

*Charter Township of Delhi  
Ingham County, Michigan*

**FINANCIAL STATEMENTS**

*Year ended December 31, 2024*

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## 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, 2024, 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, 2024, 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.

### **Change in Accounting Principle**

As described in Note 17 to the financial statements, the Township adopted GASB statement 101 during the current year, which resulted in a restatement of net position. Our opinions are not modified with respect to this matter.

### **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.*

March 26, 2025

**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, 2024. Please read it in conjunction with the Township's financial statements.

### **FINANCIAL HIGHLIGHTS**

- The Township's total net position increased by \$7,250,197 (9.65 percent) as a result of this year's activities. The net position of the governmental activities increased by \$3,035,896 and the net position of the business-type activity increased by \$4,214,301.
- Of the \$82,365,392 total net position reported, \$24,082,540 (29 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 \$14,510,437, which represents 116 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 2024 and 2023 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 \$82,365,392. Of this total, \$55,601,426 represents a net investment in capital assets and \$2,681,426 is restricted for various purposes. Consequently, unrestricted net position was \$24,082,540 or 29 percent of the total.

*Condensed financial information  
Net position*

	<i>Governmental activities</i>		<i>Business-type activities</i>		<i>Totals</i>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 31,282,810	\$ 34,254,119	\$ 13,105,778	\$ 13,635,904	\$ 44,388,588	\$ 47,890,023
Capital assets	<u>26,061,278</u>	<u>22,782,116</u>	<u>54,330,384</u>	<u>47,098,635</u>	<u>80,391,662</u>	<u>69,880,751</u>
Total assets	<u>57,344,088</u>	<u>57,036,235</u>	<u>67,436,162</u>	<u>60,734,539</u>	<u>124,780,250</u>	<u>117,770,774</u>
Deferred outflows of resources	<u>147,339</u>	<u>1,176,342</u>	<u>44,202</u>	<u>417,109</u>	<u>191,541</u>	<u>1,593,451</u>
Long-term debt	6,591,762	6,959,834	18,198,474	15,477,446	24,790,236	22,437,280
Current and other liabilities	<u>2,682,884</u>	<u>5,400,357</u>	<u>1,739,497</u>	<u>1,732,120</u>	<u>4,422,381</u>	<u>7,132,477</u>
Total liabilities	<u>9,274,646</u>	<u>12,360,191</u>	<u>19,937,971</u>	<u>17,209,566</u>	<u>29,212,617</u>	<u>29,569,757</u>
Deferred inflows of resources	<u>12,281,064</u>	<u>12,952,565</u>	<u>1,112,718</u>	<u>1,726,708</u>	<u>13,393,782</u>	<u>14,679,273</u>
Net position:						
Net investment in capital assets	19,469,516	15,822,282	36,131,910	31,623,119	55,601,426	47,445,401
Restricted	1,439,688	1,755,574	1,195,165	1,555,277	2,634,853	3,310,851
Unrestricted	<u>15,026,513</u>	<u>15,321,965</u>	<u>9,102,600</u>	<u>9,036,978</u>	<u>24,129,113</u>	<u>24,358,943</u>
Total net position	<u>\$ 35,935,717</u>	<u>\$ 32,899,821</u>	<u>\$ 46,429,675</u>	<u>\$ 42,215,374</u>	<u>\$ 82,365,392</u>	<u>\$ 75,115,195</u>

**Changes in net position**

The Township's total revenues for the current fiscal year were \$28,170,686, which is \$2,091,481 higher than the prior year, due to a \$1,807,077 increase in capital grants. In the current year, approximately 42 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 11 percent of total revenues in the current year.

The total cost of the Township's programs, covering a wide range of services, totaled \$20,920,489. Approximately 36 percent of the Township's expenses relates to the provision of sewer services. General government and public safety expenses account for 15 and 18 percent of the Township's total expenses, respectively.

Condensed financial information  
Changes in net position

	Governmental activities		Business-type activities		Totals	
	2024	2023	2024	2023	2024	2023
Program revenues:						
Charges for services	\$ 3,317,111	\$ 3,459,477	\$ 8,496,483	\$ 8,775,315	\$ 11,813,594	\$ 12,234,792
Grants and contributions:						
Operating grants	677,274	568,433	-	-	677,274	568,433
Capital grants	-	17,160	2,816,425	992,188	2,816,425	1,009,348
General revenues:						
Property taxes	8,107,783	7,553,179	-	-	8,107,783	7,553,179
Local community stabilization	94,258	107,437	-	-	94,258	107,437
State shared revenue	3,086,069	3,093,279	-	-	3,086,069	3,093,279
Unrestricted investment return	853,126	842,291	445,849	350,659	1,298,975	1,192,950
Miscellaneous	276,308	319,787	-	-	276,308	319,787
Total revenues	<u>16,411,929</u>	<u>15,961,043</u>	<u>11,758,757</u>	<u>10,118,162</u>	<u>28,170,686</u>	<u>26,079,205</u>
Expenses:						
General government	3,150,293	2,789,527	-	-	3,150,293	2,789,527
Public safety	3,700,270	3,760,092	-	-	3,700,270	3,760,092
Public works	1,225,227	842,556	-	-	1,225,227	842,556
Health and welfare	2,845,375	2,595,558	-	-	2,845,375	2,595,558
Community and economic development	974,819	912,379	-	-	974,819	912,379
Recreation and culture	1,214,641	1,205,589	-	-	1,214,641	1,205,589
Interest	247,408	194,336	-	-	247,408	194,336
Sewer	-	-	7,562,456	7,312,352	7,562,456	7,312,352
Total expenses	<u>13,358,033</u>	<u>12,300,037</u>	<u>7,562,456</u>	<u>7,312,352</u>	<u>20,920,489</u>	<u>19,612,389</u>
Transfers	<u>(18,000)</u>	<u>(65,000)</u>	<u>18,000</u>	<u>65,000</u>	<u>-</u>	<u>-</u>
Changes in net position	<u>\$ 3,035,896</u>	<u>\$ 3,596,006</u>	<u>\$ 4,214,301</u>	<u>\$ 2,870,810</u>	<u>\$ 7,250,197</u>	<u>\$ 6,466,816</u>
Net position, end of year	<u>\$ 35,935,717</u>	<u>\$ 32,899,821</u>	<u>\$ 46,429,675</u>	<u>\$ 42,215,374</u>	<u>\$ 82,365,392</u>	<u>\$ 75,115,195</u>

**Governmental activities**

Governmental activities increased the Township's net position by \$3,035,896, in the current year, compared to a \$3,596,006 increase in the prior year. Net position increased by a higher amount in the current year as revenues increased by \$450,886, while expenses increased by \$1,057,996.

Revenues increased due to a \$554,604 increase in property taxes due to increased taxable value. Total expenses primarily increased due to an increase in general government and public works expenses.

The total cost of governmental activities this year was \$13,358,033. After subtracting the direct charges to those who directly benefited from the programs (\$3,317,111) and operating/capital grants and contributions (\$677,274), the "public benefit" portion covered by property taxes, state revenue sharing, and other general revenues was \$9,363,648.

**Business-type activities**

Business-type activities increased the Township's net position by \$4,214,301 in the current year compared to a \$2,870,810 increase in the prior year. Net position increased as capital grants increased by \$1,824,237 due to recognition of ARPA grant revenue, and expenses increased by \$250,104.

**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 \$17,569,740, a decrease of \$1,889,680 in comparison with the prior year. Of the total fund balances, \$14,510,437 (83 percent) constitutes unassigned fund balance, which is available for spending at the Township's discretion. The remainder of the fund balance is either nonspendable (\$328,176), restricted to indicate that it is not available for new spending (\$1,439,688), committed for specific purposes (\$1,056,340) or assigned (\$203,616).

The General Fund is the primary operating fund of the Township. At the end of the fiscal year, its fund balance was \$15,938,993. Revenues (\$10,476,335) were lower than expenditures (\$7,899,170) and transfers out (\$4,556,158) to the fire, police, and parks funds. Fund balance decreased by \$1,978,993 during the current year.

The Fire Fund experienced an increase in fund balance of \$173,210, as the fund's revenues (\$2,830,064) and transfers in (\$576,527) from the General Fund exceeded expenditures (\$3,233,381) in the current year. The fund balance at the end of the fiscal year was \$197,067, of which \$95,022 is nonspendable and \$102,045 is restricted for public safety.

The Police Fund experienced a decrease of \$4,004 in fund balance, as the fund's revenues (\$1,544,817) and transfers in (\$1,722,717) from the General Fund were lower than expenditures (\$3,271,538) in the current year. The \$3,117 fund balance is restricted for public safety.

The Capital Project Fund experienced a \$77,062 increase in fund balance as expenditures of (\$2,060,802) were incurred in the current year. The fund balance of \$548,637 is restricted for capital projects at the end of the fiscal year.

**Proprietary funds**

The Sewer Fund experienced an increase in net position of \$4,214,301 in the current year, primarily because user fees have been set so the fund is covering its costs. Total net position is \$46,429,675 at year end, of which \$9,102,600 is unrestricted.

**General Fund budgetary highlights**

The Township amended its revenue budget to increase total revenues by \$832,439. The Township also amended its appropriations during the current year so that budgeted expenditures decreased by \$297,085 to reflect changes that occurred over the course of the year.

Total revenues were \$53,339 more than budgeted, as almost every revenue category was comparable to budgeted amounts. Expenditures were \$1,073,348 less than the amounts appropriated, as costs were lower than appropriations in all functions. These variances resulted in a net \$1,126,687 positive budget variance due to a \$1,978,993 decrease in fund balance compared to a budgeted decrease of \$3,105,680.

**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, 2024, amounts to \$80,391,662, net of accumulated depreciation. Governmental capital assets amount to \$26,061,278 and business-type capital assets totaled \$54,330,384. 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 \$10,510,911 as additions (\$14,796,087) were higher than depreciation (\$4,249,461) and loss on disposal of (\$35,715).

	<i>Governmental activities</i>		<i>Business-type activities</i>		<i>Total</i>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Land	\$ 3,333,974	\$ 3,572,966	\$ 1,283,907	\$ 1,116,405	\$ 4,617,881	\$ 4,689,371
Easements	62,361	62,361	15,955	15,955	78,316	78,316
Monument	54,278	54,278			54,278	54,278
Infrastructure	-	-	25,937,994	26,953,600	25,937,994	26,953,600
Flowage rights	3,342,777	3,554,672	-	-	3,342,777	3,554,672
Buildings and improvements	5,130,836	5,343,959	8,668,672	9,804,416	13,799,508	15,148,375
Land improvements	8,896,364	7,004,646	34,473	61,203	8,930,837	7,065,849
Machinery and equipment	798,399	606,333	6,336,211	6,151,771	7,134,610	6,758,104
Furniture and office equipment	10,797	-	52,313	47,619	63,110	47,619
Computer equipment and programs	9,446	-	23,630	26,882	33,076	26,882
Right to use machinery and equipment	294,672	-	-	-	294,672	-
Vehicles	1,030,157	847,793	361,377	284,813	1,391,534	1,132,606
Construction in progress	3,097,217	1,735,108	11,615,852	2,635,971	14,713,069	4,371,079
Totals	\$ 26,061,278	\$ 22,782,116	\$ 54,330,384	\$ 47,098,635	\$ 80,391,662	\$ 69,880,751

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

- Trail project costs consisted of \$2,177,768.
- Kiwanis park playground \$209,178.
- Purchase of equipment costing \$685,098.
- Sewer system improvements totaled \$10,153,797,
- In-progress sewer system improvements totaled \$11,615,852.

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 \$24,790,236, which represents a net increase of \$2,352,956. During the year, new debt was incurred totaling \$5,061,593. Principal payments in the amount of \$2,706,958, were made in a timely manner over the course of the year.

	<i>Governmental activities</i>		<i>Business-type activities</i>		<i>Total</i>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
General obligation	\$ -	\$ 2,420,927	\$ 6,844,663	\$ 7,455,129	\$ 6,844,663	\$ 9,876,056
Revenue bonds	-	-	10,545,373	7,065,000	10,545,373	7,065,000
Other long-term debt	<b>6,591,762</b>	4,538,907	<b>1,026,729</b>	957,317	<b>7,618,491</b>	5,496,224
Totals	<b>\$ 6,591,762</b>	<b>\$ 6,959,834</b>	<b>\$ 18,416,765</b>	<b>\$ 15,477,446</b>	<b>\$ 25,008,527</b>	<b>\$ 22,437,280</b>

Other long-term debt of the governmental activities and business type activities, totaling \$531,877 and \$218,291, respectively, 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**

Each year, Delhi Charter Township’s Board of Trustees holds a goal setting meeting, which guides the creation of the Township’s budgets. Notable highlights from the Board’s 2024 goal setting meeting are below. These items guided the development of the 2025 fiscal year budget:

- Activities and opportunities for families, seniors, and all community members continued to be a major consideration in the 2025 budget development.
- Prioritize effective communication and public accessibility to government.
- Continue to look for ways to increase the flexibility in delivering Township services.

During the current fiscal year, total fund balance in the General Fund decreased by \$1,978,993. The Township has projected expenditures to exceed revenues in 2025 by \$203,616. 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, 2024

	Primary government			Component units	
	Governmental activities	Business-type activity	Totals	Downtown Development Authority	Brownfield Redevelopment Authority
<b>ASSETS</b>					
Current assets:					
Cash	\$ 5,513,221	\$ 1,392,613	\$ 6,905,834	\$ 5,024,246	\$ 502,341
Investments	15,338,935	8,055,157	23,394,092	7,474,455	-
Receivables	5,500,719	1,530,648	7,031,367	324,082	373,293
Prepaid expenses	281,603	92,046	373,649	33,071	-
Total current assets	26,634,478	11,070,464	37,704,942	12,855,854	875,634
Noncurrent assets:					
Restricted cash	1,062,374	1,195,165	2,257,539	322,422	-
Due from component unit	785,462	-	785,462	-	-
Net other postemployment benefits asset	2,800,496	840,149	3,640,645	-	-
Capital assets not being depreciated	6,547,830	12,915,714	19,463,544	2,217,724	-
Capital assets being depreciated, net	19,513,448	41,414,670	60,928,118	1,574,924	-
Total noncurrent assets	30,709,610	56,365,698	87,075,308	4,115,070	-
Total assets	57,344,088	67,436,162	124,780,250	16,970,924	875,634
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amounts - OPEB	147,339	44,202	191,541	-	-
<b>LIABILITIES</b>					
Current liabilities:					
Payables	1,741,880	1,508,441	3,250,321	3,625,237	3,852
Unearned revenue	409,127	12,765	421,892	-	-
Compensated absences	333,437	127,126	460,563	-	-
Bonds and notes payable due within one year	1,460,534	2,084,892	3,545,426	680,835	-
Total current liabilities	3,944,978	3,733,224	7,678,202	4,306,072	3,852
Noncurrent liabilities:					
Due to primary government	-	-	-	785,462	-
Compensated absences	198,440	91,165	289,605	-	-
Bonds and notes payable	5,131,228	16,113,582	21,244,810	7,148,318	-
Total noncurrent liabilities	5,329,668	16,204,747	21,534,415	7,933,780	-
Total liabilities	9,274,646	19,937,971	29,212,617	12,239,852	3,852
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	8,572,004	-	8,572,004	2,050,992	508,758
Deferred amounts - OPEB	3,709,060	1,112,718	4,821,778	-	-
Total deferred inflows of resources	12,281,064	1,112,718	13,393,782	2,050,992	508,758
<b>NET POSITION</b>					
Net investment in capital assets	19,469,516	36,131,910	55,601,426	(4,036,505)	-
Restricted:					
Public safety	129,268	-	129,268	-	-
Building department	412,303	-	412,303	-	-
Capital projects	814,019	580,432	1,394,451	322,422	-
Debt service	84,098	614,733	698,831	-	-
Unrestricted	15,026,513	9,102,600	24,129,113	6,394,163	363,024
Total net position	\$ 35,935,717	\$ 46,429,675	\$ 82,365,392	\$ 2,680,080	\$ 363,024

See notes to financial statements

Charter Township of Delhi  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2024

Functions /Programs	Net (expenses) revenues and changes in net position								
	Expenses	Program revenues			Primary government			Component units	
		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	\$ 3,150,293	\$ 1,179,508	\$ 61,226	\$ -	\$ (1,909,559)	\$ (1,909,559)			
Public safety	3,700,270	674,553	70,376	-	(2,955,341)	(2,955,341)			
Public works	1,225,227	61,982	393,760	-	(769,485)	(769,485)			
Health and welfare	2,845,375	1,190,631	-	-	(1,654,744)	(1,654,744)			
Community and economic development	974,819	107,892	127,612	-	(739,315)	(739,315)			
Recreation and culture	1,214,641	102,545	24,300	-	(1,087,796)	(1,087,796)			
Interest on long-term debt	247,408	-	-	-	(247,408)	(247,408)			
Total governmental activities	<u>13,358,033</u>	<u>3,317,111</u>	<u>677,274</u>	<u>-</u>	<u>(9,363,648)</u>	<u>(9,363,648)</u>			
Business-type activity - Sewer	<u>7,562,456</u>	<u>8,496,483</u>	<u>-</u>	<u>2,816,425</u>		<u>\$ 3,750,452</u>		<u>3,750,452</u>	
Total primary government	<u>\$ 20,920,489</u>	<u>\$ 11,813,594</u>	<u>\$ 677,274</u>	<u>\$ 2,816,425</u>	<u>\$ (9,363,648)</u>	<u>\$ 3,750,452</u>		<u>\$ (5,613,196)</u>	
<b>Component units:</b>									
Downtown Development Authority	\$ 906,299	\$ 44,925	\$ 1,700	\$ -			\$ (859,674)	\$ -	
Brownfield Redevelopment Authority	<u>624,249</u>	<u>-</u>	<u>25,812</u>	<u>-</u>			<u>-</u>	<u>(598,437)</u>	
Total component units	<u>\$ 1,530,548</u>	<u>\$ 44,925</u>	<u>\$ 27,512</u>	<u>\$ -</u>			<u>(859,674)</u>	<u>(598,437)</u>	
General revenues:									
Property taxes:									
Operating					3,694,762	-	3,694,762	2,720,407	536,504
Fire					1,467,050	-	1,467,050	-	-
Police					1,467,050	-	1,467,050	-	-
Parks and recreation					985,998	-	985,998	-	-
Fire equipment					492,923	-	492,923	-	-
Local community stabilization revenue					94,258	-	94,258	-	-
State shared revenue					3,086,069	-	3,086,069	-	-
Unrestricted investment return					853,126	445,849	1,298,975	431,196	-
Franchise fees					276,308	-	276,308	-	-
Transfers					<u>(18,000)</u>	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues					<u>12,399,544</u>	<u>463,849</u>	<u>12,863,393</u>	<u>3,151,603</u>	<u>536,504</u>
Changes in net position					3,035,896	4,214,301	7,250,197	2,291,929	(61,933)
Net position - beginning, as previously reported					32,967,986	42,240,919	75,208,905	388,151	424,957
Change in accounting principle					<u>(68,165)</u>	<u>(25,545)</u>	<u>(93,710)</u>	<u>-</u>	<u>-</u>
Net position - beginning, as restated					<u>32,899,821</u>	<u>42,215,374</u>	<u>75,115,195</u>	<u>388,151</u>	<u>424,957</u>
Net position - ending					<u>\$ 35,935,717</u>	<u>\$ 46,429,675</u>	<u>\$ 82,365,392</u>	<u>\$ 2,680,080</u>	<u>\$ 363,024</u>

See notes to financial statements

**BALANCE SHEET - governmental funds**

December 31, 2024

	General	Special revenue		Capital Project	Nonmajor	Total governmental
		Fire	Police	Capital	funds	funds
<b>ASSETS</b>						
Cash	\$ 2,890,598	\$ 910,663	\$ 867,107	\$ -	\$ 844,853	\$ 5,513,221
Restricted cash - capital projects	1,028,306	-	-	34,068	-	1,062,374
Investments	13,094,418	85,096	270,102	954,907	934,412	15,338,935
Taxes receivable	2,306,739	694,743	694,743	-	700,421	4,396,646
Accounts receivable	693,831	134,462	856	-	150	829,299
Special assessments receivable	87,829	-	-	-	140,372	228,201
Due from component unit	785,462	-	-	-	-	785,462
Prepaid expenditures	169,255	95,022	-	-	63,899	328,176
Total assets	<u>\$ 21,056,438</u>	<u>\$ 1,919,986</u>	<u>\$ 1,832,808</u>	<u>\$ 988,975</u>	<u>\$ 2,684,107</u>	<u>\$ 28,482,314</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 614,171	\$ 35,761	\$ 272,503	\$ 440,338	\$ 82,323	\$ 1,445,096
Accrued liabilities	118,538	124,500	-	-	9,639	252,677
Unearned assessment revenue	409,127	-	-	-	-	409,127
Total liabilities	<u>1,141,836</u>	<u>160,261</u>	<u>272,503</u>	<u>440,338</u>	<u>91,962</u>	<u>2,106,900</u>
Deferred inflows of resources:						
Unavailable property taxes	3,887,781	1,557,188	1,557,188	-	1,569,847	8,572,004
Unavailable ambulance fees	-	5,470	-	-	-	5,470
Unavailable special assessments	87,828	-	-	-	140,372	228,200
Total deferred inflows of resources	<u>3,975,609</u>	<u>1,562,658</u>	<u>1,557,188</u>	<u>-</u>	<u>1,710,219</u>	<u>8,805,674</u>
Fund balances:						
Nonspendable:						
Prepays	169,255	95,022	-	-	63,899	328,176
Restricted for:						
Public safety	-	102,045	3,117	-	24,106	129,268
Building department	412,303	-	-	-	-	412,303
Debt service	-	-	-	-	84,098	84,098
Township renovations	-	-	-	548,637	-	548,637
Sycamore trail	265,382	-	-	-	-	265,382
Committed for:						
General government	-	-	-	-	678,340	678,340
Disaster contingency	10,000	-	-	-	-	10,000
Assigned for:						
Sidewalks	88,000	-	-	-	-	88,000
Cemetery improvements	130,000	-	-	-	-	130,000
Asphalt replacement	150,000	-	-	-	-	150,000
General government	-	-	-	-	31,483	31,483
Subsequent year expenditures	203,616	-	-	-	-	203,616
Unassigned	14,510,437	-	-	-	-	14,510,437
Total fund balances	<u>15,938,993</u>	<u>197,067</u>	<u>3,117</u>	<u>548,637</u>	<u>881,926</u>	<u>17,569,740</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,056,438</u>	<u>\$ 1,919,986</u>	<u>\$ 1,832,808</u>	<u>\$ 988,975</u>	<u>\$ 2,684,107</u>	<u>\$ 28,482,314</u>

See notes to financial statements

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

December 31, 2024

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

Total fund balance - total governmental funds (page 15)	\$ 17,569,740
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.	26,061,278
Certain receivables are not available to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds.	233,670
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences	(531,877)
Bonds and notes payable	(6,591,762)
Net other postemployment benefits (liability) asset	2,800,496
Deferred outflows of resources - Net other postemployment benefits liability	147,339
Deferred inflows of resources - Net other postemployment benefits liability	(3,709,060)
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>(44,107)</u>
Net position of <i>governmental activities</i>	<u>\$ 35,935,717</u>

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

## BALANCES - governmental funds

Year ended December 31, 2024

	General	Special revenue		Capital Project	Nonmajor funds	Total governmental funds
		Fire	Police	Capital		funds
<b>REVENUES</b>						
Property taxes	\$ 4,315,287	\$ 1,467,050	\$ 1,467,050	\$ -	\$ 1,478,921	\$ 8,728,308
Special assessment	394,897	-	-	-	18,068	412,965
Licenses and permits	752,198	-	-	-	-	752,198
Federal grants	43,226	-	-	-	-	43,226
State grants	3,196,406	45,493	9,021	-	24,916	3,275,836
Intergovernmental - local	138,677	-	-	-	2,250	140,927
Charges for services	613,698	1,197,521	-	-	86,654	1,897,873
Fines and forfeitures	25,874	-	12,762	-	-	38,636
Investment return (loss) and rentals	737,836	28,376	55,984	30,358	84,932	937,486
Other	258,236	91,624	-	-	13,746	363,606
Total revenues	10,476,335	2,830,064	1,544,817	30,358	1,709,487	16,591,061
<b>EXPENDITURES</b>						
Current:						
General government	3,674,453	-	-	-	-	3,674,453
Public safety	-	388,006	3,271,538	-	173,561	3,833,105
Public works	984,195	-	-	-	2,349	986,544
Community and economic development	969,077	-	-	-	-	969,077
Health and welfare	-	2,845,375	-	-	-	2,845,375
Recreation and culture	-	-	-	-	932,272	932,272
Capital outlay	1,492,975	-	-	2,060,802	1,054,665	4,608,442
Debt service:						
Principal	546,392	-	-	-	169,900	716,292
Interest	232,078	-	-	-	13,323	245,401
Total expenditures	7,899,170	3,233,381	3,271,538	2,060,802	2,346,070	18,810,961
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	2,577,165	(403,317)	(1,726,721)	(2,030,444)	(636,583)	(2,219,900)
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from loan proceeds	-	-	-	-	348,220	348,220
Transfers in	-	576,527	1,722,717	2,107,506	131,408	4,538,158
Transfers out	(4,556,158)	-	-	-	-	(4,556,158)
Net other financing sources (uses)	(4,556,158)	576,527	1,722,717	2,107,506	479,628	330,220
<b>NET CHANGES IN FUND BALANCES</b>	(1,978,993)	173,210	(4,004)	77,062	(156,955)	(1,889,680)
<b>FUND BALANCES - BEGINNING</b>	17,917,986	23,857	7,121	471,575	1,038,881	19,459,420
<b>FUND BALANCES - ENDING</b>	\$ 15,938,993	\$ 197,067	\$ 3,117	\$ 548,637	\$ 881,926	\$ 17,569,740

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

Year ended December 31, 2024

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) \$ (1,889,680)

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

Capital assets:

Add - capital asset acquisitions	4,642,290
Deduct - provision for depreciation	(1,331,247)
Basis of asset dispositions	(31,881)

Long-term debt:

Add - principal payments	716,292
Deduct - drain assessment	(348,220)

Changes in other liabilities:

Net increase in compensated absences	(1,068)
Net increase in interest payable	(2,007)
Net decrease in other postemployment benefit liability	1,177,063

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

Net decrease in deferred inflows of resources - unavailable revenue	(49,924)
Net decrease in deferred outflows of resources - other postemployment benefit liability	(1,029,003)
Net decrease in deferred inflows of resources - other postemployment benefit liability	<u>1,183,281</u>

Change in net position of *governmental activities* \$ 3,035,896

**STATEMENT OF NET POSITION - Proprietary Fund**

December 31, 2024

	<i>Business-type activities</i>
	<u>Enterprise fund</u>
	<u>Sewer</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 1,392,613
Investments	8,055,157
Accounts receivable	1,525,617
Special assessment receivable	5,031
Prepays	<u>92,046</u>
Total current assets	<u>11,070,464</u>
Noncurrent assets:	
Restricted cash:	
Debt service	614,733
Capital projects	580,432
Net other postemployment benefit asset	840,149
Capital assets not being depreciated	12,915,714
Capital assets being depreciated, net	<u>41,414,670</u>
Total noncurrent assets	<u>56,365,698</u>
Total assets	<u>67,436,162</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts - net other postemployment benefits	<u>44,202</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	1,313,273
Accrued liabilities	72,284
Interest payable	100,676
Customer deposits	22,208
Unearned revenue	12,765
Compensated absences	127,126
Bonds and notes payable due within one year	<u>2,084,892</u>
Total current liabilities	<u>3,733,224</u>
Noncurrent liabilities:	
Compensated absences	91,165
Bonds payable	<u>16,113,582</u>
Total liabilities	<u>19,937,971</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred amounts - net other postemployment benefits	<u>1,112,718</u>
<b>NET POSITION</b>	
Net investment in capital assets	36,131,910
Restricted for:	
Debt service	614,733
Capital projects	580,432
Unrestricted	<u>9,102,600</u>
Total net position	<u>\$ 46,429,675</u>

See notes to financial statements

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

Year ended December 31, 2024

	<i>Business-type activities</i>
	<u>Enterprise fund</u>
	<u>Sewer</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Utility charges	\$ 8,175,575
Permits and fees	70,850
Other operating revenue	<u>250,058</u>
Total operating revenues	<u>8,496,483</u>
<b>OPERATING EXPENSES</b>	
Cost of sales and services	4,257,649
Depreciation	<u>2,918,214</u>
Total operating expenses	<u>7,175,863</u>
<b>OPERATING INCOME</b>	<u>1,320,620</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest and rents	445,849
Interest expense	<u>(386,593)</u>
Net nonoperating revenues	<u>59,256</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	1,379,876
<b>CAPITAL CONTRIBUTIONS</b>	<u>2,816,425</u>
<b>TRANSFERS IN</b>	<u>18,000</u>
<b>CHANGES IN NET POSITION</b>	4,214,301
<b>NET POSITION - BEGINNING, AS PREVIOUSLY PRESENTED</b>	42,240,919
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>	<u>(25,545)</u>
<b>NET POSITION - BEGINNING, AS RESTATED</b>	<u>42,215,374</u>
<b>NET POSITION - ENDING</b>	<u>\$ 46,429,675</u>

See notes to financial statements

**STATEMENT OF CASH FLOWS - Proprietary Fund**

Year ended December 31, 2024

	<u>Business-type activities</u>
	<u>Enterprise fund</u>
	<u>Sewer</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 8,896,264
Payments to vendors and suppliers	(3,428,847)
Payments to employees	<u>(1,329,225)</u>
Net cash provided by (used in) operating activities	<u>4,138,192</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	18,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from capital debt	4,713,373
Capital contributions	2,816,425
Collection of special assessments	1,491
Acquisition of capital assets	(10,153,798)
Principal payments on capital debt	(1,990,665)
Interest payments on capital debt	<u>(423,653)</u>
Net cash provided by (used in) capital and related financing activities	<u>(5,036,827)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	(424,217)
Interest received	<u>449,684</u>
Net cash provided by (used in) investing activities	<u>25,467</u>
<b>NET CHANGE IN CASH</b>	(855,168)
<b>CASH - BEGINNING</b>	
(including \$1,693,263 in restricted accounts)	<u>3,442,946</u>
<b>CASH - ENDING</b>	
(including \$1,195,165 in restricted accounts)	<u>\$ 2,587,778</u>

See notes to financial statements

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

Year ended December 31, 2024

	<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)	\$ 1,320,620
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	2,918,214
(Increase) decrease in:	
Receivables	402,111
Prepays	(37,255)
Deferred outflows - net other postemployment benefits	370,977
Increase (decrease) in:	
Payables	(8,364)
Accrued liabilities	(11,177)
Unearned revenue	12,765
Compensated absences	53,793
Customer deposits	(2,330)
Net other postemployment benefits liability (asset)	(267,172)
Deferred inflows - net other postemployment benefits	<u>(613,990)</u>
Net cash provided by (used in) operating activities	<u>\$ 4,138,192</u>

See notes to financial statements

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

December 31, 2024

	<i>Other Postemployment Benefit Trust</i>	<i>Cemetery Trust</i>	<i>Custodial</i>
<b>ASSETS</b>			
Cash	\$ -	\$ 75,515	\$ 13,694,001
Investments	8,708,576	-	-
Taxes receivable for other governments	-	-	241,731
	<u>8,708,576</u>	<u>75,515</u>	<u>13,935,732</u>
Total assets			
<b>LIABILITIES</b>			
Due to others	-	-	34,456
Due to other governmental units	-	-	13,901,276
	<u>-</u>	<u>-</u>	<u>13,935,732</u>
Total liabilities			
<b>NET POSITION</b>			
Restricted for:			
Postemployment benefits	8,708,576	-	-
Cemetery private-purpose trust	-	75,515	-
	<u>-</u>	<u>75,515</u>	<u>-</u>
Total net position	<u>\$ 8,708,576</u>	<u>\$ 75,515</u>	<u>\$ -</u>

See notes to financial statements

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

Year ended December 31, 2024

	<i>Other Postemployment Benefit Trust</i>	<i>Cemetery Trust</i>	<i>Custodial</i>
<b>ADDITIONS</b>			
Property taxes collected for other governments	\$ -	\$ -	\$ 50,898,814
Delinquent personal taxes collected for other governments	-	-	349,309
Collection of trailer fees	-	-	32,735
Investment income (loss)	1,031,786	2,713	-
Contributions to OPEB trust	<u>175,729</u>	<u>-</u>	<u>-</u>
Total additions	<u>1,207,515</u>	<u>2,713</u>	<u>51,280,858</u>
<b>DEDUCTIONS</b>			
Property taxes distributed to other governments	-	-	50,898,814
Delinquent personal property taxes distributed to other governments	-	-	349,309
Payment of trailer fees	-	-	32,735
Distributions to trust administrator	<u>175,729</u>	<u>-</u>	<u>-</u>
Total deductions	<u>175,729</u>	<u>-</u>	<u>51,280,858</u>
<b>NET CHANGE IN FIDUCIARY NET POSITION</b>	1,031,786	2,713	-
<b>NET POSITION - BEGINNING</b>	<u>7,676,790</u>	<u>72,802</u>	<u>-</u>
<b>NET POSITION - ENDING</b>	<u>\$ 8,708,576</u>	<u>\$ 75,515</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 11. 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 2023 ad valorem taxes were levied on December 1, 2023, 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)**

<u>Fund</u>	<u>Function</u>	<u>Activity</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Nonmajor (Fire Equipment)	Capital outlay	Capital outlay	\$ 441,429	\$ 828,693	\$ 387,264

**NOTE 3 - CASH AND INVESTMENTS**

At December 31, 2024, cash and investments are classified in the accompanying financial statements as follows:

	<u>Primary government</u>	<u>Component units</u>	<u>Fiduciary activities</u>	<u>Totals</u>
Cash	\$ 6,905,834	\$ 5,526,587	\$ 13,769,516	\$ 26,201,937
Investments	23,394,092	7,474,455	8,708,576	39,577,123
Restricted cash	<u>2,257,539</u>	<u>322,422</u>	<u>-</u>	<u>2,579,961</u>
Totals	<u>\$ 32,557,465</u>	<u>\$ 13,323,464</u>	<u>\$ 22,478,092</u>	<u>\$ 68,359,021</u>

At December 31, 2024, cash and investments consist of the following:

Cash on hand	\$ 2,600
Deposits with financial institutions	28,779,298
Investments	<u>39,577,123</u>
Total	<u>\$ 68,359,021</u>

*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, 2024, \$18,445,322 of the Township’s bank balances of \$19,694,990 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, 2024, 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	\$ 320,346	2023	Aaa	Moody	0.8%
Federal Farm Credit Bank	3,574,460	2023	Aaa	Moody	9.0%
Federal Home Loan Bank	3,119,806	2023	Aaa	Moody	7.9%
Federal National Mortgage Association	194,138	2023	Aaa	Moody	0.5%
Federal Agricultural Mortgage Corp	673,993	2025	Aaa	Moody	1.7%
Certificates of deposit:	610,532	2023	N/A	Moody	1.5%
Money market	3,519,662	2025	N/A	S&P	8.9%
US Treasury bonds	6,815,569	N/A	N/A	N/A	17.2%
OPEB Trust	8,708,576	N/A	N/A	N/A	22.0%
MI CLASS Pool	<u>12,040,041</u>	N/A	AAAm	S&P	30.4%
	<u>\$39,577,123</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, 2024, the fair value, unfunded commitments, and redemption rules of those investments is as follows:

<u>MI CLASS</u>	
Fair value at December 31, 2024	\$ 12,040,041
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, 2024, 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	\$ 693,831	\$ -	\$ 87,829	\$ -	\$ 2,306,739	\$ 3,088,399
Fire	21,319	-	-	113,143	694,743	829,205
Police	856	-	-	-	694,743	695,599
Nonmajor	150	-	186,945	-	700,421	887,516
Total governmental	<u>\$ 716,156</u>	<u>\$ -</u>	<u>\$ 274,774</u>	<u>\$ 113,143</u>	<u>\$ 4,396,646</u>	<u>\$ 5,500,719</u>
Proprietary:						
Enterprise - Sewer	<u>\$ 1,525,617</u>	<u>\$ -</u>	<u>\$ 5,031</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,530,648</u>
Downtown Development Authority	<u>\$ 23,256</u>	<u>\$ 45,332</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,494</u>	<u>\$ 324,082</u>
Brownfield Redevelopment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,293</u>	<u>\$ 373,293</u>

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Reallocations Decreases</u>	<u>Ending balance</u>
Primary government:				
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,572,966	\$ -	\$ (238,992)	\$ 3,333,974
Monuments	54,278	-	-	54,278
Easements	62,361	-	-	62,361
Construction in progress	<u>1,735,108</u>	<u>2,902,537</u>	<u>(1,540,428)</u>	<u>3,097,217</u>
Total capital assets not being depreciated, net	<u>5,424,713</u>	<u>2,902,537</u>	<u>(1,779,420)</u>	<u>6,547,830</u>
Capital assets being depreciated:				
Buildings and improvements	11,284,396	139,605	(59,049)	11,364,952
Land improvements	11,669,699	2,386,946	(305,415)	13,751,230
Machinery and equipment	2,077,312	341,017	(543,191)	1,875,138
Furniture and office equipment	525,269	11,480	(79,411)	457,338
Flowage rights	5,475,603	-	-	5,475,603
Computer equipment and programs	209,504	11,141	(14,135)	206,510
Right to use machinery and equipment	-	321,460	-	321,460
Vehicles	<u>3,166,940</u>	<u>307,524</u>	<u>(112,063)</u>	<u>3,362,401</u>
Subtotal	<u>34,408,723</u>	<u>3,519,173</u>	<u>(1,113,264)</u>	<u>36,814,632</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,940,437)	(347,404)	53,725	(6,234,116)
Land improvements	(4,665,053)	(486,017)	296,204	(4,854,866)
Machinery and equipment	(1,470,979)	(131,605)	525,845	(1,076,739)
Furniture and office equipment	(525,269)	(683)	79,411	(446,541)
Flowage rights	(1,920,931)	(211,895)	-	(2,132,826)
Computer equipment and programs	(209,504)	(1,695)	14,135	(197,064)
Right to use machinery and equipment	-	(26,788)	-	(26,788)
Vehicles	<u>(2,319,147)</u>	<u>(125,160)</u>	<u>112,063</u>	<u>(2,332,244)</u>
Subtotal	<u>(17,051,320)</u>	<u>(1,331,247)</u>	<u>1,081,383</u>	<u>(17,301,184)</u>
Total capital assets being depreciated, net	<u>17,357,403</u>	<u>2,187,926</u>	<u>(31,881)</u>	<u>19,513,448</u>
Governmental activities capital assets, net	<u>\$ 22,782,116</u>	<u>\$ 5,090,463</u>	<u>\$ (1,811,301)</u>	<u>\$ 26,061,278</u>

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

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

Governmental activities:	
General government	\$ 349,782
Public safety	256,765
Public works	238,683
Recreation and culture	<u>486,017</u>
 Total governmental activities	 <u>\$ 1,331,247</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	\$ 167,502	\$ -	\$ 1,283,907
Easements	15,955	-	-	15,955
Construction in progress	<u>2,635,971</u>	<u>9,331,887</u>	<u>(352,006)</u>	<u>11,615,852</u>
Total capital assets not being depreciated, net	<u>3,768,331</u>	<u>9,499,389</u>	<u>(352,006)</u>	<u>12,915,714</u>
Capital assets being depreciated:				
Sewage disposal plant and equipment	33,756,009	-	(11,457)	33,744,552
Sewer mains	54,960,976	246,320	-	55,207,296
Outfall lines	2,984,532	-	-	2,984,532
Land Improvements	556,061	-	-	556,061
Furniture and office equipment	166,509	6,901	(7,881)	165,529
Computer equipment	340,829	-	(203,406)	137,423
Vehicles	524,446	143,728	(56,149)	612,025
Machinery and equipment	8,789,709	609,465	(201,933)	9,197,241
Buildings	455,123	-	-	455,123
Maintenance facility	<u>1,430,686</u>	<u>-</u>	<u>(8,708)</u>	<u>1,421,978</u>
Subtotal	<u>103,964,880</u>	<u>1,006,414</u>	<u>(489,534)</u>	<u>104,481,760</u>
Less accumulated depreciation for:				
Sewage disposal plant and equipment	(24,963,152)	(1,074,948)	10,435	(26,027,665)
Sewer mains	(30,262,634)	(1,192,531)	-	(31,455,165)
Outfall lines	(729,274)	(69,395)	-	(798,669)
Land Improvements	(494,858)	(26,730)	-	(521,588)
Furniture and office equipment	(118,890)	(2,207)	7,881	(113,216)
Computer equipment	(313,947)	(3,252)	203,406	(113,793)
Vehicles	(239,633)	(67,164)	56,149	(250,648)
Machinery and equipment	(2,637,938)	(425,025)	201,933	(2,861,030)
Buildings	(88,746)	(21,639)	-	(110,385)
Maintenance facility	<u>(785,504)</u>	<u>(35,323)</u>	<u>5,896</u>	<u>(814,931)</u>
Subtotal	<u>(60,634,576)</u>	<u>(2,918,214)</u>	<u>485,700</u>	<u>(63,067,090)</u>
Total capital assets being depreciated, net	<u>43,330,304</u>	<u>(1,911,800)</u>	<u>(3,834)</u>	<u>41,414,670</u>
Business-type activity capital assets, net	<u>\$ 47,098,635</u>	<u>\$ 7,587,589</u>	<u>\$ (355,840)</u>	<u>\$ 54,330,384</u>

NOTE 5 - CAPITAL ASSETS (Continued)

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Component unit:				
Downtown development Authority:				
Capital assets not being depreciated:				
Land	\$ 2,217,724	\$ -	\$ -	\$ 2,217,724
Capital assets being depreciated:				
Buildings	683,178	-	-	683,178
Land improvements	6,060,024	73,998	(4,643)	6,129,379
Infrastructure	1,345,621	-	-	1,345,621
Machinery and equipment	107,009	5,387	(43,613)	68,783
Furniture and equipment	20,479	-	-	20,479
Subtotal	<u>8,216,311</u>	<u>79,385</u>	<u>(48,256)</u>	<u>8,247,440</u>
Less accumulated depreciation for:				
Buildings	(89,068)	(26,096)	-	(115,164)
Land improvements	(5,061,392)	(123,106)	4,643	(5,179,855)
Infrastructure	(1,297,477)	(1,278)	-	(1,298,755)
Machinery and equipment	(104,811)	(2,511)	43,613	(63,709)
Furniture and equipment	(13,548)	(1,485)	-	(15,033)
Subtotal	<u>(6,566,296)</u>	<u>(154,476)</u>	<u>48,256</u>	<u>(6,672,516)</u>
Total capital assets being depreciated, net	<u>1,650,015</u>	<u>(75,091)</u>	<u>-</u>	<u>1,574,924</u>
Component unit capital assets, net	<u>\$ 3,867,739</u>	<u>\$ (75,091)</u>	<u>\$ -</u>	<u>\$ 3,792,648</u>

**NOTE 6 - INTERFUND TRANSFERS**

For the year ended December 31, 2024, interfund transfers consisted of the following:

<u>Fund</u>	<u>Transfers in</u>	<u>Fund</u>	<u>Transfers out</u>
Fire	\$ 576,527		
Police	1,722,717		
Capital project	2,107,506		
Sewer	18,000		
Nonmajor fund	<u>131,408</u>	General	<u>\$ 4,556,158</u>
Total	<u>\$ 4,556,158</u>	Total	<u>\$ 4,556,158</u>

Transfers are used to move unrestricted General Fund revenues to finance various programs and projects that the Township uses to account for in other funds in accordance with budgetary authorizations.

**NOTE 7 - BALANCES WITH COMPONENT UNIT**

The Downtown Development Authority, a component unit of the Township, owes the Township’s General Fund \$785,462, 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, 2024, long-term liabilities are comprised of the following:

Primary government:

Governmental activities:

Bonds:

The Township entered into an installment purchase agreement related to the acquisition of Emergency service equipment. Payments due through 2025 at an interest rate of 4.50%. \$ 348,220

\$348,000 Special assessment bonds, due in annual installments of \$25,000 through 2032, at interest of 2.84%. 200,000

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%. 2,194,136

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% 1,398,400

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%. 148,499

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%. 2,302,507

Total long-term obligations 6,591,762

Compensated absences 531,877

Total governmental activities long-term debt \$ 7,123,639

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

Primary government:

Business-type activities:

Bonds:

\$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%.

\$ 5,545,000

Subtotal

5,545,000

Bond premium

21,838

Total bonds

5,566,838

\$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.

2,230,000

\$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.

3,870,000

\$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.

4,445,373

Total State revolving loan fund revenue bonds

10,545,373

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%.

786,600

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%.

1,299,663

Total business-type activities long-term debt

18,198,474

Compensated absences

218,291

Total long-term obligations

\$ 18,416,765

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

Component unit:

Downtown Development Authority:

Bonds:

\$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. \$ 960,000

\$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 7,710,000

Bond premium 119,153

Total component unit long-term debt \$ 7,829,153

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

Long-term liability activity for the year ended December 31, 2024, 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	\$ 1,864,598	\$ -	\$ 348,220	\$ (317,700)	\$ 1,895,118	\$ 514,269
Drain assessment payable	2,449,309	-	-	(255,173)	2,194,136	250,983
Special assessment debt	225,000	-	-	(25,000)	200,000	25,000
2013 Trail bonds	125,000	-	-	(125,000)	-	-
Installment purchase agreement - solar	<u>2,295,927</u>	<u>-</u>	<u>-</u>	<u>6,581</u>	<u>2,302,508</u>	<u>674,795</u>
Total direct borrowing	6,959,834	-	348,220	(716,292)	6,591,762	1,465,047
Compensated absences	<u>530,809</u>	<u>1,068</u>	<u>-</u>	<u>-</u>	<u>531,877</u>	<u>333,437</u>
Total governmental activities	<u>\$ 7,490,643</u>	<u>\$ 1,068</u>	<u>\$ 348,220</u>	<u>\$ (716,292)</u>	<u>\$ 7,123,639</u>	<u>\$ 1,798,484</u>
Business-type activity:						
Direct borrowing:						
Installment purchase agreement - energy	\$ 883,800	\$ -	\$ -	\$ (97,200)	\$ 786,600	\$ 99,000
2007 SRF	2,765,000	-	-	(535,000)	2,230,000	545,000
2010 SRF	4,300,000	-	-	(430,000)	3,870,000	445,000
2014 Refunded bonds	180,000	-	-	(180,000)	-	-
2023 SRF	50,000	-	4,713,373	(318,000)	4,445,373	265,000
Installment purchase agreement - solar	<u>1,295,949</u>	<u>-</u>	<u>-</u>	<u>3,714</u>	<u>1,299,663</u>	<u>380,892</u>
Total direct borrowing	<u>9,474,749</u>	<u>-</u>	<u>4,713,373</u>	<u>(1,556,486)</u>	<u>12,631,636</u>	<u>1,734,892</u>
Other borrowing:						
2008 DDA bonds	89,180	-	-	(89,180)	-	-
2018 GO bonds	<u>5,890,000</u>	<u>-</u>	<u>-</u>	<u>(345,000)</u>	<u>5,545,000</u>	<u>350,000</u>
Total other borrowings	<u>5,979,180</u>	<u>-</u>	<u>-</u>	<u>(434,180)</u>	<u>5,545,000</u>	<u>350,000</u>
Bond premium	23,517	-	-	(1,679)	21,838	-
Compensated absences	<u>190,041</u>	<u>28,250</u>	<u>-</u>	<u>-</u>	<u>218,291</u>	<u>127,126</u>
Total business-type activity	<u>\$ 15,667,487</u>	<u>\$ 28,250</u>	<u>\$ 4,713,373</u>	<u>\$ (1,992,345)</u>	<u>\$ 18,416,765</u>	<u>\$ 2,212,018</u>

NOTE 8 - LONG-TERM LIABILITIES (Continued)

	<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	\$ 800,821	\$ -	\$ -	\$ (800,821)	\$ -	\$ -
2016 DDA GO bonds	1,030,000	-	-	(70,000)	960,000	75,000
2017 DDA Development bonds	<u>6,750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,750,000</u>	<u>595,000</u>
Total bonds	8,580,821	-	-	(870,821)	7,710,000	670,000
Bond premium	<u>129,988</u>	<u>-</u>	<u>-</u>	<u>(10,835)</u>	<u>119,153</u>	<u>10,835</u>
Total component unit	<u>\$ 8,710,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (881,656)</u>	<u>\$ 7,829,153</u>	<u>\$ 680,835</u>

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

At December 31, 2024, debt service requirements, with the exception of compensated absences, are as follows:

Year ended December 31:	<u>Governmental activities</u>		<u>Business-type activities</u>	
	<u>Direct borrowing</u>		<u>Direct borrowing</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,460,534	\$ 239,410	\$ 1,734,892	\$ 324,310
2026	560,881	185,327	1,389,495	280,413
2027	572,679	169,694	1,416,122	251,131
2028	503,451	147,244	1,448,008	221,181
2029	502,482	130,773	911,968	190,409
2030-2034	1,515,169	435,224	3,450,845	642,807
2035-2039	788,432	233,827	1,891,942	382,294
2040-2044	<u>688,134</u>	<u>73,973</u>	<u>388,364</u>	<u>41,704</u>
Totals	<u>\$ 6,591,762</u>	<u>\$ 1,615,472</u>	<u>\$ 12,631,636</u>	<u>\$ 2,334,249</u>
Year ended December 31:	<u>Business-type activities</u>		<u>Component unit</u>	
	<u>Other borrowing</u>		<u>Other borrowing</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	395,000	128,250	705,000	164,654
2030-2034	2,175,000	452,731	3,570,000	489,070
2035-2038	<u>1,515,000</u>	<u>92,763</u>	<u>720,000</u>	<u>25,567</u>
Totals	<u>\$ 5,545,000</u>	<u>\$ 1,298,494</u>	<u>\$ 7,710,000</u>	<u>\$ 1,543,914</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, 2024, the Township made required contributions of \$606,087 which includes \$5,124 of 457 contributions. At December 31, 2024, the Township reported \$27,773, 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, 2024, measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	25
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>66</u>
 Total	 <u><u>91</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, 2024, was determined by an actuarial valuation of the total OPEB liability and the OPEB plan net position as of December 31, 2024.

*Actuarial assumptions:*

The total OPEB liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation		Included in the investment rate of return
Salary increases	3.00%	Average, including inflation
Investment rate of return	7.77%	net of OPEB plan investment expenses, including inflation
Healthcare cost trend rates		Pre 65 - 7.25% graded 0.25% to 4.5% per annum Medicare eligible - 5.5% graded 0.25% to 4.5% per annum
Improvement scale		IRS 2024 Adjusted Scale MP-2021

Mortality Rates – Public General and Public Safety 2010 Employee and Healthy Retiree, Headcount weighted, IRS 2024 Adjusted Scale MP-2021.

Rationale – Most current mortality rates available for municipalities.

**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, 2024:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Fixed income	21.50%	5.13%
Large Cap	45.10%	8.50%
Mid Cap	9.10%	9.10%
Small Cap	3.70%	6.70%
International stock	13.60%	8.51%
Cash	0.00%	0.00%
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, 2024 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, 2024 the discount rate used to value OPEB liabilities was 7.79%.

*Annual OPEB cost:*

For the year ended December 31, 2024, the Township has estimated the cost of providing retiree health care benefits through an actuarial valuation as of December 31, 2024. 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 \$175,729 for the year ended December 31, 2024. The value of the Plan’s assets at the end of December 31, 2024, was \$8,708,576.

**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	\$ 5,480,380	\$ 7,676,790	\$ (2,196,410)
Changes for the year:			
Service cost	22,551	-	22,551
Interest	421,834	-	421,834
Change in plan terms	(302,565)	-	(302,565)
Difference between expected and actual experience	(331,150)	-	(331,150)
Change in actuarial assumptions	(47,390)	-	(47,390)
Contributions to OPEB trust	-	-	-
Contributions paid from General Fund	-	175,729	(175,729)
Net investment income	-	1,031,786	(1,031,786)
Benefit payments, including refunds	(175,729)	(175,729)	-
Administrative expenses	-	-	-
Net changes	<u>(412,449)</u>	<u>1,031,786</u>	<u>(1,444,235)</u>
Balances at December 31, 2024	<u>\$ 5,067,931</u>	<u>\$ 8,708,576</u>	<u>\$ (3,640,645)</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>\$ (3,106,162)</u>	<u>\$ (3,640,645)</u>	<u>\$ (4,094,227)</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 (6.25%) or 1-percentage-point higher (8.25%):

<u>Health care trend rate</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Township's net OPEB liability	<u>\$ (4,109,384)</u>	<u>\$ (3,640,645)</u>	<u>\$ (3,087,670)</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, 2024, the Township recognized a reduction of OPEB expenses of \$1,665,798. At December 31, 2024, 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	\$ -	\$ 3,284,982
Change in assumptions	191,541	1,249,736
Investment earnings (gains)/losses	-	287,060
	<u>\$ 191,541</u>	<u>\$ 4,821,778</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>
2025	(1,368,602)
2026	(1,050,165)
2027	(1,221,824)
2028	(900,951)
2029	(57,969)
Thereafter	<u>(30,726)</u>
	<u>\$ (4,630,237)</u>

At December 31, 2024, the Township did not have an outstanding amount of contributions to the Plan required for the year ended December 31, 2024.

**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 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.

The 2024 taxable valuation of the Township approximated \$1,059,576,000, 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 \$4,494,000 for operating purposes, \$1,557,000 for Fire/EMS protection, \$1,557,000 for police services, \$525,000 for Fire/EMS equipment and \$1,051,000 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, 2024, the Township abated property taxes totaling \$6,541 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, 2024, the Downtown Development Authority abated property taxes totaling \$14,750 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 \$124,250.

**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, 2024, is as follows:

Cumulative excess revenues, beginning of year	<u>\$ 598,442</u>
Revenues	\$ 421,133
Expenses	<u>607,272</u>
Excess (Deficiency) of revenues over expenses	<u>\$ (186,139)</u>
Cumulative excess revenues, end of year	<u>\$ 412,303</u>

**NOTE 16 – CONSTRUCTION COMMITMENT**

During 2024 the Township entered a construction contracts for various Township projects listed below.

	<i>Project Authorization</i>	<i>Expended through December 31, 2024</i>	<i>Committed</i>
Solar Panel Project	\$ 3,591,875	\$ 2,294,234	\$ 1,297,641
Fire Station Addition Project	9,037,601	788,048	8,249,553
POTW Improvements	10,962,504	8,545,433	2,417,071
Pleasant River Pump Station	<u>153,676</u>	<u>117,736</u>	<u>35,940</u>
	<u>\$ 23,745,656</u>	<u>\$ 11,745,451</u>	<u>\$ 12,000,205</u>

**NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLE**

The Township adopted GASB 101, Compensated Absences, during the current year. As a result of implementing GASB 101, the beginning net position of the governmental activities, business type activities, and proprietary fund have been restated as follows:

	<i>Governmental Activities</i>	<i>Sewer Fund &amp; Business Type Activities</i>
Beginning of year, as previously reported	32,967,986	42,240,919
Change in accounting principle	<u>(68,165)</u>	<u>(25,545)</u>
Beginning of year, as restated	<u>32,899,821</u>	<u>42,215,374</u>

**NOTE 18 - UPCOMING ACCOUNTING PRONOUNCEMENT**

The Governmental Accounting Standards Board (GASB) issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. This statement is effective for fiscal years ending June 30, 2026, and after. This statement establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: management’s discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; and budgetary comparison information.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE - General Fund**

Year ended December 31, 2024

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Property taxes				
Operating levy	\$ 3,518,000	\$ 3,642,218	\$ 3,642,218	\$ -
Tax admin fees	500,000	620,000	620,525	525
Other	48,317	53,208	52,544	(664)
Total taxes	4,066,317	4,315,426	4,315,287	(139)
Special assessments				
Street lights	315,000	363,161	363,161	-
Other	41,500	31,736	31,736	-
Total special assessments	356,500	394,897	394,897	-
Licenses and permits				
Franchise fees	342,000	275,000	276,307	1,307
Construction permits	295,080	418,800	425,533	6,733
Other permits and fees	44,200	50,357	50,358	1
Total licenses and permits	681,280	744,157	752,198	8,041
Federal grants	42,631	43,226	43,226	-
State grants				
State shared revenue	3,148,580	3,051,839	3,086,068	34,229
Local community stabilization revenue	89,399	110,338	110,338	-
Total state grants	3,237,979	3,162,177	3,196,406	34,229
Intergovernmental - local	142,600	141,677	138,677	(3,000)
Charges for services				
Public works charges	453,350	472,598	472,998	400
Rental registration	110,000	93,500	96,095	2,595
Passport fees	50,000	42,000	44,605	2,605
Total charges for services	613,350	608,098	613,698	5,600
Fines and forfeitures - code enforcement	20,000	25,750	25,874	124
Investment return	240,900	775,251	737,836	(37,415)

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

Year ended December 31, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>REVENUES (CONTINUED)</b>				
Miscellaneous				
Reimbursements	188,000	182,657	228,084	45,427
Contributions	-	18,000	18,000	-
Other	1,000	11,680	12,152	472
Total miscellaneous	<u>189,000</u>	<u>212,337</u>	<u>258,236</u>	<u>45,899</u>
Total revenues	<u>9,590,557</u>	<u>10,422,996</u>	<u>10,476,335</u>	<u>53,339</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative - Board of trustees	124,066	114,053	109,805	4,248
Manager	636,969	660,885	631,405	29,480
Accounting	235,223	205,927	199,515	6,412
Clerk	424,159	434,454	411,796	22,658
Information technology	344,707	328,237	304,082	24,155
Treasurer	367,331	353,407	337,997	15,410
Assessing	477,186	474,378	441,624	32,754
Elections	649,836	281,958	240,446	41,512
Building and grounds	1,416,133	1,117,567	997,783	119,784
Total general government	<u>4,675,610</u>	<u>3,970,866</u>	<u>3,674,453</u>	<u>296,413</u>
Public works	<u>845,941</u>	<u>1,034,197</u>	<u>984,195</u>	<u>50,002</u>
Community and economic development	<u>962,803</u>	<u>998,052</u>	<u>969,077</u>	<u>28,975</u>
Parks and recreation	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Capital outlay	<u>\$ 2,006,272</u>	<u>\$ 2,190,433</u>	<u>\$ 1,492,975</u>	<u>\$ 697,458</u>
Debt service:				
Principal	546,392	546,392	546,392	-
Interest	232,085	232,078	232,078	-
Total expenditures	<u>9,269,603</u>	<u>8,972,518</u>	<u>7,899,170</u>	<u>1,073,348</u>

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

Year ended December 31, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>320,954</u>	<u>1,450,478</u>	<u>2,577,165</u>	<u>1,126,687</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out:				
Fire Fund	(535,773)	(576,527)	(576,527)	-
Fire equipment	-	(66,396)	(66,396)	-
Capital project fund	-	(2,107,506)	(2,107,506)	-
Police Fund	(2,107,554)	(1,722,717)	(1,722,717)	-
Sewer fund	(22,000)	(18,000)	(18,000)	-
Parks Fund	(5,578)	(65,012)	(65,012)	-
Total other financing sources (uses)	<u>(2,670,905)</u>	<u>(4,556,158)</u>	<u>(4,556,158)</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	(2,349,951)	(3,105,680)	(1,978,993)	1,126,687
<b>FUND BALANCES - BEGINNING</b>	<u>17,917,986</u>	<u>17,917,986</u>	<u>17,917,986</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 15,568,035</u>	<u>\$ 14,812,306</u>	<u>\$ 15,938,993</u>	<u>\$ 1,126,687</u>

**BUDGETARY COMPARISON SCHEDULE - Fire Fund**

Year ended December 31, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>REVENUES</b>				
Property taxes	\$ 1,144,253	\$ 1,466,943	\$ 1,467,050	\$ 107
State grants	59,483	44,521	45,493	972
Charges for services	1,284,000	1,164,400	1,197,521	33,121
Interest income	-	28,280	28,376	96
Other	32,863	53,820	91,624	37,804
Total revenues	<u>2,520,599</u>	<u>2,757,964</u>	<u>2,830,064</u>	<u>72,100</u>
<b>EXPENDITURES</b>				
Public safety	369,593	403,002	388,006	14,996
Health and welfare	<u>2,710,348</u>	<u>2,955,346</u>	<u>2,845,375</u>	<u>109,971</u>
Total expenditures	<u>3,079,941</u>	<u>3,358,348</u>	<u>3,233,381</u>	<u>124,967</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	(559,342)	(600,384)	(403,317)	197,067
<b>OTHER FINANCING SOURCES</b>				
Transfers in - General Fund	<u>535,773</u>	<u>576,527</u>	<u>576,527</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	(23,569)	(23,857)	173,210	197,067
<b>FUND BALANCES - BEGINNING</b>	<u>23,857</u>	<u>23,857</u>	<u>23,857</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 288</u>	<u>\$ -</u>	<u>\$ 197,067</u>	<u>\$ 197,067</u>

**BUDGETARY COMPARISON SCHEDULE - Police Fund**

Year ended December 31, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>REVENUES</b>				
Property taxes	\$ 1,144,253	\$ 1,466,946	\$ 1,467,050	\$ 104
State grants	5,933	9,021	9,021	-
Fines and forfeitures	20,000	14,000	12,762	(1,238)
Interest income	-	57,935	55,984	(1,951)
	<u>1,170,186</u>	<u>1,547,902</u>	<u>1,544,817</u>	<u>(3,085)</u>
Total revenues				
<b>EXPENDITURES</b>				
Public safety	<u>3,277,740</u>	<u>3,277,740</u>	<u>3,271,538</u>	<u>6,202</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>				
	(2,107,554)	(1,729,838)	(1,726,721)	3,117
<b>OTHER FINANCING SOURCES</b>				
Transfers in - General Fund	<u>2,107,554</u>	<u>1,722,717</u>	<u>1,722,717</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>				
	-	(7,121)	(4,004)	3,117
<b>FUND BALANCES - BEGINNING</b>				
	<u>7,121</u>	<u>7,121</u>	<u>7,121</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>				
	<u>\$ 7,121</u>	<u>\$ -</u>	<u>\$ 3,117</u>	<u>\$ 3,117</u>

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

Year ended December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:								
Service cost	\$ 22,551	\$ 34,665	\$ 76,692	\$ 92,994	\$ 281,053	\$ 293,178	\$ 282,418	\$ 131,237
Interest	421,834	394,086	636,575	627,920	582,220	564,519	530,482	488,071
Change in plan terms	(302,565)	-	(56,615)	-	-	-	-	-
Difference between expected and actual experience	(331,150)	(154,450)	(4,767,917)	(134,029)	(1,774,118)	(90,252)	(3,308,420)	(64,833)
Changes in assumptions	(47,390)	(776,687)	(517,672)	(738,262)	(2,656,144)	(88,922)	9,916,123	-
Benefit payments, including refunds	(175,729)	(184,845)	(166,608)	(212,709)	(212,147)	(191,496)	(194,329)	(136,458)
Net change in total OPEB liability	(412,449)	(687,231)	(4,795,545)	(364,086)	(3,779,136)	487,027	7,226,274	418,017
Total OPEB liability, beginning of year	5,480,380	6,167,611	10,963,156	11,327,242	15,106,378	14,619,351	7,393,077	6,975,060
Total OPEB liability, end of year	\$ 5,067,931	\$ 5,480,380	\$ 6,167,611	\$ 10,963,156	\$ 11,327,242	\$ 15,106,378	\$ 14,619,351	\$ 7,393,077
Plan fiduciary net position:								
Contributions - employer	\$ -	\$ -	\$ 370,796	\$ 353,139	\$ 336,323	\$ 625,362	\$ -	\$ 476,141
Contributions/benefit payments made from General Fund	175,729	184,845	166,608	212,709	212,147	191,496	194,329	-
Net investment income (loss)	1,031,786	1,120,640	(1,089,288)	976,448	617,370	452,887	(116,841)	295,695
Benefit payments, including refunds	(175,729)	(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	1,031,786	1,120,640	(718,492)	1,329,587	951,091	1,076,331	(117,491)	635,378
Plan fiduciary net position, beginning of year	7,676,790	6,556,150	7,274,642	5,945,055	4,993,964	3,917,633	4,035,124	3,399,746
Plan fiduciary net position, end of year	\$ 8,708,576	\$ 7,676,790	\$ 6,556,150	\$ 7,274,642	\$ 5,945,055	\$ 4,993,964	\$ 3,917,633	\$ 4,035,124
Township's net OPEB (asset) liability, end of year	\$ (3,640,645)	\$ (2,196,410)	\$ (388,539)	\$ 3,688,514	\$ 5,382,187	\$ 10,112,414	\$ 10,701,718	\$ 3,357,953
Plan fiduciary net position as a percent of total OPEB liability	171.84%	140.08%	106.30%	66.36%	52.48%	33.06%	26.80%	54.58%
Covered payroll	\$ 4,925,524	\$ 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	-73.91%	-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, 2024

	<u>2024</u>	<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>175,729</u>	<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>\$ 175,729</u>	<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>\$ 4,925,524</u>	<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	3.57%	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>0.13</u>	<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	7.77%, 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, 2024

	<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	\$ 11,119	\$ 454,759	\$ 294,877	\$ 84,098	\$ 844,853
Investments	667,221	173,225	93,966	-	934,412
Taxes receivable	-	466,953	233,468	-	700,421
Special assessments receivable	29,586	-	-	110,786	140,372
Prepaid expenditures	-	17,326	46,573	-	63,899
	<u>-</u>	<u>17,326</u>	<u>46,573</u>	<u>-</u>	<u>63,899</u>
Total assets	<u>\$ 707,926</u>	<u>\$ 1,112,363</u>	<u>\$ 668,934</u>	<u>\$ 194,884</u>	<u>\$ 2,684,107</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ 7,315	\$ 75,008	\$ -	\$ 82,323
Accrued liabilities	-	9,639	-	-	9,639
	<u>-</u>	<u>9,639</u>	<u>-</u>	<u>-</u>	<u>9,639</u>
Total liabilities	<u>-</u>	<u>16,954</u>	<u>75,008</u>	<u>-</u>	<u>91,962</u>
Deferred inflows of resources:					
Unavailable property taxes	-	1,046,600	523,247	-	1,569,847
Unavailable special assessments	29,586	-	-	110,786	140,372
	<u>29,586</u>	<u>-</u>	<u>-</u>	<u>110,786</u>	<u>140,372</u>
Total deferred inflows of resources	<u>29,586</u>	<u>1,046,600</u>	<u>523,247</u>	<u>110,786</u>	<u>1,710,219</u>
Fund balances:					
Nonspendable - prepaids	-	17,326	46,573	-	63,899
Restricted for:					
Public safety	-	-	24,106	-	24,106
Debt service	-	-	-	84,098	84,098
Assigned for recreation and culture					
Recreation and culture	-	31,483	-	-	31,483
Committed for:					
Water improvements	678,340	-	-	-	678,340
	<u>678,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>678,340</u>
Total fund balances	<u>678,340</u>	<u>48,809</u>	<u>70,679</u>	<u>84,098</u>	<u>881,926</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 707,926</u>	<u>\$ 1,112,363</u>	<u>\$ 668,934</u>	<u>\$ 194,884</u>	<u>\$ 2,684,107</u>

Charter Township of Delhi

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - nonmajor governmental funds**

Year ended December 31, 2024

	<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	\$ -	\$ 985,998	\$ 492,923	\$ -	\$ 1,478,921
Special assessments	4,311	-	-	13,757	18,068
State grants	-	22,050	2,866	-	24,916
Intergovernmental	-	2,250	-	-	2,250
Charges for services	7,750	78,904	-	-	86,654
Interest and rentals	34,957	31,624	13,510	4,841	84,932
Other:					
Miscellaneous	-	12,576	1,170	-	13,746
Total revenues	<u>47,018</u>	<u>1,133,402</u>	<u>510,469</u>	<u>18,598</u>	<u>1,709,487</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	-	-	173,561	-	173,561
Public works	2,349	-	-	-	2,349
Recreation and culture	-	932,272	-	-	932,272
Debt service:					
Principal	-	-	144,900	25,000	169,900
Interest and fees	-	-	7,288	6,035	13,323
Capital outlay	-	225,972	828,693	-	1,054,665
Total expenditures	<u>2,349</u>	<u>1,158,244</u>	<u>1,154,442</u>	<u>31,035</u>	<u>2,346,070</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	44,669	(24,842)	(643,973)	(12,437)	(636,583)
<b>OTHER FINANCING SOURCES</b>					
Proceeds from loan proceeds	-	-	348,220	-	348,220
Transfers in - General Fund	-	65,012	66,396	-	131,408
Net other financing sources	<u>-</u>	<u>65,012</u>	<u>414,616</u>	<u>-</u>	<u>479,628</u>
<b>NET CHANGES IN FUND BALANCES</b>	44,669	40,170	(229,357)	(12,437)	(156,955)
<b>FUND BALANCES - BEGINNING</b>	<u>633,671</u>	<u>8,639</u>	<u>300,036</u>	<u>96,535</u>	<u>1,038,881</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 678,340</u>	<u>\$ 48,809</u>	<u>\$ 70,679</u>	<u>\$ 84,098</u>	<u>\$ 881,926</u>

**BALANCE SHEET - component units**

December 31, 2024

	<u>Downtown Development Authority</u>	<u>Brownfield Redevelopment Authority</u>
<b>ASSETS</b>		
Cash	\$ 5,024,246	\$ 502,341
Investments	7,474,455	-
Taxes receivable	255,494	373,293
Other receivables	23,256	-
Land contract	45,332	-
Prepays	33,071	-
Restricted assets:		
Cash	<u>322,422</u>	<u>-</u>
Total assets	<u>\$ 13,178,276</u>	<u>\$ 875,634</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities:		
Payables	\$ 30,780	\$ 3,852
Accrued liabilities	6,563	-
Due to other governments	3,546,863	-
Due to primary government	<u>785,462</u>	<u>-</u>
Total liabilities	<u>4,369,668</u>	<u>3,852</u>
Deferred inflows of resources:		
Unavailable land contract	45,332	-
Unavailable property taxes	<u>2,050,992</u>	<u>508,758</u>
Total deferred inflows of resources	<u>2,096,324</u>	<u>508,758</u>
Fund balances:		
Nonspendable - prepaids	33,071	-
Unassigned	<u>6,356,791</u>	<u>363,024</u>
Total fund balances	<u>6,712,284</u>	<u>363,024</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,178,276</u>	<u>\$ 875,634</u>
Reconciliation of the balance sheet to the statement of net position:		
Total fund balances	\$ 6,712,284	\$ 363,024
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.	3,792,648	-
Certain receivables are not available to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds.	45,332	-
Bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.	(7,829,153)	-
Interest payable, related to noncurrent liabilities, is not due and payable in the current period and, therefore, is not reported in the funds.	<u>(41,031)</u>	<u>-</u>
Net position (deficit) of <i>component units</i>	<u>\$ 2,680,080</u>	<u>\$ 363,024</u>

**Charter Township of Delhi**

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

*Year ended December 31, 2024*

	<b><i>Downtown Development Authority</i></b>	<b><i>Brownfield Redevelopment Authority</i></b>
<b>REVENUES</b>		
Tax increment financing	\$ 2,720,407	\$ 536,504
Federal grants	1,700	-
State grants	-	25,812
Charges for services	20,238	-
Interest income	450,246	-
Other	14,807	-
	<hr/>	<hr/>
Total revenues	3,207,398	562,316
<b>EXPENDITURES</b>		
Current:		
Community and economic development	468,721	624,249
Recreation and culture	-	-
Debt service:		
Principal	870,822	-
Interest	261,633	-
Capital outlay	79,385	-
	<hr/>	<hr/>
Total expenditures	1,680,561	624,249
<b>NET CHANGES IN FUND BALANCES</b>	1,526,837	(61,933)
<b>FUND BALANCES - BEGINNING</b>	<hr/> 5,185,447	<hr/> 424,957
<b>FUND BALANCES - ENDING</b>	<hr/> <u>\$ 6,712,284</u>	<hr/> <u>\$ 363,024</u>
Net changes in fund balances	\$ 1,526,837	\$ (61,933)
Amounts reported for the <i>component unit</i> in the statement of activities (page 14) are different because:		
Capital assets:		
Capital asset acquisitions	79,385	-
Provision for depreciation	(154,476)	-
Long-term debt - principal payments	870,822	-
Changes in other assets and liabilities:		
Decrease in deferred outflows of resources - bond refunding	(34,621)	-
Increase in deferred inflows of resources - land contract	(9,170)	-
Decrease in deferred inflows of resources - bond premium	10,834	-
Decrease in interest payable	2,318	-
	<hr/>	<hr/>
Change in net position of the <i>component unit</i>	<u>\$ 2,291,929</u>	<u>\$ (61,933)</u>

**BUDGETARY COMPARISON SCHEDULE - Downtown Development Authority**

Year ended December 31, 2024

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<i>Variance with final budget positive (negative)</i>
<b>REVENUES</b>				
Tax increment financing	\$ 2,646,800	\$ 2,729,283	\$ 2,720,407	\$ (8,876)
Federal grants	1,500	1,700	1,700	-
Charges for services	6,800	19,000	20,238	1,238
Interest and rentals	93,500	424,000	450,246	26,246
Other	57,150	57,629	14,807	(42,822)
Total revenues	<u>2,805,750</u>	<u>3,231,612</u>	<u>3,207,398</u>	<u>(24,214)</u>
<b>EXPENDITURES</b>				
Community and economic development	547,298	524,137	468,721	55,416
Debt service:				
Principal	870,830	870,822	870,822	-
Interest	261,650	261,633	261,633	-
Capital outlay	433,000	85,388	79,385	6,003
Total expenditures	<u>2,112,778</u>	<u>1,741,980</u>	<u>1,680,561</u>	<u>61,419</u>
<b>NET CHANGES IN FUND BALANCES</b>	692,972	1,489,632	1,526,837	37,205
<b>FUND BALANCES - BEGINNING</b>	<u>5,185,447</u>	<u>5,185,447</u>	<u>5,185,447</u>	-
<b>FUND BALANCES - ENDING</b>	<u>\$ 5,878,419</u>	<u>\$ 6,675,079</u>	<u>\$ 6,712,284</u>	<u>\$ 37,205</u>

**BUDGETARY COMPARISON SCHEDULE - Brownfield Redevelopment Authority**

Year ended December 31, 2024

	<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	\$ 517,660	\$ 536,503	\$ 536,504	\$ 1
State grant	-	100,000	25,812	(74,188)
Total revenues	<u>517,660</u>	<u>636,503</u>	<u>562,316</u>	<u>(74,187)</u>
<b>EXPENDITURES</b>				
Community and economic development	<u>507,900</u>	<u>676,277</u>	<u>624,249</u>	<u>52,028</u>
<b>NET CHANGES IN FUND BALANCES</b>	9,760	(39,774)	(61,933)	(22,159)
<b>FUND BALANCES - BEGINNING</b>	<u>424,957</u>	<u>424,957</u>	<u>424,957</u>	-
<b>FUND BALANCES - ENDING</b>	<u>\$ 434,717</u>	<u>\$ 385,183</u>	<u>\$ 363,024</u>	<u>\$ (22,159)</u>

**OTHER SUPPLEMENTAL SCHEDULES**

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

December 31, 2024

	<i>Water</i>	<i>Parks and</i>	<i>Fire</i>	<i>Totals</i>	
	<i>improvement</i>	<i>recreation</i>	<i>equipment</i>	<i>2024</i>	<i>2023</i>
<b>ASSETS</b>					
Cash	\$ 11,119	\$ 454,759	\$ 294,877	\$ 760,755	\$ 926,230
Investments	667,221	173,225	93,966	934,412	976,954
Taxes receivable	-	466,953	233,468	700,421	688,478
Accounts receivable	-	100	50	150	320
Special assessments receivable	29,586	-	-	29,586	33,897
Prepays	-	17,326	46,573	63,899	16,013
<b>Total assets</b>	<b>\$ 707,926</b>	<b>\$ 1,112,363</b>	<b>\$ 668,934</b>	<b>\$ 2,489,223</b>	<b>\$ 2,641,892</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Payables	\$ -	\$ 7,315	\$ 75,008	\$ 82,323	\$ 180,816
Accrued liabilities	-	9,639	-	9,639	7,834
<b>Total liabilities</b>	<b>-</b>	<b>16,954</b>	<b>75,008</b>	<b>91,962</b>	<b>188,650</b>
Deferred inflows of resources:					
Unavailable property taxes	-	1,046,600	523,247	1,569,847	1,476,999
Unavailable special assessments	29,586	-	-	29,586	33,897
<b>Total deferred inflows of resources</b>	<b>29,586</b>	<b>1,046,600</b>	<b>523,247</b>	<b>1,599,433</b>	<b>1,510,896</b>
Fund balances:					
Nonspendable - prepaids	-	17,326	46,573	63,899	16,013
Restricted for public safety	-	-	24,106	24,106	292,662
Assigned for recreation and culture					
Recreation and culture	-	31,483	-	31,483	-
Committed for water improvements	678,340	-	-	678,340	633,671
<b>Total fund balances</b>	<b>678,340</b>	<b>48,809</b>	<b>70,679</b>	<b>797,828</b>	<b>942,346</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 707,926</b>	<b>\$ 1,112,363</b>	<b>\$ 668,934</b>	<b>\$ 2,489,223</b>	<b>\$ 2,641,892</b>

Charter Township of Delhi

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

Year ended December 31, 2024

	<u>Water Improvement</u>	<u>Parks and Recreation</u>	<u>Fire Equipment</u>	<u>Totals</u>	
				<u>2024</u>	<u>2023</u>
<b>REVENUES</b>					
Property taxes	\$ -	\$ 985,998	\$ 492,923	\$ 1,478,921	\$ 1,373,120
Special assessments	4,311	-	-	4,311	4,106
Federal grants	-	-	-	-	17,160
State grants	-	22,050	2,866	24,916	16,231
Intergovernmental	-	2,250	-	2,250	-
Charges for services	7,750	78,904	-	86,654	198,056
Interest and rentals	34,957	31,624	13,510	80,091	28,098
Other:					
Miscellaneous	-	12,576	1,170	13,746	78,473
	<u>47,018</u>	<u>1,133,402</u>	<u>510,469</u>	<u>1,690,889</u>	<u>1,715,244</u>
Total revenues					
<b>EXPENDITURES</b>					
Current:					
Public safety	-	-	173,561	173,561	189,223
Public works	2,349	-	-	2,349	2,350
Recreation and culture	-	932,272	-	932,272	1,021,545
Health and welfare	-	-	-	-	-
Debt service:					
Principal	-	-	144,900	144,900	217,048
Interest and fees	-	-	7,288	7,288	10,800
Capital outlay	-	225,972	828,693	1,054,665	967,863
	<u>2,349</u>	<u>1,158,244</u>	<u>1,154,442</u>	<u>2,315,035</u>	<u>2,408,829</u>
Total expenditures					
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	44,669	(24,842)	(643,973)	(624,146)	(693,585)
<b>OTHER FINANCING SOURCES</b>					
Proceeds from loan proceeds	-	-	348,220	348,220	-
Transfers in - General Fund	-	65,012	66,396	131,408	1,004,673
	<u>-</u>	<u>65,012</u>	<u>414,616</u>	<u>479,628</u>	<u>789,673</u>
Net other financing sources					
<b>NET CHANGES IN FUND BALANCES</b>					
	44,669	40,170	(229,357)	(144,518)	96,088
<b>FUND BALANCES - BEGINNING</b>					
	<u>633,671</u>	<u>8,639</u>	<u>300,036</u>	<u>942,346</u>	<u>846,258</u>
<b>FUND BALANCES - ENDING</b>					
	<u>\$ 678,340</u>	<u>\$ 48,809</u>	<u>\$ 70,679</u>	<u>\$ 797,828</u>	<u>\$ 942,346</u>

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

Year ended December 31, 2024

	<i>Water Improvement</i>			<i>Parks and Recreation</i>			<i>Fire equipment</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>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>REVENUES</b>									
Property taxes	\$ -	\$ -	\$ -	\$ 985,955	\$ 985,998	\$ 43	\$ 492,901	\$ 492,923	\$ 22
Special assessments	4,311	4,311	-	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-	-	-	-
State grants	-	-	-	22,050	22,050	-	55,366	2,866	(52,500)
Intergovernmental	-	-	-	2,250	2,250	-	-	-	-
Charges for services	12,250	7,750	(4,500)	75,092	78,904	3,812	-	-	-
Interest and rentals	34,831	34,957	126	32,080	31,624	(456)	13,437	13,510	73
Other:									
Miscellaneous	-	-	-	6,278	12,576	6,298	1,170	1,170	-
<b>Total revenues</b>	<b>51,392</b>	<b>47,018</b>	<b>(4,374)</b>	<b>1,123,705</b>	<b>1,133,402</b>	<b>9,697</b>	<b>562,874</b>	<b>510,469</b>	<b>(52,405)</b>
<b>EXPENDITURES</b>									
Current:									
Public safety	-	-	-	-	-	-	355,690	173,561	182,129
Public works	2,625	2,349	276	-	-	-	-	-	-
Recreation and culture	-	-	-	972,356	932,272	40,084	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	144,900	144,900	-
Interest and fees	-	-	-	-	-	-	7,288	7,288	-
Capital outlay	-	-	-	225,000	225,972	(972)	441,429	828,693	(387,264)
<b>Total expenditures</b>	<b>2,625</b>	<b>2,349</b>	<b>276</b>	<b>1,197,356</b>	<b>1,158,244</b>	<b>39,112</b>	<b>949,307</b>	<b>1,154,442</b>	<b>(205,135)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>48,767</b>	<b>44,669</b>	<b>(4,098)</b>	<b>(73,651)</b>	<b>(24,842)</b>	<b>48,809</b>	<b>(386,433)</b>	<b>(643,973)</b>	<b>(257,540)</b>
<b>OTHER FINANCING SOURCES</b>									
Proceeds from loan proceeds	-	-	-	-	-	-	-	348,220	348,220
Transfers in - General Fund	-	-	-	65,012	65,012	-	66,396	66,396	-
<b>Net other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,012</b>	<b>65,012</b>	<b>-</b>	<b>66,396</b>	<b>414,616</b>	<b>348,220</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>48,767</b>	<b>44,669</b>	<b>(4,098)</b>	<b>(8,639)</b>	<b>40,170</b>	<b>48,809</b>	<b>(320,037)</b>	<b>(229,357)</b>	<b>90,680</b>
<b>FUND BALANCES - BEGINNING</b>	<b>633,509</b>	<b>633,671</b>	<b>162</b>	<b>-</b>	<b>8,639</b>	<b>8,639</b>	<b>431,090</b>	<b>300,036</b>	<b>(131,054)</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 682,276</b>	<b>\$ 678,340</b>	<b>\$ (3,936)</b>	<b>\$ (8,639)</b>	<b>\$ 48,809</b>	<b>\$ 57,448</b>	<b>\$ 111,053</b>	<b>\$ 70,679</b>	<b>\$ (40,374)</b>

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

December 31, 2024

	<u>Tax Collection</u>	<u>General Custodial</u>	<u>Totals</u>	
			<u>2024</u>	<u>2023</u>
<b>ASSETS</b>				
Cash	\$ 13,661,574	\$ 32,427	\$ 13,694,001	\$ 12,237,330
Taxes receivable for other governments	-	239,702	239,702	273,709
Other receivable	-	2,029	2,029	-
Total assets	<u>13,661,574</u>	<u>274,158</u>	<u>13,935,732</u>	<u>12,511,039</u>
<b>LIABILITIES</b>				
Due to others	-	34,456	34,456	11,782
Due to other governmental units	<u>13,661,574</u>	<u>239,702</u>	<u>13,901,276</u>	<u>12,469,239</u>
Total liabilities	<u>13,661,574</u>	<u>274,158</u>	<u>13,935,732</u>	<u>12,481,021</u>
<b>NET POSITION</b>				
Restricted for individuals and other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,018</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	\$ 241,908	\$ 260,433	\$ 502,341	\$ -	\$ 502,341
Receivables	373,293	-	373,293	-	373,293
<b>Total assets</b>	<u>\$ 615,201</u>	<u>\$ 260,433</u>	<u>\$ 875,634</u>	<u>\$ -</u>	<u>\$ 875,634</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities - payables	\$ -	\$ 3,852	\$ 3,852	\$ -	\$ 3,852
Deferred inflows of resources - unavailable revenue	508,758	-	508,758	-	508,758
Fund balances:					
Unassigned	106,443	256,581	363,024	(363,024)	-
<b>Total fund balances</b>	<u>106,443</u>	<u>256,581</u>	<u>363,024</u>	<u>(363,024)</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 615,201</u>	<u>\$ 260,433</u>	<u>\$ 875,634</u>		
<b>NET POSITION - UNRESTRICTED</b>				<u>\$ 363,024</u>	<u>\$ 363,024</u>

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

Year ended December 31, 2024

	<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	\$ 536,504	\$ -	\$ 536,504	\$ -	\$ 536,504
State grants	-	25,812	25,812	-	25,812
Total revenues	536,504	25,812	562,316	-	562,316
<b>EXPENDITURES</b>					
Community and economic development	569,454	54,795	624,249	-	624,249
<b>NET CHANGES IN FUND BALANCES/NET POSITION</b>	(32,950)	(28,983)	(61,933)	-	(61,933)
<b>FUND BALANCES/NET POSITION - BEGINNING</b>	139,393	285,564	424,957	-	424,957
<b>FUND BALANCES/NET POSITION - ENDING</b>	\$ 106,443	\$ 256,581	\$ 363,024	\$ -	\$ 363,024

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

December 31, 2024

	Governmental funds balance sheet			Adjustments	Statement of net position
	Downtown Development Operating	Downtown Development Debt services	Total		
<b>ASSETS</b>					
Cash	\$ 5,024,246	\$ -	\$ 5,024,246	\$ -	\$ 5,024,246
Investments	7,474,455	-	7,474,455	-	7,474,455
Taxes receivable	255,494	-	255,494	-	255,494
Accounts receivables	23,256	-	23,256	-	23,256
Land contract receivable	45,332	-	45,332	-	45,332
Prepays	33,071	-	33,071	-	33,071
Restricted assets:					
Cash	322,422	-	322,422	-	322,422
Capital assets not being depreciated	-	-	-	2,217,724	2,217,724
Capital assets being depreciated, net	-	-	-	1,574,924	1,574,924
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 13,178,276</u>	<u>\$ -</u>	<u>\$ 13,178,276</u>	<u>\$ 3,792,648</u>	<u>\$ 16,970,924</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Payables	\$ 30,780	\$ -	\$ 30,780	\$ -	\$ 30,780
Accrued liabilities	6,563	-	6,563	-	6,563
Interest payable	-	-	-	41,031	41,031
Due to other governmental units	3,546,863	-	3,546,863	-	3,546,863
Due to primary government	785,462	-	785,462	-	785,462
Unearned revenue	-	-	-	-	-
Long term debt:					
Due within one year	-	-	-	680,835	680,835
Due in more than one year	-	-	-	7,148,318	7,148,318
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>4,369,668</u>	<u>-</u>	<u>4,369,668</u>	<u>7,870,184</u>	<u>12,239,852</u>
Deferred inflows of resources:					
Unavailable land contract	45,332	-	45,332	(45,332)	-
Unavailable property taxes	2,050,992	-	2,050,992	-	2,050,992
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total deferred inflows of resources	<u>2,096,324</u>	<u>-</u>	<u>2,096,324</u>	<u>(45,332)</u>	<u>2,050,992</u>
Fund balances:					
Nonspendable - prepaids	33,071	-	33,071	(33,071)	-
Unassigned	6,356,791	-	6,356,791	(6,356,791)	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>6,712,284</u>	<u>-</u>	<u>6,712,284</u>	<u>(6,712,284)</u>	<u>-</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,178,276</u>	<u>\$ -</u>	<u>\$ 13,178,276</u>		
Net position:					
Net investment in capital assets				(4,036,505)	(4,036,505)
Restricted for capital projects				322,422	322,422
Unrestricted				6,394,163	6,394,163
				<u>                    </u>	<u>                    </u>
Total net position (deficit)				<u>\$ 2,680,080</u>	<u>\$ 2,680,080</u>

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

Year ended December 31, 2024

	<i>Governmental funds statement of revenues, expenditures and changes in fund balances</i>				<i>Statement of activities</i>
	<i>Downtown Development Operating</i>	<i>Downtown Development Debt services</i>	<i>Total</i>	<i>Adjustments</i>	
<b>REVENUES</b>					
Property taxes	\$ 2,720,407	\$ -	\$ 2,720,407	\$ -	\$ 2,720,407
Federal grants	1,700	-	1,700	-	1,700
Charges for services	20,238	-	20,238	-	20,238
Interest and rentals	450,246	-	450,246	-	450,246
Other	14,807	-	14,807	(9,170)	5,637
Total revenues	<u>3,207,398</u>	<u>-</u>	<u>3,207,398</u>	<u>(9,170)</u>	<u>3,198,228</u>
<b>EXPENDITURES</b>					
Community and economic development	468,721	-	468,721	154,476	623,197
Debt service:					
Principal	-	870,822	870,822	(870,822)	-
Interest and fees	-	261,633	261,633	21,469	283,102
Capital outlay	79,385	-	79,385	(79,385)	-
Total expenditures/expenses	<u>548,106</u>	<u>1,132,455</u>	<u>1,680,561</u>	<u>(774,262)</u>	<u>906,299</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>2,659,292</u>	<u>(1,132,455)</u>	<u>1,526,837</u>	<u>765,092</u>	<u>2,291,929</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	1,132,455	1,132,455	(1,132,455)	-
Transfers out	(1,132,455)	-	(1,132,455)	1,132,455	-
Net other financing sources (uses)	<u>(1,132,455)</u>	<u>1,132,455</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES/NET POSITION</b>	1,526,837	-	1,526,837	765,092	2,291,929
<b>FUND BALANCES/NET POSITION (DEFICIT) - BEGINNING</b>	<u>5,185,447</u>	<u>-</u>	<u>5,185,447</u>	<u>(4,797,296)</u>	<u>388,151</u>
<b>FUND BALANCES/NET POSITION (DEFICIT) - ENDING</b>	<u>\$ 6,712,284</u>	<u>\$ -</u>	<u>\$ 6,712,284</u>	<u>\$ (4,032,204)</u>	<u>\$ 2,680,080</u>

**BALANCE SHEETS - General Fund**

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash	\$ 2,890,598	\$ 3,212,443
Investments	13,094,418	15,757,476
Restricted cash - capital projects	1,028,306	2,089,533
Taxes receivable	2,306,739	2,233,040
Accounts receivable	693,831	684,240
Special assessments receivable	87,829	112,794
Due from component unit	785,462	726,552
Prepaid expenditures	<u>169,255</u>	<u>89,578</u>
Total assets	<u>\$ 21,056,438</u>	<u>\$ 24,905,656</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 614,171	\$ 540,014
Accrued liabilities	118,538	97,158
Unearned rental fees	-	46,415
Unearned grants	-	2,176,070
Unearned assessment revenue	<u>409,127</u>	<u>362,170</u>
Total liabilities	<u>1,141,836</u>	<u>3,221,827</u>
Deferred inflows of resources:		
Unavailable property taxes	3,887,781	3,653,049
Unavailable special assessments	<u>87,828</u>	<u>112,794</u>
Total deferred inflows of resources	<u>3,975,609</u>	<u>3,765,843</u>
Fund balances:		
Nonspendable:		
Prepays	169,255	89,578
Restricted for:		
Building department	412,303	598,442
Sycamore trail	265,382	265,382
Committed for - disaster contingency	10,000	10,000
Assigned for:		
Sidewalks	88,000	-
Asphalt replacement	150,000	-
Cemetery improvements	130,000	-
Subsequent year expenditures	203,616	2,734,963
Unassigned	<u>14,510,437</u>	<u>14,219,621</u>
Total fund balances	<u>15,938,993</u>	<u>17,917,986</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,056,438</u>	<u>\$ 24,905,656</u>

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

Year ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>REVENUES</b>		
Property taxes	\$ 4,315,287	\$ 4,028,058
Special assessments	394,897	355,829
Licenses and permits	752,198	996,526
Federal grants	43,226	47,783
State grants	3,196,406	3,176,003
Intergovernmental - local	138,677	142,597
Charges for services	613,698	660,723
Fines and forfeitures	25,874	21,498
Investment return (loss) and rentals	737,836	794,097
Other	<u>258,236</u>	<u>38,025</u>
Total revenues	<u>10,476,335</u>	<u>10,261,139</u>
<b>EXPENDITURES</b>		
Current:		
General government:		
Legislative - Board of trustees	109,805	120,331
Manager	631,405	551,508
Accounting	199,515	228,409
Clerk	411,796	402,464
Information technology	304,082	288,717
Treasurer	337,997	297,179
Assessing	441,624	415,805
Elections	240,446	23,042
Building and grounds	<u>997,783</u>	<u>744,577</u>
Total general government	<u>3,674,453</u>	<u>3,072,032</u>
Public works	984,195	628,311
Community and economic development	969,077	895,907
Capital outlay	1,492,975	238,992
Debt service:		
Principal	546,392	560,112
Interest	<u>232,078</u>	<u>155,128</u>
Total expenditures	<u>7,899,170</u>	<u>5,550,482</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>2,577,165</u>	<u>4,710,657</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Loan proceeds	-	2,295,927
Transfers out:		
Fire fund	(576,527)	(380,860)
Police fund	(1,722,717)	(1,779,411)
Fire capital	(66,396)	-
Capital project fund	(2,107,506)	-
Sewer fund	(18,000)	(50,000)
Parks fund	<u>(65,012)</u>	<u>(1,004,673)</u>
Total transfers out	<u>(4,556,158)</u>	<u>(919,017)</u>
<b>NET CHANGES IN FUND BALANCES</b>	(1,978,993)	3,791,640
<b>FUND BALANCES - BEGINNING</b>	<u>17,917,986</u>	<u>14,126,346</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 15,938,993</u>	<u>\$ 17,917,986</u>

**STATISTICAL INFORMATION (UNAUDITED)**

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

	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	12/31/2024
<b>Revenues</b>										
Taxes	\$ 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	\$ 8,728,308
Grants and Revenue Sharing	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	3,319,062
Special assessments	-	-	-	384,345	437,388	427,382	445,443	409,166	383,610	419,500
Intergovernmental-Local	143,493	140,471	133,313	157,958	627,884	1,397,095	149,863	154,567	142,597	140,927
Licenses and permits	505,784	782,673	659,866	506,940	467,764	954,565	610,579	587,996	676,739	475,890
Charges for services	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	1,897,873
Franchise Fees	494,517	515,564	512,700	511,305	509,281	500,218	496,753	347,719	319,787	276,307
Fines and Forfeitures	79,247	67,025	57,779	65,704	58,630	38,626	39,936	41,853	40,562	38,636
Interest and Rentals	25,299	337,422	53,537	96,858	156,111	76,282	10,039	(127,100)	836,792	930,952
Other	771,291	496,164	717,166	273,101	206,370	269,286	190,960	126,685	166,088	363,606
<b>Total revenues</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>16,591,061</b>
<b>Expenditures</b>										
General government	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	3,674,453
Public safety	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	3,833,105
Engineering	-	-	-	-	-	-	-	-	-	-
Health & Welfare	-	-	-	2,141,638	2,266,980	2,306,093	2,153,433	2,582,163	2,595,558	2,845,375
Public works	669,875	800,004	1,227,575	653,567	681,877	581,936	584,235	678,839	630,661	986,544
Community development	604,369	796,021	781,810	771,515	686,346	705,779	748,865	877,367	895,907	969,077
Recreation and culture	707,045	837,782	783,752	909,431	1,111,688	767,060	975,440	1,122,378	1,021,545	932,272
Other	486,476	563,166	520,027	574,306	792,496	495,694	-	-	-	-
Debt service										
Principal	365,341	392,760	596,752	528,258	573,301	622,634	656,059	877,745	802,160	716,292
Interest and issuance costs	44,515	162,858	202,951	236,662	210,501	217,930	200,534	195,551	172,673	245,401
Capital outlay	647,425	1,662,339	2,874,880	314,173	73,853	439,242	1,132,857	446,548	2,353,727	4,608,442
<b>Total expenditures</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>	<b>18,810,961</b>
Excess of revenues over (under) expenditures	691,870	(1,037,026)	(2,120,360)	118,599	1,754,535	3,641,021	1,309,597	1,191,371	718,383	(2,219,900)
<b>Other Financing Sources (Uses)</b>										
Proceeds from long-term debt	-	2,613,930	348,000	-	-	-	724,067	-	2,295,927	348,220
Capital Lease	-	-	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	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	4,538,158
Transfers out	(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)	(4,556,158)
<b>Total other financing sources (uses)</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>330,220</b>
<b>Net change in fund balances</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>	<b>\$ (1,889,680)</b>
Debt service as a percentage of noncapital expenditures	4.1%	8.7%	7.1%	6.7%	6.6%	7.4%	7.3%	8.2%	7.6%	6.8%

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
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%
2024	3,898,644	219,053,451	19,851,201	772,407,397	55,423,300	1,070,633,993	8.6813	1,324,894,700	81%

Personal Property by Category-Taxable Value

	Commercial	Industrial	Utility
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
2022	34,717,300	1,231,000	18,844,100
2023	32,516,600	216,500	19,825,400
2024	34,754,800	247,600	20,420,900

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	
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
2024	4.2410	1.4761	1.4761	0.4960	0.9921	8.6813	17.6396	6.2290	3.7692	6.0000	0.0000	8.2300	8.2300	50.5491

Non-homestead Holt school operating millage

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
2024	18.0000

Source: Township Assessing Department

See Summer & Winter Tax Warrants

DELHI CHARTER TOWNSHIP  
TOP TEN PRINCIPAL  
TAX PAYERS  
CURRENT YEAR

2024			
Taxpayer	Taxable Value	Rank	Percentage of Total Twp Taxable Value
McKesson Corporation	20,927,877	1	1.95%
Consumers Energy Company	19,186,197	2	1.79%
Redwood Holt Cedar Street MI	16,468,705	3	1.54%
Willoughby Estates II, LLC	13,805,500	4	1.29%
Sreit Woodland Lakes Lansing, L	11,036,100	5	1.03%
Dart Container Corp	8,694,212	6	0.81%
Aspen Consolidated, LLC	6,899,279	7	0.64%
Comcast of Michigan, LLC	6,444,315	8	0.60%
RSDC of Michigan, LLC	6,217,300	9	0.58%
2000 Cedar, LLC	4,835,000	10	0.45%
<b>Taxable Value of Top Ten Taxpayers</b>	<b>114,514,485</b>		<b>10.70%</b>

Source: Township Tax Data Base