

**Village of New Haven**

**Financial Statements**

**March 31, 2026**



**YEO & YEO**

**BUSINESS SUCCESS  
PARTNERS**

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## **Independent Auditors' Report**

Management and the Village Council  
Village of New Haven  
New Haven, Michigan

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of New Haven (the Village), as of and for the year ended March 31, 2026, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of March 31, 2026, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States

of America by us. In our opinion, based on our audit, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated **DATE**, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Troy, Michigan

**DATE**

**Village of New Haven**  
**Statement of Net Position**  
**March 31, 2026**

|                                                 | Governmental<br>Activities | Business-type<br>Activities | Total                |
|-------------------------------------------------|----------------------------|-----------------------------|----------------------|
| <b>Assets</b>                                   |                            |                             |                      |
| Cash and cash equivalents                       | \$ 4,580,693               | \$ 2,996,907                | \$ 7,577,600         |
| Receivables                                     |                            |                             |                      |
| Accounts                                        | 70,009                     | 420,787                     | 490,796              |
| Due from other units of government              | 241,842                    | -                           | 241,842              |
| Prepaid items                                   | 110,773                    | 36,739                      | 147,512              |
| Restricted assets                               |                            |                             |                      |
| Cash and cash equivalents                       | -                          | 258,093                     | 258,093              |
| Due from other governments                      | -                          | 58,716                      | 58,716               |
| Capital assets not being depreciated            | 1,083,506                  | -                           | 1,083,506            |
| Capital assets, net of accumulated depreciation | 6,870,684                  | 12,178,866                  | 19,049,550           |
| Total assets                                    | <u>12,957,507</u>          | <u>15,950,108</u>           | <u>28,907,615</u>    |
| <b>Deferred outflows of resources</b>           |                            |                             |                      |
| Bond refundings                                 | <u>-</u>                   | <u>27,837</u>               | <u>27,837</u>        |
| <b>Liabilities</b>                              |                            |                             |                      |
| Accounts payable                                | 25,320                     | 65,241                      | 90,561               |
| Payroll and other liabilities                   | 52,076                     | 204,767                     | 256,843              |
| Interest payable                                | 314                        | -                           | 314                  |
| Noncurrent liabilities                          |                            |                             |                      |
| Due within one year                             |                            |                             |                      |
| Net OPEB liability                              | 6,636                      | -                           | 6,636                |
| Bonds, notes, and other long-term liabilities   | 223,691                    | 698,093                     | 921,784              |
| Due in more than one year                       |                            |                             |                      |
| Bonds, notes, and other long-term liabilities   | 320,956                    | 4,992,649                   | 5,313,605            |
| Net OPEB liability                              | 89,808                     | -                           | 89,808               |
| Total liabilities                               | <u>718,801</u>             | <u>5,960,750</u>            | <u>6,679,551</u>     |
| <b>Deferred inflows of resources</b>            |                            |                             |                      |
| Unavailable revenue - taxes                     | 52,619                     | -                           | 52,619               |
| Bond refundings                                 | <u>-</u>                   | <u>32,369</u>               | <u>32,369</u>        |
| Total deferred inflows of resources             | <u>52,619</u>              | <u>32,369</u>               | <u>84,988</u>        |
| <b>Net position</b>                             |                            |                             |                      |
| Net investment in capital assets                | 7,506,550                  | 6,483,592                   | 13,990,142           |
| Restricted for                                  |                            |                             |                      |
| Major streets                                   | 675,199                    | -                           | 675,199              |
| Local streets                                   | 112,163                    | -                           | 112,163              |
| Highways                                        | 728,620                    | -                           | 728,620              |
| Fire protection                                 | 160,683                    | -                           | 160,683              |
| Cemetery                                        | 349,014                    | -                           | 349,014              |
| Drug law enforcement                            | 14,295                     | -                           | 14,295               |
| Perpetual care                                  |                            |                             |                      |
| Nonexpendable                                   | 61,109                     | -                           | 61,109               |
| Expendable                                      | 19,174                     | -                           | 19,174               |
| Debt service                                    | -                          | 239,629                     | 239,629              |
| Capital improvements                            | -                          | 51,901                      | 51,901               |
| Unrestricted                                    | <u>2,559,280</u>           | <u>3,209,704</u>            | <u>5,768,984</u>     |
| Total net position                              | <u>\$ 12,186,087</u>       | <u>\$ 9,984,826</u>         | <u>\$ 22,170,913</u> |

See Accompanying Notes to the Financial Statements

**Village of New Haven**  
**Statement of Activities**  
**For the Year Ended March 31, 2026**

|                                    |              | Program Revenues |                          |                          | Net (Expense) Revenue and Changes in Net Position |               |               |
|------------------------------------|--------------|------------------|--------------------------|--------------------------|---------------------------------------------------|---------------|---------------|
|                                    |              | Charges for      | Operating                | Capital                  | Governmental                                      | Business-type | Total         |
|                                    | Expenses     | Services         | Grants and Contributions | Grants and Contributions | Activities                                        | Activities    |               |
| Functions/programs                 |              |                  |                          |                          |                                                   |               |               |
| Governmental activities            |              |                  |                          |                          |                                                   |               |               |
| General government                 | \$ 859,852   | \$ 264,063       | \$ 39,120                | \$ -                     | \$ (556,669)                                      | \$ -          | \$ (556,669)  |
| Public safety                      | 1,724,538    | 47,218           | -                        | -                        | (1,677,320)                                       | -             | (1,677,320)   |
| Public works                       | 1,401,932    | 18,775           | 680,626                  | -                        | (702,531)                                         | -             | (702,531)     |
| Community and economic development | 55,235       | -                | -                        | -                        | (55,235)                                          | -             | (55,235)      |
| Recreation and culture             | 238,629      | -                | -                        | -                        | (238,629)                                         | -             | (238,629)     |
| Interest on long-term debt         | 21,917       | -                | -                        | -                        | (21,917)                                          | -             | (21,917)      |
| Total governmental activities      | 4,302,103    | 330,056          | 719,746                  | -                        | (3,252,301)                                       | -             | (3,252,301)   |
| Business-type activities           |              |                  |                          |                          |                                                   |               |               |
| Building Department                | 159,345      | 122,294          | -                        | -                        | -                                                 | (37,051)      | (37,051)      |
| Sewer                              | 1,034,514    | 1,505,262        | -                        | -                        | -                                                 | 470,748       | 470,748       |
| Water & Sewer                      | 1,149,567    | 1,883,772        | -                        | -                        | -                                                 | 734,205       | 734,205       |
| Rubbish Collection                 | 354,300      | 365,085          | -                        | -                        | -                                                 | 10,785        | 10,785        |
| Total business-type activities     | 2,697,726    | 3,876,413        | -                        | -                        | -                                                 | 1,178,687     | 1,178,687     |
| Total                              | \$ 6,999,829 | \$ 4,206,469     | \$ 719,746               | \$ -                     | (3,252,301)                                       | 1,178,687     | (2,073,614)   |
| General revenues                   |              |                  |                          |                          |                                                   |               |               |
| Property taxes                     |              |                  |                          |                          | 2,354,228                                         | -             | 2,354,228     |
| Unrestricted state-shared revenue  |              |                  |                          |                          | 762,691                                           | -             | 762,691       |
| Unrestricted investment earnings   |              |                  |                          |                          | 93,548                                            | 37,483        | 131,031       |
| Miscellaneous                      |              |                  |                          |                          | 15,155                                            | 4,226         | 19,381        |
| Total general revenues             |              |                  |                          |                          | 3,225,622                                         | 41,709        | 3,267,331     |
| Change in net position             |              |                  |                          |                          | (26,679)                                          | 1,220,396     | 1,193,717     |
| Net position - beginning of year   |              |                  |                          |                          | 12,212,766                                        | 8,764,430     | 20,977,196    |
| Net position - end of year         |              |                  |                          |                          | \$ 12,186,087                                     | \$ 9,984,826  | \$ 22,170,913 |

See Accompanying Notes to the Financial Statements

**Village of New Haven**  
**Governmental Funds**  
**Balance Sheet**  
**March 31, 2026**

|                                      | Special Revenue Funds |                   |                   |                   | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------|-----------------------|-------------------|-------------------|-------------------|-----------------------------------|--------------------------------|
|                                      | General               | Major Streets     | Local Streets     | Fire              |                                   |                                |
| <b>Assets</b>                        |                       |                   |                   |                   |                                   |                                |
| Cash and cash equivalents            | \$ 2,541,926          | \$ 588,249        | \$ 80,518         | \$ 195,989        | \$ 1,174,011                      | \$ 4,580,693                   |
| Receivables                          |                       |                   |                   |                   |                                   |                                |
| Accounts                             | 65,869                | -                 | -                 | -                 | 4,140                             | 70,009                         |
| Due from other units of government   | 115,215               | 90,627            | 36,000            | -                 | -                                 | 241,842                        |
| Prepaid items                        | 109,873               | 167               | 167               | -                 | 566                               | 110,773                        |
| Total assets                         | <u>\$ 2,832,883</u>   | <u>\$ 679,043</u> | <u>\$ 116,685</u> | <u>\$ 195,989</u> | <u>\$ 1,178,717</u>               | <u>\$ 5,003,317</u>            |
| <b>Liabilities</b>                   |                       |                   |                   |                   |                                   |                                |
| Accounts payable                     | \$ 13,192             | \$ 203            | \$ 310            | \$ 5,977          | \$ 5,638                          | \$ 25,320                      |
| Payroll and other liabilities        | 14,027                | 3,641             | 4,212             | 29,329            | 867                               | 52,076                         |
| Total liabilities                    | <u>27,219</u>         | <u>3,844</u>      | <u>4,522</u>      | <u>35,306</u>     | <u>6,505</u>                      | <u>77,396</u>                  |
| <b>Deferred inflows of resources</b> |                       |                   |                   |                   |                                   |                                |
| Unavailable revenue - taxes          | 52,619                | -                 | -                 | -                 | -                                 | 52,619                         |
| <b>Fund balances</b>                 |                       |                   |                   |                   |                                   |                                |
| Non-spendable                        |                       |                   |                   |                   |                                   |                                |
| Prepaid items                        | 109,873               | 167               | 167               | -                 | 566                               | 110,773                        |
| Restricted for                       |                       |                   |                   |                   |                                   |                                |
| Major streets                        | -                     | 675,032           | -                 | -                 | -                                 | 675,032                        |
| Local streets                        | -                     | -                 | 111,996           | -                 | -                                 | 111,996                        |
| Highway                              | -                     | -                 | -                 | -                 | 728,220                           | 728,220                        |
| Fire protection                      | -                     | -                 | -                 | 160,683           | -                                 | 160,683                        |
| Cemetery                             | -                     | -                 | -                 | -                 | 348,848                           | 348,848                        |
| Drug law enforcement                 | -                     | -                 | -                 | -                 | 14,295                            | 14,295                         |
| Perpetual care                       |                       |                   |                   |                   |                                   |                                |
| Expendable                           | -                     | -                 | -                 | -                 | 19,174                            | 19,174                         |
| Nonexpendable                        | -                     | -                 | -                 | -                 | 61,109                            | 61,109                         |
| Unassigned                           | 2,643,172             | -                 | -                 | -                 | -                                 | 2,643,172                      |
| Total fund balances                  | <u>2,753,045</u>      | <u>675,199</u>    | <u>112,163</u>    | <u>160,683</u>    | <u>1,172,212</u>                  | <u>4,873,302</u>               |
| Total liabilities and fund balances  | <u>\$ 2,832,883</u>   | <u>\$ 679,043</u> | <u>\$ 116,685</u> | <u>\$ 195,989</u> | <u>\$ 1,178,717</u>               | <u>\$ 5,003,317</u>            |

See Accompanying Notes to the Financial Statements

**Village of New Haven**  
**Governmental Funds**  
**Reconciliation of Fund Balances of Governmental Funds**  
**to Net Position of Governmental Activities**  
**March 31, 2026**

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|                                                   |              |
|---------------------------------------------------|--------------|
| <b>Total fund balances for governmental funds</b> | \$ 4,873,302 |
|---------------------------------------------------|--------------|

Total net position for governmental activities in the statement of net position is different because:

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

|                                      |           |
|--------------------------------------|-----------|
| Capital assets not being depreciated | 1,083,506 |
|--------------------------------------|-----------|

|                                                 |           |
|-------------------------------------------------|-----------|
| Capital assets, net of accumulated depreciation | 6,870,684 |
|-------------------------------------------------|-----------|

Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.

|                  |       |
|------------------|-------|
| Accrued interest | (314) |
|------------------|-------|

|                      |          |
|----------------------|----------|
| Compensated absences | (97,007) |
|----------------------|----------|

|                                      |          |
|--------------------------------------|----------|
| Bonds, notes, premiums and discounts | (18,157) |
|--------------------------------------|----------|

|                   |           |
|-------------------|-----------|
| Lease liabilities | (429,483) |
|-------------------|-----------|

|                      |                 |
|----------------------|-----------------|
| Total OPEB liability | <u>(96,444)</u> |
|----------------------|-----------------|

|                                                |                             |
|------------------------------------------------|-----------------------------|
| <b>Net position of governmental activities</b> | <b>\$ <u>12,186,087</u></b> |
|------------------------------------------------|-----------------------------|

**Village of New Haven**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended March 31, 2026**

|                                                           | Special Revenue Funds |                   |                   |             |                   | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-----------------------------------------------------------|-----------------------|-------------------|-------------------|-------------|-------------------|-----------------------------------|--------------------------------|
|                                                           | General               | Major Street      | Local Street      | Highway     | Fire              |                                   |                                |
| <b>Revenues</b>                                           |                       |                   |                   |             |                   |                                   |                                |
| Taxes                                                     | \$ 1,499,183          | \$ -              | \$ -              | \$ -        | \$ 475,654        | \$ 377,223                        | \$ 2,352,060                   |
| Licenses and permits                                      | 29,834                | -                 | -                 | -           | -                 | -                                 | 29,834                         |
| State grants                                              | 777,763               | 483,078           | 191,878           | -           | -                 | -                                 | 1,452,719                      |
| Local contributions                                       | 11,508                | -                 | -                 | -           | -                 | -                                 | 11,508                         |
| Charges for services                                      | 26,216                | -                 | -                 | -           | -                 | 41,325                            | 67,541                         |
| Fines and forfeitures                                     | 43,461                | -                 | -                 | -           | -                 | -                                 | 43,461                         |
| Rental income                                             | 215,079               | -                 | -                 | -           | -                 | -                                 | 215,079                        |
| Investment income                                         | 45,276                | 28,938            | 1,835             | -           | 2,388             | 15,111                            | 93,548                         |
| Other revenue                                             | 2,520                 | 971               | -                 | -           | 6,183             | -                                 | 9,674                          |
| Total revenues                                            | <u>2,650,840</u>      | <u>512,987</u>    | <u>193,713</u>    | <u>-</u>    | <u>484,225</u>    | <u>433,659</u>                    | <u>4,275,424</u>               |
| <b>Expenditures</b>                                       |                       |                   |                   |             |                   |                                   |                                |
| Current                                                   |                       |                   |                   |             |                   |                                   |                                |
| General government                                        | 636,287               | -                 | -                 | -           | -                 | 76,713                            | 713,000                        |
| Public safety                                             | 1,261,192             | -                 | -                 | -           | 484,869           | -                                 | 1,746,061                      |
| Public works                                              | -                     | 316,664           | 224,288           | -           | -                 | 57,494                            | 598,446                        |
| Community and economic development                        | 55,235                | -                 | -                 | -           | -                 | -                                 | 55,235                         |
| Recreation and culture                                    | 287,383               | -                 | -                 | -           | -                 | -                                 | 287,383                        |
| Capital outlay                                            | 341,955               | 376,643           | 461,593           | -           | 9,232             | 99,992                            | 1,289,415                      |
| Debt service                                              |                       |                   |                   |             |                   |                                   |                                |
| Principal retirement                                      | 96,339                | 1,818             | 1,818             | -           | 38,039            | 6,161                             | 144,175                        |
| Interest and fiscal charges                               | 18,711                | 353               | 353               | -           | 1,961             | 1,197                             | 22,575                         |
| Total expenditures                                        | <u>2,697,102</u>      | <u>695,478</u>    | <u>688,052</u>    | <u>-</u>    | <u>534,101</u>    | <u>241,557</u>                    | <u>4,856,290</u>               |
| Excess (deficiency) of revenues over expenditures         | <u>(46,262)</u>       | <u>(182,491)</u>  | <u>(494,339)</u>  | <u>-</u>    | <u>(49,876)</u>   | <u>192,102</u>                    | <u>(580,866)</u>               |
| <b>Other financing sources (uses)</b>                     |                       |                   |                   |             |                   |                                   |                                |
| Transfers in                                              | -                     | -                 | 494,250           | -           | -                 | -                                 | 494,250                        |
| Transfers out                                             | -                     | (400,000)         | -                 | -           | -                 | (94,250)                          | (494,250)                      |
| Total other financing sources (uses)                      | <u>-</u>              | <u>(400,000)</u>  | <u>494,250</u>    | <u>-</u>    | <u>-</u>          | <u>(94,250)</u>                   | <u>-</u>                       |
| Net change in fund balances                               | <u>(46,262)</u>       | <u>(582,491)</u>  | <u>(89)</u>       | <u>-</u>    | <u>(49,876)</u>   | <u>97,852</u>                     | <u>(580,866)</u>               |
| Fund balances - beginning of year, as previously reported | 2,799,307             | 1,257,690         | 112,252           | 665,919     | 210,559           | 408,441                           | 5,454,168                      |
| Adjustments                                               | -                     | -                 | -                 | (665,919)   | -                 | 665,919                           | -                              |
| Fund balances - beginning of year, as adjusted            | <u>2,799,307</u>      | <u>1,257,690</u>  | <u>112,252</u>    | <u>-</u>    | <u>210,559</u>    | <u>1,074,360</u>                  | <u>5,454,168</u>               |
| Fund balances - end of year                               | <u>\$ 2,753,045</u>   | <u>\$ 675,199</u> | <u>\$ 112,163</u> | <u>\$ -</u> | <u>\$ 160,683</u> | <u>\$ 1,172,212</u>               | <u>\$ 4,873,302</u>            |

See Accompanying Notes to the Financial Statements

**Village of New Haven**  
**Governmental Funds**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended March 31, 2026**

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**Net change in fund balances - total governmental funds** \$ (580,866)

Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.

|                                       |           |
|---------------------------------------|-----------|
| Depreciation and amortization expense | (608,011) |
| Capital outlay                        | 1,040,726 |

Expenses are recorded when incurred in the statement of activities.

|                      |          |
|----------------------|----------|
| Accrued interest     | 658      |
| Compensated absences | (25,975) |

The statement of net position reports the total OPEB liability and deferred outflows of resources and deferred inflows related to the total OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.

|                                        |       |
|----------------------------------------|-------|
| Net change in the total OPEB liability | 2,614 |
|----------------------------------------|-------|

Long-term liabilities and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.

|                              |                |
|------------------------------|----------------|
| Repayments of long-term debt | <u>144,175</u> |
|------------------------------|----------------|

**Change in net position of governmental activities** \$ (26,679)

**Village of New Haven**  
**Proprietary Funds**  
**Statement of Net Position**  
**March 31, 2026**

|                                                 | Enterprise Funds    |                     |                   |                     |
|-------------------------------------------------|---------------------|---------------------|-------------------|---------------------|
|                                                 | Water               | Sewer               | Nonmajor Funds    | Total               |
| <b>Assets</b>                                   |                     |                     |                   |                     |
| Current assets                                  |                     |                     |                   |                     |
| Cash and cash equivalents                       | \$ 1,344,730        | \$ 1,241,063        | \$ 411,114        | \$ 2,996,907        |
| Receivables                                     |                     |                     |                   |                     |
| Accounts                                        | 135,704             | 226,790             | 58,293            | 420,787             |
| Prepaid items                                   | 3,125               | 3,125               | 30,489            | 36,739              |
| Total current assets                            | <u>1,483,559</u>    | <u>1,470,978</u>    | <u>499,896</u>    | <u>3,454,433</u>    |
| Noncurrent assets                               |                     |                     |                   |                     |
| Restricted assets                               |                     |                     |                   |                     |
| Cash and cash equivalents                       | 258,093             | -                   | -                 | 258,093             |
| Due from other governments                      | -                   | 58,716              | -                 | 58,716              |
| Capital assets, net of accumulated depreciation | 4,504,974           | 7,651,113           | 22,779            | 12,178,866          |
| Total noncurrent assets                         | <u>4,763,067</u>    | <u>7,709,829</u>    | <u>22,779</u>     | <u>12,495,675</u>   |
| Total assets                                    | <u>6,246,626</u>    | <u>9,180,807</u>    | <u>522,675</u>    | <u>15,950,108</u>   |
| <b>Deferred outflows of resources</b>           |                     |                     |                   |                     |
| Bond refundings                                 | <u>-</u>            | <u>27,837</u>       | <u>-</u>          | <u>27,837</u>       |
| <b>Liabilities</b>                              |                     |                     |                   |                     |
| Current liabilities                             |                     |                     |                   |                     |
| Accounts payable                                | 2,500               | 62,741              | -                 | 65,241              |
| Payroll and other liabilities                   | 7,490               | 2,087               | 195,190           | 204,767             |
| Current portion of long-term liabilities        | 185,000             | 507,770             | 5,323             | 698,093             |
| Total current liabilities                       | <u>194,990</u>      | <u>572,598</u>      | <u>200,513</u>    | <u>968,101</u>      |
| Noncurrent liabilities                          |                     |                     |                   |                     |
| Long-term liabilities                           | <u>675,631</u>      | <u>4,300,316</u>    | <u>16,702</u>     | <u>4,992,649</u>    |
| Total liabilities                               | <u>870,621</u>      | <u>4,872,914</u>    | <u>217,215</u>    | <u>5,960,750</u>    |
| <b>Deferred inflows of resources</b>            |                     |                     |                   |                     |
| Bond refundings                                 | <u>-</u>            | <u>32,369</u>       | <u>-</u>          | <u>32,369</u>       |
| <b>Net position</b>                             |                     |                     |                   |                     |
| Net investment in capital assets                | 3,644,343           | 2,838,495           | 754               | 6,483,592           |
| Restricted for                                  |                     |                     |                   |                     |
| Debt service                                    | 239,629             | -                   | -                 | 239,629             |
| Capital improvements                            | -                   | 51,901              | -                 | 51,901              |
| Unrestricted                                    | <u>1,492,033</u>    | <u>1,412,965</u>    | <u>304,706</u>    | <u>3,209,704</u>    |
| Total net position                              | <u>\$ 5,376,005</u> | <u>\$ 4,303,361</u> | <u>\$ 305,460</u> | <u>\$ 9,984,826</u> |

See Accompanying Notes to the Financial Statements

**Village of New Haven**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Year Ended March 31, 2026**

|                                        | Enterprise Funds    |                     |                   |                     |
|----------------------------------------|---------------------|---------------------|-------------------|---------------------|
|                                        | Water               | Sewer               | Nonmajor Funds    | Total               |
| <b>Operating revenue</b>               |                     |                     |                   |                     |
| Customer fees                          | \$ 1,505,262        | \$ 1,883,772        | \$ 487,379        | \$ 3,876,413        |
| Other revenue                          | 450                 | 3,681               | 95                | 4,226               |
| Total operating revenue                | <u>1,505,712</u>    | <u>1,887,453</u>    | <u>487,474</u>    | <u>3,880,639</u>    |
| <b>Operating expenses</b>              |                     |                     |                   |                     |
| Personnel services                     | 185,944             | 50,175              | 145,981           | 382,100             |
| Supplies                               | 18,414              | 9,002               | -                 | 27,416              |
| Contractual services                   | 492,737             | 646,084             | 354,300           | 1,493,121           |
| Utilities                              | 29,562              | 5,454               | -                 | 35,016              |
| Repairs and maintenance                | 57,958              | 7,154               | -                 | 65,112              |
| Other expenses                         | 29,404              | 11,444              | 7,144             | 47,992              |
| Depreciation and amortization          | 193,943             | 262,013             | 5,663             | 461,619             |
| Total operating expenses               | <u>1,007,962</u>    | <u>991,326</u>      | <u>513,088</u>    | <u>2,512,376</u>    |
| Operating income (loss)                | <u>497,750</u>      | <u>896,127</u>      | <u>(25,614)</u>   | <u>1,368,263</u>    |
| <b>Nonoperating revenue (expenses)</b> |                     |                     |                   |                     |
| Investment income                      | 25,594              | 7,973               | 3,916             | 37,483              |
| Interest expense                       | (26,552)            | (158,241)           | (557)             | (185,350)           |
| Total nonoperating revenues (expenses) | <u>(958)</u>        | <u>(150,268)</u>    | <u>3,359</u>      | <u>(147,867)</u>    |
| Change in net position                 | 496,792             | 745,859             | (22,255)          | 1,220,396           |
| Net position - beginning of year       | <u>4,879,213</u>    | <u>3,557,502</u>    | <u>327,715</u>    | <u>8,764,430</u>    |
| Net position - end of year             | <u>\$ 5,376,005</u> | <u>\$ 4,303,361</u> | <u>\$ 305,460</u> | <u>\$ 9,984,826</u> |

See Accompanying Notes to the Financial Statements

**Village of New Haven**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended March 31, 2026**

|                                                                                                      | Enterprise Funds    |                     |                   | Total               |
|------------------------------------------------------------------------------------------------------|---------------------|---------------------|-------------------|---------------------|
|                                                                                                      | Water               | Sewer               | Nonmajor Funds    |                     |
| <b>Cash flows from operating activities</b>                                                          |                     |                     |                   |                     |
| Receipts from customers                                                                              | \$ 1,487,999        | \$ 1,842,698        | \$ 587,332        | \$ 3,918,029        |
| Payments to suppliers                                                                                | (672,045)           | (670,204)           | (384,289)         | (1,726,538)         |
| Payments to employees                                                                                | (185,944)           | (50,175)            | (145,981)         | (382,100)           |
| Net cash provided (used) by operating activities                                                     | <u>630,010</u>      | <u>1,122,319</u>    | <u>57,062</u>     | <u>1,809,391</u>    |
| <b>Cash flows from capital and related financing activities</b>                                      |                     |                     |                   |                     |
| Principal and interest paid on long-term debt                                                        | (235,570)           | (631,350)           | (6,000)           | (872,920)           |
| <b>Cash flows from investing activities</b>                                                          |                     |                     |                   |                     |
| Interest received                                                                                    | 25,594              | 7,973               | 3,916             | 37,483              |
| Net change in cash and cash equivalents                                                              | 420,034             | 498,942             | 54,978            | 973,954             |
| Cash and cash equivalents - beginning of year                                                        | 1,182,789           | 742,121             | 356,136           | 2,281,046           |
| Cash and cash equivalents - end of year                                                              | <u>\$ 1,602,823</u> | <u>\$ 1,241,063</u> | <u>\$ 411,114</u> | <u>\$ 3,255,000</u> |
| <b>Reconciliation to statement of net position</b>                                                   |                     |                     |                   |                     |
| Cash and cash equivalents                                                                            | \$ 1,344,730        | \$ 1,241,063        | \$ 411,114        | \$ 2,996,907        |
| Restricted cash and cash equivalents                                                                 | 258,093             | -                   | -                 | 258,093             |
| Cash and cash equivalents - end of year                                                              | <u>\$ 1,602,823</u> | <u>\$ 1,241,063</u> | <u>\$ 411,114</u> | <u>\$ 3,255,000</u> |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b> |                     |                     |                   |                     |
| Operating income (loss)                                                                              | \$ 497,750          | \$ 896,127          | \$ (25,614)       | \$ 1,368,263        |
| Adjustments to reconcile operating income to net cash from operating activities                      |                     |                     |                   |                     |
| Depreciation and amortization expense                                                                | 193,943             | 262,013             | 5,663             | 461,619             |
| Changes in assets and liabilities                                                                    |                     |                     |                   |                     |
| Receivables (net)                                                                                    | (17,713)            | (41,074)            | (9,261)           | (68,048)            |
| Due from other units of government                                                                   | -                   | (3,681)             | -                 | (3,681)             |
| Prepaid items                                                                                        | (3,125)             | (3,125)             | (30,489)          | (36,739)            |
| Deferred loss on bond refunding                                                                      | -                   | 3,480               | -                 | 3,480               |
| Accounts payable                                                                                     | (44,075)            | 8,175               | (16,389)          | (52,289)            |
| Accrued and other liabilities                                                                        | 3,230               | 404                 | 133,152           | 136,786             |
| Net cash provided (used) by operating activities                                                     | <u>\$ 630,010</u>   | <u>\$ 1,122,319</u> | <u>\$ 57,062</u>  | <u>\$ 1,809,391</u> |

See Accompanying Notes to the Financial Statements

**Village of New Haven**  
**Notes to the Financial Statements**  
**March 31, 2026**

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**Note 1 - Summary of Significant Accounting Policies**

**Reporting Entity**

The Village of New Haven (the Village) is governed by an elected nine-member Council, including a President, elected by the citizens of the Village. The accompanying financial statements present the government for which the Village is considered to be financially accountable.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Village does not have any component units.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

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

**Village of New Haven**  
**Notes to the Financial Statements**  
**March 31, 2026**

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The Major Street Fund accounts for the maintenance and improvement activities for streets designated as “major” within the Village. Funding is primarily through state shared gas and weight taxes.

The Local Street Fund accounts for the maintenance and improvement activities for streets designated as “local” within the Village. Funding is primarily through state shared gas and weight taxes.

The Fire Fund accounts for the Village’s fire department expenditures. Expenditures are funded by a special assessment levied on all real property.

The Village reports the following major proprietary funds:

The Sewer Fund accounts for the activities of the sewage collection system.

The Water Fund accounts for the activities of the water distribution system.

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

Proprietary funds distinguish *operating* revenues and expenses from *noncapital subsidies*, and other *nonoperating* revenues and expenses. Nonoperating revenues and expenses are any (1) contributions to permanent and term endowments; (2) finance related revenues and expenses; (3) gain and losses from disposals of capital assets and inventory; (4) investment income and expenses; and (5) subsidies received and provided. A *subsidy* represents amounts received from or provided to another party or fund of the Village. Amounts received from another party or fund are considered a subsidy if it is unrelated to the services provided by the proprietary fund and keeps the fees charged at the same amount or lower if the subsidy was not received. Amounts provided to the other party or fund are considered a subsidy if it is unrelated to the goods or services provided by those parties and will generally result in the proprietary fund charging higher fees in the future. All revenues and expenses not meeting the definitions of nonoperating revenues and expenses are reported as operating revenues and expenses.

**Assets, Liabilities, and Net Position or Fund Balance**

Deposits and investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. The statement of cash flows includes both restricted and unrestricted cash and cash equivalents. Investments are stated at fair value based on quoted market price. Certificate of deposits are stated at cost which approximates fair value.

Receivables and payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangement outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown net of allowance for uncollectible amounts. The Village considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded. Property taxes are levied on each July 1<sup>st</sup>. Taxes are considered delinquent on October 1<sup>st</sup>, at which time penalties and interest are assessed.

**Village of New Haven**  
**Notes to the Financial Statements**  
**March 31, 2026**

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The 2025 taxable valuation of the Village totaled \$169,691,929, on which ad valorem taxes consisted of 8.4875 mills for operating purposes. This resulted in \$1,410,844 for operating expenses, exclusive of any Michigan Tax Tribunal or Board of Review adjustments.

The Village has established a special assessment district consisting of all real property, as approved by the voters, in which 3 mills is levied annually for the operations of the fire department. This resulted in total revenue of \$473,750, exclusive of any Michigan Tax Tribunal or Board of Review adjustments.

In addition, the Village has also established special revenue ad valorem taxes, as approved by the voters, in which 1.85 mills and .4125 mills is levied annually for the highway and cemetery funds, respectively. This resulted in total revenue for the highway fund of \$307,502 and the cemetery fund of \$68,558, exclusive of any Michigan Tax Tribunal or Board of Review adjustments.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the Village follows the consumption method, and therefore are capitalized as prepaid items in both government-wide and fund financial statements.

Restricted assets – Certain revenue bonds of the enterprise funds require amounts to be set aside for a bond reserve. An amount of \$258,093 has been classified as restricted cash and cash equivalents in the Water Fund. The Sewer Fund reports \$58,716 in a restricted asset as the Macomb County Department of Public Works has drawn down bond payments to be used on wastewater projects that are in progress. As the project continues, the restricted asset will be used for the projects or applied directly to future bond payments.

Capital assets – Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

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 extend its useful life beyond the original estimate. In the case of donations, the Village values these capital assets at the estimated acquisition value of the item at the date of its donation.

Property, plant, and equipment are depreciated using the straight-line method over the following useful lives:

|                            |                |
|----------------------------|----------------|
| Land improvements          | 10 to 20 years |
| Buildings and improvements | 7 to 50 years  |
| Vehicles                   | 5 to 10 years  |
| Equipment                  | 5 to 20 years  |
| Infrastructure             | 20 to 30 years |
| Sewer system               | 30 to 50 years |
| Water system               | 30 to 50 years |

Deferred outflows of resources – A deferred outflow of resources represents a consumption of net assets by the Village that applies to future periods. The Village may report deferred outflows of resources as a result of the following:

- Deferred amounts on bond refundings represent the difference between the reacquisition price and the net carrying amount of the prior debt. This amount is amortized over the life of the related debt.

**Village of New Haven**  
**Notes to the Financial Statements**  
**March 31, 2026**

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Compensated absences – It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The liability for unpaid accumulated sick leave is time available according to the Village's union contracts and personnel policies. All vacation pay is accrued when incurred in the government-wide, and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

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

Deferred inflows of resources – A deferred inflow of resources represents an acquisition of net assets by the Village that applies to future periods. The Village may report deferred inflows of resources as a result of the following:

- Unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period.
- Deferred amounts on bond refundings represent the difference between the reacquisition price and the net carrying amount of the prior debt. This amount is amortized over the life of the related debt.

Fund balance – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the Village's highest level of decision-making, its council. A fund balance commitment may be established, modified, or rescinded by a resolution of the Village Council.

Assigned – amounts intended to be used for specific purposes, as determined by the Village President. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments, and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the Village's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

**Village of New Haven**  
**Notes to the Financial Statements**  
**March 31, 2026**

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The Perpetual Care Fund is used to account for resources that are legally restricted to the extent that only earnings, not principal, may be used for the perpetual care of cemetery lots. The permanent fund has both a restricted and non-spendable fund balance. The non-spendable fund balance portion contains the amount of \$61,109 which is placed with the local unit in trust to be invested. The income earned on the investments is closed to restricted fund balance and used only for the perpetual care of cemetery lots.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**Adoption of New Accounting Standards**

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints.

**Upcoming Accounting and Reporting Changes**

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending March 31, 2027.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. This statement is effective for the year ending March 31, 2027.

Statement No. 105, *Subsequent Events*, establishes accounting and financial reporting standards for events or transactions that occur after the measurement date of the financial statements but before the date the financial statements are available to be issued. This Statement distinguishes between events that provide additional evidence about conditions that existed at the date of the financial statements and events that provide evidence about conditions that did not exist at that date. Events that provide additional evidence about conditions existing at the financial statement date are recognized in the financial statements, whereas events that provide evidence about conditions arising after the financial statement date are not recognized but should be disclosed if they are essential for users' understanding of the financial statements. This Statement also clarifies the definition of the date the financial statements are available to be issued for disclosure purposes. This Statement is effective for the year ending March 31, 2028.

The Village is evaluating the impact that the above GASB statements will have on its financial reporting.

**Village of New Haven**  
**Notes to the Financial Statements**  
**March 31, 2026**

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**Note 2 - Deposits and Investments**

At year end the Village's deposits and investments were reported in the financial statements in the following categories:

|                          | Cash and<br>Cash<br>Equivalents | Restricted<br>Cash and<br>Cash<br>Equivalents | Total               |
|--------------------------|---------------------------------|-----------------------------------------------|---------------------|
| Governmental activities  | \$ 4,580,693                    | \$ -                                          | \$ 4,580,693        |
| Business-type activities | 2,996,907                       | 258,093                                       | 3,255,000           |
| Total                    | <u>\$ 7,577,600</u>             | <u>\$ 258,093</u>                             | <u>\$ 7,835,693</u> |

The breakdown between deposits and investments is as follows:

|                                                                                             |                     |
|---------------------------------------------------------------------------------------------|---------------------|
| Bank deposits (checking and savings accounts,<br>money markets and certificates of deposit) | \$ 7,835,203        |
| Petty cash and cash on hand                                                                 | 490                 |
|                                                                                             | <u>\$ 7,835,693</u> |

*Interest rate risk* – The Village does not have a formal investment policy to manage its exposure to fair value losses from changes in interest rates.

*Credit risk* – State statutes and the Village's investment policy authorize the Village to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States. United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States Banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

*Concentration of credit risk* – The Village investment policy states that the investments will be diversified by security type and institution to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

*Custodial credit risk - deposits* – In the case of deposits, this is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. As of yearend, \$7,552,631 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**Village of New Haven**  
**Notes to the Financial Statements**  
**March 31, 2026**

**Note 3 - Capital Assets**

Capital asset activity for the current year is as follows:

|                                                            | <u>Beginning<br/>Balance</u> | <u>Increases</u>  | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|------------------------------------------------------------|------------------------------|-------------------|------------------|---------------------------|
| <b>Governmental activities</b>                             |                              |                   |                  |                           |
| Capital assets not being depreciated                       |                              |                   |                  |                           |
| Land                                                       | \$ 974,704                   | \$ -              | \$ -             | \$ 974,704                |
| Construction-in-progress                                   | <u>91,342</u>                | <u>17,460</u>     | <u>-</u>         | <u>108,802</u>            |
| Total capital assets not being depreciated                 | <u>1,066,046</u>             | <u>17,460</u>     | <u>-</u>         | <u>1,083,506</u>          |
| Capital assets being depreciated                           |                              |                   |                  |                           |
| Building                                                   | 724,849                      | 14,650            | -                | 739,499                   |
| Land improvements                                          | 399,170                      | -                 | -                | 399,170                   |
| Vehicles                                                   | 485,891                      | 423,796           | -                | 909,687                   |
| Equipment                                                  | 2,240,932                    | 485,581           | -                | 2,726,513                 |
| Infrastructure                                             | 17,356,176                   | 99,239            | -                | 17,455,415                |
| Right to use asset - buildings, additions and improvements | <u>841,242</u>               | <u>-</u>          | <u>-</u>         | <u>841,242</u>            |
| Total capital assets being depreciated                     | <u>22,048,260</u>            | <u>1,023,266</u>  | <u>-</u>         | <u>23,071,526</u>         |
| Less accumulated depreciation for                          |                              |                   |                  |                           |
| Building                                                   | 411,991                      | 21,322            | -                | 433,313                   |
| Land improvements                                          | 321,742                      | 7,949             | -                | 329,691                   |
| Vehicles                                                   | 479,431                      | 27,703            | -                | 507,134                   |
| Equipment                                                  | 1,734,023                    | 108,254           | -                | 1,842,277                 |
| Infrastructure                                             | 12,325,535                   | 336,080           | -                | 12,661,615                |
| Right to use asset - buildings, additions and improvements | <u>320,109</u>               | <u>106,703</u>    | <u>-</u>         | <u>426,812</u>            |
| Total accumulated depreciation                             | <u>15,592,831</u>            | <u>608,011</u>    | <u>-</u>         | <u>16,200,842</u>         |
| Net capital assets being depreciated                       | <u>6,455,429</u>             | <u>415,255</u>    | <u>-</u>         | <u>6,870,684</u>          |
| Governmental activities net capital assets                 | <u>\$ 7,521,475</u>          | <u>\$ 432,715</u> | <u>\$ -</u>      | <u>\$ 7,954,190</u>       |

**Village of New Haven**  
**Notes to the Financial Statements**  
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|                                                           | Beginning<br>Balance | Increases           | Decreases   | Ending<br>Balance    |
|-----------------------------------------------------------|----------------------|---------------------|-------------|----------------------|
| <b>Business-type activities</b>                           |                      |                     |             |                      |
| Capital assets being depreciated                          |                      |                     |             |                      |
| Land improvements                                         | \$ 81,050            | \$ -                | \$ -        | \$ 81,050            |
| Wells                                                     | 86,911               | -                   | -           | 86,911               |
| Buildings, additions and improvements                     | 1,339,945            | -                   | -           | 1,339,945            |
| Machinery and equipment                                   | 160,465              | -                   | -           | 160,465              |
| Meters                                                    | 135,442              | -                   | -           | 135,442              |
| Vehicles                                                  | 11,925               | -                   | -           | 11,925               |
| Sewer system                                              | 10,730,198           | -                   | -           | 10,730,198           |
| Water system                                              | 6,876,512            | -                   | -           | 6,876,512            |
| Right to use asset - buildings additions and improvements | 582,399              | -                   | -           | 582,399              |
| Total capital assets being depreciated                    | <u>20,004,847</u>    | <u>-</u>            | <u>-</u>    | <u>20,004,847</u>    |
| Less accumulated depreciation for                         |                      |                     |             |                      |
| Land improvements                                         | 49,283               | 3,443               | -           | 52,726               |
| Wells                                                     | 86,911               | -                   | -           | 86,911               |
| Buildings, additions and improvements                     | 858,485              | 16,243              | -           | 874,728              |
| Machinery and equipment                                   | 102,317              | 8,690               | -           | 111,007              |
| Meters                                                    | 66,412               | 4,514               | -           | 70,926               |
| Vehicles                                                  | 8,697                | 1,491               | -           | 10,188               |
| Sewer system                                              | 3,281,730            | 215,724             | -           | 3,497,454            |
| Water system                                              | 2,688,911            | 137,642             | -           | 2,826,553            |
| Right to use asset - buildings additions and improvements | 221,616              | 73,872              | -           | 295,488              |
| Total accumulated depreciation                            | <u>7,364,362</u>     | <u>461,619</u>      | <u>-</u>    | <u>7,825,981</u>     |
| Net capital assets being depreciated                      | <u>12,640,485</u>    | <u>(461,619)</u>    | <u>-</u>    | <u>12,178,866</u>    |
| Business-type capital assets, net                         | <u>\$ 12,640,485</u> | <u>\$ (461,619)</u> | <u>\$ -</u> | <u>\$ 12,178,866</u> |

Depreciation and amortization expense was charged to programs as follows:

**Governmental activities**

|                               |                |
|-------------------------------|----------------|
| General government            | \$ 123,491     |
| Public safety                 | 67,863         |
| Public works                  | 379,061        |
| Recreation and culture        | 37,596         |
| Total governmental activities | <u>608,011</u> |

**Business-type activities**

|                                |                |
|--------------------------------|----------------|
| Building Department Fund       | 5,663          |
| Sewer Fund                     | 262,013        |
| Water Fund                     | 193,943        |
| Total business-type activities | <u>461,619</u> |

|       |                     |
|-------|---------------------|
| Total | <u>\$ 1,069,630</u> |
|-------|---------------------|

**Village of New Haven**  
**Notes to the Financial Statements**  
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**Note 4 - Lease Liability**

The lease agreement is summarized as follows:

| Description | Agreement Date | Payment Terms | Payment Amount    | Interest Rate | Balance as of March 31, 2026 |
|-------------|----------------|---------------|-------------------|---------------|------------------------------|
| Building    | 2/11/2005      | 25 years      | <u>\$ 198,000</u> | 2.23%         | <u>\$ 726,818</u>            |

Annual requirements to amortize long-term obligations and related interest are as follows:

| Year Ending<br>March 31, | Governmental Activities |                  | Business-type Activities |                  |
|--------------------------|-------------------------|------------------|--------------------------|------------------|
|                          | Principal               | Interest         | Principal                | Interest         |
| 2027                     | \$ 108,527              | \$ 8,473         | \$ 75,134                | \$ 7,521         |
| 2028                     | 110,972                 | 6,027            | 76,827                   | 5,867            |
| 2029                     | 113,472                 | 3,528            | 78,557                   | 4,173            |
| 2030                     | 96,512                  | 989              | 66,817                   | 2,443            |
|                          | <u>\$ 429,483</u>       | <u>\$ 19,017</u> | <u>\$ 297,335</u>        | <u>\$ 20,004</u> |

**Note 5 - Long-Term Liabilities**

The Village issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. The Village has installment purchase agreements for a fire truck. The Village also has a lease liability for the Village Hall building which is described in more detail in Note 5. Other long-term obligations include compensated absences. Compensated absences additions and reductions are reported net.

# Village of New Haven

## Notes to the Financial Statements

### March 31, 2026

Long-term obligation activity is summarized as follows:

|                                                                                                                          | Amount of<br>Issue | Maturity<br>Date | Interest<br>Rate<br>Ranges | Principal<br>Maturity<br>Ranges | Beginning<br>Balance | Additions | Reductions | Ending<br>Balance | Due Within<br>One Year |
|--------------------------------------------------------------------------------------------------------------------------|--------------------|------------------|----------------------------|---------------------------------|----------------------|-----------|------------|-------------------|------------------------|
| <b>Governmental activities</b>                                                                                           |                    |                  |                            |                                 |                      |           |            |                   |                        |
| Installment purchase agreements                                                                                          |                    |                  |                            |                                 |                      |           |            |                   |                        |
| Fire Truck                                                                                                               | \$ 320,000         | 2027             | 3.49%                      | \$18,157                        | \$ 56,196            | \$ -      | \$ 38,039  | \$ 18,157         | \$ 18,157              |
| Leases                                                                                                                   |                    |                  |                            |                                 | 535,619              | -         | 106,136    | 429,483           | 108,527                |
| Compensated absences                                                                                                     |                    |                  |                            |                                 | 71,032               | 25,975    | -          | 97,007            | 97,007                 |
| Total governmental activities                                                                                            |                    |                  |                            |                                 | \$ 662,847           | \$ 25,975 | \$ 144,175 | \$ 544,647        | \$ 223,691             |
| <b>Business-type activities</b>                                                                                          |                    |                  |                            |                                 |                      |           |            |                   |                        |
| Bonds and notes payable                                                                                                  |                    |                  |                            |                                 |                      |           |            |                   |                        |
| General obligation bonds                                                                                                 |                    |                  |                            |                                 |                      |           |            |                   |                        |
| North Gratiot Interceptor Drain Drainage District:<br>Phase 2, 3, 4 - Series 2010 (LTO - Limited Tax General Obligation) | \$ 8,244           | 4/1/2035         | 2.00% - 4.25%              | \$350 - \$475                   | \$ 4,084             | \$ -      | \$ 350     | \$ 3,734          | \$ 362                 |
| North Gratiot Interceptor Drain Drainage District:<br>Phase 2, 3, 4 (Series 2010)                                        | 3,868,614          | 4/1/2035         | 1.00% - 6.35%              | 164,185 - 249,967               | 1,944,267            | -         | 164,185    | 1,780,082         | 169,886                |
| Oakland-Macomb Interceptor Drain Drainage District:<br>Refunding Bonds Series 2019                                       | 24,259             | 4/1/2030         | 1.85%                      | 2,313 - 2,690                   | 12,480               | -         | 2,313      | 10,167            | 2,394                  |
| Series 2020A                                                                                                             | 406,055            | 7/1/2040         | 2.00% - 5.00%              | 11,426 - 28,496                 | 367,979              | -         | 11,426     | 356,553           | 17,707                 |
| Project 5368-01 (2010A - SRF Project - 1/22/10 Issue Date)                                                               | 140,263            | 4/1/2030         | 2.50%                      | 7,773 - 8,796                   | 49,649               | -         | 7,773      | 41,876            | 7,961                  |
| Project 5368-02 (2011 - SRF Project - 12/16/11 Issue Date)                                                               | 168,603            | 4/1/2033         | 2.50%                      | 8,651 - 10,535                  | 86,185               | -         | 8,651      | 77,534            | 8,883                  |
| Project 5368-03 (2013 - SRF Project)                                                                                     | 367,911            | 10/1/2034        | 2.00%                      | 18,441 - 22,052                 | 202,113              | -         | 18,442     | 183,671           | 18,836                 |
| Project 2014A                                                                                                            | 82,537             | 10/1/2034        | 2.00% - 3.13%              | 2,639 - 19,451                  | 46,589               | -         | 2,640      | 43,949            | 2,751                  |
| Project 5487                                                                                                             | 53,794             | 4/1/2034         | 2.30%                      | 4,143 - 7,998                   | 41,396               | -         | -          | 41,396            | 4,240                  |
| Project 5540                                                                                                             | 21,682             | 10/1/2033        | 2.00%                      | 1,108 - 4,940                   | 14,094               | -         | -          | 14,094            | 1,156                  |
| Drinking Water Revolving Loan Bond Payable                                                                               | 3,177,000          | 4/1/2030         | 2.50%                      | 180,000 - 195,000               | 897,976              | -         | 175,000    | 722,976           | 185,000                |
| SAW Project 2001-01 2015A                                                                                                | 107,603            | 4/1/36           | 2.50%                      | 5,133 - 6,591                   | 65,716               | -         | 4,690      | 61,026            | 5,260                  |
| Drainage District Drain Refunding Bonds, Series 2015                                                                     | 1,422,562          | 5/1/33           | 3.50% - 5.00%              | 15,698 - 96,707                 | 739,119              | -         | 85,745     | 653,374           | 90,009                 |
| Macomb County Wastewater Drain District:<br>SRF 5624                                                                     | 34,555             | 10/1/35          | 2.50%                      | 1,692 - 2,460                   | 21,448               | -         | 1,316      | 20,132            | 1,739                  |
| 2010 2017 Refunding                                                                                                      | 604,503            | 5/1/34           | 5.00%                      | 21,387 - 46,451                 | 396,143              | -         | 31,589     | 364,554           | 31,590                 |
| Sinkhole 2017A                                                                                                           | 486,190            | 5/1/2042         | 5.00%                      | 14,597 - 30,609                 | 388,540              | -         | 15,325     | 373,215           | 15,325                 |
| North Gratiot Interceptor Drain Drainage District Refunding<br>Bonds Series 2020                                         | 574,454            | 5/1/2032         | 5.00%                      | 36,212 - 69,113                 | 393,375              | -         | 36,216     | 357,159           | 44,442                 |
| Macomb Interceptor Drain Drainage District Refunding<br>Bonds Series 2020                                                | 160,524            | 5/1/2031         | 5.00%                      | 14,248 - 19,242                 | 99,322               | -         | 14,308     | 85,014            | 14,612                 |
| Total general obligation bonds                                                                                           |                    |                  |                            |                                 | 5,770,475            | -         | 579,969    | 5,190,506         | 622,153                |
| Unamortized bond premiums                                                                                                |                    |                  |                            |                                 | 231,082              | -         | 28,181     | 202,901           | 2,461                  |
| Leases                                                                                                                   |                    |                  |                            |                                 | 370,814              | -         | 73,479     | 297,335           | 73,479                 |
| Total business-type activities                                                                                           |                    |                  |                            |                                 | \$ 6,372,371         | \$ -      | \$ 681,629 | \$ 5,690,742      | \$ 698,093             |

Annual debt service requirements to maturity for the above obligations are as follows:

|                          | Governmental Activities |               | Business-type Activities |                   |
|--------------------------|-------------------------|---------------|--------------------------|-------------------|
|                          | Notes from Direct       |               | Bonds                    |                   |
|                          | Borrowings and Direct   |               |                          |                   |
|                          | Placements              |               |                          |                   |
| Year Ending<br>March 31, | Principal               | Interest      | Principal                | Interest          |
| 2027                     | \$ 18,157               | \$ 634        | \$ 622,153               | \$ 177,361        |
| 2028                     | -                       | -             | 647,046                  | 154,590           |
| 2029                     | -                       | -             | 663,753                  | 131,047           |
| 2030                     | -                       | -             | 649,794                  | 107,227           |
| 2031                     | -                       | -             | 505,872                  | 84,401            |
| 2032-2036                | -                       | -             | 1,782,086                | 179,188           |
| 2037-2041                | -                       | -             | 272,372                  | 39,392            |
| 2042-2045                | -                       | -             | 47,430                   | 3,172             |
|                          | <u>\$ 18,157</u>        | <u>\$ 634</u> | <u>\$ 5,190,506</u>      | <u>\$ 876,378</u> |

### Deferred Amounts on Refunding

The Village has the following deferred amounts on refunding as follows:

|                            | Beginning<br>Balance | Additions       | Reductions      | Ending<br>Balance |
|----------------------------|----------------------|-----------------|-----------------|-------------------|
| Deferred loss on refunding | \$ (31,317)          | \$ 3,480        | \$ -            | \$ (27,837)       |
| Deferred gain on refunding | 38,310               | -               | 5,941           | 32,369            |
|                            | <u>\$ 6,993</u>      | <u>\$ 3,480</u> | <u>\$ 5,941</u> | <u>\$ 4,532</u>   |

**Village of New Haven**  
**Notes to the Financial Statements**  
**March 31, 2026**

**Compensated Absences**

The Village's employment policies provide for vacation benefits to be earned in varying amounts depending on the employee's years of service. Vacation benefits earned are credited to each employee on a bi-weekly basis. The Village has established a formal policy regarding a maximum of 2 years authorized accumulation of vacation hours per individual union agreement.

The Village's employment policies provide for sick leave benefits to be earned in varying amounts depending on the employee's hours worked and union agreements. Sick leave is earned by all village employees at the rate of 12 days annually and each day being made available as of the last day of the month. A maximum of 30 days may be accrued.

**Note 6 - Net Investment in Capital Assets**

The composition of net investment in capital assets as of March 31, 2026, is as follows:

|                                                 | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> |
|-------------------------------------------------|------------------------------------|-------------------------------------|
| Capital assets                                  |                                    |                                     |
| Capital assets not being depreciated            | \$ 1,083,506                       | \$ -                                |
| Capital assets, net of accumulated depreciation | <u>6,870,684</u>                   | <u>12,178,866</u>                   |
| Total capital assets                            | <u>7,954,190</u>                   | <u>12,178,866</u>                   |
| Related debt                                    |                                    |                                     |
| General obligation bonds                        | -                                  | (5,190,506)                         |
| Installment purchase agreements                 | (18,157)                           | -                                   |
| Leases                                          | (429,483)                          | (297,335)                           |
| Unamortized bond premiums                       | -                                  | (202,901)                           |
| Deferred charge on bond refunding               | -                                  | (4,532)                             |
| Total related debt                              | <u>(447,640)</u>                   | <u>(5,695,274)</u>                  |
| Net investment in capital assets                | <u>\$ 7,506,550</u>                | <u>\$ 6,483,592</u>                 |

**Note 7 - Interfund Receivables, Payables, and Transfers**

The details for interfund transfers are as follows:

| <u>Transfers In</u> | <u>Transfers Out</u> |                                            |                   |
|---------------------|----------------------|--------------------------------------------|-------------------|
|                     | <u>Major Street</u>  | <u>Nonmajor<br/>governmental<br/>funds</u> | <u>Total</u>      |
| Local Street        | \$ <u>400,000</u>    | \$ <u>94,250</u>                           | \$ <u>494,250</u> |

The transfers from the Major Streets fund and nonmajor governmental funds to the Local Streets fund was to supplement Act 51 funds provided by the state of Michigan for road maintenance.

**Village of New Haven**  
**Notes to the Financial Statements**  
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**Note 8 - Risk Management**

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Village has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

**Note 9 - Defined Contribution Plan**

The Village has a defined contribution plan covering all full-time personnel which requires contributions by the Village. The plan is referred to as "The Village of New Haven Retirement Program" and plan assets are maintained by Municipal Employees' Retirement System. The Village of New Haven is the plan administrator. The plan was developed under authority of Internal Revenue Code Section 401 and any amendments must comply with current laws and regulations as administered by the Internal Revenue Service.

Total compensation of covered employees for the year ended March 31, 2026, amounted to \$876,488. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specified how contributions to the participants' accounts are to be determined instead of specifying the amount of benefits the individual is to receive. Such benefits depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits prior to vesting. Contributions to the plan are made by the Village based upon 5 percent of the participant's gross wages. Participants may contribute to the plan, at their option, with after-tax dollars. During the year ended March 31, 2026, the Village contributed \$43,825 to the plan.

**Note 10 - Contingent Liabilities**

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 of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Village expects such amounts, if any, to be immaterial.

**Note 11 - Other Postemployment Benefits**

Plan description – The Village administers an OPEB Plan (the Plan) – a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for certain employees who meet eligibility requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Village Council has the authority to modify or terminate the plan.

Benefits provided – The Plan provides healthcare benefits to eligible employees. Employees who meet certain requirements (based on age and years of service) are eligible to receive post-employment benefits upon retirement in the form of healthcare insurance benefits.

Employees covered by benefit terms – At March 31, 2026, the plan membership consisted of the following:

|                                                                  |                 |
|------------------------------------------------------------------|-----------------|
| Inactive employees or beneficiaries currently receiving benefits | <u><u>1</u></u> |
|------------------------------------------------------------------|-----------------|

Contributions – Retiree healthcare costs are paid by the Village on a "pay-as-you-go" basis. The Village has no obligation to contributions in advance of when the insurance premiums are due for payment. For the fiscal year ended March 31, 2026, the Village made payments for post-employment health benefit premiums of \$4,764.

**Village of New Haven**  
**Notes to the Financial Statements**  
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Total OPEB liability – The total OPEB liability was measured as of March 31, 2026.

|                             |                  |
|-----------------------------|------------------|
| Total OPEB liability        | \$ 96,444        |
| Plan fiduciary net position | <u>-</u>         |
| Net OPEB liability          | <u>\$ 96,444</u> |

Actuarial assumptions – The total OPEB liability was determined by an alternative measurement method calculation as of March 31, 2026, using the following actuarial assumptions, applied to all periods included in the measurement.

|                               |                                                                                              |
|-------------------------------|----------------------------------------------------------------------------------------------|
| Actuarial cost method         | Entry-age normal                                                                             |
| Amortization method           | Level dollar                                                                                 |
| Remaining amortization period | 23 years, closed                                                                             |
| Discount rate:                | 3.93%                                                                                        |
| Salary increases:             | 3.50%                                                                                        |
| Investment rate of return     | 3.93%                                                                                        |
| Retirement age                | 60                                                                                           |
| Mortality                     | Pub-2016 mortality tables with future mortality projected generationally using Scale MP-2021 |
| Healthcare Cost Trend Rate    | Pre-65: 7.75% gradually decreasing .25% per year to an ultimate rate of 4.5%                 |
|                               | Post 65: 6.50% gradually decreasing .25% per year to an ultimate rate of 4.5%                |

Discount rate – The discount rate used to measure the total OPEB liability was 3.93%. The discount rate was based on the 20-year Aa Municipal Bond Rate.

|                                  |                                 |
|----------------------------------|---------------------------------|
|                                  | <u>Total OPEB<br/>Liability</u> |
| Balances as of April 1, 2025     | <u>\$ 99,058</u>                |
| Changes for the year             |                                 |
| Interest on total OPEB liability | 3,799                           |
| Experience differences           | (1,649)                         |
| Benefit payments and refunds     | <u>(4,764)</u>                  |
| Net changes                      | <u>(2,614)</u>                  |
| Balances as of March 31, 2026    | <u>\$ 96,444</u>                |

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

| <u>1% Decrease</u> | <u>Current<br/>Discount Rate</u> | <u>1% Increase</u> |
|--------------------|----------------------------------|--------------------|
| <u>\$ 106,629</u>  | <u>\$ 96,444</u>                 | <u>\$ 87,554</u>   |

**Village of New Haven**  
**Notes to the Financial Statements**  
**March 31, 2026**

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Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates.

| <u>1% Decrease</u> | <u>Healthcare<br/>Cost Trend<br/>Rates</u> | <u>1% Increase</u> |
|--------------------|--------------------------------------------|--------------------|
| \$ 87,584          | \$ 96,444                                  | \$ 106,391         |

**Note 12 - Change in Reporting Entity**

The Highway Fund ("the Fund") was previously reported as a major fund within the governmental funds; however, the Fund no longer meets the quantitative threshold for presentation as a major fund.

|                                 | <u>March 31, 2025<br/>As Previously<br/>Reported</u> | <u>Change Within<br/>the Financial<br/>Reporting Entity</u> | <u>March 31, 2025<br/>As Restated</u> |
|---------------------------------|------------------------------------------------------|-------------------------------------------------------------|---------------------------------------|
| <b>Governmental Funds</b>       |                                                      |                                                             |                                       |
| Major Fund:                     |                                                      |                                                             |                                       |
| Highway Fund                    | \$ 665,919                                           | \$ (665,919)                                                | \$ -                                  |
| Nonmajor Funds                  | 408,441                                              | 665,919                                                     | 1,074,360                             |
| <b>Total Governmental Funds</b> | <u>\$ 1,074,360</u>                                  | <u>\$ -</u>                                                 | <u>\$ 1,074,360</u>                   |

**Village of New Haven**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended March 31, 2026**

|                                    | Budgeted Amounts    |                     |                     | Actual<br>Over (Under)<br>Final<br>Budget |
|------------------------------------|---------------------|---------------------|---------------------|-------------------------------------------|
|                                    | Original            | Final               | Actual              |                                           |
| <b>Revenues</b>                    |                     |                     |                     |                                           |
| Taxes                              |                     |                     |                     |                                           |
| Property taxes                     | \$ 1,597,448        | \$ 1,535,104        | \$ 1,499,183        | \$ (35,921)                               |
| Licenses and permits               | 45,000              | 45,000              | 29,834              | (15,166)                                  |
| State-shared revenue               | 760,824             | 762,944             | 764,859             | 1,915                                     |
| State grants                       | 4,600               | 4,600               | 12,904              | 8,304                                     |
| Local contributions                | 5,700               | 12,200              | 11,508              | (692)                                     |
| Charges for services               | 31,000              | 31,000              | 26,216              | (4,784)                                   |
| Fines and forfeitures              | 24,000              | 54,650              | 43,461              | (11,189)                                  |
| Rental income                      | 165,000             | 207,000             | 215,079             | 8,079                                     |
| Investment income                  | 75,000              | 45,000              | 45,276              | 276                                       |
| Other revenue                      | 1,600               | 4,100               | 2,520               | (1,580)                                   |
| Total revenues                     | <u>2,710,172</u>    | <u>2,701,598</u>    | <u>2,650,840</u>    | <u>(50,758)</u>                           |
| <b>Expenditures</b>                |                     |                     |                     |                                           |
| General government                 |                     |                     |                     |                                           |
| Village board                      | 14,400              | 14,400              | 14,200              | (200)                                     |
| President                          | 14,400              | 14,400              | 14,292              | (108)                                     |
| General Government                 | 552,256             | 525,451             | 499,943             | (25,508)                                  |
| Clerk                              | 7,500               | 7,500               | 7,444               | (56)                                      |
| Audit                              | 35,000              | 38,350              | 38,350              | -                                         |
| Board of review                    | 4,500               | 4,500               | 3,360               | (1,140)                                   |
| Treasurer                          | 5,400               | 5,400               | 5,400               | -                                         |
| Building and grounds               | 55,845              | 61,100              | 53,298              | (7,802)                                   |
| Total general government           | <u>689,301</u>      | <u>671,101</u>      | <u>636,287</u>      | <u>(34,814)</u>                           |
| Public safety                      |                     |                     |                     |                                           |
| Police protection                  | 1,242,350           | 1,151,750           | 1,160,047           | 8,297                                     |
| Fire prevention                    | -                   | 93,270              | 93,226              | (44)                                      |
| Building inspection department     | -                   | 7,211               | 7,919               | 708                                       |
| Total public safety                | <u>1,242,350</u>    | <u>1,252,231</u>    | <u>1,261,192</u>    | <u>8,961</u>                              |
| Community and economic development |                     |                     |                     |                                           |
| Planning                           | 70,000              | 50,500              | 55,235              | 4,735                                     |
| Recreation and culture             |                     |                     |                     |                                           |
| Parks and recreation department    | 316,200             | 401,757             | 287,383             | (114,374)                                 |
| Capital outlay                     | 670,000             | 343,650             | 341,955             | (1,695)                                   |
| Debt service                       |                     |                     |                     |                                           |
| Principal retirement               | 106,200             | 106,200             | 96,339              | (9,861)                                   |
| Interest and fiscal charges        | -                   | -                   | 18,711              | 18,711                                    |
| Total debt service                 | <u>106,200</u>      | <u>106,200</u>      | <u>115,050</u>      | <u>8,850</u>                              |
| Total expenditures                 | <u>3,094,051</u>    | <u>2,825,439</u>    | <u>2,697,102</u>    | <u>(128,337)</u>                          |
| Net change in fund balance         | (383,879)           | (123,841)           | (46,262)            | 77,579                                    |
| Fund balance - beginning of year   | 2,799,307           | 2,799,307           | 2,799,307           | -                                         |
| Fund balance - end of year         | <u>\$ 2,415,428</u> | <u>\$ 2,675,466</u> | <u>\$ 2,753,045</u> | <u>\$ 77,579</u>                          |

See Accompanying Notes to Required Supplementary Information

**Village of New Haven**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Major Street Fund**  
**For the Year Ended March 31, 2026**

|                                                   | Budgeted Amounts  |                   | Actual            | Actual<br>Over (Under) |
|---------------------------------------------------|-------------------|-------------------|-------------------|------------------------|
|                                                   | Original          | Final             |                   | Final<br>Budget        |
| <b>Revenues</b>                                   |                   |                   |                   |                        |
| State grants                                      | \$ 499,436        | \$ 499,436        | \$ 483,078        | \$ (16,358)            |
| Investment income                                 | 40,000            | 30,000            | 28,938            | (1,062)                |
| Other revenue                                     | -                 | 1,000             | 971               | (29)                   |
| Total revenues                                    | <u>539,436</u>    | <u>530,436</u>    | <u>512,987</u>    | <u>(17,449)</u>        |
| <b>Expenditures</b>                               |                   |                   |                   |                        |
| Current                                           |                   |                   |                   |                        |
| Public works                                      | 226,483           | 337,554           | 316,664           | (20,890)               |
| Capital outlay                                    | 300,000           | 422,200           | 376,643           | (45,557)               |
| Debt service                                      |                   |                   |                   |                        |
| Principal retirement                              | 2,004             | 2,004             | 1,818             | (186)                  |
| Interest and fiscal charges                       | -                 | -                 | 353               | 353                    |
| Total expenditures                                | <u>528,487</u>    | <u>761,758</u>    | <u>695,478</u>    | <u>(66,280)</u>        |
| Excess of revenues (deficiency) over expenditures | <u>10,949</u>     | <u>(231,322)</u>  | <u>(182,491)</u>  | <u>48,831</u>          |
| <b>Other financing sources (uses)</b>             |                   |                   |                   |                        |
| Transfers out                                     | <u>(400,000)</u>  | <u>(400,000)</u>  | <u>(400,000)</u>  | <u>-</u>               |
| Net change in fund balance                        | <u>(389,051)</u>  | <u>(631,322)</u>  | <u>(582,491)</u>  | <u>48,831</u>          |
| Fund balance - beginning of year                  | <u>1,257,690</u>  | <u>1,257,690</u>  | <u>1,257,690</u>  | <u>-</u>               |
| Fund balance - end of year                        | <u>\$ 868,639</u> | <u>\$ 626,368</u> | <u>\$ 675,199</u> | <u>\$ 48,831</u>       |

See Accompanying Notes to Required Supplementary Information

**Village of New Haven**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Local Street Fund**  
**For the Year Ended March 31, 2026**

|                                                   | Budgeted Amounts |                  |                   | Actual<br>Over (Under) |
|---------------------------------------------------|------------------|------------------|-------------------|------------------------|
|                                                   | Original         | Final            | Actual            | Final<br>Budget        |
| <b>Revenues</b>                                   |                  |                  |                   |                        |
| State grants                                      | \$ 197,262       | \$ 197,262       | \$ 191,878        | \$ (5,384)             |
| Investment income                                 | -                | 2,000            | 1,835             | (165)                  |
| Total revenues                                    | <u>197,262</u>   | <u>199,262</u>   | <u>193,713</u>    | <u>(5,549)</u>         |
| <b>Expenditures</b>                               |                  |                  |                   |                        |
| Current                                           |                  |                  |                   |                        |
| Public works                                      | 208,322          | 225,846          | 224,288           | (1,558)                |
| Capital outlay                                    | 477,044          | 480,524          | 461,593           | (18,931)               |
| Debt service                                      |                  |                  |                   |                        |
| Principal retirement                              | 2,004            | 2,004            | 1,818             | (186)                  |
| Interest and fiscal charges                       | -                | -                | 353               | 353                    |
| Total expenditures                                | <u>687,370</u>   | <u>708,374</u>   | <u>688,052</u>    | <u>(20,322)</u>        |
| Excess of revenues (deficiency) over expenditures | <u>(490,108)</u> | <u>(509,112)</u> | <u>(494,339)</u>  | <u>14,773</u>          |
| <b>Other financing sources (uses)</b>             |                  |                  |                   |                        |
| Transfers in                                      | <u>400,000</u>   | <u>494,250</u>   | <u>494,250</u>    | <u>-</u>               |
| Net change in fund balance                        | (90,108)         | (14,862)         | (89)              | 14,773                 |
| Fund balance - beginning of year                  | <u>112,252</u>   | <u>112,252</u>   | <u>112,252</u>    | <u>-</u>               |
| Fund balance - end of year                        | <u>\$ 22,144</u> | <u>\$ 97,390</u> | <u>\$ 112,163</u> | <u>\$ 14,773</u>       |

See Accompanying Notes to Required Supplementary Information

**Village of New Haven**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Fire Fund**  
**For the Year Ended March 31, 2026**

|                                  | Budgeted Amounts |            | Actual     | Actual<br>Over (Under)<br>Final<br>Budget |
|----------------------------------|------------------|------------|------------|-------------------------------------------|
|                                  | Original         | Final      |            |                                           |
| <b>Revenues</b>                  |                  |            |            |                                           |
| Taxes                            | \$ 497,000       | \$ 475,500 | \$ 475,654 | \$ 154                                    |
| Investment income                | 4,600            | 4,600      | 2,388      | (2,212)                                   |
| Other revenue                    | 10,250           | 6,550      | 6,183      | (367)                                     |
| Total revenues                   | 511,850          | 486,650    | 484,225    | (2,425)                                   |
| <b>Expenditures</b>              |                  |            |            |                                           |
| Current                          |                  |            |            |                                           |
| Public safety                    | 454,695          | 504,255    | 484,869    | (19,386)                                  |
| Capital outlay                   | 20,000           | 20,000     | 9,232      | (10,768)                                  |
| Debt service                     |                  |            |            |                                           |
| Principal retirement             | 40,000           | 38,536     | 38,039     | (497)                                     |
| Interest and fiscal charges      | 50               | 1,464      | 1,961      | 497                                       |
| Total expenditures               | 514,745          | 564,255    | 534,101    | (30,154)                                  |
| Net change in fund balance       | (2,895)          | (77,605)   | (49,876)   | 27,729                                    |
| Fund balance - beginning of year | 210,559          | 210,559    | 210,559    | -                                         |
| Fund balance - end of year       | \$ 207,664       | \$ 132,954 | \$ 160,683 | \$ 27,729                                 |

See Accompanying Notes to Required Supplementary Information

**Village of New Haven**  
**Required Supplementary Information**  
**Other Postemployment Benefits**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**

| Fiscal year ended March 31,                                         | 2026             | 2025             |
|---------------------------------------------------------------------|------------------|------------------|
| <b>Total OPEB liability</b>                                         |                  |                  |
| Interest                                                            | \$ 3,799         | \$ -             |
| Changes in assumptions                                              | (1,649)          | 102,699          |
| Benefit payments and refunds                                        | (4,764)          | (3,641)          |
| Net change in total OPEB liability                                  | (2,614)          | 99,058           |
| Total OPEB liability - beginning                                    | 99,058           | -                |
| Total OPEB liability - ending (a)                                   | <u>\$ 96,444</u> | <u>\$ 99,058</u> |
| Plan fiduciary net position as a percentage of total OPEB liability | 0%               | 0%               |

See Accompanying Notes to Required Supplementary Information

**Village of New Haven**  
**Required Supplementary Information**  
**Other Postemployment Benefits**  
**Schedule of Employer Contributions**

| <u>Fiscal Year<br/>Ending<br/>March 31,</u> | <u>Actuarially<br/>Determined<br/>Contribution</u> | <u>Actual<br/>Contribution</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Covered<br/>Payroll</u> | <u>Actual<br/>Contribution<br/>as a % of<br/>Covered Payroll</u> |
|---------------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------|----------------------------|------------------------------------------------------------------|
| 2025                                        | \$ -                                               | \$ 3,641                       | \$ (3,641)                                      | \$ -                       | N/A                                                              |
| 2026                                        | 6,636                                              | 4,764                          | 1,872                                           | -                          | N/A                                                              |

See Accompanying Notes to Required Supplementary Information

**Village of New Haven**  
**Notes to the Required Supplementary Information**  
**March 31, 2026**

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**Note 1 – Budgetary Information**

The Village is subject to the budgetary control requirements of the Uniform Budgeting and Accounting Act (P.A. 2 of 1968, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal yearend.

Prior to March 31, the Village President submits to the Village a proposed operating budget for the fiscal year commencing the following April 1. Public hearings are obtained to obtain taxpayer comments and the budget is approved by council through passage of a motion prior to March 31.

The budget document presents information by fund, activity, department, and line items. The legal level of budgetary control adopted by the governing body is the activity level. The Village Clerk is authorized to transfer budgeted amounts between line items within an activity; however, any revisions that alter the total expenditures of an activity must be approved by the Village.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent when goods are received, or services rendered.

**Expenditures in Excess of Appropriations**

During the year ended March 31, 2026, the Village incurred expenditures in the General, Major Street, Local Street, and Fire Funds which were in excess of the amount as appropriated, as follows:

|                                    | <u>Appropriations</u> | <u>Actual</u> | <u>Budget<br/>Variance</u> |
|------------------------------------|-----------------------|---------------|----------------------------|
| General Fund                       |                       |               |                            |
| Public safety                      |                       |               |                            |
| Police protection                  | \$ 1,151,750          | \$ 1,160,047  | \$ 8,297                   |
| Building inspection department     | 7,211                 | 7,919         | 708                        |
| Community and economic development |                       |               |                            |
| Planning                           | 50,500                | 55,235        | 4,735                      |
| Debt services                      |                       |               |                            |
| Interest and fiscal charges        | -                     | 18,711        | 18,711                     |
| Major Street Fund                  |                       |               |                            |
| Debt services                      |                       |               |                            |
| Interest and fiscal charges        | -                     | 353           | 353                        |
| Local Street Fund                  |                       |               |                            |
| Debt services                      |                       |               |                            |
| Interest and fiscal charges        | -                     | 353           | 353                        |
| Fire Fund                          |                       |               |                            |
| Debt services                      |                       |               |                            |
| Interest and fiscal charges        | 1,464                 | 1,961         | 497                        |

**Note 2 – OPEB Information**

**Notes to the Schedule of Changes in Total OPEB Liability and Related Ratios**

The March 31, 2026, changes in assumptions are due to the following:

- The salary increase assumption decreased from 3.65% to 3.50%.
- Mortality rates are based on the Pub-2016 mortality tables using scale MP-2021.

**Village of New Haven**  
**Notes to the Required Supplementary Information**  
**March 31, 2026**

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The March 31, 2025, changes in assumptions are due to the following:

- The discount rate used at the valuation date at March 31, 2025 was 3.93%.

\*The schedule is being built prospectively until 10 years of data is shown.

**Notes to the Schedule of Employer Contributions**

- Alternative measurement method calculation date March 31, 2026.

Methods and assumptions used to determine contribution rates:

|                               |                                                                                              |
|-------------------------------|----------------------------------------------------------------------------------------------|
| Actuarial cost method         | Entry-age normal                                                                             |
| Amortization method           | Level dollar                                                                                 |
| Remaining amortization period | 23 years, closed                                                                             |
| Discount rate:                | 3.93%                                                                                        |
| Salary increases:             | 3.50%                                                                                        |
| Investment rate of return     | 3.93%                                                                                        |
| Retirement age                | 60                                                                                           |
| Mortality                     | Pub-2016 mortality tables with future mortality projected generationally using Scale MP-2021 |
| Healthcare Cost Trend Rate    | Pre-65: 7.75% gradually decreasing .25% per year to an ultimate rate of 4.5%                 |
|                               | Post 65: 6.50% gradually decreasing .25% per year to an ultimate rate of 4.5%                |

\*The schedule is being built prospectively until 10 years of data is shown.

**Village of New Haven**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**March 31, 2026**

|                                     | Special Revenue Funds |                      |                   | Permanent Fund   | Total Nonmajor Governmental Funds |
|-------------------------------------|-----------------------|----------------------|-------------------|------------------|-----------------------------------|
|                                     | Cemetery              | Drug Law Enforcement | Highway           | Perpetual Care   |                                   |
| <b>Assets</b>                       |                       |                      |                   |                  |                                   |
| Cash and cash equivalents           | \$ 346,534            | \$ 14,295            | \$ 733,520        | \$ 79,662        | \$ 1,174,011                      |
| Accounts receivables                | 3,519                 | -                    | -                 | 621              | 4,140                             |
| Prepaid items                       | 166                   | -                    | 400               | -                | 566                               |
| Total assets                        | <u>\$ 350,219</u>     | <u>\$ 14,295</u>     | <u>\$ 733,920</u> | <u>\$ 80,283</u> | <u>\$ 1,178,717</u>               |
| <b>Liabilities</b>                  |                       |                      |                   |                  |                                   |
| Accounts payable                    | \$ 338                | \$ -                 | \$ 5,300          | \$ -             | \$ 5,638                          |
| Payroll and other liabilities       | 867                   | -                    | -                 | -                | 867                               |
| Total liabilities                   | <u>1,205</u>          | <u>-</u>             | <u>5,300</u>      | <u>-</u>         | <u>6,505</u>                      |
| <b>Fund balances</b>                |                       |                      |                   |                  |                                   |
| Non-spendable                       |                       |                      |                   |                  |                                   |
| Prepaid items                       | 166                   | -                    | 400               | -                | 566                               |
| Perpetual care                      | -                     | -                    | -                 | 61,109           | 61,109                            |
| Restricted for                      |                       |                      |                   |                  |                                   |
| Cemetery                            | 348,848               | -                    | -                 | -                | 348,848                           |
| Drug law enforcement                | -                     | 14,295               | -                 | -                | 14,295                            |
| Highway                             | -                     | -                    | 728,220           | -                | 728,220                           |
| Perpetual care                      | -                     | -                    | -                 | 19,174           | 19,174                            |
| Total fund balances                 | <u>349,014</u>        | <u>14,295</u>        | <u>728,620</u>    | <u>80,283</u>    | <u>1,172,212</u>                  |
| Total liabilities and fund balances | <u>\$ 350,219</u>     | <u>\$ 14,295</u>     | <u>\$ 733,920</u> | <u>\$ 80,283</u> | <u>\$ 1,178,717</u>               |

**Village of New Haven**  
**Other Supplementary Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended March 31, 2026**

|                                                           | Special Revenue Funds |                      |                   | Permanent Fund   | Total Nonmajor Governmental Funds |
|-----------------------------------------------------------|-----------------------|----------------------|-------------------|------------------|-----------------------------------|
|                                                           | Cemetery              | Drug Law Enforcement | Highway           | Perpetual Care   |                                   |
| <b>Revenues</b>                                           |                       |                      |                   |                  |                                   |
| Taxes                                                     | \$ 68,560             | \$ -                 | \$ 308,663        | \$ -             | \$ 377,223                        |
| Charges for services                                      | 38,509                | -                    | -                 | 2,816            | 41,325                            |
| Investment income                                         | 2,780                 | -                    | 10,974            | 1,357            | 15,111                            |
| Total revenues                                            | <u>109,849</u>        | <u>-</u>             | <u>319,637</u>    | <u>4,173</u>     | <u>433,659</u>                    |
| <b>Expenditures</b>                                       |                       |                      |                   |                  |                                   |
| Current                                                   |                       |                      |                   |                  |                                   |
| General government                                        | 76,713                | -                    | -                 | -                | 76,713                            |
| Public works                                              | -                     | -                    | 57,494            | -                | 57,494                            |
| Capital outlay                                            | -                     | -                    | 99,992            | -                | 99,992                            |
| Debt service                                              |                       |                      |                   |                  |                                   |
| Principal retirement                                      | 1,807                 | -                    | 4,354             | -                | 6,161                             |
| Interest and fiscal charges                               | 351                   | -                    | 846               | -                | 1,197                             |
| Total expenditures                                        | <u>78,871</u>         | <u>-</u>             | <u>162,686</u>    | <u>-</u>         | <u>241,557</u>                    |
| Excess (deficiency) of revenues over expenditures         | 30,978                | -                    | 156,951           | 4,173            | 192,102                           |
| <b>Other financing sources (uses)</b>                     |                       |                      |                   |                  |                                   |
| Transfers out                                             | <u>-</u>              | <u>-</u>             | <u>(94,250)</u>   | <u>-</u>         | <u>(94,250)</u>                   |
| Net change in fund balances                               | <u>30,978</u>         | <u>-</u>             | <u>62,701</u>     | <u>4,173</u>     | <u>97,852</u>                     |
| Fund balances - beginning of year, as previously reported | 318,036               | 14,295               | -                 | 76,110           | 408,441                           |
| Adjustments                                               | <u>-</u>              | <u>-</u>             | <u>665,919</u>    | <u>-</u>         | <u>665,919</u>                    |
| Fund balances - beginning of year, as adjusted            | <u>318,036</u>        | <u>14,295</u>        | <u>665,919</u>    | <u>76,110</u>    | <u>1,074,360</u>                  |
| Fund balances - end of year                               | <u>\$ 349,014</u>     | <u>\$ 14,295</u>     | <u>\$ 728,620</u> | <u>\$ 80,283</u> | <u>\$ 1,172,212</u>               |

**Village of New Haven**  
**Other Supplementary Information**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**March 31, 2026**

|                                                 | Enterprise Funds  |                   |                   |
|-------------------------------------------------|-------------------|-------------------|-------------------|
|                                                 | Building          | Garbage           | Total             |
| <b>Assets</b>                                   |                   |                   |                   |
| Current assets                                  |                   |                   |                   |
| Cash and cash equivalents                       | \$ 349,771        | \$ 61,343         | \$ 411,114        |
| Receivables                                     |                   |                   |                   |
| Accounts                                        | 246               | 58,047            | 58,293            |
| Prepaid items                                   | 500               | 29,989            | 30,489            |
| Total current assets                            | <u>350,517</u>    | <u>149,379</u>    | <u>499,896</u>    |
| Noncurrent assets                               |                   |                   |                   |
| Capital assets, net of accumulated depreciation | <u>22,779</u>     | <u>-</u>          | <u>22,779</u>     |
| Total assets                                    | <u>373,296</u>    | <u>149,379</u>    | <u>522,675</u>    |
| <b>Liabilities</b>                              |                   |                   |                   |
| Current liabilities                             |                   |                   |                   |
| Payroll and other liabilities                   | 195,190           | -                 | 195,190           |
| Current portion of long-term liabilities        | <u>5,323</u>      | <u>-</u>          | <u>5,323</u>      |
| Total current liabilities                       | <u>200,513</u>    | <u>-</u>          | <u>200,513</u>    |
| Noncurrent liabilities                          |                   |                   |                   |
| Long-term liabilities                           | <u>16,702</u>     | <u>-</u>          | <u>16,702</u>     |
| Total liabilities                               | <u>217,215</u>    | <u>-</u>          | <u>217,215</u>    |
| <b>Net position</b>                             |                   |                   |                   |
| Net investment in capital assets                | 754               | -                 | 754               |
| Unrestricted                                    | <u>155,327</u>    | <u>149,379</u>    | <u>304,706</u>    |
| Total net position                              | <u>\$ 156,081</u> | <u>\$ 149,379</u> | <u>\$ 305,460</u> |

**Village of New Haven**  
**Other Supplementary Information**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended March 31, 2026**

|                                        | Building          | Garbage           | Total             |
|----------------------------------------|-------------------|-------------------|-------------------|
| <b>Operating revenue</b>               |                   |                   |                   |
| Customer fees                          | \$ 122,294        | \$ 365,085        | \$ 487,379        |
| Other revenue                          | 95                | -                 | 95                |
| Total operating revenue                | <u>122,389</u>    | <u>365,085</u>    | <u>487,474</u>    |
| <b>Operating expenses</b>              |                   |                   |                   |
| Personnel services                     | 145,981           | -                 | 145,981           |
| Contractual services                   | -                 | 354,300           | 354,300           |
| Other expenses                         | 7,144             | -                 | 7,144             |
| Depreciation and amortization          | 5,663             | -                 | 5,663             |
| Total operating expenses               | <u>158,788</u>    | <u>354,300</u>    | <u>513,088</u>    |
| Operating income (loss)                | <u>(36,399)</u>   | <u>10,785</u>     | <u>(25,614)</u>   |
| <b>Nonoperating revenue (expenses)</b> |                   |                   |                   |
| Investment income                      | 1,978             | 1,938             | 3,916             |
| Interest expense                       | (557)             | -                 | (557)             |
| Total nonoperating revenues (expenses) | <u>1,421</u>      | <u>1,938</u>      | <u>3,359</u>      |
| Income (loss)                          | (34,978)          | 12,723            | (22,255)          |
| Net position - beginning of year       | <u>191,059</u>    | <u>136,656</u>    | <u>327,715</u>    |
| Net position - end of year             | <u>\$ 156,081</u> | <u>\$ 149,379</u> | <u>\$ 305,460</u> |

**Village of New Haven**  
**Other Supplementary Information**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended March 31, 2026**

|                                                                                                      | Building          | Garbage            | Total             |
|------------------------------------------------------------------------------------------------------|-------------------|--------------------|-------------------|
| <b>Cash flows from operating activities</b>                                                          |                   |                    |                   |
| Receipts from customers                                                                              | \$ 231,508        | \$ 355,824         | \$ 587,332        |
| Payments to suppliers                                                                                | -                 | (384,289)          | (384,289)         |
| Payments to employees                                                                                | (145,981)         | -                  | (145,981)         |
| Net cash provided (used) by operating activities                                                     | <u>85,527</u>     | <u>(28,465)</u>    | <u>57,062</u>     |
| <b>Cash flows from capital and related financing activities</b>                                      |                   |                    |                   |
| Principal and interest paid on long-term debt                                                        | <u>(6,000)</u>    | <u>-</u>           | <u>(6,000)</u>    |
| <b>Cash flows from investing activities</b>                                                          |                   |                    |                   |
| Interest received                                                                                    | <u>1,978</u>      | <u>1,938</u>       | <u>3,916</u>      |
| Net change in cash and cash equivalents                                                              | 81,505            | (26,527)           | 54,978            |
| Cash and cash equivalents - beginning of year                                                        | <u>268,266</u>    | <u>87,870</u>      | <u>356,136</u>    |
| Cash and cash equivalents - end of year                                                              | <u>\$ 349,771</u> | <u>\$ 61,343</u>   | <u>\$ 411,114</u> |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b> |                   |                    |                   |
| Operating income (loss)                                                                              | \$ (36,399)       | \$ 10,785          | \$ (25,614)       |
| Adjustments to reconcile operating income to net cash from operating activities                      |                   |                    |                   |
| Depreciation and amortization expense                                                                | 5,663             | -                  | 5,663             |
| Changes in assets and liabilities                                                                    |                   |                    |                   |
| Receivables (net)                                                                                    | -                 | (9,261)            | (9,261)           |
| Prepaid items                                                                                        | (500)             | (29,989)           | (30,489)          |
| Accounts payable                                                                                     | (16,389)          | -                  | (16,389)          |
| Accrued and other liabilities                                                                        | <u>133,152</u>    | <u>-</u>           | <u>133,152</u>    |
| Net cash provided (used) by operating activities                                                     | <u>\$ 85,527</u>  | <u>\$ (28,465)</u> | <u>\$ 57,062</u>  |

# **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

## **Independent Auditors' Report**

Management and the Village Council  
Village of New Haven  
New Haven, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of New Haven, as of and for the year ended March 31, 2026, and the related notes to the financial statements, which collectively comprise the Village of New Haven's basic financial statements, and have issued our report thereon dated [DATE].

### **Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2026-001 that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of New Haven's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2026-001.

## Village of New Haven's Response to Findings and Corrective Action Plans

*Government Auditing Standards* requires the auditor to perform limited procedures on the Village of New Haven's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses and corrective action plans. The Village of New Haven's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### Purpose of this Report

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

Yeo & Yeo, P.C.

Troy, Michigan

[Date]

**Village of New Haven**  
**Schedule of Findings and Responses**  
**March 31, 2026**

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**2026-001 – Material Weakness and Noncompliance – Audit Adjustments**

**Specific requirement:**

Management is responsible for maintaining accurate accounting records, performing timely year-end closing procedures, and preparing financial statements that are free from material misstatement in conformity with generally accepted accounting principles (GAAP). In addition, bank reconciliations should be completed in a timely manner. Effective internal controls over financial reporting should identify and correct material errors prior to the preparation of the financial statements and audit.

**Condition:**

During the audit, several material adjustments were proposed and recorded to correct account balances and financial statement information. These adjustments were primarily attributable to errors that occurred during the Village's transition to the BS&A Cloud accounting system or stemmed from it in some manner, such as additional time being devoted to reconciling banks rather than year-end preparation. Significant audit adjustments included: (1) \$115,215 adjustment to properly accrue state shared revenue, (2) \$67,883 adjustment to accrue ACT 51 receivables in the Major and Local Street Funds, (3) \$45,374 adjustment to correct road project payables and capital outlay in the Major Street Fund, and (4) adjustments of \$29,989 and \$97,198 to properly recorded prepaid expenditures in the Garbage Fund and in the General Fund, respectively.

**Cause:**

The Village implementing the BS&A Cloud accounting system created challenges related to data migration, system configuration, and staff familiarity with the new software. This conversion added additional accounting transactions to previously completed bank reconciliations. Certain accounting reconciliations and review procedures were not completed as effectively as necessary to detect errors before the audit.

**Effect:**

Material audit adjustments were required to properly state account balances and financial statement disclosures. The need for material adjustments increases the risk that the financial information used by management and reported to users of the financial statements may be inaccurate until corrected.

**Recommendation:**

We recommend that management continue to strengthen year-end financial reporting procedures within the BS&A Cloud system, including completing timely reconciliations of significant accounts, performing supervisory reviews of financial information, and documenting year-end closing procedures. Additional training and experience with the new software should further enhance the effectiveness of these controls and reduce the likelihood of material adjustments in future periods.

**Views of responsible officials:**

Management agrees with the finding.

**Corrective action plan:**

See attached.