

Zeeland Board of Public Works
Ottawa County, Michigan

REPORT ON FINANCIAL STATEMENTS

For the Year Ended June 30, 2023



REPORT ON FINANCIAL STATEMENTS
BOARD OF PUBLIC WORKS
CITY OF ZEELAND, MICHIGAN
For the Fiscal Year Ended June 30, 2023

BOARD

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PREPARED BY
ZEELAND BOARD OF PUBLIC WORKS MANAGEMENT



Zeeland Board of Public Works

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Zeeland Board of Public Works
Zeeland, Michigan

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the Zeeland Board of Public Works, City of Zeeland, Michigan, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Zeeland Board of Public Works, 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 business-type activities and each major fund of the Zeeland Board of Public Works, City of Zeeland, Michigan as of June 30, 2023, and the respective changes in financial position and 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.

Emphasis of Matter

As discussed in Note A, the financial statements of the Zeeland Board of Public Works are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Zeeland, Michigan, that is attributable to the transactions of the Board. They do not purport to, and do not, present fairly the financial position of the City of Zeeland, Michigan, as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Board of Directors
Zeeland Board of Public Works
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Other Matter—Report on Summarized Comparative Information

The financial statements of the business-type activities and each major fund of the Zeeland Board of Public Works as of June 30, 2022 were audited by other auditors whose report dated December 19, 2022 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented as of the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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.

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 Zeeland Board of Public Works’ 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.

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.

Board of Directors
Zeeland Board of Public Works
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Other Information

Management is responsible for the other information included in the annual report. The other information comprises management’s discussion and analysis, pension and other post-employment benefits information, the combining financial statements as of and for the year ended June 30, 2022, and the statistical section, 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.

A handwritten signature in black ink that reads "Brickley DeLong, P.C." The signature is written in a cursive style with a large, looped initial 'B'.

Muskegon, Michigan
December 15, 2023

Management's Discussion and Analysis

The following discussion and analysis of the Zeeland Board of Public Works (Board's) financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the following financial statements.

FINANCIAL HIGHLIGHTS

1. The electric utility's net position increased by \$835,494, or 0.96%, including restatement.
2. The water utility's net position increased by \$750,198, or 2.43%, including restatement.
3. The electric utility recorded an increase in annual electrical sales volume to 421,952 megawatt-hours, which was a 0.25% increase from fiscal year 2022. Electric operating revenues increased \$4,138,362, or 12.7%.
4. The water utility had annual water sales volume of 2.11 billion gallons, a decrease of 6.7% from fiscal year 2022. Water operating revenues decreased by \$206,038, or 3.8%.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. They are (1) The Statement of Net Position; (2) The Statement of Revenue, Expenses and Changes in Net Position; and (3) The Statement of Cash Flows. These statements provide general financial information about the self-supporting activities of the Board that are funded by the sale of electrical power and water and associated services.

OVERVIEW OF FINANCIAL STATEMENTS

The financial statements are designed to provide the reader with a broad overview of the Board's finances. These statements are similar to those of a private sector business.

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

The Statement of Revenue, Expenses and Changes in Net Position provides information showing how the Board's net position changed during the fiscal year. All changes in net position are reported when the event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expense are reported in this statement for some items that will only result in cash flows in the future fiscal periods.

Statement of Cash Flows reports on the cash provided and used by the operating activities, as well as other cash sources such as investment income and cash payments for repayment of bonds and capital additions.

The Notes to the Financial Statements, which are immediately after the basic financial statements, provide additional information that is essential to a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS

Net Position

	Electric Activities		Water Activities		Total BPW Activities	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 53,290,138	\$ 54,236,082	\$ 13,157,838	\$ 14,129,710	\$ 66,447,976	\$ 68,365,792
Noncurrent assets	63,378	18,382	1,231,636	5,644	1,295,014	24,026
Capital assets	36,969,803	35,366,006	19,203,487	17,049,189	56,173,290	52,415,195
Total assets	90,323,319	89,620,470	33,592,961	31,184,543	123,916,280	120,805,013
Deferred outflows of resources	14,707	30,771	4,778	9,949	19,485	40,720
Total assets and deferred outflows of resources	90,338,026	89,651,241	33,597,739	31,194,492	123,935,765	120,845,733
Current liabilities	2,628,657	2,772,311	684,102	308,359	3,312,759	3,080,670
Noncurrent liabilities	14,014	-	732	-	14,746	-
Total liabilities	2,642,671	2,772,311	684,834	308,359	3,327,505	3,080,670
Deferred inflows of resources	-	19,069	1,282,295	5,721	1,282,295	24,790
Total liabilities and deferred inflows of resources	2,642,671	2,791,380	1,967,129	314,080	4,609,800	3,105,460
Net position						
Net investment in capital assets	36,969,803	35,366,006	19,203,487	17,049,189	56,173,290	52,415,195
Restricted	63,378	18,382	19,786	5,644	83,164	24,026
Unrestricted	50,662,174	51,475,473	12,407,337	13,825,579	63,069,511	65,301,052
Total net position	\$ 87,695,355	\$ 86,859,861	\$ 31,630,610	\$ 30,880,412	\$ 119,325,965	\$ 117,740,273

The net position of the Board's combined activities increased by 1.35%, from \$117,740,273 in fiscal year 2022 to \$119,325,965 in fiscal year 2023. The unrestricted net position, the part of net position that can be used without constraints established by bond covenants or other legal requirements, decreased 3.4% from \$65,301,052 on June 30, 2022 to \$63,069,511 on June 30, 2023.

Changes in Net Position

	<u>Electric Activities</u>		<u>Water Activities</u>		<u>Total BPW Activities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Operating revenues						
Charges for services	\$ 36,239,356	\$ 32,192,783	\$ 4,986,446	\$ 5,279,587	\$ 41,225,802	\$ 37,472,370
Other	394,831	303,042	129,739	42,636	524,570	345,678
Total operating revenues	<u>36,634,187</u>	<u>32,495,825</u>	<u>5,116,185</u>	<u>5,322,223</u>	<u>41,750,372</u>	<u>37,818,048</u>
Operating expenses						
Administration	2,139,035	2,050,033	782,494	586,978	2,921,529	2,637,011
Operations	31,996,055	29,088,388	2,898,311	2,543,847	34,894,366	31,632,235
Depreciation	2,558,530	2,363,231	793,040	731,948	3,351,570	3,095,179
Total operating expenses	<u>36,693,620</u>	<u>33,501,652</u>	<u>4,473,845</u>	<u>3,862,773</u>	<u>41,167,465</u>	<u>37,364,425</u>
Operating income (loss)	(59,433)	(1,005,827)	642,340	1,459,450	582,907	453,623
Nonoperating revenues (expenses)						
Investment earnings (loss)	1,469,170	(4,277,118)	45,460	(596,173)	1,514,630	(4,873,291)
Connection fees	65,324	81,488	79,069	77,391	144,393	158,879
Gain on sale of assets	-	5,221	-	13,700	-	18,921
Total nonoperating revenues (expenses)	<u>1,534,494</u>	<u>(4,190,409)</u>	<u>124,529</u>	<u>(505,082)</u>	<u>1,659,023</u>	<u>(4,695,491)</u>
Income (loss) before transfers	1,475,061	(5,196,236)	766,869	954,368	2,241,930	(4,241,868)
Transfers out	(530,564)	(507,712)	-	-	(530,564)	(507,712)
Change in net position	944,497	(5,703,948)	766,869	954,368	1,711,366	(4,749,580)
Net position - Beginning	86,859,861	92,563,809	30,880,412	29,926,044	117,740,273	122,489,853
Restatement	(109,003)	-	(16,671)	-	(125,674)	-
Net position - Ending	<u>\$ 87,695,355</u>	<u>\$ 86,859,861</u>	<u>\$ 31,630,610</u>	<u>\$ 30,880,412</u>	<u>\$ 119,325,965</u>	<u>\$ 117,740,273</u>

The Board experienced an increase in total operating revenues of 10.4%. Operating expenses increased by 10.2%. Electric operating revenue increased 12.7% and net operating income (loss) increased \$946,394 from fiscal year 2022. Water operating revenue decreased 4.0% and net operating income (loss) decreased \$817,110 from fiscal year 2022.

In fiscal year 2023, earnings on investments were \$1,514,630. Investment earnings recovered from a loss of \$4,873,291 due to unrealized losses in the prior year.

GENERATION AND PURCHASED POWER RESOURCES

Zeeland's local diesel generating plant produced 976 megawatt-hours, or 0.22% of the system's requirements during fiscal year 2023, at an average variable cost of \$0.114 per kilowatt-hour. The Board has entitlements in Detroit Edison's Belle River power plant and the AMP Fremont (AFEC) Gas Turbine plant through the Michigan Public Power Agency (MPPA). Belle River power in combination with electricity produced at Zeeland's diesel generating plant, and supplemented by purchases from the MPPA Power Contracts, provided the City with an average blended fuel and purchased power cost, including transmission purchases, of approximately \$0.064 per kilowatt-hour. However, continued economic dispatching of power purchases and optimum use of our own generation has allowed Zeeland to remain one of the lowest cost retail electrical providers in the State with an average retail rate of 8.27 cents per kilowatt-hour.

WATER OPERATIONS

The Board purchases the majority of its water at wholesale from the City of Holland. During fiscal year 2023, Zeeland purchased 2.12 billion gallons of water from Holland. Wholesale water charges totaled \$2,087,043.73. The Zeeland water utility provides for the operation and maintenance of a water distribution system including storage tanks, two pumping stations, distribution mains, services and related equipment. Five storage tanks provide a water storage capacity of 9.5 million gallons. The peak day water usage of the system for fiscal year 2023 was 11.34 million gallons.

CAPITAL ASSETS

The Board has \$56.2 million invested in capital assets, net of depreciation. Capital assets include assets with costs exceeding \$5,000 and expected useful lives of at least three years. Such assets include land, land improvements, construction in progress, buildings and improvements, utility systems, and machinery and equipment. In fiscal year 2023, the net value of capital assets increased by \$3,758,096.

Some of the major capital purchases during the year included:

1. Additional expansion and improvements of the electric distribution system for \$4,705,547.
2. Additional expansion and improvements of the water distribution system for \$1,716,777

Each year the Board publishes a 6-year Capital Improvement Plan (CIP). The CIP lists and discusses major capital expenditures that the Board and staff envision over the next six years. Major projects anticipated over the next two years include:

1. Continued extension of the electric and water distribution system associated with new development.
2. Water and electric distribution improvements in conjunction with the City's street reconstruction program including continued electric undergrounding efforts.
3. Substation modifications and improvements.
4. Generation and technology improvements.
5. Vehicle and facility upgrades.

More detailed information about changes in capital assets can be found in Note E of the notes to the financial statements.

SYSTEM EXPANSION AND IMPROVEMENTS

The expansion of the electric and water distribution systems into new residential areas have shown an increase in new services over the last several years consistent with the state and national housing recovery. The electric system increased in electrical services by 16 residential customers during fiscal year 2023 to bring our total residential services to 5,971. 59.2% of Zeeland's 7,002 electrical services are located outside of the City in territory franchised in Holland and Zeeland Charter Townships.

During the last fifteen years, the electric utility has invested over \$42.8 million in system improvements, while the water utility has completed an additional \$16.1 million in improvements during the same time. The measures the Board has undertaken over these years display our organization's commitment to meeting the present and future utility needs of the Zeeland community and lay the foundation for continued expansion and reliability of the system in the future.

SUMMARY OF DEBT

The Board has no debt bonds as of June 30, 2023. The Board has compensated absences of \$132,746. The Electric Utility and Water Utility both have a bond rating of A1 from Moody's Investor Service.

RENEWABLE ENERGY SOLUTIONS

Since 2008, the Board has entered into multiple purchase power agreements (PPA's) for renewable energy, both independently and through the Michigan Public Power Agency (MPPA). These include electricity generated from methane gas produced by the Autumn Hills landfill in Zeeland Township, Beebe and Pegasus Wind Farms in Gratiot and Tuscola Counties, Assembly Solar in Shiawassee County, and three additional utility scale solar projects currently under construction. Renewable energy purchased under these agreements is forecasted to satisfy nearly 23% of the Board's requirements in 2023, and the Board continues to seek "green energy" projects that complement its long-term power supply portfolio.

ENERGY WASTE REDUCTION

The Board is continuing its Energy Waste Reduction (EWR) plan to help our customers conserve electric energy. For 2023, the plan included LED light bulb rebates for residential customers, appliance recycling, HVAC upgrades, weatherization projects for low income families and energy efficiency programs for schools and other public facilities. It will continue to include appliance recycling, HVAC upgrades and working with commercial and industrial customers on efficiency programs and education.

GENERAL ECONOMIC CONDITION

Given the current economic condition and as the industry continues to evolve, the Board believes it is well positioned to continue to provide our customers reliable, low-cost electric and water service. We continue to evaluate the future structure of our service and are committed to providing value to our customers without compromising reliability. The accomplishments achieved during fiscal year 2023 are significant, and that success would not have been possible without the dedication and commitment of all the Board members, supervisory staff, and employees associated with our operation. This organization stands well prepared to meet the challenges expected by changes to the utility industry and as our area continues to grow.

It is with great satisfaction that the following financial reports are presented. The personnel at Zeeland Board of Public Works are proud of the positive results it reflects and continue to look forward with anticipation to greater achievements in the future.

This report is intended to provide our customers, bondholders, and other interested parties with a general overview of the Board's financial position and to indicate accountability for the revenues the Board receives.

CONTACTING THE BOARD OF PUBLIC WORKS

Questions about this report or requests for additional financial information should be directed to Zeeland Board of Public Works at 616-772-6212 or emailed to: info@zeelandbpw.com or to our offices located at 350 E. Washington Ave., Zeeland, Michigan 49464-1334.

Zeeland Board of Public Works
STATEMENT OF NET POSITION
Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Funds			
	Electricity Utility	Water Utility	2023 Total	2022 Total
ASSETS				
Current assets				
Cash and investments	\$ 19,226,026	\$ 12,320,211	\$ 31,546,237	\$ 34,660,351
Receivables				
Accounts	3,343,045	543,295	3,886,340	3,781,144
Leases	-	127,000	127,000	-
Interest	95,366	72,591	167,957	164,940
Inventories	695,157	88,754	783,911	765,935
Prepaid items	13,006	5,987	18,993	56,026
MPPA deposits	7,196,392	-	7,196,392	7,226,381
MPIA deposits	22,721,146	-	22,721,146	21,711,015
Total current assets	53,290,138	13,157,838	66,447,976	68,365,792
Noncurrent assets				
Leases receivable, less amounts due within one year	-	1,211,850	1,211,850	-
Net pension asset	23,201	7,734	30,935	16,668
Net OPEB asset	40,177	12,052	52,229	7,358
Capital assets				
Land	1,691,050	226,433	1,917,483	1,551,753
Construction in progress	1,354,213	1,485,170	2,839,383	4,960,203
Land improvements	533,542	170,969	704,511	704,511
Buildings and improvements	7,088,763	1,145,219	8,233,982	5,791,550
Utility systems	74,207,969	31,774,517	105,982,486	99,560,163
Machinery and equipment	1,920,789	357,315	2,278,104	2,278,104
Less accumulated depreciation	(49,826,523)	(15,956,136)	(65,782,659)	(62,431,089)
Net capital assets	36,969,803	19,203,487	56,173,290	52,415,195
Total noncurrent assets	37,033,181	20,435,123	57,468,304	52,439,221
Total assets	90,323,319	33,592,961	123,916,280	120,805,013
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	10,967	3,656	14,623	-
Related to other postemployment benefits	3,740	1,122	4,862	40,720
Total deferred outflows of resources	14,707	4,778	19,485	40,720
Total assets and deferred outflows of resources	90,338,026	33,597,739	123,935,765	120,845,733

The accompanying notes are an integral part of this statement.

Zeeland Board of Public Works
STATEMENT OF NET POSITION—CONTINUED
Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Funds			
	Electricity Utility	Water Utility	2023 Total	2022 Total
LIABILITIES				
Current liabilities				
Accounts payable	\$ 481,335	\$ 565,665	\$ 1,047,000	\$ 2,584,290
Accrued liabilities	101,761	33,013	134,774	115,755
Due to other governmental units	1,811,294	51,506	1,862,800	227,610
Customer deposits	133,267	16,918	150,185	153,015
Bonds and other obligations, due within one year	101,000	17,000	118,000	-
Total current liabilities	2,628,657	684,102	3,312,759	3,080,670
Noncurrent liabilities				
Bonds and other obligations, less amounts due within one year	14,014	732	14,746	-
Total liabilities	2,642,671	684,834	3,327,505	3,080,670
DEFERRED INFLOWS OF RESOURCES				
Related to leases	-	1,282,295	1,282,295	-
Related to pension	-	-	-	24,790
Total deferred inflows of resources	-	1,282,295	1,282,295	24,790
Total liabilities and deferred inflows of resources	2,642,671	1,967,129	4,609,800	3,105,460
NET POSITION				
Net investment in capital assets	36,969,803	19,203,487	56,173,290	52,415,195
Restricted for pension and other postemployment benefits	63,378	19,786	83,164	24,026
Unrestricted	50,662,174	12,407,337	63,069,511	65,301,052
Total net position	\$ 87,695,355	\$ 31,630,610	\$ 119,325,965	\$ 117,740,273

The accompanying notes are an integral part of this statement.

Zeeland Board of Public Works
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Proprietary Funds
For the year ended June 30, 2023

	Business-type Activities - Enterprise Funds			
	Electricity Utility	Water Utility	2023 Total	2022 Total
OPERATING REVENUES				
Charges for services	\$ 36,239,356	\$ 4,986,446	\$ 41,225,802	\$ 37,472,370
Other	394,831	129,739	524,570	345,678
Total operating revenues	36,634,187	5,116,185	41,750,372	37,818,048
OPERATING EXPENSES				
Administration	2,139,035	782,494	2,921,529	2,637,011
Operations	31,996,055	2,898,311	34,894,366	31,632,235
Depreciation	2,558,530	793,040	3,351,570	3,095,179
Total operating expenses	36,693,620	4,473,845	41,167,465	37,364,425
Operating income (loss)	(59,433)	642,340	582,907	453,623
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (loss)	1,469,170	45,460	1,514,630	(4,873,291)
Connection fees	65,324	79,069	144,393	158,879
Gain on sale of capital assets	-	-	-	18,921
Total nonoperating revenues (expenses)	1,534,494	124,529	1,659,023	(4,695,491)
Income (loss) before transfers	1,475,061	766,869	2,241,930	(4,241,868)
TRANSFERS				
Transfers out	(530,564)	-	(530,564)	(507,712)
Change in net position	944,497	766,869	1,711,366	(4,749,580)
Net position at beginning of year, as restated	86,750,858	30,863,741	117,614,599	122,489,853
Net position at end of year	\$ 87,695,355	\$ 31,630,610	\$ 119,325,965	\$ 117,740,273

The accompanying notes are an integral part of this statement.

Zeeland Board of Public Works
STATEMENT OF CASH FLOWS
Proprietary Funds
For the year ended June 30, 2023

	Business-type Activities - Enterprise Funds			
	Electricity Utility	Water Utility	2023 Total	2022 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 36,537,204	\$ 5,048,587	\$ 41,585,791	\$ 37,820,468
Payments to suppliers	(32,338,004)	(2,881,263)	(35,219,267)	(31,476,202)
Payments to employees	(2,353,706)	(617,376)	(2,971,082)	(2,430,590)
Net cash provided by (used for) operating activities	1,845,494	1,549,948	3,395,442	3,913,676
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	(530,564)	-	(530,564)	(507,712)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Connection fees	65,324	79,069	144,393	158,879
Purchases of capital assets	(4,848,240)	(2,786,758)	(7,634,998)	(7,791,035)
Proceeds from sale of capital assets	-	-	-	18,921
Net cash provided by (used for) capital and related financing activities	(4,782,916)	(2,707,689)	(7,490,605)	(7,613,235)
CASH FLOW FROM INVESTING ACTIVITIES				
Investment earnings (loss)	1,472,432	39,181	1,511,613	(2,521,641)
Net increase (decrease) in cash and investments	(1,995,554)	(1,118,560)	(3,114,114)	(6,728,912)
Cash and investments at beginning of year	21,221,580	13,438,771	34,660,351	41,389,263
Cash and investments at end of year	\$ 19,226,026	\$ 12,320,211	\$ 31,546,237	\$ 34,660,351
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ (59,433)	\$ 642,340	\$ 582,907	\$ 453,623
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation expense	2,558,530	793,040	3,351,570	3,095,179
Change in assets and liabilities				
Accounts receivable	(96,983)	(67,598)	(164,581)	2,420
Inventories	(15,352)	(2,624)	(17,976)	(146,662)
Prepaid items	36,739	294	37,033	(23,599)
Accounts payable	(541,278)	313,570	(227,708)	481,272
Accrued liabilities	(30,371)	(6,231)	(36,602)	51,443
Due to other governmental units	(6,358)	(122,843)	(129,201)	-
Net cash provided by (used for) operating activities	\$ 1,845,494	\$ 1,549,948	\$ 3,395,442	\$ 3,913,676

The accompanying notes are an integral part of this statement.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Zeeland Board of Public Works 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 Zeeland Board of Public Works' accounting policies are described below.

Reporting Entity

The Zeeland Board of Public Works (Board) operates the Electric Utility and Water Utility enterprise funds of the City of Zeeland (City). It operates under the direction of the City Charter and is governed by a five-member board appointed by the City Council. The Board provides electric and water services to users in the City of Zeeland and the surrounding area. The rates for user charges, the Board's bond budgets, and any bond issuance authorizations are approved by the City Council of Zeeland and the legal liability for any debt remains with the City.

As provided by generally accepted accounting principles, the financial statements of the Zeeland Board of Public Works exclude the fund of the City of Zeeland and applicable component units of the City of Zeeland.

Generally accepted accounting principles require that if the Board is considered to be financially accountable over other organizations, those organizations should be included as component units in the Board's financial statements. Since no organizations met this criterion, none are included in the financial statements.

Basis of Presentation—Financial Statements

The financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Board.

Major individual enterprise funds are reported as separate columns in the financial statements.

The Board reports the following 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 of Zeeland'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.

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 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Cash and Investments

The Board'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 Board are reported at fair value (generally based on quoted market prices).

The Board follows the City's investment policy which is in compliance with State of Michigan statutes. Those statutes authorize the Board 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.

For the purpose of the statement of cash flows, the Board 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 Board is a lessor for certain noncancellable leases. The Board 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 Board 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 Board determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The Board 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 is composed of fixed payments from the lessee.

The Board 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.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

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 Board as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of three years.

As the Board 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 Board are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Years</u>
Land improvements	5-20
Buildings and improvements	5-40
Utility systems	15-50
Machinery and equipment	3-25

Defined Benefit Plan

The City offers a single-employer defined benefit pension plan (Plan) to its employees. The Board records a net pension liability 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, 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 Board 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, 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.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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 Board also reports unavailable revenues from one source: leases. These amounts are long-term leases entered into by the Board in which the Board 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. The Board follows the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Revenues and Expenses

Compensated Absences

Board employees are granted vacation and sick leave in varying amounts based on length of service and employee group. Upon termination, employees are paid for vacation days as separation pay under limits that vary by employment 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 Water Utility Fund also recognizes 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 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.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE B—DEPOSITS AND INVESTMENTS

As of June 30, 2023, the following portion of the City’s investments was allocated to the Board:

Investment Type	Fair Value	Weighted Average Maturity (Months)	S&P/ Moody's	Percent
Money market funds	\$ 1,270,502	1	AAAm	2.1 %
U.S. government securities	5,184,606	36	Aaa	8.7
U.S. agency obligations	38,203,084	21	AA+	64.5
Municipal bonds	9,924,649	34	AA- to AAA	16.7
External investment pool	4,409,168	3	AAAm	7.5
Pension trust				
Money market funds	274,531	1	AAAm	0.5
Mutual fund bonds	4,918,921	N/A	N/A	N/A
Mutual fund equities	5,384,254	N/A	N/A	N/A
OPEB trust				
Mutual fund equities	2,316,170	N/A	N/A	N/A
Total fair value	71,885,885			<u>100.0 %</u>
Portfolio weighted average maturity		<u>N/A</u>		
Less cash and investments not attributable to the Board	40,339,648			
	<u>\$ 31,546,237</u>			

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 Board follows the City’s formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Board’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 investment policy further limits the Board’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.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE B—DEPOSITS AND INVESTMENTS—Continued

Deposit and Investment Risks—Continued

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 Board has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Board does not have a concentration of credit risk policy. Concentration of credit risk is the risk of loss attributed to the magnitude of the Board 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:

<u>Security</u>	<u>Percent of Total Investments</u>
Federal Home Loan Bank obligations	20.1%
Federal Farm Credit Bank Funding Corporation obligations	19.1%
Federal National Mortgage Association obligations	8.7%

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. As of June 30, 2023, \$4,626,342 of the City's bank balance of \$6,126,342 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments

The Board 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, 2023, \$428,569 of the City's total investment portfolio was held in international equity mutual funds.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE C—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, 2023.

Money market funds and mutual fund equities: Valued at amortized cost, which approximates fair value.

U.S. government securities, U.S. agency obligations, municipal bonds, money market funds, 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 pool: The assets are valued based upon the City's allocable share of the Michigan CLASS (Pool) pooled investment portfolio. The allocable shares are based on the value of the underlying assets owned by the Pool, minus its liabilities.

Each entity with an interest within the pooled investments receives statements from the Pool 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 Pool based on the estimated fair value of the underlying assets. The Pool controls the investments and makes all management and investment decisions.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE C—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 Board 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, 2023, and the amount allocated to the Board:

	Assets at Fair Value as of June 30, 2023			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ -	\$ 1,270,502	\$ -	\$ 1,270,502
U.S. government securities	5,184,606	-	-	5,184,606
U.S. agency obligations	38,203,084	-	-	38,203,084
Municipal bonds	9,924,649	-	-	9,924,649
External investment pool	-	4,409,168	-	4,409,168
Pension trust				
Money market funds	274,531	-	-	274,531
Mutual fund bonds	4,918,921	-	-	4,918,921
Mutual fund equities	5,384,254	-	-	5,384,254
OPEB trust				
Mutual fund equities	-	2,316,170	-	2,316,170
Total assets at fair value	<u>\$ 63,890,045</u>	<u>\$ 7,995,840</u>	<u>\$ -</u>	71,885,885
Less cash and investments not attributable to the Board				<u>40,339,648</u>
				<u>\$ 31,546,237</u>

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE D—LEASES

Leases Receivable

The Board leases the right to use space on water towers owned by the Board 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 Board receives annual payments of \$159,711, increasing each year depending on the terms of each agreement. The Board recognized \$95,640 in lease revenue and \$28,551 in interest revenue related to these leases during the year ended June 30, 2023. The Board has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflow of resources was \$1,282,295.

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

Year Ending June 30,	Business-type Activities	
	Principal	Interest
2024	\$ 127,023	\$ 32,688
2025	75,059	24,460
2026	79,742	22,945
2027	84,267	21,335
2028	85,967	19,635
2029-2033	359,001	73,299
2034-2038	272,275	40,541
2039-2043	210,051	17,647
2044	45,465	918
	\$ 1,338,850	\$ 253,468

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE E—CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance June 1, 2022	Additions	Deductions	Balance July 30, 2023
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,551,753	\$ 365,730	\$ -	\$ 1,917,483
Construction in progress	4,960,203	4,531,176	6,651,996	2,839,383
Total capital assets, not being depreciated	6,511,956	4,896,906	6,651,996	4,756,866
Capital assets, being depreciated:				
Land improvements	704,511	-	-	704,511
Buildings and improvements	5,791,550	2,442,432	-	8,233,982
Utility systems	99,560,162	6,422,324	-	105,982,486
Machinery and equipment	2,278,104	-	-	2,278,104
Total capital assets, being depreciated	108,334,327	8,864,756	-	117,199,083
Less accumulated depreciation:				
Land improvements	565,576	25,897	-	591,473
Buildings and improvements	3,680,521	298,158	-	3,978,679
Utility systems	56,333,235	2,841,921	-	59,175,156
Machinery and equipment	1,851,757	185,594	-	2,037,351
Total accumulated depreciation	62,431,089	3,351,570	-	65,782,659
Total capital assets, being depreciated, net	45,903,238	5,513,186	-	51,416,424
Capital assets, net	\$ 52,415,194	\$ 10,410,092	\$ 6,651,996	\$ 56,173,290

Depreciation

Depreciation expense was charged to functions as follows:

Business-type activities:

Electricity	\$ 2,558,530
Water	793,040
	\$ 3,351,570

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE F—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

During the year ended June 30, 2023, the Electricity Utility Fund transferred \$530,564 to the City’s General Fund for payments in lieu of property taxes.

NOTE G—LONG-TERM DEBT

Summary of Changes in Long-Term Liabilities

The following is a summary of long-term liabilities activity for the Board for the year ended June 30, 2023.

	Balance June 1, 2022 as restated	Additions	Reductions	Balance July 30, 2023	Due Within One Year
Business-type activities:					
Compensated absences	\$ 125,674	\$ 138,916	\$ 131,844	\$ 132,746	\$ 118,000

NOTE H—OTHER INFORMATION

Risk Management

The Board 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 Board manages its liability and property risk by participating through the City 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. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

In addition, the Board is a participating public entity in the Michigan Professional Insurance Authority (MPIA), a public entity risk pool which was established for the purpose of preventing or lessening casualty losses to government properties which might result in claims being made against the Board.

The Board manages its workers' compensation risk by participating through the City 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 Board carries commercial insurance through the City 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.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE H—OTHER INFORMATION—Continued

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 Board expects such amounts, if any, to be immaterial.

Commitments

The Board has several contracts for various capital projects as of June 30, 2023 with a remaining amount of \$2,039,603, to be paid out of available funds as follows:

Fund	Amount
Electricity Utility Fund	\$ 1,455,902
Water Utility Fund	583,701
	\$ 2,039,603

NOTE I—POWER SALES CONTRACT AND PROJECT CONTRACT

The Board 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, 2023, the MPPA had 22 full participating 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.

The Board has entered into a Power Sales Contract and a Project Support Contract with the MPPA whereby the MPPA will sell and the Board 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 2023, approximately 63.1 million kWh (approximately 14.4% of the system's needs) were provided to Zeeland from the Belle River project. The Board also has a Power Sales Contract through the MPPA where the Board 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 2023, approximately 44.6 million kWh (approximately 10.2% of the system's needs) were provided to Zeeland from the AFEC project.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE I—POWER SALES CONTRACT AND PROJECT CONTRACT—Continued

The Board has a Power Purchase Agreement (PPA) through MPPA where the Board 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 2023, approximately 38.6 million kWh (approximately 8.8% of the system's needs) were provided to Zeeland from the Beebe and Pegasus Wind Farms.

In 2018, the Board 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 29.9 million kWh, or approximately 6.8% of the Board's requirements during fiscal year 2023. Similarly, in 2018, the Board 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 6.9 million kWh, or approximately 1.6% of the Board's requirements during fiscal year 2023.

In 2008, the Board entered into a renewable Power Purchase Agreement with North American Natural Resources (NANR) for up to 4.0MW of nameplate capacity and the associated energy produced by its Autumn Hills Landfill Gas Generation facility located in Zeeland, MI. During fiscal year 2023, the facility produced 11.9 million kWh, or approximately 2.7% of the system's needs.

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

These contracts require the Board 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 J—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Benefit Pension Plan

Plan Description

The Board participates in 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. The Plan information that is applicable to the Board is not always separately available from information provided for the City as a whole. The following Plan information is for the City of Zeeland as a whole, unless otherwise noted.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE J—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Benefit Pension Plan—Continued

The financial statements of the Plan are included in the City of Zeeland’s financial statements as a pension and other employee benefit trust fund (a fiduciary fund). This report may be obtained from the City of Zeeland. The Plan does not issue a separate stand-alone report.

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

At the June 30, 2023 valuation date, 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	3
Total employees covered by Plan	42

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, 2023, the City had an annual flat-dollar employer contribution to the Plan of \$51,352 in lieu of a percentage of covered payroll, as the Plan is closed to new employees. Member contributions for the Plan were \$1,954.

Net Pension Liability

The City’s net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE J—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Benefit Pension Plan—Continued

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.6 percent
Salary increases	3.0 percent
Investment rate of return	5.42 percent

Mortality rates used were the Pub-2010 Public Retirement Plans Mortality Tables for General Employees (annuitant and non-annuitant, sex-distinct) with Projection 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Target Gross Rate of Return</u>	<u>Long-Term Expected Gross Rate of Return</u>	<u>Inflation Assumption</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	37.5%	7.39%	2.77%	2.60%	1.79%
International equity	12.5%	6.53%	0.82%	2.60%	0.49%
Fixed income	49.0%	3.70%	1.81%	2.60%	0.54%
Cash	1.0%	2.30%	0.02%	2.60%	0.00%
Total	100.0%		5.42%		2.82%

Discount Rate

The discount rate used to measure the total pension liability for the June 30, 2023 valuation was 5.42 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. As of June 30, 2022, the discount rate used to value the total pension liability was 4.51 percent.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE J—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Benefit Pension Plan—Continued

Changes in the Net Pension Liability

	<u>Increase (Decrease)</u>		Net Pension Liability (Asset) (a)-(b)
	Total Pension Liability (a)	Plan Fiduciary Position (b)	
Balance at July 1, 2022	\$ 10,935,934	\$ 10,508,468	\$ 427,466
Changes for the year			
Service cost	41,042	-	41,042
Interest	479,197	-	479,197
Difference between expected and actual experience	(29,845)	-	(29,845)
Changes in assumptions	(901,954)	-	(901,954)
Contributions - employer	-	51,352	(51,352)
Contributions - employee	-	1,954	(1,954)
Net investment income (loss)	-	762,557	(762,557)
Administrative expenses	-	(26,575)	26,575
Benefit payments including refund of employee contributions	(703,562)	(703,562)	-
Net changes	(1,115,122)	85,726	(1,200,848)
Balance at June 30, 2023	\$ 9,820,812	\$ 10,594,194	\$ (773,382)

The Board's share of the City's total net pension asset at June 30, 2023 was \$30,935.

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

The following presents the net pension liability of the City, calculated using the discount rate of 5.42 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.42 percent) or 1-percentage-point higher (6.42 percent) than the current rate:

	1% Decrease (4.42%)	Current Discount Rate (5.42%)	1% Increase (6.42%)
City's net pension liability (asset)	\$ 225,698	\$ (773,382)	\$(1,619,545)

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE J—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, 2023, the City recognized pension expense of (\$879,304). At June 30, 2023, 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	\$ 398,478	\$ 32,902

The Board’s share of the City’s deferred outflows and inflows related to pensions was \$14,623 and \$0, respectively.

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
2024	\$ 8,372
2025	35,679
2026	382,304
2027	(60,779)

Payables to the Pension Plan

At June 30, 2023, the City did not have a payable to the Plan.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE J—EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS—Continued

Defined Contribution Pension Plan

The Board participates in the City's 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 Board 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, 2023, Board contributions to the plan were \$214,284.

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, 2023, forfeitures were \$11,382.

At June 30, 2023, the City did not have a payable to the Plan.

Deferred Compensation Plan

The Board through 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 K—OTHER POST-EMPLOYMENT BENEFITS

Retiree Healthcare Plan

Plan Description

The Board participates in 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. The OPEB Plan information that is applicable to the Board is not always separately available from information provided for the City as a whole. The following OPEB Plan information is for the City of Zeeland as a whole, unless otherwise noted.

The financial statements of the Plan are included in the City of Zeeland's financial statements as a pension and other employee benefit trust fund (a fiduciary fund). This report may be obtained from the City of Zeeland. The Plan does not issue a separate stand-alone report.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE K—OTHER POST-EMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

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.

Employees Covered by Benefit Terms

At the June 30, 2023 valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	30
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>12</u>
Total employees covered by OPEB Plan	<u><u>42</u></u>

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, 2023, 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

The City's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE K—OTHER POST-EMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	Included in investment rate of return
Salary increases	2.0 percent
Investment rate of return	5.01 percent (including inflation)
20-year Aa Municipal bond rate	4.13 percent

Mortality

Mortality rates were as set forth in the Public General and Public Safety 2010 Employee and Healthy Retirees, headcount weighted, 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 as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Gross Rate of Return</u>
Equities	50.5%	3.90%
Multi-asset	5.5%	0.28%
Fixed income	44.0%	0.83%
Total	<u>100.0%</u>	<u>5.01%</u>

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE K—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. 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

	Increase (Decrease)		
Total OPEB Liability (a)	Plan Fiduciary Position (b)	Net OPEB Liability (Asset) (a)-(b)	
Balance at July 1, 2022	\$ 2,203,174	\$ 2,223,687	\$ (20,513)
Changes for the year			
Service cost	12,866	-	12,866
Interest	109,084	-	109,084
Difference between expected and actual experience	(339,064)	-	(339,064)
Changes of assumptions	5,764	-	5,764
Net investment income (loss)	-	184,139	(184,139)
Administrative expenses	-	(2,256)	2,256
Benefit payments including refund of employee contributions	(77,426)	(77,426)	-
Other changes	-	(11,974)	11,974
Net changes	(288,776)	92,483	(381,259)
Balance at June 30, 2023	\$ 1,914,398	\$ 2,316,170	\$ (401,772)

The Board’s share of the City’s total net OPEB asset at June 30, 2023 was \$52,229.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE K—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 5.01 percent, as well as what the City's net OPEB liability 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's net OPEB liability (asset)	\$ (203,038)	\$ (401,772)	\$ (570,819)

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

The actual healthcare trend is expected to exceed the 3 percent cap on the City's contributions by more than 1-percentage point. Therefore, the net OPEB liability would be unaffected by a one 1 percent change in trend.

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, 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.

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

For the year ended June 30, 2023, the City recognized OPEB expense of (\$305,129). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual net investment income	<u>\$ 37,395</u>	<u>\$ -</u>

The Board's share of the City's deferred outflows related to OPEB was \$4,862.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ (406)
2025	(7,173)
2026	59,978
2027	(15,004)

Payables to the OPEB Plan

At June 30, 2023, the City did not have a payable to the OPEB Plan.

Zeeland Board of Public Works
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE L—PRIOR PERIOD ADJUSTMENTS

The following prior period adjustments were made to adjust balances as of July 1, 2022:

The beginning balance of business-type net position was overstated in the amount of \$303,883 due to the liability for compensated absences not being recorded. The effects on net position are as follows:

	Electricity Utility Fund		Water Utility Fund	
	Net Position	Bonds and Other Obligations	Net Position	Bonds and Other Obligations
Balance at July 1, 2022	\$ 86,859,861	\$ -	\$ 30,880,412	\$ -
Adjustment to record compensated absences	(109,003)	109,003	(16,671)	16,671
Balance at July 1, 2022, as restated	<u>\$ 86,750,858</u>	<u>\$ 109,003</u>	<u>\$ 30,863,741</u>	<u>\$ 16,671</u>

The beginning balance of lease receivables and deferred inflows in the Water Utility Fund and business-type activities were also restated as they had not been recorded as of July 1, 2022. The restatement of the beginning of year balances has no impact on net position or fund balance. The change in receivables and deferred inflows are as follows:

	Statement of Net Position Water Utility Fund	
	Leases Receivable	Deferred Inflows
Balance at July 1, 2022	\$ -	\$ -
Adjustment to record lease activity	1,377,936	1,377,936
Balance at July 1, 2022, as restated	<u>\$ 1,377,936</u>	<u>\$ 1,377,936</u>

OTHER INFORMATION

Zeeland Board of Public Works
Other Information
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY										
Service cost	\$ 41,042	\$ 53,562	\$ 40,169	\$ 41,077	\$ 41,957	\$ 53,470	\$ 56,964	\$ 72,843	\$ 108,324	\$ 552,507
Interest	479,197	518,838	547,828	543,108	525,118	523,640	503,721	503,522	498,664	70,564
Differences between expected and actual experience	(29,845)	(23,991)	144,286	90,070	19,701	146,855	(86,353)	175,029	(57,109)	-
Changes in assumptions	(901,954)	674,552	542,297	85,692	(390,519)	-	1,064,896	122,919	-	-
Benefit payments, including refunds of employee contributions	(703,562)	(694,520)	(675,647)	(678,563)	(707,427)	(661,647)	(634,676)	(604,295)	(471,909)	(458,795)
Net change in total pension liability	(1,115,122)	528,441	598,933	81,384	(511,170)	62,318	904,552	270,018	77,970	164,276
Total pension liability at beginning of year	10,935,934	10,407,493	9,808,560	9,727,176	10,238,346	10,176,028	9,271,476	9,001,458	8,923,488	8,759,212
Total pension liability at end of year (a)	\$ 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	\$ 8,923,488
PLAN FIDUCIARY NET POSITION										
Contributions-employer	\$ 51,352	\$ 67,845	\$ 84,960	\$ 460,441	\$ 986,318	\$ 992,172	\$ 861,437	\$ 329,543	\$ 338,030	\$ 410,186
Contributions-employee	1,954	3,404	3,616	3,204	3,243	3,036	3,465	3,433	4,209	4,514
Net investment income (loss)	762,557	(1,578,892)	2,348,860	735,159	722,412	599,573	783,137	131,817	311,385	1,071,239
Benefit payments, including refunds of employee contributions	(703,562)	(694,520)	(675,647)	(678,563)	(707,427)	(661,647)	(634,676)	(604,295)	(471,909)	(458,795)
Administrative expenses	(26,575)	(17,346)	(34,123)	(40,538)	(46,392)	(45,656)	(50,764)	(35,568)	(43,131)	(62,100)
Net change in plan fiduciary net position	85,726	(2,219,509)	1,727,666	479,703	958,154	887,478	962,599	(175,070)	138,584	965,044
Plan fiduciary net position at beginning of year	10,508,468	12,727,977	11,000,311	10,520,608	9,562,454	8,674,976	7,712,377	7,887,447	7,748,863	6,783,819
Plan fiduciary net position at end of year (b)	\$ 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	\$ 7,748,863
City's net pension liability (asset) at end of year (a)-(b)	\$ (773,382)	\$ 427,466	\$ (2,320,484)	\$ (1,191,751)	\$ (793,432)	\$ 675,892	\$ 1,501,052	\$ 1,559,099	\$ 1,114,011	\$ 1,174,625
City's net pension liability (asset) reported by Zeeland Board of Public Works**	\$ (30,935)	\$ (16,668)	\$ (133,647)	\$ (78,355)	\$ (69,091)	\$ 13,847	\$ 9,278	\$ 246,573	\$ 197,778	\$ 208,539
Plan fiduciary net position as a percentage of the total pension liability	107.87%	96.09%	122.30%	112.15%	108.16%	93.40%	85.25%	83.18%	87.62%	86.84%
Covered payroll	\$ 232,084	\$ 216,487	\$ 381,567	\$ 346,002	\$ 347,544	\$ 328,416	\$ 394,851	\$ 526,928	\$ 792,685	\$ 797,194
City's net pension liability as a percentage of covered payroll	-333.23%	197.46%	-608.15%	-344.43%	-228.30%	205.80%	380.16%	295.88%	140.54%	147.34%

** The above schedule provides information for the City of Zeeland plan as a whole with the exception of this item.

Notes to Schedule

The following were significant changes to actuarial assumptions:

2023 valuation - The investment rate of return assumption was increased from 4.51 percent to 5.42 percent.

Zeeland Board of Public Works
Other Information
PENSION SYSTEM SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ 202,623	\$ 395,473	\$ 359,919	\$ 371,006	\$ 278,979	\$ 256,409
Contributions in relation to the actuarially determined contribution	51,352	67,845	84,960	460,441	986,318	992,172	861,437	329,543	338,030	410,186
Contribution deficiency (excess)	<u>\$ (51,352)</u>	<u>\$ (67,845)</u>	<u>\$ (84,960)</u>	<u>\$ (460,441)</u>	<u>\$ (783,695)</u>	<u>\$ (596,699)</u>	<u>\$ (501,518)</u>	<u>\$ 41,463</u>	<u>\$ (59,051)</u>	<u>\$ (153,777)</u>
Covered payroll	\$ 232,084	\$ 216,487	\$ 381,567	\$ 346,002	\$ 347,544	\$ 328,416	\$ 394,851	\$ 526,928	\$ 792,685	\$ 797,194
Contributions as percentage of covered payroll	22.1%	31.3%	22.3%	133.1%	283.8%	302.1%	218.2%	62.5%	42.6%	51.5%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, 2023

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	5 years
Asset valuation method	Equal to market value of assets
Inflation	2.60 percent
Salary increases	3.0 percent
Investment rate of return	5.42 percent, net of investment and administrative expenses
Retirement age	55-62 years of age depending on years of service and
Mortality	Based on a version of Pub-2010 and fully generational MP-2021

Table presents information for the City of Zeeland as a whole.

Zeeland Board of Public Works
 Other Information
PENSION SYSTEM SCHEDULE OF INVESTMENT RETURNS
 Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	7.50%	-12.73%	21.97%	7.07%	7.46%	6.80%	10.04%	1.70%	4.06%	15.92%

Zeeland Board of Public Works
Other Information

RETIREE HEALTHCARE SYSTEM SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
TOTAL OPEB LIABILITY							
Service cost	\$ 12,866	\$ 19,916	\$ 15,997	\$ 15,735	\$ 19,889	\$ 26,901	\$ 25,706
Interest	109,084	101,136	107,827	106,388	102,506	93,941	86,995
Differences between expected and actual experience	(339,064)	(39,339)	44,657	(9,978)	(5,158)	(12,418)	-
Changes of assumptions	5,764	(159,524)	379,939	-	(18,800)	(196,791)	113,027
Benefit payments, including refunds of employee contributions	(77,426)	(80,438)	(86,015)	(88,819)	(92,950)	(69,500)	(85,640)
Net change in total OPEB liability	(288,776)	(158,249)	462,405	23,326	5,487	(157,867)	140,088
Total OPEB liability at beginning of year	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)	\$ 1,914,398	\$ 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)	184,139	(265,413)	460,553	91,136	111,936	126,595	192,931
Benefit payments, including refunds or employee contributions	(77,426)	(80,438)	(86,015)	(88,819)	(92,950)	(69,500)	(85,640)
Administrative expense	(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	92,483	(357,388)	368,826	(6,216)	27,750	81,335	196,633
Plan fiduciary net position at beginning of year	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)	\$ 2,316,170	\$ 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)	\$ (401,772)	\$ (20,513)	\$ (219,652)	\$ (313,231)	\$ (342,773)	\$ (320,510)	\$ (81,308)
City's net OPEB liability (asset) reported by Zeeland Board of Public Works**	\$ (52,229)	\$ (7,358)	\$ (78,786)	\$ (112,351)	\$ (122,947)	\$ (114,962)	\$ -
Plan fiduciary net position as a percentage of the total OPEB liability	120.99%	100.93%	109.30%	116.49%	118.27%	117.14%	104.01%
Covered payroll	\$ 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	-46.13%	-2.36%	-21.25%	-29.40%	-32.02%	-23.27%	-5.71%

** The above schedule provides information for the City of Zeeland plan as a whole with the exception of this item.

Notes to Schedule

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

Zeeland Board of Public Works
OTHER INFORMATION
RETIREE HEALTHCARE SYSTEM SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
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)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,840)</u>	<u>\$ (51,272)</u>	<u>\$ (27,127)</u>	<u>\$ (76,693)</u>
Covered employee payroll	\$ 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%	0.4%	1.0%	1.9%	6.4%

Notes to Schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of June 30, 2023

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	3 years
Asset valuation method	Equal to market value of assets
Inflation	Included in investment return
Salary increases	2.0 percent
Investment rate of return	5.01 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 2010 Employee and Healthy Retiree, Headcount weighted, MP-2021 improvement.

Table presents information for the City of Zeeland as a whole.

Notes to Schedule

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

Zeeland Board of Public Works
OTHER INFORMATION
RETIREE HEALTHCARE SYSTEM SCHEDULE OF INVESTMENT RETURNS
 Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	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

Zeeland Board of Public Works
STATEMENT OF NET POSITION
Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Funds		
	Electricity	Water	Total
	Utility	Utility	
ASSETS			
Current assets			
Cash and investments	\$ 21,221,580	\$ 13,438,771	\$ 34,660,351
Receivables			
Accounts	3,248,928	532,216	3,781,144
Interest	98,628	66,312	164,940
Inventories	679,805	86,130	765,935
Prepaid items	49,745	6,281	56,026
MPPA deposits	7,226,381	-	7,226,381
MPIA deposits	21,711,015	-	21,711,015
Total current assets	54,236,082	14,129,710	68,365,792
Noncurrent assets			
Net pension asset	12,822	3,846	16,668
Net OPEB asset	5,560	1,798	7,358
Capital assets			
Land	1,377,003	174,750	1,551,753
Construction in progress	4,471,259	488,944	4,960,203
Land improvements	533,542	170,969	704,511
Buildings and improvements	4,828,983	962,567	5,791,550
Utility systems	69,502,423	30,057,740	99,560,163
Machinery and equipment	1,920,789	357,315	2,278,104
Less accumulated depreciation	(47,267,993)	(15,163,096)	(62,431,089)
Net capital assets	35,366,006	17,049,189	52,415,195
Total noncurrent assets	35,384,388	17,054,833	52,439,221
Total assets	89,620,470	31,184,543	120,805,013
DEFERRED OUTFLOWS OF RESOURCES			
Related to other postemployment benefits	30,771	9,949	40,720
Total assets and deferred outflows of resources	89,651,241	31,194,492	120,845,733

Zeeland Board of Public Works
STATEMENT OF NET POSITION—CONTINUED
Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Funds		
	Electricity Utility	Water Utility	Total
LIABILITIES			
Current liabilities			
Accounts payable	\$ 2,492,775	\$ 91,515	\$ 2,584,290
Accrued liabilities	90,142	25,613	115,755
Due to other governmental units	53,261	174,349	227,610
Customer deposits	136,133	16,882	153,015
Total liabilities	2,772,311	308,359	3,080,670
DEFERRED INFLOWS OF RESOURCES			
Related to pension	19,069	5,721	24,790
Total liabilities and deferred inflows of resources	2,791,380	314,080	3,105,460
NET POSITION			
Net investment in capital assets	35,366,006	17,049,189	52,415,195
Restricted for pension and other postemployment benefits	18,382	5,644	24,026
Unrestricted	51,475,473	13,825,579	65,301,052
Total net position	\$ 86,859,861	\$ 30,880,412	\$ 117,740,273

Zeeland Board of Public Works
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Proprietary Funds
For the year ended June 30, 2022

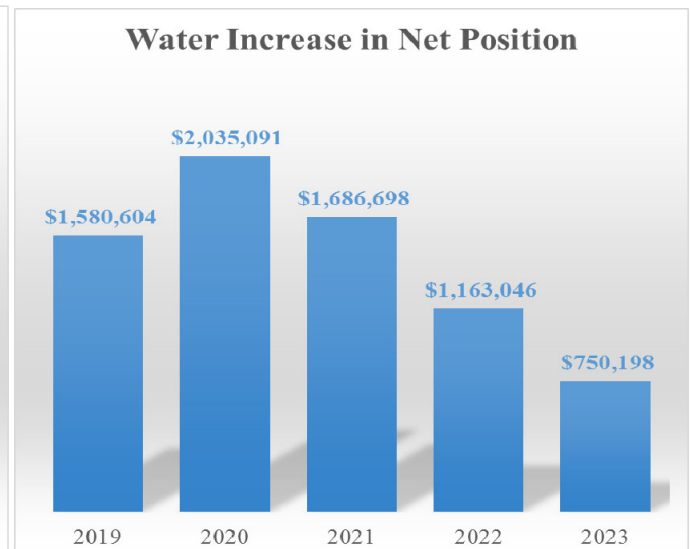
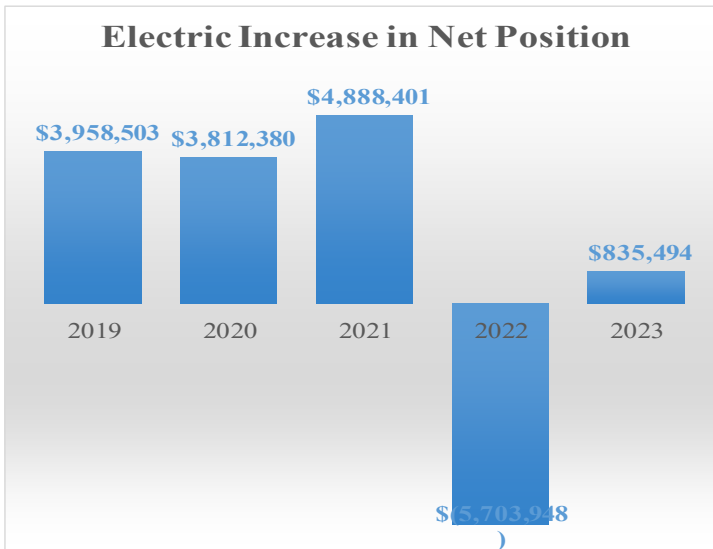
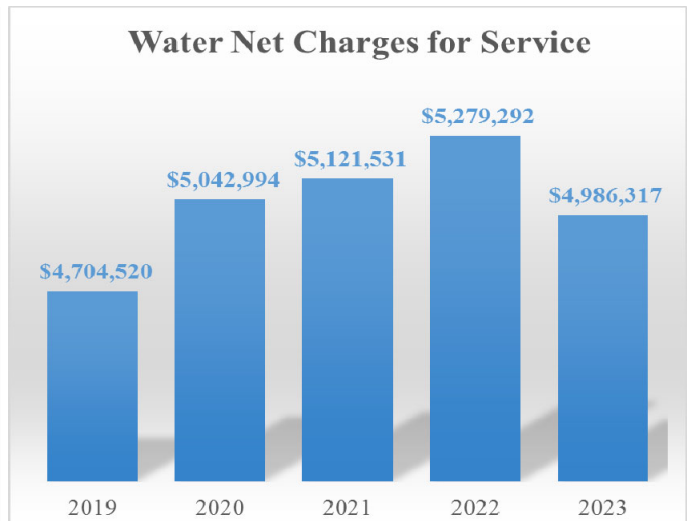
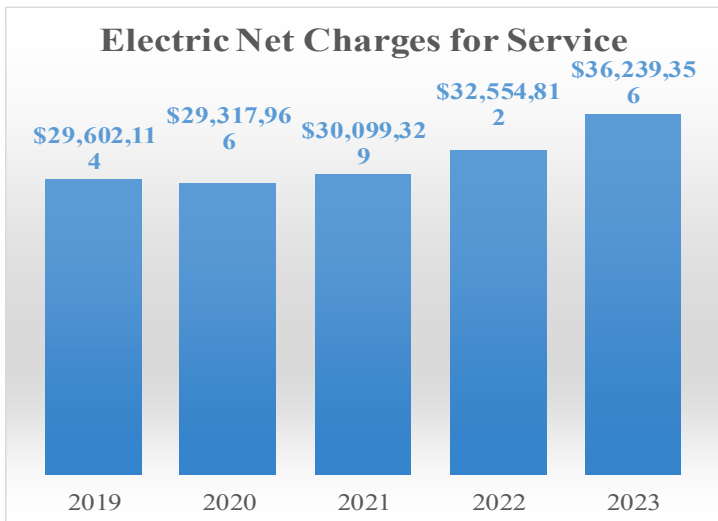
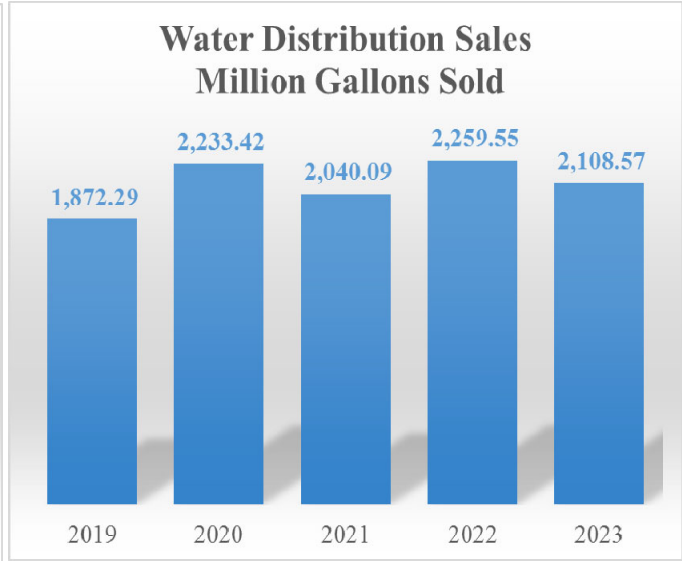
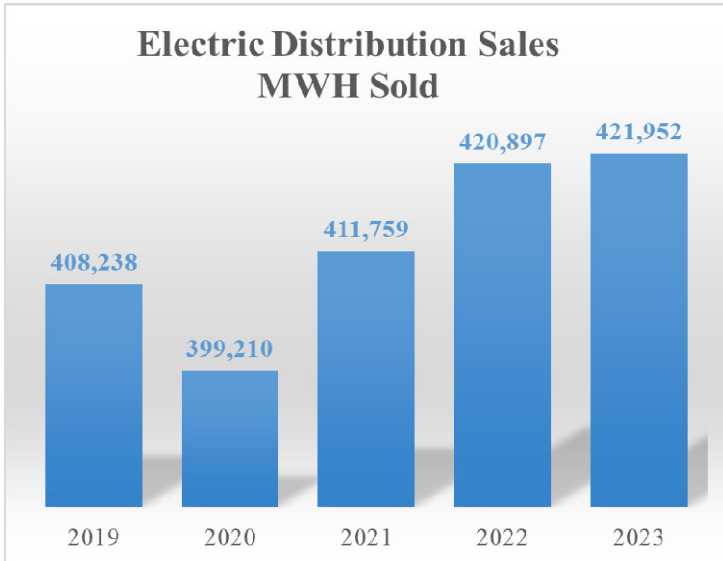
	Business-type Activities - Enterprise Funds		
	Electricity Utility	Water Utility	2022 Total
OPERATING REVENUES			
Charges for services	\$ 32,192,783	\$ 5,279,587	\$ 37,472,370
Other	303,042	42,636	345,678
Total operating revenues	32,495,825	5,322,223	37,818,048
OPERATING EXPENSES			
Administration	2,050,033	586,978	2,637,011
Operations	29,088,388	2,543,847	31,632,235
Depreciation	2,363,231	731,948	3,095,179
Total operating expenses	33,501,652	3,862,773	37,364,425
Operating income (loss)	(1,005,827)	1,459,450	453,623
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	(4,277,118)	(596,173)	(4,873,291)
Connection fees	81,488	77,391	158,879
Gain on sale of capital assets	5,221	13,700	18,921
Total nonoperating revenues (expenses)	(4,190,409)	(505,082)	(4,695,491)
Income (loss) before transfers	(5,196,236)	954,368	(4,241,868)
TRANSFERS			
Transfers out	(507,712)	-	(507,712)
Change in net position	(5,703,948)	954,368	(4,749,580)
Net position at beginning of year	92,563,809	29,926,044	122,489,853
Net position at end of year	\$ 86,859,861	\$ 30,880,412	\$ 117,740,273

Zeeland Board of Public Works
STATEMENT OF CASH FLOWS
Proprietary Funds
For the year ended June 30, 2022

	Business-type Activities - Enterprise Funds		
	Electricity Utility	Water Utility	2022 Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 32,348,154	\$ 5,472,314	\$ 37,820,468
Payments to suppliers	(29,046,100)	(2,430,102)	(31,476,202)
Payments to employees	(1,936,115)	(494,475)	(2,430,590)
Net cash provided by (used for) operating activities	1,365,939	2,547,737	3,913,676
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(507,712)	-	(507,712)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Connection fees	81,488	77,391	158,879
Purchases of capital assets	(6,405,276)	(1,385,759)	(7,791,035)
Proceeds from sale of capital assets	5,221	13,700	18,921
Net cash provided by (used for) capital and related financing activities	(6,318,567)	(1,294,668)	(7,613,235)
CASH FLOW FROM INVESTING ACTIVITIES			
Investment earnings (loss)	(1,915,352)	(606,289)	(2,521,641)
Net increase (decrease) in cash and investments	(7,375,692)	646,780	(6,728,912)
Cash and investments at beginning of year	28,597,272	12,791,991	41,389,263
Cash and investments at end of year	\$ 21,221,580	\$ 13,438,771	\$ 34,660,351
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ (1,005,827)	\$ 1,459,450	\$ 453,623
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation expense	2,363,231	731,948	3,095,179
Change in assets and liabilities			
Accounts receivable	(147,671)	150,091	2,420
Inventories	(154,016)	7,354	(146,662)
Prepaid items	(19,298)	(4,301)	(23,599)
Accounts payable	291,686	189,586	481,272
Accrued liabilities	37,834	13,609	51,443
Net cash provided by (used for) operating activities	\$ 1,365,939	\$ 2,547,737	\$ 3,913,676

STATISTICAL SECTION

Zeeland Board of Public Works
Graphs of Sales, Charges, and Increases in Net Position
Fiscal Years Ending June 30, 2019 through June 30, 2023



Zeeland Board of Public Works

Electric Utility

**Number and Percent of Customer Accounts by Classification
Fiscal Years Ending June 30, 2019 through June 30, 2023**

<u>Classification</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Residential	5,971	5,955	5,934	5,825	5,815
Commercial	744	723	725	667	612
Industrial	114	115	115	115	116
Public	126	127	139	118	113
Street Lights	39	90	91	91	93
Flat Rate	8	8	8	8	8
Total	7,002	7,018	7,012	6,824	6,757

<u>Classification</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Residential	85.3%	84.9%	84.6%	85.4%	86.1%
Commercial	10.6%	10.3%	10.3%	9.8%	9.1%
Industrial	1.6%	1.6%	1.6%	1.7%	1.7%
Public	1.8%	1.8%	2.0%	1.7%	1.7%
Street Lights	0.6%	1.3%	1.3%	1.3%	1.4%
Flat Rate	0.1%	0.1%	0.1%	0.1%	0.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Electric Utility

**Number and Percent of Customer Accounts by Location
Fiscal Years Ending June 30, 2019 through June 30, 2023
(Excluding Street Light & Flat Rate Customers)**

<u>Location</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City	2,839	2,817	2,834	2,780	2,775
Outside city	4,116	4,193	3,997	3,937	3,881
Total	6,955	7,010	6,831	6,717	6,656

<u>Location</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City	40.8%	40.2%	41.5%	41.4%	41.7%
Outside city	59.2%	59.8%	58.5%	58.6%	58.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Zeeland Board of Public Works

Water Utility

**Number and Percent of Customer Accounts by Classification
Fiscal Years Ending June 30, 2019 through June 30, 2023**

<u>Classification</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Residential	2,390	2,381	2,338	2,336	2,310
Commercial	297	296	301	293	303
Industrial	126	114	119	116	117
Public	79	76	75	68	68
Contractual	1	2	2	2	2
Fire Protection	126	122	122	122	112
Total	3,019	2,991	2,957	2,937	2,912

<u>Classification</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Residential	79.2%	79.6%	79.1%	79.5%	79.3%
Commercial	9.8%	9.9%	10.2%	10.0%	10.4%
Industrial	4.2%	3.8%	4.0%	3.9%	4.0%
Public	2.6%	2.5%	2.5%	2.3%	2.3%
Contractual	0.0%	0.1%	0.1%	0.1%	0.1%
Fire Protection	4.2%	4.1%	4.1%	4.2%	3.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Water Utility

**Number and Percent of Customer Accounts by Location
Fiscal Years Ending June 30, 2019 through June 30, 2023
(Excluding Contract & Fire Protection Customers)**

<u>Location</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City	2,043	2,029	2,011	2,002	1,994
Outside city	849	838	824	813	806
Total	2,892	2,867	2,835	2,815	2,800

<u>Location</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City	70.6%	70.8%	70.9%	71.1%	71.2%
Outside city	29.4%	29.2%	29.1%	28.9%	28.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Zeeland Board of Public Works

Electric Utility

Power Purchased, Sold, and System Losses

Fiscal Years Ending June 30, 2019 through June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
MWH* Produced					
At Zeeland Diesel Plant	976	1,747	2,259	3,452	2,526
MWH Purchased					
Wind**	41,620	41,587	67,994	37,216	22,390
Solar Farms***	33,598	20,913	60,277	38,693	60,758
Landfill	12,083				
Voluntary Green Program	67				
Power Contract Purchases	349,917	371,762	299,917	338,112	332,556
Net Energy for System	438,261	436,009	430,447	417,473	418,230
MWH Sold	421,952	420,897	412,095	399,210	408,237
Distribution Losses****	16,309	15,112	18,352	18,263	9,993
Losses as a Percent of Net Energy	3.72%	3.47%	4.26%	4.37%	2.39%

Electric Utility

Demand History

Fiscal Years Ending June 30, 2019 through June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Average System Demand (KW)	49,965	49,760	49,181	47,657	47,743
System Peak Demand (KW)	80,861	69,912	67,942	78,700	80,400
Annual Load Factor	61.8%	71.2%	72.4%	60.6%	59.4%

*Megawatt hours (1,000 kilowatt-hours (kWh))

**Beebe & Pegasus Windfarms

***Assembly 1, Assembly 2, Invenergy

**** Includes unmetered sales (i.e. street lighting) and Zeeland Diesel Plant usage

Zeeland Board of Public Works

Water Utility

Water Purchased, Sold, and System Losses

Fiscal Years Ending June 30, 2019 through June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Million Gallons Purchased	2,118.45	2,260.06	2,043.77	2,173.34	1,973.09
Million Gallons Sold	2,108.57	2,259.55	2,040.09	2,233.42	1,872.29
Distribution Losses	9.88	0.51	3.69	(60.08)	100.79
Losses as a Percent of Purchased	0.47%	0.02%	0.18%	-2.76%	5.11%

Water Utility

Demand History

Fiscal Years Ending June 30, 2019 through June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Average Daily Purchase (MGD)*	5.80	6.19	5.60	5.95	5.41
Peak Daily Purchase (MGD)*	11.34	10.87	10.58	10.24	10.20
Annual Load Factor	51.17%	57.0%	52.9%	58.1%	53.0%

*Million gallons per day

Zeeland Board of Public Works

Electric Utility

MWH Sold and Percent Sold by Classification

Fiscal Years Ending June 30, 2019 through June 30, 2023

<u>Classification</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Residential	46,950	51,569	49,052	47,291	47,039
Commercial	52,698	25,292	-	-	-
Industrial*	322,304	344,036	362,707	351,919	361,199
Total	<u>421,952</u>	<u>420,897</u>	<u>411,759</u>	<u>399,210</u>	<u>408,238</u>

<u>Classification</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Residential	11.1%	12.3%	11.9%	11.8%	11.5%
Commercial	12.5%	6.0%	-	-	-
Industrial*	76.4%	81.7%	88.1%	88.2%	88.5%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

*2021 to 2019 Commercial + Industrial

Electric Utility

Net Electric Sales Revenue and Percent of Revenue by Classification

Fiscal Years Ending June 30, 2019 through June 30, 2023

<u>Classification</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Residential	\$ 4,824,749	\$ 4,780,262	\$ 4,467	\$ 4,175,222	\$ 4,091,076
Commercial	5,138,472	2,276,537	-	-	-
Industrial*	26,172,371	25,172,848	24,941,899	25,300,348	25,718,046
Street Lights	129,400	121,234	125,962	126,543	124,345
Total	<u>\$ 36,264,992</u>	<u>\$ 32,350,881</u>	<u>\$ 25,072,328</u>	<u>\$ 29,602,113</u>	<u>\$ 29,933,467</u>

<u>Classification</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Residential	13.3%	14.8%	0.0%	14.1%	13.7%
Commercial	14.2%	7.0%	-	-	-
Industrial*	72.2%	77.8%	99.5%	85.5%	85.9%
Street Lights	0.4%	0.4%	0.5%	0.4%	0.4%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

*2021 to 2019 Commercial + Industrial

Zeeland Board of Public Works

Water Utility

**Water Sold (Million Gallons) and Percent Sold by Classification
Fiscal Years Ending June 30, 2019 through June 30, 2023**

<u>Classification</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Residential	165.84	154.38	163.78	146.32	143.77
Commercial	111.45	-	-	-	-
Industrial*	705.85	471.67	450.42	453.79	451.18
Contractual	1,125.44	1,633.19	1,426.16	1,633.61	1,277.60
Total	2,108.58	2,259.24	2,040.36	2,233.72	1,872.55

<u>Classification</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Residential	7.9%	6.8%	8.0%	6.6%	7.7%
Commercial	5.3%	-	-	-	-
Industrial*	33.5%	20.9%	22.1%	20.3%	24.1%
Contractual	53.4%	72.3%	69.9%	73.1%	68.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

*2022 to 2019 Commercial + Industrial

Water Utility

**Water Usage Revenue and Percent of Revenue by Classification
Fiscal Years Ending June 30, 2019 through June 30, 2023**

<u>Classification</u>	<u>2023</u>	<u>2022</u>	<u>2021**</u>	<u>2020**</u>	<u>2019**</u>
Residential	\$ 352,520	\$ 486,938	\$ 581,635	\$ 551,048	\$ 568,362
Commercial	236,881	-	-	-	-
Industrial	1,500,213	1,063,988	1,226,963	1,256,892	1,310,785
Contractual	2,116,932	3,202,489	3,102,380	2,749,379	2,826,773
Total	\$ 4,206,546	\$ 4,753,415	\$ 4,910,978	\$ 4,557,319	\$ 4,705,920

<u>Classification</u>	<u>2023</u>	<u>2022</u>	<u>2021**</u>	<u>2020**</u>	<u>2019**</u>
Residential	8.4%	10.2%	11.8%	12.1%	12.1%
Commercial	5.6%	-	-	-	-
Industrial	35.7%	22.4%	25.0%	27.6%	27.9%
Contractual	50.3%	67.4%	63.2%	60.3%	60.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

*2022 to 2019 Commercial + Industrial

**Revenues Include Other Charges

Zeeland Board of Public Works

Electric Utility

Historical Increase in Net Position and Cash Flow

Fiscal Years Ending June 30, 2019 through June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenues	\$36,634,187	\$32,495,825	\$29,950,496	\$29,042,916	\$29,323,247
Operating Expenses*	36,693,620	33,501,652	28,849,299	27,327,505	27,359,497
Operating Income (Loss)	(59,433)	(1,005,827)	1,101,197	1,715,411	1,963,750
Nonoperating Revenues (Expenses)	1,534,494	(4,190,409)	4,331,074	2,597,925	2,479,564
Transfers Out	(530,564)	(507,712)	(543,870)	(500,956)	(484,811)
Change in Net Position	944,497	(5,703,948)	4,888,401	3,812,380	3,958,503
Deprecation Expense	2,558,530	2,363,231	2,374,940	2,437,535	2,379,436
Interest Expense	-	-	-	-	-
Revenue Available for Debt Service (Net Position + Depreciation + Interest)	<u>\$3,503,027</u>	<u>(\$3,340,717)</u>	<u>\$7,263,341</u>	<u>\$6,249,915</u>	<u>\$6,337,939</u>
Annual Debt Service	\$0	\$0	\$0	\$0	\$0
Debt Service Coverage Ratio	N/A	N/A	N/A	N/A	N/A

*Includes Depreciation

Zeeland Board of Public Works

Water Utility

Historical Increase in Net Position and Cash Flow

Fiscal Years Ending June 30, 2019 through June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenues	\$5,116,185	\$5,322,223	\$5,215,997	\$5,110,433	\$4,864,848
Operating Expenses*	4,473,845	3,862,773	3,654,095	3,602,807	3,678,256
Operating Income (Loss)	642,340	1,459,450	1,561,902	1,507,626	1,186,592
Nonoperating Revenues (Expenses)	124,529	(505,082)	124,796	527,465	394,012
Increase (Decrease) in Net Position	766,869	954,368	1,686,698	2,035,091	1,580,604
Deprecation Expense	793,040	731,948	634,792	734,164	714,602
Interest Expense	-	-	3,367	16,346	28,687
Revenue Available for Debt Service (Net Position + Depreciation + Interest)	<u>\$1,559,909</u>	<u>\$1,686,316</u>	<u>\$2,324,857</u>	<u>\$2,785,601</u>	<u>\$2,323,893</u>
Annual Debt Service	\$ -	\$ -	\$ -	\$291,484	\$294,224
Debt Service Coverage Ratio	N/A	N/A	N/A	9.56	7.90

*Includes Depreciation

Zeeland Board of Public Works

Ten Largest Electric Customers

Fiscal Year
July 2022 to June 2023

Energy Usage

Name	Description	MWH	Percent of Total MWH
Gentex Corporation	Automotive & Glass Parts	166,103.321	39.37%
Reckitt	Infant Formula	51,218.400	12.14%
Millerknoll	Institutional Furniture	22,534.931	5.34%
Plascore, Inc.	Structural Honeycomb Products	14,359.080	3.40%
Zeeland Public Schools	Education	11,617.057	2.75%
ITW Drawform	Stamping Operations	9,844.200	2.33%
Woodward FST	Aerospace Fuel System Parts	7,273.200	1.72%
Stone Plastics	Plastic Thermoformers	7,542.000	1.79%
Aurorium	Chemicals	7,178.534	1.70%
ODL	Glass & Skylights	5,077.380	1.20%
		302,748.103	71.75%

Revenue

Name	Description	Revenue	Percent of Total Revenue
Gentex Corporation	Automotive & Glass Parts	\$ 12,965,951	35.75%
Reckitt	Infant Formula	3,923,339	10.82%
Millerknoll	Institutional Furniture	1,855,451	5.12%
Plascore, Inc.	Structural Honeycomb Products	1,209,634	3.34%
Zeeland Public Schools	Education	1,037,218	2.86%
ITW Drawform	Stamping Operations	857,917	2.37%
Woodward FST	Aerospace Fuel System Parts	687,098	1.89%
Stone Plastics	Plastic Thermoformers	645,668	1.78%
Aurorium	Chemicals	557,666	1.54%
ODL	Glass & Skylights	512,443	1.41%
		\$ 24,252,385	66.88%

Zeeland Board of Public Works
Ten Largest Water Customers
Fiscal Year
July 2022 to June 2023

Water Usage

Name	Description	Million Gallons	Percent of Total Water
Consumer's Energy - ZGS	Electricity Generation	827.700	39.25%
Reckitt	Infant Formula	605.253	28.70%
Gentex Corporation	Automotive & Glass Parts	269.400	12.78%
Aurorium	Chemicals	30.099	1.43%
Plascore, Inc.	Structural Honeycomb Products	26.083	1.24%
Millerknoll	Institutional Furniture	23.174	1.10%
Royal Park Condos	Condominiums	15.099	0.72%
City of Zeeland	Local Municipality	14.647	0.69%
ITW Drawform	Stamping Operations	11.650	0.55%
Zeeland Public Schools	Education	7.932	0.38%
		1,831.037	86.84%

Revenue

Name	Description	Revenue	Percent of Total Revenue
Consumer's Energy - ZGS	Electricity Generation	\$ 1,581,531	37.60%
Reckitt	Infant Formula	1,288,556	30.63%
Gentex Corporation	Automotive & Glass Parts	627,113	14.91%
Aurorium	Chemicals	77,515	1.84%
Plascore, Inc.	Structural Honeycomb Products	69,109	1.64%
Millerknoll	Institutional Furniture	68,536	1.63%
Royal Park Condos	Condominiums	51,983	1.24%
City of Zeeland	Local Municipality	49,060	1.17%
ITW Drawform	Stamping Operations	33,892	0.81%
Zeeland Public Schools	Education	31,791	0.76%
		\$ 3,879,086	92.22%

Zeeland Board of Public Works

Electric Rate Summary

Effective July 1, 2021

Rate A: Residential

Service Charge	\$ 12.50	per month
Energy Optimization Fee	\$ 0.50	per month
Energy Charge	6.36 ¢	per kWh

Rate B: General Secondary Service

Service Charge	\$ 26.50	per month
Energy Optimization Fee	\$ 3.50	per month
Energy Charge	7.78 ¢	per kWh

Rate C: Secondary Rate - Energy & Demand

Minimum kW: 60% of highest past 11 months or minimum of 5 kW = \$55.00

Facilities Charge	\$ 35.00	per month
Capacity Charge	\$ 14.00	per kW of billing demand
Energy Optimization Fee	\$ 32.50	per month
Energy Charge	3.51 ¢	per kWh

Rate D: Primary Rate - Energy & Demand

Minimum kW: 60% of highest past 11 months or minimum of 25 kW = \$250.00

Facilities Charge	\$ 75.00	per month
Capacity Charge	\$ 11.50	per kW of billing demand
Energy Optimization Fee	\$0.00065	per month
Energy Charge	3.68 ¢	per kWh

Rate E: Vehicle Charging Station

Energy Charge	10 ¢	per kWh
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Fuel and Purchase Power Cost Adjustment: the fuel and purchased power cost adjustment shall consist of an increase or decrease of 0.0106 mills per kWh for each full 0.01 mill per kWh that the previous 12-month average cost of fuel and purchased power is above or below 45 mills per kWh delivered to the distribution system.

The adjustment shall apply to the second billing month following the calendar month in which the fuel is burned and/or energy is produced.

Power Factor: If the average power factor during the billing period is .900 or higher, the capacity charge will be reduced by 2%. The credit shall not be used to reduce the minimum charge or capacity charge when based upon 60% of the highest billing demand of the preceding 11 months.

If the average power factor during the billing period is less than .800, the capacity charge will be increased by the ratio between .800 and the customer's average power factor during the billing period.

Energy Optimization Fee: This fee is designed to recover Energy Optimization Program costs.

Zeeland Board of Public Works

Water Rate Summary

Effective July 1, 2022

Readiness to Service Charge

Monthly readiness to serve charges are based on size of meter used and does not include the purchase of water

Meter Size (inches)	Monthly Rate
5/8	\$ 10.15
3/4	14.50
1	25.00
1 1/2	49.00
2	90.00
3	166.00
4	257.00
6	625.00
8	1,290.00
10	1,930.00

Commodity Charge \$ 1.59

Note: 1 ccf = 100 Cubic Feet or approximately 748 gallons

Fire Protection Charge

Monthly charged for fire protection are based on size (diameter) of each service line.

Service Line Diameter (inches)	Monthly Rate	Fire Booster Pump Monthly Rate
4	\$ 30.00	\$ 45.00
6	67.50	101.25
8	120.00	180.00
10	187.50	281.25
12	270.00	405.00

FY2023 Connection Fees

Meter Size (inches)	Meter Fee	Meter Fee - Developer Rate
5/8	\$ 5,337	\$ 2,557
3/4	8,005	3,836
1	13,342	6,393
1 1/2	26,684	12,786
2	42,694	20,457
3	80,052	38,357
4	133,419	63,928
6	266,839	127,857

APPENDIX A

City of Zeeland
General and Tax Information
For the Fiscal Year Ended June 30, 2023

City of Zeeland
NET POSITION BY COMPONENT
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 21,793,492	\$ 22,694,504	\$ 22,334,843	\$ 23,242,145	\$ 24,218,735	\$ 24,784,918	\$ 26,986,232	\$ 28,941,899	\$ 29,800,858	\$ 31,687,257
Restricted	1,502,232	1,546,618	1,426,314	1,580,631	1,967,961	2,006,294	2,139,349	2,437,706	2,191,505	4,107,123
Unrestricted	9,250,278	8,440,129	11,551,188	10,373,840	12,035,964	16,071,098	19,162,432	20,071,050	20,411,617	21,391,430
Total Governmental activities net position	\$ 32,546,002	\$ 32,681,251	\$ 35,312,345	\$ 35,196,616	\$ 38,222,660	\$ 42,862,310	\$ 48,288,013	\$ 51,450,655	\$ 52,403,980	\$ 57,185,810
Business-type activities										
Net investment in capital assets	\$ 50,399,270	\$ 51,055,653	\$ 56,171,397	\$ 64,526,732	\$ 66,745,472	\$ 67,376,918	\$ 67,781,191	\$ 70,808,114	\$ 76,295,569	\$ 79,266,699
Restricted	506,500	506,500	506,500	131,000	131,000	131,000	131,000	-	-	111,288
Unrestricted	50,440,046	55,545,473	59,066,855	62,622,354	67,537,879	72,809,502	78,533,454	82,733,164	72,615,030	71,299,776
Total Business-type activities net position	\$ 101,345,816	\$ 107,107,626	\$ 115,744,752	\$ 127,280,086	\$ 134,414,351	\$ 140,317,420	\$ 146,445,645	\$ 153,541,278	\$ 148,910,599	\$ 150,677,763
Primary government										
Net investment in capital assets	\$ 72,192,762	\$ 73,750,157	\$ 78,506,240	\$ 87,768,877	\$ 90,964,207	\$ 92,161,836	\$ 94,767,423	\$ 99,750,013	\$ 106,096,427	\$ 110,953,956
Restricted	2,008,732	2,053,118	1,932,814	1,711,631	2,098,961	2,137,294	2,270,349	2,437,706	2,191,505	4,218,411
Unrestricted	59,690,324	63,985,602	70,618,043	72,996,194	79,573,843	88,880,600	97,695,886	102,804,214	93,026,647	92,691,206
Total primary government net position	\$ 133,891,818	\$ 139,788,877	\$ 151,057,097	\$ 162,476,702	\$ 172,637,011	\$ 183,179,730	\$ 194,733,658	\$ 204,991,933	\$ 201,314,579	\$ 207,863,573

City of Zeeland
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 1,204,672	\$ 1,451,134	\$ 1,677,112	\$ 4,639,608	\$ 1,238,888	\$ 941,045	\$ 1,319,815	\$ 1,403,656	\$ 1,561,617	\$ 1,334,282
Public safety	2,092,742	2,028,024	2,210,946	2,382,754	2,377,811	2,078,373	2,621,439	2,958,128	3,323,528	2,151,245
Public works	2,425,866	2,304,557	2,272,784	2,357,863	2,319,722	2,999,642	2,332,812	2,341,032	2,926,529	3,212,498
Community and economic development	231,602	232,060	202,196	636,877	1,235,525	286,634	352,185	426,869	366,480	220,135
Recreation and culture	1,281,575	1,209,681	1,404,354	1,310,376	1,670,460	1,440,473	1,715,592	1,777,227	1,940,139	2,001,005
Interest on long-term debt	80,111	69,159	72,706	29,450	25,803	16,648	19,265	16,704	14,140	8,500
Total governmental activities	7,316,568	7,294,615	7,840,098	11,356,928	8,868,209	7,762,815	8,361,108	8,923,616	10,132,433	8,927,665
Business-type activities										
Electric utility	25,732,709	25,784,687	25,357,602	26,635,660	26,848,289	27,351,441	27,532,952	28,839,463	33,534,330	36,644,322
Water utility	3,096,375	3,124,707	3,041,971	3,420,902	3,495,061	3,704,557	3,612,335	3,654,921	3,871,796	4,457,422
Clean water utility	1,612,431	1,592,292	1,719,527	1,665,260	1,904,560	2,422,720	2,628,607	2,448,054	2,592,182	2,847,504
Total business-type activities	30,441,515	30,501,686	30,119,100	31,721,822	32,247,910	33,478,718	33,773,894	34,942,438	39,998,308	43,949,248
Total primary government expenses	\$ 37,758,083	\$ 37,796,301	\$ 37,959,198	\$ 43,078,750	\$ 41,116,119	\$ 41,241,533	\$ 42,135,002	\$ 43,866,054	\$ 50,130,741	\$ 52,876,913
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 130,410	\$ 114,856	\$ 117,892	\$ 77,459	\$ 73,933	\$ 79,807	\$ 82,229	\$ 69,515	\$ 102,997	\$ 75,918
Public safety	68,953	83,468	146,081	175,081	126,124	187,539	171,740	175,103	278,181	180,392
Public works	29,005	29,000	30,616	30,036	28,565	29,235	37,405	3,771	3,202	32,870
Community and economic development	16,970	19,535	13,025	10,450	11,250	7,925	7,750	3,000	12,800	10,265
Recreation and culture	64,219	65,712	58,226	57,476	56,374	56,654	30,820	7,294	30,242	86,092
Operating grants and contributions	997,585	976,554	1,019,656	1,457,266	1,248,416	1,274,670	1,232,862	1,562,592	1,437,409	436,610
Capital grants and contributions	1,200,919	386,433	76,044	515,017	1,242,803	403,206	1,694,603	53,380	12,225	-
Total governmental activities	2,508,061	1,675,558	1,461,540	2,322,785	2,787,465	2,039,036	3,257,409	1,874,655	1,877,056	822,147
Business-type activities										
Charges for services:										
Electric utility	27,695,141	28,756,581	28,472,474	28,585,328	29,571,839	29,169,314	28,960,939	29,882,255	32,476,368	36,699,511
Water utility	3,849,540	4,100,800	4,775,290	4,946,990	4,859,561	4,715,808	5,053,897	5,148,357	5,294,272	5,184,261
Clean water utility	1,821,983	1,977,052	2,269,045	2,373,458	2,652,379	2,850,437	2,910,240	3,114,195	3,009,343	3,239,143
Capital grants and contributions	86,489	1,958,200	3,238,095	6,412,924	1,873,927	341,292	161,314	210,834	398,226	10,993
Total business-type activities	33,453,153	36,792,633	38,754,904	42,318,700	38,957,706	37,076,851	37,086,390	38,355,641	41,178,209	45,133,908
Total primary government program revenues	\$ 35,961,214	\$ 38,468,191	\$ 40,216,444	\$ 44,641,485	\$ 41,745,171	\$ 39,115,887	\$ 40,343,799	\$ 40,230,296	\$ 43,055,265	\$ 45,956,055
Net (Expense) Revenue										
Governmental activities	\$ (4,808,507)	\$ (5,619,057)	\$ (6,378,558)	\$ (9,034,143)	\$ (6,080,744)	\$ (5,723,779)	\$ (5,103,699)	\$ (7,048,961)	\$ (8,255,377)	\$ (8,105,518)
Business-type activities	3,011,638	6,290,947	8,635,804	10,596,878	6,709,796	3,598,133	3,312,496	3,413,203	1,179,901	1,184,660
Total primary government net (expense) revenue	\$ (1,796,869)	\$ 671,890	\$ 2,257,246	\$ 1,562,735	\$ 629,052	\$ (2,125,646)	\$ (1,791,203)	\$ (3,635,758)	\$ (7,075,476)	\$ (6,920,858)

City of Zeeland
CHANGES IN NET POSITION—Continued
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 5,407,437	\$ 5,859,893	\$ 7,508,973	\$ 6,467,282	\$ 5,830,798	\$ 5,962,693	\$ 6,072,851	\$ 5,640,426	\$ 5,729,828	\$ 6,416,805
Grants and contributions no restricted to a specific program	486,782	497,656	497,290	1,041,680	2,507,846	3,259,489	2,660,944	3,040,816	3,057,340	5,255,298
Unrestricted investment earnings (loss)	164,029	117,220	154,933	91,351	116,944	602,097	786,652	533,833	(709,572)	387,946
Gain on sale of capital assets	-	23,955	(23,969)	35,925	21,870	11,109	14,725	-	141,523	44,538
Other	116,387	131,555	215,412	780,227	158,685	151,045	139,392	113,858	138,054	87,854
Contributions to permanent funds	41,950	50,860	35,175	49,455	30,350	54,775	58,725	84,175	55,875	28,860
Transfers - internal activities	577,925	620,970	621,838	452,494	676,055	322,221	796,113	798,495	795,654	816,567
Total governmental activities	6,794,510	7,302,109	9,009,652	8,918,414	9,342,548	10,363,429	10,529,402	10,211,603	9,208,702	13,037,868
Business-type activities										
Unrestricted investment earnings (loss)	2,020,729	786,015	542,351	1,278,877	1,226,418	2,975,607	3,452,551	4,340,470	(5,082,680)	1,552,434
Gain on sale of capital assets	-	20,000	3,204	14,239	37,500	30,250	15,025	27,500	20,346	-
Other	110,684	88,272	77,605	97,834	70,143	71,300	144,266	112,955	47,408	-
Transfers - internal activities	(577,925)	(620,970)	(621,838)	(452,494)	(676,055)	(772,221)	(796,113)	(798,495)	(795,654)	(816,567)
Total business-type activities	1,553,488	273,317	1,322	938,456	658,006	2,304,936	2,815,729	3,682,430	(5,810,580)	735,867
Total primary government	\$ 8,347,998	\$ 7,575,426	\$ 9,010,974	\$ 9,856,870	\$ 10,000,554	\$ 12,668,365	\$ 13,345,131	\$ 13,894,033	\$ 3,398,122	\$ 13,773,735
Changes in Net Position										
Governmental activities	\$ 1,986,003	\$ 1,683,052	\$ 2,631,094	\$ (115,729)	\$ 3,261,804	\$ 4,639,650	\$ 5,425,703	\$ 3,162,642	\$ 953,325	\$ 4,932,350
Business-type activities	4,565,126	6,564,264	8,637,126	11,535,334	7,367,802	5,903,069	6,128,225	7,095,633	(4,630,679)	1,920,527
Total Change in Net Position	\$ 6,551,129	\$ 8,247,316	\$ 11,268,220	\$ 11,419,605	\$ 10,629,606	\$ 10,542,719	\$ 11,553,928	\$ 10,258,275	\$ (3,677,354)	\$ 6,852,877

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	Brownfield Development Authority	Debt Service
2014	\$ 5,168,240	\$ 47,783	\$ -	\$ 24,155	\$ 167,259
2015	5,625,795	52,003	-	-	182,095
2016	7,126,480	63,828	318,665 ¹	-	-
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	-	-

¹ First year of tax

City of Zeeland
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 10,093	\$ 8,500	\$ 12,230	\$ 11,342	\$ 11,700	\$ 16,157	\$ 23,257
Assigned	30,141	32,738	30,389	2,093,600	540,874	561,593	554,885	524,778	524,514	531,168
Unassigned	3,576,628	2,909,387	3,219,936	3,392,238	3,803,069	4,273,007	4,691,918	4,829,225	4,956,778	5,882,737
Total General Fund	\$ 3,606,769	\$ 2,942,125	\$ 3,250,325	\$ 5,495,931	\$ 4,352,443	\$ 4,846,830	\$ 5,258,145	\$ 5,365,703	\$ 5,497,449	\$ 6,437,162
All Other Governmental Funds										
Nonspendable										
Permanent Fund	\$ 1,080,479	\$ 1,122,518	\$ 1,095,970	\$ 1,145,425	\$ 1,175,775	\$ 1,230,550	\$ 1,289,275	\$ 1,373,450	\$ 1,429,325	\$ 1,458,185
Special Revenue Funds	-	-	-	5,369	5,089	6,166	3,817	3,783	5,485	5,673
Restricted										
Special Revenue Funds	359,029	201,579	207,995	315,964	334,750	506,146	598,211	435,575	418,997	1,201,993
Debt Service Funds	6,246	4,753	2,402	2,160	-	-	-	-	-	-
Capital Projects Funds	-	146,359	-	-	-	-	-	-	-	-
Permanent Fund	56,478	76,162	122,348	119,242	457,436	269,598	251,863	628,681	343,183	312,363
Committed										
Capital Projects Funds	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	-
Assigned										
Special Revenue Funds	1,272,527	2,284,255	4,248,658	2,117,329	3,084,749	3,534,868	3,816,912	3,868,754	3,389,131	5,072,935
Debt Service Funds	-	-	-	-	3,956	-	-	-	-	-
Capital Projects Funds	661,608	817,294	1,433,960	1,177,929	2,669,188	3,683,675	5,955,474	6,495,001	8,311,242	6,761,275
Total All Other Governmental Funds	\$ 3,451,367	\$ 4,667,920	\$ 7,126,332	\$ 4,898,418	\$ 7,745,943	\$ 9,246,003	\$ 11,930,552	\$ 12,820,244	\$ 13,912,363	\$ 14,812,424

City of Zeeland
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 5,407,437	\$ 5,859,893	\$ 7,508,973	\$ 6,467,282	\$ 5,830,798	\$ 5,962,693	\$ 5,981,403	\$ 5,640,426	\$ 5,729,828	\$ 6,416,805
Licenses and permits	125,346	147,211	206,881	239,148	187,646	243,056	231,779	230,494	333,149	227,385
Intergovernmental:										
Federal	-	-	-	130,662	425,764	-	91,448	224,348	-	581,771
State	1,753,476	1,234,487	1,051,325	1,639,346	3,241,740	4,017,250	5,081,396	3,902,317	3,897,707	4,512,916
Local	364,091	358,937	344,262	473,707	429,197	792,444	407,258	426,139	474,978	487,660
Charges for services	117,284	139,852	111,046	106,421	93,777	122,196	128,779	127,480	131,266	79,964
Fines and forfeitures	79,868	64,735	76,316	60,765	47,718	49,615	31,800	30,535	38,680	30,858
Investment earnings (loss)	137,118	100,845	139,908	87,601	104,634	493,560	641,108	528,191	(573,843)	381,914
Other	486,212	394,359	405,131	1,363,098	837,778	279,784	235,458	172,191	252,545	273,603
Total Revenues	8,470,832	8,300,319	9,843,842	10,568,030	11,199,052	11,960,598	12,830,429	11,282,121	10,284,310	12,992,876
Expenditures										
General government	1,238,800	1,408,903	1,546,082	1,929,137	1,434,888	1,278,864	1,355,661	1,392,205	1,279,226	1,450,965
Public safety	2,054,458	2,093,191	2,226,174	2,181,624	2,339,371	2,481,737	2,664,415	2,850,967	3,041,451	2,884,693
Public works	1,301,500	1,596,398	1,169,438	1,297,093	1,369,018	1,293,920	1,128,958	1,203,267	1,513,263	2,244,702
Community and economic development	235,278	235,253	214,825	637,869	1,236,383	287,854	353,760	424,811	365,810	426,854
Recreation and culture	1,146,686	1,263,103	1,235,822	1,181,903	1,226,199	1,518,491	1,456,238	1,533,432	1,552,542	1,618,826
Insurance and other	15,265	11,734	12,890	2,183,536	514,633	672,333	190,810	6,786	12,084	-
Capital outlay	2,625,421	1,403,717	1,122,870	1,836,320	1,793,859	2,732,600	3,805,930	3,484,554	1,951,942	3,201,754
Debt service:										
Principal	365,000	385,000	200,000	225,000	230,000	230,000	125,000	125,000	125,000	130,000
Interest	82,836	72,081	24,850	30,350	26,719	17,573	19,906	17,344	14,781	11,875
Bond issuance costs	-	-	29,720	-	-	-	-	-	-	-
Total Expenditures	9,065,244	8,469,380	7,782,671	11,502,832	10,171,070	10,513,372	11,100,678	11,038,366	9,856,099	11,969,669
Excess of Revenues										
Over (Under) Expenditures	(594,412)	(169,061)	2,061,171	(934,802)	1,027,982	1,447,226	1,729,751	243,755	428,211	1,023,207
Other Financing Sources (Uses)										
Bonds issued	-	-	1,280,000	-	-	-	-	-	-	-
Payment to refunding escrow	-	-	(1,271,397)	-	-	-	-	-	-	-
Transfers in	3,071,103	3,988,875	4,463,338	6,540,550	5,860,397	6,029,065	6,436,865	6,265,383	5,755,191	7,148,854
Transfers out	(2,493,178)	(3,267,905)	(3,766,500)	(5,588,056)	(5,184,342)	(5,481,844)	(5,070,752)	(5,511,888)	(4,959,537)	(6,332,287)
Total Other Financing Sources (Uses)	577,925	720,970	705,441	952,494	676,055	547,221	1,366,113	753,495	795,654	816,567
Net Changes in Fund Balances	\$ (16,487)	\$ 551,909	\$ 2,766,612	\$ 17,692	\$ 1,704,037	\$ 1,994,447	\$ 3,095,864	\$ 997,250	\$ 1,223,865	\$ 1,839,774
Debt service as a percentage of noncapital expenditures	7.34%	7.07%	4.40%	2.75%	3.23%	3.00%	2.02%	1.95%	1.79%	1.74%

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		
2014	\$ 204,606,102	\$ 208,069,700	\$ 416,139,400	\$ 75,437,900	\$ 75,435,800	\$ 150,871,600	\$ 280,044,002	\$ 283,505,500	\$ 567,011,000	11.2354	49.39%
2015	208,192,079	218,479,400	436,958,800	147,731,000	147,731,000	295,462,000	355,923,079	366,210,400	732,420,800	11.2354	48.60%
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	447,121,400	894,242,800	222,124,700	222,253,600	444,507,200	510,982,630	669,375,000	1,338,750,000	11.2347	38.17%

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		
2014	\$ 270,407,787	\$ 270,414,700	\$ 540,829,400	\$ 124,789,300	\$ 124,789,300	\$ 249,578,600	\$ 395,197,087	\$ 395,204,000	\$ 790,408,000	5.6177	50.00%
2015	41,546,215	42,066,800	84,133,600	286,822,100	286,822,100	573,644,200	328,368,315	328,888,900	657,777,800	5.6177	49.92%
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%

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 2023.

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. 2023 marks the eighth 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	
2014	\$ 50,704	\$ 30,978,221	\$ 72,098,092	\$ 101,479,085	\$ 204,606,102	\$ 5,674,400	\$ 67,729,100	\$ 2,032,300	\$ 75,435,800	\$ 280,041,902	
2015	51,515	31,379,638	74,167,945	102,592,981	208,192,079	3,980,700	141,712,600	2,037,700	147,731,000	355,923,079	
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	

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
2014	\$ 270,407,787	\$ 124,789,300	\$ -	\$ 395,197,087
2015	41,546,215	286,822,100	-	328,368,315
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

Source: City of Zeeland

City of Zeeland
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Fiscal Year Ended June 30 ¹		City				School			
		Operating	Debt	Airport		Operating	Debt	State Education	
				Authority	Total			Tax	Total
2014	H	10.7854	0.3500	0.1000	11.2354	1.4000	6.8300	6.0000	14.2300
2014	NH	10.7854	0.3500	0.1000	11.2354	19.4000	6.8300	6.0000	32.2300
2015	H	10.7854	0.3500	0.1000	11.2354	1.4000	6.6300	6.0000	14.0300
2015	NH	10.7854	0.3500	0.1000	11.2354	19.4000	6.6300	6.0000	32.0300
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

Fiscal Year Ended June 30 ¹		County		Intermediate School District				Grand Total
		Ottawa County	Intermediate School	Special Education	Vocational Education	Enhancement	Total	
2014	NH	4.3565	0.1061	4.3750	1.0423	0.0000	5.5234	53.3453
2015	H	4.3565	0.1061	4.3750	1.0423	0.0000	5.5234	35.1453
2015	NH	4.3565	0.1061	4.3750	1.0423	0.0000	5.5234	53.1453
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

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	2023			2014		
		Taxable Valuation	Rank	% of Total Taxable Valuation	Taxable Valuation	Rank	% of Total Taxable Valuation
Consumers Energy*	Power Generation	\$ 208,408,637	1	37.68%	\$ 258,726,998	1	38.32%
Gentex Corporation	Automotive and Glass Parts	48,478,979	2	8.77%	125,478,900	2	18.58%
RB - Reckitt Benckiser**	Infant Formula	19,421,681	3	3.51%	57,995,179	3	8.59%
Plascore	Structural Honeycomb Products	11,400,393	4	2.06%	6,780,891	7	1.00%
Herman Miller, Inc.	Institutional Furniture	8,890,349	5	1.61%	15,869,900	4	2.35%
Innotec Corp	Automotive and Furniture Parts	7,326,081	6	1.32%	8,791,923	6	1.30%
ITW Drawform	Stamping Operations	5,062,093	7	0.92%	11,100,900	5	1.64%
ODL	Glass & Skylights	5,047,226	8	0.91%	5,263,100	8	0.78%
SKLD	Assisted Living	3,561,000	9	0.64%	-	-	-
Royal Park Place II	Assisted Living	3,241,000	10	0.59%	-	-	-
Woodward FST	Aerospace Parts	-	-	0.00%	5,107,900	9	0.76%
Howard Miller Clock Co.	Grandfather and Wall Clocks	-	-	0.00%	4,446,301	10	0.66%
Ten Largest Taxpayers		320,837,439		58.01%	499,561,992		73.98%
Other Taxpayers		232,241,373		41.99%	175,679,097		26.02%
Total Taxable Value		\$ 553,078,812		100.00%	\$ 675,241,089		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

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
2013	2014	\$ 5,369,325	\$ 5,368,152	99.98%	\$ 697	\$ 5,368,849	99.99%
2014	2015	5,844,281	5,843,904	99.99%	666	5,844,570	100.00%
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%

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
2014	\$ 26,309	\$ 26,309	100.00%	\$ -
2015	25,525	10,542	41.30%	119,547
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	40,558

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

Customer	Principal Product or Type of Business	2023			2014		
		KWH	Rank	Percent of Total KWH	KWH	Rank	Percent of Total KWH
Gentex Corporation	Automotive and Glass Parts	166,103,321	1	39.36%	92,116,548	1	25.53%
RB - Reckitt Benckiser*	Infant Formula	51,218,400	2	12.14%	47,664,331	2	13.21%
MillerKnoll**	Institutional Furniture	22,534,931	3	5.34%	25,389,363	3	7.04%
Plascore Inc.	Structural Honeycomb Products	14,359,080	4	3.40%	9,505,920	6	2.63%
Zeeland Public Schools	Education	11,617,057	5	2.75%	10,277,274	5	2.85%
ITW Drawform	Stamping Operations	9,844,200	6	2.33%	12,163,500	4	3.37%
Stone Plastics	Plastic Thermoformers	7,542,000	7	1.79%	8,983,800	8	2.49%
Woodward FST	Aerospace Fuel Systems Parts	7,273,200	8	1.72%	5,185,540	10	1.44%
Aurorium***	Chemicals	7,178,534	9	1.70%	9,353,663	7	2.59%
ODL Inc	Glass and Skylights	5,077,380	10	1.22%	6,484,820	9	1.80%
Ten Largest Customers		302,748,103		71.75%	227,124,759		62.95%
Other Customers		119,209,117		28.25%	133,702,457		37.05%
Total KWH		421,957,220		100.00%	360,827,216		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
2014	\$ 27,613,542	\$ 27,613,198	99.999%	\$ 345	100.000%
2015	28,682,498	28,681,162	99.995%	1,336	100.000%
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%

Source: City of Zeeland

City of Zeeland
PROFILE OF TEN LARGEST WATER CUSTOMERS
 Current Year and Nine Years Ago

Customer	Principal Product or Type of Business	2023			2014		
		1,000 Gallons	Rank	Percent of Total Gallons	1,000 Gallons	Rank	Percent of Total Gallons
Consumers Energy	Power Generation	827,700	1	38.90%	377,976	2	32.99%
RB - Reckitt-Benckiser*	Infant Formula	605,253	2	28.44%	488,396	1	42.63%
Gentex Corporation	Automotive and Glass Parts	269,400	3	12.66%	146,207	3	12.76%
Aurorium**	Chemicals	30,099	4	1.41%	37,308	4	3.26%
Plascore Inc.	Structural Honeycomb Products	26,083	5	1.23%	28,534	5	2.49%
MillerKnoll***	Institutional Furniture	23,174	6	1.09%	20,951	6	1.83%
City of Zeeland	Government	15,099	7	0.71%	8,057	9	0.70%
Royal Park	Condominiums	14,647	8	0.69%	13,643	8	1.19%
ITW Drawform	Stamping Operations	11,650	9	0.55%	17,057	7	1.49%
Zeeland Public Schools	Education	7,932	10	0.37%	-		0.00%
ODL Inc.	Glass & Skylights	-		0.00%	7,657	10	0.67%
Ten Largest Customers		1,831,037		86.05%	760,153		66.34%
Other Customers		296,883		13.95%	385,633		33.66%
Total Gallons		2,127,920		100.00%	1,145,786		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
 Last Ten Fiscal Years

Customer	Principal Product or Type of Business	2023			2014		
		CCF ¹	Rank	Percent of CCF ¹	CCF ¹	Rank	Percent of CCF ¹
Gentex Corporation	Automotive and Glass Parts	289,869	1	47.86%	161,584	1	33.51%
Plascore Inc.	Structural Honeycomb Products	26,493	2	4.37%	45,270	2	9.39%
MillerKnoll***	Institutional Furniture	17,290	3	2.85%	11,987	3	2.49%
Consumers Energy	Power Generation	14,799	4	2.44%	8,741	5	1.81%
Witness Inspection	Manufactured Parts Finishing	10,604	5	1.75%	-		0.00%
ITW Drawform	Stamping Operations	10,544	6	1.74%	10,431	4	2.16%
Royal Park Condos	Condominiums	8,138	7	1.34%	8,015	6	1.66%
Splash Car Wash	Auto Wash	4,417	8	0.73%	-		0.00%
Royal Park Place	Retirement Community	4,375	9	0.72%	4,668	10	0.97%
Crestwood Village	Condominiums	4,216	10	0.72%	4,825	9	1.00%
ODL Inc	Glass and Skylights	-		-	6,493	7	1.35%
Providence Health Care	Health Care	-		-	5,059	8	1.05%
Ten Largest Customers		390,745		64.52%	267,073		55.39%
Other Customers		214,905		35.48%	215,081		44.61%
Total CCF (includes IPP usage and surcharges)		605,650		100.00%	482,154		100.00%

***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		Total Primary Government	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	Governmental Activities		Total Primary Government	Governmental Activities	Total Primary Government		
2014	\$ 2,150,000	\$ 2,930,000	\$ 1,725,000	\$ 391	\$ 1,236	0.91%	2.87%	\$ 404		
2015	1,765,000	2,140,000	1,650,000	321	1,009	0.80%	2.53%	327		
2016	1,600,000	1,310,000	1,570,000	291	814	0.72%	2.02%	242		
2017	1,375,000	1,070,000	2,655,000	250	927	0.58%	2.17%	310		
2018	1,145,000	820,000	2,525,000	208	816	0.46%	1.81%	275		
2019	915,000	560,000	2,390,000	166	702	0.36%	1.53%	241		
2020	790,000	285,000	2,305,000	144	614	0.29%	1.23%	210		
2021	665,000	-	2,145,000	121	511	0.22%	0.92%	171		
2022	540,000	-	1,980,000	98	458	0.15%	0.71%	160		
2023	410,000	-	1,815,000	74	404	N/A	N/A	144		

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

¹2010 Clean Water Bonds are General Obligation Bonds paid from revenue from the Clean Water Fund

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

³See 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
2014	\$ 3,875,000	\$ 6,246	\$ 3,868,754	0.29%	\$ 703
2015	3,415,000	4,753	3,410,247	0.25%	620
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%	511
2022	2,520,000	-	2,520,000	0.19%	458
2023	2,225,000	-	2,225,000	0.16%	404

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

¹Includes \$875,000 2010 GO Clean Water Bonds to be repaid from revenue from the Clean Water Fund, and \$940,000 2015 GO Clean Water Bonds to be repaid from the revenue from the Clean Water Fund

²See 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, 2023

Jurisdiction	Bonds Outstanding	Percentage Applicable to City	City's Share of Debt
Direct Debt: City of Zeeland			
General obligation bonds ¹	\$ 410,000	100.00%	\$ 410,000
Overlapping Debt:			
Ottawa County	\$ 55,265,745	3.48%	1,923,248
Ottawa Intermediate School District	-	0.00%	-
Zeeland Public School District	121,490,000	27.87%	33,859,263
			<u>35,782,511</u>
Total Overlapping Debt			<u>35,782,511</u>
			<u>\$ 36,192,511</u>

¹Excludes \$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 long-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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 67,870,950	\$ 69,509,930	\$ 74,246,820	\$ 71,147,720	\$ 65,152,710	\$ 58,326,490	\$ 60,519,550	\$ 63,419,065	\$ 66,578,630	\$ 71,482,000
Net General Obligation Debt Subject to Limitation	3,868,754	3,410,247	3,167,598	4,027,840	3,666,044	3,305,000	3,095,000	2,810,000	2,520,000	2,225,000
Legal Debt Margin	\$ 64,002,196	\$ 66,099,683	\$ 71,079,222	\$ 67,119,880	\$ 61,486,666	\$ 55,021,490	\$ 57,424,550	\$ 60,609,065	\$ 64,058,630	\$ 69,257,000
Total net debt applicable to the limit as a percentage of the debt limit	5.70%	4.91%	4.27%	5.66%	5.63%	5.67%	5.11%	4.43%	3.78%	3.11%

Legal Debt Margin Calculation for Fiscal Year 2023

State Equalized Valuation	
Ad Valorem	\$ 669,375,000
Public Act 198 Industrial Facility Taxed Property	45,445,000
Total State Equalized Valuation	<u>\$ 714,820,000</u>
Debt Limit - 10% of State Equalized Value	\$ 71,482,000
Debt Outstanding	2,225,000
Less: Exempt Debt	-
Less: Amount set aside for repayment of General Obligation Debt	-
Net General Obligation Debt Subject to Limitation	<u>2,225,000</u>
Legal Debt Margin	<u>\$ 69,257,000</u>
Percentage of Legal Debt Margin Available	96.89%
Percentage of Debt Contracting Power Exhausted	3.11%

Note: State law limits the amount of city general obligation debt to 10% of state equalized value.
 State Equalized Valuation of property granted taxabatement 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	
2014	\$ 29,655,886	\$ 24,113,813	\$ 5,542,073	\$ 490,000	\$ 3,675	11.23
2015	30,151,036	24,194,127	5,956,909	-	-	N/A
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

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	
2014	\$ 3,999,380	\$ 2,320,986	\$ 1,678,394	\$ 750,000	\$ 142,146	1.88
2015	4,266,829	2,385,460	1,881,369	790,000	110,475	2.09
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

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	
2014	\$ 1,953,000	\$ 1,235,962	\$ 717,038	\$ 70,000	\$ 77,938	4.85
2015	3,269,055	1,227,313	2,041,742	75,000	75,763	13.54
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

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 Revenue 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Constitutional	\$ 412,883	\$ 419,368	\$ 418,964	\$ 443,112	\$ 458,540	\$ 480,005	\$ 475,095	\$ 538,707	\$ 616,180	\$ 615,802
Statutory	-	-	-	-	-	-	-	-	-	-
Economic Vitality Incentive Program (EVIP)	73,899	76,157	76,157	76,157	76,901	76,157	68,715	82,458	84,107	89,153
Liquor License Fees and Other	-	5,121	4,306	4,308	2,267	2,534	2,607	2,635	3,527	2,910
TOTAL	\$ 486,782	\$ 500,646	\$ 499,427	\$ 523,577	\$ 537,708	\$ 558,696	\$ 546,417	\$ 623,800	\$ 703,814	\$ 707,865

Michigan Transportation Fund: PA 51 of 1951

Major Streets	\$ 287,525	\$ 293,475	\$ 309,133	\$ 355,464	\$ 425,918	\$ 454,427	\$ 474,759	\$ 522,293	\$ 562,421	\$ 586,281
Local Streets	101,412	103,552	109,135	125,346	150,201	160,147	166,902	183,606	197,393	205,678
Special Act 252 Distribution	-	34,945	62,710	-	-	-	-	-	-	-
Special Act 82 of 2018 Distribution	-	-	-	-	42,106	-	-	-	-	-
Special Act 207 of 2018 Distribution	-	-	-	-	-	72,181	-	-	-	-
Winter Maintenance (Snow)	48,507	41,050	35,889	35,043	29,881	33,908	43,342	8,940	29,984	24,163
TOTAL	\$ 437,445	\$ 473,022	\$ 516,867	\$ 515,853	\$ 648,106	\$ 720,663	\$ 685,003	\$ 714,840	\$ 789,798	\$ 816,122

Metro Authority: PA 48 of 2002

Public Right-of-Way	\$ 17,344	\$ 15,456	\$ 20,851	\$ 20,348	\$ 20,502	\$ 20,547	\$ 22,690	\$ 23,608	\$ 24,829	\$ 26,473
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Local Community 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
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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
2014	5,504	\$ 44,317,379,000	\$ 237,348,992	\$ 43,123	5.3%	7.7%
2015	5,504	4,569,805,000	219,361,920	39,855	4.2%	5.5%
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	67,983,934,000	355,327,189	62,131	3.6%	4.3%
2023	5,719	Not Available	Not Available	Not Available	3.5%	3.6%

¹ Source: U.S. Census Bureau

² Pre 2012: U.S. Department of Commerce, Bureau of Economic Analysis, Holland Metropolitan Statistical Area; Beginning in 2012 Ottawa County was merged into the Grand Rapids Wyoming Metropolitan Statistical Area, 2015-2021 Data Derived using a neighboring Micropolitan Community, in 2022 data was derived used the Grand Rapids-Kentwood Michigan Metropolitan Statistical Area

³ U.S. Department of Labor, Bureau of Labor Statistics, Holland-Grand Haven Metropolitan Statistical Area

City of Zeeland
PRINCIPAL EMPLOYERS
 Current Year and Nine Years Ago

Employer	Principal Product/Service	2023			2014	
		Employees	Rank	% of Total	Employees	Rank
Gentex Corporation ¹	Automotive and Glass Parts	5,466	1	42.6%	3,920	1
Herman Miller, Inc.	Institutional Furniture	1,386	2	10.8%	1,457	2
Zeeland Public Schools	Elementary/Secondary Education	941	3	7.3%	835	3
Reckitt*	Infant Formula	509	4	4.0%	433	4
Plascore, Inc.	Structural Honeycomb Products	426	5	3.3%	273	7
Woodward FST	Airline/Aerospace Fuel Systems	324	6	2.5%	214	10
ODL Inc	Glass and Skylights	299	7	2.3%	355	5
ITW Drawform*	Stamping Operations	221	8	1.7%	296	6
Disher Design & Development	Engineering Firm	175	9	1.4%	-	
Innotec Corp.	Automotive and Furniture Parts	170	10	1.3%	229	9
Howard Miller Clock Co.	Grandfather and Wall Clocks	-		-	232	8
Total Employees Ten Largest Employers		9,917		77.2%	8,244	
Other Employers		2,915		22.8%		
Total Employees		12,832		100.0%		

Source: City of Zeeland

¹ 2023 employee count for Gentex includes all of their locations, not only their City locations

*Reckitt and ITW Drawform did not respond so used 2022 amounts.

City of Zeeland
FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
General Government										
Administration	1.58	1.58	1.58	2.08	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	1.77	1.77	1.70	1.70	1.70	1.70	1.80	1.41	1.41
Assessing	1.55	1.55	1.20	1.20	1.39	1.39	1.39	1.39	1.39	1.39
Cemetery	1.03	1.01	1.01	1.70	1.70	1.64	1.64	2.34	2.24	2.24
Custodial	4.55	4.55	4.55	3.04	3.04	3.19	3.19	2.10	2.12	2.12
Economic Development	1.25	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
Public Safety										
Police	12.12	11.80	12.44	12.49	12.49	12.49	12.49	12.49	12.49	12.49
Fire/Rescue	0.50	0.50	1.06	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Building and Zoning	2.45	2.45	1.80	1.83	2.11	1.61	1.61	1.61	1.61	1.61
Culture and Recreation										
Library	9.12	9.12	9.45	10.64	10.80	10.96	10.96	10.94	10.97	10.97
Community Center	0.68	0.68	0.68	2.00	2.00	2.05	2.05	2.54	3.17	3.17
Parks	1.82	1.81	1.81	1.97	1.97	1.91	1.91	2.60	3.35	3.35
Public Works										
Streets & Motor Pool	6.48	6.48	6.48	5.74	5.74	5.72	5.72	7.21	7.11	7.11
Electric Utility	20.96	20.92	20.92	21.86	22.25	22.17	22.17	23.47	23.24	23.24
Water Utility	5.41	5.39	5.39	5.46	5.30	5.92	5.92	5.78	8.10	8.10
Clean Water Utility	6.27	7.02	7.30	7.44	7.27	7.27	7.27	7.29	7.20	7.20
Total	79.01	79.30	80.11	83.82	84.01	85.27	85.27	90.81	94.65	94.65

Source: City of Zeeland

City of Zeeland
LABOR CONTRACTS
 Current Fiscal Year

The City has 76 full-time employees, of which 39% are represented by labor organizations. Following is a list of the organizations, number of the members, and contract extension dates.

<u>Name of Organization</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Fraternal Order of Police	8	June 30, 2025
Utility Workers Union of America, AFL-CIO (Electric and Water Utility Employees)	18	June 30, 2025
Utility Workers Union of America, AFL-CIO (Clean Water Plant Employees)	4	June 30, 2025
Non-Affiliated Employees	<u>46</u>	N/A
Total Full-time Employees	<u><u>76</u></u>	

Source: City of Zeeland

City of Zeeland
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	5,504	5,504	5,719	5,719	5,719
Number of registered voters	4,092	3,965	4,073	4,075	4,111	4,099	4,413	4,134	4,414	4,422
Number of tax bills ¹	3,294	3,020	3,267	3,221	3,221	3,188	3,198	3,814	3,871	4,438
Public safety²										
Police										
Number of incidents	2,818	N/A	2,946	2,760	3,132	2,850	2,627	2,944	2,285	2,297
Physical arrests	458	N/A	517	510	313	263	318	327	84	82
Traffic violations	1,479	N/A	1,444	1,463	919	853	1,173	1,105	2,757	1,287
Fire/Rescue										
Number of incidents	556	N/A	588	570	549	589	691	669	804	969
Mutual aid agreements ³	15	15	15	15	15	15	15	15	15	15
Building and zoning										
Number of construction permits	129	162	155	175	171	182	162	199	177	135
Value of permits	\$ 8,767,790	\$ 15,441,514	\$ 32,894,351	\$ 14,793,962	\$ 13,825,958	\$ 17,953,755	\$ 16,922,720	\$ 15,385,818	\$ 32,095,783	\$ 16,432,267
Streets and highways										
Miles reconstructed	1.20	0.50	1.10	1.00	0.83	0.37	0.57	0.68	0.67	0.35
Miles resurfaced	0.30	1.40	1.15	0.90	0.10	-	-	0.12	-	0.30
Recreation and culture										
Library circulation *	236,648	234,496	245,853	234,966	243,044	277,170	258,175	278,328	353,270	384,744
Patron visits	188,791	187,597	189,723	101,000	97,503	103,904	75,399	55,594	80,558	98,069
Community center rentals	1,148	1,148	661	673	618	712	481	220	563	502
Community center attendance	23,230	38,447	21,716	21,283	19,286	21,239	11,176	1,583	10,749	13,540
Public works										
Parking lots	6	6	6	6	6	6	6	6	6	6
Cemetery - acres	17	17	17	17	17	26	26	26	26	26
Electric Utility										
Connections - residential	5,385	5,432	5,514	5,573	5,738	5,815	5,825	5,902	5,892	5,944
Connections - commercial/industrial	786	793	904	923	927	934	991	1,070	959	981
M.W.H. generated and purchased	360,828	366,749	388,066	403,586	416,182	418,230	417,473	430,922	436,009	438,261
M.W.H. sold	359,939	352,781	365,809	385,802	394,294	408,237	399,210	412,327	420,904	421,957
Revenues from sales	\$ 27,613,542	\$ 28,682,498	\$ 28,392,120	\$ 28,490,811	\$ 29,445,339	\$ 29,169,314	\$ 28,856,543	\$ 29,604,560	\$ 32,192,783	\$ 36,239,480
Water Utility										
Connections - residential	2,292	2,294	2,308	2,315	2,314	2,310	2,336	2,338	2,265	2,393
Connections - commercial/industrial	462	469	573	593	597	602	601	619	576	601
Pumped - million gallons	1,462	1,599	2,098	2,047	2,106	1,973	2,135	2,044	2,279	2,118
Sold - million gallons	1,394	1,586	2,000	2,005	2,044	1,872	2,171	2,045	2,222	2,128
Revenues from sales	\$ 3,816,635	\$ 4,088,322	\$ 4,766,945	\$ 4,937,320	\$ 4,848,803	\$ 4,704,521	\$ 5,042,994	\$ 5,166,156	\$ 5,279,292	\$ 5,007,806
Clean Water Utility										
Connections - residential	2,228	2,230	2,256	2,258	2,247	2,251	2,259	2,265	2,301	2,326
Connections - commercial/industrial	361	364	362	365	329	335	326	331	369	320
Average daily sewage treatment	1.34	1.42	1.40	1.45	1.90	2.10	2.28	1.84	2.01	2.3
Treated effluent - million gallons	489.8	508.0	510.6	528.0	730.0	766.5	798.0	673.0	733.8	824.1
Residuals - million gallons	2.01	2.07	1.50	1.83	2.16	2.37	2.18	2.19	1.9	1.3
Revenues from sales	\$ 1,814,032	\$ 1,939,294	\$ 2,195,503	\$ 2,314,815	\$ 2,549,177	\$ 2,717,829	\$ 2,906,955	\$ 3,050,719	\$ 2,973,266	2,623,994

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.

²Public 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).

* As of 2022 Library circulation includes physical items and electronic items

City of Zeeland
CAPITAL ASSETS STATISTICS BY FUNCTION
 Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	5	5	4	4	4
Number of K9 Teams	-	-	-	-	-	-	-	-	-	-
Emergency Medical/Rescue										
Number of Rescue Vehicles	2	2	2	2	2	2	2	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	8	9	9	10	10	10	10	10	10	10
Number of acres in parks	30.5	32.2	32.2	32.3	32.3	32.3	32.3	32.3	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	3	3	7	7	7	6	10
Bike trails - miles	10.7	10.7	10.7	11.7	11.7	11.7	11.7	11.7	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	18.69	18.69	18.63	18.63
Miles of sidewalks	26.40	26.40	26.40	26.40	26.40	27.12	27.12	28.24	29.58	30.05
Traffic signals	8	8	8	8	8	8	8	8	8	8
Street Light accounts	103	105	107	107	107	101	101	98	105	39
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	71,500	71,500
Electric Utility										
Number of distribution stations	4	4	4	4	4	4	4	4	4	4
Miles of service lines										
Overhead	43	43	43	41	40	39	39	38	38	38
Underground	99	103	105	108	112	116	116	119	125	126
Water Utility										
Number of storage tanks	5	5	5	5	5	5	5	5	5	5
Miles of distribution mains	49	56	54	55	55	55	55	56	56	54
Number of fire hydrants	596	603	611	629	634	638	638	648	651	657
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