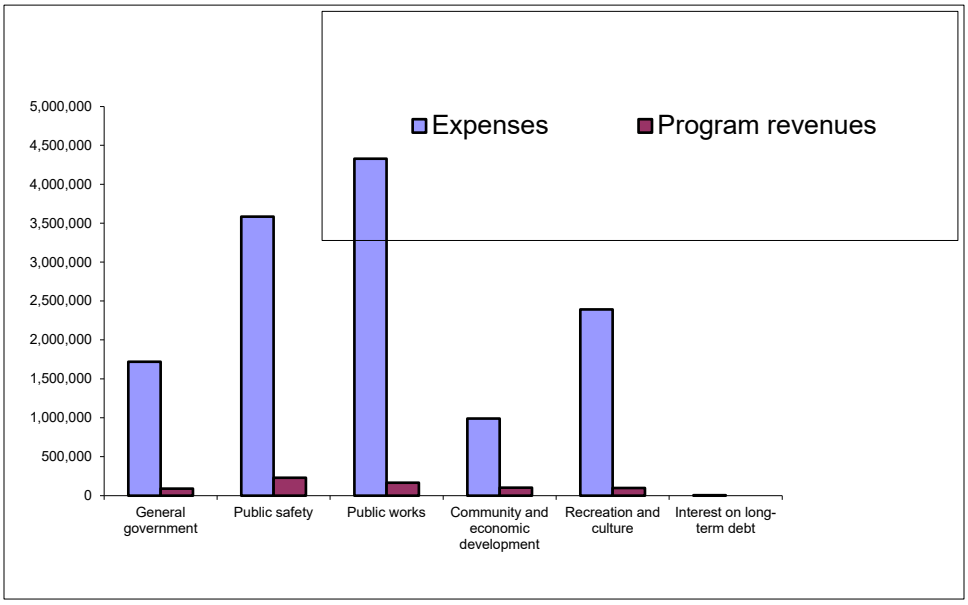
City of Zeeland's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program revenues						
Charges for services	$ 558,217	$ 490,076	$ 47,464,796	$ 45,688,225	$ 48,023,013	$ 46,178,301
Operating grants and contributions	123,874	240,716	-	-	123,874	240,716
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Property taxes	6,986,809	6,553,614	-	-	6,986,809	6,553,614
State shared revenues/grants	5,189,710	4,881,405	-	-	5,189,710	4,881,405
Investment earnings (loss)	1,476,627	1,261,825	4,757,697	4,870,040	6,234,324	6,131,865
Gain on sale of capital assets	102,576	432,735	240,971	6,257	343,547	438,992
Other	105,702	106,390	-	-	105,702	106,390
Total revenues	14,543,515	13,966,761	52,463,464	50,564,522	67,006,979	64,531,283
Program expenses						
General government	1,718,615	1,382,580	-	-	1,718,615	1,382,580
Public safety	3,583,778	2,904,869	-	-	3,583,778	2,904,869
Public works	4,327,623	3,708,308	-	-	4,327,623	3,708,308
Community and economic development	989,547	364,526	-	-	989,547	364,526
Culture and recreation	2,390,555	2,183,000	-	-	2,390,555	2,183,000
Interest on long-term debt	5,250	8,625	-	-	5,250	8,625
Electric	-	-	36,935,819	35,116,535	36,935,819	35,116,535
Water	-	-	5,280,685	4,999,654	5,280,685	4,999,654
Clean water	-	-	2,821,348	2,861,823	2,821,348	2,861,823
Total expenses	13,015,368	10,551,908	45,037,852	42,978,012	58,053,220	53,529,920
Changes before transfers	1,528,147	3,414,853	7,425,612	7,586,510	8,953,759	11,001,363
Transfers	924,390	884,015	(924,390)	(884,015)	-	-
Change in net position	2,452,537	4,298,868	6,501,222	6,702,495	8,953,759	11,001,363
Net position - beginning	61,484,678	57,185,810	157,380,258	150,677,763	218,864,936	207,863,573
Net Position - ending	$ 63,937,215	$ 61,484,678	$ 163,881,480	$ 157,380,258	$ 227,818,695	$ 218,864,936

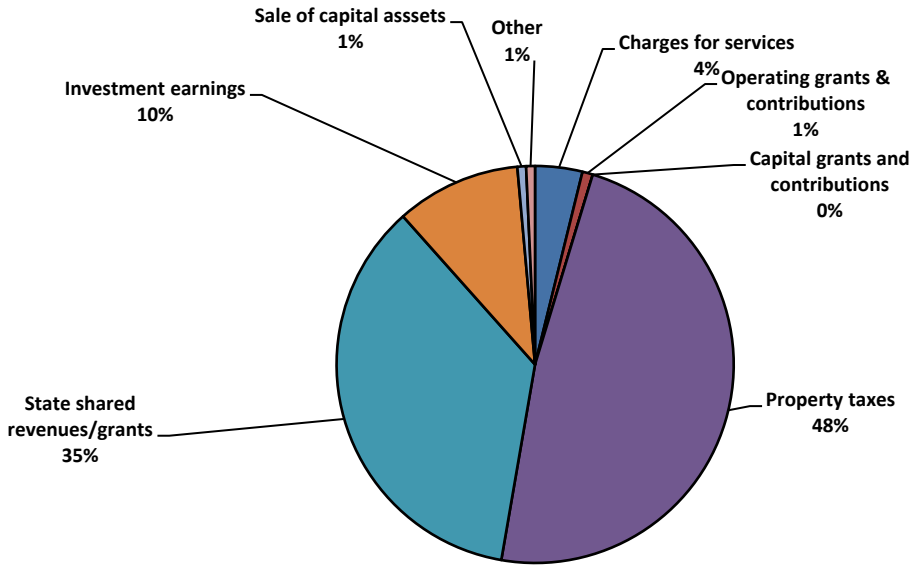
Governmental activities. - Governmental activities increased the City's net position by $2,452,537. Total net revenues increased by $576,754. This overall increase in revenues is a result of unrealized gains on the City's investments in 2025 and an increase in property tax revenues.

Total expenses in FY25 increased by $2,463,460 largely due to increased expenditures in the area of public works for costs associated with large infrastructure projects for streets and sidewalks and public safety in order to account for ongoing operational needs and the addition of full-time firefighters.

Expenses and Program Revenues – Governmental Activities

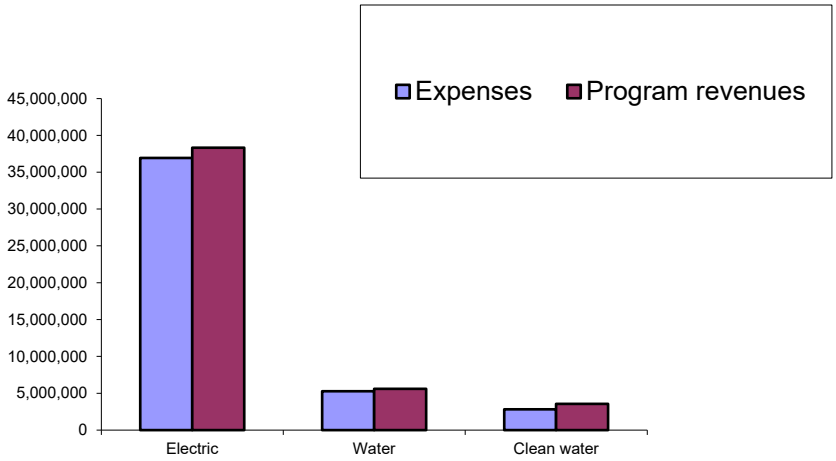


Revenues by Source – Governmental Activities

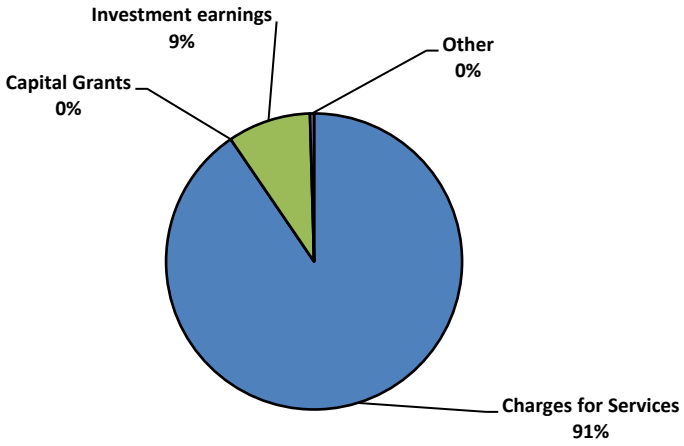


Business-type activities. Business-type activities increased the City of Zeeland's net position by $6,501,222. This increase was largely driven by the $4,757,697 of unrealized gains on the City's investments.

Expenses and Program Revenues-Business-type Activities



Revenues by Source – Business-type Activities



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, *unrestricted fund balances* 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 $21,468,017, an increase of $312,406 from the prior year. Approximately 83% of this amount ($17,909,616) constitutes *unrestricted fund balances (either committed, assigned or unassigned)*, which is available for spending at the government's discretion. The remainder of fund balance is *either non-spendable* - $1,562,150 permanent corpus of Cemetery trust or *restricted* - $1,996,551 for specific purposes.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year the total fund balance of the General Fund was $7,082,373 ($64,421 - non-spendable, $1,154,613 - assigned, $5,863,339 – unassigned). As a measure of the General Fund's liquidity, it may be useful to compare this fund balance to total fund expenditures and transfers out. The total fund balance ($7,082,373) represented 66% of the fiscal year's total General Fund expenditures and transfers out ($10,716,154). The fund balance of the City's General Fund decreased by $173,507 during the current fiscal year compared to an increase of $818,718 in the prior year.

The Municipal Streets Fund accounts for and reports grants and other resources that are restricted for use on major and local streets capital projects. It also accounts for transfers from the General Fund that are assigned for major and local streets capital projects. The fund balance of the Municipal Streets Fund increased by $1,285,859 during the current fiscal year compared to a decrease of $147,174 in the prior year.

The Snowmelt Construction Fund is used to account for monies set aside by the City to construct an expanded snowmelt system. The primary funding source is transfers from the General Fund and other governmental funds. The fund balance of the Snowmelt Construction Fund decreased by $2,241,758 in the current fiscal year compared to a decrease of $2,177,306 in the prior year.

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

Unrestricted net position of the Electric, Water, and Clean Water Utility funds at the end of the year amounted to $55,426,377, $12,446,787, and $9,612,720, respectively. Increases in the Electric, Water, and Clean Water Utility funds net position during the current year were $4,653,076, $958,821, and $895,042, respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Not considering additional transfer-in revenue and transfer-out expenditures, total actual General Fund revenues were $510,061 or 6.6% more than budgeted revenues. Factors contributing to these increased revenues include the recognition of $45,258 of additional property tax collections and $396,563 in additional investment earnings. Besides these items, most other items were close to their budgeted revenue.

Generally speaking, actual expenditures were less than original budgeted expenditures, except for a couple of instances. The budget was modified by $49,000 to account for additional contracted services for the City's downtown parking lots. Additionally, the Fire Department budget was amended by $140,000 to account for the addition of a full-time firefighter.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2025 amounted to $124,474,832 (net of accumulated depreciation, not including liabilities associated with the assets). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, and street and sidewalks. The City's investment in capital assets for the current fiscal year increased $1,282,590 for governmental activities and increased $1,011,973 for business-type activities.

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

- Street, path, park, and cemetery construction amounted to approximately $4,110,000
- Electrical, water, and sewer system improvements amounted to approximately $6,015,000

Additional information on the City's capital assets can be found in Note G of the Notes to the Financial Statements.

City of Zeeland's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 1,887,445	$ 2,366,781	$ 2,228,189	$ 2,228,189	$ 4,115,634	$ 4,594,970
Construction in progress	1,235,817	6,462,996	3,035,088	8,875,122	4,270,905	15,338,118
Land improvements	1,546,360	1,665,253	369,297	475,659	1,915,657	2,140,912
Buildings and improvements	5,527,681	5,920,298	-	-	5,527,681	5,920,298
Systems	-	-	81,567,347	74,527,575	81,567,347	74,527,575
Machinery, equipment,vehicles	2,318,941	2,621,189	303,294	384,697	2,622,235	3,005,886
Infrastructure	24,455,373	16,652,510	-	-	24,455,373	16,652,510
Total	$ 36,971,617	$ 35,689,027	$ 87,503,215	$ 86,491,242	$ 124,474,832	$ 122,180,269

Long-term debt. At the end of the current fiscal year, the City had total outstanding debt of $2,226,000. Of this amount, $1,595,000 comprises debt backed by the full faith and credit of the government, of which $1,455,000 is to be repaid from Clean Water Fund revenue sources.

City of Zeeland's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 140,000	$ 280,000	$ 1,455,000	$ 1,640,000	$ 1,595,000	$ 1,920,000
Compensated absences	324,000	201,714	307,000	214,424	631,000	416,138
Total	$ 464,000	$ 481,714	$ 1,762,000	$ 1,854,424	$ 2,226,000	$ 2,336,138

In April of 2014, the City of Zeeland's general obligation (GO) debt was upgraded from an AA- rating to AA with a stable outlook. Moody's Investors Service assigned an Aa2 for the City's GO Unlimited Tax and an Aa3 for its GO Limited Tax debt. Moody's reaffirmed these ratings in 2024 and 2025.

The Zeeland Board of Public Work's electric utility revenue bonds maintained an A- rating with a stable outlook from Standard & Poor's. Both the electric and water utilities hold a bond rating of A1 from Moody's Investor Service.

State statutes limit the amount of general obligation debt the City may issue to 10 percent of the state equalized value of taxable property in the City. The current debt limitation for the City is $81,913,030, which is significantly in excess of the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found in Note I of the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- Industry within the City of Zeeland continues to be very stable and is expected to grow within the community.

- General Fund revenue for Fiscal Year 2025-2026 is projected to be $10,252,827, an increase of $277,741 from budgeted Fiscal Year 2024-2025.

- General Fund operating expenditures for Fiscal Year 2025-2026 are projected to be $8,090,104 (does not include Other Financing Uses), an increase of $57,898 from Fiscal Year 2024-2025.

- The Fiscal Year 2025-2026 budget retains the millage rate of 11.1354 mills.

- Fiscal Year 2025-2026 General Fund budget projects a decrease in fund balance of $597,097 in order to fund large-scale capital improvement projects.

- Capital projects planned in Fiscal Year 2025-2026 total over $14 million. Major projects include $2.3 million in street and sidewalk improvements, $9 million in public utility improvements, and over $2.0 million in equipment, technology, park, cemetery and building improvements.

- The Fiscal Year 2025-2026 budget does not include any debt financing for these improvements.

- A 3.5% increase in the Clean Water Utility customer service charges became effective July 1, 2025.

- A 4.9% water rate increase will be effective January 1, 2026.

- The Electric Utility rates maintained an overall neutral rate for the 2025-2026 budget for the general population.

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 should be addressed to the City Finance Director, 21 South Elm Street, Zeeland, MI 49464.

City of Zeeland
STATEMENT OF NET POSITION
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and investments	$ 24,766,214	$ 37,834,095	$ 62,600,309
Assets managed by others	1,656,266	-	1,656,266
Receivables			
Accounts	35,347	5,084,652	5,119,999
Leases	-	80,000	80,000
Interest	145,212	279,028	424,240
Due from other governmental units	326,602	48,406	375,008
Internal balances	(553,722)	553,722	-
Inventories	-	1,728,603	1,728,603
Prepaid items	252,379	2,048,150	2,300,529
Deposits with MPPA	-	6,167,600	6,167,600
Deposits with MPIA	-	27,159,603	27,159,603
Total current assets	26,628,298	80,983,859	107,612,157
Noncurrent assets			
Leases receivable, less amounts due within one year	-	1,021,758	1,021,758
Net pension asset	1,672,025	96,205	1,768,230
Net other postemployment benefits asset	849,232	212,308	1,061,540
Capital assets, net			
Nondepreciable	3,123,262	5,263,277	8,386,539
Depreciable	33,848,355	82,239,938	116,088,293
Total noncurrent assets	39,492,874	88,833,486	128,326,360
Total assets	66,121,172	169,817,345	235,938,517

The accompanying notes are an integral part of this statement.

City of Zeeland
STATEMENT OF NET POSITION—CONTINUED
June 30, 2025

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	$ 1,256,233	$ 986,300	$ 2,242,533
Due to other governmental units	24,815	1,859,038	1,883,853
Unearned revenues—grants, fees, and service assessments	35,000	-	35,000
Customer deposits	-	177,178	177,178
Bonds and other obligations, due within one year	383,000	415,250	798,250
Total current liabilities	1,699,048	3,437,766	5,136,814
Noncurrent liabilities			
Bonds and other obligations, less amounts due within one year	81,000	1,346,750	1,427,750
Total liabilities	1,780,048	4,784,516	6,564,564
DEFERRED INFLOWS OF RESOURCES			
Related to leases	-	1,101,758	1,101,758
Related to pension	266,999	15,363	282,362
Related to other postemployment benefits	136,910	34,228	171,138
Total deferred inflows of resources	403,909	1,151,349	1,555,258
Total liabilities and deferred inflows of resources	2,183,957	5,935,865	8,119,822
NET POSITION			
Net investment in capital assets	36,684,155	85,533,361	122,217,516
Restricted			
Pension and other postemployment benefits	2,521,257	308,513	2,829,770
Streets and highways	1,072,833	-	1,072,833
Library	271,778	-	271,778
Brownfield activities	4,475	-	4,475
Perpetual care			
Nonexpendable	1,562,150	-	1,562,150
Expendable	568,159	-	568,159
Unrestricted	21,252,408	78,039,606	99,292,014
Total net position	**$63,937,215**	**$163,881,480**	**$227,818,695**

The accompanying notes are an integral part of this statement.

City of Zeeland
STATEMENT OF ACTIVITIES
For the year ended June 30, 2025

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities						
General government	$ 1,718,615	$ 89,787	$ -	$ (1,628,828)	$ -	$ (1,628,828)
Public safety	3,583,778	229,029	-	(3,354,749)	-	(3,354,749)
Public works	4,327,623	137,226	28,122	(4,162,275)	-	(4,162,275)
Community and economic development	989,547	4,700	95,752	(889,095)	-	(889,095)
Culture and recreation	2,390,555	97,475	-	(2,293,080)	-	(2,293,080)
Interest on long-term debt	5,250	-	-	(5,250)	-	(5,250)
Total governmental activities	13,015,368	558,217	123,874	(12,333,277)	-	(12,333,277)
Business-type activities						
Electric	36,935,819	38,319,947	-	-	1,384,128	1,384,128
Water	5,280,685	5,590,514	-	-	309,829	309,829
Clean water	2,821,348	3,554,335	-	-	732,987	732,987
Total business-type activities	45,037,852	47,464,796	-	-	2,426,944	2,426,944
Total government	**$ 58,053,220**	**$ 48,023,013**	**$ 123,874**	(12,333,277)	2,426,944	(9,906,333)
General revenues						
Property taxes				6,986,809	-	6,986,809
Franchise fees				41,557	-	41,557
Grants and contributions not restricted to specific programs				5,189,710	-	5,189,710
Unrestricted investment earnings (loss)				1,476,627	4,757,697	6,234,324
Miscellaneous				64,145	-	64,145
Gain on sale of capital assets				102,576	240,971	343,547
Transfers				924,390	(924,390)	-
Total general revenues and transfers				14,785,814	4,074,278	18,860,092
Change in net position				2,452,537	6,501,222	8,953,759
Net position at beginning of year				61,484,678	157,380,258	218,864,936
Net position at end of year				**$ 63,937,215**	**$ 163,881,480**	**$ 227,818,695**

The accompanying notes are an integral part of this statement.

City of Zeeland
BALANCE SHEET
Governmental Funds
June 30, 2025

	General Fund	Municipal Streets Fund	Snowmelt Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 7,171,478	$ 2,501,006	$ 895,373	$ 9,811,834	$ 20,379,691
Assets managed by others	-	-	-	1,656,266	1,656,266
Receivables					
Accounts	24,319	-	-	9,195	33,514
Interest	14,938	18,411	6,929	74,078	114,356
Due from other governmental units	124,190	81	-	202,332	326,603
Prepaid items	64,421	-	-	15,261	79,682
Total assets	**$ 7,399,346**	**$ 2,519,498**	**$ 902,302**	**$ 11,768,966**	**$ 22,590,112**
LIABILITIES					
Accounts payable	$ 121,863	$ 182,736	$ 95,944	$ 441,781	$ 842,324
Accrued liabilities	178,783	-	-	49,322	228,105
Due to other governmental units	16,327	-	-	339	16,666
Unearned revenues—					
expenditure-driven grants	-	-	-	35,000	35,000
Total liabilities	316,973	182,736	95,944	526,442	1,122,095
FUND BALANCES					
Nonspendable					
Prepaid items	64,421	-	-	15,261	79,682
Perpetual care	-	-	-	1,562,150	1,562,150
Restricted					
Streets and highways	-	-	-	1,072,157	1,072,157
Brownfield activities	-	-	-	4,475	4,475
Library	-	-	-	271,778	271,778
Perpetual care	-	-	-	568,159	568,159
Assigned					
Public safety	76,405	-	-	-	76,405
Legal defense	491,130	-	-	-	491,130
Streets and highways	-	2,336,762	-	-	2,336,762
Personal property tax stabilization	-	-	-	3,394,293	3,394,293
Shopping area redevelopment	-	-	-	76,587	76,587
Library	-	-	-	496,548	496,548
Snowmelt operations	-	-	-	749,063	749,063
Capital projects	-	-	806,358	3,032,053	3,838,411
Subsequent year's budget					
appropriation of fund balance	587,078	-	-	-	587,078
Unassigned	5,863,339	-	-	-	5,863,339
Total fund balances	7,082,373	2,336,762	806,358	11,242,524	21,468,017
Total liabilities and fund balances	**$ 7,399,346**	**$ 2,519,498**	**$ 902,302**	**$ 11,768,966**	**$ 22,590,112**

The accompanying notes are an integral part of this statement.

City of Zeeland

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2025

Total fund balance—governmental funds		$ 21,468,017
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 governmental funds.		
Cost of capital assets	$ 60,324,259	
Accumulated depreciation	(27,146,714)	33,177,545
Long-term liabilities in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds and notes payable	(140,000)	
Compensated absences	(295,000)	
Net pension liability (asset) and related deferred outflows/inflows of resources	1,405,026	
Net other postemployment benefits liability (asset) and related deferred outflows/inflows of resources	712,322	1,682,348
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the Statement of Net Position.		
Net position of the internal service funds	8,163,027	
Internal balances representing the cumulative difference between actual costs and amounts charged to business-type activities	(553,722)	7,609,305
Net position of governmental activities		**$ 63,937,215**

The accompanying notes are an integral part of this statement.

City of Zeeland
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Governmental Funds
For the year ended June 30, 2025

	General Fund	Municipal Streets Fund	Snowmelt Construction Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	$ 6,539,798	$ 389,082	$ -	$ 57,929	$ 6,986,809
Licenses and permits	268,142	-	-	-	268,142
Intergovernmental revenues					
State	733,813	-	-	3,934,705	4,668,518
Local	-	-	-	545,629	545,629
Charges for services	103,350	-	-	208,056	311,406
Fines and forfeitures	36,450	-	-	-	36,450
Investment earnings (loss)	499,063	114,837	50,942	602,038	1,266,880
Other	112,641	-	-	159,504	272,145
Total revenues	8,293,257	503,919	50,942	5,507,861	14,355,979
EXPENDITURES					
Current					
General government	1,552,499	-	-	-	1,552,499
Public safety	3,532,516	-	-	-	3,532,516
Public works	1,192,708	-	-	1,710,504	2,903,212
Community and economic development	268,861	-	-	156,379	425,240
Culture and recreation	800,584	-	-	1,143,975	1,944,559
Debt service					
Principal	140,000	-	-	-	140,000
Interest and fees	5,250	-	-	-	5,250
Capital outlay	39,000	358,060	3,077,436	1,005,191	4,479,687
Total expenditures	7,531,418	358,060	3,077,436	4,016,049	14,982,963
Excess of revenues over (under) expenditures	761,839	145,859	(3,026,494)	1,491,812	(626,984)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	-	-	-	15,000	15,000
Transfers in	2,249,390	1,500,000	784,736	1,692,452	6,226,578
Transfers out	(3,184,736)	(360,000)	-	(1,757,452)	(5,302,188)
Total other financing sources (uses)	(935,346)	1,140,000	784,736	(50,000)	939,390
Net change in fund balances	(173,507)	1,285,859	(2,241,758)	1,441,812	312,406
Fund balances at beginning of year	7,255,880	1,050,903	3,048,116	9,800,712	21,155,611
Fund balances at end of year	**$ 7,082,373**	**$ 2,336,762**	**$ 806,358**	**$ 11,242,524**	**$ 21,468,017**

The accompanying notes are an integral part of this statement.

City of Zeeland

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

For the year ended June 30, 2025

Net change in fund balances—total governmental funds		$ 312,406
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation expense	$ (2,685,845)	
Capital outlay	4,545,824	1,859,979
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) on net position.		
In the Statement of Activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the remaining undepreciated cost of the capital assets sold.		(479,336)
The issuance of long-term debt provides current financial resources to governmental funds, but increases liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.		
Repayment of principal on long-term debt		140,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in compensated absenses	(117,289)	
Change in net pension liability and related deferred outflows/inflows of resources	(134,346)	
Change in net other postemployment benefits liability and related deferred outflows/inflows of resources	279,682	28,047
The internal service fund is used by management to charge the costs of equipment used to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.		
Change in net position of the internal service fund	585,724	
Change in internal balances representing the current year difference between actual costs and amounts charged to business-type activities	5,717	591,441
Change in net position of governmental activities		**$ 2,452,537**

The accompanying notes are an integral part of this statement.

City of Zeeland
STATEMENT OF NET POSITION
Proprietary Funds
June 30, 2025

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Funds
	Electricity Utility	Water Utility	Clean Water Utility	Total	
ASSETS					
Current assets					
Cash and investments	$ 16,643,965	$ 11,848,471	$ 9,341,659	$ 37,834,095	$ 4,386,523
Receivables					
Accounts	4,012,895	751,587	320,170	5,084,652	-
Leases	-	80,000	-	80,000	-
Interest	124,655	96,748	57,625	279,028	32,687
Due from other governmental units	-	-	48,406	48,406	-
Inventories	1,637,787	90,816	-	1,728,603	-
Prepaid items	2,005,005	7,949	35,196	2,048,150	172,696
MPPA deposits	6,167,600	-	-	6,167,600	-
MPIA deposits	27,159,603	-	-	27,159,603	-
Total current assets	57,751,510	12,875,571	9,803,056	80,430,137	4,591,906
Noncurrent assets					
Leases receivable, less amounts due within one year	-	1,021,758	-	1,021,758	-
Net pension asset	35,461	11,820	48,924	96,205	-
Net OPEB asset	106,154	31,846	74,308	212,308	-
Capital assets					
Land	1,691,050	226,433	310,706	2,228,189	225,000
Construction in progress	1,174,800	293,766	1,566,522	3,035,088	157,184
Land improvements	558,008	137,718	751,783	1,447,509	10,794
Buildings, improvements, and systems	89,007,845	35,853,433	37,725,536	162,586,814	2,342,130
Machinery and equipment	1,883,222	325,302	308,902	2,517,426	5,877,439
Less accumulated depreciation	(52,187,970)	(15,699,640)	(16,424,201)	(84,311,811)	(4,818,475)
Net capital assets	42,126,955	21,137,012	24,239,248	87,503,215	3,794,072
Total noncurrent assets	42,268,570	22,202,436	24,362,480	88,833,486	3,794,072
Total assets	100,020,080	35,078,007	34,165,536	169,263,623	8,385,978

The accompanying notes are an integral part of this statement.

City of Zeeland
STATEMENT OF NET POSITION—CONTINUED
Proprietary Funds
June 30, 2025

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Funds
	Electricity Utility	Water Utility	Clean Water Utility	Total	
LIABILITIES					
Current liabilities					
Accounts payable	$ 204,938	$ 75,954	$ 448,859	$ 729,751	$ 150,623
Accrued liabilities	163,187	43,196	50,166	256,549	35,179
Due to other governmental units	1,609,430	233,273	16,335	1,859,038	8,149
Customer deposits	138,296	18,206	20,676	177,178	-
Bonds and other obligations, due within one year	166,500	21,000	227,750	415,250	21,750
Total current liabilities	2,282,351	391,629	763,786	3,437,766	215,701
Noncurrent liabilities					
Bonds and other obligations, less amounts due within one year	55,500	7,000	1,284,250	1,346,750	7,250
Total liabilities	2,337,851	398,629	2,048,036	4,784,516	222,951
DEFERRED INFLOWS OF RESOURCES					
Related to leases	-	1,101,758	-	1,101,758	-
Related to pension	5,663	1,888	7,812	15,363	-
Related to other postemployment benefits	17,114	5,134	11,980	34,228	-
Total deferred inflows of resources	22,777	1,108,780	19,792	1,151,349	-
Total liabilities and deferred inflows of resources	2,360,628	1,507,409	2,067,828	5,935,865	222,951
NET POSITION					
Net investment in capital assets	42,091,460	21,080,145	22,361,756	85,533,361	3,794,072
Restricted for pension and other postemployment benefits	141,615	43,666	123,232	308,513	-
Unrestricted	55,426,377	12,446,787	9,612,720	77,485,884	4,368,955
Total net position	**$ 97,659,452**	**$ 33,570,598**	**$ 32,097,708**	163,327,758	**$ 8,163,027**
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time				553,722	
Net position of business-type activities				**$ 163,881,480**	

The accompanying notes are an integral part of this statement.

City of Zeeland
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Proprietary Funds
For the year ended June 30, 2025

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electricity Utility	Water Utility	Clean Water Utility	Total	
OPERATING REVENUES					
Charges for services	$ 38,173,772	$ 5,430,440	$ 3,497,750	$ 47,101,962	$ 5,222,794
Other	96,423	112,435	4,435	213,293	-
Total operating revenues	38,270,195	5,542,875	3,502,185	47,315,255	5,222,794
OPERATING EXPENSES					
Electric production and purchases	26,319,017	-	-	26,319,017	-
Water purchases	-	2,424,267	-	2,424,267	-
Waste treatment	-	-	863,459	863,459	-
Transmission and distribution	5,939,574	867,454	248,867	7,055,895	-
Customer accounts	360,458	164,722	126,402	651,582	-
General and administrative	1,436,710	739,239	412,954	2,588,903	40,308
Insurance premiums and claims	-	-	-	-	1,699,281
Operations	-	-	-	-	2,523,549
Depreciation	2,871,319	1,082,168	1,134,317	5,087,804	671,254
Total operating expenses	36,927,078	5,277,850	2,785,999	44,990,927	4,934,392
Operating income (loss)	1,343,117	265,025	716,186	2,324,328	288,402
NONOPERATING REVENUES (EXPENSES)					
Investment earnings (loss)	3,654,180	656,686	446,831	4,757,697	209,746
Connection fees	49,752	47,639	52,150	149,541	-
Gain (loss) on sale of capital assets	251,500	(10,529)	-	240,971	87,576
Interest expense	-	-	(41,208)	(41,208)	-
Total nonoperating revenues (expenses)	3,955,432	693,796	457,773	5,107,001	297,322
Income (loss) before transfers	5,298,549	958,821	1,173,959	7,431,329	585,724
TRANSFERS					
Transfers out	(645,473)	-	(278,917)	(924,390)	-
Change in net position	4,653,076	958,821	895,042	6,506,939	585,724
Net position at beginning of year	93,006,376	32,611,777	31,202,666	156,820,819	7,577,303
Net position at end of year	**$ 97,659,452**	**$ 33,570,598**	**$ 32,097,708**	**$ 163,327,758**	**$ 8,163,027**

Net change in net position for total enterprise funds	$ 6,506,939
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise funds	(5,717)
Change in net position of business-type activities	**$ 6,501,222**

The accompanying notes are an integral part of this statement.

City of Zeeland
STATEMENT OF CASH FLOWS
Proprietary Funds
For the year ended June 30, 2025

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Funds
	Electricity Utility	Water Utility	Clean Water Utility	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 36,712,182	$ 4,924,724	$ 3,419,941	$ 45,056,847	$ -
Receipts from interfund services provided	468,240	66,111	15,614	549,965	5,222,863
Payments to suppliers	(32,890,585)	(3,396,871)	(686,052)	(36,973,508)	(3,112,483)
Payments to employees	(2,734,947)	(634,913)	(817,996)	(4,187,856)	(682,445)
Payment for interfund services used	(771,221)	(341,213)	(249,636)	(1,362,070)	(380,237)
Net cash provided by (used for) operating activities	783,669	617,838	1,681,871	3,083,378	1,047,698
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out	(645,473)	-	(278,917)	(924,390)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Connection fees	49,752	47,639	52,150	149,541	-
Purchases of capital assets	(3,902,573)	(1,407,419)	(936,203)	(6,246,195)	(573,201)
Principal paid on capital debt	-	-	(185,000)	(185,000)	-
Interest paid on capital debt	-	-	(42,413)	(42,413)	-
Proceeds from sale of capital assets	251,500	-	-	251,500	87,576
Net cash provided by (used for) capital and related financing activities	(3,601,321)	(1,359,780)	(1,111,466)	(6,072,567)	(485,625)
CASH FLOW FROM INVESTING ACTIVITIES					
Investment earnings (loss)	3,635,879	635,973	432,317	4,704,169	197,489
Net increase (decrease) in cash and investments	172,754	(105,969)	723,805	790,590	759,562
Cash and investments at beginning of year	16,471,211	11,954,440	8,617,854	37,043,505	3,626,961
Cash and investments at end of year	**$ 16,643,965**	**$ 11,848,471**	**$ 9,341,659**	**$ 37,834,095**	**$ 4,386,523**
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	$ 1,343,117	$ 265,025	$ 716,186	$ 2,324,328	$ 288,402
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation expense	2,871,319	1,082,168	1,134,317	5,087,804	671,254
Change in assets and liabilities					
Accounts receivable	(1,089,773)	(552,040)	(59,620)	(1,701,433)	69
Due from other governmental units	-	-	(7,010)	(7,010)	-
Inventories	(371,256)	1,139	-	(370,117)	-
Prepaid items	(1,480,473)	(2,519)	(4,404)	(1,487,396)	23,727
Accounts payable	(581,309)	(2,710)	(23,781)	(607,800)	53,434
Accrued liabilities	66,649	103	(76,291)	(9,539)	10,676
Due to other governmental units	25,395	(173,328)	2,474	(145,459)	136
Net cash provided by (used for) operating activities	**$ 783,669**	**$ 617,838**	**$ 1,681,871**	**$ 3,083,378**	**$ 1,047,698**

The accompanying notes are an integral part of this statement.

City of Zeeland
STATEMENT OF NET POSITION
Fiduciary Funds
June 30, 2025

	Pension and Other Post-Employment Trust Funds	Custodial Funds
ASSETS		
Cash	$ -	$ 7,494
Investments		
Money market funds	173,887	-
Mutual fund bonds	5,348,189	-
Mutual fund equities	8,344,563	-
Receivables	20,479	-
Total assets	13,887,118	7,494
LIABILITIES		
Due to other governmental units	-	7,494
NET POSITION		
Restricted		
Pension benefits	11,207,337	-
Other postemployment benefits	2,679,781	-
	$ 13,887,118	**$ -**

The accompanying notes are an integral part of this statement.

City of Zeeland
STATEMENT OF CHANGES IN NET POSITION
Fiduciary Funds
For the year ended June 30, 2025

	Pension and Other Post-Employment Trust Funds	Custodial Funds
ADDITIONS		
Property tax collections for other governments	$ -	$ 19,418,939
Other collections for third parties	-	1,545
Employer contributions	19,813	-
Plan member contributions	2,103	-
Investment earnings		
Interest and dividends	598,464	-
Net increase in the fair value of investments	733,954	-
Total investment earnings	1,332,418	-
Less investment expense	12,080	-
Net investment earnings	1,320,338	-
Total additions	1,342,254	19,420,484
DEDUCTIONS		
Payments of property taxes to other governments	-	19,418,939
Other payments to third parties	-	1,545
Benefit payments	856,376	-
Administrative and other expenses	50,705	-
Total deductions	907,081	19,420,484
Change in net position	435,173	-
Net position at beginning of year	13,451,945	-
Net position at end of year	**$ 13,887,118**	**$ -**

The accompanying notes are an integral part of this statement.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity
The City is a municipal corporation governed by an elected mayor and six-member City Council and is administered by a city manager appointed by the City Council. Generally accepted accounting principles require that if the City is considered to be financially accountable for other organizations, those organization should be included in the City's financial statements. Since no organizations met this criterion, none are included in the financial statements.

Basis of Presentation—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 City. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's utility function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The Municipal Streets Fund accounts for and reports grants and other resources that are restricted for use on major and local streets capital projects. It also accounts for transfers from the General Fund that are assigned for major and local streets capital projects.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Basis of Presentation—Government-wide and Fund Financial Statements—Continued

The Snowmelt Construction Fund is used to account for monies set aside by the City to construct an expanded snowmelt system.

The City reports the following three major proprietary funds:

The Electricity Utility Fund accounts for the electricity utility sales and costs associated with the generation, purchase, transmission, and distribution of electricity.

The Water Utility Fund accounts for the operation and maintenance of the City's water distribution system, including storage tanks, pumping stations, distribution mains and services, and related equipment. Water is purchased from the City of Holland Board of Public Works for storage and distribution to Zeeland's customers.

The Clean Water Utility Fund accounts for the operation of the City's wastewater collection system, lift stations, and treatment facility.

Additionally, the City reports the following fund types:

The Internal Service Funds account for building maintenance services; information technology services; major machinery, equipment, and vehicle purchases and maintenance; and health care insurance services provided to other departments of the City on a cost reimbursement basis.

The Pension and Other Postemployment Benefits Trust Funds are used to report resources that are administered through irrevocable trusts for the benefit of City employees and retirees.

The Custodial Funds are used to remit resources collected for the benefit of others, including property taxes, escrows, and similar deposits.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. Only the portion of special assessments receivable due within 60 days of the end of the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

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

Cash and Investments

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

Investments for the City are reported at fair value (generally based on quoted market prices).

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Cash and Investments—Continued
The City has adopted an investment policy in compliance with State of Michigan statutes. Those statutes authorize the City to invest in obligations of the United States, certificates of deposit, prime commercial paper, securities guaranteed by United States agencies or instrumentalities, United States government or federal agency obligation repurchase agreements, bankers' acceptances, state-approved investment pools and certain mutual funds.

The Pension and Other Postemployment Benefit Trust Funds are held in trust by third party investment firms and are subject to the investment policies of those firms and to State of Michigan statutes allowing diverse investments in stocks, corporate and government bonds, mortgages, real estate, and other investments.

For the purpose of the statement of cash flows, the City considers all assets held in the cash and investment pool to be cash and cash equivalents because the investments are not identifiable to the specific funds and the assets can be withdrawn at any time, similar to a demand deposit account.

Inventories and Prepaid Items
All inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased in the business-type activities.

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 is recorded as expenditures/expenses when consumed rather than when purchased.

Leases Receivable
The City is a lessor for certain noncancellable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements for each lease.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of a lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Capital Assets
Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $10,000 and an estimated useful life in excess of three years.

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Years
Land improvements	5-20
Buildings and improvements	5-40
Vehicles and equipment	3-25
Infrastructure and systems	15-50

Defined Benefit Plan
The City offers a single-employer defined benefit pension plan (Plan) to its employees. The City records a net pension liability (asset) for the difference between the total pension liability calculated by the actuary and the Plan's fiduciary net position. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs
The City offers a single-employer defined benefit retiree healthcare benefits to retirees. The City records a net other postemployment benefit (OPEB) liability for the difference between the total OPEB liability calculated by the actuary and the OPEB Plan's fiduciary net position. For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Deferred Outflows/Inflows of Resources
In addition to assets, the Statement of Net 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the Statement of Net 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City also reports unavailable revenues from one source: leases. These amounts are long-term leases entered into by the City in which the City is the lessor. These amounts are recognized as revenue over the term of the lease agreements.

Net Position Flow Assumption
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 of net position to report as restricted and unrestricted in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions
Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. 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.

Fund Balance Policies
Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by formal action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by formal action remains in place until a similar action is taken (another formal action) to remove or revise the limitation.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Fund Balance Policies—Continued
Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance represents the residual amount for the General Fund that is not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

The City has a minimum fund balance policy requiring total unrestricted fund balances in the General Fund to be greater than 25 percent of the prior year's revenues or the sum of the top two taxpayers' total annual City tax, whichever is higher. When the General Fund fund balance falls below the minimum range, the City will replenish deficiencies by following measures detailed in the policy, which generally call for cutting or delaying capital expenditures, then cutting operating expenditures, and finally raising rates and charges for services and, if necessary, property tax millage rates.

Revenues and Expenditures/Expenses

Program Revenues
Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes
All trade and property tax receivables are shown net of allowance for uncollectibles.

The City bills and collects its own property taxes and also collects taxes for the county, school and State of Michigan. Taxes are levied and liened on each December 1 on the taxable valuation of property (as defined by state statutes located in the Local Governmental Unit as of the preceding December 31. Uncollected real property taxes as of March 1 are turned over by the City to the County for collection. The County advances the City all these delinquent real property taxes. The delinquent personal property taxes remain the responsibility of the City. The City recognizes all available revenue from the current tax levy. Available means within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The 2024 state taxable value for real/personal property of the City totaled approximately $566,793,000. The ad valorem taxes levied consisted of 11.1354 and .0993 mills for the City's general operating and airport operations, respectively. These amounts are recognized in the General Fund and the West Michigan Airport Authority Fund.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Revenues and Expenditures/Expenses —Continued

Compensated Absences
City employees are granted vacation and sick leave in varying amounts based on length of service and employee group. The liability for these compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements. The current portion of this liability is estimated based on historical trends. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Proprietary Funds Operating and Nonoperating Revenues and Expenses
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 are charges to customers for sales and services. The Clean Water Utility and Water Utility funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information
Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and special revenue funds.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level for the General Fund and all other funds.

Appropriations in all budgeted funds lapse at the end of the fiscal year.

NOTE C—DEPOSITS AND INVESTMENTS

As of June 30, 2025, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Months)	S&P/ Moody's	Percent
U.S. government securities	$ 12,363,030	9	Aaa	17.7 %
U.S. agency obligations	33,997,638	17	AA+	49.0
Municipal bonds	5,743,889	2	AA- to AAA	8.2
External investment pool	3,720,272	1	AAAm	5.3
Pension trust				
Money market funds	173,887	1	AAAm	0.2
Mutual fund bonds	5,348,189	N/A	N/A	7.7
Mutual fund equities	5,664,782	N/A	N/A	8.1
OPEB trust				
Mutual fund equities	2,679,781	N/A	N/A	3.8
Total fair value	**$ 69,691,468**			**100.0 %**
Portfolio weighted average maturity		**N/A**		

The City voluntarily invests certain excess funds in an external investment pool (Pool). The Pool is an external investment pool of "qualified" investments for Michigan municipalities. The Pool is not regulated nor registered with the SEC. The fair value of the City's investments is the same as the value of the Pool's shares.

Deposit and Investment Risks

Interest Rate Risk
The City has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investments in U.S. government securities and U.S. agency obligations are limited to an investment mix with a weighted average maturity not to exceed five years. The City's investment policy further limits the City's investments in repurchase agreements to those with a termination date of 90 days or less, collateralized by securities with maturities not to exceed ten years. Investments in negotiable certificates of deposits are limited to those with a maturity not to exceed three years from the date of trade settlement.

Credit Risk
State law limits investments in commercial paper and corporate bonds to the two highest classifications issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk
The City does not have a concentration of credit risk policy. Concentration of credit risk is the risk of loss attributed to the magnitude of the City investments in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The City has more than 5 percent of its investments in the following securities:

Security	Percent of Total Investments
Federal Farm Credit Banks Funding Corporation obligations	21.7%
Federal Home Loan Banks obligations	24.9%

NOTE C—DEPOSITS AND INVESTMENTS—Continued

Deposit and Investment Risks—Continued

Custodial Credit Risk – Deposits
In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2025, $5,723,137 of the City's bank balance of $7,223,137 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments
The City does not have a custodial credit risk policy for investments. This is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Foreign Currency Risk
Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. At June 30, 2025, $494,324 of the City's total investment portfolio was held in international equity mutual funds.

NOTE D—ASSETS MANAGED BY OTHERS

As allowed by MCL 123.874 and MCL 128.4, the City is permitted to place monies in community foundations.

The Funds
The City has two funds with the Holland/Zeeland Community Foundation (Community Foundation).

Cemetery Perpetual Care Fund
The City of Zeeland Cemetery Perpetual Care Fund was established by the City primarily to be used for the care and maintenance of the cemeteries that are operated by the City. The amounts deposited are required to be held in perpetuity by the Community Foundation except that the Community Foundation shall annually authorize two distributions of interest and other earnings to the municipality for care and maintenance of the cemetery.

Howard Miller Library Endowment Fund
The Howard Miller Library Endowment Fund was established after the Community Foundation received monies from donors intended to be used for library services within the City of Zeeland. The agreement with the Community Foundation allows the use of the Fund's income in accordance with the Community Foundation's spending policy and principal in certain circumstances.

The Community Foundation invests the contributions to the funds in various types of marketable equity and debt securities, U.S. Treasuries, commercial paper, and certificates of deposit. The majority of investments are uninsured and uncollateralized.

Reporting of the Assets of the Funds
The investments held at the Community Foundation, which were contributed by the City to the funds along with the earnings on these investments, are reported at fair value as assets of the City. The contributions to these funds made by third party donors directly to the Community Foundation have been excluded from the assets of the City.

NOTE D—ASSETS MANAGED BY OTHERS—Continued

Summary of the Community Foundation Funds

A summary of revenues, expenses, and changes in the assets at fair value of the funds for the year ended June 30, 2025 follows:

	Cemetery Perpetual Care Fund	Howard Miller Library Endowment Fund	Totals
Revenues			
Contributions	$ 52,715	$ 2,185	$ 54,900
Dividends and interest	20,712	18,790	39,502
Realized and unrealized gain (loss) on investments	113,013	101,919	214,932
	186,440	122,894	309,334
Expenses			
Distributions	-	54,263	54,263
Administration fees	14,365	12,754	27,119
	14,365	67,017	81,382
Revenues over expenses	172,075	55,877	227,952
Total assets at beginning of year	1,484,191	1,389,440	2,873,631
Total assets at end of year	1,656,266	1,445,317	3,101,583
Less assets recorded as those of the Foundation	-	(1,445,317)	(1,445,317)
Assets reported on the Balance Sheet/Statement of Net Position	**$ 1,656,266**	**$ -**	**$ 1,656,266**

The Board of Trustees of the Community Foundation has the power to modify any restriction or condition on the distribution of fund for any specified charitable purpose or to a specified organization if, in the sole judgement of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served. The authority to modify restrictions is sometimes referred to as “variance power” and is a legal standard imposed on all community foundations.

NOTE E—FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 Inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025.

Money market funds: Valued at amortized cost, which approximates fair value.

***U.S. government securities, U.S. agency obligations, municipal bonds, mutual fund bonds, and mutual fund equities*:** Valued at the closing price reported on the active market on which the individual securities are traded.

***External investment pools and assets managed by others*:** The assets are valued based upon the City's allocable share of the Michigan CLASS and Holland/Zeeland Community Foundation (Pools) pooled investment portfolios. The allocable shares are based on the value of the underlying assets owned by the Pools, minus their liabilities.

The assets managed by others are valued monthly by the Pools and are allocated based upon each organization's calculated share of the Pools' pooled investment portfolio. Each entity with an interest within the pooled investments receives statements from the Pools indicating the additions to the investments (via contributions), withdrawals from the investments, and the investment returns allocated via a unitization process. The City calculates the fair value of its share of the pooled investment assets held by the Pools based on the estimated fair value of the underlying assets. The Pools control the investments and make all management and investment decisions.

NOTE E—FAIR VALUE MEASUREMENTS—Continued

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the City's assets at fair value on a recurring basis as of June 30, 2025:

	Assets at Fair Value as of June 30, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
U.S. government securities	$ 12,363,030	$ -	$ -	$ 12,363,030
U.S. agency obligations	33,997,638	-	-	33,997,638
Municipal bonds	5,743,889	-	-	5,743,889
External investment pool	-	3,720,272	-	3,720,272
Pension trust				
Money market funds	173,887	-	-	173,887
Mutual fund bonds	5,348,189	-	-	5,348,189
Mutual fund equities	5,664,782	-	-	5,664,782
OPEB trust				
Mutual fund equities	2,679,781	-	-	2,679,781
Assets managed by others	-	1,656,266	-	1,656,266
Total assets at fair value	**$ 65,971,196**	**$ 5,376,538**	**$ -**	**$ 71,347,734**

NOTE F—LEASES

Leases Receivable

The City leases the right to use space on water towers owned by the City to various third parties as part of multiple separate lease agreements for the operation of cell phone antennas. These lease terms are generally for 5 years with automatic renewals and the City receives annual payments of $102,687, increasing each year depending on the terms of each agreement. The City recognized $78,857 in lease revenue and $23,830 in interest revenue related to these leases during the year ended June 30, 2025. The City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2025, the balance of the deferred inflow of resources was $1,101,758.

The future minimum payments to be received for these leases are as follows:

Year Ending June 30,	Business-type Activities	
	Principal	Interest
2026	$ 80,449	$ 22,238
2027	84,988	20,614
2028	86,703	18,899
2029	88,453	17,149
2030	55,035	15,364
2031-2035	309,349	59,307
2036-2040	220,246	30,074
2041-2044	176,535	8,997
	$ 1,101,758	**$ 192,642**

NOTE G—CAPITAL ASSETS

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

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 2,366,781	$ -	$ 479,336	$ 1,887,445
Construction in progress	6,462,996	4,267,441	9,494,620	1,235,817
Total capital assets, not being depreciated	8,829,777	4,267,441	9,973,956	3,123,262
Capital assets, being depreciated:				
Land improvements	4,554,198	62,923	15,310	4,601,811
Buildings and improvements	14,807,230	59,294	-	14,866,524
Vehicles and equipment	7,088,447	388,723	185,513	7,291,657
Infrastructure	32,506,401	9,835,264	3,288,113	39,053,552
Total capital assets, being depreciated	58,956,276	10,346,204	3,488,936	65,813,544
Less accumulated depreciation:				
Land improvements	2,888,945	181,816	15,310	3,055,451
Buildings and improvements	8,886,932	451,911	-	9,338,843
Vehicles and equipment	4,467,258	690,971	185,513	4,972,716
Infrastructure	15,853,891	2,032,401	3,288,113	14,598,179
Total accumulated depreciation	32,097,026	3,357,099	3,488,936	31,965,189
Total capital assets, being depreciated, net	26,859,250	6,989,105	-	33,848,355
Capital assets, net	**$ 35,689,027**	**$ 11,256,546**	**$ 9,973,956**	**$ 36,971,617**

NOTE G—CAPITAL ASSETS—Continued

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 2,228,189	$ -	$ -	$ 2,228,189
Construction in progress	8,875,122	5,714,736	11,554,770	3,035,088
Total capital assets, not being depreciated	11,103,311	5,714,736	11,554,770	5,263,277
Capital assets, being depreciated:				
Land improvements	1,468,248	-	20,739	1,447,509
Buildings, improvements, and systems	152,337,106	11,855,502	1,605,794	162,586,814
Equipment	2,473,729	94,838	51,141	2,517,426
Total capital assets, being depreciated	156,279,083	11,950,340	1,677,674	166,551,749
Less accumulated depreciation:				
Land improvements	992,589	106,362	20,739	1,078,212
Buildings, improvements, and systems	77,809,531	4,805,201	1,595,265	81,019,467
Equipment	2,089,032	176,241	51,141	2,214,132
Total accumulated depreciation	80,891,152	5,087,804	1,667,145	84,311,811
Total capital assets, being depreciated, net	75,387,931	6,862,536	10,529	82,239,938
Capital assets, net	**$ 86,491,242**	**$ 12,577,272**	**$ 11,565,299**	**$ 87,503,215**

Depreciation

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	$ 88,465
Public safety	138,073
Public works	2,007,985
Culture and recreation	451,322
Internal Service Fund depreciation is charged to the various programs based on their usage of the assets	671,254
	$ 3,357,099
Business-type activities:	
Electricity Utility	$ 2,871,319
Water Utility	1,082,168
Clean Water Utility	1,134,317
	$ 5,087,804

NOTE H—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Transfers:

	Transfers In:					
	General Fund	Municipal Streets Fund	Snowmelt Construction Fund	Other Governmental Funds	Total	Purpose
Transfers Out:						
General Fund	$ -	$ 1,500,000	$ 784,736	$ 900,000	$ 3,184,736	Transfers for capital improvements and library operations
Municipal Streets Fund	-	-	-	360,000	360,000	Transfer for capital improvements
Electricity Utility Fund	645,473	-	-	-	645,473	Transfer of payments in lieu of taxes
Clean Water Utility Fund	278,917	-	-	-	278,917	Transfer of payments in lieu of taxes
Other governmental funds	1,325,000	-	-	432,452	1,757,452	Transfers for PPT reimbursements and capital projects
Total	**$ 2,249,390**	**$ 1,500,000**	**$ 784,736**	**$ 1,692,452**	**$6,226,578**	

NOTE I—LONG-TERM DEBT

Summary of Changes in Long-Term Liabilities

The following is a summary of long-term liabilities activity for the City for the year ended June 30, 2025.

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Governmental activities:					
Public placement debt					
General obligation bonds	$ 280,000	$ -	$ 140,000	$ 140,000	$ 140,000
Compensated absences*	201,714	122,286	-	324,000	243,000
Governmental activities long-term liabilities	**$ 481,714**	**$ 122,286**	**$ 140,000**	**$ 464,000**	**$383,000**
Business-type activities:					
Public placement debt					
General obligation bonds	$ 1,640,000	$ -	$ 185,000	$ 1,455,000	$ 185,000
Compensated absences*	214,424	92,576	-	307,000	230,250
Business-type activities long-term liabilities	**$ 1,854,424**	**$ 92,576**	**$ 185,000**	**$ 1,762,000**	**$415,250**

*The change in the compensated absences liability is presented as a net change.

NOTE I—LONG-TERM DEBT—Continued

Public Placement Debt

General Obligation Debt
The City has issued general obligation debt to provide funds for the acquisition and construction of major capital facilities. General obligation debt is a direct obligation and pledges the full faith and credit of the City. This debt is generally issued as serial bonds with varying amounts of principal maturing each year.

General obligation debt outstanding as of June 30, 2025 is as follows:

	Interest Rate	Date of Maturity	Balance
Governmental activities:			
Public placement debt:			
General obligation bonds:			
2015 Capital Improvement Bonds	2.5%	October 2025	**$ 140,000**
Business-type activities:			
Public placement debt:			
General obligation bonds:			
2019 Refunding Bonds	2.75% - 3.1%	October 2029	$ 690,000
2015 Capital Improvement Bonds	2.5%	April 2037	765,000
			$ 1,455,000

For governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

Annual debt service requirements to maturity for debt outstanding as of June 30, 2025 follow:

Year Ending June 30,	Governmental Activities Public Placement Debt Principal	Governmental Activities Public Placement Debt Interest	Business-type Activities Public Placement Debt Principal	Business-type Activities Public Placement Debt Interest
2026	$ 140,000	$ 1,750	$ 185,000	$ 37,528
2027	-	-	185,000	32,513
2028	-	-	200,000	27,255
2029	-	-	200,000	21,625
2030	-	-	210,000	15,700
2031-2035	-	-	330,000	43,125
2036-2037	-	-	145,000	5,500
	$ 140,000	**$ 1,750**	**$ 1,455,000**	**$ 183,246**

NOTE J—OTHER INFORMATION

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters for which the government carries commercial insurance. The City manages its liability and property risk by participating in the Michigan Municipal League (MML), a public entity risk pool providing property and liability coverage to its participating members. The City pays an annual premium to MML for its insurance coverage. The MML is self-sustaining through member premiums and provides, subject to certain deductibles, occurrence-based casualty coverage for each incident and occurrence-based property coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. Various deductibles are maintained to place the responsibility for small charges with the insured. In addition, the Electric Utility and Water Utility Funds obtain commercial insurance coverage for general liability and property loss. The Electric Utility and Water Utility Funds are self-insured for claims not exceeding $25,000. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability to the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Commitments

The City has several contracts for various capital projects as of June 30, 2025 with a remaining amount of $5,984,678, to be paid out of available funds as follows:

Fund	Amount
City Park Improvement Fund	$ 997,878
Municipal Streets Fund	2,616,383
Clean Water Utility Fund	1,258,515
Building Maintenance Fund	9,700
Motor Pool Fund	1,102,202
	$ 5,984,678

Related Party

The City has entered into a contract in the amount of $8,404,780 for snowmelt and streetscape projects, which were completed during the year ended June 30, 2025, with a contractor that is owned and operated by the spouse of a City Council member.

NOTE K—POWER SALES CONTRACT AND PROJECT CONTRACT

The City of Zeeland through its Board of Public Works (BPW) entered into an agreement with the Michigan Public Power Agency (MPPA), a public body political and corporate of the State of Michigan created in 1978. The MPPA was formed to undertake the planning, financing, development, acquisition, construction, improvement, operations, and maintenance of projects to supply electric power and energy for present or future needs of its members. Each of the MPPA's participating members is a municipal corporation organized under the laws of the State of Michigan and owns and operates a municipal electric system. As of June 30, 2024, the MPPA had 22 full participating members and 7 associate members.

In January 1983, the MPPA entered into a participation agreement with the Detroit Edison Company providing for the sale to the MPPA of an undivided ownership interest (37.22%) in the Belle River Unit No. 1 coal-fired electric generating facility, part of a two-unit 1,395 megawatt (MW) generating station located in St. Clair County, MI. Unit 1 of the facility was placed in commercial operation in 1984, followed by Unit 2 in 1985. Pursuant to the Reliability Exchange provisions of the Belle River Participation Agreement, MPPA is entitled to 18.61% of the electric capacity and energy produced from each of the Belle River Units No. 1 and 2. The MPPA initially financed the purchase of its portion of the Belle River plant by issuing $590,000,000 of Project Revenue Bonds. In 2025 and 2026, the Belle River plant will be converted from coal to natural gas, extending the useful operating life of the facility.

The BPW has entered into a Power Sales Contract and a Project Support Contract with the MPPA whereby the MPPA will sell and the BPW will purchase its entitlement share (11.3MW or 4.94% of the MPPA's interest) of energy and capacity from the Belle River plant. During fiscal year 2025, approximately 63.8 million kWh (approximately 13.9% of the system’s needs) were provided to Zeeland from the Belle River project. The BPW also has a Power Sales Contract through the MPPA where the BPW will purchase its entitlement share (7.5MW or 20.27% of the MPPA’s interest) of energy and capacity from the AMP Fremont Energy Center (AFEC) located in Fremont, Ohio. During the fiscal year 2025 approximately 45.1 million kWh (approximately 9.8% of the system’s needs) were provided to Zeeland from the AFEC project.

The BPW has a Power Purchase Agreement (PPA) through MPPA where the BPW will purchase its entitlement share (2.281MW or 7.31% of the MPPA’s interest) of energy and capacity from the Beebe Wind Farm, located in Gratiot County, MI, and will purchase its entitlement share (12.2MW or 19.37% of the MPPA’s interest) of energy and capacity from the Pegasus Wind Farm, located in Tuscola County, MI. During the fiscal year 2025, approximately 42.5 million kWh (approximately 9.3% of the system’s needs) were provided to Zeeland from the Beebe and Pegasus Wind Farms.

In 2018, the BPW entered into a PPA through MPPA committing to purchase its entitlement share (6.4MW or 16.0% of the MPPA’s interest) of energy and capacity from Phase 1 of the Assembly Solar LLC facility, located in Shiawassee County, MI. In mid-2019, a PPA for Phase 2 of that facility was executed, resulting in an additional 7.8MW (19.37% of MPPA’s interest). These facilities achieved commercial operation in December of 2020 and 2021 respectively, delivering approximately 29.7 million kWh, or approximately 6.5% of the BPW’s requirements during fiscal year 2025. Similarly, in 2018, the BPW entered into a PPA through MPPA committing to purchase its entitlement share (8.0MW or 16.0% of MPPA’s interest) of energy and capacity from the Invenergy Calhoun Solar facility located in Calhoun County, MI. That project achieved commercial operation in April of 2023, delivering approximately 13.7 million kWh, or approximately 3% of the BPW’s requirements during fiscal year 2025.

NOTE K—POWER SALES CONTRACT AND PROJECT CONTRACT—Continued

In 2021, the BPW entered into a renewable Power Purchase Agreement through MPPA committing to purchase its entitlement share (2.9MW or 11.6% of MPPA's interest) of energy, capacity, and renewable attributes from the Brandt Woods Solar project located in Calhoun County, MI, an agreement which was subsequently amended. The project achieved commercial operation in March of 2025, delivering approximately 1.8 million kWh or approximately 0.4% of the BPW's energy requirements in fiscal year 2025.

Purchase Power Agreements (PPA's) through MPPA have been signed with project developers for two additional utility-scale solar projects currently under development, with commercial operation anticipated within the next two years. Updates will be provided as those projects are completed.

The aforementioned contracts require the BPW to charge rates for electric power, sufficient to provide revenues adequate to meet its obligations under the agreements. Payments made under the Power Sales Contract are operating expenses of the electric system. Payments made under the Project Support Contract are made after payment of operation and maintenance expenses of the electric system and after debt service payments of the electric system.

Under the provisions of the MPPA bonding resolution, neither the State of Michigan nor any political subdivision thereof, other than the MPPA, nor any Participant or any other nonparticipating Member of MPPA is obligated to pay the principal of, premium, if any, or interest on the project revenue bonds and neither the full faith and credit or the taxing power of the State of Michigan or any such Participant or nonparticipating Member is pledged to the payment of the principal of, premium, if any, or interest on the project revenue bonds. The MPPA does not have any taxing powers.

NOTE L—TAX ABATEMENTS

Industrial Facilities Exemption

The City entered into property tax abatement agreements with local businesses under the Plant Rehabilitation and Industrial Developments Act, (known as the Industrial Facilities Exemptions or IFTs) PA 198 of 1974, as amended. The IFTs 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. Properties qualifying for IFT status are taxed at half the local property tax millage rate applicable to other real and personal property in the City for a term of one to twelve years as determined by the City.

For the year ended June 30, 2025, the City abated property taxes revenues totaling $179,507 under this program.

NOTE M—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Benefit Pension Plan

Plan Description

The City's single-employer defined benefit pension plan, the City of Zeeland Pension Plan (Plan) provides certain retirement and death benefits to plan members and beneficiaries. The Plan is a single-employer defined benefit plan administered by the City of Zeeland Pension Plan Committee (Committee). The benefits are provided under collective bargaining agreements and at the discretion of the Committee. The Plan does not issue a publicly available report.

NOTE M—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Benefit Pension Plan—Continued

Benefits Provided
The Plan covers all full-time employees hired prior to July 1, 2000, and those who are covered by a collective bargaining agreement that does not provide for participation in the defined contribution plan. Otherwise, the Plan is closed to new entrants.

Retirement benefits for plan participants are calculated as 2.25 percent of average monthly compensation multiplied by years of benefit service for police (with increase to 2.5 percent available with additional after tax contributions); and 2 percent of average monthly compensation multiplied by years of benefit service for all others. Average monthly compensation is based on the five highest paid consecutive plan years out of the last ten plan years. Benefits are payable at normal retirement age, with reduced benefits available at the early retirement date of age 55 with 10 years of credited service. The pre-retirement death benefit is equal to 50 percent of the benefit that would have been payable to the participant under the Joint and 50 percent Survivor form of payment, had the participant terminated employment the day before death occurred.

Employees Covered by Benefit Terms
As of June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	32
Inactive employees entitled to but not yet receiving benefits	7
Active employees	2
Total employees covered by Plan	**41**

Contributions
The City retains an actuary to determine the annual contribution. The City is required to contribute amounts at least equal to the actuarially determined rate. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Police Department members are required to contribute 1.12 percent of their compensation to the plan. No other member contributions are required.

For the year ended June 30, 2025, the City had an annual flat-dollar employer contribution to the Plan of $19,813 in lieu of a percentage of covered payroll, as the Plan is closed to new employees. Member contributions for the Plan were $2,103.

Net Pension Liability (Asset)
The City's net pension liability (asset) was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability (asset) was determined by an annual actuarial valuation as of that year.

NOTE M—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Benefit Pension Plan—Continued

Actuarial Assumptions
The total pension liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.3 percent
Salary increases	3.0 percent
Investment rate of return	5.6 percent

Mortality rates used were the Pub-2016 Public Retirement Plans Mortality Tables for General Employees (annuitant and non-annuitant, sex-distinct) with the 2024 IRS Adjusted Improvement Scale MP-2021.

The long-term expected rate of return on Plan investments was determined using a building-block 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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-Term Expected Real Rate of Return
Domestic equity	37.5%	7.25%	2.72%	2.30%	1.85%
International equity	12.5%	6.35%	0.79%	2.30%	0.51%
Fixed income	49.0%	4.20%	2.06%	2.30%	0.93%
Cash	1.0%	3.20%	0.03%	2.30%	0.01%
Total	**100.0%**		**5.60%**		**3.30%**

Discount Rate
The discount rate used to measure the total pension liability as of June 30, 2025 was 5.60 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the most recent recommended contribution expressed as a percentage of covered payroll. Based on those assumptions, the Plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total pension liability. The discount rate used to value the total pension liability at the beginning of the year was 5.84 percent.

NOTE M—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Benefit Pension Plan—Continued

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Position (b)**	**Net Pension Liability (Asset) (a)-(b)**
Balance at July 1, 2024	$ 9,379,886	$ 10,951,904	$ (1,572,018)
Changes for the year			
Service cost	32,727	-	32,727
Interest	527,300	-	527,300
Difference between expected and actual experience	109,229	-	109,229
Changes in assumptions	156,941	-	156,941
Contributions - employer	-	19,813	(19,813)
Contributions - employee	-	2,103	(2,103)
Net investment income (loss)	-	1,021,182	(1,021,182)
Administrative expenses	-	(20,689)	20,689
Benefit payments including refund of employee contributions	(766,976)	(766,976)	-
Net changes	59,221	255,433	(196,212)
Balance at June 30, 2025	**$ 9,439,107**	**$ 11,207,337**	**$ (1,768,230)**

Plan fiduciary net position as a percentage of total pension liability 118.73%

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate
The following presents the net pension liability (asset) of the City, calculated using the discount rate of 5.6 percent, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.6 percent) or 1-percentage-point higher (6.6 percent) than the current rate:

	1% Decrease (4.60%)	**Current Discount Rate (5.60%)**	**1% Increase (6.60%)**
City's net pension liability (asset)	$ (868,105)	$ (1,768,230)	$ (2,536,403)

NOTE M—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Benefit Pension Plan—Continued

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
For the year ended June 30, 2025, the City recognized pension expense of $88,886. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual net investment income	$ -	$ 282,362

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

Year Ending June 30,	Amount
2026	$ 207,939
2027	(235,144)
2028	(174,366)
2029	(80,791)

Payables to the Pension Plan
At June 30, 2025, the City did not have a payable to the Plan.

NOTE M—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Contribution Pension Plan

The City also maintains a defined contribution plan, the City of Zeeland Defined Contribution Plan (Plan), administered through ICMA for its full-time employees hired after the defined benefit plan was closed to new participants.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the City Council as determined by negotiated labor contracts. The City contributes 8 percent of a qualified employees' annual compensation each year. Employees are not permitted to contribute to the plan. For the year ended June 30, 2025, City contributions to the plan were $647,149.

Employees are not vested in their rights to City contributions and earnings on City contributions. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended June 30, 2025, forfeitures were $7,271.

At June 30, 2025, the City did not have a payable to the Plan.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time City employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

The Plan has created a trust for the exclusive benefit of the Plan's participants and beneficiaries under rules provided in Internal Revenue Code Section 401(f).

NOTE N—OTHER POSTEMPLOYMENT BENEFITS

Retiree Healthcare Plan

Plan Description

The City's single-employer defined benefit OPEB Plan, the City of Zeeland Retiree Medical Plan (OPEB Plan), provides healthcare benefits to certain employees and their spouses upon retirement. The Plan is a single-employer defined benefit plan administered by the City Council. The benefits are provided under collective bargaining agreements and at the discretion of the City Council. The OPEB Plan does not issue a publicly available report.

Benefits Provided

The OPEB Plan provides medical and prescription coverage for eligible retirees and their spouses for the life of the retiree. Eligible employees are those hired prior to July 1, 2009 who are participants in either the City of Zeeland Defined Benefit Pension Plan or the City of Zeeland Defined Contribution Plan and have both reached age 62 and worked at least 10 years for the City on or before June 30, 2010. Among employees who did not reach age 62 and complete at least 10 years of service before June 30, 2010, eligible employees are those who have reached the age of 65 and worked at least 15 years for the City.

The City pays a capped amount towards medical premiums for eligible retirees which is adjusted annually for the cost of coverage from the prior calendar year.

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Employees Covered by Benefit Terms
At the June 30, 2025 valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	27
Inactive employees entitled to but not yet receiving benefits	-
Active employees	9
Total employees covered by OPEB Plan	**36**

Contributions
The OPEB Plan's funding policy is that the City will maintain 100 percent funding of the OPEB liability. There are no long-term contracts for contributions to the OPEB Plan. The OPEB Plan has no legally required reserves. For the year ended June 30, 2025, the City made no payments for postemployment healthcare benefits for current retirees. The City made no contributions to the OPEB Plan trust.

Net OPEB Liability (Asset)
The City's net OPEB liability (asset) was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2025.

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Actuarial Assumptions
The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions:

Inflation	Included in investment rate of return
Salary increases	3.0 percent
Investment rate of return	6.44 percent (including inflation)
20-year Aa Municipal bond rate	4.81 percent

Mortality
Mortality rates were as set forth in the Public General and Public Safety 2016 Employee and Healthy Retirees, headcount weighted, IRS 2024 adjusted MP-2021 improvement scale.

Investment Rate of Return
The long-term rate of return on retirement plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan expense 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. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Gross Rate of Return
Equities	51.8%	3.96%
Multi-asset	5.5%	0.47%
Fixed income	42.7%	2.01%
Total	**100.0%**	**6.44%**

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Actuarial Assumptions—Continued

Discount Rate
The discount rate used to measure the total OPEB liability was 5.01 percent. The projection of cash flows used to determine the discount rate assumed that the City will make no further contributions to the trust. Based on this assumption, the OPEB Plan's assets were projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date", not applicable for this plan), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. Although the calculated discount rate was 6.44 percent, the City has elected to use a more conservative approach and keep the discount rate at 5.01 percent. This discount rate is used to determine the total OPEB liability. The discount rate used to calculate the liability at the beginning of the year was 5.01 percent.

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Position (b)**	**Net OPEB Liability (Asset) (a)-(b)**
Balance at July 1, 2024	$ 1,867,557	$ 2,500,041	$ (632,484)
Changes for the year			
Service cost	7,038	-	7,038
Interest	91,679	-	91,679
Difference between expected and actual experience	(250,018)	-	(250,018)
Changes of assumptions	(8,615)	-	(8,615)
Net investment income (loss)	-	271,696	(271,696)
Administrative expenses	-	(2,556)	2,556
Benefit payments including refund of employee contributions	(89,400)	(89,400)	-
Net changes	(249,316)	179,740	(429,056)
Balance at June 30, 2025	**$ 1,618,241**	**$ 2,679,781**	**$ (1,061,540)**

Plan fiduciary net position as a percentage of total OPEB liability 165.60%

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the City, calculated using the discount rate of 5.01 percent, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.01 percent) or 1-percentage-point higher (6.01 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's net OPEB liability (asset)	$ (901,770)	$ (1,061,540)	$ (1,198,316)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability (asset) of the City, calculated using the healthcare cost trend rate of 3 percent, as well as what the City's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (2 percent) or 1-percentage-point higher (4 percent) than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
City's net OPEB liability (asset)	$ (1,197,382)	$ (1,061,540)	$ (903,930)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB Plan's fiduciary net position is not available in a separately issued financial report. For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the City. For these purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2025, the City recognized OPEB expense of ($349,603). At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual net investment income	**$ -**	**$ 171,138**

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

Year Ending June 30,	Amount
2026	$ (2,143)
2027	(77,125)
2028	(62,119)
2029	(29,751)

Payables to the OPEB Plan
At June 30, 2025, the City did not have a payable to the OPEB Plan.

NOTE O—SUBSEQUENT EVENT

In November 2025, the City entered into agreements with multiple third parties for street reconstruction projects. The portion of these costs to be paid by the City is expected to be approximately $6,900,000. The project is expected to be paid out of available funds as follows:

Fund	Amount
Municipal Streets Fund	$ 5,100,000
Water Fund	1,100,000
Clean Water Utility Fund	700,000
	$ 6,900,000

REQUIRED SUPPLEMENTARY INFORMATION

City of Zeeland
Required Supplementary Information
BUDGETARY COMPARISON SCHEDULE
General Fund
For the year ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 6,494,540	$ 6,494,540	$ 6,539,798	$ 45,258
Licenses and permits	185,300	240,300	268,142	27,842
Intergovernmental revenues—State	749,106	749,106	733,813	(15,293)
Charges for services	83,000	83,000	103,350	20,350
Fines and forfeitures	26,250	26,250	36,450	10,200
Investment earnings (loss)	102,500	102,500	499,063	396,563
Other	87,500	87,500	112,641	25,141
Total revenues	7,728,196	7,783,196	8,293,257	510,061
EXPENDITURES				
Current				
General government				
City Council	73,829	73,829	69,657	4,172
Mayor	20,729	20,729	21,087	(358)
City manager	237,781	237,781	239,011	(1,230)
Finance and tax administration	281,882	281,882	226,829	55,053
Clerk	170,780	170,780	160,290	10,490
Information technology	356,536	356,536	286,494	70,042
Board of review	4,102	4,102	3,257	845
Assessor	208,671	208,671	191,310	17,361
Elections	23,143	23,143	20,244	2,899
Attorney	12,106	21,106	20,639	467
Public relations	60,000	60,000	59,975	25
General services	167,500	167,500	159,050	8,450
Personnel administration	66,098	66,098	67,509	(1,411)
Other	26,500	30,000	27,147	2,853
Total general government	1,709,657	1,722,157	1,552,499	169,658
Public safety				
Police administration	760,338	760,338	694,170	66,168
Police patrol	1,172,907	1,172,907	1,112,488	60,419
Fire department	1,386,534	1,526,534	1,353,012	173,522
Building and zoning	308,831	363,831	372,846	(9,015)
Total public safety	3,628,610	3,823,610	3,532,516	291,094
Public works				
Sidewalks	246,976	246,976	220,155	26,821
Stormwater management	46,038	46,038	27,265	18,773
Roads, streets, and bridges	39,390	39,390	41,984	(2,594)
Street lighting	50,000	50,000	47,172	2,828
Parking	239,103	288,103	280,373	7,730
Tree management	14,076	15,751	15,290	461
City clean-up	125,877	125,877	119,789	6,088
Cemetery	409,582	409,582	359,499	50,083
MACC transit	65,000	82,000	81,181	819
Total public works	1,236,042	1,303,717	1,192,708	111,009

City of Zeeland
Required Supplementary Information
BUDGETARY COMPARISON SCHEDULE—CONTINUED
General Fund
For the year ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Community and economic development				
Planning	$ 158,951	$ 158,951	$ 105,584	$ 53,367
Contruction board of appeals	1,115	1,115	426	689
Zoning board of appeals	9,695	9,695	1,287	8,408
Economic development	189,657	189,657	161,564	28,093
Total community and economic development	359,418	359,418	268,861	90,557
Culture and recreation				
Parks	440,132	440,132	408,771	31,361
Splashpad	76,253	76,253	57,376	18,877
Community center	343,841	343,841	334,437	9,404
Total culture and recreation	860,226	860,226	800,584	59,642
Debt service				
Principal	140,000	140,000	140,000	-
Interest	5,250	5,250	5,250	-
Total debt service	145,250	145,250	145,250	-
Capital outlay	93,000	93,000	39,000	54,000
Total expenditures	8,032,203	8,307,378	7,531,418	775,960
Excess of revenues over (under) expenditures	(304,007)	(524,182)	761,839	1,286,021
OTHER FINANCING SOURCES (USES)				
Transfers in	2,249,390	2,249,390	2,249,390	-
Transfers out	(2,600,000)	(3,185,000)	(3,184,736)	264
Total other financing sources (uses)	(350,610)	(935,610)	(935,346)	264
Net change in fund balance	**$ (654,617)**	**$(1,459,792)**	(173,507)	**$ 1,286,285**
Fund balance at beginning of year			7,255,880	
Fund balance at end of year			**$ 7,082,373**	

Note: Both budgets and actual figures are prepared in accordance with accounting principles generally accepted in the United States of America

City of Zeeland

Required Supplementary Information

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY										
Service cost	$ 32,727	$ 35,269	$ 41,042	$ 53,562	$ 40,169	$ 41,077	$ 41,957	$ 53,470	$ 56,964	$ 72,843
Interest	527,300	515,495	479,197	518,838	547,828	543,108	525,118	523,640	503,721	503,522
Differences between expected and actual experience	109,229	178,294	(29,845)	(23,991)	144,286	90,070	19,701	146,855	(86,353)	175,029
Changes in assumptions	156,941	(479,773)	(901,954)	674,552	542,297	85,692	(390,519)	-	1,064,896	122,919
Benefit payments, including refunds of employee contributions	(766,976)	(690,211)	(703,562)	(694,520)	(675,647)	(678,563)	(707,427)	(661,647)	(634,676)	(604,295)
Net change in total pension liability	59,221	(440,926)	(1,115,122)	528,441	598,933	81,384	(511,170)	62,318	904,552	270,018
Total pension liability at beginning of year	9,379,886	9,820,812	10,935,934	10,407,493	9,808,560	9,727,176	10,238,346	10,176,028	9,271,476	9,001,458
Total pension liability at end of year (a)	**$ 9,439,107**	**$ 9,379,886**	**$ 9,820,812**	**$ 10,935,934**	**$ 10,407,493**	**$ 9,808,560**	**$ 9,727,176**	**$ 10,238,346**	**$ 10,176,028**	**$ 9,271,476**
PLAN FIDUCIARY NET POSITION										
Contributions—employer	$ 19,813	$ 48,973	$ 51,352	$ 67,845	$ 84,960	$ 460,441	$ 986,318	$ 992,172	$ 861,437	$ 329,543
Contributions—employee	2,103	1,952	1,954	3,404	3,616	3,204	3,243	3,036	3,465	3,433
Net investment income (loss)	1,021,182	1,024,024	762,557	(1,578,892)	2,348,860	735,159	722,412	599,573	783,137	131,817
Benefit payments, including refunds of employee contributions	(766,976)	(690,211)	(703,562)	(694,520)	(675,647)	(678,563)	(707,427)	(661,647)	(634,676)	(604,295)
Administrative expenses	(20,689)	(27,028)	(26,575)	(17,346)	(34,123)	(40,538)	(46,392)	(45,656)	(50,764)	(35,568)
Net change in plan fiduciary net position	255,433	357,710	85,726	(2,219,509)	1,727,666	479,703	958,154	887,478	962,599	(175,070)
Plan fiduciary net position at beginning of year	10,951,904	10,594,194	10,508,468	12,727,977	11,000,311	10,520,608	9,562,454	8,674,976	7,712,377	7,887,447
Plan fiduciary net position at end of year (b)	**$ 11,207,337**	**$ 10,951,904**	**$ 10,594,194**	**$ 10,508,468**	**$ 12,727,977**	**$ 11,000,311**	**$ 10,520,608**	**$ 9,562,454**	**$ 8,674,976**	**$ 7,712,377**
City's net pension liability (asset) at end of year (a)-(b)	**$ (1,768,230)**	**$ (1,572,018)**	**$ (773,382)**	**$ 427,466**	**$ (2,320,484)**	**$ (1,191,751)**	**$ (793,432)**	**$ 675,892**	**$ 1,501,052**	**$ 1,559,099**
Plan fiduciary net position as a percentage of the total pension liability	**118.73%**	**116.76%**	**107.87%**	**96.09%**	**122.30%**	**112.15%**	**108.16%**	**93.40%**	**85.25%**	**83.18%**
Covered payroll	**$ 187,769**	**$ 174,292**	**$ 232,084**	**$ 216,487**	**$ 381,567**	**$ 346,002**	**$ 347,544**	**$ 328,416**	**$ 394,851**	**$ 526,928**
City's net pension liability as a percentage of covered payroll	**-941.70%**	**-901.95%**	**-333.23%**	**197.46%**	**-608.15%**	**-344.43%**	**-228.30%**	**205.80%**	**380.16%**	**295.88%**

Notes to Schedule

The following were significant changes to actuarial assumptions:

2023 Valuation - The investment rate of return assumption was increased from 4.5 to 5.42 percent.

2024 Valuation - The investment rate of return assumption was increased from 5.42 to 5.84 percent, and the improvement scale was changed from MP-2021 to 2024 IRS adjusted scale MP-2021.

2025 Valuation - The investment rate of return assumption was decreased from 5.84 to 5.6 percent, and the post-retirement mortality rates changed from Pub-2010 to Pub-2016.

City of Zeeland
Required Supplementary Information
PENSION SYSTEM SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ 202,623	$ 395,473	$ 359,919	$ 371,006
Contributions in relation to the actuarially determined contribution	19,813	48,973	51,352	67,845	84,960	460,441	986,318	992,172	861,437	329,543
Contribution deficiency (excess)	**$ (19,813)**	**$ (48,973)**	**$ (51,352)**	**$ (67,845)**	**$ (84,960)**	**$ (460,441)**	**$ (783,695)**	**$ (596,699)**	**$ (501,518)**	**$ 41,463**
Covered payroll	$ 187,769	$ 174,292	$ 232,084	$ 216,487	$ 381,567	$ 346,002	$ 347,544	$ 328,416	$ 394,851	$ 526,928
Contributions as percentage of covered payroll	**10.6%**	**28.1%**	**22.1%**	**31.3%**	**22.3%**	**133.1%**	**283.8%**	**302.1%**	**218.2%**	**62.5%**

Notes to Schedule

Valuation date:
Actuarially determined contribution rates are calculated as of June 30, 2025

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal (level percentage of compensation)
Amortization method	Spread gain/loss
Remaining amortization period	4 years
Asset valuation method	Equal to fair value of assets
Inflation	2.30 percent
Salary increases	3.0 percent
Investment rate of return	5.6 percent, net of investment and administrative expenses
Retirement age	55-62 years of age depending on years of service and collective bargaining agreement
Mortality	Pub-2016 Public Retirement Plans Mortality Tables for General Employees with MP-2021 improvement scale

City of Zeeland
Required Supplementary Information
PENSION SYSTEM SCHEDULE OF INVESTMENT RETURNS
Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	9.66%	9.98%	7.50%	-12.73%	21.97%	7.07%	7.46%	6.80%	10.04%	1.70%

City of Zeeland

Required Supplementary Information

RETIREE HEALTHCARE SYSTEM SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS

Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY									
Service cost	$ 7,038	$ 7,012	$ 12,866	$ 19,916	$ 15,997	$ 15,735	$ 19,889	$ 26,901	$ 25,706
Interest	91,679	94,023	109,084	101,136	107,827	106,388	102,506	93,941	86,995
Differences between expected and actual experience	(250,018)	(38,570)	(339,064)	(39,339)	44,657	(9,978)	(5,158)	(12,418)	-
Changes of assumptions	(8,615)	(19,906)	5,764	(159,524)	379,939	-	(18,800)	(196,791)	113,027
Benefit payments, including refunds of employee contributions	(89,400)	(89,400)	(77,426)	(80,438)	(86,015)	(88,819)	(92,950)	(69,500)	(85,640)
Net change in total OPEB liability	(249,316)	(46,841)	(288,776)	(158,249)	462,405	23,326	5,487	(157,867)	140,088
Total OPEB liability at beginning of year	1,867,557	1,914,398	2,203,174	2,361,423	1,899,018	1,875,692	1,870,205	2,028,072	1,887,984
Total OPEB liability at end of year (a)	**$ 1,618,241**	**$ 1,867,557**	**$ 1,914,398**	**$ 2,203,174**	**$ 2,361,423**	**$ 1,899,018**	**$ 1,875,692**	**$ 1,870,205**	**$ 2,028,072**
PLAN FIDUCIARY NET POSITION									
Contributions-employer	$ -	$ -	$ -	$ -	$ -	$ 3,840	$ 10,935	$ 26,421	$ 91,066
Net investment income (loss)	271,696	275,601	184,139	(265,413)	460,553	91,136	111,936	126,595	192,931
Benefit payments, including refunds or employee contributions	(89,400)	(89,400)	(77,426)	(80,438)	(86,015)	(88,819)	(92,950)	(69,500)	(85,640)
Administrative expense	(2,556)	(2,330)	(2,256)	(2,575)	(2,327)	(2,208)	(2,171)	(2,181)	(1,723)
Other	-	-	(11,974)	(8,962)	(3,385)	(10,165)	-	-	(1)
Net change in plan fiduciary net position	179,740	183,871	92,483	(357,388)	368,826	(6,216)	27,750	81,335	196,633
Plan fiduciary net position at beginning of year	2,500,041	2,316,170	2,223,687	2,581,075	2,212,249	2,218,465	2,190,715	2,109,380	1,912,747
Plan fiduciary net position at end of year (b)	**$ 2,679,781**	**$ 2,500,041**	**$ 2,316,170**	**$ 2,223,687**	**$ 2,581,075**	**$ 2,212,249**	**$ 2,218,465**	**$ 2,190,715**	**$ 2,109,380**
City's net OPEB liability (asset) at end of year (a)-(b)	**$ (1,061,540)**	**$ (632,484)**	**$ (401,772)**	**$ (20,513)**	**$ (219,652)**	**$ (313,231)**	**$ (342,773)**	**$ (320,510)**	**$ (81,308)**
Plan fiduciary net position as a percentage of the total OPEB liability	**165.60%**	**133.87%**	**120.99%**	**100.93%**	**109.30%**	**116.49%**	**118.27%**	**117.14%**	**104.01%**
Covered payroll	**$ 807,756**	**$ 780,432**	**$ 870,963**	**$ 870,330**	**$ 1,033,597**	**$ 1,065,340**	**$ 1,070,573**	**$ 1,377,623**	**$ 1,422,733**
City's net OPEB liability as a percentage of covered payroll	**-131.42%**	**-81.04%**	**-46.13%**	**-2.36%**	**-21.25%**	**-29.40%**	**-32.02%**	**-23.27%**	**-5.71%**

Notes to Schedule

Additional data is not available and will be provided in subsequent years.

The following were significant changes to actuarial assumptions:

2025 Valuation - Mortality base rates updated from Public 2010 to Public 2016.

City of Zeeland
REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTHCARE SYSTEM SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ (40,337)	$ (706)	$ 14,373
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	3,840	10,935	26,421	91,066
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (3,840)**	**$ (51,272)**	**$ (27,127)**	**$ (76,693)**
Covered employee payroll	$ 807,756	$ 780,432	$ 870,963	$ 870,030	$ 1,033,597	$ 1,065,340	$ 1,070,573	$ 1,377,623	$ 1,422,733
Contributions as percentage of covered payroll	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.4%**	**1.0%**	**1.9%**	**6.4%**

Notes to Schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of June 30, 2025

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal (level percentage of compensation)
Amortization method	Level percentage of payroll, Closed
Remaining amortization period	4 years
Asset valuation method	Equal to fair value of assets
Inflation	2.5 percent
Salary increases	3.0 percent
Investment rate of return	6.44 percent (including inflation), net of administrative and investment expenses
Retirement age	65 years of age
Mortality	Mortality rates were as set forth in the Public General and Public Safety 2016 Employee and Healthy Retiree, headcount weighted, IRS 2024 adjusted MP-2021 improvement.

Additional data is not available and will be provided in subsequent years.

City of Zeeland

REQUIRED SUPPLEMENTARY INFORMATION

RETIREE HEALTHCARE SYSTEM SCHEDULE OF INVESTMENT RETURNS

Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	11.07%	12.14%	8.46%	-10.47%	21.26%	4.20%	5.21%	6.07%	10.08%

Notes to Schedule

Additional data is not available and will be provided in subsequent years

OTHER SUPPLEMENTAL INFORMATION

DESCRIPTION OF
OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

The special revenues funds are used to account for the proceeds of special revenue sources that are legally restricted to expenditures for specific purposes.

Major Street – to account for gas and weight allocations to the City by the Michigan Department of Transportation for construction and maintenance of major streets within the City.

Local Street – to account for gas and weight allocations to the City by the Michigan Department of Transportation for construction and maintenance of local streets within the City.

West Michigan Airport Authority – to account for a special tax levy to support operations of the West Michigan Airport Authority.

Brownfield Development Authority – to account for administrative revenues and expenditures related to future Brownfield Development Authority tax increment financing projects.

Personal Property Tax Stabilization – to distribute revenues collected to stabilize potential over- and under-funding of future personal property tax reimbursements.

Library – to receive restricted state revenue sharing, library penal fines, etc. Monies expended from this fund must be for authorized library purposes.

Library Endowment – to receive restricted earnings from a privately established endowment fund. Monies expended from this fund must be for authorized library purposes.

Shopping Area Redevelopment Board – to account for the economic development activities in the downtown area.

Snowmelt Operations – to account for special assessments and other revenues earmarked for the operation of a snowmelt system in the downtown area.

DESCRIPTION OF
OTHER GOVERNMENTAL FUNDS—CONTINUED

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital assets other than those financed by proprietary funds and trust funds.

City Park Improvement – to account for monies set aside for future improvements to all city parks.

City Building – to account for monies set aside for the purchase and/or construction of capital facilities budgeted in the current year of the City's 6-year capital improvement program which are not accounted for by proprietary funds, trust funds, projects financed through special assessments, and street construction improvements financed by Act 51 funds.

Downtown Vision – to account for monies set aside for the implementation of projects consistent with the City's Downtown Vision Plan.

I-196 Business Loop Crossing – to account for the construction of a pedestrian crossing over the I-196 Business Loop.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Cemetery Perpetual Care – to account for charges for services collected and investment income earned and to account for transfers to the General Fund to partially cover cemetery care expenses.

City of Zeeland
COMBINING BALANCE SHEET
Other Governmental Funds
June 30, 2025

	Total Other Governmental Funds	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Fund - Perpetual Care
ASSETS				
Cash and investments	$ 9,811,834	$ 6,185,049	$ 3,156,226	$ 470,559
Assets managed by others	1,656,266	-	-	1,656,266
Receivables				
Accounts	9,195	9,195	-	-
Interest	74,078	44,063	26,531	3,484
Due from other governmental units	202,332	202,332	-	-
Prepaid items	15,261	15,261	-	-
Total assets	**$ 11,768,966**	**$ 6,455,900**	**$ 3,182,757**	**$ 2,130,309**
LIABILITIES				
Accounts payable	$ 441,781	$ 291,077	$ 150,704	$ -
Accrued liabilities	49,322	49,322	-	-
Due to other governmental units	339	339	-	-
Unearned revenues—expenditure-driven grants	35,000	35,000	-	-
Total liabilities	526,442	375,738	150,704	-
FUND BALANCES				
Nonspendable				
Prepaid items	15,261	15,261	-	-
Perpetual care	1,562,150	-	-	1,562,150
Restricted				
Streets and highways	1,072,157	1,072,157	-	-
Brownfield activities	4,475	4,475	-	-
Library	271,778	271,778	-	-
Perpetual care	568,159	-	-	568,159
Assigned				
Personal property tax stabilization	3,394,293	3,394,293	-	-
Shopping area redevelopment	76,587	76,587	-	-
Library	496,548	496,548	-	-
Snowmelt operations	749,063	749,063	-	-
Capital projects	3,032,053	-	3,032,053	-
Total fund balance	11,242,524	6,080,162	3,032,053	2,130,309
Total liabilities and fund balances	**$ 11,768,966**	**$ 6,455,900**	**$ 3,182,757**	**$ 2,130,309**

City of Zeeland
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Other Governmental Funds
For the year ended June 30, 2025

	Total Other Governmental Funds	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Fund - Perpetual Care
REVENUES				
Property taxes	$ 57,929	$ 57,929	$ -	$ -
Intergovernmental revenues				
State	3,934,705	3,934,705	-	-
Local	545,629	545,629	-	-
Charges for services	208,056	156,806	-	51,250
Investment earnings (loss)	602,038	275,307	183,738	142,993
Other	159,504	159,504	-	-
Total revenues	5,507,861	5,129,880	183,738	194,243
EXPENDITURES				
Current				
Public works	1,710,504	1,710,504	-	-
Community and economic development	156,379	156,379	-	-
Culture and recreation	1,143,975	1,143,975	-	-
Capital outlay	1,005,191	370,867	634,324	-
Total expenditures	4,016,049	3,381,725	634,324	-
Excess of revenues over (under) expenditures	1,491,812	1,748,155	(450,586)	194,243
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	15,000	15,000	-	-
Transfers in	1,692,452	1,192,452	500,000	-
Transfers out	(1,757,452)	(1,557,452)	(200,000)	-
Total other financing sources (uses)	(50,000)	(350,000)	300,000	-
Net change in fund balances	1,441,812	1,398,155	(150,586)	194,243
Fund balances at beginning of year	9,800,712	4,682,007	3,182,639	1,936,066
Fund balances at end of year	**$ 11,242,524**	**$ 6,080,162**	**$ 3,032,053**	**$ 2,130,309**

City of Zeeland
COMBINING BALANCE SHEET
Other Special Revenue Funds
June 30, 2025

	Total Other Special Revenue Funds	Major Street	Local Street	West Michigan Airport Authority	Brownfield Development Authority	Personal Property Tax Stabilization	Library	Library Endowment	Shopping Area Redevelopment Board	Snowmelt Operations
ASSETS										
Cash and investments	$ 6,185,049	$ 580,793	$ 673,574	$ -	$ 4,710	$ 3,362,179	$ 463,125	$ 270,116	$ 85,743	$ 744,809
Receivables										
Accounts	9,195	50	25	-	-	-	-	-	9,120	-
Interest	44,063	3,995	4,339	-	18	26,310	2,131	1,662	539	5,069
Due from other governmental units	202,332	100,197	35,185	-	-	5,804	61,146	-	-	-
Prepaid items	15,261	363	313	-	-	-	7,735	-	6,850	-
Total assets	**$ 6,455,900**	**$ 685,398**	**$ 713,436**	**$ -**	**$ 4,728**	**$ 3,394,293**	**$ 534,137**	**$ 271,778**	**$ 102,252**	**$ 749,878**
LIABILITIES										
Accounts payable	$ 291,077	$ 5,642	$ 263,969	$ -	$ 253	$ -	$ 1,583	$ -	$ 18,815	$ 815
Accrued liabilities	49,322	10,468	10,583	-	-	-	28,271	-	-	-
Due to other governmental units	339	339	-	-	-	-	-	-	-	-
Unearned revenues—expenditure-driven grant	35,000	35,000	-	-	-	-	-	-	-	-
Total liabilities	375,738	51,449	274,552	-	253	-	29,854	-	18,815	815
FUND BALANCES										
Nonspendable—prepaid items	15,261	363	313	-	-	-	7,735	-	6,850	-
Restricted										
Streets and highways	1,072,157	633,586	438,571	-	-	-	-	-	-	-
Brownfield activities	4,475	-	-	-	4,475	-	-	-	-	-
Library	271,778	-	-	-	-	-	-	271,778	-	-
Assigned										
Personal property tax stabilization	3,394,293	-	-	-	-	3,394,293	-	-	-	-
Shopping area redevelopment	76,587	-	-	-	-	-	-	-	76,587	-
Library	496,548	-	-	-	-	-	496,548	-	-	-
Snowmelt operations	749,063	-	-	-	-	-	-	-	-	749,063
Total fund balance	6,080,162	633,949	438,884	-	4,475	3,394,293	504,283	271,778	83,437	749,063
Total liabilities and fund balances	**$ 6,455,900**	**$ 685,398**	**$ 713,436**	**$ -**	**$ 4,728**	**$ 3,394,293**	**$ 534,137**	**$ 271,778**	**$ 102,252**	**$ 749,878**

City of Zeeland

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Other Special Revenue Funds

For the year ended June 30, 2025

	Total Other Special Revenue Funds	Major Street	Local Street	West Michigan Airport Authority	Brownfield Development Authority	Personal Property Tax Stabilization	Library	Library Endowment	Shopping Area Redevelopment Board	Snowmelt Operations
REVENUES										
Property taxes	$ 57,929	$ -	$ -	$ 57,929	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental revenues										
State	3,934,705	675,308	271,694	-	-	2,956,494	26,409	-	4,800	-
Local	545,629	-	-	-	-	-	545,629	-	-	-
Charges for services	156,806	375	250	-	-	-	4,012	-	-	152,169
Investment earnings (loss)	275,307	28,651	30,071	-	2,787	143,707	17,699	13,209	3,603	35,580
Other	159,504	-	-	-	3,000	5,804	3,685	54,263	92,752	-
Total revenues	5,129,880	704,334	302,015	57,929	5,787	3,106,005	597,434	67,472	101,155	187,749
EXPENDITURES										
Current										
Public works	1,710,504	551,320	914,669	90,381	-	-	-	-	-	154,134
Community and economic development	156,379	-	-	-	36,628	-	-	-	119,751	-
Culture and recreation	1,143,975	-	-	-	-	-	1,128,538	15,437	-	-
Capital outlay	370,867	-	-	-	370,867	-	-	-	-	-
Total expenditures	3,381,725	551,320	914,669	90,381	407,495	-	1,128,538	15,437	119,751	154,134
Excess of revenues over (under) expenditures	1,748,155	153,014	(612,654)	(32,452)	(401,708)	3,106,005	(531,104)	52,035	(18,596)	33,615
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of capital assets	15,000	-	-	-	15,000	-	-	-	-	-
Transfers in	1,192,452	-	560,000	32,452	200,000	-	400,000	-	-	-
Transfers out	(1,557,452)	(200,000)	-	-	-	(1,357,452)	-	-	-	-
Total other financing sources (uses)	(350,000)	(200,000)	560,000	32,452	215,000	(1,357,452)	400,000	-	-	-
Net change in fund balances	1,398,155	(46,986)	(52,654)	-	(186,708)	1,748,553	(131,104)	52,035	(18,596)	33,615
Fund balances at beginning of year	4,682,007	680,935	491,538	-	191,183	1,645,740	635,387	219,743	102,033	715,448
Fund balances at end of year	**$ 6,080,162**	**$ 633,949**	**$ 438,884**	**$ -**	**$ 4,475**	**$ 3,394,293**	**$ 504,283**	**$ 271,778**	**$ 83,437**	**$ 749,063**

City of Zeeland
BUDGETARY COMPARISON SCHEDULE
Other Special Revenue Funds
For the year ended June 30, 2025

	Major Street			Local Street		
	Final Budget	**Actual**	**Variance with Final Budget**	**Final Budget**	**Actual**	**Variance with Final Budget**
REVENUES						
Intergovernmental revenues—State	$ 543,000	$ 675,308	$ 132,308	$ 210,000	$ 271,694	$ 61,694
Charges for services	500	375	(125)	500	250	(250)
Investment earnings (loss)	5,000	28,651	23,651	2,500	30,071	27,571
Total revenues	548,500	704,334	155,834	213,000	302,015	89,015
EXPENDITURES						
Current						
Public works	631,089	551,320	79,769	1,084,350	914,669	169,681
Excess of revenues over (under) expenditures	(82,589)	153,014	235,603	(871,350)	(612,654)	258,696
OTHER FINANCING SOURCES						
Transfers in	-	-	-	560,000	560,000	-
Transfers out	(200,000)	(200,000)	-	-	-	-
Total other financing sources (uses)	(200,000)	(200,000)	-	560,000	560,000	-
Net change in fund balances	**$ (282,589)**	(46,986)	**$ 235,603**	**$ (311,350)**	(52,654)	**$ 258,696**
Fund balances at beginning of year		680,935			491,538	
Fund balances at end of year		**$ 633,949**			**$ 438,884**	

City of Zeeland
BUDGETARY COMPARISON SCHEDULE—CONTINUED
Other Special Revenue Funds
For the year ended June 30, 2025

	West Michigan Airport Authority			Brownfield Development Authority		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
REVENUES						
Property taxes	$ 57,801	$ 57,929	$ 128	$ -	$ -	$ -
Investment earnings (loss)	-	-	-	2,000	2,787	787
Other	-	-	-	-	3,000	3,000
Total revenues	57,801	57,929	128	2,000	5,787	3,787
EXPENDITURES						
Current						
Public works	90,525	90,381	144	-	-	-
Community and economic development	-	-	-	39,400	36,628	2,772
Capital outlay	-	-	-	375,000	370,867	4,133
Total expenditures	90,525	90,381	144	414,400	407,495	6,905
Excess of revenues over (under) expenditures	(32,724)	(32,452)	272	(412,400)	(401,708)	10,692
OTHER FINANCING SOURCES						
Proceeds from sale of capital assets	-	-	-	-	15,000	15,000
Transfers in	10,724	32,452	21,728	200,000	200,000	-
Total other financing sources	10,724	32,452	21,728	200,000	215,000	15,000
Net change in fund balances	**$ (22,000)**	-	**$ 22,000**	**$ (212,400)**	(186,708)	**$ 25,692**
Fund balances at beginning of year		-			191,183	
Fund balances at end of year		**$ -**			**$ 4,475**	

City of Zeeland
BUDGETARY COMPARISON SCHEDULE—CONTINUED
Other Special Revenue Funds
For the year ended June 30, 2025

	Personal Property Tax Stabilization			Library		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental revenues						
State	$ 1,231,754	$ 2,956,494	$ 1,724,740	$ 25,000	$ 26,409	$ 1,409
Local	-	-	-	513,000	545,629	32,629
Charges for services	-	-	-	2,500	4,012	1,512
Investment earnings (loss)	20,000	143,707	123,707	2,500	17,699	15,199
Other	-	5,804	5,804	1,500	3,685	2,185
Total revenues	1,251,754	3,106,005	1,854,251	544,500	597,434	52,934
EXPENDITURES						
Current						
Culture and recreation	-	-	-	1,231,209	1,128,538	102,671
Excess of revenues over (under) expenditures	1,251,754	3,106,005	1,854,251	(686,709)	(531,104)	155,605
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	400,000	400,000	-
Transfers out	(1,357,724)	(1,357,452)	272	-	-	-
Total other financing sources (uses)	(1,357,724)	(1,357,452)	272	400,000	400,000	-
Net change in fund balances	**$ (105,970)**	1,748,553	**$ 1,854,523**	**$ (286,709)**	(131,104)	**$ 155,605**
Fund balances at beginning of year		1,645,740			635,387	
Fund balances at end of year		**$ 3,394,293**			**$ 504,283**	

City of Zeeland
BUDGETARY COMPARISON SCHEDULE—CONTINUED
Other Special Revenue Funds
For the year ended June 30, 2025

	Library Endowment			Shopping Area Redevelopment Board		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental revenues—state	$ -	$ -	$ -	$ -	$ 4,800	$ 4,800
Investment earnings (loss)	2,000	13,209	11,209	2,000	3,603	1,603
Other	-	54,263	54,263	84,000	92,752	8,752
Total revenues	2,000	67,472	65,472	86,000	101,155	15,155
EXPENDITURES						
Current						
Community and economic development	-	-	-	120,200	119,751	449
Culture and recreation	71,500	15,437	56,063	-	-	-
Total expenditures	71,500	15,437	56,063	120,200	119,751	449
Net change in fund balances	**$ (69,500)**	52,035	**$ 121,535**	**$ (34,200)**	(18,596)	**$ 15,604**
Fund balances at beginning of year		219,743			102,033	
Fund balances at end of year		**$ 271,778**			**$ 83,437**	

City of Zeeland
BUDGETARY COMPARISON SCHEDULE—CONTINUED
Other Special Revenue Funds
For the year ended June 30, 2025

	Snowmelt Operations		
	Final Budget	**Actual**	**Variance with Final Budget**
REVENUES			
Charges for services	$ 150,654	$ 152,169	$ 1,515
Investment earnings (loss)	500	35,580	35,080
Total revenues	151,154	187,749	36,595
EXPENDITURES			
Current			
Public works	154,000	154,134	(134)
Net change in fund balances	**$ (2,846)**	33,615	**$ 36,461**
Fund balances at beginning of year		715,448	
Fund balances at end of year		**$ 749,063**	

City of Zeeland
COMBINING BALANCE SHEET
Other Capital Projects Funds
June 30, 2025

	Total Other Capital Projects Funds	City Park Improvement	City Building	Downtown Vision	I-196 Business Loop Crossing
ASSETS					
Cash and investments	$ 3,156,226	$ 1,682,846	$ 13,820	$ 401,513	$ 1,058,047
Interest receivable	26,531	13,506	1,401	3,224	8,400
Total assets	**$ 3,182,757**	**$ 1,696,352**	**$ 15,221**	**$ 404,737**	**$ 1,066,447**
LIABILITIES					
Accounts payable	$ 150,704	$ 150,704	$ -	$ -	$ -
FUND BALANCES					
Assigned for capital projects	3,032,053	1,545,648	15,221	404,737	1,066,447
Total liabilities and fund balances	**$ 3,182,757**	**$ 1,696,352**	**$ 15,221**	**$ 404,737**	**$ 1,066,447**

City of Zeeland
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Other Capital Projects Funds
For the year ended June 30, 2025

	Total Other Capital Projects Funds	City Park Improvement	City Building	Downtown Vision	I-196 Business Loop Crossing
REVENUES					
Investment earnings (loss)	$ 183,738	$ 90,287	$ 12,730	$ 21,806	$ 58,915
EXPENDITURES					
Capital outlay	634,324	283,338	19,580	331,406	-
Excess of revenues over (under) expenditures	(450,586)	(193,051)	(6,850)	(309,600)	58,915
OTHER FINANCING SOURCES					
Transfers in	500,000	500,000	-	-	-
Transfers out	(200,000)	-	-	(200,000)	-
Total other financing sources (uses)	300,000	500,000	-	(200,000)	-
Net change in fund balances	(150,586)	306,949	(6,850)	(509,600)	58,915
Fund balances at beginning of year	3,182,639	1,238,699	22,071	914,337	1,007,532
Fund balances at end of year	**$ 3,032,053**	**$ 1,545,648**	**$ 15,221**	**$ 404,737**	**$ 1,066,447**

DESCRIPTION OF
INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of a governmental unit or to other governments on a cost-reimbursement basis.

A list and description of internal service funds maintained by the City follows:

Building Maintenance – to account for the expense of building operations and maintenance of all City buildings.

Information Technology – to account for the expense of information technology services and associated capital projects.

Motor Pool – to account for the rental of motor vehicles and machinery and equipment to other departments and related costs.

Health Care Insurance – to account for costs associated with the City's health insurance program. All claims, premiums, and administrative expenses are paid from this fund.

City of Zeeland
COMBINING BALANCE SHEET
Internal Service Funds
June 30, 2025

	Total Internal Service Funds	Building Maintenance	Information Technology	Motor Pool	Health Care Insurance
ASSETS					
Current assets					
Cash and investments	$ 4,386,523	$ 817,502	$ 183,109	$ 3,117,668	$ 268,244
Interest receivable	32,687	3,484	910	26,139	2,154
Prepaid items	172,696	23,616	1,694	27,739	119,647
Total current assets	4,591,906	844,602	185,713	3,171,546	390,045
Noncurrent assets					
Capital assets					
Land	225,000	-	-	225,000	-
Construction in progress	157,184	112,324	44,860	-	-
Land improvements	10,794	-	-	10,794	-
Buildings and improvements	2,342,130	96,294	21,500	2,224,336	-
Machinery and equipment	5,877,439	-	367,856	5,509,583	-
Less accumulated depreciation	(4,818,475)	(16,306)	(184,098)	(4,618,071)	-
Total noncurrent assets	3,794,072	192,312	250,118	3,351,642	-
Total assets	8,385,978	1,036,914	435,831	6,523,188	390,045
LIABILITIES					
Current liabilities					
Accounts payable	150,623	28,263	115,968	5,298	1,094
Accrued liabilities	35,179	20,407	13,129	1,316	327
Due to other governmental units	8,149	8,149	-	-	-
Bonds and other obligations, due within one year	21,750	13,500	8,250	-	-
Total current liabilities	215,701	70,319	137,347	6,614	1,421
Noncurrent liabilities					
Bonds and other obligations, less amounts due within one year	7,250	4,500	2,750	-	-
Total liabilities	222,951	74,819	140,097	6,614	1,421
NET POSITION					
Net investment in capital assets	3,794,072	192,312	250,118	3,351,642	-
Unrestricted	4,368,955	769,783	45,616	3,164,932	388,624
Total net position	**$ 8,163,027**	**$ 962,095**	**$ 295,734**	**$ 6,516,574**	**$ 388,624**

City of Zeeland
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
Internal Service Funds
For the year ended June 30, 2025

	Total Internal Service Funds	Building Maintenance	Information Technology	Motor Pool	Health Care Insurance
OPERATING REVENUES					
Charges for services	$ 5,222,794	$ 970,000	$ 1,280,846	$ 1,282,927	$ 1,689,021
OPERATING EXPENSES					
General and administrative	40,308	-	-	25,775	14,533
Insurance premiums and claims	1,699,281	-	-	-	1,699,281
Operations	2,523,549	774,096	1,208,442	541,011	-
Depreciation	671,254	12,606	74,646	584,002	-
Total operating expenses	4,934,392	786,702	1,283,088	1,150,788	1,713,814
Operating income (loss)	288,402	183,298	(2,242)	132,139	(24,793)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings (loss)	209,746	27,257	6,585	159,779	16,125
Gain on sale of capital assets	87,576	-	565	87,011	-
Total nonoperating revenues (expenses)	297,322	27,257	7,150	246,790	16,125
Net change in fund balances	585,724	210,555	4,908	378,929	(8,668)
Net position at beginning of year	7,577,303	751,540	290,826	6,137,645	397,292
Net position at end of year	**$ 8,163,027**	**$ 962,095**	**$ 295,734**	**$ 6,516,574**	**$ 388,624**

City of Zeeland
COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
For the year ended June 30, 2025

	Total Internal Service Funds	Building Maintenance	Information Technology	Motor Pool	Health Care Insurance
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services provided	$ 5,222,863	$ 970,000	$ 1,280,846	$ 1,282,927	$ 1,689,090
Payments to suppliers	(3,112,483)	(384,501)	(783,769)	(326,362)	(1,617,851)
Payments to employees	(682,445)	(289,743)	(285,600)	(103,265)	(3,837)
Payment for interfund services used	(380,237)	(102,694)	(44,574)	(148,050)	(84,919)
Net cash provided by (used for) operating activities	1,047,698	193,062	166,903	705,250	(17,517)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(573,201)	(171,618)	(103,837)	(297,746)	-
Proceeds from sale of capital assets	87,576	-	565	87,011	-
Net cash provided by (used for) capital and related financing activities	(485,625)	(171,618)	(103,272)	(210,735)	-
CASH FLOW FROM INVESTING ACTIVITIES					
Investment earnings (loss)	197,489	27,754	5,738	148,282	15,715
Net increase (decrease) in cash and investments	759,562	49,198	69,369	642,797	(1,802)
Cash and investments at beginning of year	3,626,961	768,304	113,740	2,474,871	270,046
Cash and investments at end of year	**$ 4,386,523**	**$ 817,502**	**$ 183,109**	**$ 3,117,668**	**$ 268,244**
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	$ 288,402	$ 183,298	$ (2,242)	$ 132,139	$ (24,793)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation expense	671,254	12,606	74,646	584,002	-
Change in assets and liabilities					
Accounts receivable	69	-	-	-	69
Prepaid items	23,727	(321)	18,773	(1,509)	6,784
Accounts payable	53,434	(17,779)	77,573	(6,580)	220
Accrued liabilities	10,676	15,122	(1,847)	(2,802)	203
Due to other governmental units	136	136	-	-	-
Net cash provided by (used for) operating activities	**$ 1,047,698**	**$ 193,062**	**$ 166,903**	**$ 705,250**	**$ (17,517)**

DESCRIPTION OF
FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments or other funds.

A list and description of the fiduciary funds maintained by the City follows:

PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS are used to account for resources that are required to be held in trust for the beneficiaries of defined benefit pension plans and other post-employment benefits.

Defined Benefit Pension Trust Fund – was established to account for the assets held in trust for the City of Zeeland Defined Benefit Pension Plan.

Retiree Health Benefits Trust Fund – was established to account for assets held in trust for the City of Zeeland Retiree Health Benefits Plan.

CUSTODIAL FUNDS are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

Trust and Agency – to account for the collections and disbursement of funds to other entities and individuals.

Tax Collection – to account for levy, collection and payment of taxes levied for the general and other funds of the City, county, public school districts, and other governmental entities.

City of Zeeland
COMBINING STATEMENT OF NET POSITION
Pension and Other Postemployment Benefit Trust Funds
June 30, 2025

	Total Pension and Other Post-Employment Trust Funds	Defined Benefit Pension Trust Fund	Retiree Health Benefits Trust Fund
ASSETS			
Investments			
Money market funds	$ 173,887	$ 173,887	$ -
Mutual fund bonds	5,348,189	5,348,189	-
Mutual fund equities	8,344,563	5,664,782	2,679,781
Receivables	20,479	20,479	-
Total assets	13,887,118	11,207,337	2,679,781
LIABILITIES	-	-	-
NET POSITION			
Restricted			
Pension benefits	11,207,337	11,207,337	-
Other postemployment benefits	2,679,781	-	2,679,781
	$ 13,887,118	**$ 11,207,337**	**$ 2,679,781**

City of Zeeland
COMBINING STATEMENT OF CHANGES IN NET POSITION
Pension and Other Postemployment Benefit Trust Funds
For the year ended June 30, 2025

	Total Pension and Other Post-Employment Trust Funds	Defined Benefit Pension Trust Fund	Retiree Health Benefits Trust Fund
ADDITIONS			
Employer contributions	$ 19,813	$ 19,813	$ -
Plan member contributions	2,103	2,103	-
Investment earnings			
Interest and dividends	598,464	598,464	-
Net increase in the fair value of investments	733,954	462,257	271,697
Total investment earnings	1,332,418	1,060,721	271,697
Less investment expense	12,080	9,523	2,557
Net investment earnings	1,320,338	1,051,198	269,140
Total additions	1,342,254	1,073,114	269,140
DEDUCTIONS			
Benefit payments	856,376	766,976	89,400
Administrative and other expenses	50,705	50,705	-
Total deductions	907,081	817,681	89,400
Change in net position	435,173	255,433	179,740
Net position at beginning of year	13,451,945	10,951,904	2,500,041
Net position at end of year	**$ 13,887,118**	**$ 11,207,337**	**$ 2,679,781**

City of Zeeland
COMBINING STATEMENT OF NET POSITION
Custodial Funds
June 30, 2025

	Total Custodial Funds	Trust and Agency	Tax Collection
ASSETS			
Cash	$ 7,494	$ 7,494	$ -
LIABILITIES			
Due to other governmental units	7,494	7,494	-
NET POSITION			
Restricted for others	**$ -**	**$ -**	**$ -**

City of Zeeland
COMBINING STATEMENT OF CHANGES IN NET POSITION
Custodial Funds
For the year ended June 30, 2025

	Total Custodial Funds	Trust and Agency	Tax Collection
ADDITIONS			
Property tax collections for other governments	$ 19,418,939	$ -	$ 19,418,939
Other collections for third parties	1,545	1,545	-
Total additions	19,420,484	1,545	19,418,939
DEDUCTIONS			
Payments of property taxes to other governments	19,418,939	-	19,418,939
Other payments to third parties	1,545	1,545	-
Total deductions	19,420,484	1,545	19,418,939
Change in net position	-	-	-
Net position at beginning of year	-	-	-
Net position at end of year	**$ -**	**$ -**	**$ -**

STATISTICAL SECTION

This part of the City of Zeeland's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

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Financial Trends 91-92

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 94-108

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.

Debt Capacity 109-116

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 117-118

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information 119-122

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the ACFR for the relevant year.

City of Zeeland
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	$ 22,334,843	$ 23,242,145	$ 24,218,735	$ 24,784,918	$ 26,986,232	$ 28,941,899	$ 29,800,858	$ 31,687,257	$ 34,725,599	$ 36,684,155
Restricted	1,426,314	1,580,631	1,967,961	2,006,294	2,139,349	2,437,706	2,191,505	4,107,123	5,581,750	6,000,652
Unrestricted	11,551,188	10,373,840	12,035,964	16,071,098	19,162,432	20,071,050	20,411,617	21,391,430	21,177,329	21,252,408
Total governmental activities net position	$ 35,312,345	$ 35,196,616	$ 38,222,660	$ 42,862,310	$ 48,288,013	$ 51,450,655	$ 52,403,980	$ 57,185,810	$ 61,484,678	$ 63,937,215
Business-type activities										
Net investment in capital assets	$ 56,171,397	$ 64,526,732	$ 66,745,472	$ 67,376,918	$ 67,781,191	$ 70,808,114	$ 76,295,569	$ 79,266,699	$ 84,200,399	$ 85,533,361
Restricted	506,500	131,000	131,000	131,000	131,000	-	-	111,288	173,657	308,513
Unrestricted	59,066,855	62,622,354	67,537,879	72,809,502	78,533,454	82,733,164	72,615,030	71,299,776	73,006,202	78,039,606
Total business-type activities net position	$ 115,744,752	$ 127,280,086	$ 134,414,351	$ 140,317,420	$ 146,445,645	$ 153,541,278	$ 148,910,599	$ 150,677,763	$ 157,380,258	$ 163,881,480
Primary government										
Net investment in capital assets	$ 78,506,240	$ 87,768,877	$ 90,964,207	$ 92,161,836	$ 94,767,423	$ 99,750,013	$ 106,096,427	$ 110,953,956	$ 118,925,998	$ 122,217,516
Restricted	1,932,814	1,711,631	2,098,961	2,137,294	2,270,349	2,437,706	2,191,505	4,218,411	5,755,407	6,309,165
Unrestricted	70,618,043	72,996,194	79,573,843	88,880,600	97,695,886	102,804,214	93,026,647	92,691,206	94,183,531	99,292,014
Total primary government net position	$ 151,057,097	$ 162,476,702	$ 172,637,011	$ 183,179,730	$ 194,733,658	$ 204,991,933	$ 201,314,579	$ 207,863,573	$ 218,864,936	$ 227,818,695

City of Zeeland
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	$ 1,677,112	$ 4,639,608	$ 1,238,888	$ 941,045	$ 1,319,815	$ 1,403,656	$ 1,561,617	$ 1,334,282	$ 1,382,580	$ 1,718,615
Public safety	2,210,946	2,382,754	2,377,811	2,078,373	2,621,439	2,958,128	3,323,528	2,151,245	2,904,869	3,583,778
Public works	2,272,784	2,357,863	2,319,722	2,999,642	2,332,812	2,341,032	2,926,529	3,212,498	3,708,308	4,327,623
Community and economic development	202,196	636,877	1,235,525	286,634	352,185	426,869	366,480	220,135	364,526	989,547
Recreation and culture	1,404,354	1,310,376	1,670,460	1,440,473	1,715,592	1,777,227	1,940,139	2,001,005	2,183,000	2,390,555
Interest on long-term debt	72,706	29,450	25,803	16,648	19,265	16,704	14,140	8,500	8,625	5,250
Total governmental activities	7,840,098	11,356,928	8,868,209	7,762,815	8,361,108	8,923,616	10,132,433	8,927,665	10,551,908	13,015,368
Business-type activities										
Electric utility	25,357,602	26,635,660	26,848,289	27,351,441	27,532,952	28,839,463	33,534,330	36,644,322	35,116,535	36,935,819
Water utility	3,041,971	3,420,902	3,495,061	3,704,557	3,612,335	3,654,921	3,871,796	4,457,422	4,999,654	5,280,685
Clean water utility	1,719,527	1,665,260	1,904,560	2,422,720	2,628,607	2,448,054	2,592,182	2,847,504	2,861,823	2,821,348
Total business-type activities	30,119,100	31,721,822	32,247,910	33,478,718	33,773,894	34,942,438	39,998,308	43,949,248	42,978,012	45,037,852
Total primary government expenses	$ 37,959,198	$ 43,078,750	$ 41,116,119	$ 41,241,533	$ 42,135,002	$ 43,866,054	$ 50,130,741	$ 52,876,913	$ 53,529,920	$ 58,053,220
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 117,892	$ 77,459	$ 73,933	$ 79,807	$ 82,229	$ 69,515	$ 102,997	$ 75,918	$ 63,979	$ 89,787
Public safety	146,081	175,081	126,124	187,539	171,740	175,103	278,181	180,392	216,120	229,029
Public works	30,616	30,036	28,565	29,235	37,405	3,771	3,202	32,870	104,379	137,226
Community and economic development	13,025	10,450	11,250	7,925	7,750	3,000	12,800	10,265	7,550	4,700
Recreation and culture	58,226	57,476	56,374	56,654	30,820	7,294	30,242	86,092	98,048	97,475
Operating grants and contributions	1,019,656	1,457,266	1,248,416	1,274,670	1,232,862	1,562,592	1,437,409	436,610	240,716	123,874
Capital grants and contributions	76,044	515,017	1,242,803	403,206	1,694,603	53,380	12,225	-	-	-
Total governmental activities	1,461,540	2,322,785	2,787,465	2,039,036	3,257,409	1,874,655	1,877,056	822,147	730,792	682,091
Business-type activities										
Charges for services:										
Electric utility	28,472,474	28,585,328	29,571,839	29,169,314	28,960,939	29,882,255	32,476,368	36,699,511	37,078,529	38,319,947
Water utility	4,775,290	4,946,990	4,859,561	4,715,808	5,053,897	5,148,357	5,294,272	5,184,261	5,437,021	5,590,514
Clean water utility	2,269,045	2,373,458	2,652,379	2,850,437	2,910,240	3,114,195	3,009,343	3,239,143	3,172,675	3,554,335
Capital grants and contributions	3,238,095	6,412,924	1,873,927	341,292	161,314	210,834	398,226	10,993	-	-
Total business-type activities	38,754,904	42,318,700	38,957,706	37,076,851	37,086,390	38,355,641	41,178,209	45,133,908	45,688,225	47,464,796
Total primary government program revenues	$ 40,216,444	$ 44,641,485	$ 41,745,171	$ 39,115,887	$ 40,343,799	$ 40,230,296	$ 43,055,265	$ 45,956,055	$ 46,419,017	$ 48,146,887
Net (Expense) Revenue										
Governmental activities	$ (6,378,558)	$ (9,034,143)	$ (6,080,744)	$ (5,723,779)	$ (5,103,699)	$ (7,048,961)	$ (8,255,377)	$ (8,105,518)	$ (9,821,116)	$ (12,333,277)
Business-type activities	8,635,804	10,596,878	6,709,796	3,598,133	3,312,496	3,413,203	1,179,901	1,184,660	2,710,213	2,426,944
Total primary government net (expense) revenue	$ 2,257,246	$ 1,562,735	$ 629,052	$ (2,125,646)	$ (1,791,203)	$ (3,635,758)	$ (7,075,476)	$ (6,920,858)	$ (7,110,903)	$ (9,906,333)

(Continued)

City of Zeeland

CHANGES IN NET POSITION—Continued

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	$ 7,508,973	$ 6,467,282	$ 5,830,798	$ 5,962,693	$ 6,072,851	$ 5,640,426	$ 5,729,828	$ 6,416,805	$ 6,553,613	$ 6,986,809
State shared revenue	497,290	1,041,680	2,507,846	3,259,489	2,660,944	3,040,816	3,057,340	5,255,298	4,881,406	5,189,710
Investment earnings	154,933	91,351	116,944	602,097	786,652	533,833	(709,572)	387,946	1,261,825	1,476,627
Gain on sale of capital assets	(23,969)	35,925	21,870	11,109	14,725	-	141,523	44,538	432,735	102,576
Other	215,412	780,227	158,685	151,045	139,392	113,858	138,054	87,854	53,675	54,452
Contributions to permanent funds	35,175	49,455	30,350	54,775	58,725	84,175	55,875	28,860	52,715	51,250
Transfers - internal activities	621,838	452,494	676,055	322,221	796,113	798,495	795,654	816,567	884,015	924,390
Total governmental activities	9,009,652	8,918,414	9,342,548	10,363,429	10,529,402	10,211,603	9,208,702	13,037,868	14,119,984	14,785,814
Business-type activities										
Investment earnings	542,351	1,278,877	1,226,418	2,975,607	3,452,551	4,340,470	(5,082,680)	1,552,434	4,870,040	4,757,697
Gain (loss) on sale of capital assets	3,204	14,239	37,500	30,250	15,025	27,500	20,346	-	6,257	240,971
Other	77,605	97,834	70,143	71,300	144,266	112,955	47,408	-	-	-
Transfers - internal activities	(621,838)	(452,494)	(676,055)	(772,221)	(796,113)	(798,495)	(795,654)	(816,567)	(884,015)	(924,390)
Total business-type activities	1,322	938,456	658,006	2,304,936	2,815,729	3,682,430	(5,810,580)	735,867	3,992,282	4,074,278
Total primary government	$ 9,010,974	$ 9,856,870	$ 10,000,554	$ 12,668,365	$ 13,345,131	$ 13,894,033	$ 3,398,122	$ 13,773,735	$ 18,112,266	$ 18,860,092
Changes in net position										
Governmental activities	$ 2,631,094	$ (115,729)	$ 3,261,804	$ 4,639,650	$ 5,425,703	$ 3,162,642	$ 953,325	$ 4,932,350	$ 4,298,868	$ 2,452,537
Business-type activities	8,637,126	11,535,334	7,367,802	5,903,069	6,128,225	7,095,633	(4,630,679)	1,920,527	6,702,495	6,501,222
Total change in net position	$ 11,268,220	$ 11,419,605	$ 10,629,606	$ 10,542,719	$ 11,553,928	$ 10,258,275	$ (3,677,354)	$ 6,852,877	$ 11,001,363	$ 8,953,759

City of Zeeland

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE

Last Ten Fiscal Years

Fiscal Year Ended June 30	General Property Tax	West Michigan Airport Authority	Municipal Streets
2016	7,126,480	63,828	318,665
2017	6,048,578	60,639	358,065
2018	5,537,143	49,503	244,152
2019	5,582,429	49,974	330,290
2020	5,693,846	50,281	328,724
2021	5,251,067	50,919	338,440
2022	5,324,618	51,953	353,257
2023	6,005,786	52,783	358,236
2024	6,137,123	54,282	362,209
2025	6,539,798	57,929	389,082

City of Zeeland

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ -	$ 10,093	$ 8,500	$ 12,230	$ 11,342	$ 11,700	$ 16,157	$ 23,257	$ 66,725	$ 64,421
Assigned	30,389	2,093,600	540,874	561,593	554,885	524,778	524,514	531,168	1,197,983	1,154,613
Unassigned	3,219,936	3,392,238	3,803,069	4,273,007	4,691,918	4,829,225	4,956,778	5,882,737	5,991,172	5,863,339
Total General Fund	$ 3,250,325	$ 5,495,931	$ 4,352,443	$ 4,846,830	$ 5,258,145	$ 5,365,703	$ 5,497,449	$ 6,437,162	$ 7,255,880	$ 7,082,373
All Other Governmental Funds										
Nonspendable										
Permanent Fund	$ 1,095,970	$ 1,145,425	$ 1,175,775	$ 1,230,550	$ 1,289,275	$ 1,373,450	$ 1,429,325	$ 1,458,185	$ 1,510,900	$ 1,562,150
Special Revenue Funds	-	5,369	5,089	6,166	3,817	3,783	5,485	5,673	10,977	15,261
Restricted										
Special Revenue Funds	207,995	315,964	334,750	506,146	598,211	435,575	418,997	1,201,993	1,582,602	1,348,410
Debt Service Funds	2,402	2,160	-	-	-	-	-	-	-	-
Permanent Fund	122,348	119,242	457,436	269,598	251,863	628,681	343,183	312,363	425,166	568,159
Committed										
Capital Projects Funds	15,000	15,000	15,000	15,000	15,000	15,000	15,000	-	-	-
Assigned										
Special Revenue Funds	4,248,658	2,117,329	3,084,749	3,534,868	3,816,912	3,868,754	3,389,131	5,072,935	4,139,331	4,716,491
Debt Service Funds	-	-	3,956	-	-	-	-	-	-	-
Capital Projects Funds	1,433,960	1,177,929	2,669,188	3,683,675	5,955,474	6,495,001	8,311,242	6,761,275	6,230,755	6,175,173
Total All Other Governmental Funds	$ 7,126,332	$ 4,898,418	$ 7,745,943	$ 9,246,003	$ 11,930,552	$ 12,820,244	$ 13,912,363	$ 14,812,424	$ 13,899,731	$ 14,385,644

City of Zeeland

CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 7,508,973	$ 6,467,282	$ 5,830,798	$ 5,962,693	$ 5,981,403	$ 5,640,426	$ 5,729,828	$ 6,416,805	$ 6,553,614	$ 6,986,809
Licenses and permits	206,881	239,148	187,646	243,056	231,779	230,494	333,149	227,385	258,338	268,142
Intergovernmental:										
Federal grants	-	130,662	425,764	-	91,448	224,348	-	581,771	-	-
State shared revenue and grants	1,051,325	1,639,346	3,241,740	4,017,250	5,081,396	3,902,317	3,897,707	4,512,916	4,461,552	4,668,518
Local unit contributions	344,262	473,707	429,197	792,444	407,258	426,139	474,978	487,660	566,526	545,629
Charges for services	111,046	106,421	93,777	122,196	128,779	127,480	131,266	79,964	148,077	311,406
Fines and forfeitures	76,316	60,765	47,718	49,615	31,800	30,535	38,680	30,858	28,557	36,450
Investment earnings	139,908	87,601	104,634	493,560	641,108	528,191	(573,843)	381,914	1,111,715	1,266,880
Other	405,131	1,363,098	837,778	279,784	235,458	172,191	252,545	273,603	255,538	272,145
Total revenues	9,843,842	10,568,030	11,199,052	11,960,598	12,830,429	11,282,121	10,284,310	12,992,876	13,383,917	14,355,979
Expenditures										
General government	1,546,082	1,929,137	1,434,888	1,278,864	1,355,661	1,392,205	1,279,226	1,450,965	1,501,160	1,552,499
Public safety	2,226,174	2,181,624	2,339,371	2,481,737	2,664,415	2,850,967	3,041,451	2,884,693	3,083,214	3,532,516
Public works	1,169,438	1,297,093	1,369,018	1,293,920	1,128,958	1,203,267	1,513,263	2,244,702	2,381,969	2,903,212
Community and economic development	214,825	637,869	1,236,383	287,854	353,760	424,811	365,810	426,854	426,021	425,240
Recreation and culture	1,235,822	1,181,903	1,226,199	1,518,491	1,456,238	1,533,432	1,552,542	1,618,826	1,806,891	1,944,559
Insurance and other	12,890	2,183,536	514,633	672,333	190,810	6,786	12,084	-	-	-
Capital outlay	1,122,870	1,836,320	1,793,859	2,732,600	3,805,930	3,484,554	1,951,942	3,201,754	5,370,227	4,479,687
Debt service:										
Principal	200,000	225,000	230,000	230,000	125,000	125,000	125,000	130,000	130,000	140,000
Interest	24,850	30,350	26,719	17,573	19,906	17,344	14,781	11,875	8,625	5,250
Bond issuance costs	29,720	-	-	-	-	-	-	-	-	-
Total expenditures	7,782,671	11,502,832	10,171,070	10,513,372	11,100,678	11,038,366	9,856,099	11,969,669	14,708,107	14,982,963
Excess of revenues over (under) expenditures	2,061,171	(934,802)	1,027,982	1,447,226	1,729,751	243,755	428,211	1,023,207	(1,324,190)	(626,984)
Other financing sources (uses)										
Bonds issued	1,280,000	-	-	-	-	-	-	-	-	-
Payment to refunding escrow	(1,271,397)	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	346,200	15,000
Transfers in	4,463,338	6,540,550	5,860,397	6,029,065	6,436,865	6,265,383	5,755,191	7,148,854	7,240,172	6,226,578
Transfers out	(3,766,500)	(5,588,056)	(5,184,342)	(5,481,844)	(5,070,752)	(5,511,888)	(4,959,537)	(6,332,287)	(6,356,157)	(5,302,188)
Total other financing sources (uses)	705,441	952,494	676,055	547,221	1,366,113	753,495	795,654	816,567	1,230,215	939,390
Net changes in fund balances	$ 2,766,612	$ 17,692	$ 1,704,037	$ 1,994,447	$ 3,095,864	$ 997,250	$ 1,223,865	$ 1,839,774	$ (93,975)	$ 312,406
Debt service as a percentage of noncapital expenditures	4.40%	2.75%	3.23%	3.00%	2.02%	1.95%	1.79%	1.74%	1.55%	1.39%

City of Zeeland

STATE EQUALIZED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Ad Valorem Roll

Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property			Personal Property			Total Ad Valorem Taxable Property			Tax Rate Mills	Taxable Value as a Percentage of Actual Value
	Taxable Value	State Equalized Value	Estimated Actual Value	Taxable Value	State Equalized Value	Estimated Actual Value	Taxable Value	State Equalized Value	Estimated Actual Value		
2016	$ 225,789,218	$ 245,494,500	$ 490,989,000	$ 329,845,400	$ 329,837,500	$ 659,675,000	$ 555,634,618	$ 575,332,000	$ 1,150,664,000	11.2354	48.29%
2017	232,110,039	264,214,600	528,429,200	305,666,500	305,662,600	611,325,200	537,776,539	569,877,200	1,139,754,400	11.2354	47.18%
2018	227,644,358	276,169,000	552,338,000	282,861,800	282,857,600	565,715,200	510,506,158	559,026,600	1,118,053,200	11.2354	45.66%
2019	233,327,002	283,047,100	566,094,200	232,913,400	232,913,400	465,826,800	466,240,402	515,960,500	1,031,921,000	11.2354	45.18%
2020	246,389,208	317,960,800	635,921,600	228,897,100	228,896,700	457,793,400	475,286,308	546,857,500	1,093,715,000	11.2354	43.46%
2021	260,093,249	354,390,850	708,781,700	227,505,300	227,599,500	455,199,000	487,598,549	581,990,350	1,163,980,700	10.2354	41.89%
2022	273,689,013	387,876,800	775,753,600	225,379,700	225,528,100	451,056,200	499,068,713	613,404,900	1,226,809,800	10.2347	40.68%
2023	288,857,930	409,077,200	818,154,400	222,124,700	222,253,600	444,507,200	510,982,630	631,330,800	1,262,661,600	11.2347	40.47%
2024	311,649,763	457,034,800	914,069,600	219,767,408	219,883,308	439,766,616	531,417,171	676,918,108	1,353,836,216	11.2347	39.25%
2025	340,342,481	533,193,500	1,066,387,000	228,728,000	228,831,500	457,663,000	569,070,481	762,025,000	1,524,050,000	11.2347	37.34%

Source: City of Zeeland

The City is authorized by Charter to levy 15 mills for operations. The maximum allowable millage rate after Headlee Rollback reduction is 14.0672 for 2021.

The City is authorized by vote to levy unlimited tax for debt.

Valuations are stated as of the March Board of Review.

Taxable property is assessed initially by the city assessing officials, then equalized by Ottawa County and finally by the State. In accordance with Act 409, P.A. 1965, and Article IX, Section 3 of the Michigan Constitution, State Equalized Value ("SEV") represents 50% of true cash value.

On March 15, 1994, the people of the State of Michigan approved an amendment to the Michigan Constitution. The Amendment and implementing legislation limit the growth in assessments ("capped value") for each parcel of property to the percentage change in State Equalized Value, the rate of inflation, or 5%, whichever is less. When ownership of the parcel of property is transferred as defined by law, the parcel shall be assessed at the applicable proportion of current true cash value. The lower of the "capped value" or SEV is the Taxable Value of each parcel.

State Equalized Value and Taxable Value do not include any value of tax exempt property or property granted abatement under either Act 198, Michigan Public Acts of 1974, as amended ("Act 198") or Act 255, Michigan Public Acts of 1978 , as amended ("Act 255"). Such an abatement entitles a facility to exemption from ad valorem property taxes for a period of up to 12 years. In lieu of the property tax, the facility pays a reduced tax.

City of Zeeland

STATE EQUALIZED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Industrial Facilities Tax Roll

Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property - IFT Roll			Personal Property - IFT Roll			Total Taxable Property - IFT Roll			Tax Rate Mills	Taxable Value as a Percentage of Actual Value
	Taxable Value	State Equalized Value	Estimated Actual Value	Taxable Value	State Equalized Value	Estimated Actual Value	Taxable Value	State Equalized Value	Estimated Actual Value		
2016	$ 41,708,547	$ 42,725,700	$ 85,451,400	$ 124,410,500	$ 124,410,500	$ 248,821,000	$ 166,119,047	$ 167,136,200	$ 334,272,400	5.6177	49.70%
2017	37,609,725	38,618,700	77,237,400	102,981,300	102,981,300	205,962,600	140,591,025	141,600,000	283,200,000	5.6177	49.64%
2018	45,391,345	45,546,600	91,093,200	46,953,900	46,953,900	93,907,800	92,345,245	92,500,500	185,001,000	5.6177	49.92%
2019	28,669,865	29,075,200	58,150,400	38,229,200	38,229,200	76,458,400	66,899,065	67,304,400	134,608,800	5.6177	49.70%
2020	29,163,504	31,688,100	63,376,200	26,649,900	26,649,900	53,299,800	55,813,404	58,338,000	116,676,000	5.6177	47.84%
2021	28,826,756	31,605,400	63,210,800	20,594,900	20,594,900	41,189,800	49,421,656	52,200,300	104,400,600	5.1177	47.34%
2022	33,387,557	36,742,200	73,484,400	15,639,200	15,639,200	31,278,400	49,026,757	52,381,400	104,762,800	5.1174	46.80%
2023	34,695,382	38,044,200	76,088,400	7,400,800	7,400,800	14,801,600	42,096,182	45,445,000	90,890,000	5.6174	46.32%
2024	32,938,405	36,965,200	73,930,400	800	800	1,600	32,939,205	36,966,000	73,932,000	5.6174	44.55%
2025	36,814,770	57,105,300	114,210,600	-	-	-	36,814,770	57,105,300	114,210,600	5.6174	32.23%

The City is authorized by Charter to levy 15 mills for operations. The maximum allowable millage rate after Headlee Rollback reduction is 14.0672 for 2021.

The City is authorized by vote to levy unlimited tax for debt.

Valuations are stated as of the March Board of Review.

Taxable property is assessed initially by the city assessing officials, then equalized by Ottawa County and finally by the State. In accordance with Act 409, P.A. 1965, and Article IX, Section 3 of the Michigan Constitution, State Equalized Value ("SEV") represents 50% of true cash value.

On March 15, 1994, the people of the State of Michigan approved an amendment to the Michigan Constitution. The Amendment and implementing legislation limit the growth in assessments ("capped value") for each parcel of property to the percentage change in State Equalized Value, the rate of inflation, or 5%, whichever is less. When ownership of the parcel of property is transferred as defined by law, the parcel shall be assessed at the applicable proportion of current true cash value. The lower of the "capped value" or SEV is the Taxable Value of each parcel.

State Equalized Value and Taxable Value includes only the value of property granted abatement under either Act 198, Michigan Public Acts of 1974, as amended ("Act 198") or Act 255, Michigan Public Acts of 1978 , as amended ("Act 255"). Such an abatement entitles a facility to exemption from ad valorem property taxes for a period of up to 12 years. In lieu of the property tax, the facility pays a reduced tax.

The State of Michigan is in the process of phasing out eligible manufacturing personal property and small businesses from tax rolls. 2019 marks the fourth year of this phase out.

City of Zeeland
TAXABLE VALUE COMPONENTS BY CLASS
Ad Valorem Roll
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property - Ad Valorem Roll					Personal Property - Ad Valorem Roll				Total
	Agriculture	Commercial	Industrial	Residential	Real Property Total	Commercial	Industrial	Utility	Personal Property Total	Ad Valorem Roll Total
2016	$ 52,339	$ 32,231,927	$ 88,186,931	$ 105,318,021	$ 225,789,218	$ 5,248,500	$ 322,840,000	$ 1,756,900	$ 329,845,400	$ 555,634,618
2017	52,496	31,193,047	93,019,745	107,844,751	232,110,039	5,847,000	298,092,000	1,727,500	305,666,500	537,776,539
2018	52,968	31,311,385	84,812,757	111,467,248	227,644,358	5,558,400	275,327,400	1,976,000	282,861,800	510,506,158
2019	54,080	32,760,551	84,043,898	116,468,473	233,327,002	5,522,400	225,397,700	1,993,300	232,913,400	466,240,402
2020	55,377	35,482,296	87,323,380	123,528,155	246,389,208	5,942,700	220,933,400	2,021,000	228,897,100	475,286,308
2021	213,129	36,336,143	94,068,478	129,475,499	260,093,249	6,785,100	217,295,700	3,424,500	227,505,300	487,598,549
2022	198,719	37,935,846	98,851,674	136,702,774	273,689,013	6,712,600	212,587,300	6,079,800	225,379,700	499,068,713
2023	205,276	39,891,394	103,487,840	145,273,420	288,857,930	8,279,800	210,106,300	3,738,600	222,124,700	510,982,630
2024	-	39,994,917	112,332,674	159,322,172	311,649,763	9,868,308	206,141,000	3,758,100	219,767,408	531,417,171
2025	-	41,951,159	126,368,052	172,023,270	340,342,481	9,526,000	215,562,500	3,639,500	228,728,000	569,070,481

Source: City of Zeeland

City of Zeeland
TAXABLE VALUE COMPONENTS BY CLASS
Industrial Facilities Tax Roll (Act 198 of 1974)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Industrial Facility Tax Roll			
	Real Property Industrial	Personal Property Industrial	Real Property Commercial	IFT Roll Total
2016	$ 41,708,547	$ 124,410,500	$ -	$ 166,119,047
2017	37,609,725	102,981,300	-	140,591,025
2018	44,462,822	46,953,900	928,523	92,345,245
2019	27,459,163	38,229,200	1,210,702	66,899,065
2020	28,026,985	26,649,600	1,136,519	55,813,104
2021	27,678,161	20,594,900	1,148,595	49,421,656
2022	32,180,913	15,639,200	1,206,644	49,026,757
2023	32,972,818	7,400,800	1,722,564	42,096,182
2024	30,299,661	800	2,638,744	32,939,205
2025	30,666,845	-	6,147,925	36,814,770

Source: City of Zeeland

City of Zeeland

PROPERTY TAX RATES

DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

Fiscal Year Ended June 30[1]	[2]	City				School			
		Operating	Debt	Airport Authority	Total	Operating	Debt	State Education Tax	Total
2016	H	11.1354	-	0.1000	11.2354	1.4000	6.9500	6.0000	14.3500
2016	NH	11.1354	-	0.1000	11.2354	19.4000	6.9500	6.0000	32.3500
2017	H	11.1354	-	0.1000	11.2354	1.4000	7.3500	6.0000	14.7500
2017	NH	11.1354	-	0.1000	11.2354	19.4000	7.3500	6.0000	32.7500
2018	H	11.1354	-	0.1000	11.2354	1.4000	7.3500	6.0000	14.7500
2018	NH	11.1354	-	0.1000	11.2354	19.4000	7.3500	6.0000	32.7500
2019	H	11.1354	-	0.1000	11.2354	1.4000	7.4500	6.0000	14.8500
2019	NH	11.1354	-	0.1000	11.2354	19.4000	7.4500	6.0000	32.8500
2020	H	11.1354	-	0.1000	11.2354	1.3977	7.4500	6.0000	14.8477
2020	NH	11.1354	-	0.1000	11.2354	19.3977	7.4500	6.0000	32.8477
2021	H	10.1354	-	0.1000	10.2354	1.3908	7.4500	6.0000	14.8408
2021	NH	10.1354	-	0.1000	10.2354	19.3908	7.4500	6.0000	32.8408
2022	H	10.1354	-	0.0993	10.2347	1.3779	7.4500	6.0000	14.8279
2022	NH	10.1354	-	0.0993	10.2347	19.3779	7.4500	6.0000	32.8279
2023	H	11.1354	-	0.0993	11.2347	1.3721	7.4500	6.0000	14.8221
2023	NH	11.1354	-	0.0993	11.2347	19.3721	7.4500	6.0000	32.8221
2024	H	11.1354	-	0.0993	11.2347	1.4802	7.4500	6.0000	14.9302
2024	NH	11.1354	-	0.0993	11.2347	19.4802	7.4500	6.0000	32.9302
2025	H	11.1354	-	0.0993	11.2347	1.5000	7.4500	6.0000	14.9500
2025	NH	11.1354	-	0.0993	11.2347	19.5000	7.4500	6.0000	32.9500

Fiscal Year Ended June 30[1]	[2]	County	Intermediate School District					Grand Total
		Ottawa County	Intermediate School	Special Education	Vocational Education	Enhancement	Total	
2016	H	4.8565	0.1061	4.3750	1.0423	0.0000	5.5234	35.9653
2016	NH	4.8565	0.1061	4.3750	1.0423	0.0000	5.5234	53.9653
2017	H	5.1525	0.1047	4.3233	1.0297	0.0000	5.4577	36.5956
2017	NH	5.1525	0.1047	4.3233	1.0297	0.0000	5.4577	54.5956
2018	H	5.1525	0.1047	4.3233	1.0297	0.0000	5.4577	36.5956
2018	NH	5.1525	0.1047	4.3233	1.0297	0.0000	5.4577	54.5956
2019	H	5.1525	0.1047	4.3233	1.0297	0.0000	5.4577	36.6956
2019	NH	5.1525	0.1047	4.3233	1.0297	0.0000	5.4577	54.6956
2020	H	5.4449	0.1213	4.3233	1.0242	0.8956	6.3644	37.8924
2020	NH	5.4449	0.1213	4.3233	1.0242	0.8956	6.3644	55.8924
2021	H	5.4317	0.1203	4.2656	1.0160	0.8887	6.2906	36.7985
2021	NH	5.4317	0.1203	4.2656	1.0160	0.8887	6.2906	54.7985
2022	H	5.4156	0.1190	4.2206	1.0053	0.8796	6.2245	36.7027
2022	NH	5.4156	0.1190	4.2206	1.0053	0.8796	6.2245	54.7027
2023	H	5.3984	0.1176	4.1731	0.9940	0.8699	6.1546	37.6098
2023	NH	5.3984	0.1176	4.1731	0.9940	0.8699	6.1546	55.6098
2024	H	5.3984	0.1176	4.1731	0.9940	0.8699	6.1546	37.7179
2024	NH	5.3984	0.1176	4.1731	0.9940	0.8699	6.1546	55.7179
2025	H	5.3842	0.1164	4.1336	0.9846	0.8616	6.0962	37.6651
2025	NH	5.3842	0.1164	4.1336	0.9846	0.8616	6.0962	55.6651

Source: City of Zeeland

[1] Fiscal year for Ottawa County begins October 1

[2] H = Homestead Properties
NH = Non-Homestead Properties

The City's millage rate is currently limited to 15 mills for operations.
The maximum allowable millage rate after Headlee Rollback Reduction is 14.0672.

City of Zeeland

PROFILE OF TEN LARGEST PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	Principal Product or Type of Business	2025 Taxable Valuation	2025 Rank	2025 % of Total Taxable Valuation	2016 Taxable Valuation	2016 Rank	2016 % of Total Taxable Valuation
Consumers Energy*	Power Generation	$ 218,789,479	1	36.11%	$ 271,879,700	1	37.67%
Gentex Corporation	Automotive and Glass Parts	54,984,510	2	9.08%	139,316,800	2	19.30%
RB - Reckitt Benckiser**	Infant Formula	16,107,034	3	2.66%	64,633,303	3	8.96%
Plascore	Structural Honeycomb Products	12,047,366	4	1.99%	7,293,200	7	1.01%
MillerKnoll***	Institutional Furniture	9,641,195	5	1.59%	19,473,800	4	2.70%
Innotec Corp	Automotive and Furniture Parts	7,705,348	6	1.27%	9,636,530	6	1.34%
ODL	Glass & Skylights	5,561,198	7	0.92%	5,886,800	8	0.82%
ITW Drawform	Stamping Operations	5,121,434	8	0.85%	11,337,200	5	1.57%
SKLD	Assisted Living	3,760,225	9	0.62%	-		-
Royal Park Place II	Assisted Living	3,598,643	10	0.59%	-		-
Woodward FST	Aerospace Parts	-	-	0.00%	5,495,200	9	0.76%
Vertellus Specialties	Chemicals	-	-	0.00%	5,210,947	10	0.72%
Ten Largest Taxpayers		337,316,432		55.67%	540,163,480		74.84%
Other Taxpayers		268,568,819		44.33%	181,590,185		25.16%
Total Taxable Value		$ 605,885,251		100.00%	$ 721,753,665		100.00%

Source: City of Zeeland

*Consumers Energy filed an appeal to 2014 taxable value to $112,530,200, the case was settled in 2017.
**Formerly Mead Johnson
***Formerly Herman Miller, Inc.
Note: Includes ad valorem taxable value and the value of IFT's granted under Act 198.
An Act 198 abatement entitles a facility to a reduced tax for a period up to 12 years.

City of Zeeland
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Tax Year	Fiscal Year Ended June 30	Tax Levy	Collected within the Fiscal Year		Collected Subsequent Year	Total Collections to Date	
			Amount	% of Levy		Amount	% of Levy
2015	2016	$ 7,175,395	$ 7,172,569	99.96%	$ -	$ 7,172,569	99.96%
2016	2017	6,566,037	6,563,640	99.96%	-	6,563,640	99.96%
2017	2018	5,514,087	5,513,385	99.99%	405	5,513,790	99.99%
2018	2019	5,568,836	5,564,763	99.93%	235	5,564,998	99.93%
2019	2020	5,609,720	5,602,009	99.86%	389	5,602,398	99.87%
2020	2021	5,193,574	5,190,631	99.94%	17	5,190,648	99.94%
2021	2022	5,290,204	5,279,531	99.80%	239	5,279,770	99.80%
2022	2023	5,940,054	5,921,240	99.68%	1,056	5,922,295	99.70%
2023	2024	6,090,477	6,089,950	99.99%	527	6,090,477	100.00%
2024	2025	6,481,740	6,425,024	99.12%	1,244	6,426,268	99.14%

Source: City of Zeeland

City of Zeeland
SPECIAL ASSESSMENT COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30	Current Assessments Due	Current and Deferred Collections	Percent Collected	Total Outstanding Assessments
2016	$ 25,857	$ 40,840	157.95%	$ 78,707
2017	26,045	26,045	100.00%	52,662
2018	26,230	26,230	100.00%	26,432
2019	26,432	26,432	100.00%	-
2020	34,588	34,587	100.00%	155,280
2021 [1]	-	-	N/A	118,164
2022 [1]	-	-	N/A	79,934
2023 [1]	-	-	N/A	38,997
2024	38,997	38,997	100%	111,021
2025	69,189	63,878	92%	232,229

Source: City of Zeeland

[1] 2021, 2022, and 2023 Special Assessments were waived due to the COVID-19 Pandemic

City of Zeeland

PROFILE OF TEN LARGEST ELECTRIC CUSTOMERS

Current Year and Nine Years Ago

		2025			2016		
Customer	Principal Product or Type of Business	KWH	Rank	Percent of Total KWH	KWH	Rank	Percent of Total KWH
Gentex Corporation	Automotive and Glass Parts	180,329,978	1	40.33%	114,830,571	1	31.39%
RB - Reckitt Benckiser*	Infant Formula	49,467,600	2	11.06%	49,989,962	2	13.67%
MillerKnoll**	Institutional Furniture	26,816,069	3	6.00%	25,024,274	3	6.84%
Plascore Inc.	Structural Honeycomb Products	14,725,680	4	3.29%	10,239,120	6	2.80%
Zeeland Public Schools	Education	11,990,059	5	2.68%	10,650,509	5	2.91%
Aurorium***	Chemicals	8,012,887	6	1.79%	8,538,801	8	2.33%
ITW Drawform	Stamping Operations	7,999,200	7	1.79%	12,483,000	4	3.41%
Woodward FST	Aerospace Fuel Systems Parts	7,798,300	8	1.74%	-		0.00%
Stone Plastics	Plastic Thermoformers	6,962,400	9	1.56%	9,084,600	7	2.48%
Spectrum Health Hospitals	Health Care	6,054,713	10	1.35%	-		0.00%
ODL Inc	Glass and Skylights	-		0.00%	6,858,220	9	1.87%
Innotec Group	Furniture, Lighting, Visors	-		0.00%	6,098,200	10	1.67%
Ten Largest Customers		320,156,886		71.60%	253,797,257		69.38%
Other Customers		126,961,114		28.40%	112,011,788		30.62%
Total KWH		447,118,000		100.00%	365,809,045		100.00%

*formerly Mead Johnson
**formerly Herman Miller, Inc.
***formerly Vertellus Chemical

Source: City of Zeeland

City of Zeeland
ELECTRIC REVENUE AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Billed	Collections to June 30	Percent Collected	Delinquent Collections	Percent of Total Billed Collected
2016	$ 28,392,120	$ 28,392,044	100.000%	$ 76	100.000%
2017	28,490,811	28,490,408	99.999%	403	100.000%
2018	29,445,339	29,443,819	99.995%	1,520	100.000%
2019	29,126,402	29,125,448	99.997%	954	100.000%
2020	28,856,543	28,856,192	99.999%	351	100.000%
2021	29,555,685	29,555,531	99.999%	154	100.000%
2022	31,658,400	31,657,860	99.998%	540	100.000%
2023	39,616,716	39,566,918	99.874%	646	99.876%
2024	37,816,181	37,815,577	99.998%	604	100.000%
2025	37,525,650	37,525,479	100.000%	171	100.000%

Source: City of Zeeland

City of Zeeland

PROFILE OF TEN LARGEST WATER CUSTOMERS

Current Year and Nine Years Ago

		2025			2016		
Customer	Principal Product or Type of Business	1,000 Gallons	Rank	Percent of Total Gallons	1,000 Gallons	Rank	Percent of Total Gallons
Consumers Energy	Power Generation	853,214	1	24.44%	729,301	1	36.46%
RB - Reckitt-Benckiser*	Infant Formula	557,769	2	15.97%	484,422	2	24.22%
Gentex Corporation	Automotive and Glass Parts	314,913	3	9.02%	169,955	3	8.50%
Plascore Inc.	Structural Honeycomb Products	26,503	4	0.76%	34,727	5	1.74%
MillerKnoll***	Institutional Furniture	25,472	5	0.73%	14,108	7	0.71%
Aurorium**	Chemicals	22,836	6	0.65%	35,101	4	1.75%
Royal Park	Condominiums	17,362	7	0.50%	12,071	9	0.60%
City of Zeeland	Government	16,827	8	0.48%	13,246	8	0.66%
ITW Drawform	Stamping Operations	12,616	9	0.36%	15,069	6	0.75%
Zeeland Public Schools	Education	9,985	10	0.29%	7,399	10	0.37%
Ten Largest Customers		1,857,497		53.20%	1,515,399		75.76%
Other Customers		1,634,107		46.80%	484,950		24.24%
Total Gallons		3,491,604		100.00%	2,000,349		100.00%

*formerly Mead Johnson

**formerly Vertellus Chemical

***formerly Herman Miller, Inc.

Source: City of Zeeland

City of Zeeland

PROFILE OF TEN LARGEST CLEAN WATER CUSTOMERS

Current Year and Nine Years Ago

		2025			2016		
Customer	Principal Product or Type of Business	CCF [1]	Rank	Percent of CCF [1]	CCF [1]	Rank	Percent of CCF [1]
Gentex Corporation	Automotive and Glass Parts	340,284	1	52.38%	186,881	1	32.89%
Plascore Inc.	Structural Honeycomb Products	27,080	2	4.17%	35,829	3	6.31%
Consumers Energy	Power Generation	22,678	3	3.49%	51,771	2	9.11%
MillerKnoll***	Institutional Furniture	16,270	4	2.50%	7,416	4	1.31%
Royal Park Condos	Condominiums	9,774	5	1.50%	6,743	5	1.19%
Witness Inspection	Manufactured Parts Finishing	9,513	6	1.46%	-		0.00%
ITW Drawform	Stamping Operations	8,647	7	1.33%	6,720	6	1.18%
Crestwood Village	Condominiums	4,956	8	0.76%	3,635	8	0.64%
Zeeland Public Schools	Education	3,971	9	0.61%	1,962	10	0.35%
Royal Park Place	Retirement Community	3,939	10	0.61%	-		0.00%
Aurorium**	Chemicals	-		0.00%	3,805	7	0.67%
ODL Inc	Glass and Skylights	-		0.00%	2,811	9	0.49%
Ten Largest Customers		447,112		68.83%	307,573		54.13%
Other Customers		202,524		31.17%	260,601		45.87%
Total CCF (includes IPP usage and surcharges)		649,636		100.00%	568,174		100.00%

**formerly Vertellus Chemical

***formerly Herman Miller, Inc.

[1] CCF: Thousands of cubic feet

Source: City of Zeeland

City of Zeeland

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities	Business-Type Activities			Per Capita[2]		Percentage of Personal Income[2]		Business-Type Activities Debt Per Customer[3]
	General Obligation Bonds	Water System Bonds	Clean Water System Bonds[1]	Total Primary Government	Governmental Activities	Total Primary Government	Governmental Activities	Total Primary Government	
2016	$ 1,600,000	$ 1,310,000	$ 1,570,000	$ 4,480,000	$ 291	$ 814	0.72%	2.02%	$ 242
2017	1,375,000	1,070,000	2,655,000	5,100,000	250	927	0.58%	2.17%	310
2018	1,145,000	820,000	2,525,000	4,490,000	208	816	0.46%	1.81%	275
2019	915,000	560,000	2,390,000	3,865,000	166	702	0.36%	1.53%	241
2020	790,000	285,000	2,305,000	3,380,000	144	614	0.29%	1.23%	210
2021	665,000	-	2,145,000	2,810,000	116	491	0.22%	0.92%	171
2022	540,000	-	1,980,000	2,520,000	94	441	0.17%	0.80%	160
2023	410,000	-	1,815,000	2,225,000	72	389	0.12%	0.67%	144
2024	280,000	-	1,640,000	1,920,000	49	336	N/A	N/A	130
2025	140,000	-	1,455,000	1,595,000	24	279	N/A	N/A	114

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1]2010 Clean Water Bonds are General Obligation Bonds paid from revenue from the Clean Water Fund

[2]See the Demographic Statistics at Table 26 for personal income and population data

[3]See the Operating Indicators by Function at Table 30 for number of utility customers

City of Zeeland

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds[1]	Less: Amounts Available in Debt Service	Total	Percentage of Estimated Actual Value of Property [2]	Per Capita[3]
2016	$ 3,170,000	$ 2,402	$ 3,167,598	0.21%	$ 576
2017	4,030,000	2,160	4,027,840	0.28%	732
2018	3,670,000	3,956	3,666,044	0.28%	666
2019	3,305,000	-	3,305,000	0.28%	600
2020	3,095,000	-	3,095,000	0.26%	562
2021	2,810,000	-	2,810,000	0.22%	491
2022	2,520,000	-	2,520,000	0.19%	441
2023	2,225,000	-	2,225,000	0.16%	389
2024	1,920,000	-	1,920,000	0.13%	336
2025	1,595,000	-	1,595,000	0.10%	279

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

[1]Includes $1,405,000 2010 GO Clean Water Bonds to be repaid from revenue from the Clean Water Fund, and 2015 GO Clean Water Bonds to be repaid from the revenue from the Clean Water Fund

[2]See the Schedules of State Equalized Value and Estimated Actual Value of Taxable Property in Tables 6 & 7 for property value data.

[3] Population data can be found in the Demographic Statistics in Table 26.

City of Zeeland

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2025

Jurisdiction	Bonds Outstanding	Percentage Applicable to City	City's Share of Debt
Direct Debt: City of Zeeland			
General obligation bonds[1]	$ 140,000	100.00%	$ 140,000
Overlapping Debt:			
Ottawa County	$ 77,581,893	3.40%	2,637,784
Ottawa Intermediate School District	23,375,000	3.00%	701,250
Zeeland Public School District	111,700,000	27.65%	30,885,050
Total Overlapping Debt			34,224,084
Total Direct and Overlapping Debt			$ 34,364,084

[1]Excludes $1,815,000 GO Clean Water Bonds to be repaid from revenue from the Clean Water Fund

Sources: Direct Debt provided by the City of Zeeland; Overlapping Debt provided by the Municipal Advisory Council of Michigan.

Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Zeeland. This process recognizes that, when considering the City's ability to issue and repay tong-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

City of Zeeland

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	$ 74,246,820	$ 71,147,720	$ 65,152,710	$ 58,326,490	$ 60,519,550	$ 63,419,065	$ 66,578,630	$ 67,677,580	$ 71,388,411	$ 81,913,030
Net General Obligation Debt Subject to Limitation	3,167,598	4,027,840	3,666,044	3,305,000	3,095,000	2,810,000	2,520,000	2,225,000	1,920,000	1,595,000
Legal Debt Margin	$ 71,079,222	$ 67,119,880	$ 61,486,666	$ 55,021,490	$ 57,424,550	$ 60,609,065	$ 64,058,630	$ 65,452,580	$ 69,468,411	$ 80,318,030
Total net debt applicable to the limit as a percentage of the debt limit	4.27%	5.66%	5.63%	5.67%	5.11%	4.43%	3.78%	3.29%	2.69%	1.95%

Legal Debt Margin Calculation for Fiscal Year 2025

State Equalized Valuation	
Ad Valorem	$ 762,025,000
Public Act 198 Industrial Facility Taxed Property	57,105,300
Total State Equalized Valuation	$ 819,130,300
Debt Limit - 10% of State Equalized Value	$ 81,913,030
Debt Outstanding	1,595,000
Less: Exempt Debt	-
Less: Amount set aside for repayment of General Obligation Debt	-
Net General Obligation Debt Subject to Limitation	1,595,000
Legal Debt Margin	$ 80,318,030
Percentage of Legal Debt Margin Available	98.05%
Percentage of Debt Contracting Power Exhausted	1.95%

Note: State law limits the amount of City general obligation debt to 10% of state equalized value.
State Equalized Valuation of property granted tax abatement under Act 198 is included.

City of Zeeland

PLEDGED REVENUE COVERAGE – ELECTRIC UTILITY

Last Ten Fiscal Years

Fiscal Year Ended June 30	Electric Utility Gross Revenue[1]	Less: Operating Expenses[2]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	$ 28,980,752	$ 23,753,636	$ 5,227,116	$ -	$ -	N/A
2017	30,193,477	24,937,143	5,256,334	-	-	N/A
2018	31,476,917	25,112,419	6,364,498	-	-	N/A
2019	31,772,561	25,464,872	6,307,689	-	-	N/A
2020	31,870,118	25,390,926	6,479,192	-	-	N/A
2021	34,281,570	27,018,229	7,263,341	-	-	N/A
2022	28,305,416	31,646,133	(3,340,717)	-	-	N/A
2023	38,168,681	34,665,654	3,503,027	-	-	N/A
2024	40,819,060	32,978,849	7,840,211	-	-	N/A
2025	42,225,627	34,701,232	7,524,395	-	-	N/A

[1] Total revenues include operating revenues, investment earnings/loss, other nonoperating revenues, capital contributions, and transfers in.

[2] Total expenses include operating expenses and transfers out, exclusive of depreciation and interest.

City of Zeeland

PLEDGED REVENUE COVERAGE – WATER UTILITY

Last Ten Fiscal Years

Fiscal Year Ended June 30	WaterUtility Gross Revenue[1]	Less: Operating Expenses[2]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	$ 5,187,873	$ 2,310,923	$ 2,876,950	$ 830,000	$ 76,838	3.17
2017	5,129,979	2,686,972	2,443,007	240,000	64,944	8.01
2018	4,999,080	2,754,813	2,244,267	250,000	43,248	7.65
2019	5,287,577	2,963,654	2,323,923	260,000	31,644	7.97
2020	5,654,244	2,868,643	2,785,601	275,000	19,474	9.46
2021	5,337,426	3,031,803	2,305,623	285,000	6,609	7.91
2022	4,817,141	3,130,825	1,686,316	-	-	N/A
2023	5,240,714	3,680,805	1,559,909	-	-	N/A
2024	5,986,139	4,096,460	1,889,679	-	-	N/A
2025	6,236,671	4,195,682	2,040,989	-	-	N/A

[1] Total revenues include operating revenues, investment earnings/loss, other nonoperating revenues, capital contributions, and transfers in.

[2] Total expenses include operating expenses and transfers out, exclusive of depreciation and interest.

City of Zeeland

PLEDGED REVENUE COVERAGE – CLEAN WATER UTILITY

Last Ten Fiscal Years

Fiscal Year Ended June 30	Sewer Utility Gross Revenue[1]	Less: Operating Expenses[2]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016[3]	$ 5,209,775	$ 1,346,516	$ 3,863,259	$ 80,000	$ 73,438	25.18
2017[4]	8,566,194	1,264,495	7,301,699	80,000	72,838	47.77
2018[5]	3,815,770	1,461,334	2,354,436	130,000	97,902	10.33
2019	3,063,650	1,565,305	1,498,345	135,000	93,537	6.56
2020	3,158,845	1,783,529	1,375,316	140,000	51,019	7.20
2021	3,217,570	1,616,323	1,601,247	160,000	59,364	7.30
2022	3,040,726	1,730,703	1,310,023	165,000	54,397	5.97
2023	3,276,947	2,016,922	1,260,025	165,000	50,286	5.85
2024	3,544,395	1,970,633	1,573,762	175,000	45,946	7.12
2025	3,959,958	1,930,599	2,029,359	185,000	41,208	8.97

[1] Total revenues include operating revenues, investment earnings/loss, other nonoperating revenues, capital contributions, and transfers in.

[2] Total expenses include operating expenses and transfers out, exclusive of depreciation and interest.

[3] Total revenues for 2016 include $1,935,371 in contributions from Holland and Zeeland Townships for the Clean Water Plant Expansion Project

[4] Total revenues for 2017 include $4,442,025 in capital contributions from Holland and Zeeland Townships, $1,210,912 in Federal Grant Revenue, and $540,000 in State of Michigan Grant Revenue for the Clean Water Plant Expansion Project

[5] Total revenues for 2018 include $896,677 in capital contributions from Holland and Zeeland Townships, and $250,277 in Grant Revenue for the Clean Water Plant Expansion Project

City of Zeeland
STATE REVENUE SHARING
Last Ten Fiscal Years

State Sales Tax: PA 140 of 1971	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Constitutional	$ 418,964	$ 443,112	$ 458,540	$ 480,005	$ 475,095	$ 538,707	$ 616,180	$ 615,802	$ 627,034	$ 623,704
Economic Vitality Incentive Program (EVIP)	76,157	76,157	76,901	76,157	68,715	82,458	84,107	89,153	92,727	94,484
Liquor License Fees and Other	4,306	4,308	2,267	2,534	2,607	2,635	3,527	2,910	6,612	1,890
TOTAL	$ 499,427	$ 523,577	$ 537,708	$ 558,696	$ 546,417	$ 623,800	$ 703,814	$ 707,865	$ 726,373	$ 720,078
Michigan Transportation Fund: PA 51 of 1951										
Major Streets	$ 309,133	$ 355,464	$ 425,918	$ 454,427	$ 474,759	$ 522,293	$ 562,421	$ 586,281	$ 600,541	$ 628,596
Local Streets	109,135	125,346	150,201	160,147	166,902	183,606	197,393	205,678	210,748	220,737
Special Act 252 Distribution	62,710	-	-	-	-	-	-	-	-	-
Special Act 82 of 2018 Distribution	-	-	42,106	-	-	-	-	-	-	-
Special Act 207 of 2018 Distribution	-	-	-	72,181	-	-	-	-	-	-
Winter Maintenance (Snow)	35,889	35,043	29,881	33,908	43,342	8,940	29,984	24,163	33,702	69,547
	$ 516,867	$ 515,853	$ 648,106	$ 720,663	$ 685,003	$ 714,840	$ 789,798	$ 816,122	$ 844,991	$ 918,880
Metro Authority: PA 48 of 2002										
Public Right-of-Way	$ 20,851	$ 20,348	$ 20,502	$ 20,547	$ 22,690	$ 23,608	$ 24,829	$ 26,473	$ 25,239	$ 27,622
Local Commity Stabilization: PA 86 of 2014										
Personal Property Tax Reimbursement	$ -	$ 524,886	$ 1,970,138	$ 2,700,793	$ 2,114,527	$ 2,417,016	$ 2,353,526	$ 2,630,380	$ 2,759,299	$ 2,956,494

City of Zeeland
DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years

Fiscal Year Ended June 30	City of Zeeland Population[1]	MSA Personal Income[2]	City of Zeeland Estimated Personal Income	Per Capita Personal Income[2]	Unemployment Rate[3]	State of Michigan Unemployment Rate
2016	5,504	$ 4,666,812,000	$ 222,301,056	$ 40,389	3.3%	4.5%
2017	5,504	4,981,900,000	235,499,648	42,787	3.4%	4.3%
2018	5,504	5,301,000,000	248,681,728	45,182	3.7%	4.0%
2019	5,504	5,424,323,000	252,837,248	45,937	3.0%	4.2%
2020	5,504	5,957,225,000	275,700,864	50,091	6.3%	8.7%
2021	5,719	6,455,677,000	305,251,625	53,375	4.3%	5.0%
2022	5,719	6,694,824,000	315,671,643	55,197	3.6%	4.3%
2023	5,719	7,078,359,000	331,976,512	58,048	3.5%	3.6%
2024	5,719	N/A	N/A	N/A	4.1%	4.7%
2025	5,719	N/A	N/A	N/A	4.8%	5.3%

[1] Source: U.S. Census Bureau

[2] Data derived using a neighboring Micropolitan Community.

[3] U.S. Department of Labor, Bureau of Labor Statistics, Holland-Grand Haven Metropolitan Statistical Area
2025 data was from Grand Rapids-Wyoming-Kentwood Metropolitan Statistical Area

City of Zeeland
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

		2025			2016	
Employer	Principal Product/Service	Employees	Rank	% of Total	Employees	Rank
Gentex Corporation[1]	Automotive and Glass Parts	3,808	1	32.2%	5,100	1
Herman Miller, Inc.	Institutional Furniture	1,553	2	13.1%	1,601	2
Zeeland Public Schools	Elementary/Secondary Education	1,151	3	9.7%	850	3
Plascore, Inc.	Structural Honeycomb Products	492	4	4.2%	295	7
Reckitt*	Infant Formula	450	5	3.8%	455	4
Woodward FST	Airline/Aerospace Fuel Systems	377	6	3.2%	251	8
ODL Inc	Glass and Skylights	285	7	2.4%	429	5
Innotec Corp.	Automotive and Furniture Parts	174	8	1.5%	229	10
Zeeland Christian School	Elementary Education	168	9	1.4%	-	
ITW Drawform	Stamping Operations	148	10	1.3%	320	6
Ventura Manufacturing	Automotive and Furniture Parts	-		0.0%	240	9
Total Employees Ten Largest Employers		8,606		72.9%	9,770	
Other Employers		3,205		27.1%		
Total Employees		11,811		100.0%		

Source: City of Zeeland

[1] 2025 employee count for Gentex includes all of their locations, not only their City locations
*Reckitt did not respond, used amount mentioned in their expansion planning.

City of Zeeland

FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
General Government										
Administration	1.58	2.08	1.58	1.58	1.58	1.58	1.58	1.58	1.58	1.58
Clerk	1.47	1.47	1.47	1.47	1.47	1.47	1.47	1.47	1.47	1.47
Finance/Treasury	1.77	1.70	1.70	1.70	1.70	1.80	1.41	1.41	1.41	1.41
Assessing	1.20	1.20	1.39	1.39	1.39	1.39	1.39	1.39	1.39	1.39
Cemetery	1.01	1.70	1.70	1.64	1.64	2.34	2.24	2.24	2.64	2.26
Custodial	4.55	3.04	3.04	3.19	3.19	2.10	2.12	2.12	2.08	2.28
Economic Development	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Information Technology						2.00	3.00	3.00	3.00	3.00
Public Safety										
Police	12.44	12.49	12.49	12.49	12.49	12.49	12.49	12.49	12.00	12.00
Fire/Rescue	1.06	2.00	2.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50
Building and Zoning	1.80	1.83	2.11	1.61	1.61	1.61	1.61	1.61	1.61	1.61
Culture and Recreation										
Library	9.45	10.64	10.80	10.96	10.96	10.94	10.97	10.97	10.48	11.23
Community Center	0.68	2.00	2.00	2.05	2.05	2.54	3.17	3.17	2.35	2.41
Parks	1.81	1.97	1.97	1.91	1.91	2.60	3.35	3.35	3.81	3.34
Public Works										
Streets & Motor Pool	6.48	5.74	5.74	5.72	5.72	7.21	7.11	7.11	6.80	6.62
Electric Utility	20.92	21.86	22.25	22.17	22.17	23.47	23.24	23.24	23.42	26.24
Water Utility	5.39	5.46	5.30	5.92	5.92	5.78	8.10	8.10	8.78	9.08
Clean Water Utility	7.30	7.44	7.27	7.27	7.27	7.29	7.20	7.20	7.47	7.43
Total	80.11	83.82	84.01	85.27	85.27	90.81	94.65	94.65	93.99	97.05

Source: City of Zeeland

City of Zeeland
LABOR CONTRACTS
Current Fiscal Year

The City has 82 full-time employees, of which 37% are represented by labor organizations. Following is a list of the organizations, number of the members, and contract extension dates.

Name of Organization	Number of Members	Contract Expiration Date
Fraternal Order of Police	8	June 30, 2028
Utility Workers Union of America, AFL-CIO (Electric and Water Utility Employees)	18	June 30, 2028
Utility Workers Union of America, AFL-CIO (Clean Water Plant Employees)	4	June 30, 2028
Non-Affiliated Employees	52	N/A
Total Full-time Employees	82	

Source: City of Zeeland

City of Zeeland
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Area - square miles	3	3	3	3	3	3	3	3	3	3
Population	5,504	5,504	5,504	5,504	5,504	5,719	5,719	5,719	5,719	5,719
Number of registered voters	4,073	4,075	4,111	4,099	4,413	4,134	4,414	4,422	4,419	4,459
Number of tax bills[1]	3,267	3,221	3,221	3,188	3,198	3,814	3,871	3,945	4,024	4,090
Public safety[2]										
Police										
Number of incidents	2,946	2,760	3,132	2,850	2,627	2,944	2,285	2,297	2,220	2,117
Physical arrests	517	510	313	263	318	327	84	82	80	87
Traffic violations	1,444	1,463	919	853	1,173	1,105	2,757	1,287	2,213	1,386
Fire/Rescue										
Number of incidents	588	570	549	589	691	669	804	969	862	912
Mutual aid agreements[3]	15	15	15	15	15	15	15	15	15	15
Building and zoning										
Number of construction permits	155	175	171	182	162	199	177	135	149	146
Value of permits	$ 32,894,351	$ 14,793,962	$ 13,825,958	$ 17,953,755	$ 16,922,720	$ 15,385,818	$ 32,095,783	$ 16,432,267	$ 19,483,336	$ 31,147,111
Streets and highways										
Miles reconstructed	1.10	1.00	0.83	0.37	0.57	0.68	0.67	0.35	-	-
Miles resurfaced	1.15	0.90	0.10	-	-	0.12	-	0.30	0.55	1.28
Recreation and culture										
Library circulation *	245,853	234,966	243,044	277,170	258,175	278,328	353,270	384,744	414,939	416,115
Patron visits	189,723	101,000	97,503	103,904	75,399	55,594	80,558	98,069	106,484	113,192
Community center rentals	661	673	618	712	481	220	563	502	469	484
Community center attendance	21,716	21,283	19,286	21,239	11,176	1,583	10,749	13,540	19,098	16,985
Public works										
Parking lots	6	6	6	6	6	6	6	6	6	6
Cemetery - acres	17	17	17	26	26	26	26	26	26	26
Electric Utility										
Connections - residential	5,514	5,573	5,738	5,815	5,825	5,902	5,892	5,944	5,990	6,056
Connections - commercial/industrial	904	923	927	934	991	1,070	959	981	993	1,018
M.W.H. generated and purchased	388,066	403,586	416,182	418,230	417,473	430,922	436,009	438,261	449,463	458,473
M.W.H. sold	365,809	385,802	394,294	408,237	399,210	412,327	420,904	421,957	433,786	447,118
Revenues from sales	$ 28,392,120	$ 28,490,811	$ 29,445,339	$ 29,169,314	$ 28,856,543	$ 29,604,560	$ 32,192,783	$ 36,239,480	$ 36,673,138	$ 37,525,650
Water Utility										
Connections - residential	2,308	2,315	2,314	2,310	2,336	2,338	2,265	2,393	2,399	2,419
Connections - commercial/industrial	573	593	597	602	601	619	576	601	579	567
Pumped - million gallons	2,098	2,047	2,106	1,973	2,135	2,044	2,279	2,118	2,179	2,418
Sold - million gallons	2,000	2,005	2,044	1,872	2,171	2,045	2,222	2,128	2,158	2,397
Revenues from sales	$ 4,766,945	$ 4,937,320	$ 4,848,803	$ 4,704,521	$ 5,042,994	$ 5,166,156	$ 5,279,292	$ 5,007,806	$ 5,121,461	$ 5,408,577
Clean Water Utility										
Connections - residential	2,256	2,258	2,247	2,251	2,259	2,265	2,301	2,326	2,337	2,171
Connections - commercial/industrial	362	365	329	335	326	331	369	320	353	518
Average daily sewage treatment	1.40	1.45	1.90	2.10	2.28	1.84	2.01	2.30	2.2	2.4
Treated effluent - million gallons	510.6	528.0	730.0	766.5	798.0	673.0	733.8	824.1	816.7	859.0
Residuals - million gallons	1.50	1.83	2.16	2.37	2.18	2.19	1.90	1.3	1.1	1.0
Revenues from sales	$ 2,195,503	$ 2,314,815	$ 2,549,177	$ 2,717,829	$ 2,906,955	$ 3,050,719	$ 2,973,266	$ 2,623,994	$ 2,650,412	$ 2,975,393

Source: City of Zeeland

[1] Legislation was passed to accelerate winter tax collection to the summer levy if the tax and other amounts billed total $100 or less. This legislation reduced by almost half the number of tax bills sent.

[2] Public Safety Statistics are calendar year

[3] Mutual Aid Agreements are formalized for the Counties of Ottawa, Allegan, and Kent; Michigan Emergency Management Assistance Compact (MEMAC) and the Mutual Aid Box Alarm System (MABAS).

[4] EMS/Rescue are reported with Fire/Rescue beginning in 2009

[3] As of 2022 Library circulation includes physical items and electronic items

City of Zeeland

CAPITAL ASSETS STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol vehicles	5	5	5	5	5	5	5	5	5	5
Fire										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of Fire Fighting Apparatus	5	5	5	5	5	4	4	4	4	4
Number of K9 Teams	-	-	-	-	-	-	-	-	-	-
Emergency Medical/Rescue										
Number of rescue vehicles	2	2	2	2	2	4	4	4	4	4
Culture and Recreation										
Library	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Number of parks	9	10	10	10	10	10	10	10	10	10
Number of acres in parks	32.2	32.3	32.3	32.3	32.3	32.3	32.7	32.7	32.7	32.7
Park pavillions	8	8	8	8	8	8	8	8	8	8
Playgrounds	4	4	4	4	4	4	4	4	4	4
Tennis courts/Pickleball Courts	3	3	3	7	7	7	6	10	10	10
Bike trails - miles	10.7	11.7	11.7	11.7	11.7	11.7	11.8	11.8	11.8	11.8
Streets										
Miles of Major streets	11.77	11.77	11.77	11.77	11.77	11.77	11.77	11.77	11.77	11.77
Miles of Local streets	18.69	18.69	18.69	18.69	18.69	18.69	18.63	18.63	18.63	18.63
Miles of sidewalks	26.40	26.40	26.40	27.12	27.12	28.24	29.58	30.05	30.12	30.12
Traffic signals	8	8	8	8	8	8	8	8	8	8
Street Light accounts	107	107	107	101	101	98	105	39	40	40
Street garage buildings leased or owned	3	3	3	3	3	3	3	3	3	3
Storm sewers - miles	16.9	16.9	16.9	16.9	16.9	16.9	16.9	16.9	16.9	16.9
Parking Lots										
Owned - square feet	166,700	166,700	166,700	166,700	166,700	166,700	166,700	166,700	166,700	166,700
Leased - square feet	71,500	71,500	71,500	71,500	71,500	71,500	71,500	71,500	88,000	88,000
Electric Utility										
Number of distribution stations	4	4	4	4	4	4	4	4	4	5
Miles of service lines										
Overhead	43	41	40	39	39	38	38	38	38	37
Underground	105	108	112	116	116	119	125	126	128	129
Water Utility										
Number of storage tanks	5	5	5	5	5	5	5	5	5	5
Miles of distribution mains	54	55	55	55	55	56	56	54	54	55
Number of fire hydrants	611	629	634	638	638	648	651	657	661	672
Clean Water Utility										
Miles of sanitary sewer	37	37	37	37	37	37	37	37	37	37
Major lift stations	7	7	7	7	7	7	7	7	7	7

Source: City of Zeeland