CHARTER TOWNSHIP OF PORT HURON

St. Clair County, Michigan

ANNUAL FINANCIAL REPORT
AND
SUPPLEMENTARY INFORMATION

For the year ended December 31, 2025

CHARTER TOWNSHIP OF PORT HURON
St. Clair County, Michigan

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St. Clair County, Michigan

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board
Charter Township of Port Huron
Port Huron, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Port Huron, Michigan (the "Township"), as of and for the year ended December 31, 2025 and the related notes to the financial statements which collectively comprise the Township's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Port Huron, Michigan, as of December 31, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township 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 misstatements, 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 Township'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.

To the Members of the Board
Charter Township of Port Huron

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatements 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 Township'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 judgement, there are conditions or events considered in the aggregate that raise substantial doubt about the Charter Township of Port Huron, Michigan's ability to continue as a going concern for a reasonable period of time.

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

To the Members of the Board
Charter Township of Port Huron

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and employees' retirement system and retiree health benefits schedules, as listed 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 method 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 Township's basic financial statements. The accompanying supplementary information, as listed 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. In our opinion, the accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Port Huron, Michigan
October 7, 2026

OVERVIEW OF THE FINANCIAL STATEMENTS

The Charter Township of Port Huron, Michigan's (the "Township") 2025 annual report is presented in conformity with the requirements of GASB Statement No. 34. This annual report consists of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information, which presents combining statements for nonmajor governmental and custodial funds and component unit statements. The basic financial statements include two kinds of statements that present different views of the Township. The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the Township's government, reporting the Township's operations in more detail than the government-wide statements.

Government-wide Financial Statements

The government-wide statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid (full accrual).

The two government-wide statements report the Township's net position and how it has changed. Net position, defined as the difference between the Township's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, is one way to measure the Township's financial health or position.

The government-wide financial statements of the Township are divided into two categories:

Governmental Activities - most of the Township's basic services are included here, such as the road, park, police, fire, public works, and general administration. Property taxes, state-shared revenue, and charges for services, provide most of the funding.

Business-type Activities - the Township charges fees to customers to help it cover the costs of certain services it provides. The Township's water, sewer, and refuse operations are treated as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Township's most significant funds, not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and/or by bond covenants. The Township Board establishes other funds to control and manage money for particular purposes.

The Township has three kinds of funds:

Governmental Funds - Most of the Township's basic services are included in governmental funds, which focus on how cash and other financial assets can readily be converted to cash flow in and out, and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs.

Proprietary Funds - Services for which the Township charges customers a fee are generally reported in the Water, Sewer and Refuse Funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Township's fiduciary funds include other postemployment benefit trust funds and custodial funds.

FINANCIAL OVERVIEW (Government-wide financial analysis)

The Township has combined total net position of $39,985,129. This is an increase over 2024 of $1,818,924. Governmental activities comprise $15,543,651 and business-type activities make up $24,441,478 of the total net position. In a condensed format, the table below shows net position.

In Thousands

	Governmental Activities as of December 31,		Business-type Activities as of December 31,	
	2025	2024	2025	2024
Assets				
Current and other assets	$ 14,751	$ 13,333	$ 11,637	$ 10,675
Restricted assets	36	34	1,228	1,156
Capital assets	6,537	6,702	19,013	19,666
Total assets	21,324	20,069	31,878	31,497
Deferred outflows of resources	88	117	29	39
Liabilities				
Current liabilities	562	401	938	988
Non-current liabilities	1,046	1,248	6,477	6,900
Total liabilities	1,608	1,649	7,415	7,888
Deferred inflows of resources	4,260	4,005	51	13
Net position				
Net investment in capital assets	6,421	6,585	12,805	13,107
Restricted	1,234	1,150	1,228	1,156
Unrestricted	7,889	6,797	10,408	9,372
Total net position	$ 15,544	$ 14,532	$ 24,441	$ 23,635

The Township's governmental activities experienced an increase in net position of $1,011,998, primarily as a result of the General Fund increase of $1,000,804. The business-type activities experienced an increase in net position of $806,926, due primarily to the Sewer Fund operating revenues over operating expenses for the year ended December 31, 2025 and combined $422,968 interest earned in the three proprietary funds.

The following table shows the changes in net position:

In Thousands

	Governmental Activities		Business-type Activities	
	2025	2024	2025	2024
Revenue				
Program revenue -				
Charges for services	$ 447	$ 308	$ 5,837	$ 6,082
Operating grants and contributions	33	874	-	-
Capital grants and contributions	538	112	-	-
General revenue -				
Property taxes	3,572	3,300	-	-
Unrestricted grants	1,385	1,383	-	-
Gain on disposal of assets	5	1	1	15
Unrestricted investment earnings	417	519	423	428
Total revenue	6,397	6,497	6,261	6,525
Expenses				
Program expenses -				
General government	1,086	1,092	-	-
Public safety	2,546	2,407	-	-
Public works	1,154	942	-	-
Health and welfare	153	162	-	-
Community and economic development	60	74	-	-
Recreation and cultural	341	240	-	-
Water	-	-	2,778	2,815
Sewer	-	-	1,972	1,985
Refuse	-	-	750	719
Total program expenses	5,340	4,917	5,500	5,519
Change in net position before transfers	1,057	1,580	761	1,006
Transfers	(45)	-	45	-
Change in net position	$ 1,012	$ 1,580	$ 806	$ 1,006

Governmental Activities

Revenues for governmental activities totaled $6,397,238. The largest revenue source was received from taxes of $3,572,127, an increase of $272,038 from 2024 as a result of increased taxable values, followed by unrestricted grant revenue of $1,384,980, an increase of $2,698 from 2024.

Business-type Activities

The Township has three business-type activities: the water, sewer, and refuse operations. Total revenues, including charges for services, gain on disposal of assets, interest income and transfers in, was $6,306,770 and expenses were $5,499,844, for a change in net position of $806,926, primarily as a result of the sewer fund revenues exceeding expenses.

FINANCIAL ANALYSIS OF MAJOR TOWNSHIP FUNDS AND BUDGETS

Governmental Funds

The General Fund ended 2025 with a fund balance of $6,814,307, with $51,137 nonspendable for prepaid expenditures, $398,180 assigned for 2026 and the remaining amount of $6,364,990 unassigned. The original and final General Fund budget anticipated a use of fund balance of $432,200. Actual results for 2025 have revenues under expenditures of $28,028.

Over the course of the year, management monitors the budget and, if necessary, amends the budget to take into account unanticipated events that occur during the year. During the year, there were no General Fund budget amendments. The only significant differences between the General Fund budget and actual were as follows:

- Intergovernmental revenues were $127,016 over budget due to more state shared revenue received.

- Fines and forfeits revenues were $109,689 over budget due to the collection of penalties relating to trailer park fees collected that were in arrears.

- Legislative expenditures were $138,312 under budget due to less repair and maintenance costs than anticipated.

- Township Hall expenditures were $52,302 over budget due to a parking lot resurfacing project.

- Drain expenditures were $126,845 under budget due to less drain projects.

- Sale of capital assets was $367,210 over budget due to the sale of property.

The Township's other major governmental funds had the following changes in fund balance and total fund balance at December 31, 2025:

- The Police Fund had revenues in excess of expenditures of $82,742 and $340,409 fund balance.

- The Fire Fund had expenditures in excess of revenues of $3,856 and $60,263 fund balance.

- The Park Fund had revenues in excess of expenditures of $28,745 and $1,950,159 fund balance.

Proprietary Funds

The Township operates three major proprietary funds, the Water, Sewer, and Refuse Funds. The Water Fund had an operating loss of $209,613 and a change in net position of $(84,201). The Sewer Fund had operating income of $595,399 and a change in net position of $888,560. The Refuse Fund had an operating loss of $13,639 and a change in net position of $2,567.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Township had $25,550,251 invested in capital assets for its governmental and business-type activities (net of accumulated depreciation/amortization) as of December 31, 2025. The capital assets include land, land improvements, buildings, machinery and equipment, and water and sewer lines. During the year, the Township added $894,729 of capital assets, $751,804 in the governmental activities, and $142,925 in the business-type activities. The governmental activities include $603,886 on land improvements for the Bakersfield Pathway and $151,860 on shared street improvements. Of the business-type activities, $53,234 was spent on engineering fees for a pump station in progress, and $89,691 on equipment purchases, including a pump, power washer and stow box.

Additional information on the Township's capital assets can be found in Note 8 to the financial statements.

Long-term Debt

At December 31, 2025, the Township had $6,405,895 in long-term debt, compared to $6,734,915 at December 31, 2024, a decrease of $329,020. The Township increased compensated absences of $22,755 and made normal payments on the outstanding debt of $351,775.

Additional information on the Township's long-term debt can be found in Note 10 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For 2026, the Township Board adopted a general fund budget with estimated revenues of $2,712,225 and expenditures of $3,110,405.

CONTACTING THE TOWNSHIP

This financial report is designed to provide a general overview of the Township's finances to our residents and other interested parties in understanding the Township's financial condition. If you have questions about this report or need additional financial information, please contact the Township at (810) 987-6600.

BASIC FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF PORT HURON
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	$ 10,561,020	$ 9,683,998	$ 20,245,018	$ 1,197,391
Investments	778,952	-	778,952	411,047
Receivables	2,773,539	2,003,215	4,776,754	7,238
Due from primary government	-	-	-	144,129
Due from component units	99,957	116,062	216,019	-
Internal balances	442,184	(442,184)	-	-
Prepaid expenses	95,150	55,767	150,917	-
Inventory	-	219,141	219,141	-
Restricted assets -				
Cash and cash equivalents	-	1,228,301	1,228,301	-
Investments	35,753	-	35,753	-
Capital assets (net of accumulated depreciation) -				
Assets not being depreciated	1,269,553	147,959	1,417,512	163,476
Assets being depreciated	5,268,094	18,864,645	24,132,739	4,518,442
Total assets	21,324,202	31,876,904	53,201,106	6,441,723
DEFERRED OUTFLOWS OF RESOURCES				
Related to the pension plan	87,770	29,256	117,026	-
LIABILITIES				
Payables and accrued liabilities	355,599	689,214	1,044,813	22,401
Accrued interest	-	12,327	12,327	-
Due to primary government	-	-	-	216,019
Due to component units	144,129	-	144,129	-
Advances and deposits	61,888	80,534	142,422	-
Unearned revenue	-	155,469	155,469	-
Non-current liabilities -				
Due within one year	29,253	360,780	390,033	-
Due in more than one year	87,765	5,846,393	5,934,158	-
Compensated absences	74,354	7,350	81,704	-
Net pension liability	786,044	262,015	1,048,059	-
OPEB liability	68,815	-	68,815	-
Total liabilities	1,607,847	7,414,082	9,021,929	238,420
DEFERRED INFLOWS OF RESOURCES				
Taxes levied for subsequent period	3,667,677	-	3,667,677	259,151
Unearned lease receivable	440,998	-	440,998	-
Related to the pension plan	151,799	50,600	202,399	-
Total deferred inflows of resources	4,260,474	50,600	4,311,074	259,151
NET POSITION				
Net investment in capital assets	6,420,629	12,805,431	19,226,060	4,681,918
Restricted -				
Debt retirement/construction of capital assets	-	1,228,301	1,228,301	-
Cemetery perpetual care - nonexpendable	29,211	-	29,211	-
Public safety	459,706	-	459,706	-
Public works	744,681	-	744,681	-
Unrestricted	7,889,424	10,407,746	18,297,170	1,262,234
Total net position	$ 15,543,651	$ 24,441,478	$ 39,985,129	$ 5,944,152

CHARTER TOWNSHIP OF PORT HURON
STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities -				
General government	$ 1,086,126	$ 146,225	$ 3,403	$ -
Public safety	2,546,247	173,715	10,872	-
Public works	1,154,158	58,816	10,557	-
Health and welfare	152,485	-	-	-
Community and economic development	60,203	-	-	-
Recreation and culture	340,926	67,952	8,284	538,103
Total governmental activities	5,340,145	446,708	33,116	538,103
Business-type activities -				
Water	2,778,051	2,513,555	-	-
Sewer	1,971,947	2,587,345	-	-
Refuse	749,846	736,207	-	-
Total business-type activities	5,499,844	5,837,107	-	-
Total primary government	$ 10,839,989	$ 6,283,815	$ 33,116	$ 538,103
COMPONENT UNITS				
Downtown Development Authority	$ 390,348	$ -	$ 21,949	$ -
Economic Development Corporation	12,149	6,400	-	-
Total component units	$ 402,497	$ 6,400	$ 21,949	$ -
General revenues -				
Property taxes				
Grants and contributions not restricted to specific programs				
Gain on disposal of assets				
Unrestricted investment income				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position at beginning of year				
Net position at end of year				

Net (Expense) Revenue and Change in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (936,498)	$ -	$ (936,498)	$ -
(2,361,660)	-	(2,361,660)	-
(1,084,785)	-	(1,084,785)	-
(152,485)	-	(152,485)	
(60,203)	-	(60,203)	-
273,413	-	273,413	-
(4,322,218)	-	(4,322,218)	-
-	(264,496)	(264,496)	-
-	615,398	615,398	-
-	(13,639)	(13,639)	-
-	337,263	337,263	-
(4,322,218)	337,263	(3,984,955)	-
-	-	-	(368,399)
-	-	-	(5,749)
-	-	-	(374,148)
3,572,127	-	3,572,127	343,238
1,384,980	-	1,384,980	-
5,201	1,600	6,801	-
417,003	422,968	839,971	62,471
(45,095)	45,095	-	-
5,334,216	469,663	5,803,879	405,709
1,011,998	806,926	1,818,924	31,561
14,531,653	23,634,552	38,166,205	5,912,591
$ 15,543,651	$ 24,441,478	$ 39,985,129	$ 5,944,152

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

CHARTER TOWNSHIP OF PORT HURON
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General	Police	Fire
ASSETS			
Cash and cash equivalents	$ 5,682,036	$ 985,782	$ 685,852
Investments	610,850	-	-
Receivables -			
Property taxes	542,822	534,850	529,327
Accounts	30,997	-	455
Lease	-	-	-
Due from other governmental units	209,174	-	-
Due from other funds	726,155	-	-
Due from component unit	97,005	-	-
Prepaid expenditures	51,137	-	39,917
	7,950,176	1,520,632	1,255,551
RESTRICTED ASSETS - investments	-	-	-
Total assets	$ 7,950,176	$ 1,520,632	$ 1,255,551
LIABILITIES			
Accounts payable	$ 64,117	$ -	$ 14,534
Accrued liabilities	18,902	-	45,237
Due to other governmental units	-	81,263	-
Advances and deposits	4,966	-	-
Due to other funds	129,143	20,478	122,659
Due to component unit	-	1,183	77,250
Total liabilities	217,128	102,924	259,680
DEFERRED INFLOWS OF RESOURCES			
Taxes levied for subsequent period	918,741	1,077,299	935,608
Unearned lease receivable	-	-	-
Total deferred inflows of resources	918,741	1,077,299	935,608
FUND BALANCES			
Nonspendable for -			
Prepaids	51,137	-	39,917
Perpetual care	-	-	-
Restricted -			
Public safety	-	340,409	20,346
Public works	-	-	-
Committed	-	-	-
Assigned - 2026 budget	398,180	-	-
Unassigned	6,364,990	-	-
Total fund balance	6,814,307	340,409	60,263
Total liabilities, deferred inflows of resources, and fund balance	$ 7,950,176	$ 1,520,632	$ 1,255,551

Park	Other Governmental Funds	Total Governmental Funds
$ 1,863,224	$ 1,344,126	$ 10,561,020
168,102	-	778,952
-	484,916	2,091,915
-	-	31,452
440,998	-	440,998
-	-	209,174
5,806	396,780	1,128,741
2,952	-	99,957
-	4,096	95,150
2,481,082	2,229,918	15,437,359
-	35,753	35,753
$ 2,481,082	$ 2,265,671	$ 15,473,112
$ 1,697	$ 125,733	$ 206,081
-	4,116	68,255
-	-	81,263
-	56,922	61,888
88,228	326,049	686,557
-	65,696	144,129
89,925	578,516	1,248,173
-	736,029	3,667,677
440,998	-	440,998
440,998	736,029	4,108,675
-	4,096	95,150
-	29,211	29,211
-	132,494	493,249
-	744,681	744,681
1,950,159	40,644	1,990,803
-	-	398,180
-	-	6,364,990
1,950,159	951,126	10,116,264
$ 2,481,082	$ 2,265,671	$ 15,473,112

CHARTER TOWNSHIP OF PORT HURON
RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2025

Fund balances - total governmental funds	$ 10,116,264
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	
Capital assets	13,852,839
Accumulated depreciation	(7,315,192)
Certain pension/OPEB contributions and changes in pension/OPEB plan liabilities are reported as deferred outflows (inflows) of resources in the statement of net position.	
Deferred outflows of resources	87,770
Deferred inflows of resources	(151,799)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds.	
Net pension liability	(786,044)
OPEB liability	(68,815)
Drain district notes	(117,018)
Accrued compensated absences	(74,354)
Net position of governmental activities	$ 15,543,651

CHARTER TOWNSHIP OF PORT HURON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2025

	General	Police	Fire
REVENUES			
Taxes	$ 911,251	$ 1,030,092	$ 913,362
Licenses and permits	134,001	-	-
Intergovernmental	1,790,516	-	-
Charges for services	35,302	-	22,183
Fines and forfeits	119,689	-	-
Interest and rent	240,538	28,008	13,040
Other	25,936	-	3,185
Total revenues	3,257,233	1,058,100	951,770
EXPENDITURES			
Current -			
General government	1,123,521	-	-
Public safety	-	975,358	1,361,926
Public works	393,392	-	-
Health and welfare	-	-	-
Community and economic development	60,203	-	-
Recreation and cultural	651,285	-	-
Total expenditures	2,228,401	975,358	1,361,926
Revenues over (under) expenditures	1,028,832	82,742	(410,156)
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	372,210	-	-
Transfers from other funds	15,000	-	406,300
Transfers to other funds	(415,238)	-	-
Total other financing sources (uses)	(28,028)	-	406,300
Net change in fund balance	1,000,804	82,742	(3,856)
Fund balances at beginning of year	5,813,503	257,667	64,119
Adjustment - change from nonmajor to major fund	-	-	-
Fund balances at beginning of year, as restated	5,813,503	257,667	64,119
Fund balances at end of year	$ 6,814,307	$ 340,409	$ 60,263

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

(Formerly a Nonmajor Fund) Park	Other Governmental Funds	Total Governmental Funds
$ -	$ 717,422	$ 3,572,127
-	111,979	245,980
-	39,715	1,830,231
-	54,956	112,441
-	-	119,689
139,137	52,941	473,664
500	8,284	37,905
139,637	985,297	6,392,037
-	-	1,123,521
-	120,566	2,457,850
-	684,993	1,078,385
-	152,485	152,485
-	-	60,203
95,892	28,733	775,910
95,892	986,777	5,648,354
43,745	(1,480)	743,683
-	-	372,210
-	8,938	430,238
(15,000)	-	(430,238)
(15,000)	8,938	372,210
28,745	7,458	1,115,893
-	2,865,082	9,000,371
1,921,414	(1,921,414)	-
1,921,414	943,668	9,000,371
$ 1,950,159	$ 951,126	$ 10,116,264

CHARTER TOWNSHIP OF PORT HURON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

Net change in fund balances - total governmental funds	$ 1,115,893
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 expense.	
Capital outlay	773,755
Depreciation expense	(504,138)
Net book value of assets sold/disposed	(388,960)
Transfer of capital assets to water and sewer funds	(45,095)
Changes in deferred outflows/inflows of resources as a result in changes in assumptions, difference between projected and actual earnings, and expected and actual experience.	(141,236)
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the funds.	
Increase in compensated absences	(22,755)
Decrease in net pension liability	214,977
Decrease in OPEB liability	9,557
Change in net position of governmental activities	$ 1,011,998

CHARTER TOWNSHIP OF PORT HURON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

	Water	Sewer	Refuse	Total
ASSETS				
Current assets -				
Cash and cash equivalents	$ 4,078,038	$ 5,260,328	$ 345,632	$ 9,683,998
Receivables:				
Utilities	919,769	868,976	190,871	1,979,616
Special assessments	20,569	3,030	-	23,599
Due from other funds	-	81,808	210,831	292,639
Due from component unit	102,650	13,412	-	116,062
Prepaid expenses	35,352	20,275	140	55,767
Inventory	211,134	8,007	-	219,141
	5,367,512	6,255,836	747,474	12,370,822
Restricted assets -				
Cash and cash equivalents	-	1,228,301	-	1,228,301
Capital assets -				
Land	71,082	-	-	71,082
Construction in progress	-	76,877	-	76,877
Land improvements	42,056	200,910	-	242,966
Mains and extensions	12,447,184	22,207,521	-	34,654,705
Right-to-use sewer capacity rights	-	2,814,695	-	2,814,695
Equipment	450,438	1,125,054	-	1,575,492
	13,010,760	26,425,057	-	39,435,817
Less - accumulated depreciation/ amortization	(6,317,499)	(14,105,714)	-	(20,423,213)
	6,693,261	12,319,343	-	19,012,604
Total assets	12,060,773	19,803,480	747,474	32,611,727
DEFERRED OUTFLOWS OF RESOURCES				
Related to the pension plan	16,383	12,873	-	29,256

The notes to the financial statements are an integral part of this statement.

	Water	Sewer	Refuse	Total
LIABILITIES				
Current liabilities -				
Payables:				
Accounts	$ 7,030	$ 17,628	$ 162	$ 24,820
Accrued salaries	12,199	5,426	396	18,021
Due to other governmental units	444,789	201,584	-	646,373
Deposits	68,913	11,621	-	80,534
Due to other funds	597,545	94,997	42,281	734,823
Accrued interest	12,327	-	-	12,327
Unearned revenue	-	-	155,469	155,469
Contracts payable (current portion)	-	90,780	-	90,780
Bonds payable (current portion)	270,000	-	-	270,000
	1,412,803	422,036	198,308	2,033,147
Long-term liabilities (less current portion) -				
Contracts payable	-	2,425,313	-	2,425,313
Bonds payable	3,421,080	-	-	3,421,080
Compensated absences	688	6,662	-	7,350
Net pension liability	146,728	115,287	-	262,015
	3,568,496	2,547,262	-	6,115,758
Total liabilities	4,981,299	2,969,298	198,308	8,148,905
DEFERRED INFLOWS OF RESOURCES				
Related to the pension plan	28,336	22,264	-	50,600
NET POSITION				
Net investment in capital assets	3,002,181	9,803,250	-	12,805,431
Restricted -				
Bond retirement/construction	-	1,228,301	-	1,228,301
Unrestricted	4,065,340	5,793,240	549,166	10,407,746
Total net position	$ 7,067,521	$ 16,824,791	$ 549,166	$ 24,441,478

The notes to the financial statements are an integral part of this statement.

CHARTER TOWNSHIP OF PORT HURON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the year ended December 31, 2025

	Water	Sewer	Refuse	Total
OPERATING REVENUES				
User charges	$ 2,486,752	$ 2,565,231	$ 736,207	$ 5,788,190
Other charges	5,214	2,115	-	7,329
	2,491,966	2,567,346	736,207	5,795,519
OPERATING EXPENSES				
Salaries and wages	179,657	177,479	9,659	366,795
Fringe benefits	134,668	92,478	739	227,885
Supplies	17,638	11,414	1,008	30,060
Contracted services	60,419	88,749	500	149,668
Water, sewer, and refuse charges	1,651,198	918,706	733,592	3,303,496
Repairs and maintenance	294,077	101,772	700	396,549
Depreciation/amortization	293,627	501,719	-	795,346
Utilities	27,641	52,440	-	80,081
Other	42,654	27,190	3,648	73,492
	2,701,579	1,971,947	749,846	5,423,372
Operating income (loss)	(209,613)	595,399	(13,639)	372,147
NON-OPERATING REVENUE (EXPENSES)				
Tap fees	21,589	19,999	-	41,588
Gain on disposal of capital assets	1,600	-	-	1,600
Interest earned	156,147	250,615	16,206	422,968
Interest on bonds and paying agent fees	(76,472)	-	-	(76,472)
Total non-operating revenue	102,864	270,614	16,206	389,684
Income (loss) before capital contributions	(106,749)	866,013	2,567	761,831
CAPITAL CONTRIBUTIONS	22,548	22,547	-	45,095
Change in net position	(84,201)	888,560	2,567	806,926
Net position at beginning of year	7,151,722	15,936,231	546,599	23,634,552
Net position at end of year	$ 7,067,521	$ 16,824,791	$ 549,166	$ 24,441,478

The notes to the financial statements are an integral part of this statement.

CHARTER TOWNSHIP OF PORT HURON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2025

	Water	Sewer	Refuse	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 2,489,824	$ 2,553,647	$ 739,533	$ 5,783,004
Payments to suppliers	(2,095,560)	(1,264,479)	(798,380)	(4,158,419)
Payments to employees	(323,620)	(279,763)	(10,376)	(613,759)
Net cash provided (used) by operating activities	70,644	1,009,405	(69,223)	1,010,826
CASH FLOWS FROM NON-CAPITAL ACTIVITIES				
Due to/from other funds	222,382	(145,775)	(77,497)	(890)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal and interest payment on bonds	(342,379)	(86,775)	-	(429,154)
Acquisition and construction of capital assets	(7,266)	(90,564)	-	(97,830)
Special assessments and tap fees	23,237	25,118	-	48,355
Proceeds from sale of capital assets	1,600	-	-	1,600
Net cash used in capital and related financing activities	(324,808)	(152,221)	-	(477,029)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	156,147	250,615	16,206	422,968
Net increase (decrease) in cash and cash equivalents	124,365	962,024	(130,514)	955,875
Cash and cash equivalents at beginning of year	3,953,673	5,526,605	476,146	9,956,424
Cash and cash equivalents at end of year	$ 4,078,038	$ 6,488,629	$ 345,632	$ 10,912,299

Continued

CHARTER TOWNSHIP OF PORT HURON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2025

	Water	Sewer	Refuse	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss) for the year	$ (209,613)	$ 595,399	$ (13,639)	$ 372,147
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities -				
Depreciation and amortization	293,627	501,719	-	795,346
Changes in assets and liabilities:				
Receivables	(3,725)	(13,700)	2,394	(15,031)
Prepaid expenses	(7,613)	(4,719)	(140)	(12,472)
Inventory	(55,270)	495	-	(54,775)
Deferred outflows of resources	5,436	4,271	-	9,707
Payables/accrued expenses	26,873	(90,504)	(58,770)	(122,401)
Unearned revenue	-	-	932	932
Deferred inflows of resources	20,929	16,444	-	37,373
Net cash provided (used) by operating activities	$ 70,644	$ 1,009,405	$ (69,223)	$ 1,010,826
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributed capital	$ 22,548	$ 22,547	$ -	$ 45,095

Concluded

CHARTER TOWNSHIP OF PORT HURON
CUSTODIAL FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2025

ASSETS	
Cash and cash equivalents	$ 1,363,103
LIABILITIES	
Due to other governments	1,363,103
NET POSITION	
Unrestricted	$ -

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2025

ADDITIONS	
Tax collections for other governments	$ 10,954,796
DEDUCTIONS	
Tax collections disbursed to other governments	10,954,796
Change in net position	-
Net position at beginning of year	-
Net position at end of year	$ -

CHARTER TOWNSHIP OF PORT HURON
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
December 31, 2025

	Downtown Development Authority	Economic Development Corporation	Totals
ASSETS			
Cash and cash equivalents	$ 1,087,082	$ 110,309	$ 1,197,391
Investments	411,047	-	411,047
Taxes receivable	7,238	-	7,238
Due from primary government	144,129	-	144,129
Capital assets (net of accumulated depreciation) -			
Assets not being depreciated	163,476	-	163,476
Assets being depreciated	4,518,442	-	4,518,442
Total assets	6,331,414	110,309	6,441,723
LIABILITIES			
Payables and current liabilities	22,401	-	22,401
Due to primary government	216,019	-	216,019
Total liabilities	238,420	-	238,420
DEFERRED INFLOWS OF RESOURCES			
Taxes levied for subsequent period	259,151	-	259,151
NET POSITION			
Net investment in capital assets	4,681,918	-	4,681,918
Unrestricted	1,151,925	110,309	1,262,234
	$ 5,833,843	$ 110,309	$ 5,944,152

CHARTER TOWNSHIP OF PORT HURON
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
For the year ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
DOWNTOWN DEVELOPMENT AUTHORITY				
Governmental activities -				
Public works	$ 367,011	$ -	$ -	$ 21,949
Community and economic development	23,337	-	-	-
	390,348	-	-	21,949
ECONOMIC DEVELOPMENT CORPORATION				
Governmental activities -				
Community and economic development	12,149	6,400	-	-
Total component units	$ 402,497	$ 6,400	$ -	$ 21,949
General revenues -				
Property taxes				
Unrestricted investment income				
Total general revenues				
Change in net position				
Net position at beginning of year				
Net position at end of year				

Net (Expense) Revenue and Change in Net Position		
Downtown Development Authority	Economic Development Corporation	Total
$ (345,062)		$ (345,062)
(23,337)		(23,337)
(368,399)		(368,399)
	$ (5,749)	(5,749)
		(374,148)
343,238	-	343,238
57,765	4,706	62,471
401,003	4,706	405,709
32,604	(1,043)	31,561
5,801,239	111,352	5,912,591
$ 5,833,843	$ 110,309	$ 5,944,152

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Charter Township of Port Huron, Michigan (the "Township"), a Municipal Corporation, was organized as a Township in 1827 and became a Charter Law Township on November 27, 1978 under Public Act 359, the Charter Township Act. The Township is one of twenty-three townships in St. Clair County and covers an area of approximately 13 square miles. The Township operates under an elected Township Board which consists of a Supervisor, Clerk, Treasurer, and four (4) Trustees and provides services to its residents in many areas including law enforcement, fire protection, water, sewer, roads, parks and natural resources, and planning and economic development.

These financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Township.

DISCRETELY PRESENTED COMPONENT UNITS

ECONOMIC DEVELOPMENT CORPORATION (EDC) - was incorporated under the provision of Act No. 338 of the Public Acts of 1974, as amended. Its purpose is to alleviate and prevent conditions of unemployment, to assist and retain local industry and commercial enterprises, to strengthen and revitalize the Township's economy, to provide means and methods for encouragement and assistance to industrial and commercial enterprises, etc. The EDC is managed by its 13-member Board of Directors, which are appointed by the Supervisor with the advice and consent of the Township Board (the "Board"). The Corporation is financed primarily through user charges, rent, and donations. Since the EDC operates in conjunction with and there is interdependency between the two entities, along with the significance of the Corporation, the EDC is reported as a component unit.

DOWNTOWN DEVELOPMENT AUTHORITY (DDA) - was created to halt property value deterioration, eliminate the cause of the deterioration, increase property tax valuation, and promote economic growth under the laws of the State of Michigan. The DDA is under the supervision of the nine-member Board appointed by the Supervisor. The DDA is required to annually prepare and submit a budget to the Board for approval. Funding for the DDA is provided by a levy on property within the district.

Additional financial information can be obtained at its administrative offices; however, separate financial statements are not prepared.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental activities, which are normally supported by taxes and intergovernmental revenues are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements, as well as the proprietary and fiduciary funds financial statements, are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year they are intended to finance (the December 2024 levy in 2025). 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township 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 claims and judgements, are recorded only when payment is due.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

State-shared revenue, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and therefore have been recognized as revenues of the current fiscal period. Property taxes, which are levied in December of each year, are budgeted and treated as revenue in the subsequent year. The DDA's taxes are levied in July and December with July recognized in the year collected and the December levy recognized as revenue in the subsequent year. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the following major governmental funds:

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

Police Fund - is a special revenue fund used to account for taxes and other related revenue restricted for providing police protection in the Township.

Fire Fund - is a special revenue fund used to account for taxes and other revenues restricted for providing fire protection in the Township.

Park Fund - is a special revenue fund used to account for revenues related to the Township parks and related costs.

The Township reports the following major proprietary funds:

Water Fund - is used to account for the purchase and distribution of water to residential and commercial users.

Sewer Fund - is used to account for sanitary sewer services provided to residential and commercial users.

Refuse Fund - is used to account for the operation and activities of garbage collection for residential customers within the Township.

Additionally, the Township reports the following fund types:

Governmental Fund Types

Special Revenue Funds - are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than for debt service or capital projects.

Permanent Fund - is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for the perpetual care of the Charter Township cemetery.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Fund Type

Custodial Funds - are used to account for assets held by the Township in a trustee capacity or as an agent for other individuals, private organizations, and governments.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's Enterprise Funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds principal on-going operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses include water purchases and sewer treatment, refuse collection, operating and administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first and then unrestricted resources as they are needed.

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

Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, savings, investment trust funds, and certificates of deposit with original maturities of three months or less from the date of acquisition. Investments are certificates of deposit with a maturity date greater than three months from the date of purchase and investment trust funds that invest primarily in U.S. treasuries, U.S. agencies, repurchase agreements, and commercial paper.

State statutes authorize the Township to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Leases

The Township is a lessor of a lease for a piece of property and related easements. The Township recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

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

Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when purchased. Inventories in the proprietary funds are valued at the lower of cost or market using the first-in, first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Property Tax Calendar

The Township's property tax is levied each December 1 on the assessed valuation of property located in the Township as of the proceeding December 31. Property taxes are recognized as revenues in the year they were intended to finance (the 2024 levy is recognized in 2025).

The Township also collects taxes for various other municipalities and school districts. The collection and remittance of these taxes are accounted for in the Tax Collection Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than $5,000 ($1,000 prior to 2020) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

As permitted by GASB Statement No. 34, the Township has elected not to report governmental infrastructure assets (principally shared roads) acquired prior to January 1, 2004.

Capital assets are depreciated using the straight-line method over the following estimated useful lives in years:

	Primary Government	Component Unit
Land improvements	20 - 30	-
Buildings and improvements	5 - 15	-
Utility systems	40 - 60	-
Machinery and equipment	5 - 20	-
Shared street improvements	-	20
Storm sewers	-	60
Street lighting	-	60
Drains	50	-

Compensated Absences

In accordance with contracts negotiated with various employee groups of the Township, employees can accumulate earned but unused vacation and casual leave under formulas and conditions specified in the contracts. A liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability and related expenses are reported in the government-wide and proprietary fund statements when earned and in the governmental fund statements when used or paid.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 statements of net position. Bond premiums and discounts, if significant, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable 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 financial uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/ expenditures) until then. The Township reports items on the government-wide and proprietary fund statements related to pensions. The pension related deferred outflows of resources are amortized over the expected remaining service lives of the participants, with the exception of the net difference between expected and actual plan investment earnings, which are amortized over five (5) years.

In addition to liabilities, the statement of net position/balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) so will not be recognized as an inflow of resources (revenues) until that time. The Township had two items which are reported on both the government-wide statement of net position (accrual basis of accounting) and the governmental fund balance sheet (modified accrual basis of accounting) for taxes levied for a subsequent period and for unearned lease revenue. These amounts are deferred and recognized as inflows of resources in the period the tax levy is for and as the lease revenues are earned. The Township also reports items on the government-wide statement of net position and on the proprietary fund statements related to the pension plan. The pension related deferred inflows of resources will be amortized over the expected remaining service lives of the participants, with the exception of the net difference between expected and actual plan investment earnings, which are amortized over five (5) years.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension

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

Other Postemployment Benefits

The Township provides a Health Care Savings Program whereby the Township contributes $150 per month. Employees may also contribute up to the maximum funded annual limitation. The Township also provides one retiree a defined benefit health plan.

Fund Balance

In the fund financial statements, governmental funds have reported fund balances in one or more of the following classifications:

Nonspendable Fund Balance - the portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted Fund Balance - the portion of the fund balance that is mandated for a specific purpose by external parties, constitutional provisions, or enabling legislation.

Committed Fund Balance - the portion of fund balance that is set aside for a specific purpose by the Township itself using the highest level of decision-making authority (Township Board) by the passage of a resolution.

Assigned Fund Balance - the portion of fund balance that reflects the Township's intended use of resources. Such intent currently must be determined by the Township Board. Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the General Fund is reported as assigned.

Unassigned Fund Balance - the portion of fund balance in the General Fund that cannot be classified into one of the four categories above.

When different classifications of fund balance are present, it is the Township's policy that expenditures are to be spent from restricted fund balance first, if appropriate, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) issued the following statements that could have an impact on the Township's financial statements when adopted. The Township is currently evaluating the implications of these pronouncements.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The statement establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. This statement is effective for the Township's fiscal year ending December 31, 2026.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. The statement establishes types of assets required to be disclosed separately within the capital asset note, as well as information disclosed for assets held for sale. This statement is effective for Township's fiscal year ending December 31, 2026.

In December 2025, GASB issued Statement No. 105, *Subsequent Events*. The objective of this statement is to improve the financial reporting requirements for subsequent events. The statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This statement describes when financial statements are considered "available" and requires that the date through which subsequent events have been evaluated be disclosed. This statement also clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. This statement is effective for the Township's fiscal year ending December 31, 2027.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Compliance

Annual budgets are adopted for the general and special revenue funds on a basis consistent with accounting principles generally accepted in the United States of America and are not significantly different from the modified accrual basis used to reflect actual results.

The Township Supervisor and the Clerk prepare and submit the proposed operating budgets for the year commencing January 1. The budgets include proposed expenditures and resources to finance them.

Prior to December 31, the proposed budget is presented to the Township Board. The Board holds a public hearing and may add to, subtract from, or change appropriations. The budget is then legally enacted through the passage of a Township Resolution. After the budget is adopted, the Township Board must approve all amendments.

The budgets are adopted at the total expenditure level for the General Fund and the Special Revenue Funds. This is the legally enacted level under the State of Michigan Uniform Budgeting and Accounting Act. However, for control purposes all budgets are maintained at the object (account) level.

The Township does not employ encumbrance accounting as an extension of formal budgetary integration. All annual appropriations lapse at year-end.

Michigan Public Act 621 of 1978, Section 18, as amended, provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated at the legally enacted level. The Michigan Department of Treasury requires the reporting of any significant overages at the legal level of budgetary control level (any overages at the legal level of budgetary control greater than 10% of total expenditures and the overage itself is larger than 10%). For the fiscal year ended December 31, 2025, the Township did not have overages that exceeded this threshold.

NOTE 3 - DEPOSITS AND INVESTMENTS

Carrying Amount

As of December 31, 2025, the carrying amount of the deposits and investments is as follows:

	Primary Government	Fiduciary Funds	Component Units	Total
Petty cash and cash on hand	$ 1,245	$ -	$ -	$ 1,245
Deposits with financial institutions -				
Checking	3,536,028	1,183,028	-	4,719,056
Savings/certificates of deposit	1,036,485	9,183	680,363	1,726,031
Total deposits	4,572,513	1,192,211	680,363	6,445,087
Investment trust funds	17,714,266	170,892	928,075	18,813,233
	$ 22,288,024	$ 1,363,103	$ 1,608,438	$ 25,259,565

Reconciliation to Combined Balance Sheet

	Primary Government	Fiduciary Funds	Component Units	Total
Reported as cash and cash equivalents -				
Cash on hand	$ 1,245	$ -	$ -	$ 1,245
Checking	3,536,028	1,183,028	-	4,719,056
Savings	221,780	9,183	269,316	500,279
Investment trust funds	17,714,266	170,892	928,075	18,813,233
	21,473,319	1,363,103	1,197,391	24,033,813
Reported as investments -				
Certificates of deposit	814,705	-	411,047	1,225,752
	$ 22,288,024	$ 1,363,103	$ 1,608,438	$ 25,259,565

Deposits

The Township's investment policy and Act 217 PA 1982, as amended, authorizes the Township to deposit in certificates of deposit, savings accounts, depository accounts, or depository receipts of a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States; but only if the bank, savings and loan association, savings bank, or credit union is eligible to be a depository of surplus funds belonging to the State of Michigan (the "State") under Section 5 or 6 of Act 105 of the Public Acts of 1855, as amended, being section 21.145 and 21.146 of the Michigan Compiled Laws.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

The Township's investment policy primary objectives, in order of priority, are safety, liquidity, diversification, and return on investment. The Township Treasurer is responsible for the investment program.

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Township's deposits may not be returned. As an indication of the level of deposit custodial credit risk assumed by the Township at December 31, 2025, the Township's deposits consist of demand deposits, savings accounts, and certificates of deposit. The bank balance of the Township's deposits was $7,437,185, of which $1,250,000 was insured by depository insurance and the remaining balance of $6,187,185 was uninsured and uncollateralized.

Investments

The Township's investment policy and Act 20 PA 1994 as amended by Act 1997 PA 1999 authorizes the Township to invest surplus funds in bonds, securities and other direct obligations or repurchase agreements consisting of these financial instruments of the United States government or an agency or instrumentality of the United States; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications by not less than two standard rating services, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of the political subdivisions that at the time of purchase are rated as investment grades by not less than one standard rating service, mutual funds registered under the Investment Company Act of 1940, with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation, investment pools through an interlocal agreement under the Urban Cooperation Act of 1967, investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, 129.111 to 129.118; investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

Credit Risk - Investments

The risk that an issuer or other counterparty to an investment will not fulfill its obligation.

The Township has $18,813,233 invested in investment trust funds that invest primarily in U.S. Treasuries, U.S. Agencies, repurchase agreements, and commercial paper. The investment trusts have been rated as follows:

	Amount	Rating	Rating Agency	Weighted Average Maturity of
MBIA Michigan CLASS	$ 18,813,233	AAAm	Standard & Poor's	≤ 60

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Michigan Cooperative Liquid Assets Security System ("Michigan CLASS") is a participant-controlled trust created in accordance with Section 5 of Act 7 of the Urban Cooperation Act of 1967 and the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150. Michigan CLASS is not subject to regulatory oversight and is not registered with the SEC, however, does issue a separate audited financial statement. Michigan CLASS operates like a money market mutual fund, with each share valued at $1.00. Fair value of the Township's position in the pool is the same as the value of the Michigan CLASS pool shares.

Michigan CLASS is recorded at amortized cost, which approximates fair value and this fund is not subject to the fair value disclosures under GASB Statement No. 72. The fund does not require notification of redemptions.

The investment trust fund has been reported in the financial statements as a cash equivalent because it has the general characteristics of demand deposit accounts in that the Township may deposit additional cash at any time and effectively may withdraw cash at any time without prior notice or penalty.

Custodial Credit Risk

Is the risk that, in the event of the failure of the counterparty, the Township may not be able to recover the value of its investments that are in the possession of another party. The Township's investment policy does not address custodial credit risk.

Concentration of Credit Risk - **Investments**

Is the risk of loss attributed to the magnitude of the Township's investment in a single issuer. The Township's investment policy does not address concentration of credit risk.

Interest Rate Risk- Investments

Interest rate risk is the risk that the value of securities in the Township portfolio will decrease as a result of a rise in interest rates. The Township attempts to minimize interest risk by maintaining liquidity to meet all operating requirements without the need to sell securities prior to maturity and investing operating funds primarily in short-term securities, money markets, mutual funds, or similar public investment pools. At December 31, 2025, $1,225,752 of the Township's certificates of deposit have a maturity of one to two years.

NOTE 4 - TAXES/ASSESSMENTS

The Township property taxes are levied each December on the assessed valuation of the property located in the Township as of the preceding December 31. On December 1, the property tax attachment is an enforceable lien on property and is payable by the last day of the following February.

NOTE 4 - TAXES/ASSESSMENTS (Continued)

Assessed values are established annually by the Township and are equalized by the State at an estimated percentage of the current market value. Real and personal property in the Township for 2025 and 2024 have a taxable value of $342,152,800 and $328,515,865, respectively.

For the 2024 Levy, (2025 Revenue), the Township levied 2.0000 mills for General Operations, .9830 mills for Road Repairs, 2.9817 mills for Fire Protection, .8601 mills for Public Bus Transportation, 3.4500 mills for Police Protection, and .4660 mills for Street Lighting. The Component Unit, Downtown Development Authority (DDA), captures the increase in taxable value of property within the DDA District.

The County of St. Clair has established a Tax Collection Revolving Fund whereby all local units of government are paid for the delinquent real property taxes each year.

NOTE 5 - RECEIVABLES

Receivables in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Taxes	$ 2,091,915	$ -
Special assessments	-	23,599
Accounts	31,452	1,979,616
Lease	440,998	-
Intergovernmental	209,174	-
	$ 2,773,539	$ 2,003,215
Amount not expected to be collected within one year	$ 438,000	$ -

NOTE 6 - LEASE RECEIVABLE

The Township has an operating lease agreement to lease a parcel of property, including certain related easements, for a ten- (10) year period with four (4) ten- (10) year options ending in 2052. They are currently in the second option period which requires annual payments of $19,939 through 2027, increasing by 15% at the end of each five- (5) year period thereafter. The lessee has the option to terminate the agreement at any time for any reason; however, management believes it is “reasonably certain” that the option periods will be exercised. The present value of the remaining agreement with an implied rate of 4.7%, including all option periods, was $440,998 for the year ended December 31, 2025. During the year, the Township received $19,939, which consisted of lease revenues of $102 and interest of $19,837.

NOTE 7 - INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Fire Fund	$ 77,564
	CARES Act Fund	264,802
	Park Fund	85,393
	Cemetery Fund	15,450
	Police Fund	20,478
	Museum Fund	22,630
	Building Inspection Fund	6,823
	Sewer Fund	59,191
	Water Fund	131,543
	Refuse Fund	42,281
CARES Act Fund	Fire Fund	45,095
	Cemetery Fund	12,044
	Sewer Fund	30,000
	Water Fund	177,663
Road Fund	General Fund	98,736
	Park Fund	2,835
Blue Water Area Transportation Fund	General Fund	28,649
Liquor Control Fund	General Fund	1,758
Park Fund	Sewer Fund	5,806
Sewer Fund	Building Inspection Fund	4,300
	Water Fund	77,508
Refuse Fund	Water Fund	210,831
		$ 1,421,380

NOTE 7 - INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS (Continued)

Due From/To Primary Government and Component Units

Receivable Fund	Payable Fund	Amount
General Fund	Downtown Development Authority	$ 97,005
Park Fund	Downtown Development Authority	2,952
Water Fund	Downtown Development Authority	102,650
Sewer Fund	Downtown Development Authority	13,412
		$ 216,019
Downtown Development Authority	Police Fund	$ 1,183
	Fire Fund	77,250
	Road Fund	36,134
	Blue Water Area Transportation Fund	29,562
		$ 144,129

The amounts due between funds and component units are to reclassify/reimburse certain expenses, record transfers between funds, etc.

Transfers From/To Other Funds

Transfers In	Transfers Out	Amount	
Primary Government			
General Fund	Park Fund	$ 15,000	(2)
Fire Fund	General Fund	406,300	(1)
Museum Fund	General Fund	8,938	(1)
		$ 430,238	

(1) Appropriation of operations
(2) Reimbursement for administration

NOTE 8 - CAPITAL ASSETS

Primary Government

Capital asset activity of the primary government of the Township for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Additions/ Adjustments	Deletions/ Adjustments	Balance December 31, 2025
Governmental activities				
Capital assets, not being depreciated -				
Land	$ 1,620,562	$ -	$ 367,009	$ 1,253,553
Works of art	16,000	-	-	16,000
Construction in progress	71,265	-	71,265	-
Total capital assets, not being depreciated	1,707,827	-	438,274	1,269,553
Capital assets, being depreciated -				
Land improvements	3,703,277	603,886	-	4,307,163
Shared road system	3,735,904	151,860	-	3,887,764
Buildings and improvements	1,500,411	27,423	-	1,527,834
Machinery and equipment	2,866,937	39,900	46,312	2,860,525
Total capital assets, being depreciated	11,806,529	823,069	46,312	12,583,286
Less accumulated depreciation for -				
Land improvements	2,030,734	134,888	-	2,165,622
Shared road system	1,999,571	193,578	-	2,193,149
Buildings and improvements	1,238,305	28,091	-	1,266,396
Machinery and equipment	1,543,661	147,581	1,217	1,690,025
Total accumulated depreciation	6,812,271	504,138	1,217	7,315,192
Total capital assets being depreciated, net	4,994,258	318,931	45,095	5,268,094
Governmental activities capital assets, net	$ 6,702,085	$ 318,931	$ 483,369	$ 6,537,647

NOTE 8 - CAPITAL ASSETS (Continued)

	Balance January 1, 2025	Additions/ Adjustments	Deletions/ Adjustments	Balance December 31, 2025
Business-type activities				
Capital assets, not being depreciated -				
Land	$ 71,082	$ -	$ -	$ 71,082
Construction in progress	23,643	53,234	-	76,877
Total capital assets, not being depreciated/ amortized	94,725	53,234	-	147,959
Capital assets, being depreciated/amortized -				
Land improvements	242,966	-	-	242,966
Sewer treatment plant	2,814,695	-	-	2,814,695
Mains and extensions	34,654,706	-	-	34,654,706
Equipment	1,496,005	89,691	10,205	1,575,491
Total capital assets, being depreciated/amortized	39,208,372	89,691	10,205	39,287,858
Less accumulated depreciation/ amortization for -				
Land improvements	177,984	11,599	-	189,583
Sewer treatment plant	212,797	86,775	-	299,572
Mains and extensions	18,138,855	628,289	-	18,767,144
Equipment	1,108,436	68,683	10,205	1,166,914
Total accumulated depreciation/amortization	19,638,072	795,346	10,205	20,423,213
Total capital assets being depreciated/amortized, net	19,570,300	(705,655)	-	18,864,645
Business-type activities capital assets, net	$ 19,665,025	$ (652,421)	$ -	$ 19,012,604

NOTE 8 - CAPITAL ASSETS (Continued)

Discretely Presented Component Unit

Downtown Development Authority activity for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Additions/ Adjustments	Deletions/ Adjustments	Balance December 31, 2025
Capital assets, not being depreciated -				
Construction in progress	$ -	$ 163,476	$ -	$ 163,476
Capital assets, being depreciated -				
Shared street improvements	$ 1,573,838	$ -	$ -	$ 1,573,838
Storm sewer	6,713,770	-	-	6,713,770
Equipment	4,360	-	-	4,360
Street lighting	1,560,092	-	-	1,560,092
Total capital assets being depreciated	9,852,060	-	-	9,852,060
Less: accumulated depreciation for -				
Shared street improvements	1,272,155	78,693	-	1,350,848
Storm sewer	2,800,355	112,314	-	2,912,669
Equipment	4,360	-	-	4,360
Street lighting	1,003,338	62,403	-	1,065,741
Total accumulated depreciation	5,080,208	253,410	-	5,333,618
Total capital assets being depreciated, net	4,771,852	(253,410)	-	4,518,442
Downtown Development Authority capital assets, net	$ 4,771,852	$ (89,934)	$ -	$ 4,681,918

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

Governmental activities -	
General government	$ 23,694
Public safety	125,588
Public works	227,634
Recreation and culture	127,222
Total depreciation/amortization expense - governmental activities	$ 504,138

NOTE 8 - CAPITAL ASSETS (Continued)

Business-type activities -	
Water	$ 293,627
Sewer	501,719
Total depreciation/amortization expense - business-type activities	$ 795,346
Component unit -	
Downtown Development Authority	$ 253,410

NOTE 9 - PAYABLES

Payables and accrued liabilities in the governmental and business-type activities as of December 31, 2025 are as follows:

	Governmental Activities	Business-type Activities
Accounts payable	$ 206,081	$ 24,820
Accrued liabilities	68,255	18,021
Intergovernmental	81,263	646,373
	$ 355,599	$ 689,214

NOTE 10 - LONG-TERM DEBT

Primary Government

The following is a summary of changes in the long-term liabilities (including current portions) of the Township for the year ended December 31, 2025:

	Balance January 1, 2025	Additions	Reductions	Balance December 31, 2025	Due Within One Year
Governmental activities					
Drain district	$ 117,018	$ -	$ -	$ 117,018	$ 29,253
Other liabilities - accrued vacation and sick leave	51,599	22,755	-	74,354	-
Total governmental activities	168,617	22,755	-	191,372	29,253
Business-type activities					
General obligation limited tax bonds -					
2015 refunding water system	135,000	-	65,000	70,000	70,000
2020 capital improvement	3,821,080	-	200,000	3,621,080	200,000
Other liabilities -					
Contracts payable	2,602,868	-	86,775	2,516,093	90,780
Accrued vacation and sick leave	7,350	-	-	7,350	-
Total business-type activities	6,566,298	-	351,775	6,214,523	360,780
Total primary government	$ 6,734,915	$ 22,755	$ 351,775	$ 6,405,895	$ 390,033

Significant details regarding outstanding long-term liabilities (including current portions) are presented as follows:

Governmental Activities

Drain District

The St. Clair County Drain Commission has made improvements to the following drain and levied a multi-year assessment against the Township as follows:

Bunce Creek and Huffman (20-year assessment through 2029) with interest of 5.36%.	$ 117,018

The debt retirement for the drains is recorded as part of the General Fund - Public Works - Drains.

NOTE 10 - LONG-TERM DEBT (Continued)

Business-type Activities

Bonds Payable

Water Supply System

The Charter Township of Port Huron has two General Obligation Bond issues outstanding at December 31, 2025 from which the proceeds were used for water system improvements and expansion.

The 2015 General Obligation Limited Tax Refunding Bonds, dated September 29, 2015, were issued in the amount of $1,445,000 to refund the 2002 General Obligation Limited Tax Bonds and the 2003 General Obligation Limited Tax Bond and to partially advance refund the 2006 General Obligation Limited Tax Bonds. The Bonds are due in an annual installment of $70,000 on May 1, 2026, with interest of 2.22%, payable semi-annually.	$ 70,000
2020 Capital Improvement Bonds have been sold through the State of Michigan Drinking Water Revolving Fund to acquire and construct capital improvements to the Township's water supply system, including replacement of watermains and valves. The bonds were dated August 28, 2020 with bond proceeds authorized up to the amount of $4,640,000. A principal and interest payment schedule will be finalized upon completion of the project for the loan. The preliminary schedule requires principle payments on April 1 of each year ranging from $200,000 to $280,000, with interest of 2.00% per annum, payable semi-annually. At December 31, 2025, the amount drawn was $4,206,080.	$ 3,621,080

Contracts Payable

The sewer treatment agreement with the City of Port Huron (the "City") authorizes the City to issue debt to pay for capital improvements and renovations at the treatment plant and include the debt costs as part of the annual treatment costs. Should the Township terminate the contract, the Township would be responsible for their share (13.35%) of any outstanding debt. As of December 31, 2025, the City had four bond issues outstanding totaling $18,839,886, of which the Charter Township of Port Huron's share amounts to $2,516,093. The Township's portion of the bonds is due in installments ranging from $58,740 to $134,168, including interest ranging from 2.50% to 4.00%, which is recorded as sewer charges.	$ 2,516,093

NOTE 10 - LONG-TERM DEBT (Continued)

Annual Debt Requirements

The annual requirements to pay the debt outstanding (excluding the capital improvement bonds as the payment schedule is not finalized) at December 31, 2025 are as follows:

	Drainage District		General Obligation Bond		Contracts Payable	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 29,253	$ 6,272	$ 70,000	$ 777	$ 90,780	$ 90,733
2027	29,253	4,704	-	-	94,785	86,935
2028	29,253	3,136	-	-	97,455	82,963
2029	29,259	1,568	-	-	102,795	78,878
2030	-	-	-	-	106,800	74,576
2030-2035	-	-	-	-	588,353	306,021
2036-2040	-	-	-	-	561,368	198,104
2041-2045	-	-	-	-	566,040	109,642
2046-2049	-	-	-	-	307,717	26,849
	$ 117,018	$ 15,680	$ 70,000	$ 777	$ 2,516,093	$ 1,054,701

Accrued Vacation and Casual Pay

In accordance with contracts negotiated with the various employee groups of the Township, employees can accumulate earned but unused vacation and casual leave under formulas and conditions specified in the contracts. The governmental fund portion of $74,354 has been recorded in the government-wide financial statements as a long-term liability. The enterprise fund's portion of $7,350 has been recorded as a long-term liability on the government-wide and fund level financial statements.

NOTE 11 - SEWAGE DISPOSAL SYSTEM AGREEMENT

The Charter Township of Port Huron does not operate or own a Sanitary Sewer Disposal Plant; instead, the Township/County has entered into an agreement with the City of Port Huron to accept and dispose of the Township's sanitary sewage. The agreement provides, among other things, that the City shall reserve a capacity of 8.02 million gallons per day (MGD) in the sewage treatment plant, for which the Township has made a lump sum payment. Further, the Township shall reimburse the City for its respective share of the annual operating costs, including capital purchases and debt retirement.

In connection, the City of Port Huron has issued bonds to make improvements and renovations to the plant. As noted above, the cost to repay these bonds is included in the annual treatment cost from the City. The Township's share of these bond issues amounts to $2,516,093 at December 31, 2025, which has been recorded as part of capital assets and contracts payable. The annual debt payments are billed by the City as part of the quarterly sewer billing to the Township.

NOTE 12 - WATER SUPPLY SYSTEM AGREEMENT

The Charter Township of Port Huron does not own a water filtration plant; instead, the Township has entered into an agreement with the City to provide the Township's water supply. Under an agreement dated December 31, 1987, the Township agreed to purchase its present and future water requirements from the City. The agreement is for an indefinite period of time but at least for a period of thirty years from April 1, 1991, at such rates as the City may establish and is reasonable, plus a meter service charge.

NOTE 13 - PENSION PLAN

Defined Benefit Plan

Plan Description

The Charter Township of Port Huron participates in the Municipal Employees' Retirement System (MERS), an agent multiple-employer, state-wide public employee defined benefit pension plan (the "Plan") created under Public Act 135 of 1945 and now operates under Public Act 220 of 1996. MERS was established to provide retirement, survivor, and disability benefits on a voluntary basis to the State of Michigan's local government employees. Act No. 427 of the Public Acts of 1974, as amended, establishes and amends the benefits provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information at www.mersofmich.com or by writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to the pension and pension expense have been determined on the same basis as they are reported by the pension plan (the "Plan"). The Plan uses the economic resources measurement focus and the accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded when due pursuant to legal, statutory, and contractual requirements. Benefit payments and refunds of employee contributions are recognized as expenses when due and payable in accordance with benefit terms.

The membership at December 31, 2025 was comprised of 21 active participants, 16 retirees and beneficiaries, 7 other vested inactive participants, and 3 pending refunds.

Benefits Provided

Retirement benefits are 2.00% of final average compensation (five-year average salary) multiplied by the employee's years of service. Employees are vested after 10 years of service. Normal retirement age is 60. Early retirement with a reduced benefit is at 50 years with 25 years of service or at 55 with 15 years of service. An unreduced benefit at age 55 with 25 years of service is available to all employee divisions. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability benefits are determined in the same manner as retirement benefits but are payable immediately. An employee may withdraw his or her contributions, plus accumulated interest.

NOTE 13 - PENSION PLAN (Continued)

Benefit terms, within the parameters established by MERS, are established and amended by authority of the Township Board.

Contributions

All participants are required to provide an employee contribution of 6.00% of compensation. The Township pays the actuarially determined amount, which for the year ended December 31, 2025 was 14.80% of covered payroll. For 2025, employer contributions were $192,003 and employee contributions were $82,831.

Net Pension Liability

The net pension liability of the Township has been measured as of December 31, 2025, which used updated procedures to roll forward the estimated liability of an actuarial valuation at December 31, 2024, and is composed of the following:

	Total Pension Liability	Plan's Net Position	Net Pension Liability
Beginning balance	$ 5,063,589	$ 3,728,895	$ 1,334,694
Service cost	141,929	-	141,929
Interest on total pension liability	359,069	-	359,069
Net investment income	-	578,380	(578,380)
Difference between expected and actual experience	130,303	-	130,303
Changes in assumptions	(9,215)	-	(9,215)
Contributions from employer	-	192,003	(192,003)
Contributions from employees	-	82,831	(82,831)
Benefit payments	(267,169)	(267,169)	-
Administrative costs	-	(7,594)	7,594
Other	(63,101)	-	(63,101)
Ending balance	$ 5,355,405	$ 4,307,346	$ 1,048,059
Plan fiduciary net position as a percentage of the total pension liability			80.43%

NOTE 13 - PENSION PLAN (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2025, the Township recognized pension expense of $93,682 in the government-wide and proprietary fund financial statements of the primary government. At December 31, 2025, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary government		
Net difference between projected and actual earnings on Plan investments	$ -	$ 162,466
Difference between expected and actual experience	97,727	33,021
Changes in assumptions	19,299	6,912
	$ 117,026	$ 202,399

The amounts of deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

2026	$ 43,063
2027	(81,045)
2028	(47,391)
	$ (85,373)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2024, which used updated procedures to roll forward the estimated liability to December 31, 2025. The valuation used the following actuarial assumptions based on the most recent study of Plan experience covering the period from January 1, 2019 through December 31, 2023.

Salary Increases - 3.00%, including inflation

Inflation - 2.50%

Investment Rate of Return - 6.93%, net of investment expenses

NOTE 13 - PENSION PLAN (Continued)

Mortality Rates - Pub-2010 Mortality Table fully generational mortality improvements projected with scale MP-2021.

Discount Rate - The discount rate used to measure the total pension liability was 7.18 percent for 2025 and 7.25 percent for 2024. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows - Based on the assumptions above, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of December 31, 2024 for each major asset class included in the Plan's target asset allocation, as disclosed in the investment footnote of the Plan, are summarized in the following table.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	2.70 %
Global fixed income	20.00	0.43
Private investments	20.00	1.30

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

The following presents the net pension liability of the Township, calculated using the discount rate of 7.18 percent, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability of the primary government	$ 1,695,509	$ 1,048,059	$ 508,965

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description

In addition to the pension benefits described in Note 13, the Township provides postemployment services through a single-employer defined benefit other postemployment benefit plan (the "OPEB Plan") to one former employee at December 31, 2025. Benefits provided by the OPEB Plan consist of only healthcare. All other employees are provided a Health Care Savings Program whereby the Township contributes $175 per month per employee to the program. Employees may also contribute up to the maximum federal annual limitation.

Management of the OPEB Plan is provided by the Township Board, which consists of 7 members. The OPEB Plan does not issue a publicly-available financial report as it is audited within the financial report of the Township.

Summary of Significant Accounting Policies

For purposes of measuring OPEB liability, deferred outflows of resources, deferred inflows of resources related to OPEB, and OPEB expense have been determined as the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Contributions

During the year ended December 31, 2025, annually determined contributions were $9,108 and actual contributions of $8,707 were made. There are no required member contributions.

The contributions of OPEB Plan members and the Township are established and may be amended by the Township Board. Most administrative costs consist of processing retiree health insurance payments of the OPEB Plan and are paid with Township resources.

Methods and Assumptions

Valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the OPEB Plan as understood by the employer and the OPEB Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in the OPEB liability and the value of assets (none at December 31, 2025), consistent with the long-term perspective of the calculations.

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

The following assumptions were made:

Retirement Age of Active Employees - There are no active employees in the OPEB Plan. The member of the OPEB Plan is retired.

Marital Status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The most recent data are the life tables for males and females, 2022 version (Tables 2 and 3 from the National Vital Statistics Report, Vol. 74, No. 2 dated April 8, 2025).

Healthcare Cost Trend Rate - The expected rate of increase in healthcare insurance premiums was based on standards set by Michigan Public Act 202. Fiscal 2024 Medicare rates were used for the valuation ending December 31, 2025. Medicare rates were estimated at 5.25 percent for 2026, decreasing by 0.25 percent every year to an ultimate trend rate of 4.50 percent.

Health Insurance Premiums - 2024 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Discount Rate - A discount rate of 3.65% was used. The discount rate was based on the S&P Municipal Bond 20-Year High Grade Index.

OPEB Liability of the Township

The roll forward liability of the Township has been measured as of December 31, 2025 based on a roll forward of the 2024 valuation using an alternative measurement method as of that date and is composed of the following:

Beginning balance	$	78,372
Interest on OPEB liability		1,408
Difference between expected and actual experience		(2,258)
Benefit payments		(8,707)
Ending balance	$	68,815

As of December 31, 2025, the Township did not have any assets set aside to offset the OPEB liability.

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense

For the year ended December 31, 2025, the Township recognized OPEB credit of $850 for the OPEB Plan in government-wide financial statements of the primary government.

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the Township, calculated using the discount rate of 3.65% as well as what the OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.65%) or one-percentage-point higher (4.65%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
OPEB liability	$ 71,933	$ 68,815	$ 65,891

Sensitivity of the OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the OPEB liability of the Township, calculated using the healthcare cost trend rate of 5.25%, decreasing by 0.25% to an ultimate trend rate of 4.50% for Medicare rates, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is one-percentage-point lower (4.25%) or one-percentage-point higher (6.25%) than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
OPEB liability	$ 65,895	$ 68,815	$ 71,868

NOTE 15 - RESTRICTED ASSETS

The restricted assets of $35,753 in the Cemetery Perpetual Care Fund are for perpetual care. The restricted assets of $1,228,301 in the Sewer Fund are for capital improvements/ debt retirement.

NOTE 16 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, injuries to employees, medical benefits provided to employees, etc. The Township has purchased insurance coverage for each of these types of losses; however, the Township would be responsible should the limit of coverages be exceeded.

NOTE 17 - FUND BALANCE/RESTRICTED NET POSITION

Restricted Fund Balance/Net Position

The fund balances and net position have been restricted for the following purposes at December 31, 2025:

Governmental funds/activities	
Public safety -	
Fire fund	$ 20,346
Building inspection fund	90,252
Police fund	340,409
Liquor fund	42,242
	493,249
Public works -	
Road fund	709,203
Transportation fund	28,936
Cemetery perpetual care fund	6,542
	744,681
Total restricted fund balance - governmental funds	1,237,930
Public Safety - prepaid expenditure	44,013
Public Safety - net pension liability	(77,556)
Perpetual care - nonspendable	29,211
Total restricted net position - governmental activities	1,233,598
Business-type activities	
Sewer fund - capital improvement/debt retirement	1,228,301
Total restricted net position	$ 2,461,899

Committed Fund Balance

At December 31, 2025, the Township Board has committed the following balances:

Cemetery fund	$ 21,246
Museum fund	19,398
Park fund	1,950,159
	$ 1,990,803

Assigned Fund Balance

At December 31, 2025, the Township Board has assigned $398,180 in the General Fund for 2026 operations.

NOTE 18 - RESTATEMENT OF BEGINNING BALANCE / RECLASSIFICATION

The Park Fund (special revenue fund) was previously reported as a nonmajor fund but is now reported as a major fund for 2025. The effects of the change are as follows:

	Dec. 31, 2024, as Previously Reported	Change in Major Fund Presentation	Dec. 31, 2024, as Restated
Governmental funds:			
Major fund - Park Fund	$ -	$ 1,921,414	$ 1,921,414
Nonmajor funds	2,865,082	(1,921,414)	943,668

The CARES Act Fund (special revenue fund) was previously reported as a major fund but is now reported as a nonmajor fund at December 31, 2025. This change had no effect on the December 31, 2024 financial statements previously reported because there was no fund balance to report.

The General Fund and the Park Fund were restated to reclassify the present value of a lease receivable from the General Fund to the Park Fund as of December 31, 2024.

Receivables	$ 441,197
Deferred inflows of resources	441,197

As of December 31, 2025, the cost to repay the City of Port Huron for bonds issued for sewer treatment plant improvements and renovations was classified in the Sewer Fund from sewer capacity rights to capital assets. There was no effect on net position since a contracts payable was also recorded.

NOTE 19 – COMMITMENT AND SUBSEQUENT EVENT

On November 20, 2025, the Township signed contracts with Utility Service Co., Inc., in the amount of $650,450 for maintenance costs related to the Township's water storage tanks over six years beginning in 2026. The Township will pay $122,655 annually for the first five years and $37,175 in the sixth year.

On January 13, 2026, the Township approved a contract with St. Clair County Road Commission in the amount of an estimated $700,000 for reconstruction of Atkins Road.

REQUIRED SUPPLEMENTARY INFORMATION

CHARTER TOWNSHIP OF PORT HURON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Taxes	$ 891,500	$ 891,500	$ 911,251	$ 19,751
Licenses and permits	170,125	170,125	134,001	(36,124)
Intergovernmental	1,663,500	1,663,500	1,790,516	127,016
Charges for services	30,500	30,500	35,302	4,802
Fines and forfeits	10,000	10,000	119,689	109,689
Interest and rent	203,800	203,800	240,538	36,738
Other revenues	12,000	12,000	25,936	13,936
Total revenues	2,981,425	2,981,425	3,257,233	275,808
EXPENDITURES				
General government -				
Legislative	505,050	505,050	366,738	138,312
Supervisor	106,425	106,425	101,794	4,631
Elections	32,575	32,575	22,095	10,480
Assessor	122,690	122,690	91,356	31,334
Clerk	157,045	157,045	152,820	4,225
Board of review	3,075	3,075	1,399	1,676
Treasurer	255,330	255,330	279,867	(24,537)
Township hall	55,150	55,150	107,452	(52,302)
	1,237,340	1,237,340	1,123,521	113,819
Public works -				
Department of public works	184,700	184,700	193,059	(8,359)
Street lights	150,000	150,000	148,307	1,693
Drains	153,000	153,000	26,155	126,845
Roads	20,000	20,000	25,871	(5,871)
	507,700	507,700	393,392	114,308
Community and economic development -				
Planning commission	72,925	72,925	60,203	12,722
Home demolition	16,950	16,950	-	16,950
	89,875	89,875	60,203	29,672

Continued

CHARTER TOWNSHIP OF PORT HURON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
EXPENDITURES (Continued)				
Recreation and cultural -				
Parks and recreation	$ 50,900	$ 50,900	$ 64,792	$ (13,892)
Park facilities	631,800	631,800	586,493	45,307
	682,700	682,700	651,285	31,415
Total expenditures	2,517,615	2,517,615	2,228,401	289,214
Revenues over expenditures	463,810	463,810	1,028,832	565,022
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	5,000	5,000	372,210	367,210
Transfers in	15,000	15,000	15,000	-
Transfers out	(452,200)	(452,200)	(415,238)	36,962
Total other financing sources (uses)	(432,200)	(432,200)	(28,028)	404,172
Net change in fund balance	31,610	31,610	1,000,804	969,194
Fund balance at beginning of year	5,813,503	5,813,503	5,813,503	-
Fund balance at end of year	$ 5,845,113	$ 5,845,113	$ 6,814,307	$ 969,194

Concluded

CHARTER TOWNSHIP OF PORT HURON
POLICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Taxes	$ 1,000,000	$ 1,000,000	$ 1,030,092	$ 30,092
Interest	-	-	28,008	28,008
Total revenues	1,000,000	1,000,000	1,058,100	58,100
EXPENDITURES				
Public safety	980,270	980,270	975,358	4,912
Net change in fund balance	19,730	19,730	82,742	63,012
Fund balance at beginning of year	257,667	257,667	257,667	-
Fund balance at end of year	$ 277,397	$ 277,397	$ 340,409	$ 63,012

CHARTER TOWNSHIP OF PORT HURON
FIRE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Taxes	$ 900,000	$ 900,000	$ 913,362	$ 13,362
Intergovernmental	10,000	10,000	-	(10,000)
Charges for services	19,200	19,200	22,183	2,983
Interest	-	-	13,040	13,040
Other	5,000	5,000	3,185	(1,815)
Total revenues	934,200	934,200	951,770	17,570
EXPENDITURES				
Public safety	1,380,500	1,380,500	1,361,926	18,574
Revenues under expenditures	(446,300)	(446,300)	(410,156)	36,144
OTHER FINANCING SOURCES				
Sale of capital assets	40,000	40,000	-	(40,000)
Transfers in	406,300	406,300	406,300	-
Total other financing sources	446,300	446,300	406,300	(40,000)
Net change in fund balance	-	-	(3,856)	(3,856)
Fund balance at beginning of year	64,119	64,119	64,119	-
Fund balance at end of year	$ 64,119	$ 64,119	$ 60,263	$ (3,856)

CHARTER TOWNSHIP OF PORT HURON
PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Interest and rent -				
Interest earned	$ 110,025	$ 110,025	$ 85,726	$ (24,299)
Rentals	40,400	40,400	53,411	13,011
Other	1,000	1,000	500	(500)
Total revenues	151,425	151,425	139,637	(11,788)
EXPENDITURES				
Recreation and cultural	308,550	308,550	95,892	212,658
Revenues over (under) expenditures	(157,125)	(157,125)	43,745	200,870
OTHER FINANCING USES				
Transfer out	(15,000)	(15,000)	(15,000)	-
Net change in fund balance	(172,125)	(172,125)	28,745	200,870
Fund balance at beginning of year	1,921,414	1,921,414	1,921,414	-
Fund balance at end of year	$ 1,749,289	$ 1,749,289	$ 1,950,159	$ 200,870

CHARTER TOWNSHIP OF PORT HURON
EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Plan fiscal years

	For the Year Ended December 31,			
	2025	2024	2023	2022
TOTAL PENSION LIABILITY				
Service cost	$ 141,929	$ 121,995	$ 92,666	$ 68,985
Interest	359,069	349,234	343,172	314,973
Change in benefits	-	-	-	(19,170)
Differences between expected and experience	130,303	(66,039)	(10,142)	89,585
Differences between expected and actual assumptions	(9,215)	38,597	-	180,100
Benefit payments, including refunds	(267,169)	(267,169)	(264,607)	(235,794)
Other changes	(63,101)	(49,605)	(43,893)	(7,157)
Change in total pension liability	291,816	127,013	117,196	391,522
Total pension liability, beginning of year	5,063,589	4,936,576	4,819,380	4,427,858
Total pension liability, end of year	$ 5,355,405	$ 5,063,589	$ 4,936,576	$ 4,819,380
PLAN FIDUCIARY NET POSITION				
Contributions - employer	$ 192,003	$ 224,189	$ 180,584	$ 141,066
Contributions - member	82,831	78,480	63,411	52,393
Net investment income	578,380	258,162	346,996	(365,755)
Benefit payments, including refunds	(267,169)	(267,169)	(264,607)	(235,794)
Administrative expenses	(7,594)	(7,725)	(7,345)	(6,521)
Net change in plan fiduciary net position	578,451	285,937	319,039	(414,611)
Plan fiduciary net position, beginning of year	3,728,895	3,442,958	3,123,919	3,538,530
Plan fiduciary net position, end of year	$ 4,307,346	$ 3,728,895	$ 3,442,958	$ 3,123,919
TOWNSHIP'S NET PENSION LIABILITY - ending	$ 1,048,059	$ 1,334,694	$ 1,493,618	$ 1,695,461
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	80.43%	73.64%	69.74%	64.82%
COVERED EMPLOYEE PAYROLL	$ 1,297,509	$ 1,142,159	$ 857,643	$ 761,098
TOWNSHIP'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	80.77%	116.86%	174.15%	222.77%

2021	2020	2019	2018	2017	2016
$ 82,733	$ 73,109	$ 95,586	$ 88,260	$ 88,928	$ 79,379
314,592	307,287	311,659	299,912	287,253	261,351
-	-	-	-	-	-
(106,198)	(225,787)	(25,722)	(40,843)	(14,015)	(26,292)
147,455	127,501	-	-	-	202,260
(210,978)	(205,239)	(178,478)	(194,081)	(194,081)	(164,684)
(3,242)	16,709	(30,318)	(17,866)	(9,521)	(18,316)
224,362	93,580	172,727	135,382	158,564	333,698
4,203,496	4,109,916	3,937,189	3,801,807	3,643,243	3,309,545
$ 4,427,858	$ 4,203,496	$ 4,109,916	$ 3,937,189	$ 3,801,807	$ 3,643,243
$ 145,267	$ 133,240	$ 115,821	$ 138,010	$ 126,144	$ 123,330
54,008	26,826	24,216	29,751	20,821	21,129
440,681	357,921	340,802	(104,095)	313,953	247,026
(210,978)	(205,239)	(178,478)	(194,081)	(194,081)	(164,684)
(5,056)	(5,642)	(5,876)	(5,134)	(4,970)	(4,873)
423,922	307,106	296,485	(135,549)	261,867	221,928
3,114,608	2,807,502	2,511,017	2,646,566	2,384,699	2,162,771
$ 3,538,530	$ 3,114,608	$ 2,807,502	$ 2,511,017	$ 2,646,566	$ 2,384,699
$ 889,328	$ 1,088,888	$ 1,302,414	$ 1,426,172	$ 1,155,241	$ 1,258,544
79.92%	74.10%	68.31%	63.78%	69.61%	65.46%
$ 862,760	$ 755,266	$ 1,000,334	$ 942,079	$ 942,076	$ 956,160
103.08%	144.17%	130.20%	151.39%	122.63%	131.62%

CHARTER TOWNSHIP OF PORT HURON
EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
Fiscal years

	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Surplus)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	$ 192,003	$ 192,003	$ -	$ 1,297,509	14.80%
2024	224,189	224,189	-	1,142,159	19.63%
2023	180,584	180,584	-	857,643	21.06%
2022	141,066	141,066	-	761,098	18.53%
2021	145,267	145,267	-	862,760	16.84%
2020	133,240	133,240	-	755,266	17.64%
2019	115,821	115,821	-	1,000,334	11.58%
2018	138,010	138,010	-	942,079	14.65%
2017	126,144	126,144	-	942,076	13.39%
2016	123,330	123,330	-	956,160	12.90%

VALUATION DATE December 31, two years prior to the end of the fiscal year

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll, open
Remaining amortization period	14 years
Asset valuation method	5-year smoothed market value
Salary increases	3.00%
Investment rate of return	6.93% in 2025, 7.00% in 2022-2024, 7.35% in 2021, 7.60% in 2020, 7.75% in 2017-2019 and 8.00% in 2016
Retirement age	Replacement Index up to age 70, then 100%
Mortality	50% male/50% female blend of the RP-2014 Health Annuitant Mortality Tables, with rates multiplied by 105%, the RP-2014 Employee Mortality Tables and the RP-2014 Juvenile Mortality Tables. For disabled members, the RP-Disabled Retire Mortality Tables using a 50% male/50% female blend.

CHARTER TOWNSHIP OF PORT HURON
RETIREE HEALTH BENEFITS
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
Fiscal years

	2025	2024	2023	2022
TOTAL OPEB LIABILITY				
Interest	$ 1,408	$ 1,072	$ 1,906	$ 1,556
Differences between expected and actual experience	(2,258)	14,483	(74,401)	10,190
Benefit payments, including refunds	(8,707)	(8,035)	(9,566)	(13,040)
Change in total OPEB liability	(9,557)	7,520	(82,061)	(1,294)
Total OPEB liability, beginning of year	78,372	70,852	152,913	154,207
Total OPEB liability, end of year	$ 68,815	$ 78,372	$ 70,852	$ 152,913
COVERED EMPLOYEE PAYROLL	$ -	$ -	$ -	$ -
TOWNSHIP'S NET OPEB LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	0.00%	0.00%	0.00%	0.00%

GASB Statement No. 75 was implemented for fiscal year ended December 31, 2018. These schedules are being built prospectively.

2021	2020	2019	2018
$ 3,278	$ 6,751	$ 7,392	$ 7,015
(13,209)	(31,114)	12,193	-
(11,383)	(14,366)	(16,827)	(15,888)
(21,314)	(38,729)	2,758	(8,873)
175,521	214,250	211,492	220,365
$ 154,207	$ 175,521	$ 214,250	$ 211,492
$ -	$ -	$ -	$ -
0.00%	0.00%	0.00%	0.00%

CHARTER TOWNSHIP OF PORT HURON
RETIREE HEALTH BENEFITS
SCHEDULE OF CONTRIBUTIONS
Fiscal years

	Annual Determined Contribution	Contributions in Relation to the Annual Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	$ 9,108	$ 8,707	$ 401	$ -	0.00%
2024	9,495	8,035	1,460	-	0.00%
2023	8,537	9,566	(1,029)	-	0.00%
2022	14,602	13,040	1,562	-	0.00%
2021	13,768	11,383	2,385	-	0.00%
2020	15,396	14,366	1,030	-	0.00%
2019	18,202	16,827	1,375	-	0.00%
2018	17,756	15,888	1,868	-	0.00%

VALUATION DATE December 31, 2024

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Simplified actuarial cost method	Entry-age normal
Amortization method	Level dollar
Remaining amortization period	8 years, closed
Investment rate of return	3.65% for 2025 and 2024 and 3.54% for 2023
Mortality	National Center for Health Statistics 2022 version (Tables 2 and 3 from the National Vital Statistics Report, Vol. 74, No. 2 dated April 8, 2025)
Health care trend rates	The expected rate of increase in healthcare insurance premium was based on standards set by Michigan Public Act 202. Medicare rates were estimated at 5.25% for 2026, decreasing by 0.25% every year to an ultimate trend rate of 4.50%.
Health insurance premium	2025 Health insurance premiums for retirees from even years costs were used as the basis for calculation of the present value of total benefits to be paid.
Discount rate	A discount rate of 3.65% was used for 2025 and 2024. The discount rate was based on the S&P Municipal Bond 20-Year

GASB Statement No. 75 was implemented for fiscal year ended December 31, 2018. These schedules are being built prospectively.

SUPPLEMENTARY INFORMATION

CHARTER TOWNSHIP OF PORT HURON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue Funds		
	Road	Ambulance	Cemetery
ASSETS			
Cash and cash equivalents	$ 902,266	$ -	$ 49,700
Property tax receivable	174,738	157,373	-
Due from other funds	101,571	-	-
Prepaid expenditures	-	-	-
	1,178,575	157,373	49,700
RESTRICTED ASSETS			
Cash and cash equivalents	-	-	-
Total assets	$ 1,178,575	$ 157,373	$ 49,700
LIABILITIES			
Accounts payable	$ 124,568	$ -	$ 322
Accrued liabilities	-	-	638
Deposits payable	-	-	-
Due to other funds	-	-	27,494
Due to component units	36,134	-	-
Total liabilities	160,702	-	28,454
DEFERRED INFLOWS OF RESOURCES			
Taxes levied for subsequent period	308,670	157,373	-
FUND BALANCE			
Nonspendable for -			
Prepaid expenditures	-	-	-
Perpetual care	-	-	-
Restricted for -			
Public safety	-	-	-
Public works	709,203	-	-
Committed for -			
Public works	-	-	21,246
Recreation and cultural	-	-	-
Total fund balance	709,203	-	21,246
Total liabilities, deferred inflows of resources, and fund balance	$ 1,178,575	$ 157,373	$ 49,700

Liquor Control	Museum	Building Inspection	(Formerly a Major Fund) CARES Act	Blue Water Area Transportation	Permanent Fund Cemetery Perpetual Care	Total
$ 40,484	$ 42,296	$ 162,350	$ -	$ 147,030	$ -	$ 1,344,126
-	-	-	-	152,805	-	484,916
1,758	-	-	264,802	28,649	-	396,780
-	-	4,096	-	-	-	4,096
42,242	42,296	166,446	264,802	328,484	-	2,229,918
-	-	-	-	-	35,753	35,753
$ 42,242	$ 42,296	$ 166,446	$ 264,802	$ 328,484	$ 35,753	$ 2,265,671
$ -	$ 268	$ 575	$ -	$ -	$ -	$ 125,733
-	-	3,478	-	-	-	4,116
-	-	56,922	-	-	-	56,922
-	22,630	11,123	264,802	-	-	326,049
-	-	-	-	29,562	-	65,696
-	22,898	72,098	264,802	29,562	-	578,516
-	-	-	-	269,986	-	736,029
-	-	4,096	-	-	-	4,096
-	-	-	-	-	29,211	29,211
42,242	-	90,252	-	-	-	132,494
-	-	-	-	28,936	6,542	744,681
-	-	-	-	-	-	21,246
-	19,398	-	-	-	-	19,398
42,242	19,398	94,348	-	28,936	35,753	951,126
$ 42,242	$ 42,296	$ 166,446	$ -	$ 328,484	$ 35,753	$ 2,265,671

CHARTER TOWNSHIP OF PORT HURON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2025

	Special Revenue Funds			
	Road	Park	Ambulance	Cemetery
REVENUES				
Taxes	$ 301,348	$ -	$ 152,485	$ -
Licenses and permits	-	-	-	-
Intergovernmental	8,889	-	-	-
Charges for services	-	-	-	46,556
Interest and rent	37,212	-	-	1,477
Other	-	-	-	-
Total revenues	347,449	-	152,485	48,033
EXPENDITURES				
Current -				
Public safety	-	-	-	-
Public works	381,518	-	-	42,033
Health and welfare	-	-	152,485	-
Recreation and cultural	-	-	-	-
Total expenditures	381,518	-	152,485	42,033
Revenues over (under) expenditures	(34,069)	-	-	6,000
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(34,069)	-	-	6,000
Fund balances at beginning of year	743,272	1,921,414	-	15,246
Adjusted - change from nonmajor to major	-	(1,921,414)	-	-
Fund balances at beginning of year, as restated	743,272	-	-	15,246
Fund balances at end of year	$ 709,203	$ -	$ -	$ 21,246

Liquor Control	Museum	Building Inspection	CARES Act	Blue Water Area Transportation	Permanent Fund Cemetery Perpetual Care	Total
$ -	$ -	$ -	$ -	$ 263,589	$ -	$ 717,422
-	-	111,979	-	-	-	111,979
7,687	15,362	-	-	7,777	-	39,715
-	-	8,400	-	-	-	54,956
1,493	527	4,166	-	6,617	1,449	52,941
-	8,284	-	-	-	-	8,284
9,180	24,173	124,545	-	277,983	1,449	985,297
3,829	-	116,737	-	-	-	120,566
-	-	-	-	261,442	-	684,993
-	-	-	-	-	-	152,485
-	28,733	-	-	-	-	28,733
3,829	28,733	116,737	-	261,442	-	986,777
5,351	(4,560)	7,808	-	16,541	1,449	(1,480)
-	8,938	-	-	-	-	8,938
-	-	-	-	-	-	-
-	8,938	-	-	-	-	8,938
5,351	4,378	7,808	-	16,541	1,449	7,458
36,891	15,020	86,540	-	12,395	34,304	2,865,082
-	-	-	-	-	-	(1,921,414)
36,891	15,020	86,540	-	12,395	34,304	943,668
$ 42,242	$ 19,398	$ 94,348	$ -	$ 28,936	$ 35,753	$ 951,126

CHARTER TOWNSHIP OF PORT HURON
ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Taxes	$ 295,000	$ 295,000	$ 301,348	$ 6,348
Intergovernmental	-	-	8,889	8,889
Interest	1,000	1,000	37,212	36,212
Total revenues	296,000	296,000	347,449	51,449
EXPENDITURES				
Public works	510,250	510,250	381,518	128,732
Net change in fund balance	(214,250)	(214,250)	(34,069)	180,181
Fund balance at beginning of year	743,272	743,272	743,272	-
Fund balance at end of year	$ 529,022	$ 529,022	$ 709,203	$ 180,181

CHARTER TOWNSHIP OF PORT HURON
AMBULANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Taxes	$ 172,100	$ 172,100	$ 152,485	$ (19,615)
EXPENDITURES				
Health and welfare	172,100	172,100	152,485	19,615
Revenues over expenditures	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ -	$ -	$ -

CHARTER TOWNSHIP OF PORT HURON
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Charges for services	$ 55,000	$ 55,000	$ 46,556	$ (8,444)
Interest	200	200	1,477	1,277
Total revenues	55,200	55,200	48,033	(7,167)
EXPENDITURES				
Public works	55,200	55,200	42,033	13,167
Net change in fund balance	-	-	6,000	6,000
Fund balance at beginning of year	15,246	15,246	15,246	-
Fund balance at end of year	$ 15,246	$ 15,246	$ 21,246	$ 6,000

CHARTER TOWNSHIP OF PORT HURON
LIQUOR CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 6,000	$ 6,000	$ 7,687	$ 1,687
Interest	-	-	1,493	1,493
Total revenues	6,000	6,000	9,180	3,180
EXPENDITURES				
Public safety	5,850	5,850	3,829	2,021
Net change in fund balance	150	150	5,351	5,201
Fund balance at beginning of year	36,891	36,891	36,891	-
Fund balance at end of year	$ 37,041	$ 37,041	$ 42,242	$ 5,201

CHARTER TOWNSHIP OF PORT HURON
MUSEUM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 15,000	$ 15,000	$ 15,362	$ 362
Interest	-	-	527	527
Other	1,000	1,000	8,284	7,284
Total revenues	16,000	16,000	24,173	8,173
EXPENDITURES				
Recreation and cultural	30,300	30,300	28,733	1,567
Revenues under expenditures	(14,300)	(14,300)	(4,560)	9,740
OTHER FINANCING SOURCES				
Transfer in	14,300	14,300	8,938	(5,362)
Net change in fund balance	-	-	4,378	4,378
Fund balance at beginning of year	15,020	15,020	15,020	-
Fund balance at end of year	$ 15,020	$ 15,020	$ 19,398	$ 4,378

CHARTER TOWNSHIP OF PORT HURON
BUILDING INSPECTIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Licenses and permits	$ 126,400	$ 126,400	$ 111,979	$ (14,421)
Charges for services	10,000	10,000	8,400	(1,600)
Interest	-	-	4,166	4,166
Total revenues	136,400	136,400	124,545	(11,855)
EXPENDITURES				
Public safety	168,000	168,000	116,737	51,263
Revenues over (under) expenditures	(31,600)	(31,600)	7,808	39,408
OTHER FINANCING SOURCES				
Transfer in	31,600	31,600	-	(31,600)
Net change in fund balance	-	-	7,808	7,808
Fund balance at beginning of year	86,540	86,540	86,540	-
Fund balance at end of year	$ 86,540	$ 86,540	$ 94,348	$ 7,808

CHARTER TOWNSHIP OF PORT HURON
CARES ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 135,000	$ 135,000	$ -	$ (135,000)
EXPENDITURES				
Public safety	135,000	135,000	-	135,000
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ -	$ -	$ -

CHARTER TOWNSHIP OF PORT HURON
BLUE WATER AREA TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Taxes	$ 250,000	$ 264,000	$ 263,589	$ (411)
Intergovernmental	-	-	7,777	7,777
Interest	-	-	6,617	6,617
Total revenues	250,000	264,000	277,983	13,983
EXPENDITURES				
Public works	250,000	264,000	261,442	2,558
Net change in fund balance	-	-	16,541	16,541
Fund balance at beginning of year	12,395	12,395	12,395	-
Fund balance at end of year	$ 12,395	$ 12,395	$ 28,936	$ 16,541

CUSTODIAL FUNDS

CHARTER TOWNSHIP OF PORT HURON
CUSTODIAL FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2025

	Current Tax Collection	Other Tax Collection	Total
ASSETS			
Cash and cash equivalents	$ 1,271,795	$ 91,308	$ 1,363,103
LIABILITIES			
Due to other governments	1,271,795	91,308	1,363,103
NET POSITION			
Unrestricted	$ -	$ -	$ -

COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Year Ended December 31, 2025

	Current Tax Collection	Other Tax Collection	Total
ADDITIONS			
Tax collections for other governments	$ 10,938,998	$ 15,798	$ 10,954,796
DEDUCTIONS			
Tax collections disbursed to other governments	10,938,998	15,798	10,954,796
Change in net position	-	-	-
Net position at beginning of year	-	-	-
Net position at end of year	$ -	$ -	$ -

DOWNTOWN DEVELOPMENT AUTHORITY

CHARTER TOWNSHIP OF PORT HURON
DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET/STATEMENT OF NET POSITION
December 31, 2025

	Downtown Development Authority	GASB No. 34 Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	$ 1,087,082	$ -	$ 1,087,082
Investments	411,047	-	411,047
Taxes receivable	7,238	-	7,238
Due from primary government	144,129	-	144,129
Capital assets (net of accumulated depreciation) -			
Assets not being depreciated	-	163,476	163,476
Assets being depreciated	-	4,518,442	4,518,442
Total assets	$ 1,649,496	4,681,918	6,331,414
LIABILITIES			
Accounts payable	$ 22,401	-	22,401
Due to primary government	216,019	-	216,019
Total liabilities	238,420	-	238,420
DEFERRED INFLOWS OF RESOURCES			
Taxes levied for subsequent period	259,151	-	259,151
FUND BALANCES			
Unrestricted	1,151,925	(1,151,925)	-
	$ 1,649,496		
NET POSITION			
Net position in capital assets		4,681,918	4,681,918
Unrestricted		1,151,925	1,151,925
		$ 5,833,843	$ 5,833,843

RECONCILIATION OF THE BALANCE SHEET OF THE DOWNTOWN DEVELOPMENT AUTHORITY TO THE STATEMENT OF NET POSITION
December 31, 2025

Fund balances - total governmental funds	$ 1,151,925
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	
Capital assets	10,015,536
Accumulated depreciation	(5,333,618)
Net position of governmental activities	$ 5,833,843

CHARTER TOWNSHIP OF PORT HURON
DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

	Downtown Development Authority	GASB No. 34 Adjustments	Statement of Activities
REVENUES			
Taxes	$ 343,238	$ -	$ 343,238
Intergovernmental	-	21,949	21,949
Interest	57,765	-	57,765
Total revenues	401,003	21,949	422,952
EXPENDITURES			
Public works	255,128	111,883	367,011
Community and economic development	23,337	-	23,337
Total expenditures/expenses	278,465	111,883	390,348
Net change in fund balance/net position	122,538	(89,934)	32,604
Fund balance/net position at beginning of year	1,029,387	4,771,852	5,801,239
Fund balance/net position at end of year	$ 1,151,925	$ 4,681,918	$ 5,833,843

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE DOWNTOWN DEVELOPMENT AUTHORITY TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

Net change in fund balances - total governmental funds	$ 122,538
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 expense.	
Capital outlay	141,527
Depreciation expense	(253,410)
Contribution of capital assets	21,949
Change in net position of governmental activities	$ 32,604

CHARTER TOWNSHIP OF PORT HURON
DOWNTOWN DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Taxes	$ 300,000	$ 300,000	$ 343,238	$ 43,238
Interest	40,100	40,100	57,765	17,665
	340,100	340,100	401,003	60,903
EXPENDITURES				
Public works	460,000	460,000	255,128	204,872
Community and economic development	27,850	27,850	23,337	4,513
	487,850	487,850	278,465	209,385
Net change in fund balance	(147,750)	(147,750)	122,538	270,288
Fund balance at beginning of year	1,029,387	1,029,387	1,029,387	-
Fund balance at end of year	$ 881,637	$ 881,637	$ 1,151,925	$ 270,288

ECONOMIC DEVELOPMENT CORPORATION

CHARTER TOWNSHIP OF PORT HURON
ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
For the year ended December 31, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Positive (Negative)
REVENUES				
Interest	$ 5,000	$ 5,000	$ 4,706	$ (294)
Rentals	5,700	5,700	6,400	700
	10,700	10,700	11,106	406
EXPENDITURES				
Community and economic development	13,025	13,025	12,149	876
Net change in fund balance	(2,325)	(2,325)	(1,043)	1,282
Fund balance at beginning of year	111,352	111,352	111,352	-
Fund balance at end of year	$ 109,027	$ 109,027	$ 110,309	$ 1,282