

*Charter Township of Delhi  
Ingham County, Michigan*

**FINANCIAL STATEMENTS**

*Year ended December 31, 2023*

---

	<i>Page</i>
<b>INDEPENDENT AUDITOR'S REPORT</b>	3 - 5
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	6 - 12
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide financial statements:	
Statement of net position	13
Statement of activities	14
Fund financial statements:	
Balance sheet - governmental funds	15 - 16
Statement of revenues, expenditures, and changes in fund balances - governmental funds	17 - 18
Statement of net position - proprietary fund	19
Statement of revenues, expenses, and changes in net position - proprietary fund	20
Statement of cash flows - proprietary fund	21 - 22
Statement of fiduciary net position - fiduciary funds	23
Statement of changes in fiduciary net position - fiduciary funds	24
Notes to financial statements	25 - 49
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary comparison schedules:	
General Fund	50 - 51
Fire Fund	52
Police Fund	53
Schedule of changes in the Township's net OPEB liability and related ratios	54
Schedule of Township OPEB contributions and investment returns	55
<b>SUPPLEMENTARY INFORMATION</b>	
Combining balance sheet - nonmajor governmental funds	56
Combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	57
Balance sheet - component units	58
Statement of revenues, expenditures, and change in fund balance - component units	59
Budgetary comparison schedule - Downtown Development Authority	60
Budgetary comparison schedule - Brownfield Redevelopment Authority	61
<b>OTHER SUPPLEMENTARY SCHEDULES</b>	
Combining balance sheet - special revenue funds (with comparative totals)	62
Combining statement of revenues, expenditures, and changes in fund balances - special revenue funds (with comparative totals)	63
Statement of revenues, expenditures, and changes in fund balances - budget and actual - special revenue funds	64
Combining statements of fiduciary net position - custodial funds (with comparative totals)	65

	<i>Page</i>
Governmental funds balance sheet and statement of net position - Brownfield Redevelopment Authority	66
Governmental funds statement of revenues, expenditures, and changes in fund balances and statement of activities - Brownfield Redevelopment Authority	67
Governmental funds balance sheet and statement of net position - Downtown Development Authority	68
Governmental funds statement of revenues, expenditures, and changes in fund balances and statement of activities - Downtown Development Authority	69
Balance sheets - General Fund	70
Statement of revenues, expenditures, and changes in fund balance - General Fund	71
 <b>INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE FOR THE U.S. DEPARTMENT OF TREASURY CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM</b>	 72-73
 <b>STATISTICAL INFORMATION (UNAUDITED)</b>	
 <b>Financial trends</b>	
Changes in fund balances - governmental funds	74
 <b>Revenue capacity</b>	
Assessed value and taxable value of property	75
Property tax rates direct and overlapping governments	76
Top ten principal taxpayers	77

## INDEPENDENT AUDITOR'S REPORT

Township Board  
Charter Township of Delhi, Michigan

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Delhi, Michigan (the Township), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2023, 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 misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 judgment, 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 a reasonable period of time.

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

### **Required Supplementary Information**

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The component unit fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Siegfried Crandall P.C.*

April 12, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Charter Township of Delhi's (the Township) financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the Township's financial statements.

### **FINANCIAL HIGHLIGHTS**

- The Township's total net position increased by \$6,560,527 (9.6 percent) as a result of this year's activities. The net position of the governmental activities increased by \$3,664,172 and the net position of the business-type activity increased by \$2,896,355.
- Of the \$75,208,905 total net position reported, \$24,452,653 (33 percent) is available to be used at the Board's discretion, without constraints established by debt covenants, enabling legislation, or other legal requirements.
- The General Fund's unassigned fund balance at the end of the fiscal year was \$14,219,621, which represents 256 percent of the actual total General Fund expenditures and transfers out for the current fiscal year.

### **Overview of the financial statements**

The Township's annual report is comprised of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and optional sections that present additional information. 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 government, reporting the Township's operations in more detail than the government-wide financial statements.
  - Governmental fund statements explain how government services, like general government and public safety, were financed in the short-term, as well as what remains for future spending.
  - Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like a business (Sewer Fund).
  - Fiduciary fund statements provide information about the financial relationships in which the Township acts solely as a custodian for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by sections of required supplementary information and other supplementary information that further explain and support the information in the financial statements.

A comparative analysis of the government-wide financial statements for 2023 and 2022 is also presented.

### **Government-wide financial statements**

The government-wide financial 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 Township'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.

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

- Over time, increases or decreases in the Township's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Township, you need to consider additional nonfinancial factors, such as changes in the Township's property tax base and the condition of the Township's capital assets.

The government-wide financial statements are divided into three categories:

- *Governmental activities* - Most of the Township's basic services are included here, such as police protection, fire protection, and general government. Property taxes and state revenue sharing finance most of these activities.
- *Business-type activities* - The Township charges fees to customers to help it cover the costs of certain services it provides. The Township's sewer system is reported here.
- *Component units* - The Township includes other entities in its report - the Downtown Development Authority and Brownfield Redevelopment Authority. Although legally separate, these "component units" are important because the Township is financially accountable for them.

### **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 bond agreements.
- The Township Board establishes other funds to show that it is properly using certain taxes and other restricted revenues (like property taxes for the Fire and Police funds).

The Township has three kinds of funds:

- *Governmental funds.* Most of the Township's basic services are included in governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flows in and out, and (2) the balances left at year end that are available for spending. Consequently, the governmental funds 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. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship between them.
- *Proprietary funds.* Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds statements, like the government-wide statements, provide both long-term and short-term financial information. The Township's enterprise fund is the same as its business-type activity but provides more detail and additional information, such as cash flows.
- *Fiduciary funds.* These funds are used to account for the collection and disbursement of resources, primarily property taxes, for the benefit of parties outside the Township. The Township is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. The Township's fiduciary balances and activities are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

**FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE**

**Net position**

The total net position at the end of the fiscal year was \$75,208,905. Of this total, \$47,445,401 represents a net investment in capital assets and \$3,310,851 is restricted for various purposes. Consequently, unrestricted net position was \$24,452,653 or 33 percent of the total.

*Condensed financial information  
Net position*

	<i>Governmental activities</i>		<i>Business-type activities</i>		<i>Totals</i>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	<b>\$ 34,254,119</b>	\$ 28,908,947	<b>\$ 13,635,904</b>	\$ 10,115,194	<b>\$ 47,890,023</b>	\$ 39,024,141
Capital assets	<b>22,782,116</b>	21,475,762	<b>47,098,635</b>	47,086,120	<b>69,880,751</b>	68,561,882
Total assets	<b>57,036,235</b>	50,384,709	<b>60,734,539</b>	57,201,314	<b>117,770,774</b>	107,586,023
Deferred outflows of resources	<b>1,176,342</b>	2,639,416	<b>417,109</b>	937,343	<b>1,593,451</b>	3,576,759
Long-term debt	<b>6,959,834</b>	5,466,067	<b>15,477,446</b>	15,768,951	<b>22,437,280</b>	21,235,018
Current and other liabilities	<b>5,332,192</b>	4,758,565	<b>1,706,575</b>	913,973	<b>7,038,767</b>	5,672,538
Total liabilities	<b>12,292,026</b>	10,224,632	<b>17,184,021</b>	16,682,924	<b>29,476,047</b>	26,907,556
Deferred inflows of resources	<b>12,952,565</b>	13,495,679	<b>1,726,708</b>	2,111,169	<b>14,679,273</b>	15,606,848
Net position:						
Net investment in capital assets	<b>15,822,282</b>	16,009,695	<b>31,623,119</b>	31,322,954	<b>47,445,401</b>	47,332,649
Restricted	<b>1,755,574</b>	2,708,354	<b>1,555,277</b>	256,141	<b>3,310,851</b>	2,964,495
Unrestricted	<b>15,390,130</b>	10,585,765	<b>9,062,523</b>	7,765,469	<b>24,452,653</b>	18,351,234
Total net position	<b>\$ 32,967,986</b>	\$ 29,303,814	<b>\$ 42,240,919</b>	\$ 39,344,564	<b>\$ 75,208,905</b>	\$ 68,648,378

**Changes in net position**

The Township's total revenues for the current fiscal year were \$26,079,205, which is \$2,894,218 higher than the prior year, due to a \$1,206,817 increase in charges for services and a \$1,235,411 increase in interest revenue. In the current year, approximately 47 percent of the Township's revenues come from charges for services, primarily sewer charges, and about 29 percent come from property taxes. State shared revenue represented 12 percent of total revenues in the current year.

The total cost of the Township's programs, covering a wide range of services, totaled \$19,518,678. Approximately 37 percent of the Township's expenses relates to the provision of sewer services. General government and public safety expenses account for 14 and 19 percent of the Township's total expenses, respectively.

Condensed financial information  
Changes in net position

	<i>Governmental activities</i>		<i>Business-type activities</i>		<i>Totals</i>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Program revenues:						
Charges for services	\$ 3,459,477	\$ 2,914,106	\$ 8,775,315	\$ 8,113,869	\$ 12,234,792	\$ 11,027,975
Grants and contributions:						
Operating grants	568,433	653,178	-	29,241	568,433	682,419
Capital grants	17,160	9,490	992,188	485,300	1,009,348	494,790
General revenues:						
Property taxes	7,553,179	7,130,050	-	-	7,553,179	7,130,050
Local community stabilization	107,437	205,949	-	-	107,437	205,949
State shared revenue	3,093,279	3,155,905	-	-	3,093,279	3,155,905
Unrestricted investment return	842,291	(127,100)	350,659	84,639	1,192,950	(42,461)
Miscellaneous	319,787	530,360	-	-	319,787	530,360
Total revenues	<u>15,961,043</u>	<u>14,471,938</u>	<u>10,118,162</u>	<u>8,713,049</u>	<u>26,079,205</u>	<u>23,184,987</u>
Expenses:						
General government	2,760,508	2,693,912	-	-	2,760,508	2,693,912
Public safety	3,726,118	3,489,648	-	-	3,726,118	3,489,648
Public works	842,556	829,022	-	-	842,556	829,022
Health and welfare	2,595,558	2,582,163	-	-	2,595,558	2,582,163
Community and economic development	907,558	1,115,147	-	-	907,558	1,115,147
Recreation and culture	1,205,237	1,521,732	-	-	1,205,237	1,521,732
Interest	194,336	191,707	-	-	194,336	191,707
Sewer	-	-	7,286,807	7,023,457	7,286,807	7,023,457
Total expenses	<u>12,231,871</u>	<u>12,423,331</u>	<u>7,286,807</u>	<u>7,023,457</u>	<u>19,518,678</u>	<u>19,446,788</u>
Transfers	<u>(65,000)</u>	<u>(12,720)</u>	<u>65,000</u>	<u>12,720</u>	<u>-</u>	<u>-</u>
Changes in net position	<u>\$ 3,664,172</u>	<u>\$ 2,035,887</u>	<u>\$ 2,896,355</u>	<u>\$ 1,702,312</u>	<u>\$ 6,560,527</u>	<u>\$ 3,738,199</u>
Net position, end of year	<u>\$ 32,967,986</u>	<u>\$ 29,303,814</u>	<u>\$ 42,240,919</u>	<u>\$ 39,344,564</u>	<u>\$ 75,208,905</u>	<u>\$ 68,648,378</u>

**Governmental activities**

Governmental activities increased the Township's net position by \$3,664,172, in the current year, compared to a \$2,035,887 increase in the prior year. Net position increased by a higher amount in the current year as revenues increased by \$1,489,105, while expenses decreased by \$191,460.

Revenues increased due to a \$969,391 increase in investment return due to an increase in the interest rates. Total expenses decreased, due to a reduction in community and economic development and recreation and culture expenses.

The total cost of governmental activities this year was \$12,231,871. After subtracting the direct charges to those who directly benefited from the programs (\$3,459,477) and operating/capital grants and contributions (\$585,593), the "public benefit" portion covered by property taxes, state revenue sharing, and other general revenues was \$8,186,801.

**Business-type activities**

Business-type activities increased the Township's net position by \$2,896,355 in the current year compared to a \$1,702,312 increase in the prior year. Net position increased as charges for services increased by \$661,446 due to increases in rates and customer usage, and expenses increased by \$263,350.

**FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS**

**Governmental funds**

At the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$19,459,420, an increase of \$2,949,310 in comparison with the prior year. Of the total fund balances, \$14,219,621 (73 percent) constitutes unassigned fund balance, which is available for spending at the Township's discretion. The remainder of the fund balance is either nonspendable (\$129,448), restricted to indicate that it is not available for new spending (\$1,731,717), committed for specific purposes (\$643,671) or assigned (\$2,734,963).

The General Fund is the primary operating fund of the Township. At the end of the fiscal year, its fund balance was \$17,917,986. Revenues (\$10,261,139) and loan proceeds (\$2,295,927) exceeded expenditures (\$5,550,482) and transfers out (\$3,214,944) to the fire, police, and parks funds. Fund balance increased by \$3,791,640 during the current year.

The Fire Fund experienced an increase in fund balance of \$288, as the fund's revenues (\$2,568,926) and transfers in (\$380,860) from the General Fund exceeded expenditures (\$2,949,498) in the current year. The fund balance at the end of the fiscal year was \$23,857, which is nonspendable at year end.

The Police Fund experienced an increase of \$7,121 in fund balance, as the fund's revenues (\$1,389,670) and transfers in (\$1,779,411) from the General Fund exceeded expenditures (\$3,161,960) in the current year. The \$7,121 fund balance is restricted for public safety.

The Capital Project Fund experienced a \$936,456 decrease in fund balance as expenditures of (\$1,146,872) were incurred in the current year. The fund balance of \$471,575 is restricted for capital projects at the end of the fiscal year.

**Proprietary funds**

The Sewer Fund experienced an increase in net position of \$2,896,355 in the current year, primarily because user fees have been set so the fund is covering its costs. Total net position is \$42,240,919 at year end, of which \$9,062,523 is unrestricted.

**General Fund budgetary highlights**

The Township amended its revenue budget to increase total revenues by \$1,406,508. The Township also amended its appropriations during the current year so that budgeted expenditures increased by \$129,446 to reflect changes that occurred over the course of the year.

Total revenues were \$113,881 more than budgeted, as almost every revenue category was comparable to budgeted amounts. Expenditures were \$443,384 less than the amounts appropriated, as costs were lower than appropriations in most functions. Net other financing uses were \$67,544 more than budgeted. These variances resulted in a net \$489,721 positive budget variance due to a \$3,791,640 increase in fund balance compared to a budgeted increase of \$3,301,919.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

The Township's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$69,880,751, net of accumulated depreciation. Governmental capital assets amount to \$22,782,116 and business-type capital assets totaled \$47,098,635. These investments include a broad range of assets, including land, buildings, equipment, streets, and sewer and water facilities. The net increase in the Township's net investment in capital assets for the current fiscal year was \$1,318,869 as additions (\$5,337,514) were higher than depreciation (\$4,016,320) and loss on disposal of (\$2,325).

	<i>Governmental activities</i>		<i>Business-type activities</i>		<i>Total</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Land	\$ 3,572,966	\$ 3,333,974	\$ 1,116,405	\$ 1,116,405	\$ 4,689,371	\$ 4,450,379
Easements	62,361	62,361	15,955	15,955	78,316	78,316
Monument	54,278	54,278			54,278	54,278
Infrastructure	-	-	26,953,600	28,236,493	26,953,600	28,236,493
Flowage rights	3,554,672	3,766,567	-	-	3,554,672	3,766,567
Buildings and improvements	5,343,959	5,688,199	9,804,416	9,390,991	15,148,375	15,079,190
Land improvements	7,004,646	6,603,076	61,203	98,274	7,065,849	6,701,350
Machinery and equipment	606,333	467,184	6,151,771	6,221,485	6,758,104	6,688,669
Furniture and office equipment	-	591	47,619	48,906	47,619	49,497
Computer equipment and programs	-	-	26,882	13,672	26,882	13,672
Vehicles	847,793	914,896	284,813	153,532	1,132,606	1,068,428
Construction in progress	1,735,108	584,636	2,635,971	1,790,407	4,371,079	2,375,043
Totals	\$ 22,782,116	\$ 21,475,762	\$ 47,098,635	\$ 47,086,120	\$ 69,880,751	\$ 68,561,882

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

- Trail project costs during the year totaled \$1,152,092.
- Purchase of equipment costing \$249,531.
- Sewer system improvements totaled \$2,897,548, of which \$2,635,971 was in progress at year end.

More detailed information about the Township's capital assets is presented in Note 5 of the notes to the basic financial statements.

**Debt**

At the end of the fiscal year, the Township had total long-term debt outstanding, in the amount of \$22,437,280, which represents a net increase of \$1,202,262. As new debt was incurred at \$3,641,876 and principal payments, in the amount of \$2,439,614, were made in a timely manner.

	<i>Governmental activities</i>		<i>Business-type activities</i>		<i>Total</i>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
General obligation	\$ 2,420,927	\$ 250,000	\$ 7,455,129	\$ 6,756,355	\$ 9,876,056	\$ 7,006,355
Revenue bonds	-	-	7,065,000	8,010,000	7,065,000	8,010,000
Other long-term debt	4,538,907	5,216,067	957,317	1,002,596	5,496,224	6,218,663
<b>Totals</b>	<b>\$ 6,959,834</b>	<b>\$ 5,466,067</b>	<b>\$ 15,477,446</b>	<b>\$ 15,768,951</b>	<b>\$ 22,437,280</b>	<b>\$ 21,235,018</b>

Other long-term debt of the governmental activities, totaling \$462,644, represents accrued compensated absences.

More detailed information about the Township’s long-term liabilities is presented in Note 8 of the notes to the basic financial statements.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The following factors were considered in preparing the Township’s budget for the 2024 fiscal year:

- The emphasis on reducing costs while providing quality services to our citizens continued to be a major consideration in the 2024 budget development.
- Contain health care costs by continuation of the Township’s high deductible health plan while encouraging employee contributions into their HSAs.
- Continue to pursue grant opportunities for capital purchases and infrastructure investments.
- Continue to assess staffing needs whenever a vacancy occurs, while continuing to cross train staff for organizational effectiveness and efficiency.

During the current fiscal year, total fund balance in the General Fund increased by \$3,791,640. The Township has projected expenditures to exceed revenues in 2024 by \$2,349,963. Township policy is to maintain an unrestricted fund balance on the General Fund of no less than 17 percent of General Fund operating expenditures.

**CONTACTING THE TOWNSHIP’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Township’s finances and to demonstrate the Township’s accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Township Managers Office  
 Charter Township of Delhi  
 2074 Aurelius Road  
 Holt, MI 48842

Phone: (517) 694-2135

## **BASIC FINANCIAL STATEMENTS**

## STATEMENT OF NET POSITION

December 31, 2023

	Primary government			Component units	
	Governmental activities	Business-type activity	Totals	Downtown Development Authority	Brownfield Redevelopment Authority
<b>ASSETS</b>					
Current assets:					
Cash	\$ 7,533,315	\$ 1,749,683	\$ 9,282,998	\$ 5,277,263	\$ 525,011
Investments	16,802,299	7,630,940	24,433,239	5,282,116	-
Receivables	5,349,539	1,934,250	7,283,789	353,686	310,664
Prepaid expenses	129,448	54,791	184,239	7,501	-
Total current assets	29,814,601	11,369,664	41,184,265	10,920,566	835,675
Noncurrent assets:					
Restricted cash	2,089,533	1,693,263	3,782,796	386,170	-
Due from component unit	726,552	-	726,552	-	-
Net other postemployment benefits asset	1,623,433	572,977	2,196,410	-	-
Capital assets not being depreciated	-	3,768,331	3,768,331	2,217,725	-
Capital assets being depreciated, net	22,782,116	43,330,304	66,112,420	1,650,014	-
Total noncurrent assets	27,221,634	49,364,875	76,586,509	4,253,909	-
Total assets	57,036,235	60,734,539	117,770,774	15,174,475	835,675
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amount on bond refunding, net	-	1,930	1,930	34,621	-
Deferred amounts - OPEB	1,176,342	415,179	1,591,521	-	-
Total deferred outflows of resources	1,176,342	417,109	1,593,451	34,621	-
<b>LIABILITIES</b>					
Current liabilities:					
Payables	2,284,893	1,706,575	3,991,468	3,498,481	9,680
Unearned revenue	2,584,655	-	2,584,655	-	-
Bonds and notes payable due within one year	716,293	1,672,665	2,388,958	870,821	-
Total current liabilities	5,585,841	3,379,240	8,965,081	4,369,302	9,680
Noncurrent liabilities:					
Due to primary government	-	-	-	726,552	-
Compensated absences	462,644	-	462,644	-	-
Bonds and notes payable	6,243,541	13,804,781	20,048,322	7,839,988	-
Total noncurrent liabilities	6,706,185	13,804,781	20,510,966	8,566,540	-
Total liabilities	12,292,026	17,184,021	29,476,047	12,935,842	9,680
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	8,060,224	-	8,060,224	1,885,103	401,038
Deferred amounts - OPEB	4,892,341	1,726,708	6,619,049	-	-
Total deferred inflows of resources	12,952,565	1,726,708	14,679,273	1,885,103	401,038
<b>NET POSITION</b>					
Net investment in capital assets	15,822,282	31,623,119	47,445,401	(4,808,449)	-
Restricted:					
Public safety	323,640	-	323,640	-	-
Building department	598,442	-	598,442	-	-
Capital projects	736,957	1,179,448	1,916,405	386,170	-
Debt service	96,535	375,829	472,364	-	-
Unrestricted	15,390,130	9,062,523	24,452,653	4,810,430	424,957
Total net position	\$ 32,967,986	\$ 42,240,919	\$ 75,208,905	\$ 388,151	\$ 424,957

See notes to financial statements

Charter Township of Delhi  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2023

Functions /Programs	Net (expenses) revenues and changes in net position								
	Program revenues				Primary government			Component units	
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activity	Totals	Downtown Development Authority	Brownfield Redevelopment Authority
<b>Primary government:</b>									
Governmental activities:									
General government	\$ 2,760,508	\$ 1,059,174	\$ 47,783	\$ -	\$ (1,653,551)		\$ (1,653,551)		
Public safety	3,726,118	809,063	-	17,160	(2,899,895)		(2,899,895)		
Public works	842,556	184,086	378,053	-	(280,417)		(280,417)		
Health and welfare	2,595,558	1,096,581	-	-	(1,498,977)		(1,498,977)		
Community and economic development	907,558	168,172	130,225	-	(609,161)		(609,161)		
Recreation and culture	1,205,237	142,401	12,372	-	(1,050,464)		(1,050,464)		
Interest on long-term debt	194,336	-	-	-	(194,336)		(194,336)		
Total governmental activities	<u>12,231,871</u>	<u>3,459,477</u>	<u>568,433</u>	<u>17,160</u>	<u>(8,186,801)</u>		<u>(8,186,801)</u>		
Business-type activity - Sewer	<u>7,286,807</u>	<u>8,775,315</u>	<u>-</u>	<u>992,188</u>		<u>\$ 2,480,696</u>	<u>2,480,696</u>		
Total primary government	<u>\$ 19,518,678</u>	<u>\$ 12,234,792</u>	<u>\$ 568,433</u>	<u>\$ 1,009,348</u>	<u>\$ (8,186,801)</u>	<u>\$ 2,480,696</u>	<u>\$ (5,706,105)</u>		
<b>Component units:</b>									
Downtown Development Authority	\$ 1,149,492	\$ 45,553	\$ 12,910	\$ -			\$ (1,091,029)	\$ -	
Brownfield Redevelopment Authority	<u>587,326</u>	<u>-</u>	<u>167,353</u>	<u>-</u>			<u>-</u>	<u>(419,973)</u>	
Total component units	<u>\$ 1,736,818</u>	<u>\$ 45,553</u>	<u>\$ 180,263</u>	<u>\$ -</u>			<u>(1,091,029)</u>	<u>(419,973)</u>	
General revenues:									
Property taxes:									
Operating					3,455,697	-	3,455,697	2,413,277	439,566
Fire					1,362,181	-	1,362,181	-	-
Police					1,362,181	-	1,362,181	-	-
Parks and recreation					915,461	-	915,461	-	-
Fire equipment					457,659	-	457,659	-	-
Local community stabilization revenue					107,437	-	107,437	-	-
State shared revenue					3,093,279	-	3,093,279	-	-
Unrestricted investment return					842,291	350,659	1,192,950	293,746	-
Franchise fees					319,787	-	319,787	-	-
Transfers					(65,000)	65,000	-	-	-
Total general revenues					<u>11,850,973</u>	<u>415,659</u>	<u>12,266,632</u>	<u>2,707,023</u>	<u>439,566</u>
Changes in net position					3,664,172	2,896,355	6,560,527	1,615,994	19,593
Net position (deficit) - beginning					<u>29,303,814</u>	<u>39,344,564</u>	<u>68,648,378</u>	<u>(1,227,843)</u>	<u>405,364</u>
Net position - ending					<u>\$ 32,967,986</u>	<u>\$ 42,240,919</u>	<u>\$ 75,208,905</u>	<u>\$ 388,151</u>	<u>\$ 424,957</u>

See notes to financial statements

**BALANCE SHEET - governmental funds**

December 31, 2023

	General	Special revenue		Capital Project	Nonmajor	Total governmental
		Fire	Police	Capital	funds	funds
<b>ASSETS</b>						
Cash	\$ 3,212,443	\$ 822,545	\$ 993,812	\$ 1,481,750	\$ 1,022,765	\$ 7,533,315
Restricted cash - capital projects	2,089,533	-	-	-	-	2,089,533
Investments	15,757,476	3,773	57,821	6,275	976,954	16,802,299
Taxes receivable	2,233,040	682,897	682,897	-	688,478	4,287,312
Accounts receivable	684,240	105,257	1,176	-	320	790,993
Special assessments receivable	112,794	-	-	-	158,440	271,234
Due from component unit	726,552	-	-	-	-	726,552
Prepaid expenditures	89,578	23,857	-	-	16,013	129,448
Total assets	<u>\$ 24,905,656</u>	<u>\$ 1,638,329</u>	<u>\$ 1,735,706</u>	<u>\$ 1,488,025</u>	<u>\$ 2,862,970</u>	<u>\$ 32,630,686</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 540,014	\$ 36,135	\$ 263,497	\$ 1,016,450	\$ 180,816	\$ 2,036,912
Accrued liabilities	97,158	100,889	-	-	7,834	205,881
Unearned rental revenue	46,415	-	-	-	-	46,415
Unearned grant revenue	2,176,070	-	-	-	-	2,176,070
Unearned assessment revenue	362,170	-	-	-	-	362,170
Total liabilities	<u>3,221,827</u>	<u>137,024</u>	<u>263,497</u>	<u>1,016,450</u>	<u>188,650</u>	<u>4,827,448</u>
Deferred inflows of resources:						
Unavailable property taxes	3,653,049	1,465,088	1,465,088	-	1,476,999	8,060,224
Unavailable ambulance fees	-	12,360	-	-	-	12,360
Unavailable special assessments	112,794	-	-	-	158,440	271,234
Total deferred inflows of resources	<u>3,765,843</u>	<u>1,477,448</u>	<u>1,465,088</u>	<u>-</u>	<u>1,635,439</u>	<u>8,343,818</u>
Fund balances:						
Nonspendable:						
Prepays	89,578	23,857	-	-	16,013	129,448
Restricted for:						
Public safety	-	-	7,121	-	292,662	299,783
Building department	598,442	-	-	-	-	598,442
Debt service	-	-	-	-	96,535	96,535
Hayhoe trail	-	-	-	471,575	-	471,575
Sycamore trail	265,382	-	-	-	-	265,382
Committed for:						
Water improvements	-	-	-	-	633,671	633,671
Disaster contingency	10,000	-	-	-	-	10,000
Assigned for:						
General government	385,000	-	-	-	-	385,000
Subsequent year expenditures	2,349,963	-	-	-	-	2,349,963
Unassigned	14,219,621	-	-	-	-	14,219,621
Total fund balances	<u>17,917,986</u>	<u>23,857</u>	<u>7,121</u>	<u>471,575</u>	<u>1,038,881</u>	<u>19,459,420</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 24,905,656</u>	<u>\$ 1,638,329</u>	<u>\$ 1,735,706</u>	<u>\$ 1,488,025</u>	<u>\$ 2,862,970</u>	<u>\$ 32,630,686</u>

**BALANCE SHEET - governmental funds (Continued)**

December 31, 2023

Reconciliation of the balance sheet to the statement of net position:

Total fund balance - total governmental funds (page 15)	\$ 19,459,420
Amounts reported for <i>governmental activities</i> in the statement of net position (page 13) are different because:	
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the funds.	22,782,116
Certain receivables are not available to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds.	283,594
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences	(462,644)
Bonds and notes payable	(6,959,834)
Net other postemployment benefits (liability) asset	1,623,433
Deferred outflows of resources - Net other postemployment benefits liability	1,176,342
Deferred inflows of resources - Net other postemployment benefits liability	(4,892,341)
Interest payable, related to bonds and notes payable, is not due and payable in the current period and, therefore, is not reported in the funds.	<u>(42,100)</u>
Net position of <i>governmental activities</i>	<u>\$ 32,967,986</u>

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

## BALANCES - governmental funds

Year ended December 31, 2023

	General	Special revenue		Capital Project	Nonmajor funds	Total governmental funds
		Fire	Police	Capital		
<b>REVENUES</b>						
Property taxes	\$ 4,028,058	\$ 1,362,181	\$ 1,362,181	\$ -	\$ 1,373,120	\$ 8,125,540
Special assessment	355,829	-	-	-	20,981	376,810
Licenses and permits	996,526	-	-	-	-	996,526
Federal grants	47,783	-	-	-	17,160	64,943
State grants	3,176,003	22,797	4,707	-	16,231	3,219,738
Intergovernmental - local	142,597	-	-	-	-	142,597
Charges for services	660,723	1,132,594	-	-	198,056	1,991,373
Fines and forfeitures	21,498	-	19,064	-	-	40,562
Investment return (loss) and rentals	794,097	1,764	3,718	10,416	33,597	843,592
Other	38,025	49,590	-	-	78,473	166,088
Total revenues	10,261,139	2,568,926	1,389,670	10,416	1,737,618	15,967,769
<b>EXPENDITURES</b>						
Current:						
General government	3,072,032	-	-	-	-	3,072,032
Public safety	-	353,940	3,161,960	-	189,223	3,705,123
Public works	628,311	-	-	-	2,350	630,661
Community and economic development	895,907	-	-	-	-	895,907
Health and welfare	-	2,595,558	-	-	-	2,595,558
Recreation and culture	-	-	-	-	1,021,545	1,021,545
Capital outlay	238,992	-	-	1,146,872	967,863	2,353,727
Debt service:						
Principal	560,112	-	-	-	242,048	802,160
Interest	155,128	-	-	-	17,545	172,673
Total expenditures	5,550,482	2,949,498	3,161,960	1,146,872	2,440,574	15,249,386
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	4,710,657	(380,572)	(1,772,290)	(1,136,456)	(702,956)	718,383
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from loan proceeds	2,295,927	-	-	-	-	2,295,927
Transfers in	-	380,860	1,779,411	200,000	1,004,673	3,364,944
Transfers out	(3,214,944)	-	-	-	(215,000)	(3,429,944)
Net other financing sources (uses)	(919,017)	380,860	1,779,411	200,000	789,673	2,230,927
<b>NET CHANGES IN FUND BALANCES</b>	3,791,640	288	7,121	(936,456)	86,717	2,949,310
<b>FUND BALANCES - BEGINNING</b>	14,126,346	23,569	-	1,408,031	952,164	16,510,110
<b>FUND BALANCES - ENDING</b>	\$ 17,917,986	\$ 23,857	\$ 7,121	\$ 471,575	\$ 1,038,881	\$ 19,459,420

See notes to financial statements

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - governmental funds (Continued)**

Year ended December 31, 2023

Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:

Net change in fund balance - total governmental funds (page 17) \$ 2,949,310

Amounts reported for *governmental activities* in the statement of activities (page 14) are different because:

Capital assets:

Add - capital asset acquisitions	2,439,966
Deduct - provision for depreciation	(1,131,287)
Basis of asset dispositions	(2,325)

Long-term debt:

Add - principal payments	802,160
Deduct - drain assessment	(2,295,927)

Changes in other liabilities:

Net increase in compensated absences	(31,818)
Net increase in interest payable	(21,663)
Net decrease in other postemployment benefit liability	1,336,252

Changes in deferred outflows of resources and deferred inflows of resources:

Net decrease in deferred inflows of resources - unavailable revenue	(6,726)
Net decrease in deferred outflows of resources - other postemployment benefit liability	(1,463,074)
Net decrease in deferred inflows of resources - other postemployment benefit liability	<u>1,089,304</u>

Change in net position of *governmental activities* \$ 3,664,172

**STATEMENT OF NET POSITION - Proprietary Fund**

December 31, 2023

	<u>Business-type activities</u>
	<u>Enterprise fund</u>
	<u>Sewer</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 1,749,683
Investments	7,630,940
Accounts receivable	1,927,728
Special assessment receivable	6,522
Prepays	<u>54,791</u>
Total current assets	<u>11,369,664</u>
Noncurrent assets:	
Restricted cash:	
Debt service	513,815
Capital projects	1,179,448
Net other postemployment benefit asset	572,977
Capital assets not being depreciated	3,768,331
Capital assets being depreciated, net	<u>43,330,304</u>
Total noncurrent assets	<u>49,364,875</u>
Total assets	<u>60,734,539</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts - net other postemployment benefits	415,179
Deferred amount on bond refunding, net	<u>1,930</u>
Total deferred outflows of resources	<u>417,109</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	1,321,637
Accrued liabilities	222,414
Interest payable	137,986
Customer deposits	24,538
Bonds and notes payable due within one year	<u>1,672,665</u>
Total current liabilities	<u>3,379,240</u>
Noncurrent liabilities:	
Bonds payable	<u>13,804,781</u>
Total liabilities	<u>17,184,021</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred amounts - net other postemployment benefits	<u>1,726,708</u>
<b>NET POSITION</b>	
Net investment in capital assets	31,623,119
Restricted for:	
Debt service	375,829
Capital projects	1,179,448
Unrestricted	<u>9,062,523</u>
Total net position	<u>\$ 42,240,919</u>

See notes to financial statements

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - Proprietary Fund**

Year ended December 31, 2023

	<i>Business-type activities</i>
	<u>Enterprise fund</u>
	<u>Sewer</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Utility charges	\$ 7,965,879
Permits and fees	627,700
Other operating revenue	<u>181,736</u>
Total operating revenues	<u>8,775,315</u>
<b>OPERATING EXPENSES</b>	
Cost of sales and services	3,949,037
Depreciation	<u>2,885,033</u>
Total operating expenses	<u>6,834,070</u>
<b>OPERATING INCOME</b>	<u>1,941,245</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest and rents	350,659
Interest expense	<u>(452,737)</u>
Net nonoperating expenses	<u>(102,078)</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	1,839,167
<b>CAPITAL CONTRIBUTIONS</b>	<u>992,188</u>
<b>TRANSFERS IN</b>	<u>65,000</u>
<b>CHANGES IN NET POSITION</b>	2,896,355
<b>NET POSITION - BEGINNING</b>	<u>39,344,564</u>
<b>NET POSITION - ENDING</b>	<u>\$ 42,240,919</u>

See notes to financial statements

**STATEMENT OF CASH FLOWS - Proprietary Fund**

Year ended December 31, 2023

	<u>Business-type activities</u>
	<u>Enterprise fund</u>
	<u>Sewer</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 8,324,446
Payments to vendors and suppliers	(2,458,587)
Payments to employees	<u>(1,141,779)</u>
Net cash provided by (used in) operating activities	<u>4,724,080</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	65,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from capital debt	1,345,949
Capital contributions	992,188
Collection of special assessments	1,482
Acquisition of capital assets	(2,897,548)
Principal payments on capital debt	(1,635,774)
Interest payments on capital debt	<u>(396,533)</u>
Net cash provided by (used in) capital and related financing activities	<u>(2,590,236)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	(2,944,113)
Interest received	<u>350,659</u>
Net cash provided by (used in) investing activities	<u>(2,593,454)</u>
<b>NET CHANGE IN CASH</b>	(394,610)
<b>CASH - BEGINNING</b>	
(including \$340,098 in restricted accounts)	<u>3,837,556</u>
<b>CASH - ENDING</b>	
(including \$1,693,263 in restricted accounts)	<u>\$ 3,442,946</u>

See notes to financial statements

**STATEMENT OF CASH FLOWS - Proprietary Fund (Continued)**

Year ended December 31, 2023

	<u>Business-type activities</u>
	<u>Enterprise fund</u>
	<u>Sewer</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>	
Operating income (loss)	\$ 1,941,245
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	2,885,033
(Increase) decrease in:	
Receivables	(466,541)
Prepays	(34,529)
Deferred outflows - net other postemployment benefits	516,379
Increase (decrease) in:	
Payables	707,710
Accrued liabilities	15,191
Customer deposits	15,672
Net other postemployment benefits liability (asset)	(471,619)
Deferred inflows - net other postemployment benefits	<u>(384,461)</u>
 Net cash provided by (used in) operating activities	 <u>\$ 4,724,080</u>

See notes to financial statements

**STATEMENT OF FIDUCIARY NET POSITION - *fiduciary funds***

December 31, 2023

	<i>Other Postemployment Benefit Trust</i>	<i>Cemetery Trust</i>	<i>Custodial</i>
<b>ASSETS</b>			
Cash	\$ -	\$ 72,802	\$ 12,237,330
Investments	7,676,790	-	-
Taxes receivable for other governments	-	-	273,709
	<u>7,676,790</u>	<u>72,802</u>	<u>12,511,039</u>
Total assets			
<b>LIABILITIES</b>			
Due to others	-	-	11,782
Due to other governmental units	-	-	12,469,239
	<u>-</u>	<u>-</u>	<u>12,481,021</u>
Total liabilities			
<b>NET POSITION</b>			
Restricted for:			
Postemployment benefits	7,676,790	-	-
Cemetery private-purpose trust	-	72,802	-
Individuals and other governments	-	-	30,018
	<u>-</u>	<u>-</u>	<u>30,018</u>
Total net position	<u>\$ 7,676,790</u>	<u>\$ 72,802</u>	<u>\$ 30,018</u>

See notes to financial statements

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - *fiduciary funds***

Year ended December 31, 2023

	<i>Other</i>	<i>Cemetery</i>	
	<i>Postemployment</i>	<i>Trust</i>	<i>Custodial</i>
	<i>Benefit Trust</i>	<i>Trust</i>	<i>Custodial</i>
<b>ADDITIONS</b>			
Property taxes collected for other governments	\$ -	\$ -	\$ 44,814,625
Delinquent personal taxes collected for other governments	-	-	273,709
Collection of trailer fees	-	-	33,000
Investment income (loss)	1,120,640	2,370	-
Contributions to OPEB trust	<u>184,845</u>	<u>-</u>	<u>-</u>
Total additions	<u>1,305,485</u>	<u>2,370</u>	<u>45,121,334</u>
<b>DEDUCTIONS</b>			
Property taxes distributed to other governments	-	-	44,814,625
Delinquent personal property taxes distributed to other governments	-	-	273,709
Payment of trailer fees	-	-	33,000
Distributions to trust administrator	<u>184,845</u>	<u>-</u>	<u>-</u>
Total deductions	<u>184,845</u>	<u>-</u>	<u>45,121,334</u>
<b>NET CHANGE IN FIDUCIARY NET POSITION</b>	1,120,640	2,370	-
<b>NET POSITION - BEGINNING</b>	<u>6,556,150</u>	<u>70,432</u>	<u>-</u>
<b>NET POSITION - ENDING</b>	<u>\$ 7,676,790</u>	<u>\$ 72,802</u>	<u>\$ -</u>

See notes to financial statements

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Charter Township of Delhi, Michigan (the Township), conform to accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles) as applicable to governmental units. The following is a summary of the more significant accounting policies.

*Reporting entity:*

As required by generally accepted accounting principles, these financial statements present the Township (the primary government), located in Ingham County, and its component units described below, for which the Township is financially accountable. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government. The authorities are fiscally dependent on the Township because the Township Board appoints their governing bodies, approves their budgets, and their debt remains the responsibility of the Township. The Township is also obligated to provide some of its tax revenues to the authorities, through tax increment financing, which represents a financial burden on the Township. Separate financial statements for the component units have not been issued, as management believes that these financial statements, including disclosures, contain complete information so as to constitute a fair presentation of the component units.

*Discretely presented component units:*

*The Downtown Development Authority* - The Downtown Development Authority of the Charter Township of Delhi is organized pursuant to Township Ordinance No. 80 and Act 197 of the Public Acts of 1975 of the State of Michigan, as amended. The primary purpose of the Authority is to provide for the ongoing maintenance, promotion, security, and continued operation of the downtown district. A tax increment financing district was established to finance these activities.

*Brownfield Redevelopment Authority* - The Brownfield Redevelopment Authority of the Charter Township of Delhi is organized pursuant to Section 8 of the State of Michigan's Brownfield Redevelopment Financing Act (Public Act 381 of 1996, as amended by Public Act 145 of 2000 and Public Act 502 of 2012). The primary purpose of the Authority is to clean up environmentally challenged properties in the Township and prepare them for desirable and productive re-uses. Financing for these activities consists primarily of property taxes.

*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 Township. The effect of interfund activity has been removed from these statements. Governmental activities, 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Measurement focus, basis of accounting, and financial statement presentation:*

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

Governmental funds 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 if they are collected within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are expected to be 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, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Fire Fund, a special revenue fund, was established to provide for the safety of the citizens of the Township by reducing the impact of community emergencies through education, prevention, and service. Revenues are derived primarily from property taxes.

The Police Fund, a special revenue fund, was established to provide for the safety and welfare of the residents of the Township through a contract with the Ingham County Sheriff's Office. Revenues are derived primarily from property taxes.

The Capital Project Fund, a capital project fund, was established to account for multi-year projects, such as the Hayhoe trail project and the fire department station renovations. Revenues are derived primarily from intergovernmental contribution and state grants.

The Township reports the following major proprietary fund:

The Sewer Fund accounts for the activities of the Township's sewage disposal and sewage treatment systems that are financed primarily by user charges for those services.

Additionally, the Township reports the following fund types:

Special revenue funds - The special revenue funds account for revenue sources that are legally restricted for specific purposes (not including expendable trusts or major capital projects). The Township's nonmajor special revenue funds are the water improvement fund, the parks and recreation fund, and the fire and EMS equipment fund.

Debt service fund - The debt service fund accounts for the debt related to the River Pointe special assessment district.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Measurement focus, basis of accounting, and financial statement presentation (continued):*

The Township also reports fiduciary funds, which account for assets held by the Township in a fiduciary capacity for other governments and individuals.

The Other Postemployment Benefit Trust Fund accounts for resources accumulated for health benefit payments to qualified retirees.

The Private Purpose Trust Fund accounts for principal received, and the related interest, of the cemetery.

The Township currently reports two custodial funds (Tax Collection and Custodial funds). These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds relate to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity:*

*Cash and investments* - Cash is considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value, with changes in value recognized in the operating statement of each fund. Realized and unrealized gains and losses are included in investment income. Pooled investment income is allocated proportionately to all funds.

*Receivables* - Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." No allowance for uncollectible accounts has been recorded, as the Township considers all receivables to be fully collectible.

*Prepays* - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in the government-wide and fund financial statements.

*Restricted assets* - Certain bond proceeds, and resources set aside for their repayment, are classified as restricted assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

*Capital assets* - Capital assets, which include property, equipment, and infrastructure assets (e.g., sewer system), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, other than infrastructure, are defined by the Township as assets with an initial, individual cost of more than \$5,000 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 as of the date received. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning January 1, 2004.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity (continued):*

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

Buildings	40 years
Building improvements	20 years
Land improvements	15 years
Machinery and equipment	5 - 10 years
Computer equipment	3 - 10 years
Furniture and office equipment	10 years
Vehicles	5 - 7 years
Sewer systems	40 years

*Deferred outflows of resources* - The statement of net position and the proprietary fund statement of net position include a separate section for deferred outflows of resources. This separate financial statement element reflects a decrease in net position that applies to a future period. The related expense will not be recognized until a future event occurs. The Township has two items that are included in this category: a deferred amount arising from the refunding of bonds in a previous year and deferred amounts relating to the OPEB plan. The deferred refunding amount is being amortized over the remaining life of the refunding bonds as part of interest expense. The deferred amounts relating to the pension plan are discussed in Note 10. No deferred outflows of resources affect the governmental funds financial statements.

*Compensated absences* - It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. A liability for unpaid accumulated vacation and sick leave has been recorded for the portion due to employees upon separation from service with the Township. Vested compensated absences are accrued when earned in the government-wide and proprietary funds financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

*Other postemployment benefits (OPEB)* - For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Deferred inflows of resources* - The statement of net position, the governmental funds balance sheet, and the proprietary fund statement of net position include a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in equity that applies to a future period. The related revenues will not be recognized until a future event occurs. The Township has two types of items that are included in this category: unavailable revenues and deferred amounts relating to the OPEB Plan. The unavailable revenues, in the governmental funds, relate to property taxes, ambulance fees, rental fees, and special assessments, which were unavailable at year end, and will be recognized when received in the subsequent year. The unavailable revenues, related to property taxes, are also reported in the statement of net position. Those revenues, which were levied to finance the following period's budget, will be recognized in the year that they were intended to finance. The deferred amounts relating to the OPEB Plan are discussed in Note 11.

*Unearned revenue* - Unearned revenue represents resources related to a federal grant, operating assessments, and rental revenue, which have not yet been earned.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or equity (continued):*

*Net position* - Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. The Township reports three categories of net position, as follows: (1) *Net investment in capital assets* consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets, and increases by balances of deferred outflows of resources related to those assets; (2) *Restricted net position* is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations, such as federal or state laws or buyers of the Township's debt. Restricted net position is reduced by liabilities related to the restricted assets; (3) *Unrestricted net position* consists of all other net position that does not meet the definition of the above components and is available for general use by the Township.

*Net position flow assumption* - Sometimes, the Township will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary funds financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

*Fund equity* - Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are not in spendable form. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws and regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Township Board (the Township's highest level of decision-making authority). A formal resolution of the Township Board is required to establish, modify, or rescind a fund balance commitment. The Township reports assigned fund balance for amounts that are constrained by the Township's intent to be used for specific purposes but are neither restricted nor committed. Unassigned fund balance is the residual classification for the General Fund. When the Township incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Township's policy to use restricted fund balance first, followed by committed fund balance, then assigned fund balance, and, finally, unassigned fund balance.

*Property tax revenue recognition* - Property taxes are levied each December 1 (lien date) on the taxable valuation of property as of the preceding December 31. Property taxes are considered delinquent on March 1 of the following year, at which time interest and penalties are assessed. Although the Township's 2022 ad valorem taxes were levied on December 1, 2022, it is the Township's policy to recognize revenue from that tax levy in the current year, when the proceeds are budgeted and made available for the financing of operations. Property taxes levied for the ensuing year's revenue are included in taxes receivable and deferred inflow of resources.

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

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

*Budgetary information* - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the Township's general and special revenue funds. The budget document presents information by fund, function, department, and line-item. The legal level of budgetary control adopted by the governing body is the department level. All annual appropriations lapse at the end of the fiscal year. The following chart shows the reportable budget variations during the fiscal year.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)**

<i>Fund</i>	<i>Function</i>	<i>Activity</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance</i>
General	General government	Buildings and grounds	\$ 708,313	\$ 744,577	\$ 36,264
	Public works	Public works	599,914	628,311	28,397
	Other financing uses	Transfers out	3,147,400	3,214,944	67,544
Fire	Health and welfare	Ambulance	2,567,873	2,595,558	27,685
Nonmajor (Fire Equipment)	Capital outlay	Capital outlay	-	131,982	131,982

**NOTE 3 - CASH AND INVESTMENTS**

At December 31, 2023, cash and investments are classified in the accompanying financial statements as follows:

	<i>Primary government</i>	<i>Component units</i>	<i>Fiduciary activities</i>	<i>Totals</i>
Cash	\$ 9,282,998	\$ 5,802,274	\$ 12,310,132	\$ 27,395,404
Investments	24,433,239	5,282,116	7,676,790	37,392,145
Restricted cash	3,782,796	386,170	-	4,168,966
<b>Totals</b>	<b>\$ 37,499,033</b>	<b>\$ 11,470,560</b>	<b>\$ 19,986,922</b>	<b>\$ 68,956,515</b>

At December 31, 2023, cash and investments consist of the following:

Cash on hand	\$ 2,600
Deposits with financial institutions	31,561,770
Investments	37,392,145
<b>Total</b>	<b>\$ 68,956,515</b>

*Deposits* - Michigan Compiled Laws, Section 129.91 (Public Act 20 of 1943, as amended) and the Township’s investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations that have an office in Michigan. The Township’s deposits are in accordance with statutory authority.

Custodial credit risk for deposits is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. The Township’s investment policy does not specifically address custodial credit risk for deposits. As of December 31, 2023, \$21,391,037 of the Township’s bank balances of \$22,890,966 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Township maintains individual and pooled bank accounts for all of its funds and its component units. Due to the use of pooled deposits, it is not practicable to allocate insured and uninsured portions of certain bank balances between the primary government and the component units.

*Restricted cash* - As a condition of specific debt issues, the Township is required to maintain certain separate cash and investment reserves. At December 31, 2023, all required reserves have been adequately funded.

*Investments* - State statutes and the Township’s investment policy authorize the Township to invest in a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper rated within the two highest rate classifications, which mature not more than 270 days after the date of purchase; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; and e) mutual funds composed of otherwise legal investments. The Township’s investments are as follows:

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

<u>Investment</u>	<u>Fair value</u>	<u>Maturity</u>	<u>Rating</u>	<u>Source</u>	<u>%</u>
U.S. government agency securities:					
Federal Home Loan Mortgage Corp	\$ 568,679	2023	Aaa	Moody	1.5%
Federal Farm Credit Bank	3,601,559	2023	Aaa	Moody	9.6%
Federal Home Loan Bank	5,522,199	2023	Aaa	Moody	14.8%
Federal National Mortgage Association	435,200	2023	Aaa	Moody	1.2%
Federal Agricultural Mortgage Corp	806,940	2025	Aaa	Moody	2.2%
Certificates of deposit:	930,460	2023	N/A	Moody	2.5%
Money market	542,406	2020	N/A	S&P	1.5%
US Treasury bonds	9,155,529	N/A	N/A	N/A	24.5%
OPEB Trust	7,676,790	N/A	N/A	N/A	20.5%
MI CLASS Pool	<u>8,152,383</u>	N/A	AAAm	S&P	21.8%
	<u>\$37,392,145</u>				100.0%

Fair value measurement - The Township categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

All of the Township’s investments, other than the MI CLASS Pool, are valued using observable fair values of similar assets (Level 2).

*Investments in entities that calculate net asset value per share* - The Township holds shares in an investment pool where the fair value of the investment is measured on a recurring basis using net asset value per share of the investment pool as a practical expedient. At December 31, 2023, the fair value, unfunded commitments, and redemption rules of those investments is as follows:

<u>MI CLASS</u>	
Fair value at December 31, 2023	\$ 8,152,383
Unfunded commitments	none
Redemption frequency	n/a
Notice period	none

The MI CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better), collateralized bank deposits, repurchase agreements (collateralized at 102% by treasury agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. The pool purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

The Township’s investments are subject to several types of risk, which are discussed below:

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

*Custodial credit risk* - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. State law does not require, and the Township’s investment policy does not contain, requirements that would limit the exposure to custodial credit risk for investments. At year end, all of the U.S. government agency investments were uninsured and unregistered and held by the same broker-dealer (counterparty) that purchased the securities for the Township.

*Credit risk* - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Township’s investment policy does not contain requirements that would limit the exposure to credit risk for investments. The credit quality ratings of the Township’s investments are identified above.

*Concentration of credit risk* - Concentration of credit risk is the risk of loss attributed to the magnitude of the Township’s investment in a single issuer. State law and the Township’s investment policy place no limitations on the amount that can be invested in any one issuer.

*Interest rate risk* - Interest rate risk is the risk that the value of an investment will decrease as a result of an increase in market interest rates. Generally, longer investment maturities generate more sensitivity to changes in an investment’s fair value due to changes in market interest rates. The Township’s investment policy has no specific limitations with respect to maturities of investments. The maturities of the Township’s investments are identified above.

*OPEB investments* - The Charter Township of Delhi’s Other Postemployment Benefit Trust Fund (the “trust fund” or the “System”) investments are maintained separately from the Township’s pooled cash and investments and are subject to separate investment policies and state statutes. Accordingly, the required disclosure for the System’s deposits and investments are presented separately.

**NOTE 4 - RECEIVABLES**

Receivables as of December 31, 2023, for the Township’s individual major funds, nonmajor funds in the aggregate, and component units, all of which are due within one year and are considered fully collectible, were as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Land contract</u>	<u>Special assessments</u>	<u>Ambulance</u>	<u>Taxes</u>	<u>Totals</u>
Primary government:						
Governmental:						
General	\$ 684,240	\$ -	\$ 112,794	\$ -	\$ 2,233,040	\$ 3,030,074
Fire	23,729	-	-	81,528	682,897	788,154
Police	1,176	-	-	-	682,897	684,073
Nonmajor	<u>320</u>	<u>-</u>	<u>158,440</u>	<u>-</u>	<u>688,478</u>	<u>847,238</u>
Total governmental	<u>\$ 709,465</u>	<u>\$ -</u>	<u>\$ 271,234</u>	<u>\$ 81,528</u>	<u>\$ 4,287,312</u>	<u>\$ 5,349,539</u>
Proprietary:						
Enterprise - Sewer	<u>\$ 1,927,728</u>	<u>\$ -</u>	<u>\$ 6,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,934,250</u>
Downtown Development Authority	<u>\$ 21,931</u>	<u>\$ 54,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,253</u>	<u>\$ 353,686</u>
Brownfield Redevelopment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,664</u>	<u>\$ 310,664</u>

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023, was as follows:

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Primary government:				
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,333,974	\$ 238,992	\$ -	\$ 3,572,966
Monuments	54,278	-	-	54,278
Easements	62,361	-	-	62,361
Construction in progress	584,636	1,152,092	(1,620)	1,735,108
Total capital assets not being depreciated, net	<u>4,035,249</u>	<u>1,391,084</u>	<u>(1,620)</u>	<u>5,424,713</u>
Capital assets being depreciated:				
Buildings and improvements	11,284,396	-	-	11,284,396
Land improvements	10,918,728	750,971	-	11,669,699
Machinery and equipment	1,888,103	249,531	(60,322)	2,077,312
Furniture and office equipment	525,269	-	-	525,269
Flowage rights	5,475,603	-	-	5,475,603
Computer equipment and programs	209,504	-	-	209,504
Vehicles	3,116,940	50,000	-	3,166,940
Subtotal	<u>33,418,543</u>	<u>1,050,502</u>	<u>(60,322)</u>	<u>34,408,723</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,596,197)	(344,240)	-	(5,940,437)
Land improvements	(4,315,652)	(349,401)	-	(4,665,053)
Machinery and equipment	(1,420,919)	(108,057)	57,997	(1,470,979)
Furniture and office equipment	(524,678)	(591)	-	(525,269)
Flowage rights	(1,709,036)	(211,895)	-	(1,920,931)
Computer equipment and programs	(209,504)	-	-	(209,504)
Vehicles	(2,202,044)	(117,103)	-	(2,319,147)
Subtotal	<u>(15,978,030)</u>	<u>(1,131,287)</u>	<u>57,997</u>	<u>(17,051,320)</u>
Total capital assets being depreciated, net	<u>17,440,513</u>	<u>(80,785)</u>	<u>(2,325)</u>	<u>17,357,403</u>
Governmental activities capital assets, net	<u>\$ 21,475,762</u>	<u>\$ 1,310,299</u>	<u>\$ (3,945)</u>	<u>\$ 22,782,116</u>

**NOTE 5 - CAPITAL ASSETS (Continued)**

Depreciation expense was charged to the Township's governmental functions as follows:

Governmental activities:	
General government	\$ 344,238
Public safety	225,160
Public works	211,895
Recreation and culture	<u>349,994</u>
 Total governmental activities	 <u>\$ 1,131,287</u>

NOTE 5 - CAPITAL ASSETS (Continued)

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Primary government:				
Business-type activity:				
Capital assets not being depreciated:				
Land	\$ 1,116,405	\$ -	\$ -	\$ 1,116,405
Easements	15,955	-	-	15,955
Construction in progress	<u>1,790,407</u>	<u>2,034,265</u>	<u>(1,188,701)</u>	<u>2,635,971</u>
Total capital assets not being depreciated, net	<u>2,922,767</u>	<u>2,034,265</u>	<u>(1,188,701)</u>	<u>3,768,331</u>
Capital assets being depreciated:				
Sewage disposal plant and equipment	32,228,515	1,527,494	-	33,756,009
Sewer mains	54,960,976	-	-	54,960,976
Outfall lines	2,984,532	-	-	2,984,532
Land Improvements	556,061	-	-	556,061
Furniture and office equipment	166,509	-	-	166,509
Computer equipment	325,396	15,433	-	340,829
Vehicles	486,565	180,139	(142,258)	524,446
Machinery and equipment	8,460,791	328,918	-	8,789,709
Buildings	455,123	-	-	455,123
Maintenance facility	<u>1,430,686</u>	<u>-</u>	<u>-</u>	<u>1,430,686</u>
Subtotal	<u>102,055,154</u>	<u>2,051,984</u>	<u>(142,258)</u>	<u>103,964,880</u>
Less accumulated depreciation for:				
Sewage disposal plant and equipment	(23,906,099)	(1,057,053)	-	(24,963,152)
Sewer mains	(29,049,136)	(1,213,498)	-	(30,262,634)
Outfall lines	(659,879)	(69,395)	-	(729,274)
Land Improvements	(457,787)	(37,071)	-	(494,858)
Furniture and office equipment	(117,603)	(1,287)	-	(118,890)
Computer equipment	(311,724)	(2,223)	-	(313,947)
Vehicles	(333,033)	(48,858)	142,258	(239,633)
Machinery and equipment	(2,239,306)	(398,632)	-	(2,637,938)
Buildings	(67,107)	(21,639)	-	(88,746)
Maintenance facility	<u>(750,127)</u>	<u>(35,377)</u>	<u>-</u>	<u>(785,504)</u>
Subtotal	<u>(57,891,801)</u>	<u>(2,885,033)</u>	<u>142,258</u>	<u>(60,634,576)</u>
Total capital assets being depreciated, net	<u>44,163,353</u>	<u>(833,049)</u>	<u>-</u>	<u>43,330,304</u>
Business-type activity capital assets, net	<u>\$ 47,086,120</u>	<u>\$ 1,201,216</u>	<u>\$ (1,188,701)</u>	<u>\$ 47,098,635</u>

NOTE 5 - CAPITAL ASSETS (Continued)

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Component unit:				
Downtown development Authority:				
Capital assets not being depreciated:				
Land	\$ 1,510,388	\$ 707,336	\$ -	\$ 2,217,724
Capital assets being depreciated:				
Buildings	642,700	40,478	-	683,178
Land improvements	6,060,024	-	-	6,060,024
Infrastructure	1,345,621	-	-	1,345,621
Machinery and equipment	107,009	-	-	107,009
Furniture and equipment	20,479	-	-	20,479
Subtotal	<u>8,175,833</u>	<u>40,478</u>	<u>-</u>	<u>8,216,311</u>
Less accumulated depreciation for:				
Buildings	(64,619)	(24,449)	-	(89,068)
Land improvements	(4,745,940)	(315,452)	-	(5,061,392)
Infrastructure	(1,296,199)	(1,278)	-	(1,297,477)
Machinery and equipment	(100,132)	(4,679)	-	(104,811)
Furniture and equipment	(12,063)	(1,485)	-	(13,548)
Subtotal	<u>(6,218,953)</u>	<u>(347,343)</u>	<u>-</u>	<u>(6,566,296)</u>
Total capital assets being depreciated, net	<u>1,956,880</u>	<u>(306,865)</u>	<u>-</u>	<u>1,650,015</u>
Component unit capital assets, net	<u>\$ 3,467,268</u>	<u>\$ 400,471</u>	<u>\$ -</u>	<u>\$ 3,867,739</u>

**NOTE 6 - INTERFUND TRANSFERS**

For the year ended December 31, 2023, interfund transfers consisted of the following:

<u>Fund</u>	<u>Transfers in</u>	<u>Fund</u>	<u>Transfers out</u>
Fire	\$ 380,860		
Police	1,779,411		
Capital project	200,000		
Sewer	65,000	Nonmajor fund	215,000
Nonmajor fund	<u>1,004,673</u>	General	<u>\$ 3,214,944</u>
Total	<u>\$ 3,429,944</u>	Total	<u>\$ 3,429,944</u>

Transfers are used to move unrestricted General Fund revenues to finance various programs that the Township uses to account for in other funds in accordance with budgetary authorizations, and the nonmajor fund (parks) transferred a share of the trail project costs and other capital purchases.

**NOTE 7 - BALANCES WITH COMPONENT UNIT**

The Downtown Development Authority, a component unit of the Township, owes the Township’s General Fund \$726,552, which represents 60% of the DDA tax capture which is distributed to the Township after settlement each year, per the Tax Sharing Agreement of 2015, which runs from 2016-2035.

**NOTE 8 - LONG-TERM LIABILITIES**

At December 31, 2023, long-term liabilities are comprised of the following:

Primary government:

Governmental activities:

Bonds:

\$1,200,000 2013 General obligation bonds to finance Township cost of constructing a portion of a non-motorized pathway/trail, due in annual installments of \$125,000 through 2024, interest at 2.09%. The DDA has pledged its revenue to the Township for the principal and interest payments. \$ 125,000

\$348,000 Special assessment bonds, due in annual installments of \$25,000 through 2032, at interest of 2.84%. 225,000

The Township is assessed for drains at large by Ingham County. The assessment covers the Township's share of installation and flowage rights for drains. Payments due through 2038 at an imputed interest rate of 4%. 2,449,309

The Township entered into an installment purchase agreement related to the energy improvement project; 64% allocated to governmental activities and 36% to the business-type activity. Payments due through 2031, interest at 3.24% 1,571,200

The Township entered into an installment purchase agreement related to the acquisition of a Pumper/Tanker. Payments due through 2025 at an interest rate of 2.50%. 293,398

The Township entered into an installment purchase agreement related to the acquisition of solar equipment, 64% allocated to governmental activities and 36% to the business-type activity. Payments due through 2043 at an interest rate of 4.09%. 2,295,927

Total long-term obligations 6,959,834

Compensated absences 462,644

Total governmental activities long-term debt \$ 7,422,478

**NOTE 8 - LONG-TERM LIABILITIES (Continued)**

Primary government:

Business-type activities:

Bonds:

\$1,585,000 2014 Refunding bonds (Sanitary Sewer general obligation bonds) for the purpose of refunding 2003 Sanitary sewer general obligation bonds, due in annual installments of \$175,000 to \$180,000 through 2024, interest at 2.35%. \$ 180,000

\$501,002 2016 Refunding bonds for the purpose of refunding the 2008 DDA GO Bonds. The Township issued bonds totaling \$5,000,000 of which 10.02% (\$501,002) was for sanitary sewer (business-type activity) and 89.98% (\$4,498,998) was for downtown development (DDA component unit). The bonds are due in annual installments of \$87,175 to \$89,178 through 2024, interest at 1.6%. 89,179

\$7,500,000 2018 Sanitary sewer GO bonds, for the purpose of acquiring, constructing and installing improvements to the sanitary sewer system, as well as rehabilitation, repair and replacement of the Township's publicly-owned treatment works, due in annual installments of \$335,000 to \$525,000 through 2037, interest at 3% -3.5%. 5,890,000

Subtotal 6,159,179

Bond premium 23,518

Total bonds 6,182,697

\$9,850,000 2007 Sanitary sewer revenue bonds - payable in annual installments ranging from \$525,000 to \$570,000, plus interest at 1.625%; final payment due 2028. 2,765,000

\$8,400,000 2010 Sanitary sewer revenue bonds - payable in annual installments ranging from \$420,000 to \$525,000, plus interest at 2.5%; final payment due 2032. 4,300,000

\$6,300,000 2023 Sanitary sewer revenue bonds - payable in annual installments ranging from \$265,000 to \$375,000, plus interest at 1.875%; final payment due 2046. 50,000

Total State revolving loan fund revenue bonds 7,115,000

The Township entered into an installment purchase agreement related to the energy improvement project, 64% allocated to governmental activities and 36% to the sanitary sewer (business-type). Payments due through 2031, interest at 3.24%. 883,800

The Township entered into an installment purchase agreement related to the acquisition of solar equipment, 64% allocated to governmental activities and 36% to the business-type activity. Payments due through 2043 at an interest rate of 4.09%. 1,295,949

Total business-type activities long-term debt \$ 15,477,446

**NOTE 8 - LONG-TERM LIABILITIES (Continued)**

Component unit:

Downtown Development Authority:

Bonds:

\$4,498,998 2016 Refunding bonds for the purpose of refunding the 2008 DDA GO Bonds.

The Township issued bonds totaling \$5,000,000 of which 10.02% (\$501,002) was for sanitary sewer (business-type activity) and 89.98% (\$4,498,998) was for downtown development (DDA component unit). The bonds are due in annual installments of \$782,825 to \$800,822 through 2024, interest at 1.6%.

\$ 800,820

\$1,500,000 2016 DDA general obligation bonds - payable in annual installments ranging from \$70,000 to \$105,000, plus interest at 2.33% to 3.85%; final payment due 2035.

1,030,000

\$6,750,000 2017 DDA Downtown Development bonds, due in annual installments of \$595,000 to \$615,000 through 2035. interest at 3% to 3.5%. The bonds were issued at a premium for total proceeds of \$6,944,981.

6,750,000

Subtotal

8,580,820

Bond premium

129,989

Total component unit long-term debt

\$ 8,710,809

**NOTE 8 - LONG-TERM LIABILITIES (Continued)**

Long-term liability activity for the year ended December 31, 2023, was as follows:

	<u>Beginning balance</u>	<u>Net change</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Primary government:						
Governmental activities:						
Direct borrowing:						
Installment purchase agreement	\$ 2,248,046	\$ -	\$ -	\$ (383,448)	\$ 1,864,598	\$ 317,700
Drain assessment payable	2,718,021	-	-	(268,712)	2,449,309	255,174
Special assessment debt	250,000	-	-	(25,000)	225,000	25,000
2013 Trail bonds	250,000	-	-	(125,000)	125,000	125,000
Installment purchase agreement - solar	-	-	2,295,927	-	2,295,927	(6,581)
Total direct borrowing	5,466,067	-	2,295,927	(802,160)	6,959,834	716,293
Compensated absences	430,826	31,818	-	-	462,644	-
Total governmental activities	<u>\$ 5,896,893</u>	<u>\$ 31,818</u>	<u>\$ 2,295,927</u>	<u>\$ (802,160)</u>	<u>\$ 7,422,478</u>	<u>\$ 716,293</u>
Business-type activity:						
Direct borrowing:						
Installment purchase agreement - energy	\$ 977,400	\$ -	\$ -	\$ (93,600)	\$ 883,800	\$ 97,200
2007 SRF	3,290,000	-	-	(525,000)	2,765,000	535,000
2010 SRF	4,720,000	-	-	(420,000)	4,300,000	430,000
2014 Refunded bonds	355,000	-	-	(175,000)	180,000	180,000
2023 SRF	-	-	50,000	-	50,000	-
Installment purchase agreement - solar	-	-	1,295,949	-	1,295,949	(3,714)
Total direct borrowing	9,342,400	-	1,345,949	(1,213,600)	9,474,749	1,238,486
Other borrowing:						
2008 DDA bonds	176,355	-	-	(87,175)	89,180	89,179
2018 GO bonds	6,225,000	-	-	(335,000)	5,890,000	345,000
Total other borrowings	6,401,355	-	-	(422,175)	5,979,180	434,179
Bond premium	25,196	-	-	(1,679)	23,517	-
Total business-type activity	<u>\$ 15,768,951</u>	<u>\$ -</u>	<u>\$ 1,345,949</u>	<u>\$ (1,637,454)</u>	<u>\$ 15,477,446</u>	<u>\$ 1,672,665</u>
	<u>Beginning balance</u>	<u>Net change</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Component unit:						
Downtown Development Authority:						
Other Borrowing:						
2016 Refunded bonds	\$ 1,583,646	\$ -	\$ -	\$ (782,825)	\$ 800,821	\$ 800,821
2016 DDA GO bonds	1,100,000	-	-	(70,000)	1,030,000	70,000
2017 DDA Development bonds	6,750,000	-	-	-	6,750,000	-
Total bonds	9,433,646	-	-	(852,825)	8,580,821	870,821
Bond premium	140,821	-	-	(10,833)	129,988	-
Total component unit	<u>\$ 9,574,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (863,658)</u>	<u>\$ 8,710,809</u>	<u>\$ 870,821</u>

**NOTE 8 - LONG-TERM LIABILITIES (Continued)**

All debt is secured by the full faith and credit of the Township.

Compensated absences of governmental funds are generally liquidated with general fund resources.

Long-term liability activity for the year ended December 31, 2023, was as follows:

At December 31, 2023, debt service requirements, with the exception of compensated absences, are as follows:

<i>Year ended December 31:</i>	<i>Governmental activities</i>		<i>Business-type activities</i>	
	<i>Direct borrowing</i>		<i>Direct borrowing</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2024	\$ 716,293	\$ 245,408	\$ 804,307	\$ 359,882
2025	1,275,278	224,768	1,384,892	324,310
2026	479,468	178,866	1,029,495	280,413
2027	491,231	163,267	1,046,122	251,131
2028	503,451	147,244	1,068,008	221,181
2029-2033	1,857,709	500,007	1,905,226	732,673
2034-2038	814,840	266,140	(96,218)	423,703
2039-2044	821,564	107,649	2,332,917	203,405
Totals	<u>\$ 6,959,834</u>	<u>\$ 1,833,350</u>	<u>\$ 9,474,749</u>	<u>\$ 2,796,697</u>

  

<i>Year ended December 31:</i>	<i>Business-type activities</i>		<i>Component unit</i>	
	<i>Other borrowing</i>		<i>Other borrowing</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2024	\$ 434,179	\$ 184,202	\$ 870,821	\$ 260,633
2025	350,000	172,350	670,000	246,189
2026	360,000	161,775	675,000	226,367
2027	370,000	150,900	680,000	206,394
2028	380,000	139,725	690,000	185,674
2029-2033	2,105,000	517,819	3,560,000	602,781
2034-2038	1,980,001	155,925	1,435,000	76,509
Totals	<u>\$ 5,979,180</u>	<u>\$ 1,482,696</u>	<u>\$ 8,580,821</u>	<u>\$ 1,804,546</u>

**NOTE 9 - DEFINED CONTRIBUTION PENSION PLAN**

The Township provides pension benefits for all of its full-time employees through a defined contribution plan called the Defined Contribution Pension Plan for Governmental Employees. The plan is administered by an outside party. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

Employees are eligible to participate upon completion of three months of service. The Township contributes an amount equal to 10% of the employee's base annual compensation, plus the Township can match up to 2.50% of the employee's contribution. For the year ended December 31, 2023, the Township made required contributions of \$545,756 which includes \$4,671 of 457 contributions. At December 31, 2023, the Township reported \$21,694, accrued liability as part of the contributions to the plan.

The Township's contribution for each employee (and interest attributable to these contributions) is fully vested after two years of service. Township contributions and attributable interest forfeited by employees who leave employment prior to full vesting are used to reduce the Township's current period contribution requirements.

The Township is not a trustee of the defined contribution pension plan, nor is the Township responsible for investment management of the pension plan assets. Accordingly, plan assets, and changes therein, are not reported in these financial statements.

**NOTE 10 - DEFERRED COMPENSATION PLAN**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The assets of the plan were held in trust (custodial accounts), as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof, for the exclusive benefit of the participants, holds the custodial accounts for the beneficiaries of this Section 457 plan and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. In accordance with the provisions of GASB Statement No. 32, plan balances and activities are not reflected in the Township's financial statements.

**NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS**

*Plan description:*

The Plan provides other postemployment benefits (OPEB) for all of its full-time employees through a single-employer defined benefit plan. The purpose of the Plan is to provide health and life insurance benefits to all employees who were hired prior to January 1, 2010 and retire from the Township with a minimum ten years of service, and life insurance benefits to all employees who were hired after January 1, 2010 and retire from the Township with a minimum ten years of service, based on the schedule of shared participation rates. The Plan is maintained as a trust fund in the Charter Township of Delhi's fiduciary fund financial statements. The Township Board has the authority to establish and amend benefit provisions.

*Benefits provided:*

The Plan is to provide health care and life insurance benefits to retirees. As noted in the plan description, employees hired before January 1, 2010, that have ten years or more of service are eligible for both health care and life insurance. Employees hired after January 1, 2010, who have ten years or more of service are eligible for life insurance benefits only. Benefits are provided through a third-party insurer and the cost of benefits is determined by the schedule of shared participation rates, where the Plan covers the Township portion, and the member is liable for the remainder.

**NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*Employees covered by benefit terms:*

At the December 31, 2023, measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	28
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>64</u>
 Total	 <u><u>92</u></u>

*Contributions:*

The contribution requirements of plan members and the Township are established and may be amended by the Township Board. Retirees receiving benefits contribute to the cost of the premiums based on the number of years of service. The Township’s share of costs related to health insurance benefits ranges from 75% to 100% of the monthly premiums, based on years of service. The Township will provide 100% of life insurance. The Township is also required to contribute at a rate that is based on an actuarial valuation that is prepared in accordance within certain parameters, in addition to a pay-as-you-go basis for retiree health care cost. The current rate is 7.2% of annual covered payroll. The Township contributed \$0 for their portion of the shared costs of retiree premiums.

*Net OPEB liability:*

The Township’s net OPEB liability reported at December 31, 2023, was determined by an actuarial valuation of the total OPEB liability and the OPEB plan net position as of December 31, 2023.

*Actuarial assumptions:*

The total OPEB liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation		Included in the investment rate of return
Salary increases	0.00%	Average, including inflation
Investment rate of return	7.79%	net of OPEB plan investment expenses, including inflation
Healthcare cost trend rates		Pre 65 - 8.5% graded 0.25% to 4.5% per annum Medicare eligible - 7.0% graded 0.25% to 4.5% per annum
Improvement scale		MP-2021

The mortality rate for the fire personnel was the Public Safety 2014 Employee and Healthy Retiree, headcount weighted. The rate for all other employees was the Public General 2014 Employee and Healthy Retiree, headcount weighted.

**NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*Investment policy:*

The Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Plan’s board by a majority vote of its members. It is the policy of the Plan’s board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board’s adopted asset allocation policy as of December 31, 2023:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Fixed income	21.30%	5.16%
Large Cap	44.50%	8.50%
Mid Cap	9.20%	9.10%
Small Cap	3.40%	6.69%
International stock	14.60%	8.54%
Cash	0.01%	1.96%
Multi asset	7.00%	8.60%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2023 are summarized in the table above.

*Discount rate:*

The discount rate used to measure the total OPEB liability was 7.79%. The projections of cash flows used to determine the discount rate assumed that the Township will continue to make recommended contributions until fully funded. Based on this assumption, the retirement plan’s fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the “depletion date”), the projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. The discount rate is used to determine the Total OPEB Liability. As of December 31, 2023 the discount rate used to value OPEB liabilities was 6.45%.

*Annual OPEB cost:*

For the year ended December 31, 2023, the Township has estimated the cost of providing retiree health care benefits through an actuarial valuation as of September 30, 2021, rolled forward to the measurement date of December 31, 2023. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 24 years. Based on that valuation, the Township contributed \$184,845 for the year ended December 31, 2023. The value of the Plan’s assets at the end of December 31, 2023, was \$7,676,790.

**NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Changes in net OPEB liability (asset):

	<i>Increase (decrease)</i>		
	<i>Total OPEB liability</i>	<i>Plan fiduciary net position</i>	<i>Net OPEB liability (asset)</i>
	<i>(a)</i>	<i>(b)</i>	<i>(a) - (b)</i>
Balances at December 31, 2023	\$ 6,167,611	\$ 6,556,150	\$ (388,539)
Changes for the year:			
Service cost	34,665	-	34,665
Interest	394,086	-	394,086
Change in plan terms	(154,450)	-	(154,450)
Difference between expected and actual experience	-	-	-
Change in actuarial assumptions	(776,687)	-	(776,687)
Contributions to OPEB trust	-	-	-
Contributions paid from General Fund	-	184,845	(184,845)
Net investment income	-	1,120,640	(1,120,640)
Benefit payments, including refunds	(184,845)	(184,845)	-
Administrative expenses	-	-	-
Net changes	<u>(687,231)</u>	<u>1,120,640</u>	<u>(1,807,871)</u>
Balances at December 31, 2023	<u>\$ 5,480,380</u>	<u>\$ 7,676,790</u>	<u>\$ (2,196,410)</u>

*Sensitivity of the Net OPEB Liability to changes in the discount rate:*

The following schedule presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.79%) or 1-percentage-point higher (8.79%):

<u>Discount rate</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Township's net OPEB liability	<u>\$ (1,581,641)</u>	<u>\$ (2,196,410)</u>	<u>\$ (2,711,996)</u>

*Sensitivity of the Net OPEB liability to changes in the healthcare trend rates:*

The following schedule presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using a healthcare cost trend rates that is 1-percentage-point lower (7.5%) or 1-percentage-point higher (9.5%):

<u>Health care trend rate</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Township's net OPEB liability	<u>\$ (2,772,259)</u>	<u>\$ (2,196,410)</u>	<u>\$ (1,510,830)</u>

**NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*OPEB expense, deferred outflows of resources, and deferred inflows of resources related to OPEB:*

For the year ended December 31, 2023, the Township recognized a reduction of OPEB expenses of \$1,117,338. At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Source</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Experience (gains)/losses	\$ -	\$ 4,560,907
Change in assumptions	1,580,767	2,058,142
Investment earnings (gains)/losses	<u>10,754</u>	<u>-</u>
	<u>\$ 1,591,521</u>	<u>\$ 6,619,049</u>

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

<u>Year ended</u>	<u>Amount recognized</u>
2024	(1,064,874.00)
2025	(1,223,880.00)
2026	(905,443.00)
2027	(1,077,102.00)
2028	(756,229.00)
Thereafter	<u>-</u>
	<u>\$ (5,027,528)</u>

At December 31, 2023, the Township did not have an outstanding amount of contributions to the Plan required for the year ended December 31, 2023.

**NOTE 12 - RISK MANAGEMENT**

The Township is exposed to various risks of loss related to general liability, property and casualty, workers' compensation, and employee medical claims. The risks of loss arising from general liability up to \$5,000,000, property losses, workers' compensation, and employee medical costs are managed through purchased commercial insurance. For all risks of loss, there have been no significant reductions in insurance coverage from coverage provided in prior years. Also, in the past three years, settlements did not exceed insurance coverage.

**NOTE 13 - PROPERTY TAX REVENUE**

The 2022 taxable valuation of the Township approximated \$919,915,000, on which ad valorem taxes levied consisted of 4.2410 mills for operating purposes, 1.4761 mills for Fire/EMS protection, 1.4761 mills for police services, 0.4960 mills for Fire/EMS Equipment, and 0.9921 mills for parks, raising approximately \$3,901,000 for operating purposes, \$1,358,000 for Fire/EMS protection, \$1,358,000 for police services, \$456,000 for Fire/EMS equipment and \$913,000 for parks. These amounts are recognized in the respective fund financial statements as deferred inflows of resources, based upon the period for which the proceeds are budgeted and will be made available for the financing of operations.

The 2023 taxable valuation of the Township approximated \$991,473,000, on which ad valorem taxes levied consisted of 4.2410 mills for operating purposes, 1.4761 mills for Fire/EMS protection, 1.4761 mills for police services, 0.4960 mills for Fire/EMS Equipment, and 0.9921 mills for parks, raising approximately \$4,205,000 for operating purposes, \$1,465,000 for Fire/EMS protection, \$1,465,000 for police services, \$492,000 for Fire/EMS equipment and \$984,000 for parks. These amounts are recognized in the respective fund financial statements as deferred inflows of resources, based upon the period for which the proceeds are budgeted and will be made available for the financing of operations.

**NOTE 14 - TAX ABATEMENTS**

The Township enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within the Township. Each agreement was negotiated under a state law, which allows local units to abate property taxes for a variety of economic development purposes. The abatements may be granted to local businesses located within the Township or promising to relocate within the Township. Depending on the statute referenced for a particular abatement, the Township may grant abatements of up to 50% of annual property taxes through a direct reduction of the entity's property tax bill, not to exceed twelve years. Depending on the terms of the agreement and state law, abated taxes may be subject to recapture upon default of the entity. The Township has not made any commitments as part of the agreements other than to reduce taxes. The Township is not subject to any tax abatement agreements entered into by other governmental entities.

For the fiscal year ended December 31, 2023, the Township abated property taxes totaling \$6,533 under Public Act 198 of 1974, related to industrial facilities, which represents a 50% abatement of the millage rate on certain real and personal properties.

For the fiscal year ended December 31, 2023, the Downtown Development Authority abated property taxes totaling \$17,970 under Public Act 198 of 1974, related to industrial facilities, which represents a 50% abatement of the millage rate on certain real and personal properties.

**Payment In Lieu of Taxes - PILOT**

Under the provisions of the State Housing Development Authority Act 346 of 1966, as amended, the Township has agreements with 4 tax exempt properties in which they pay a service fee in return for supplying public services. The act applies to multiple unit housing for citizens of low income and the elderly. A taxable value was estimated for each property, and the service fee paid was subtracted from a calculated tax based on those estimates. The total tax abatements for the Township are \$116,647.

**NOTE 15 - CONSTRUCTION CODE ACT**

A summary of construction code enforcement transactions, in accordance with Michigan PA 245 of 1999, for the year ended December 31, 2023, is as follows:

Cumulative excess revenues, beginning of year	<u>\$ 538,557</u>
Revenues	\$ 597,643
Expenses	<u>537,758</u>
Excess (Deficiency) of revenues over expenses	<u>\$ 59,885</u>
Cumulative excess revenues, end of year	<u>\$ 598,442</u>

**NOTE 16 – CONSTRUCTION COMMITMENT**

During 2023 the Township entered a construction contract with Grand River Construction for the 2023 Publicly Owned Treatment Works Improvement Project. The project started in 2023, with construction continuing through 2024. The project will be funded by the Townships available ARPA grants, a SRF grant, a SRF loan and available fund balance of the sewer fund.

	<u>Project Authorization</u>	<u>Expended through December 31, 2023</u>	<u>Committed</u>
Sewer improvement projects	<u>\$ 10,810,700</u>	<u>\$ 1,006,875</u>	<u>\$ 9,803,825</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE - General Fund**

Year ended December 31, 2023

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>REVENUES</b>				
Property taxes	\$ 3,808,450	\$ 4,028,658	\$ 4,028,058	\$ (600)
Special assessments	359,000	355,829	355,829	-
Licenses and permits	695,600	1,027,479	996,526	(30,953)
Federal grants	47,140	47,783	47,783	-
State grants	3,065,300	3,169,486	3,176,003	6,517
Intergovernmental - local	144,220	142,903	142,597	(306)
Charges for services	558,040	655,015	660,723	5,708
Fines and forfeitures	20,000	20,893	21,498	605
Investment return (loss)	7,000	659,186	794,097	134,911
Other	36,000	40,026	38,025	(2,001)
	<u>8,740,750</u>	<u>10,147,258</u>	<u>10,261,139</u>	<u>113,881</u>
Total revenues				
<b>EXPENDITURES</b>				
General government:				
Legislative - Board of trustees	118,370	120,331	120,331	-
Manager	585,490	553,085	551,508	1,577
Accounting	272,240	229,417	228,409	1,008
Clerk	416,550	402,469	402,464	5
Information technology	348,330	304,749	288,717	16,032
Treasurer	350,860	297,424	297,179	245
Assessing	454,970	417,150	415,805	1,345
Elections	21,320	20,472	23,042	(2,570)
Building and grounds	697,000	708,313	744,577	(36,264)
	<u>3,265,130</u>	<u>3,053,410</u>	<u>3,072,032</u>	<u>(18,622)</u>
Total general government				
Public works	<u>860,280</u>	<u>599,914</u>	<u>628,311</u>	<u>(28,397)</u>
Community and economic development	<u>928,280</u>	<u>914,972</u>	<u>895,907</u>	<u>19,065</u>
Parks and recreation	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>

**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended December 31, 2023

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>EXPENDITURES (Continued)</b>				
Capital outlay	\$ 27,300	\$ 698,178	\$ 238,992	\$ 459,186
Debt service:				
Principal	591,400	572,264	560,112	12,152
Interest	191,530	155,128	155,128	-
Total expenditures	<u>5,864,420</u>	<u>5,993,866</u>	<u>5,550,482</u>	<u>443,384</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>2,876,330</u>	<u>4,153,392</u>	<u>4,710,657</u>	<u>557,265</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan proceeds	-	2,295,927	2,295,927	-
Transfers out:				
Fire Fund	(584,750)	(378,379)	(380,860)	(2,481)
Police Fund	(1,780,250)	(1,779,411)	(1,779,411)	-
Sewer fund	(24,700)	-	(50,000)	(50,000)
Parks Fund	(720,460)	(989,610)	(1,004,673)	(15,063)
Total other financing sources (use:	<u>(3,110,160)</u>	<u>(851,473)</u>	<u>(919,017)</u>	<u>(67,544)</u>
<b>NET CHANGES IN FUND BALANCES</b>	(233,830)	3,301,919	3,791,640	489,721
<b>FUND BALANCES - BEGINNING</b>	<u>14,126,346</u>	<u>14,126,346</u>	<u>14,126,346</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 13,892,516</u>	<u>\$ 17,428,265</u>	<u>\$ 17,917,986</u>	<u>\$ 489,721</u>

**BUDGETARY COMPARISON SCHEDULE - Fire Fund**

Year ended December 31, 2023

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>REVENUES</b>				
Property taxes	\$ 1,356,500	\$ 1,362,029	\$ 1,362,181	\$ 152
State grants	20,000	21,076	22,797	1,721
Charges for services	1,170,000	1,084,000	1,132,594	48,594
Interest income	-	-	1,764	1,764
Other	23,260	48,985	49,590	605
Total revenues	<u>2,569,760</u>	<u>2,516,090</u>	<u>2,568,926</u>	<u>52,836</u>
<b>EXPENDITURES</b>				
Public safety	378,541	350,165	353,940	(3,775)
Health and welfare	2,775,969	2,567,873	2,595,558	(27,685)
Total expenditures	<u>3,154,510</u>	<u>2,918,038</u>	<u>2,949,498</u>	<u>(31,460)</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>				
	(584,750)	(401,948)	(380,572)	21,376
<b>OTHER FINANCING SOURCES</b>				
Transfers in - General Fund	584,750	378,379	380,860	2,481
<b>NET CHANGES IN FUND BALANCES</b>				
	-	(23,569)	288	23,857
<b>FUND BALANCES - BEGINNING</b>				
	<u>23,569</u>	<u>23,569</u>	<u>23,569</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>				
	<u>\$ 23,569</u>	<u>\$ -</u>	<u>\$ 23,857</u>	<u>\$ 23,857</u>

**BUDGETARY COMPARISON SCHEDULE - Police Fund**

Year ended December 31, 2023

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>REVENUES</b>				
Property taxes	\$ 1,356,500	\$ 1,362,029	\$ 1,362,181	\$ 152
State grants	20,000	4,381	4,707	326
Fines and forfeitures	20,000	16,139	19,064	2,925
Interest income	-	-	3,718	3,718
	<u>1,396,500</u>	<u>1,382,549</u>	<u>1,389,670</u>	<u>7,121</u>
Total revenues				
<b>EXPENDITURES</b>				
Public safety	<u>3,176,750</u>	<u>3,161,960</u>	<u>3,161,960</u>	<u>-</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>				
	(1,780,250)	(1,779,411)	(1,772,290)	7,121
<b>OTHER FINANCING SOURCES</b>				
Transfers in - General Fund	<u>1,780,250</u>	<u>1,779,411</u>	<u>1,779,411</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>				
	-	-	7,121	7,121
<b>FUND BALANCES - BEGINNING</b>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,121</u>	<u>\$ 7,121</u>

**SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET OPEB LIABILITY AND RELATED RATIOS**

Year ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:							
Service cost	\$ 34,665	\$ 76,692	\$ 92,994	\$ 281,053	\$ 293,178	\$ 282,418	\$ 131,237
Interest	394,086	636,575	627,920	582,220	564,519	530,482	488,071
Change in plan terms	-	(56,615)	-	-	-	-	-
Difference between expected and actual experience	(154,450)	(4,767,917)	(134,029)	(1,774,118)	(90,252)	(3,308,420)	(64,833)
Changes in assumptions	(776,687)	(517,672)	(738,262)	(2,656,144)	(88,922)	9,916,123	-
Benefit payments, including refunds	<u>(184,845)</u>	<u>(166,608)</u>	<u>(212,709)</u>	<u>(212,147)</u>	<u>(191,496)</u>	<u>(194,329)</u>	<u>(136,458)</u>
Net change in total OPEB liability	(687,231)	(4,795,545)	(364,086)	(3,779,136)	487,027	7,226,274	418,017
Total OPEB liability, beginning of year	<u>6,167,611</u>	<u>10,963,156</u>	<u>11,327,242</u>	<u>15,106,378</u>	<u>14,619,351</u>	<u>7,393,077</u>	<u>6,975,060</u>
Total OPEB liability, end of year	<u>\$ 5,480,380</u>	<u>\$ 6,167,611</u>	<u>\$ 10,963,156</u>	<u>\$ 11,327,242</u>	<u>\$ 15,106,378</u>	<u>\$ 14,619,351</u>	<u>\$ 7,393,077</u>
Plan fiduciary net position:							
Contributions - employer	\$ -	\$ 370,796	\$ 353,139	\$ 336,323	\$ 625,362	\$ -	\$ 476,141
Contributions/benefit payments made from General Fund	184,845	166,608	212,709	212,147	191,496	194,329	-
Net investment income (loss)	1,120,640	(1,089,288)	976,448	617,370	452,887	(116,841)	295,695
Benefit payments, including refunds	(184,845)	(166,608)	(212,709)	(212,147)	(191,496)	(194,329)	(136,458)
Administrative expenses	-	-	-	(2,602)	(1,918)	(650)	-
Net change in plan fiduciary net position	1,120,640	(718,492)	1,329,587	951,091	1,076,331	(117,491)	635,378
Plan fiduciary net position, beginning of year	<u>6,556,150</u>	<u>7,274,642</u>	<u>5,945,055</u>	<u>4,993,964</u>	<u>3,917,633</u>	<u>4,035,124</u>	<u>3,399,746</u>
Plan fiduciary net position, end of year	<u>\$ 7,676,790</u>	<u>\$ 6,556,150</u>	<u>\$ 7,274,642</u>	<u>\$ 5,945,055</u>	<u>\$ 4,993,964</u>	<u>\$ 3,917,633</u>	<u>\$ 4,035,124</u>
Township's net OPEB (asset) liability, end of year	<u>\$ (2,196,410)</u>	<u>\$ (388,539)</u>	<u>\$ 3,688,514</u>	<u>\$ 5,382,187</u>	<u>\$ 10,112,414</u>	<u>\$ 10,701,718</u>	<u>\$ 3,357,953</u>
Plan fiduciary net position as a percent of total OPEB liability	140.08%	106.30%	66.36%	52.48%	33.06%	26.80%	54.58%
Covered payroll	\$ 3,225,947	\$ 2,228,740	\$ 3,013,523	\$ 2,710,418	\$ 2,925,533	\$ 2,685,506	\$ 2,784,198
Township's net OPEB liability as a percentage of covered payroll	-68.09%	-17.43%	122.40%	198.57%	345.66%	398.50%	120.61%

Note: This schedule is being built prospectively after the implementation of GASB 75 in 2017.

Ultimately, ten years of data will be presented.

**SCHEDULE OF TOWNSHIP OPEB CONTRIBUTIONS AND INVESTMENT RETURNS**

Year ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contributions	\$ -	\$ 544,291	\$ 874,032	\$ 1,640,060	\$ 1,611,323	\$ 749,993	\$ 476,141
Contributions in relation to the actuarially determined contributions	<u>184,845</u>	<u>537,404</u>	<u>565,848</u>	<u>548,470</u>	<u>816,858</u>	<u>194,329</u>	<u>476,141</u>
Contribution deficiency	<u>\$ 184,845</u>	<u>\$ (6,887)</u>	<u>\$ (308,184)</u>	<u>\$ (1,091,590)</u>	<u>\$ (794,465)</u>	<u>\$ (555,664)</u>	<u>\$ -</u>
Covered payroll	<u>\$ 3,225,947</u>	<u>\$ 2,228,740</u>	<u>\$ 3,013,523</u>	<u>\$ 2,710,418</u>	<u>\$ 2,925,533</u>	<u>\$ 2,685,506</u>	<u>\$ 2,784,198</u>
Contributions as a percentage of covered payroll	5.73%	24.11%	18.78%	20.24%	27.92%	7.24%	17.10%
Annual money-weighted rate of return, net of investment expense	<u>0.16</u>	<u>(0.16)</u>	<u>0.15</u>	<u>0.11</u>	<u>0.10</u>	<u>(0.03)</u>	<u>0.08</u>

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31 each year, which is two years prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial costs method Entry-age normal cost

Amortization method Level percentage of pay, open

Remaining amortization period 11 years

Asset valuation method 5-year smoothed market

Inflation Included in the investment rate of return

Healthcare cost trend rates Pre 65 - 8.5% graded 0.25% to 4.50% per annum  
Medicare eligible - 6.5% graded 0.25% to 4.50% per annum

Salary increases 3.00%

Investment rate of return 5.55%, net of investment and administrative expenses, including inflation

Retirement age Experience-based table of rates that are specific to the type of eligibility condition

**SUPPLEMENTARY INFORMATION**

**COMBINING BALANCE SHEET - nonmajor governmental funds**

December 31, 2023

	<i>Special revenue</i>				<i>Totals</i>
	<i>Water Improvement</i>	<i>Parks and Recreation</i>	<i>Fire Equipment</i>	<i>Debt Service</i>	
<b>ASSETS</b>					
Cash	\$ 85,713	\$ 565,737	\$ 274,780	\$ 96,535	\$ 1,022,765
Investments	547,958	-	428,996	-	976,954
Taxes receivable	-	458,991	229,487	-	688,478
Special assessments receivable	33,897	-	-	124,543	158,440
Prepaid expenditures	-	8,639	7,374	-	16,013
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 667,568</u>	<u>\$ 1,033,687</u>	<u>\$ 940,637</u>	<u>\$ 221,078</u>	<u>\$ 2,862,970</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ 32,515	\$ 148,301	\$ -	\$ 180,816
Accrued liabilities	-	7,834	-	-	7,834
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>-</u>	<u>40,349</u>	<u>148,301</u>	<u>-</u>	<u>188,650</u>
Deferred inflows of resources:					
Unavailable property taxes	-	984,699	492,300	-	1,476,999
Unavailable special assessments	33,897	-	-	124,543	158,440
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total deferred inflows of resources	<u>33,897</u>	<u>984,699</u>	<u>492,300</u>	<u>124,543</u>	<u>1,635,439</u>
Fund balances:					
Nonspendable - prepaids	-	8,639	7,374	-	16,013
Restricted for:					
Public safety	-	-	292,662	-	292,662
Debt service	-	-	-	96,535	96,535
Committed for:					
Water improvements	633,671	-	-	-	633,671
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>633,671</u>	<u>8,639</u>	<u>300,036</u>	<u>96,535</u>	<u>1,038,881</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 667,568</u>	<u>\$ 1,033,687</u>	<u>\$ 940,637</u>	<u>\$ 221,078</u>	<u>\$ 2,862,970</u>

Charter Township of Delhi

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**

**IN FUND BALANCES - nonmajor governmental funds**

Year ended December 31, 2023

	<i>Special revenue</i>				<i>Totals</i>
	<i>Water Improvement</i>	<i>Parks and Recreation</i>	<i>Fire Equipment</i>	<i>Debt Service</i>	
<b>REVENUES</b>					
Property taxes	\$ -	\$ 915,461	\$ 457,659	\$ -	\$ 1,373,120
Special assessments	4,106	-	-	16,875	20,981
Federal grants	-	-	17,160	-	17,160
State grants	-	14,821	1,410	-	16,231
Charges for services	132,128	65,928	-	-	198,056
Interest and rentals	24,147	-	3,951	5,499	33,597
Other:					
Miscellaneous	-	76,473	2,000	-	78,473
Total revenues	<u>160,381</u>	<u>1,072,683</u>	<u>482,180</u>	<u>22,374</u>	<u>1,737,618</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	-	-	189,223	-	189,223
Public works	2,350	-	-	-	2,350
Recreation and culture	-	1,021,545	-	-	1,021,545
Debt service:					
Principal	-	-	217,048	25,000	242,048
Interest and fees	-	-	10,800	6,745	17,545
Capital outlay	-	835,881	131,982	-	967,863
Total expenditures	<u>2,350</u>	<u>1,857,426</u>	<u>549,053</u>	<u>31,745</u>	<u>2,440,574</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	158,031	(784,743)	(66,873)	(9,371)	(702,956)
<b>OTHER FINANCING SOURCES</b>					
Transfers in - General Fund	-	1,004,673	-	-	1,004,673
Transfers out	-	(215,000)	-	-	(215,000)
Net other financing sources	<u>-</u>	<u>789,673</u>	<u>-</u>	<u>-</u>	<u>789,673</u>
<b>NET CHANGES IN FUND BALANCES</b>					
	158,031	4,930	(66,873)	(9,371)	86,717
<b>FUND BALANCES - BEGINNING</b>					
	<u>475,640</u>	<u>3,709</u>	<u>366,909</u>	<u>105,906</u>	<u>952,164</u>
<b>FUND BALANCES - ENDING</b>					
	<u>\$ 633,671</u>	<u>\$ 8,639</u>	<u>\$ 300,036</u>	<u>\$ 96,535</u>	<u>\$ 1,038,881</u>

	<u>Downtown Development Authority</u>	<u>Brownfield Redevelopment Authority</u>
<b>ASSETS</b>		
Cash	\$ 5,277,263	\$ 525,011
Investments	5,282,116	-
Taxes receivable	277,253	-
Other receivables	21,931	310,664
Land contract	54,502	-
Prepays	7,501	-
Restricted assets:		
Cash	<u>386,170</u>	<u>-</u>
Total assets	<u>\$ 11,306,736</u>	<u>\$ 835,675</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities:		
Payables	\$ 20,394	\$ 9,680
Accrued liabilities	4,957	-
Due to other governments	3,429,781	-
Due to primary government	<u>726,552</u>	<u>-</u>
Total liabilities	<u>4,181,684</u>	<u>9,680</u>
Deferred inflows of resources:		
Unavailable land contract	54,502	-
Unavailable property taxes	<u>1,885,103</u>	<u>401,038</u>
Total deferred inflows of resources	<u>1,939,605</u>	<u>401,038</u>
Fund balances:		
Nonspendable - prepaids	7,501	-
Unassigned	<u>4,791,776</u>	<u>424,957</u>
Total fund balances	<u>5,185,447</u>	<u>424,957</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,306,736</u>	<u>\$ 835,675</u>
Reconciliation of the balance sheet to the statement of net position:		
Total fund balances	\$ 5,185,447	\$ 424,957
Amounts reported for <i>component unit activities</i> in the statement of net position (page 13) are different because:		
Capital assets used in <i>governmental funds</i> are not financial resources and, therefore, are not reported in the funds.	3,867,739	-
Deferred outflows of resources, related to a bond refunding, are not available to pay current period expenditures, and are not reported in the funds.	34,621	-
Certain receivables are not available to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds.	54,502	-
Bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.	(8,710,809)	-
Interest payable, related to noncurrent liabilities, is not due and payable in the current period and, therefore, is not reported in the funds.	<u>(43,349)</u>	<u>-</u>
Net position (deficit) of <i>component units</i>	<u>\$ 388,151</u>	<u>\$ 424,957</u>

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - component units**

Year ended December 31, 2023

	<i><b>Downtown Development Authority</b></i>	<i><b>Brownfield Redevelopment Authority</b></i>
<b>REVENUES</b>		
Tax increment financing	\$ 2,413,277	\$ 439,566
Federal grants	1,750	-
State grants	-	167,353
Charges for services	11,160	-
Interest income	335,778	-
Other	26,426	-
	<hr/>	<hr/>
Total revenues	2,788,391	606,919
<b>EXPENDITURES</b>		
Current:		
Community and economic development	528,597	587,326
Recreation and culture	7,500	-
Debt service:		
Principal	852,826	-
Interest	275,789	-
Capital outlay	716,736	-
	<hr/>	<hr/>
Total expenditures	2,381,448	587,326
<b>NET CHANGES IN FUND BALANCES</b>	406,943	19,593
<b>FUND BALANCES - BEGINNING</b>	<hr/> 4,778,504	<hr/> 405,364
<b>FUND BALANCES - ENDING</b>	<hr/> <u>\$ 5,185,447</u>	<hr/> <u>\$ 424,957</u>
Net changes in fund balances	\$ 406,943	\$ 19,593
Amounts reported for the <i>component unit</i> in the statement of activities (page 14) are different because:		
Capital assets:		
Capital asset acquisitions	747,814	-
Provision for depreciation	(347,343)	-
Long-term debt - principal payments	852,826	-
Changes in other assets and liabilities:		
Decrease in deferred outflows of resources - bond refunding	(34,622)	-
Increase in deferred inflows of resources - land contract	(22,905)	-
Decrease in deferred inflows of resources - bond premium	10,832	-
Decrease in interest payable	2,449	-
	<hr/>	<hr/>
Change in net position of the <i>component unit</i>	<u>\$ 1,615,994</u>	<u>\$ 19,593</u>

**BUDGETARY COMPARISON SCHEDULE - Downtown Development Authority**

Year ended December 31, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<b>Variance with final budget positive (negative)</b>
<b>REVENUES</b>				
Tax increment financing	\$ 2,131,800	\$ 2,413,277	\$ 2,413,277	\$ -
Federal grants	2,000	1,750	1,750	-
Charges for services	6,600	11,235	11,160	(75)
Interest and rentals	17,500	309,228	335,778	26,550
Other	4,970	26,840	26,426	(414)
Total revenues	<u>2,162,870</u>	<u>2,762,330</u>	<u>2,788,391</u>	<u>26,061</u>
<b>EXPENDITURES</b>				
Community and economic development	643,810	607,167	528,597	78,570
Recreation and culture	7,500	7,500	7,500	
Debt service:				
Principal	852,841	852,826	852,826	-
Interest	275,789	275,789	275,789	-
Capital outlay	425,000	715,736	716,736	(1,000)
Total expenditures	<u>2,204,940</u>	<u>2,459,018</u>	<u>2,381,448</u>	<u>77,570</u>
<b>NET CHANGES IN FUND BALANCES</b>	(42,070)	303,312	406,943	(51,509)
<b>FUND BALANCES - BEGINNING</b>	<u>4,778,504</u>	<u>4,778,504</u>	<u>4,778,504</u>	-
<b>FUND BALANCES - ENDING</b>	<u>\$ 4,736,434</u>	<u>\$ 5,081,816</u>	<u>\$ 5,185,447</u>	<u>\$ (51,509)</u>

**BUDGETARY COMPARISON SCHEDULE - Brownfield Redevelopment Authority**

Year ended December 31, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Tax increment financing	\$ 427,540	\$ 439,566	\$ 439,566	\$ -
State grant	<u>100,000</u>	<u>187,203</u>	<u>167,353</u>	<u>(19,850)</u>
Total revenues	<u>527,540</u>	<u>626,769</u>	<u>606,919</u>	<u>(19,850)</u>
<b>EXPENDITURES</b>				
Community and economic development	<u>521,730</u>	<u>608,246</u>	<u>587,326</u>	<u>20,920</u>
<b>NET CHANGES IN FUND BALANCES</b>	5,810	18,523	19,593	1,070
<b>FUND BALANCES - BEGINNING</b>	<u>405,364</u>	<u>405,364</u>	<u>405,364</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 411,174</u>	<u>\$ 423,887</u>	<u>\$ 424,957</u>	<u>\$ 1,070</u>

**OTHER SUPPLEMENTAL SCHEDULES**

**COMBINING BALANCE SHEET - special revenue funds (with comparative totals)**

December 31, 2023

	<i>Water</i>	<i>Parks and</i>	<i>Fire</i>	<i>Totals</i>	
	<i>improvement</i>	<i>recreation</i>	<i>equipment</i>	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>					
Cash	\$ 85,713	\$ 565,737	\$ 274,780	\$ 926,230	\$ 1,257,724
Investments	547,958	-	428,996	976,954	425,113
Taxes receivable	-	458,991	229,487	688,478	578,955
Accounts receivable	-	320	-	320	-
Special assessments receivable	33,897	-	-	33,897	7,535
Prepays	-	8,639	7,374	16,013	3,709
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 667,568</u>	<u>\$ 1,033,687</u>	<u>\$ 940,637</u>	<u>\$ 2,641,892</u>	<u>\$ 2,273,036</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Payables	\$ -	\$ 32,515	\$ 148,301	\$ 180,816	\$ 27,410
Accrued liabilities	-	7,834	-	7,834	21,543
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>-</u>	<u>40,349</u>	<u>148,301</u>	<u>188,650</u>	<u>48,953</u>
Deferred inflows of resources:					
Unavailable property taxes	-	984,699	492,300	1,476,999	1,370,290
Unavailable special assessments	33,897	-	-	33,897	7,535
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total deferred inflows of resources	<u>33,897</u>	<u>984,699</u>	<u>492,300</u>	<u>1,510,896</u>	<u>1,377,825</u>
Fund balances:					
Nonspendable - prepaids	-	8,639	7,374	16,013	3,709
Restricted for public safety	-	-	292,662	292,662	366,909
Committed for water improvements	633,671	-	-	633,671	475,640
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>633,671</u>	<u>8,639</u>	<u>300,036</u>	<u>942,346</u>	<u>846,258</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 667,568</u>	<u>\$ 1,033,687</u>	<u>\$ 940,637</u>	<u>\$ 2,641,892</u>	<u>\$ 2,273,036</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - special revenue funds (with comparative totals)**

Year ended December 31, 2023

	<u>Water Improvement</u>	<u>Parks and Recreation</u>	<u>Fire Equipment</u>	<u>Totals</u>	
				<u>2023</u>	<u>2022</u>
<b>REVENUES</b>					
Property taxes	\$ -	\$ 915,461	\$ 457,659	\$ 1,373,120	\$ 1,288,845
Special assessments	4,106			4,106	1,374
Federal grants	-	-	17,160	17,160	9,490
State grants	-	14,821	1,410	16,231	37,128
Charges for services	132,128	65,928	-	198,056	121,197
Interest and rentals	24,147	-	3,951	28,098	7,212
Other:					
Miscellaneous	-	76,473	2,000	78,473	68,139
Total revenues	<u>160,381</u>	<u>1,072,683</u>	<u>482,180</u>	<u>1,715,244</u>	<u>1,533,385</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	-	-	189,223	189,223	182,040
Public works	2,350	-	-	2,350	4,582
Recreation and culture	-	1,021,545	-	1,021,545	1,122,378
Health and welfare	-	-	-	-	-
Debt service:					
Principal	-	-	217,048	217,048	286,881
Interest and fees	-	-	10,800	10,800	15,436
Capital outlay	-	835,881	131,982	967,863	40,164
Total expenditures	<u>2,350</u>	<u>1,857,426</u>	<u>549,053</u>	<u>2,408,829</u>	<u>1,651,481</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	158,031	(784,743)	(66,873)	(693,585)	(118,096)
<b>OTHER FINANCING SOURCES</b>					
Proceeds from sale of assets	-	-	-	-	77,145
Proceeds from loan proceeds	-	-	-	-	-
Transfers in - General Fund	-	1,004,673	-	1,004,673	99,266
Net other financing sources	<u>-</u>	<u>789,673</u>	<u>-</u>	<u>789,673</u>	<u>176,411</u>
<b>NET CHANGES IN FUND BALANCES</b>	158,031	4,930	(66,873)	96,088	58,315
<b>FUND BALANCES - BEGINNING</b>	<u>475,640</u>	<u>3,709</u>	<u>366,909</u>	<u>846,258</u>	<u>787,943</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 633,671</u>	<u>\$ 8,639</u>	<u>\$ 300,036</u>	<u>\$ 942,346</u>	<u>\$ 846,258</u>

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - special revenue funds**

Year ended December 31, 2023

	<u>Water Improvement</u>			<u>Parks and Recreation</u>			<u>Fire equipment</u>		
	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>REVENUES</b>									
Property taxes	\$ -	\$ -	\$ -	\$ 915,359	\$ 915,461	\$ 102	\$ 457,608	\$ 457,659	\$ 51
Special assessments	4,106	4,106	-	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-	17,160	17,160	-
State grants	-	-	-	14,821	14,821	-	1,410	1,410	-
Charges for services	132,128	132,128	-	65,453	65,928	475	-	-	-
Interest and rentals	23,985	24,147	162	-	-	-	-	3,951	3,951
Other:									
Special assessments	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	76,473	76,473	-	2,000	2,000	-
<b>Total revenues</b>	<u>160,219</u>	<u>160,381</u>	<u>162</u>	<u>1,072,106</u>	<u>1,072,683</u>	<u>577</u>	<u>478,178</u>	<u>482,180</u>	<u>4,002</u>
<b>EXPENDITURES</b>									
Current:									
Public safety	-	-	-	-	-	-	186,149	189,223	(3,074)
Public works	2,350	2,350	-	-	-	-	-	-	-
Recreation and culture	-	-	-	1,019,765	1,021,545	(1,780)	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	217,048	217,048	-
Interest and fees	-	-	-	-	-	-	10,800	10,800	-
Capital outlay	-	-	-	830,660	835,881	(5,221)	-	131,982	(131,982)
<b>Total expenditures</b>	<u>2,350</u>	<u>2,350</u>	<u>-</u>	<u>1,850,425</u>	<u>1,857,426</u>	<u>(7,001)</u>	<u>413,997</u>	<u>549,053</u>	<u>(135,056)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>157,869</u>	<u>158,031</u>	<u>162</u>	<u>(778,319)</u>	<u>(784,743)</u>	<u>(6,424)</u>	<u>64,181</u>	<u>(66,873)</u>	<u>(131,054)</u>
<b>OTHER FINANCING SOURCES</b>									
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-
Transfers in - General Fund	-	-	-	989,610	1,004,673	15,063	-	-	-
Transfers out - Sewer	-	-	-	(215,000)	(215,000)	-	-	-	-
<b>Net other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>774,610</u>	<u>789,673</u>	<u>15,063</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>157,869</u>	<u>158,031</u>	<u>162</u>	<u>(3,709)</u>	<u>4,930</u>	<u>8,639</u>	<u>64,181</u>	<u>(66,873)</u>	<u>(131,054)</u>
<b>FUND BALANCES - BEGINNING</b>	<u>475,640</u>	<u>475,640</u>	<u>-</u>	<u>3,709</u>	<u>3,709</u>	<u>-</u>	<u>366,909</u>	<u>366,909</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 633,509</u>	<u>\$ 633,671</u>	<u>\$ 162</u>	<u>\$ -</u>	<u>\$ 8,639</u>	<u>\$ 8,639</u>	<u>\$ 431,090</u>	<u>\$ 300,036</u>	<u>\$ (131,054)</u>

**COMBINING STATEMENTS OF FIDUCIARY NET POSITION - *custodial funds* (with comparative totals)**

December 31, 2023

	<u>Tax Collection</u>	<u>General Custodial</u>	<u>Totals</u>	
			<u>2023</u>	<u>2022</u>
<b>ASSETS</b>				
Cash	\$ 12,195,530	\$ 41,800	\$ 12,237,330	\$ 12,893,648
Taxes receivable for other governments	-	273,709	273,709	19,152,716
Total assets	<u>12,195,530</u>	<u>315,509</u>	<u>12,511,039</u>	<u>32,046,364</u>
<b>LIABILITIES</b>				
Due to others	-	11,782	11,782	4,580
Due to other governmental units	<u>12,195,530</u>	<u>273,709</u>	<u>12,469,239</u>	<u>32,041,784</u>
Total liabilities	<u>12,195,530</u>	<u>285,491</u>	<u>12,481,021</u>	<u>32,046,364</u>
<b>NET POSITION</b>				
Restricted for individuals and other governments	<u>\$ -</u>	<u>\$ 30,018</u>	<u>\$ 30,018</u>	<u>\$ -</u>

	<i>Governmental funds balance sheet</i>			<i>Adjustments</i>	<i>Statement of net position</i>
	<i>Brownfield Redevelopment Operating</i>	<i>Local Brownfield Revolving</i>	<i>Total</i>		
<b>ASSETS</b>					
Cash	\$ 239,917	\$ 285,094	\$ 525,011	\$ -	\$ 525,011
Receivables	300,514	10,150	310,664	-	310,664
<b>Total assets</b>	<u>\$ 540,431</u>	<u>\$ 295,244</u>	<u>\$ 835,675</u>	<u>\$ -</u>	<u>\$ 835,675</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities - payables	\$ -	\$ 9,680	\$ 9,680	\$ -	\$ 9,680
Deferred inflows of resources - unavailable revenue	401,038	-	401,038	-	401,038
Fund balances:					
Unassigned	139,393	285,564	424,957	(424,957)	-
<b>Total fund balances</b>	<u>139,393</u>	<u>285,564</u>	<u>424,957</u>	<u>(424,957)</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 540,431</u>	<u>\$ 295,244</u>	<u>\$ 835,675</u>		
<b>NET POSITION - UNRESTRICTED</b>				<u>\$ 424,957</u>	<u>\$ 424,957</u>

**GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
AND STATEMENT OF ACTIVITIES - Brownfield Redevelopment Authority**

Year ended December 31, 2023

	<i>Governmental funds statement of revenues, expenditures, and changes in fund balances</i>				
	<i>Brownfield Redevelopment Operating</i>	<i>Local Brownfield Revolving</i>	<i>Total</i>	<i>Adjustments</i>	<i>Statement of activities</i>
<b>REVENUES</b>					
Property taxes	\$ 439,566	\$ -	\$ 439,566	\$ -	\$ 439,566
State grants	-	167,353	167,353	-	167,353
Total revenues	439,566	167,353	606,919	-	606,919
<b>EXPENDITURES</b>					
Community and economic development	395,510	191,816	587,326	-	587,326
<b>NET CHANGES IN FUND BALANCES/NET POSITION</b>	44,056	(24,463)	19,593	-	19,593
<b>FUND BALANCES/NET POSITION - BEGINNING</b>	95,337	310,027	405,364	-	405,364
<b>FUND BALANCES/NET POSITION - ENDING</b>	<u>\$ 139,393</u>	<u>\$ 285,564</u>	<u>\$ 424,957</u>	<u>\$ -</u>	<u>\$ 424,957</u>

**GOVERNMENTAL FUNDS BALANCE SHEET AND STATEMENT OF NET POSITION - Downtown Development Authority**

December 31, 2023

	Governmental funds balance sheet			Adjustments	Statement of net position
	Downtown Development Operating	Downtown Development Debt services	Total		
<b>ASSETS</b>					
Cash	\$ 5,277,263	\$ -	\$ 5,277,263	\$ -	\$ 5,277,263
Investments	5,282,116	-	5,282,116	-	5,282,116
Taxes receivable	277,253	-	277,253	-	277,253
Accounts receivables	21,931	-	21,931	-	21,931
Land contract receivable	54,502	-	54,502	-	54,502
Prepays	7,501	-	7,501	-	7,501
Restricted assets:					
Cash	386,170	-	386,170	-	386,170
Deferred outflows of resources - bond refunding	-	-	-	34,621	34,621
Capital assets not being depreciated	-	-	-	2,217,725	2,217,725
Capital assets being depreciated, net	-	-	-	1,650,014	1,650,014
<b>Total assets</b>	<b>\$ 11,306,736</b>	<b>\$ -</b>	<b>\$ 11,306,736</b>	<b>\$ 3,902,360</b>	<b>\$ 15,209,096</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Payables	\$ 20,394	\$ -	\$ 20,394	\$ -	\$ 20,394
Accrued liabilities	4,957	-	4,957	-	4,957
Interest payable	-	-	-	43,349	43,349
Due to other governmental units	3,429,781	-	3,429,781	-	3,429,781
Due to primary government	726,552	-	726,552	-	726,552
Unearned revenue	-	-	-	-	-
Long term debt:					
Due within one year	-	-	-	870,821	870,821
Due in more than one year	-	-	-	7,839,988	7,839,988
<b>Total liabilities</b>	<b>4,181,684</b>	<b>-</b>	<b>4,181,684</b>	<b>8,754,158</b>	<b>12,935,842</b>
Deferred inflows of resources:					
Unavailable land contract	54,502	-	54,502	(54,502)	-
Unavailable property taxes	1,885,103	-	1,885,103	-	1,885,103
<b>Total deferred inflows of resources</b>	<b>1,939,605</b>	<b>-</b>	<b>1,939,605</b>	<b>(54,502)</b>	<b>1,885,103</b>
Fund balances:					
Nonspendable - prepaids	7,501	-	7,501	(7,501)	-
Unassigned	4,791,776	-	4,791,776	(4,791,776)	-
<b>Total fund balances</b>	<b>5,185,447</b>	<b>-</b>	<b>5,185,447</b>	<b>(5,185,447)</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 11,306,736</b>	<b>\$ -</b>	<b>\$ 11,306,736</b>		
Net position:					
Net investment in capital assets				(4,808,449)	(4,808,449)
Unrestricted				5,097,770	5,097,770
<b>Total net position (deficit)</b>				<b>\$ 675,491</b>	<b>\$ 675,491</b>

**GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
AND STATEMENT OF ACTIVITIES - Downtown Development Authority**

Year ended December 31, 2023

	<i>Governmental funds statement of revenues, expenditures and changes in fund balances</i>				
	<i>Downtown Development Operating</i>	<i>Downtown Development Debt services</i>	<i>Total</i>	<i>Adjustments</i>	<i>Statement of activities</i>
<b>REVENUES</b>					
Property taxes	\$ 2,413,277	\$ -	\$ 2,413,277	\$ -	\$ 2,413,277
Federal grants	1,750	-	1,750	(1,750)	-
Charges for services	11,160	-	11,160	47,303	58,463
Interest and rentals	335,778	-	335,778	(42,032)	293,746
Other	26,426	-	26,426	(26,426)	-
Total revenues	<u>2,788,391</u>	<u>-</u>	<u>2,788,391</u>	<u>(22,905)</u>	<u>2,765,486</u>
<b>EXPENDITURES</b>					
Community and economic development	528,597	-	528,597	316,265	844,862
Recreation and culture	7,500	-	7,500	-	7,500
Debt service:					
Principal	-	852,826	852,826	(852,826)	-
Interest and fees	-	275,789	275,789	21,341	297,130
Capital outlay	716,736	-	716,736	(716,736)	-
Total expenditures/expenses	<u>1,252,833</u>	<u>1,128,615</u>	<u>2,381,448</u>	<u>(1,231,956)</u>	<u>1,149,492</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>1,535,558</u>	<u>(1,128,615)</u>	<u>406,943</u>	<u>1,209,051</u>	<u>1,615,994</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	1,128,615	1,128,615	(1,128,615)	-
Transfers out	(1,128,615)	-	(1,128,615)	1,128,615	-
Net other financing sources (uses)	<u>(1,128,615)</u>	<u>1,128,615</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES/NET POSITION</b>	406,943	-	406,943	1,209,051	1,615,994
<b>FUND BALANCES/NET POSITION (DEFICIT) - BEGINNING</b>	<u>4,778,504</u>	<u>-</u>	<u>4,778,504</u>	<u>(6,006,347)</u>	<u>(1,227,843)</u>
<b>FUND BALANCES/NET POSITION (DEFICIT) - ENDING</b>	<u>\$ 5,185,447</u>	<u>\$ -</u>	<u>\$ 5,185,447</u>	<u>\$ (4,797,296)</u>	<u>\$ 388,151</u>

Charter Township of Delhi

**BALANCE SHEETS - General Fund**

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash	\$ 3,212,443	\$ 2,776,602
Investments	15,757,476	15,083,125
Restricted cash - capital projects	2,089,533	265,382
Taxes receivable	2,233,040	1,910,021
Accounts receivable	684,240	687,161
Special assessments receivable	112,794	141,361
Due from component unit	726,552	631,640
Prepaid expenditures	<u>89,578</u>	<u>31,781</u>
Total assets	<u>\$ 24,905,656</u>	<u>\$ 21,527,073</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 540,014	\$ 650,973
Accrued liabilities	97,158	79,823
Unearned rental fees	46,415	-
Unearned grants	2,176,070	2,783,070
Unearned assessment revenue	<u>362,170</u>	<u>320,234</u>
Total liabilities	<u>3,221,827</u>	<u>3,834,100</u>
Deferred inflows of resources:		
Unavailable property taxes	3,653,049	3,425,266
Unavailable special assessments	<u>112,794</u>	<u>141,361</u>
Total deferred inflows of resources	<u>3,765,843</u>	<u>3,566,627</u>
Fund balances:		
Nonspendable:		
Prepays	89,578	31,781
Restricted for:		
Building department	598,442	538,557
Sycamore trail	265,382	265,382
Committed for - disaster contingency	10,000	10,000
Assigned for subsequent year expenditures	2,734,963	233,830
Unassigned	<u>14,219,621</u>	<u>13,046,796</u>
Total fund balances	<u>17,917,986</u>	<u>14,126,346</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 24,905,656</u>	<u>\$ 21,527,073</u>

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - General Fund**

Year ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>REVENUES</b>		
Property taxes	\$ 4,028,058	\$ 3,801,429
Special assessments	355,829	388,705
Licenses and permits	996,526	935,715
Federal grants	47,783	84,712
State grants	3,176,003	3,513,163
Intergovernmental - local	142,597	148,244
Charges for services	660,723	630,257
Fines and forfeitures	21,498	19,213
Investment return (loss) and rentals	794,097	(134,312)
Other	<u>38,025</u>	<u>34,363</u>
Total revenues	<u>10,261,139</u>	<u>9,421,489</u>
<b>EXPENDITURES</b>		
Current:		
General government:		
Legislative - Board of trustees	120,331	201,335
Manager	551,508	610,953
Accounting	228,409	171,432
Clerk	402,464	402,312
Information technology	288,717	293,876
Treasurer	297,179	312,302
Assessing	415,805	351,386
Elections	23,042	132,592
Building and grounds	<u>744,577</u>	<u>646,275</u>
Total general government	<u>3,072,032</u>	<u>3,122,463</u>
Public works	628,311	674,257
Community and economic development	895,907	877,367
Capital outlay	238,992	23,620
Debt service:		
Principal	560,112	565,864
Interest	<u>155,128</u>	<u>172,660</u>
Total expenditures	<u>5,550,482</u>	<u>5,436,231</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>4,710,657</u>	<u>3,985,258</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Loan proceeds	2,295,927	-
Transfers out:		
Fire fund	(380,860)	(517,987)
Police fund	(1,779,411)	(1,695,188)
Sewer fund	(50,000)	(12,720)
Parks fund	<u>(1,004,673)</u>	<u>(99,266)</u>
Total transfers out	<u>(919,017)</u>	<u>(2,325,161)</u>
<b>NET CHANGES IN FUND BALANCES</b>	3,791,640	1,660,097
<b>FUND BALANCES - BEGINNING</b>	<u>14,126,346</u>	<u>12,466,249</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 17,917,986</u>	<u>\$ 14,126,346</u>

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE FOR THE U.S. DEPARTMENT OF TREASURY  
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM

Board of Trustees  
Delhi Charter Township, Michigan

We have examined Delhi Charter Township's (the Township) compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2022 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended December 31, 2023. Management of the Township is responsible for the Township's compliance with the specified requirements. Our responsibility is to express an opinion on the Township's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the Township complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Township complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Township's compliance with specified requirements.

In our opinion, the Township complied, in all material respects, with the specified requirements referenced above during the year ended December 31, 2023.

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

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material effect on the Township's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the Township's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

**Intended Purpose**

The purpose of this examination report is solely to express an opinion on whether the Township complied, in all material respects, with the specified requirements referenced above during the year ended December 31, 2023. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Siegfried Crandall P.C." The signature is written in a cursive style.

April 12, 2024

**STATISTICAL INFORMATION (UNAUDITED)**

DELHI CHARTER TOWNSHIP  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
<b>Revenues</b>										
Taxes	\$ 5,350,366	\$ 5,414,764	\$ 5,326,844	\$ 5,578,637	\$ 5,597,193	\$ 6,885,125	\$ 7,169,721	\$ 7,352,889	\$ 7,661,686	\$ 8,125,540
Grants and Revenue Sharing	2,381,840	2,334,526	2,160,985	2,636,112	2,602,876	2,626,565	2,977,628	3,254,134	3,677,303	3,284,681
Special assessments	-	-	-	-	384,345	437,388	427,382	445,443	409,166	383,610
Intergovernmental-Local	159,610	143,493	140,471	133,313	157,958	627,884	1,397,095	149,863	154,567	142,597
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Licenses and permits	304,387	505,784	782,673	659,866	506,940	467,764	954,565	610,579	587,996	676,739
Charges for services	1,488,674	1,616,868	1,523,687	1,674,104	1,580,852	1,644,672	1,658,219	1,602,428	1,768,642	1,991,373
Franchise Fees	472,391	494,517	515,564	512,700	511,305	509,281	500,218	496,753	347,719	319,787
Fines and Forfeitures	79,227	79,247	67,025	57,779	65,704	58,630	38,626	39,936	41,853	40,562
Interest and Rentals	23,388	25,299	337,422	53,537	96,858	156,111	76,282	10,039	(127,100)	836,792
Other	760,332	771,291	496,164	717,166	273,101	206,370	269,286	190,960	126,685	166,088
<b>Total revenues</b>	<b>11,020,215</b>	<b>11,385,789</b>	<b>11,350,835</b>	<b>12,023,214</b>	<b>11,777,132</b>	<b>13,619,790</b>	<b>15,469,022</b>	<b>14,153,024</b>	<b>14,648,517</b>	<b>15,967,769</b>
<b>Expenditures</b>										
General government	2,187,982	2,225,673	2,374,929	2,116,375	2,334,714	2,290,969	2,443,186	2,774,825	3,122,463	3,072,032
Public safety	4,639,103	4,943,200	4,798,002	5,039,452	3,194,269	3,177,244	3,248,447	3,617,179	3,554,092	3,705,123
Engineering	-	-	-	-	-	-	-	-	-	-
Health & Welfare	-	-	-	-	2,141,638	2,266,980	2,306,093	2,153,433	2,582,163	2,595,558
Public works	1,253,563	669,875	800,004	1,227,575	653,567	681,877	581,936	584,235	678,839	630,661
Community development	574,711	604,369	796,021	781,810	771,515	686,346	705,779	748,865	877,367	895,907
Recreation and culture	761,143	707,045	837,782	783,752	909,431	1,111,688	767,060	975,440	1,122,378	1,021,545
Other	559,533	486,476	563,166	520,027	574,306	792,496	495,694	-	-	-
Debt service										
Principal	364,215	365,341	392,760	596,752	528,258	573,301	622,634	656,059	877,745	802,160
Interest and issuance costs	62,278	44,515	162,858	202,951	236,662	210,501	217,930	200,534	195,551	172,673
Capital outlay	1,477,912	647,425	1,662,339	2,874,880	314,173	73,853	439,242	1,132,857	446,548	2,353,727
<b>Total expenditures</b>	<b>11,880,440</b>	<b>10,693,919</b>	<b>12,387,861</b>	<b>14,143,574</b>	<b>11,658,533</b>	<b>11,865,255</b>	<b>11,828,001</b>	<b>12,843,427</b>	<b>13,457,146</b>	<b>15,249,386</b>
Excess of revenues over (under) expenditures	(860,225)	691,870	(1,037,026)	(2,120,360)	118,599	1,754,535	3,641,021	1,309,597	1,191,371	718,383
<b>Other Financing Sources (Uses)</b>										
Proceeds from long-term debt	-	-	2,613,930	348,000	-	-	-	724,067	-	2,295,927
Capital Lease	9,480	-	-	16,126	-	-	-	-	-	-
Issuance of refunding debt	-	-	414,585	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	(409,341)	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	9,995	-	4,000	180,000	5,295	13,540	20,900	77,145	-
Bond premium	-	-	-	-	-	-	-	-	-	-
Inter-entity transfers in	-	-	-	-	-	-	-	-	-	-
Transfers in	1,897,611	2,074,134	2,683,015	2,970,123	3,229,791	3,066,529	3,092,112	2,070,346	2,312,441	3,364,944
Transfers out	(1,897,611)	(2,074,134)	(2,683,015)	(2,970,123)	(3,229,791)	(3,066,529)	(3,113,710)	(2,070,346)	(2,325,161)	(3,429,944)
<b>Total other financing sources (uses)</b>	<b>9,480</b>	<b>9,995</b>	<b>2,619,174</b>	<b>368,126</b>	<b>180,000</b>	<b>5,295</b>	<b>(8,058)</b>	<b>744,967</b>	<b>64,425</b>	<b>2,230,927</b>
<b>Net change in fund balances</b>	<b>\$ (850,745)</b>	<b>\$ 701,865</b>	<b>\$ 1,582,148</b>	<b>\$ (1,752,234)</b>	<b>\$ 298,599</b>	<b>\$ 1,759,830</b>	<b>\$ 3,632,963</b>	<b>\$ 2,054,564</b>	<b>\$ 1,255,796</b>	<b>\$ 2,949,310</b>
Debt service as a percentage of noncapital expenditures	4.1%	4.1%	8.7%	7.1%	6.7%	6.6%	7.4%	7.3%	8.2%	7.6%

Source: Audited Financial Statements

Delhi Charter Township  
ASSESSED VALUE AND  
TAXABLE VALUE OF PROPERTY  
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31	Agricultural Property	Commercial Property	Industrial Property	Residential Property	Personal Property	Total Taxable Value	Total Direct Tax Rate	Assessed Value	Taxable Value as a Percentage of Assessed Value
2014	2,672,068	121,823,664	14,897,412	505,737,261	50,095,615	695,226,020	7.8094	727,820,340	96%
2015	2,714,652	125,404,328	11,941,007	519,585,279	52,571,300	712,216,566	7.3094	760,094,300	94%
2016	2,722,763	127,575,883	13,116,318	528,771,656	46,701,500	718,888,120	7.2903	790,026,650	91%
2017	2,979,763	129,554,977	14,762,839	544,710,494	41,803,400	733,811,473	7.2903	821,397,875	89%
2018	2,967,285	137,701,092	14,573,574	566,858,128	42,736,200	764,836,279	8.7903	845,331,600	90%
2019	3,015,574	148,399,140	15,952,411	591,919,327	42,231,500	801,517,952	8.7903	904,547,100	89%
2020	3,244,201	151,806,373	16,316,906	611,390,576	40,270,800	823,028,856	8.7734	954,420,275	86%
2021	3,332,502	166,337,432	17,292,742	632,366,639	44,825,980	864,155,295	8.7206	1,016,166,532	85%
2022	3,597,404	177,252,485	17,757,463	668,190,285	54,792,400	921,590,037	8.6813	1,083,653,015	85%
2023	3,764,116	202,837,353	18,077,255	715,423,781	52,558,500	992,661,005	8.6813	1,203,439,356	82%

Personal Property by Category-Taxable Value			
	Commercial	Industrial	Utility
2014	20,255,800	16,374,015	13,465,800
2015	22,260,400	16,523,600	13,787,300
2016	24,367,000	8,189,000	14,145,500
2017	23,607,500	4,135,500	14,060,400
2018	23,624,900	2,834,600	16,276,700
2019	22,908,900	2,236,400	17,086,200
2020	22,112,500	1,129,500	17,028,800
2021	25,014,800	1,756,380	18,054,800
2023	32,516,600	216,500	19,825,400

Source: Township Assessing Department

DELHI CHARTER TOWNSHIP  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(PER \$1,000 OF ASSESSED VALUATION)

Fiscal Year Ended December 31	Delhi Charter Township						Overlapping Rates							Total Direct & Overlapping Rates
	Operating Millage	Fire/EMS Millage	Police Millage	Fire Equip & Training Millage	Parks, Trails, Rec Millage	Total Township Millage	Ingham County Millage	Ingham Intermediate School Millage	Lansing Community College Millage	Summer State Education Tax	Holt School District			
											Operating Millage	Debt Service Millage	Total School Millage	
2014	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	15.2633	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.8680
2015	4.3094	1.5000	1.5000	0.0000	0.0000	7.3094	15.0933	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.1980
2016	4.3094	1.5000	1.5000	0.0000	0.0000	7.3094	15.3333	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.4380
2017	4.2981	1.4961	1.4961	0.0000	0.0000	7.2903	15.3402	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.4258
2018	4.2981	1.4961	1.4961	0.5000	1.0000	8.7903	16.6060	5.9987	3.8072	6.0000	0.0000	10.0000	10.0000	51.2022
2019	4.2981	1.4961	1.4961	0.5000	1.0000	8.7903	16.6060	5.9987	3.8072	6.0000	0.0000	10.0000	10.0000	51.2022
2020	4.2899	1.4932	1.4932	0.4990	0.9981	8.7734	17.1642	6.2384	3.7770	6.0000	0.0000	10.0000	10.0000	51.9530
2021	4.2641	1.4842	1.4842	0.4960	0.9921	8.7206	17.2185	6.2297	3.7692	6.0000	0.0000	8.2300	8.2300	50.1680
2022	4.2410	1.4761	1.4761	0.4960	0.9921	8.6813	16.5600	6.2290	3.7692	6.0000	0.0000	8.2300	8.2300	49.4695
2023	4.2410	1.4761	1.4761	0.4960	0.9921	8.6813	16.5600	6.2290	3.7692	6.0000	0.0000	8.2300	8.2300	49.4695

Non-homestead Holt school operating millage

2014	17.3171
2015	18.0000
2016	18.0000
2017	18.0000
2018	18.0000
2019	18.0000
2020	18.0000
2021	18.0000
2022	18.0000
2023	18.0000

Source: Township Assessing Department

See Summer & Winter Tax Warrants

DELHI CHARTER TOWNSHIP  
TOP TEN PRINCIPAL  
TAX PAYERS  
CURRENT YEAR

2023			
Taxpayer	Taxable Value	Rank	Percentage of Total Twp Taxable Value
McKesson Corporation	21,651,345	1	2.18%
Consumers Energy Company	18,523,766	2	1.87%
Willoughby Estates II, LLC	13,258,032	3	1.34%
Redwood Holt Cedar Street MI	13,241,000	4	1.33%
Sreit Woodland Lakes Lansing, L	11,036,100	5	1.11%
Dart Container Corp	8,734,203	6	0.88%
Aspen Consolidated, LLC	6,619,257	7	0.67%
RSDC of Michigan, LLC	6,008,900	8	0.61%
Theroux Development Co.	4,549,885	9	0.46%
DTN Properties, LLC	4,529,721	10	0.46%

Source: Township Tax Data Base

108,152,209

See old budget books for 10 years ago info.