

Popular Annual Financial Report

2025

for Fiscal Year Ended June 30, 2025

 **Holland**
MICHIGAN





Welcome

We are pleased to present the City of Holland’s Popular Annual Financial Report (PAFR) for the year ended June 30, 2025. In alignment with the City’s strategic goal to enhance communications with stakeholders, this report is designed to present City finances in a clear and understandable manner. The unaudited PAFR is a streamlined version of the more detailed Annual Comprehensive Financial Report, commonly known as the audit report. All financial information in this report can be found in greater detail in the complete audit report available online at <https://cityofholland.com/Archive.aspx?AMID=37>.

The purpose of the PAFR is to help citizens have a better understanding of the City’s resources and how we use them. The financial information presented is consistent with Generally Accepted Accounting Principles, but in a condensed format. The primary focus is the Governmental and Proprietary Funds, excluding the discretely presented component units, internal service funds,



and fiduciary funds. The report provides additional detail for the General Fund, which is the main operating fund of the City and highlights some of the major initiatives and capital projects for the City.

Thank you for taking time to read this year’s report and become more familiar with your City’s finances. We are proud to serve the residents of the community and hope the information presented provides you with an easy to understand overview of the City’s financial outlook.

Best Regards,

Keith Van Beek
City Manager



Vision: **A vibrant, world-class community in a beautiful lakefront environment where people work together, celebrate community, and realize dreams.**



Holland
MICHIGAN



CITY OF HOLLAND

The City of Holland’s Mission Statement is simply “Maximize Livability”. This is felt throughout the City with the charming and lively downtown district, active neighborhoods, community events, celebration of diversity, safe bike infrastructure and walkability, an active farmer’s market, and well-maintained parks and open spaces. Innovative snowmelt in downtown sidewalks and roads, covering over 5 miles, helps to keep the central business district vibrant and pedestrian friendly during the winter months.

CITY PROFILE

The City of Holland is located partially in both Allegan and Ottawa Counties and is the largest city in both counties. City limits span 17.5 square miles and was incorporated in 1867. According to the latest census information the population is 34,578. The City of Holland is located 30 miles southwest of Grand Rapids, 186 miles north-west of Detroit and 150 miles northeast of Chicago, Illinois.



The City also hosts the annual Tulip Time Festival which is a destination for many visitors. Approximately 650,000 tulips are planted throughout the City each year. The City owns and operates Windmill Island Gardens and in 2024 welcomed 168,123 visitors, a new record. This included 8,649 for Magic at the Mill, a winter event featuring a tulip themed light show.



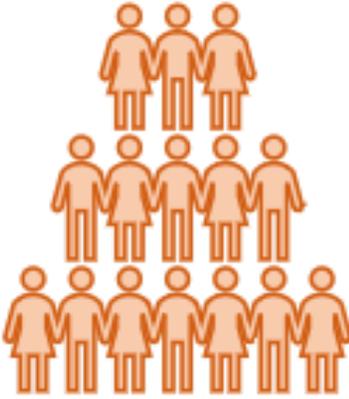
The City leases land to the airport authority. The authority, comprised of the City of Holland, City of Zeeland and Park Township, operates the airport. A combined fixed route and personalized bus/van public transportation service, which leases the City owned transportation center also servicing Amtrak, is operated and taxed by a separate transportation authority and serves the City of Holland, City of Zeeland, Holland Charter Township and Park Township.



CITY SNAPSHOT

UNEMPLOYMENT RATE
2.9%

\$72,905
Median Household
Income

POPULATION

34,578

Full Time 400
81 Part Time
CITY/HBPW EMPLOYEES

FY2025 General Fund
Budget
\$32,381,068

 12 Miles of
Tulip Lanes




\$1,686,273,701
Total Taxable
Value

913
Construction
Permits Issued


PRINCIPAL EMPLOYERS
BY SECTOR

MANUFACTURING
HAWORTH
BENTELER
CHALLENGE MANUFACTURING
TIARA YACHTS
Yanfeng Global Automotive Interiors

HEALTHCARE
Holland Hospital

ENERGY
LG Energy Solution

EDUCATION
Hope COLLEGE
Holland Public Schools

Bond Rating
★ Moody's Aa2
★ S&P AA



CITY COUNCIL

City operations are directed and managed by a Council-City Manager form of government. City Council is made up of a mayor and eight members. Six represent specific wards, and two represent the entire city at-large. The City Manager is the chief executive officer of the City.



Tim Vreeman
Ward 1



Lyn Raymond
Ward 2



Tim Marroquin
Ward 3



Kim Rowan
Ward 4



Nathan Bocks
Mayor



Scott Corbin
Ward 5



Devin Shea
Ward 6



Abby Klomparens
At-Large



Michael Schultheis
At-Large

CITY COUNCIL PRIORITIES 2026

For more details visit <https://www.cityofholland.com/875/Strategic-Plan-and-Business-Plan>

Finances

- Municipal Capital Improvement Fund (MCIF)
- Long-Term Financial Forecast
- Waterfront Holland Management
- Evaluate Headlee Rollback Timing

Connections to Stakeholders

- Implement Citizens Academy
- Collaborate with Community Partners
- Diversity, Equity, Inclusion and Accessibility
- Encourage the Addition of Housing Choice and Availability

Quality Services

- Holland City Fiber
- Ice Rink Park
- World-Class Utility Services
- Election Administration

Organizational Improvement

- Council Governance Model
- Strategically Manage Community Growth
- New Holland Civic Center Place Management
- Monitor Federal and State Legislative Impacts



CITY SNAPSHOT

Kollen Fire Station

Construction of the Kollen Park Fire Station was completed in fiscal year 2025 which included new single-occupancy dorm rooms, decontamination sectors, updated living quarters, and a modernized exterior. The project budget was \$6.3 million, with \$6.1 million expended as of fiscal year end. Construction on the Waverly Fire Station was completed in fiscal year 2024 with total expenses of \$11.3 million at June 30, 2025.



Holland Ice Park

The Holland Ice Park located at Window on the Waterfront Park was completed in November. The Park consists of an ice rink with a connected ribbon and a separate curling rink. There are skate rentals, concessions, and restrooms. The project budget is \$11.3 million of which \$8.2 million was expended as of fiscal year end. Construction was completed and the Ice Park opened for operations in Fiscal Year 2026.

Van Raalte

The VanRaalte Avenue construction from 10th to 24th street was completed in fiscal year 2025. The project included approximately 1.63 miles of heavy road reconstruction including utility work, 0.28 miles of road resurfacing, along with traffic signal upgrades at 16th and 17th streets and intersection/crosswalk upgrades at 10th and 11th streets. The multi-year project expenses totaled \$7.3 million as of June 30, 2025.



Holland City Fiber

The Broadband Utility spent \$7.9 million on capital improvements during the year, adding to and upgrading the fiber network. The Broadband Utility added 1,728 new customers and continued construction on the Holland City Fiber (HCF) project connecting many new customers to this next generation fiber optic broadband service. Total spent on the HCF project as of June 30, 2025 was \$17.7 million. The project is expected to be completed by the end of 2026.

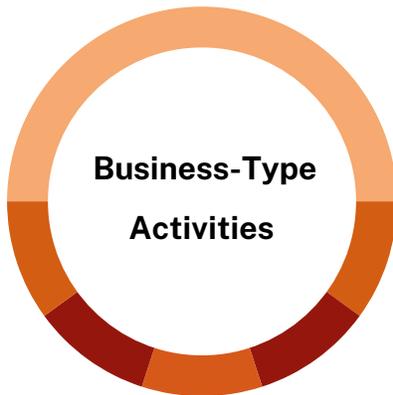


City functions are divided between two groups of activities: Governmental Activities and Business-Type Activities. This is required for financial reporting purposes

The City's basic services are considered to be governmental activities and are primarily funded by taxes.



Governmental Activities



Business-Type Activities

The City structure empowers Holland Board of Public Works (HBPW) to manage and operate municipally owned utilities, including electric, fiber-optics, water and wastewater. Other business-type activities include the City's refuse & recycling fund, Windmill Island Gardens and the Civic Center.





FINANCIAL HIGHLIGHTS

The following tables represent condensed forms of the financial statements presented in the complete audit report. The Statement of Net Position (the City’s Balance Sheet) and Statement of Activities (the City’s Income Statement) are divided between governmental and business-type activities to distinguish functions of the City which are principally supported by taxes and intergovernmental revenues (governmental activities) from those functions which are intended to recover all or part of their costs through user fees (business-type).

Statement of Net Position

	Government Activities			Business-Type Activities		
	2025	2024	2023	2025	2024	2023
Total Assets	\$250,682,298	\$255,888,832	\$230,570,880	\$710,613,961	\$646,465,652	\$634,737,323
Total Deferred Outflows	5,227,331	5,778,961	8,978,760	2,990,066	3,499,567	5,633,588
Total Liabilities	98,482,243	104,501,279	98,469,467	90,552,733	79,786,761	98,887,289
Total Deferred Inflows	3,556,575	4,193,640	2,304,796	54,832,554	32,821,337	28,805,326
Total Net Position	\$153,870,811	\$152,972,874	\$138,776,377	\$568,218,740	\$537,357,121	\$512,678,296

Net Position represents the difference between the City’s total assets and total liabilities. A substantial portion of the City’s net position (80%) reflects its investment in capital assets. The City uses these capital assets to provide services to citizens. An additional portion of net position represents resources that are restricted on how they are used (3.8%) and the remaining 16.2% is unrestricted and available to meet ongoing obligations to citizens.

Statement of Activities (Changes in Net Position)

	Government Activities			Business-Type Activities		
	2025	2024	2023	2025	2024	2023
Revenues	\$ 59,771,954	\$ 56,214,058	\$ 48,246,710	\$154,371,168	\$147,128,709	\$138,176,682
Expenses	66,155,992	51,691,463	49,816,151	115,407,733	112,774,982	115,238,024
Transfers	8,101,816	9,674,902	7,959,338	(8,101,816)	(9,674,902)	(7,959,338)
Change in Net Position	1,717,778	14,197,497	6,389,897	30,861,619	24,678,825	14,976,320
Net Position-Beginning	152,972,874	138,775,377	132,385,480	537,357,121	512,678,296	497,701,976
Restatement	(819,841)	-	-	-	-	-
Net Position-Ending	\$153,870,811	\$152,972,874	\$138,775,377	\$568,218,740	\$537,357,121	\$512,678,296

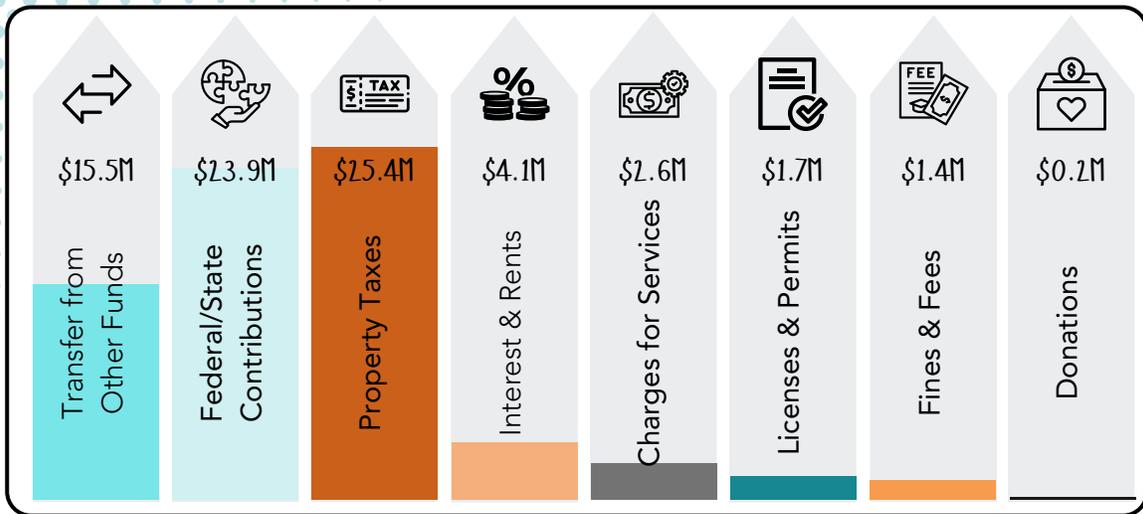
The change in the net position serves as a useful indicator of the City’s financial position. The City’s Government Activities net position at June 30, 2025 increased 0.6% from the prior year. Total revenues increased by 6.3% with property taxes accounting for \$3,896,507 of the increase. Expenses increased 28% primarily due to the \$11.3 million contribution to the Holland City Fiber project and street repair project expenses of \$2.2 million within public works. The Business-Type Activities net position total revenues increased by 4.9%, reflecting a slight increase in utility rates for fiscal year 2025 and increased operating and capital grants.



WHERE DOES CITY GOVERNMENT MONEY COME FROM?

Total Governmental Funds revenue and transfers in equaled \$74,713,417. Property taxes account for 34% and federal/state contributions (grants, sales tax, personal property tax replacement) account for another 31%. Transfers from other funds represent 21% of revenues and is mostly comprised of the dividend from the Holland Board of Public Works.

Revenue by Source

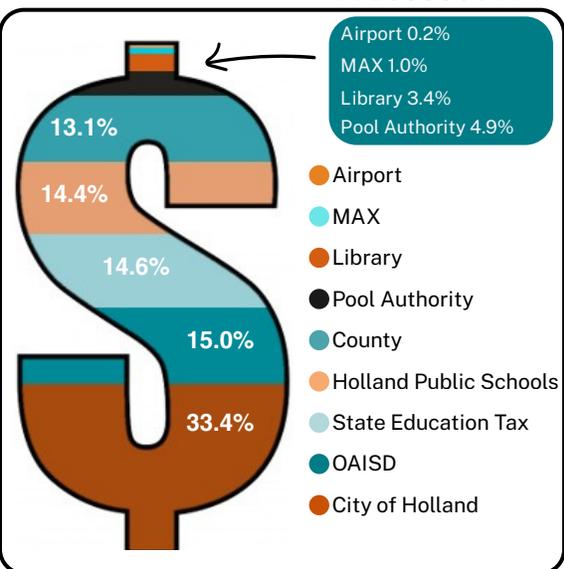


The City's property tax millage rate for Fiscal Year 2025 is 13.8692, which has not been increased since Fiscal Year 2013.

City Millage Rate History

The City collects tax revenue, but the property tax dollars are actually split between many different local government bodies to provide services citizens use every day, including schools, libraries, county services and more. The City keeps just 33 cents of every dollar to support operations, including public safety, parks, and much more.

Property Tax

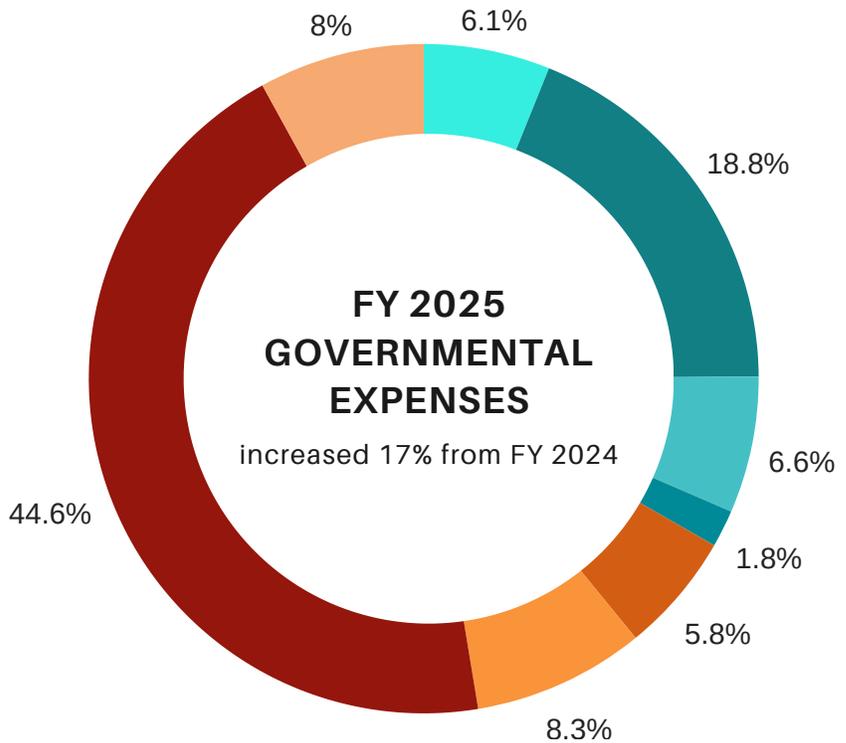




WHERE YOUR CITY GOVERNMENT DOLLARS ARE SPENT

The City of Holland provides a full range of local government services, including police and fire protection, housing and building inspections, street construction and maintenance, planning and zoning, recreation programs, several municipal parks, cemetery facilities, an open-air canopied farmers market and various other cultural activities. The Governmental expenses, increased by 17% for a total of \$93,812,429 in FY 2025. The increase is primarily related to capital project expenditures for the Ice Park and the \$11.3 million contributed to Holland City Fiber.

- GENERAL GOVERNMENT 
- PUBLIC SAFETY 
- STREETS/ENGINEERING 
- SOCIAL SERVICES 
- PARKS/RECREATION 
- DEBT SERVICE 
- CAPITAL OUTLAY 
- TRANSFERS OUT 



PUBLIC SAFETY

- Police - Arrests: 692
- Police - Traffic Violations: 4,002
- Fire - Emergency Responses: 4,177
- Fire - Medical Emergencies: 2,622



PARKS & RECREATION

- Number of Parks: 23
- Recreation Program Participants: 14,049



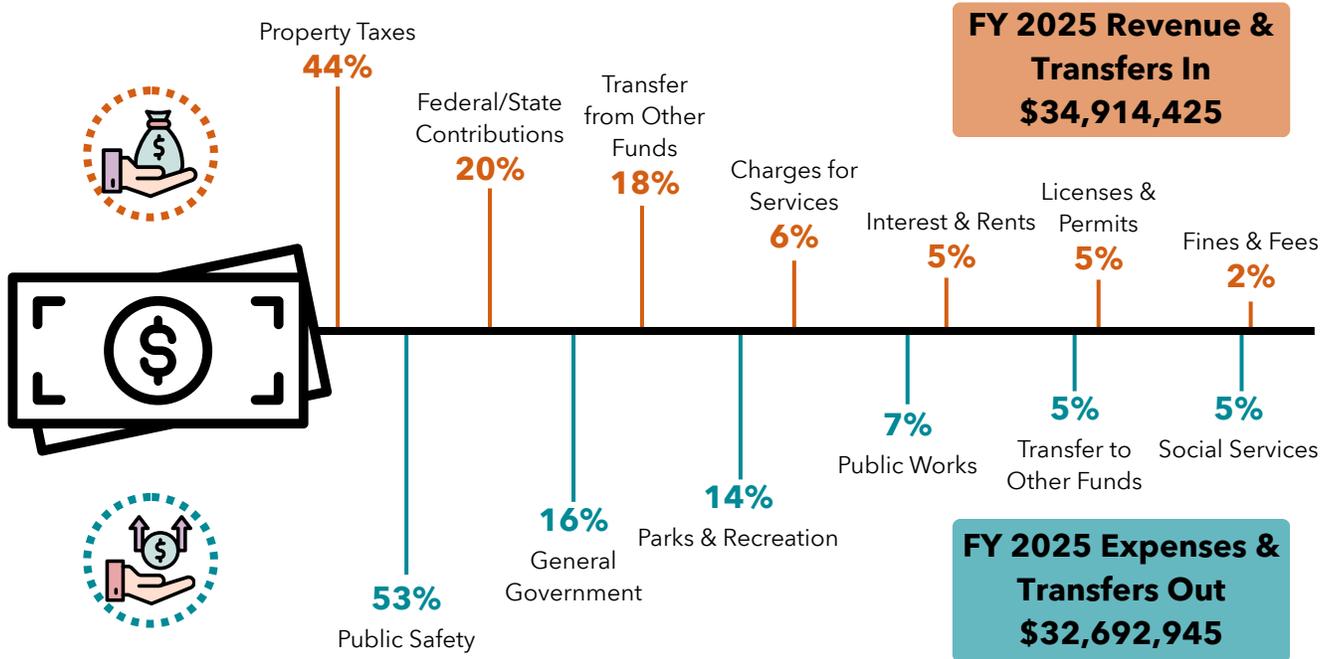
PUBLIC WORKS

- Miles of Street: 149
- Miles of Streets Resurfaces: 4.7
- Streetlights: 2,550
- Miles of Watermain: 203
- Miles of Storm Sewer: 165



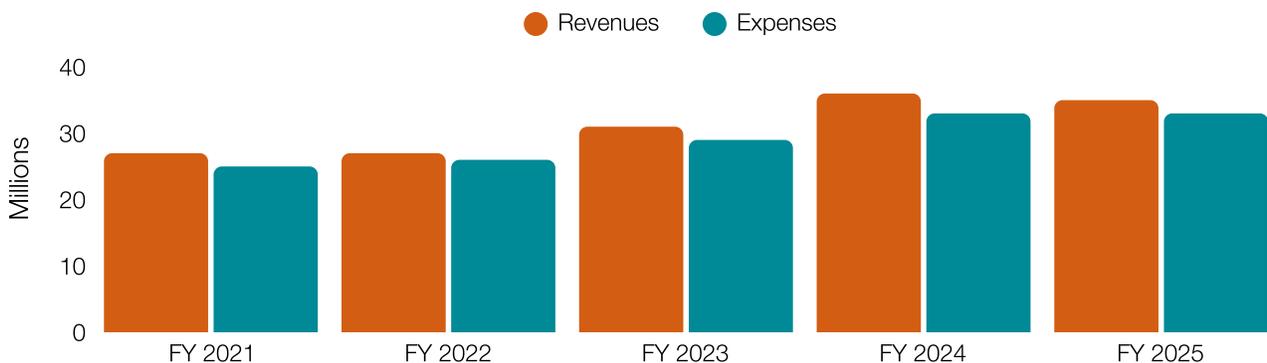
GENERAL FUND

The General Fund is the primary operating fund of the City and accounts for resources used to support core municipal services including police and fire protection, public works, community and neighborhood services, parks and recreation, cemeteries and City administration (City Council, City Manager's Office, Fiscal Services, Human Resources, Clerks Office and Planning and Zoning). The majority of revenue comes from: property taxes, state shared revenues and an annual transfer from the Electric Utility Fund as authorized by City Charter provisions.



General Fund Reserves & Future Planning

The City has a history of conservative management of finances. The combined General Fund and Budget Stabilization ending unassigned fund balance totaled \$18,446,836, or 56% of total expenses and transfers out at June 30, 2025. Looking to the future, the City will continue to focus on long-term planning, including the annual adoption of a Strategic and Business Plan and update of the annual long-term financial and capital plans.





PROPRIETARY (BUSINESS-TYPE) FUNDS RECAP

Utility Funds

HBPW Utilities

The Holland Board of Public Works manages the utility funds for the City. The three main funds are electric, water and wastewater, and account for the revenues and expenses related to providing reliable and safe electric supply, water and wastewater services. A \$31.4 million anaerobic digester has been online and operating and has earned Envision Certification Gold level rating for sustainability.

Holland City Fiber

In August 2022 the residents voted to make a community investment in a high speed fiber optic broadband network that will be available to every address. In August 2023, Holland City Council authorized issuance of up to \$23 million in bonds for this project. Construction began in December 2023 and spending as of the end of Fiscal Year 2025 was \$17.7 million. The project is expected to be completed in Fiscal Year 2027. For additional updates, please visit <https://hollandcityfiber.com>.



Other Enterprise Funds

Refuse & Recycling

The City administers a refuse and recycling program for all single family residences, as well as multi-family residential units. The City contracts with a private sector hauler for this service. Given rising fuel costs in FY 2023, the City incurred significant fuel surcharges, but was able to minimize the impact to residents, especially as compared to private sector providers in surrounding communities. The City continues to evaluate the fuel surcharge costs to prevent erosion of fund reserves.

Windmill Island Gardens

The City owns and operates Windmill Island Gardens, a park that features many exhibits including an imported authentic operating windmill from the Netherlands. The park is a popular tourist attraction during the City's annual Tulip Time Festival. Windmill Island also launched Magic at the Mill in 2022 which runs Fridays and Saturdays throughout December.





BUDGET, STRATEGIC PLAN AND MORE...

The City presents information designed to help residents understand the City's strategic goals and City finances throughout the year. Find documents like the Annual Budget, Budget in Brief, Strategic Plan & Business Plan, and links to the latest City E-News online at cityofholland.com.



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City Website: cityofholland.com

Downtown: downtownholland.com

Rec Programs: hollandrecreation.com

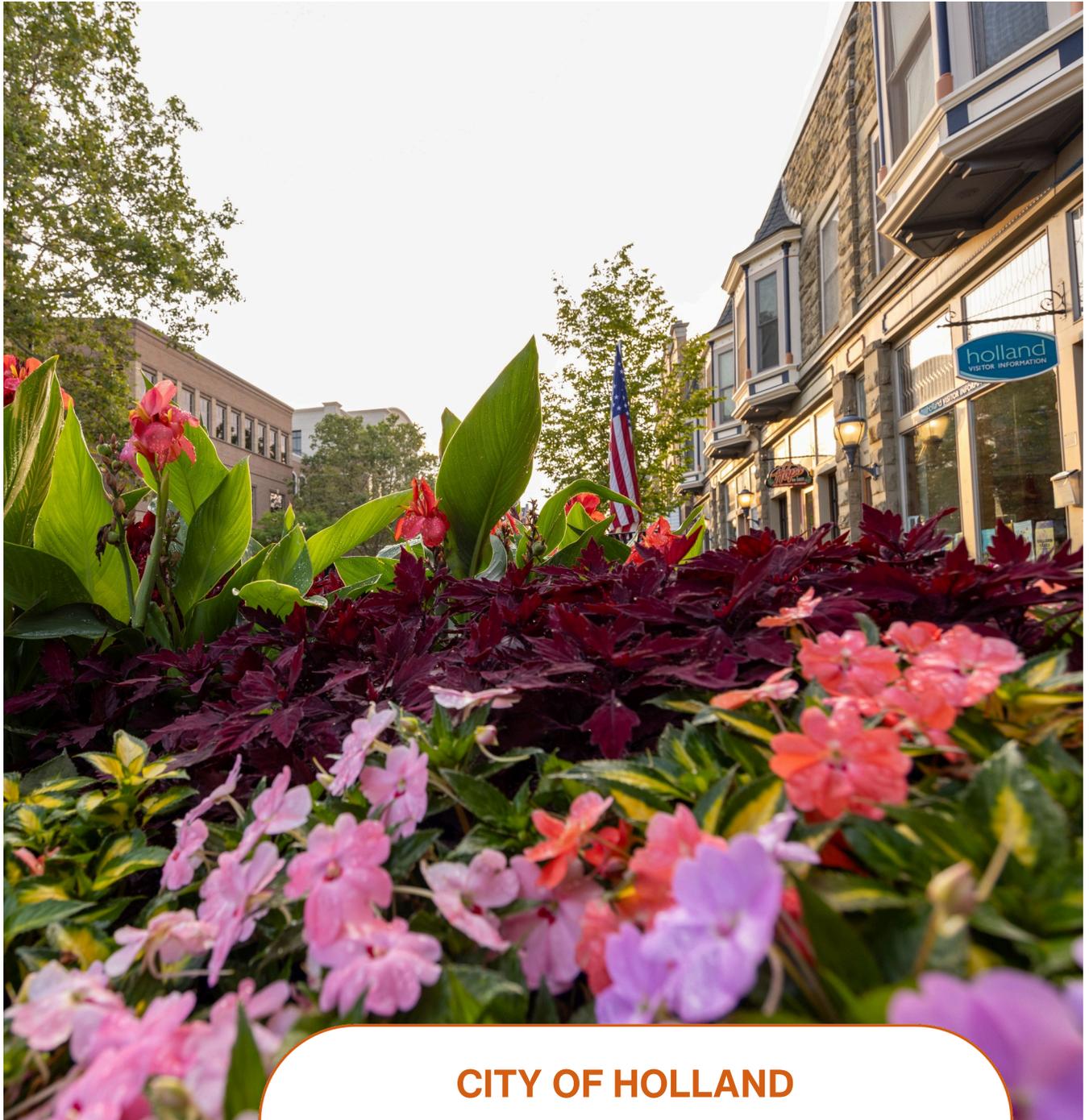
Farmer's Market: hollandfarmersmarket.com

Events: Holland.org

City Podcast: cityofholland.com/710/MiHolland-Update-Podcast



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CITY OF HOLLAND

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