
Charter Township of Benton

Berrien County, Michigan

Financial Report
with Supplementary Information
December 31, 2022

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-8
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10-11
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	12
Reconciliation of the Balance Sheet to the Statement of Net Position	13
Statement of Revenue, Expenditures, and Changes in Fund Balances	14
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	15
Proprietary Funds:	
Statement of Net Position	16
Statement of Revenue, Expenses, and Changes in Net Position	17
Statement of Cash Flows	18
Fiduciary Funds:	
Statement of Fiduciary Net Position	19
Statement of Changes in Fiduciary Net Position	20
Notes to Financial Statements	21-46
Required Supplementary Information	47
Budgetary Comparison Schedule - General Fund	48
Budgetary Comparison Schedule - Major Special Revenue Funds	49-51
Schedule of Changes in the Net Pension Liability and Related Ratios	52
Schedule of Pension Contributions	53
Schedule of Pension Investment Returns	54
Schedule of Changes in the Net OPEB Liability and Related Ratios	55
Schedule of OPEB Contributions	56
Schedule of OPEB Investment Returns	57
Notes to Required Supplementary Information	58
Other Supplementary Information	59
Nonmajor Governmental Funds:	
Combining Balance Sheet	60
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	61
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position	62
Combining Statement of Changes in Fiduciary Net Position	63

Independent Auditor's Report

To the Members of the Township Board
Charter Township of Benton

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Benton (the "Charter Township") as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the Charter Township's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township as of December 31, 2022 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Charter 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 Charter Township's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the Members of the Township Board
Charter Township of Benton

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Charter 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 Charter 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 and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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.

Other Supplementary Information

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

To the Members of the Township Board
Charter Township of Benton

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023 on our consideration of the Charter Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter Township's internal control over financial reporting and compliance.

Plante & Moran, PLLC

June 27, 2023

Our discussion and analysis of the Charter Township of Benton's (the "Charter Township") financial performance provides an overview of the Charter Township's financial activities for the fiscal year ended December 31, 2022. Please read it in conjunction with the Charter Township's financial statements.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2022:

The Charter Township's General Fund revenue exceeded budget by approximately \$366,000, which can be attributed to a few factors, mainly charges for services and state-shared revenue and grants. The General Fund expenditures were under budget by approximately \$125,000. The General Fund fund balance saw an increase of approximately \$702,000 for the year ended December 31, 2022.

The Charter Township received the remaining American Rescue Plan Act funding of approximately \$750,000 during the fiscal year.

The Charter Township, once again, fully funded its annual required contribution of approximately \$250,000 related to the retiree health benefit obligation.

In 2015, the Charter Township adopted and implemented Governmental Accounting Standards Board (GASB) Statement No. 68, which requires governmental units to recognize the net pension liability and the pension expense on their government-wide financial statements. The Charter Township recorded an increase in the liability of approximately \$3,739,000 for an outstanding liability of \$11,910,837.

In 2018, the Charter Township adopted and implemented GASB Statement No. 75, which requires the measurement of other postemployment benefit costs to be expensed as they are earned, rather than as they are funded. The Charter Township recorded an increase in the liability of approximately \$249,000 for an outstanding liability of \$1,343,689.

Using This Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Charter Township as a whole and present a longer-term view of the Charter Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell the reader how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Charter Township's operations in more detail than the government-wide financial statements by providing information about the Charter Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Charter Township acts solely as a trustee or agent for the benefit of those outside of the government.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Charter Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35,136,247 at the close of the most recent fiscal year.

Charter Township of Benton

Management's Discussion and Analysis (Continued)

The Charter Township's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets:						
Cash and cash equivalents	\$ 10,741,782	\$ 10,474,984	\$ 9,057,369	\$ 8,045,632	\$ 19,799,151	\$ 18,520,616
Receivables	6,852,127	4,789,760	1,855,191	1,134,623	8,707,318	5,924,383
Other assets	230,960	210,540	1,813,898	1,805,996	2,044,858	2,016,536
Capital assets	6,803,581	6,983,485	39,508,988	33,695,384	46,312,569	40,678,869
Total assets	24,628,450	22,458,769	52,235,446	44,681,635	76,863,896	67,140,404
Deferred Outflows of Resources	2,866,814	1,202,098	-	-	2,866,814	1,202,098
Liabilities						
Current liabilities	2,042,274	1,389,190	1,162,444	1,105,556	3,204,718	2,494,746
Noncurrent liabilities:						
Due within one year	289,055	347,800	1,475,987	1,454,605	1,765,042	1,802,405
Due in more than one year	13,659,967	9,706,211	19,309,630	17,447,975	32,969,597	27,154,186
Total liabilities	15,991,296	11,443,201	21,948,061	20,008,136	37,939,357	31,451,337
Deferred Inflows of Resources	6,655,106	8,071,810	-	-	6,655,106	8,071,810
Net Position						
Net investment in capital assets	6,803,581	6,887,856	20,501,899	16,562,726	27,305,480	23,450,582
Restricted	2,880,331	2,210,834	-	-	2,880,331	2,210,834
Unrestricted	(4,835,050)	(4,952,834)	9,785,486	8,110,773	4,950,436	3,157,939
Total net position	<u>\$ 4,848,862</u>	<u>\$ 4,145,856</u>	<u>\$ 30,287,385</u>	<u>\$ 24,673,499</u>	<u>\$ 35,136,247</u>	<u>\$ 28,819,355</u>

The financial position of the Charter Township, in total, increased during the year. The governmental activities net position increased by \$703,006, or approximately 16.96 percent, from the prior year. Receivables increased due to less property taxes being received before year end and more being received for this season in the new year. Business-type activities increased by \$5,613,886, or approximately 22.75 percent, over the prior year, particularly due to an increase in capital grants related to ongoing water and sewer projects.

Charter Township of Benton

Management's Discussion and Analysis (Continued)

The Charter Township's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue						
Program revenue:						
Charges for services	\$ 1,572,495	\$ 1,466,026	\$ 7,911,732	\$ 7,730,006	\$ 9,484,227	\$ 9,196,032
Operating grants	17,766	17,972	-	-	17,766	17,972
Capital grants	-	-	3,259,561	402,588	3,259,561	402,588
General revenue:						
Property taxes	5,981,147	5,985,068	-	-	5,981,147	5,985,068
State-shared revenue and grants	2,085,941	1,996,672	-	-	2,085,941	1,996,672
Investment earnings	52,490	17,754	80,577	77,855	133,067	95,609
Other revenue:						
Cable franchise fees	124,115	128,987	-	-	124,115	128,987
Sale of capital assets	64,401	13,718	-	9,875	64,401	23,593
Other miscellaneous income	432,221	175,628	-	-	432,221	175,628
Total revenue	10,330,576	9,801,825	11,251,870	8,220,324	21,582,446	18,022,149
Expenses						
General government	1,931,393	1,547,770	-	-	1,931,393	1,547,770
Public safety	6,849,671	6,041,664	-	-	6,849,671	6,041,664
Public works	777,906	741,560	-	-	777,906	741,560
Community and economic development	4,442	6,373	-	-	4,442	6,373
Recreation and culture	61,873	46,917	-	-	61,873	46,917
Debt service	2,285	4,517	-	-	2,285	4,517
Sanitary Sewage System Fund	-	-	2,868,344	2,445,873	2,868,344	2,445,873
Water System Fund	-	-	2,769,640	2,670,127	2,769,640	2,670,127
Total expenses	9,627,570	8,388,801	5,637,984	5,116,000	15,265,554	13,504,801
Change in Net Position	703,006	1,413,024	5,613,886	3,104,324	6,316,892	4,517,348
Net Position - Beginning of year	4,145,856	2,732,832	24,673,499	21,569,175	28,819,355	24,302,007
Net Position - End of year	\$ 4,848,862	\$ 4,145,856	\$ 30,287,385	\$ 24,673,499	\$ 35,136,247	\$ 28,819,355

During the past fiscal year, governmental activities expenses increased by \$1,238,769, or approximately 14.77 percent, with increases in spending in both general government and public safety. Business-type activities expenses increased by \$521,984, or approximately 10.20 percent, due to increased spending within the Sanitary Sewage System Fund.

Financial Analysis of Individual Funds

As noted earlier, the Charter Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Charter Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Charter Township's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for discretionary use, as it represents the portion of the fund balance that has not yet been limited to use for a particular purpose by an external party. Uncommitted or unassigned fund balance provides further information about the resources that have not been constrained by either the Charter Township's board or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Charter Township's board.

Charter Township of Benton

Management's Discussion and Analysis (Continued)

Within these governmental funds, the General Fund is the most significant to understanding the Charter Township's financial activities. In addition, the Water System and Sanitary Sewage System funds make up significant enterprise activity for the Charter Township. A brief analysis of the funds is presented below:

The General Fund had an increase in fund balance of approximately \$702,000. The Police Fund had an increase in fund balance of approximately \$277,000, and the Fire Fund had an increase in fund balance of approximately \$134,000. This was primarily due to decreases in expenditures over the prior year for the General Fund. The increase in fund balance for the Police Fund and the Fire Fund was due to significant staff turnover and difficulties in retention of staff.

The Debt Service Fund saw no change in fund balance, with very little activity occurring in the fund, as the Charter Township paid off the fire truck loan and the 2017 trash truck loan during a previous fiscal year.

Of the enterprise funds, the Sanitary Sewage System Fund saw an increase in net position of approximately \$4,681,000, and the Water System Fund had an increase in net position of approximately \$932,000, primarily attributed to expected rate increases utilized to pay existing and future projects and approved in a prior year, as well as decreases in various expenses.

Budgetary Highlights

Actual General Fund revenue was greater than budgeted by approximately \$366,000 due to state-shared revenue and grants and charges for services being more than anticipated. Actual General Fund expenditures were less than budgeted by approximately \$125,000 due to conservative spending in relation to amounts budgeted.

Overall results for the Police Fund were better than budgeted amounts by approximately \$277,000 due to conservative expenditure budgeting.

Actual Fire Fund expenditures were approximately \$175,000 more than anticipated, which were offset by increased transfers in and better than anticipated revenue results.

Actual Public Safety Fund revenue was greater than budgeted by approximately \$220,000 due to bringing in more state-shared revenue and grants. Actual Public Safety Fund expenditures were also higher than budgeted by approximately \$6,000.

Capital Assets and Debt Administration

The Charter Township paid down approximately \$1.9 million of principal on its long-term debt during the current fiscal year. The Charter Township paid off the 2019 trash truck loan and the 2012 GO bonds during the fiscal year. The Charter Township also issued new debt related to a Clean Water State Revolving Fund (CWSRF) project during the year ended December 31, 2022.

The Charter Township purchased approximately \$430,000 of governmental-type fixed assets and \$7,115,000 of business-type fixed assets and construction in progress related to the waste water system improvement project.

Economic Factors and Next Year's Budgets and Rates

The Charter Township will continue to implement a 4.5 percent increase in 2023, as described in the rate study completed in 2019, to offset increased operational costs and to pay down debt. The Charter Township continues to leverage revolving loan funds from the State of Michigan, as needed, to finance construction on water and sewer projects.

The future state of revenue sharing continues to be monitored to best serve the needs of the public. Taxable values will change very little in the near future; therefore, it is important that the Charter Township continue to control costs and also continue cooperative efforts with other municipalities.

The Charter Township received funding from the American Rescue Plan Act of approximately \$750,000 in October 2021, and a second payment of a similar amount was received in June 2022. These funds have been restricted for allowable uses per the act but have not yet been spent in 2023. The Charter Township anticipates using these funds for capital equipment in 2023.

Charter Township of Benton

Management's Discussion and Analysis (Continued)

The Charter Township received funding from the various opioid settlements with major retailers and drug companies. The funding will be used for targeted efforts to reduce the impact of opioid use throughout the community, as determined by the board.

The Charter Township continues to experience staffing issues in public safety and plans to review compensation and incentives to recruit and retain public safety talent in 2023, which may increase costs over time.

In addition, the Charter Township currently operates on many legacy technologies, including the general ledger and timekeeping systems, that will need to be updated very soon, with planning to begin in 2023; this planning may cause the Charter Township to incur costs in the short term for successful implementations.

Requests for Further Information

This financial report is intended to provide a general overview of the Charter Township's finances and demonstrate the Charter Township's accountability for the money it receives. If you have questions about this report or need additional information, please contact the Charter Township of Benton clerk's office.

Charter Township of Benton

Statement of Net Position

December 31, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents (Note 3)	\$ 10,741,782	\$ 9,057,369	\$ 19,799,151
Receivables:			
Property taxes receivable	5,665,341	-	5,665,341
Special assessments receivable	253,241	10,746	263,987
Other receivables	299,318	1,161,498	1,460,816
Due from other governmental units	627,462	689,712	1,317,174
Internal balances (Note 5)	6,765	(6,765)	-
Prepaid expenses	230,960	95,246	326,206
Restricted assets	-	1,718,652	1,718,652
Capital assets:			
Assets not subject to depreciation (Note 4)	729,886	8,843,969	9,573,855
Assets subject to depreciation - Net (Note 4)	6,073,695	30,665,019	36,738,714
Total assets	24,628,450	52,235,446	76,863,896
Deferred Outflows of Resources			
Deferred pension costs (Note 9)	2,616,826	-	2,616,826
Deferred OPEB costs (Note 8)	249,988	-	249,988
Total deferred outflows of resources	2,866,814	-	2,866,814
Liabilities			
Accounts payable	106,466	967,757	1,074,223
Due to other governmental units	14,417	-	14,417
Accrued liabilities and other	418,622	194,687	613,309
Unearned revenue	1,502,769	-	1,502,769
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 6)	289,055	5,987	295,042
Current portion of long-term debt (Note 6)	-	1,470,000	1,470,000
Due in more than one year:			
Compensated absences (Note 6)	405,441	53,889	459,330
Net pension liability (Note 9)	11,910,837	-	11,910,837
Net OPEB liability (Note 8)	1,343,689	-	1,343,689
Long-term debt (Note 6)	-	19,255,741	19,255,741
Total liabilities	15,991,296	21,948,061	37,939,357
Deferred Inflows of Resources			
Property taxes and special assessments levied for the following year	6,580,748	-	6,580,748
Deferred pension cost reductions (Note 9)	71,346	-	71,346
Deferred OPEB cost reductions (Note 8)	3,012	-	3,012
Total deferred inflows of resources	6,655,106	-	6,655,106
Net Position			
Net investment in capital assets	6,803,581	20,501,899	27,305,480
Restricted:			
Community development	42,955	-	42,955
Rental ordinance	306,938	-	306,938
Fire	907,838	-	907,838
Police	1,262,679	-	1,262,679
Street lighting	181,819	-	181,819
Health and welfare	178,102	-	178,102
Unrestricted	(4,835,050)	9,785,486	4,950,436
Total net position	\$ 4,848,862	\$ 30,287,385	\$ 35,136,247

Charter Township of Benton

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,931,393	\$ 93,178	\$ -	\$ -
Public safety	6,849,671	677,122	2,115	-
Public works	777,906	802,195	15,651	-
Community and economic development	4,442	-	-	-
Recreation and culture	61,873	-	-	-
Interest on long-term debt	2,285	-	-	-
Total governmental activities	9,627,570	1,572,495	17,766	-
Business-type activities:				
Sanitary Sewage System Fund	2,868,344	4,305,252	-	3,185,000
Water System Fund	2,769,640	3,606,480	-	74,561
Total business-type activities	5,637,984	7,911,732	-	3,259,561
Total primary government	\$ 15,265,554	\$ 9,484,227	\$ 17,766	\$ 3,259,561

General revenue:
 Property taxes
 State-shared revenue
 Investment income
 Cable franchise fees
 Gain on sale of capital assets
 Other miscellaneous income

Total general revenue

Change in Net Position
Net Position - Beginning of year
Net Position - End of year

Statement of Activities

Year Ended December 31, 2022

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,838,215)	\$ -	\$ (1,838,215)
(6,170,434)	-	(6,170,434)
39,940	-	39,940
(4,442)	-	(4,442)
(61,873)	-	(61,873)
(2,285)	-	(2,285)
(8,037,309)	-	(8,037,309)
-	4,621,908	4,621,908
-	911,401	911,401
-	5,533,309	5,533,309
(8,037,309)	5,533,309	(2,504,000)
5,981,147	-	5,981,147
2,085,941	-	2,085,941
52,490	80,577	133,067
124,115	-	124,115
64,401	-	64,401
432,221	-	432,221
8,740,315	80,577	8,820,892
703,006	5,613,886	6,316,892
4,145,856	24,673,499	28,819,355
\$ 4,848,862	\$ 30,287,385	\$ 35,136,247

Charter Township of Benton

Governmental Funds Balance Sheet

December 31, 2022

	General Fund	Police Fund	Fire Fund	Public Safety Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
Assets							
Cash and cash equivalents (Note 3)	\$ 7,334,822	\$ 1,134,379	\$ 637,424	\$ 1,269,397	\$ 13,607	\$ 352,153	\$ 10,741,782
Receivables:							
Property taxes receivable	530,270	1,116,665	734,416	3,283,990	-	-	5,665,341
Special assessments receivable	253,241	-	-	-	-	-	253,241
Other receivables	121,216	-	-	-	-	178,102	299,318
Due from other governmental units	386,978	11,428	11,428	217,628	-	-	627,462
Due from other funds (Note 5)	3,935	444,261	583,584	-	1,060	839,012	1,871,852
Prepaid expenses	152,184	28,234	50,542	-	-	-	230,960
Total assets	\$ 8,782,646	\$ 2,734,967	\$ 2,017,394	\$ 4,771,015	\$ 14,667	\$ 1,369,267	\$ 19,689,956
Liabilities							
Accounts payable	\$ 81,352	\$ 18,078	\$ 6,535	\$ 451	\$ -	\$ 50	\$ 106,466
Due to other governmental units	14,417	-	-	-	-	-	14,417
Due to other funds (Note 5)	797,293	8,225	40,485	1,016,874	-	2,210	1,865,087
Accrued liabilities and other	287,363	68,757	62,502	-	-	-	418,622
Unearned revenue	1,502,769	-	-	-	-	-	1,502,769
Total liabilities	2,683,194	95,060	109,522	1,017,325	-	2,260	3,907,361
Deferred Inflows of Resources							
Unavailable revenue	93,309	-	-	-	-	154,673	247,982
Property taxes and special assessments levied for the following year	780,868	1,230,030	816,160	3,753,690	-	-	6,580,748
Total deferred inflows of resources	874,177	1,230,030	816,160	3,753,690	-	154,673	6,828,730
Fund Balances							
Nonspendable - Prepays	152,184	28,234	50,542	-	-	-	230,960
Restricted:							
Police	-	1,262,679	-	-	-	-	1,262,679
Fire	-	-	872,838	-	-	35,000	907,838
Community development	-	-	-	-	-	42,955	42,955
Rental ordinance	-	-	-	-	-	306,938	306,938
Street lighting	181,819	-	-	-	-	-	181,819
Health and welfare	-	-	-	-	-	23,429	23,429
Assigned:							
Capital improvements	-	-	-	-	-	804,012	804,012
Debt Service	-	-	-	-	14,667	-	14,667
Police	-	118,964	-	-	-	-	118,964
Fire	-	-	168,332	-	-	-	168,332
Unassigned	4,891,272	-	-	-	-	-	4,891,272
Total fund balances	5,225,275	1,409,877	1,091,712	-	14,667	1,212,334	8,953,865
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,782,646	\$ 2,734,967	\$ 2,017,394	\$ 4,771,015	\$ 14,667	\$ 1,369,267	\$ 19,689,956

Charter Township of Benton

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

December 31, 2022

Fund Balances Reported in Governmental Funds	\$ 8,953,865
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are not financial resources and are not reported in the funds	6,803,581
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	247,982
Some employee fringe benefits, including deferrals, are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(694,496)
Pension benefits	(9,365,357)
Retiree health care benefits	(1,096,713)
Net Position of Governmental Activities	<u>\$ 4,848,862</u>

Charter Township of Benton

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2022

	General Fund	Police Fund	Fire Fund	Public Safety Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
Revenue							
Property taxes	\$ 626,207	\$ 980,677	\$ 781,804	\$ 3,592,459	\$ -	\$ -	\$ 5,981,147
Special assessments	17,003	194,220	-	-	-	-	211,223
State-shared revenue and grants	1,826,758	14,565	13,060	248,714	-	-	2,103,097
Charges for services	1,104,454	-	60,228	-	-	-	1,164,682
Fines and forfeitures	-	7,326	-	-	-	-	7,326
Licenses and permits	267,146	16,327	-	-	-	53,703	337,176
Interest and rentals	52,433	57	-	-	-	-	52,490
Other revenue	99,202	32,257	116,335	6,917	-	23,447	278,158
Total revenue	3,993,203	1,245,429	971,427	3,848,090	-	77,150	10,135,299
Expenditures							
Current services:							
General government	1,705,737	-	-	-	-	23,051	1,728,788
Public safety	601,220	3,509,669	2,112,113	84,603	-	95	6,307,700
Public works	870,645	-	-	-	-	-	870,645
Community and economic development	4,442	-	-	-	-	-	4,442
Recreation and culture	51,628	-	-	-	-	-	51,628
Debt service	-	-	-	-	97,914	-	97,914
Total expenditures	3,233,672	3,509,669	2,112,113	84,603	97,914	23,146	9,061,117
Excess of Revenue Over (Under) Expenditures	759,531	(2,264,240)	(1,140,686)	3,763,487	(97,914)	54,004	1,074,182
Other Financing Sources (Uses)							
Transfers in (Note 5)	-	2,489,124	1,274,363	-	97,914	-	3,861,401
Transfers out (Note 5)	(97,914)	-	-	(3,763,487)	-	-	(3,861,401)
Sale of capital assets	40,688	52,189	600	-	-	-	93,477
Total other financing (uses) sources	(57,226)	2,541,313	1,274,963	(3,763,487)	97,914	-	93,477
Net Change in Fund Balances	702,305	277,073	134,277	-	-	54,004	1,167,659
Fund Balances - Beginning of year	4,522,970	1,132,804	957,435	-	14,667	1,158,330	7,786,206
Fund Balances - End of year	\$ 5,225,275	\$ 1,409,877	\$ 1,091,712	\$ -	\$ 14,667	\$ 1,212,334	\$ 8,953,865

Charter Township of Benton

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended December 31, 2022

Net Change in Fund Balances Reported in Governmental Funds	\$ 1,167,659
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	430,027
Depreciation expense	(580,855)
Net book value of assets disposed of	(29,076)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	130,876
Repayment of debt principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	95,629
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported in the governmental funds	(511,254)
Change in Net Position of Governmental Activities	<u><u>\$ 703,006</u></u>

Charter Township of Benton

Proprietary Funds Statement of Net Position

December 31, 2022

	Enterprise Funds		Total
	Sanitary Sewage System Fund	Water System Fund	
Assets			
Current assets:			
Cash and cash equivalents (Note 3)	\$ 5,936,859	\$ 3,120,510	\$ 9,057,369
Receivables:			
Special assessments receivable - Due within one year	275	2,418	2,693
Other receivables	681,494	480,004	1,161,498
Due from other governmental units	689,712	-	689,712
Due from other funds (Note 5)	2,765	8,212	10,977
Prepaid expenses	33,851	61,395	95,246
Total current assets	7,344,956	3,672,539	11,017,495
Noncurrent assets:			
Restricted assets	219,668	1,498,984	1,718,652
Special assessment receivables - Greater than one year	-	8,053	8,053
Capital assets:			
Assets not subject to depreciation (Note 4)	6,752,008	2,091,961	8,843,969
Assets subject to depreciation - Net (Note 4)	8,609,530	22,055,489	30,665,019
Total noncurrent assets	15,581,206	25,654,487	41,235,693
Total assets	22,926,162	29,327,026	52,253,188
Liabilities			
Current liabilities:			
Accounts payable	537,844	429,913	967,757
Due to other funds (Note 5)	8,212	9,530	17,742
Accrued liabilities and other	43,219	151,468	194,687
Compensated absences (Note 6)	1,801	4,186	5,987
Current portion of long-term debt (Note 6)	390,000	1,080,000	1,470,000
Total current liabilities	981,076	1,675,097	2,656,173
Noncurrent liabilities:			
Compensated absences	16,207	37,682	53,889
Long-term debt	5,187,132	14,068,609	19,255,741
Total noncurrent liabilities	5,203,339	14,106,291	19,309,630
Total liabilities	6,184,415	15,781,388	21,965,803
Net Position			
Net investment in capital assets	10,004,074	10,497,825	20,501,899
Unrestricted	6,737,673	3,047,813	9,785,486
Total net position	\$ 16,741,747	\$ 13,545,638	\$ 30,287,385

Charter Township of Benton

Proprietary Funds
Statement of Revenue, Expenses, and Changes in Net Position

Year Ended December 31, 2022

	Enterprise Funds		Total
	Sanitary Sewage System Fund	Water System Fund	
Operating Revenue			
Sale of water	\$ -	\$ 3,606,480	\$ 3,606,480
Sewage disposal charges	4,305,252	-	4,305,252
Total operating revenue	4,305,252	3,606,480	7,911,732
Operating Expenses			
Cost of water	-	1,450,152	1,450,152
Cost of sewage treatment	2,346,497	-	2,346,497
Depreciation	372,892	908,877	1,281,769
Total operating expenses	2,719,389	2,359,029	5,078,418
Operating Income	1,585,863	1,247,451	2,833,314
Nonoperating Revenue (Expense)			
Investment income	59,494	21,083	80,577
Interest expense	(53,580)	(410,611)	(464,191)
Other nonoperating expenses	(95,375)	-	(95,375)
Total nonoperating expense	(89,461)	(389,528)	(478,989)
Income - Before capital contributions	1,496,402	857,923	2,354,325
Capital Contributions	3,185,000	74,561	3,259,561
Change in Net Position	4,681,402	932,484	5,613,886
Net Position - Beginning of year	12,060,345	12,613,154	24,673,499
Net Position - End of year	\$ 16,741,747	\$ 13,545,638	\$ 30,287,385

Charter Township of Benton

Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2022

	Enterprise Funds		
	Sanitary Sewage System Fund	Water System Fund	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 4,307,873	\$ 3,564,097	\$ 7,871,970
Payments to suppliers	(1,439,535)	(900,529)	(2,340,064)
Payments to employees and fringes	(573,073)	(813,218)	(1,386,291)
Net cash and cash equivalents provided by operating activities	2,295,265	1,850,350	4,145,615
Cash Flows from Noncapital Financing Activities			
Loans received from other funds	-	1,689	1,689
Loans made to other funds	(490)	-	(490)
Net cash and cash equivalents (used in) provided by noncapital financing activities	(490)	1,689	1,199
Cash Flows from Capital and Related Financing Activities			
Issuance of bonds	2,834,132	852,247	3,686,379
Receipt of capital grants	2,495,288	74,561	2,569,849
Special assessment collections	60,387	8,113	68,500
Purchase of capital assets	(5,629,402)	(1,465,971)	(7,095,373)
Principal and interest paid on capital debt	(729,833)	(1,651,603)	(2,381,436)
Net cash and cash equivalents used in capital and related financing activities	(969,428)	(2,182,653)	(3,152,081)
Cash Flows Provided by Investing Activities - Interest received on investments	3,972	15,812	19,784
Net Increase (Decrease) in Cash and Cash Equivalents	1,329,319	(314,802)	1,014,517
Cash and Cash Equivalents - Beginning of year	4,827,208	4,934,296	9,761,504
Cash and Cash Equivalents - End of year	\$ 6,156,527	\$ 4,619,494	\$ 10,776,021
Classification of Cash and Cash Equivalents			
Cash and investments	\$ 5,936,859	\$ 3,120,510	\$ 9,057,369
Restricted cash	219,668	1,498,984	1,718,652
Total cash and cash equivalents	\$ 6,156,527	\$ 4,619,494	\$ 10,776,021
Reconciliation of Operating Income to Net Cash and Cash Equivalents from Operating Activities			
Operating income	\$ 1,585,863	\$ 1,247,451	\$ 2,833,314
Adjustments to reconcile operating income to net cash and cash equivalents from operating activities:			
Depreciation	372,892	908,877	1,281,769
Changes in assets and liabilities:			
Receivables	2,621	(42,383)	(39,762)
Prepaid and other assets	771	(5,893)	(5,122)
Accounts payable	320,228	(266,098)	54,130
Accrued and other liabilities	12,890	8,396	21,286
Total adjustments	709,402	602,899	1,312,301
Net cash and cash equivalents provided by operating activities	\$ 2,295,265	\$ 1,850,350	\$ 4,145,615

Charter Township of Benton

Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2022

	Trust Funds - Pension and Retiree Health Insurance	Custodial Funds
Assets		
Cash and cash equivalents	\$ -	\$ 490,184
Investments:		
U.S. government securities	4,015,931	-
Corporate stocks	955,747	-
Corporate bonds	2,581,522	-
Municipal bonds	201,670	-
Bank investment pool funds	14,360,877	-
Receivables	-	586,503
Total assets	22,115,747	1,076,687
Liabilities - Due to other governmental units	-	581,850
Deferred Inflows of Resources - Property taxes levied for the following year	-	494,837
Net Position		
Restricted:		
Pension	20,222,368	-
Postemployment benefits other than pension	1,893,379	-
Total net position	<u>\$ 22,115,747</u>	<u>\$ -</u>

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2022

	Trust Funds - Pension and Retiree Health Insurance	Custodial Funds
Additions		
Investment income (loss):		
Interest and dividends	\$ 853,931	\$ -
Net decrease in fair value of investments	(3,642,820)	-
Net investment loss	(2,788,889)	-
Contributions:		
Employer	1,453,811	-
Employee	224,161	-
Total contributions	1,677,972	-
Property tax collections	-	12,280,461
Total additions	(1,110,917)	12,280,461
Deductions		
Benefit payments	2,197,662	-
Administrative expenses	69,820	-
Tax distributions to other governments	-	12,280,461
Total deductions	2,267,482	12,280,461
Net Decrease in Fiduciary Net Position	(3,378,399)	-
Net Position - Beginning of year	25,494,146	-
Net Position - End of year	\$ 22,115,747	\$ -

December 31, 2022

Note 1 - Significant Accounting Policies

Accounting and Reporting Principles

The Charter Township of Benton (the "Charter Township") follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the Charter Township:

Reporting Entity

The Charter Township is governed by an elected seven-member board of trustees. The accompanying financial statements present the Charter Township and its component units, entities for which the Charter Township is considered to be financially accountable.

Fiduciary Component Units

The Benton Charter Township Retiree Medical Plan is governed by a seven-member board - three individuals elected by plan members, three appointed by the Charter Township, and the charter township treasurer, who serves as an ex officio member. Although it is legally separate from the Charter Township, it is reported as a fiduciary component unit because the Charter Township appoints a voting majority to the board and the plan imposes a financial burden on the Charter Township.

The Police and Fire Retirement System has been blended into the Charter Township's financial statements as the Pension Trust Fund. The system is governed by a five-member pension board that includes three individuals chosen by the Charter Township's board. The system is reported as if it were part of the primary government because of the fiduciary responsibility that the Charter Township retains relative to the operations of the retirement system.

The Charter Township has excluded the Housing Commission from this report since the Charter Township is not able to impose its will on the Housing Commission. The Housing Commission was created by ordinance of the Charter Township of Benton. The purpose is to provide safe, sanitary, and decent housing for qualifying senior and low-income families.

In August 2003, the Charter Township created the Brownfield Redevelopment Authority (the "Authority") to revitalize selected environmentally distressed areas within the Charter Township's limits. The Authority had no assets as of December 31, 2022 and no activity for the year then ended.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Note 1 - Significant Accounting Policies (Continued)

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Charter Township's water and sewer function and various other functions of the Charter Township. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

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

Fund Accounting

The Charter Township accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures for which specific revenue was used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, and capital project funds. The Charter Township reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Police Fund accounts for the activities of the police protection department.
- The Fire Fund accounts for the activities of the fire protection department.
- The Public Safety Fund accounts for the collection of general public safety millages.
- The Debt Service Fund accounts for capital construction and subsequent debt service for major capital projects of the Charter Township.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees). The Charter Township reports the following funds as major enterprise funds:

- The Sanitary Sewage System Fund accounts for the activities of the sewage collection system.
- The Water System Fund accounts for the activities of the water distribution system.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include the following:

- The trust funds account for the activities of the Police and Fire Retirement System and Retiree Health Insurance Fund by accumulating resources for pension benefit payments and health insurance premium payments to qualified police and fire employees.
- The custodial funds account for assets held by the Charter Township in a trustee capacity.

Note 1 - Significant Accounting Policies (Continued)

Interfund Activity

During the course of operations, the Charter Township has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Charter Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow of resources.

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Prepaid Items

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

Note 1 - Significant Accounting Policies (Continued)

Receivables and Payables

In general, outstanding balances between funds are reported as due to/from other funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as advances to/from other funds. Any residual balances outstanding between governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances. All trade and property tax receivables are shown as net of an allowance for uncollectible amounts.

Restricted Assets

Unspent debt proceeds are set aside for future purchases. These amounts have been classified as restricted noncurrent assets.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Charter Township as assets with an initial individual cost of more than \$5,000 (or multiple assets whose cost is less than \$5,000 but the aggregate total is \$7,500 or more) 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 estimated acquisition value at the date of donation.

Infrastructure, intangibles, buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

	<u>Depreciable Life - Years</u>
Buildings	40-60
Building improvements	15-30
Water and sewer lines	50-75
Other intangible assets	10-30
Vehicles	3-5
Office equipment	3-5
Computer equipment	3-5

Unearned Revenue

Unearned revenue represents amounts received through nonexchange transactions prior to all applicable eligibility criteria being met or amounts being received through exchange transactions prior to goods or services being provided.

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as other financing sources, as well as bond premiums and discounts. The General Fund and the Debt Service Fund are generally used to liquidate governmental long-term debt.

Note 1 - Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Charter Township reports deferred outflows related to the pension and retiree health care plans, which are reported in the government-wide financial statements.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The Charter Township reports three types of items that qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from special assessments and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. A second item, property taxes received in advance of the period levied, is reported as deferred inflows of resources in the government-wide statement of net position and governmental funds balance sheet. Lastly, the government-wide statements report deferred inflows related to the pension and retiree health care plans.

Net Position

Net position of the Charter Township is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets and deferred outflows reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The Charter Township will sometimes 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 fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The Charter Township will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Charter Township's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Note 1 - Significant Accounting Policies (Continued)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Charter Township itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Charter Township board is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Charter Township has, by resolution, authorized the charter township comptroller to assign fund balance. The charter township board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential either to remove or revise a commitment.

Property Tax Revenue

Property taxes are levied on each December 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Charter Township's 2021 property tax revenue was levied and collectible on December 1, 2021 and is recognized as revenue in the year ended December 31, 2022 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2021 taxable valuation of the Charter Township totaled \$445.4 million, on which taxes levied consisted of 0.9796 mills for operating purposes, 1.92 mills for fire operations, 2.42 mills for police operations, and 8.00 mills for public safety operations. This resulted in \$431,000 ad valorem property tax revenue; \$164,000 in administrative fees for operating services; and \$946,000, \$756,000, and \$3,516,000 in ad valorem property tax revenue for police, fire, and public safety services, respectively. These amounts are recognized in the respective General Fund and special revenue fund financial statements as tax revenue.

Pension

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

Note 1 - Significant Accounting Policies (Continued)

Other Postemployment Benefit Costs

The Charter Township offers retiree health care benefits to retirees. The Charter Township records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Benton Charter Township Retiree Medical Plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Compensated Absences (Vacation and Sick Leave)

It is the Charter Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the Charter Township will pay upon employment termination; vacation pay is accrued when incurred. Both of these are reported in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation (the General Fund and the Water System and Sanitary Sewage System funds, primarily) are used to liquidate the obligations.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue 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 revenue of the Water System and Sanitary Sewage System funds is charges to customers for sales and services. The Water System and Sanitary Sewage System funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

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. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Charter Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Charter Township's financial statements for the year ending December 31, 2023.

December 31, 2022

Note 1 - Significant Accounting Policies (Continued)

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Charter Township's financial statements for the year ending December 31, 2024.

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees

The Charter Township oversees building construction in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Charter Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at January 1, 2022	\$ (3,184,712)
Current year permit revenue	295,465
Less related expenses - Direct costs	<u>459,147</u>
Current year shortfall	<u>(163,682)</u>
Cumulative shortfall at December 31, 2022	<u>\$ (3,348,394)</u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act (PA) 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Pension Trust Fund and Retiree Health Insurance Fund are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Charter Township has designated four financial institutions for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment, as listed above. The Charter Township's deposits and investments are in accordance with statutory authority.

Note 3 - Deposits and Investments (Continued)

The Charter Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Charter Township's deposits may not be returned to it. The Charter Township does not have a deposit policy for custodial credit risk. At year end, the Charter Township had bank deposits of approximately \$21.3 million (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Charter Township believes that, due to the dollar amounts of cash deposits and the limits of Federal Deposit Insurance Corporation (FDIC)/National Credit Union Administration (NCUA) insurance, it is impractical to insure all deposits. At December 31, 2022, the Pension Trust Fund and Retiree Health Insurance Fund did not have any uninsured or uncollateralized bank deposits.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Charter Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Charter Township does not have a policy for custodial credit risk. At December 31, 2022, the following investment securities of the Pension Trust Fund and Retiree Health Insurance Fund were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent:

Investment Type	Carrying Value	How Held
Pension Trust Fund		
Mutual funds	\$ 12,877,939	Counterparty's trust department
Corporate bonds	2,313,453	Counterparty's trust department
Corporate stocks	955,747	Counterparty's trust department
Municipal bonds	201,670	Counterparty's trust department
U.S. government or agency bond or notes	3,873,559	Counterparty's trust department
Retiree Health Insurance Fund		
Mutual funds	1,482,938	Counterparty's trust department
Corporate bonds	268,069	Counterparty's trust department
U.S. government or agency bond or notes	142,372	Counterparty's trust department

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Charter Township's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity.

At year end, the Charter Township had the following investments:

Investment	Carrying Value	Weighted-average Maturity (Years)
Pension Trust Fund		
Corporate and municipal bonds	\$ 2,515,123	1.69
U.S. government agency securities	3,873,559	1.62
Retiree Health Insurance Fund		
Corporate and municipal bonds	268,069	1.98
U.S. government agency securities	142,372	1.09

December 31, 2022

Note 3 - Deposits and Investments (Continued)

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Charter Township has no investment policy that would further limit its investment choices. As of December 31, 2022, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Carrying Value	Rating	Rating Organization
Pension Trust Fund			
Corporate and municipal bonds	\$ 571,797	AAA	S&P
Corporate and municipal bonds	150,885	AA1	S&P
Corporate and municipal bonds	120,711	AA+	S&P
Corporate and municipal bonds	244,909	AA	S&P
Corporate and municipal bonds	660,914	A+	S&P
Corporate and municipal bonds	199,742	A	S&P
Corporate and municipal bonds	199,792	A-	S&P
Corporate and municipal bonds	<u>366,373</u>	AA-	S&P
Total Pension Trust Fund	2,515,123		
Retiree Health Insurance Fund			
Corporate and municipal bonds	114,460	AAA	S&P
Corporate and municipal bonds	24,142	AA+	S&P
Corporate and municipal bonds	97,962	A+	S&P
Corporate and municipal bonds	<u>31,505</u>	BBB+	S&P
Total Retiree Health Insurance Fund	<u>268,069</u>		
Total	<u><u>\$ 2,783,192</u></u>		

Concentration of Credit Risk

The Charter Township places no limit on the amount it may invest in any one issuer. No more than 5 percent of the Charter Township's investments are invested in any one issuer.

Fair Value Measurements

The Charter Township categorizes its fair value measurements 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 asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Charter Township's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

December 31, 2022

Note 3 - Deposits and Investments (Continued)

The Charter Township has the following recurring fair value measurements as of December 31, 2022:

	Assets Measured at Carrying Value on a Recurring Basis at December 31, 2022			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2022
Pension Trust Fund				
Debt securities:				
Municipal bonds	\$ -	\$ 201,670	\$ -	\$ 201,670
U.S. Treasury securities	-	3,873,559	-	3,873,559
Corporate bonds	-	2,313,453	-	2,313,453
Total debt securities	-	6,388,682	-	6,388,682
Equity securities:				
Common stock	955,747	-	-	955,747
Mutual funds - Equity	9,235,595	-	-	9,235,595
Mutual funds - ETF	3,642,344	-	-	3,642,344
Total equity securities	13,833,686	-	-	13,833,686
Total pension trust fund assets	\$ 13,833,686	\$ 6,388,682	\$ -	\$ 20,222,368
Retiree Health Trust Fund				
Debt securities:				
U.S. Treasury securities	\$ -	\$ 142,372	\$ -	\$ 142,372
Corporate bonds	-	268,069	-	268,069
Mutual funds - Fixed income	419,413	-	-	419,413
Total debt securities	419,413	410,441	-	829,854
Equity securities - Mutual funds - Equity	1,063,525	-	-	1,063,525
Total retiree health fund assets	\$ 1,482,938	\$ 410,441	\$ -	\$ 1,893,379
Total	\$ 15,316,624	\$ 6,799,123	\$ -	\$ 22,115,747

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of governmental agencies, corporate bonds, and municipal bonds at December 31, 2022 was determined primarily based on Level 2 inputs. The Charter Township estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

December 31, 2022

Note 4 - Capital Assets

Capital asset activity of the Charter Township's governmental and business-type activities was as follows:

Governmental Activities

	Balance January 1, 2022	Additions	Disposals	Balance December 31, 2022
Capital assets not being depreciated - Land	\$ 758,962	\$ -	\$ (29,076)	\$ 729,886
Capital assets being depreciated:				
Buildings and improvements	4,931,925	161,182	-	5,093,107
Vehicles	4,000,778	182,912	(176,634)	4,007,056
Land improvements	109,274	-	-	109,274
Furniture and equipment	2,086,655	85,933	-	2,172,588
Office furnishings	421,832	-	-	421,832
Intangible storm drain rights	2,266,867	-	-	2,266,867
Subtotal	13,817,331	430,027	(176,634)	14,070,724
Accumulated depreciation:				
Buildings and improvements	2,262,298	98,716	-	2,361,014
Vehicles	2,782,705	239,364	(176,634)	2,845,435
Land improvements	89,318	6,571	-	95,889
Furniture and equipment	1,612,941	111,351	-	1,724,292
Office furnishings	390,131	16,361	-	406,492
Intangible storm drain rights	455,415	108,492	-	563,907
Subtotal	7,592,808	580,855	(176,634)	7,997,029
Net capital assets being depreciated	6,224,523	(150,828)	-	6,073,695
Net governmental activities capital assets	<u>\$ 6,983,485</u>	<u>\$ (150,828)</u>	<u>\$ (29,076)</u>	<u>\$ 6,803,581</u>

December 31, 2022

Note 4 - Capital Assets (Continued)

Business-type Activities

	Balance January 1, 2022	Reclassifications	Additions	Balance December 31, 2022
Capital assets not being depreciated:				
Land	\$ 1,354,112	\$ -	\$ 5,000	\$ 1,359,112
Construction in progress	3,964,025	(3,015,117)	6,535,949	7,484,857
Subtotal	5,318,137	(3,015,117)	6,540,949	8,843,969
Capital assets being depreciated:				
Water and sewer lines	39,591,048	3,015,117	161,524	42,767,689
Buildings and improvements	9,494,357	-	13,300	9,507,657
Furniture and equipment	4,801,419	-	233,440	5,034,859
Vehicles	678,264	-	166,223	844,487
Subtotal	54,565,088	3,015,117	574,487	58,154,692
Accumulated depreciation:				
Water and sewer lines	20,409,357	-	681,125	21,090,482
Buildings and improvements	2,417,464	-	253,561	2,671,025
Furniture and equipment	2,692,326	-	308,340	3,000,666
Vehicles	688,757	-	38,743	727,500
Subtotal	26,207,904	-	1,281,769	27,489,673
Net capital assets being depreciated	28,357,184	3,015,117	(707,282)	30,665,019
Net business-type activities capital assets	\$ 33,675,321	\$ -	\$ 5,833,667	\$ 39,508,988

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

Governmental activities:	
General government	\$ 216,675
Public safety	285,491
Public works	68,444
Recreation and culture	10,245
Total governmental activities	\$ 580,855
Business-type activities:	
Sanitary Sewage System Fund	\$ 372,892
Water System Fund	908,877
Total business-type activities	\$ 1,281,769

Construction Commitments

During the year ended December 31, 2022, the Charter Township was committed to services of approximately \$13,560,000, of which approximately \$7,310,000 was incurred prior to December 31, 2022. The majority of these commitments, approximately \$13,000,000, are related to wastewater system improvement projects and are expected to be completed through the fiscal year ending December 31, 2024. The Charter Township intends to use the DWRP and CWSRF bonds described in Note 6 of approximately \$5,580,000 to fund these projects, noting that additional money may continue to be drawn down on the CWSRF bond.

December 31, 2022

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Debt Service Fund	Fire Fund	\$ 1,060
Capital Projects Fund	General Fund	787,982
	Water System Fund	7,805
	Fire Fund	35,000
	Police Fund	8,225
	Total Capital Projects Fund	839,012
General Fund	Community Development Fund	2,210
	Water System Fund	1,725
	Total General Fund	3,935
Sanitary Sewage System Fund	General Fund	2,765
Police Fund	Public Safety Fund	435,726
	Fire Fund	4,425
	General Fund	4,110
	Total Police Fund	444,261
Water System Fund	Sanitary Sewage System Fund	8,212
Fire Fund	General Fund	2,436
	Public Safety Fund	581,148
	Total Fire Fund	583,584
	Total	<u>\$ 1,882,829</u>

The due to and from other funds results from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
Public Safety Fund	Fire Fund	\$ 1,274,363
	Police Fund	2,489,124
	Total Public Safety Fund	3,763,487
General Fund	Debt Service Fund	97,914
	Total	<u>\$ 3,861,401</u>

The transfer from the General Fund to the Debt Service Fund results from the debt payment on a trash truck. The transfers from the Public Safety Fund to the Fire and Police funds are to distribute property tax millages received.

December 31, 2022

Note 6 - Long-term Debt

Long-term debt activity for the year ended December 31, 2022 can be summarized as follows:

Governmental Activities

	Interest Rate	Year of Maturity	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -							
Direct borrowings and direct placements - Trash Truck Loan - 2019			\$ 95,629	\$ -	\$ (95,629)	\$ -	\$ -
Compensated absences			691,261	350,148	(346,913)	694,496	289,055
Total governmental activities long-term debt			\$ 786,890	\$ 350,148	\$ (442,542)	\$ 694,496	\$ 289,055

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Direct borrowings and direct placements:							
General obligation bond - 2012 - Refinanced	0.5-1.9%	2023	\$ 280,000	\$ -	\$ (280,000)	\$ -	\$ -
General obligation bond - 2014 - Refinanced	2.50-4.0%	2030	2,315,000	-	(212,000)	2,103,000	310,000
General obligation bond - 2015	0.85-3.3%	2030	720,000	-	(80,000)	640,000	80,000
General obligation bond - 2018 - Refunded	3.06-3.38%	2031	11,285,000	-	(875,000)	10,410,000	930,000
General obligation bond - 2018 - New	3.06-3.38%	2031	1,075,000	-	(85,000)	990,000	90,000
2021 DWRP Loan	1.88-2.0%	2057	1,949,262	852,247	(57,200)	2,744,309	60,000
2022 CWSRF Loan			-	2,834,132	-	2,834,132	-
Unamortized bond premium			1,224,268	-	(219,968)	1,004,300	-
Total direct borrowings and direct placements principal outstanding			18,848,530	3,686,379	(1,809,168)	20,725,741	1,470,000
Compensated absences			54,050	47,543	(41,717)	59,876	5,987
Total business-type activities long-term debt			\$ 18,902,580	\$ 3,733,922	\$ (1,850,885)	\$ 20,785,617	\$ 1,475,987

Note 6 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

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

Years Ending December 31	Business-type Activities		
	Direct Borrowings and Direct Placements		
	Principal	Interest	Total
2023	\$ 1,470,000	\$ 641,652	\$ 2,111,652
2024	1,471,000	582,447	2,053,447
2025	1,533,000	521,051	2,054,051
2026	1,596,000	456,395	2,052,395
2027	1,654,000	388,523	2,042,523
2028-2032	7,094,000	839,675	7,933,675
2033-2037	385,000	176,232	561,232
2038-2042	425,000	138,357	563,357
2043-2047	465,000	96,545	561,545
2048-2052	510,000	50,841	560,841
2053-2057	284,309	7,140	291,449
Total	\$ 16,887,309	\$ 3,898,858	\$ 20,786,167

Outstanding principal and interest on the 2022 Clean Water State Revolving Fund Bond has been excluded from the schedules above because the loan has not been drawn in full at December 31, 2022. An amortization schedule will be determined at the completion of the project.

Note 7 - Risk Management

The Charter Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Charter Township participates in the Michigan Municipal League (risk pool) for claims relating to workers' compensation and in the Michigan Townships Participating Plan for all other claims.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The Michigan Townships Participating Plan operates as an insurance purchasing pool for local units of government in Michigan. The plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

Note 8 - Other Postemployment Benefit Plan

Plan Description

The Charter Township provides OPEB for all employees who meet eligibility requirements. The benefits are provided through the Benton Charter Township Retiree Medical Plan, a single-employer defined benefit OPEB plan administered by the Charter Township.

The financial statements of the OPEB plan are included in these financial statements as the Retiree Health Insurance Fund (a fiduciary fund).

Management of the plan is vested in the pension board, which consists of seven members - three elected by plan members, three appointed by the Charter Township, and the charter township treasurer, who serves as an ex officio member.

December 31, 2022

Note 8 - Other Postemployment Benefit Plan (Continued)

Benefits Provided

Upon retirement and attainment of eligibility, the police and fire labor contracts provide for a benefit not to exceed \$400 per month toward health care plan premiums, while the municipal employee handbook provides for a benefit not to exceed \$800 per month toward health care plan premiums. Municipal employees hired after January 1, 2013 are no longer eligible for the reimbursement benefit. The retiree may elect to enroll in the Charter Township's retirement health care plan and then must pay any premiums exceeding the monthly benefit. The retiree may also elect to obtain coverage outside of the Charter Township and receive reimbursement for the health care premium up to the earned benefit amount. The health care plan may include coverage of the spouse and eligible dependents. A surviving spouse is entitled to the earned benefit. The Charter Township has the authority to establish and amend the benefit terms.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	December 31, 2021
Inactive plan members or beneficiaries currently receiving benefits	43
Active plan members	<u>31</u>
Total plan members	<u><u>74</u></u>

Contributions

Retiree health care costs are paid by the Charter Township on a pay-as-you-go basis. The Charter Township has no obligation to make contributions in advance of when the insurance premiums are due for payment. The Charter Township establishes contribution rates based on an actuarially determined rate per a funding valuation. For the fiscal year ended December 31, 2022, the Charter Township made payments for postemployment health benefit premiums of \$249,148. Employees are not required to contribute to the plan.

Net OPEB Liability

The Charter Township has chosen to use the December 31 measurement date as its measurement date for the net OPEB liability. The December 31, 2022 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2022 measurement date. The December 31, 2022 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2021, which used update procedures to roll forward the estimated liability to December 31, 2022.

December 31, 2022

Note 8 - Other Postemployment Benefit Plan (Continued)

Changes in the net OPEB liability during the measurement year were as follows:

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at January 1, 2022	\$ 3,245,075	\$ 2,150,021	\$ 1,095,054
Changes for the year:			
Service cost	37,842	-	37,842
Interest	196,122	-	196,122
Differences between expected and actual experience	7,177	-	7,177
Contributions - Employer	-	249,148	(249,148)
Net investment loss	-	(250,719)	250,719
Benefit payments, including refunds	(249,148)	(249,148)	-
Administrative expenses	-	(5,923)	5,923
Net changes	(8,007)	(256,642)	248,635
Balance at December 31, 2022	<u>\$ 3,237,068</u>	<u>\$ 1,893,379</u>	<u>\$ 1,343,689</u>

The plan's fiduciary net position represents 58.5 percent of the total OPEB liability.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the Charter Township recognized OPEB expense of \$185,978.

At December 31, 2022, the Charter Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 52,096	\$ (1,751)
Changes in assumptions	22,062	(1,261)
Net difference between projected and actual earnings on OPEB plan investments	175,830	-
Total	<u>\$ 249,988</u>	<u>\$ (3,012)</u>

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

Years Ending December 31	Amount
2023	\$ 59,928
2024	49,218
2025	60,848
2026	76,982

December 31, 2022

Note 8 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 3.5 to 10.2 percent; an investment rate of return (net of investment expenses) of 6.25 percent; the Pub-2010 mortality tables with projection scale MP-2019; and a health care cost trend rate of 7.5 percent, gradually decreasing to a trend of 3.5 percent in year 12. These assumptions were applied to all periods included in the measurement.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of the most recent actuarial experience study conducted for the period from January 1, 2014 through December 31, 2018.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that charter township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the December 31, 2022 measurement date for each major asset class included in the OPEB plan’s target asset allocation, as disclosed in the *Investment Policy* section below, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Equity	4.90 %
Fixed income	1.50
Cash	0.50

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

The following presents the net OPEB liability of the Charter Township, calculated using the discount rate of 6.25 percent, as well as what the Charter Township’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.25%)	Current Discount Rate (6.25%)	1 Percentage Point Increase (7.25%)
Net OPEB liability of the Benton Charter Township Retiree Medical Plan	\$ 1,628,501	\$ 1,343,689	\$ 1,090,927

December 31, 2022

Note 8 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the Charter Township, calculated using the health care cost trend rate of 7.5 percent, as well as what the Charter Township's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.5%)	Current Health Care Cost Trend Rate (7.5%)	1 Percentage Point Increase (8.5%)
Net OPEB liability of the Benton Charter Township Retiree Medical Plan	\$ 1,307,989	\$ 1,343,689	\$ 1,378,195

Investment Policy

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB board by a majority vote of its members. It is the policy of the OPEB board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB 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 OPEB board's adopted asset allocation policy as of December 31, 2022:

Asset Class	Target Allocation
Equity	50.00 %
Fixed income	48.00
Cash	2.00

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was (11.68) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 9 - Pension Plan - Police and Fire Retirement System

Plan Description

The Charter Township of Benton provides pensions for all permanent full-time public safety employees of the Charter Township. Benefit terms have been established by contractual agreements between the Charter Township and the various employee union representation; amendments are subject to the same process. The benefits are provided through the Charter Township of Benton Pension Plan, a single-employer plan administered by the police and fire pension board.

The financial statements of the pension system are included in these financial statements as the Pension Trust Fund (a fiduciary fund).

Management of the plan is vested in the pension board, which consists of five members - two elected by plan members, two appointed by the Charter Township, and the charter township treasurer, who serves as an ex officio member.

December 31, 2022

Note 9 - Pension Plan - Police and Fire Retirement System (Continued)

Benefits Provided

The Charter Township of Benton Pension Plan provides retirement, disability, and death benefits. Retirement benefits for police command members are calculated as 3 percent of the member's average final compensation (based on the 3 years of highest annual compensation received by a member in the 10 years preceding retirement) times the member's years of service up to 25 years. Benefits for patrol union plan members hired prior to January 1, 2011 and fire union members hired prior to December 31, 2011 are calculated as 3 percent of the member's average final compensation times the member's years of service up to 25 years. Benefits for patrol union plan members hired after January 1, 2011 and fire union members hired after December 31, 2011 are calculated at 2 percent of the member's average final compensation. Police command plan members with 25 or more years of service are eligible to retire regardless of age or at age 60 regardless of service. Police patrol plan members with 20 or more years of service are eligible to retire regardless of age or age 60 regardless of service. Fire union plan members hired prior to December 31, 2011 with 25 or more years of service are eligible to retire regardless of age or age 60 regardless of service. Police patrol plan members hired after January 1, 2011 and fire union plan members hired after December 31, 2011 may retire at age 55 regardless of service. All plan members are eligible for deferred retirement benefits after 10 years of service. All plan members are eligible for nonduty disability benefits after 5 years of service and for duty-related disability benefits upon hire. Nonduty disability retirement benefits are calculated as 1.5 percent of average final compensation until age 55 and, once 55, in the same manner as retirement benefits. Duty disability retirement benefits are calculated as 50 percent of the average final compensation until age 55 and, once 55, in the same manner as retirement benefits with a service credit from the date of disability to age 55. Nonduty death benefits are payable to a surviving spouse upon the death of a member with 20 or more years of service in the same manner as retirement benefits reduced in accordance with the Option 1 election. Duty death in service benefits are payable upon the expiration of workers' compensation to survivors of a member who died in the line of duty at the same amount that was paid by workers' compensation. An employee who leaves charter township service may withdraw his or her contributions plus any accumulated interest.

Benefit terms are generally established and amended by authority of the members of the township board generally after negotiations of these terms with the affected unions.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	December 31, 2022
Inactive plan members or beneficiaries currently receiving benefits	62
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	<u>26</u>
Total employees covered by the plan	<u><u>93</u></u>

Contributions

State law requires public employers to make pension contributions in accordance with an actuarial valuation. The Charter Township hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by contractual agreements with the plan members. The Charter Township's required contribution is determined after consideration of the required contribution rate of employees. For the year ended December 31, 2022, the average active employee contribution rate was 9.50 percent of annual pay, and the Charter Township's average contribution rate was 61.44 percent of annual payroll for the various employee groups.

December 31, 2022

Note 9 - Pension Plan - Police and Fire Retirement System (Continued)

Net Pension Liability

The Charter Township has chosen to use the December 31 measurement date as its measurement date for the net pension liability. The December 31, 2022 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2022 measurement date. The December 31, 2022 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at January 1, 2022	\$ 31,526,247	\$ 23,354,180	\$ 8,172,067
Changes for the year:			
Service cost	537,412	-	537,412
Interest	2,111,218	-	2,111,218
Differences between expected and actual experience	(93,158)	-	(93,158)
Contributions - Employer	-	1,204,663	(1,204,663)
Contributions - Employee	-	224,161	(224,161)
Net investment loss	-	(2,538,171)	2,538,171
Benefit payments, including refunds	(1,948,514)	(1,948,514)	-
Administrative expenses	-	(73,951)	73,951
Net changes	606,958	(3,131,812)	3,738,770
Balance at December 31, 2022	\$ 32,133,205	\$ 20,222,368	\$ 11,910,837

The plan's fiduciary net position represents 62.9 percent of the total pension liability.

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

For the year ended December 31, 2022, the Charter Township recognized pension expense of \$1,780,615.

At December 31, 2022, the Charter Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 177,894	\$ (71,346)
Changes in assumptions	430,257	-
Net difference between projected and actual earnings on pension plan investments	2,008,675	-
Total	\$ 2,616,826	\$ (71,346)

December 31, 2022

Note 9 - Pension Plan - Police and Fire Retirement System (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31	Amount
2023	\$ 489,028
2024	565,001
2025	672,889
2026	818,562

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using an inflation assumption of 3.5 percent, assumed salary increases (including inflation) of 3.5 to 7.5 percent, an investment rate of return (net of investment expenses) of 6.85 percent, and the Pub-2010 fully generational mortality with a base year of 2010 and projection scale MP-2019. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that charter township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return 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 as of the December 31, 2022 measurement date for each major asset class included in the pension plan’s target asset allocation, as disclosed in the *Investment Policy* section below, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Equity	4.90 %
Fixed income	1.50
Cash	0.50

December 31, 2022

Note 9 - Pension Plan - Police and Fire Retirement System (Continued)

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

The following presents the net pension liability of the Charter Township, calculated using the discount rate of 6.85 percent, as well as what the Charter Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.85%)	Current Discount Rate (6.85%)	1 Percentage Point Increase (7.85%)
Net pension liability of the Charter Township of Benton Pension Plan	\$ 15,487,310	\$ 11,910,837	\$ 8,678,905

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension 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 pension board's adopted asset allocation policy as of December 31, 2022:

Asset Class	Target Allocation
Equity	50.00 %
Fixed income	48.00
Cash	2.00

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (10.13) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Plan Reserves

In accordance with plan provisions, the following reserves are required to be set aside within the pension plan:

The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee and credits interest annually at a rate of 2.0 percent. For any employees who terminate before vesting in the pension plan, their balance is returned to them; for those who stay until retirement, the balance is transferred into the retiree reserve.

The employer reserve account is used to account for the residual net position balance in the pension plan after funding the above two reserves.

December 31, 2022

Note 9 - Pension Plan - Police and Fire Retirement System (Continued)

The balances of the reserve accounts at December 31, 2022 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 21,928,853	\$ 21,928,853
Employee reserve	3,859,460	3,859,460
Employer reserve	-	(5,565,945)
Total	\$ 25,788,313	\$ 20,222,368

Note 10 - Pension and Other Employee Benefit Trust Funds

The following are condensed financial statements for the individual pension plans and postemployment health care plans:

	Pension Trust Fund	Retiree Health Insurance Fund	Total
Statement of Net Position -			
Investments	\$ 20,222,368	\$ 1,893,379	\$ 22,115,747
Statement of Changes in Net Position			
Investment loss	\$ (2,538,170)	\$ (250,719)	\$ (2,788,889)
Contributions	1,428,824	249,148	1,677,972
Benefit payments	(1,948,514)	(249,148)	(2,197,662)
Administrative expenses	(63,897)	(5,923)	(69,820)
Net change in net position	\$ (3,121,757)	\$ (256,642)	\$ (3,378,399)

Note 11 - Defined Contribution Pension Plans

The Charter Township provides pension benefits to all of its full-time employees (except for police and fire) through a defined contribution pension plan, administered by John Hancock. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment and are fully vested after four years of service, at a rate of 25 percent per year of service. As established by the Charter Township of Benton's board, the Charter Township contributes 10 percent of employees' gross earnings and employees contribute 5 percent in mandatory contributions. The employees may also elect to contribute additional voluntary contributions. In accordance with these requirements, the Charter Township contributed approximately \$191,000 during the current year and employees contributed approximately \$116,000.

Note 12 - Tax Abatements

The Charter Township offers property tax incentives to promote economic activity, increase and retain employment, and provide incentives for investment in property that increase the tax base of the Charter Township.

The Charter Township uses the industrial facilities tax exemption (PA 198 of 1974) to enter into agreements with local businesses to construct new industrial facilities or rehabilitate historical facilities. Under the program, the Charter Township grants reductions of 50 percent of the property tax bill for new property (or it can freeze taxable values for rehabilitation properties). For the fiscal year ended December 31, 2022, the Charter Township abated approximately \$18,000 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

December 31, 2022

Note 12 - Tax Abatements (Continued)

The Charter Township uses brownfield redevelopment agreements (PA 381 of 1996) to reimburse taxpayers that remediate environmental contamination on their properties. As a result of these agreements, the brownfield's tax revenue is reduced. For the fiscal year ended December 31, 2022, the brownfield abated approximately \$117,000 of taxes under this program. There are no provisions to recapture taxes.

The Charter Township uses personal property tax exemptions (PA 328 of 1998, as amended by PA 20 of 1999) to enter into agreements with local businesses to add additional personal property to their facilities. Under the program, the new purchases of eligible personal property are 100 percent exempt from personal property taxes. For the fiscal year ended December 31, 2022, the Charter Township abated approximately \$0 of taxes under this program. There are no provisions to recapture taxes.

There are no significant abatements made by other governments that reduce the Charter Township's tax revenue.

Required Supplementary Information

Charter Township of Benton

Required Supplementary Information Budgetary Comparison Schedule - General Fund

Year Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 642,600	\$ 642,600	\$ 626,207	\$ (16,393)
Special assessments	28,100	28,100	17,003	(11,097)
State-shared revenue and grants	1,501,700	1,501,700	1,826,758	325,058
Charges for services	890,300	890,300	1,104,454	214,154
Licenses and permits	417,800	417,800	267,146	(150,654)
Investment income	100,000	100,000	52,433	(47,567)
Other revenue	46,400	46,400	99,202	52,802
Total revenue	3,626,900	3,626,900	3,993,203	366,303
Expenditures				
Current services:				
General government:				
Township board	460,800	460,800	651,249	(190,449)
Supervisor	66,700	66,700	76,893	(10,193)
Treasurer	158,900	158,900	124,466	34,434
Assessing	351,100	351,100	244,937	106,163
Board of review	5,800	5,800	3,382	2,418
Clerk	206,100	206,100	229,381	(23,281)
Buildings and grounds	242,700	242,700	180,520	62,180
Elections	147,600	147,600	194,909	(47,309)
Public safety:				
Ordinance officer	141,300	141,300	142,073	(773)
Building department	500,500	500,500	459,147	41,353
Public works:				
Streets	180,400	180,400	152,830	27,570
Rubbish disposal	533,800	533,800	561,336	(27,536)
Street lighting	120,200	120,200	88,731	31,469
Garage	116,400	116,400	67,748	48,652
Community and economic development:				
Planning	8,300	8,300	3,617	4,683
Zoning	2,700	2,700	825	1,875
Recreation and culture	115,200	115,200	51,628	63,572
Total expenditures	3,358,500	3,358,500	3,233,672	124,828
Excess of Revenue Over Expenditures	268,400	268,400	759,531	491,131
Other Financing (Uses) Sources				
Transfers out	(438,200)	(438,200)	(97,914)	340,286
Sale of capital assets	174,600	174,600	40,688	(133,912)
Total other financing uses	(263,600)	(263,600)	(57,226)	206,374
Net Change in Fund Balance	4,800	4,800	702,305	697,505
Fund Balance - Beginning of year	4,522,970	4,522,970	4,522,970	-
Fund Balance - End of year	\$ 4,527,770	\$ 4,527,770	\$ 5,225,275	\$ 697,505

Charter Township of Benton

Required Supplementary Information
 Budgetary Comparison Schedule - Major Special Revenue Funds
 Fire Fund

Year Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 798,200	\$ 798,200	\$ 781,804	\$ (16,396)
State-shared revenue and grants	16,300	16,300	13,060	(3,240)
Charges for services	53,200	53,200	60,228	7,028
Other revenue	58,700	58,700	116,335	57,635
Total revenue	926,400	926,400	971,427	45,027
Expenditures - Fire	1,937,100	1,937,100	2,112,113	(175,013)
Excess of Expenditures Over Revenue	(1,010,700)	(1,010,700)	(1,140,686)	(129,986)
Other Financing Sources (Uses)				
Transfers in	1,279,510	1,279,510	1,274,363	(5,147)
Transfers out	(202,000)	(202,000)	-	202,000
Sale of capital assets	-	-	600	600
Total other financing sources	1,077,510	1,077,510	1,274,963	197,453
Net Change in Fund Balance	66,810	66,810	134,277	67,467
Fund Balance - Beginning of year	957,435	957,435	957,435	-
Fund Balance - End of year	\$ 1,024,245	\$ 1,024,245	\$ 1,091,712	\$ 67,467

Charter Township of Benton

Required Supplementary Information
 Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
 Public Safety Fund

Year Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 3,524,400	\$ 3,524,400	\$ 3,592,459	\$ 68,059
State-shared revenue and grants	100,000	100,000	248,714	148,714
Other revenue	3,300	3,300	6,917	3,617
Total revenue	3,627,700	3,627,700	3,848,090	220,390
Expenditures - Public safety	78,600	78,600	84,603	(6,003)
Excess of Revenue Over Expenditures	3,549,100	3,549,100	3,763,487	214,387
Other Financing Uses - Transfers out	(3,546,100)	(3,546,100)	(3,763,487)	(217,387)
Net Change in Fund Balance	3,000	3,000	-	(3,000)
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ (3,000)</u>

Charter Township of Benton

Required Supplementary Information Budgetary Comparison Schedule - Major Special Revenue Funds (Continued) Police Fund

Year Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,066,800	\$ 1,066,800	\$ 980,677	\$ (86,123)
Special assessments	187,600	187,600	194,220	6,620
State-shared revenue and grants	20,000	20,000	14,565	(5,435)
Fines and forfeitures	17,000	17,000	7,326	(9,674)
Licenses and permits	15,000	15,000	16,327	1,327
Interest and rentals	300	300	57	(243)
Other revenue	40,000	40,000	32,257	(7,743)
Total revenue	1,346,700	1,346,700	1,245,429	(101,271)
Expenditures - Police	3,727,800	3,727,800	3,509,669	218,131
Excess of Expenditures Over Revenue	(2,381,100)	(2,381,100)	(2,264,240)	116,860
Other Financing Sources (Uses)				
Transfers in	2,468,800	2,468,800	2,489,124	20,324
Transfers out	(87,700)	(87,700)	-	87,700
Sale of capital assets	-	-	52,189	52,189
Total other financing sources	2,381,100	2,381,100	2,541,313	160,213
Net Change in Fund Balance	-	-	277,073	277,073
Fund Balance - Beginning of year	1,132,804	1,132,804	1,132,804	-
Fund Balance - End of year	\$ 1,132,804	\$ 1,132,804	\$ 1,409,877	\$ 277,073

Charter Township of Benton

Required Supplementary Information Schedule of Changes in the Net Pension Liability and Related Ratios

Last Nine Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 537,412	\$ 491,898	\$ 502,802	\$ 498,058	\$ 511,176	\$ 559,126	\$ 556,011	\$ 520,965	\$ 566,962
Interest	2,111,218	2,066,841	1,944,048	1,910,761	1,850,778	1,817,977	1,833,433	1,773,298	1,638,236
Differences between expected and actual experience	(93,158)	150,462	413,113	(294,868)	298,542	(315,318)	(1,151,122)	(447,726)	1,256,878
Changes in assumptions	-	494,695	727,096	78,774	(117,631)	-	-	456,048	-
Benefit payments, including refunds	(1,948,514)	(1,916,013)	(1,738,829)	(1,700,304)	(1,658,511)	(1,479,923)	(1,441,442)	(1,480,641)	(1,538,583)
Net Change in Total Pension Liability	606,958	1,287,883	1,848,230	492,421	884,354	581,862	(203,120)	821,944	1,923,493
Total Pension Liability - Beginning of year	31,526,247	30,238,364	28,390,134	27,897,713	27,013,359	26,431,497	26,634,617	25,812,673	23,889,180
Total Pension Liability - End of year	\$ 32,133,205	\$ 31,526,247	\$ 30,238,364	\$ 28,390,134	\$ 27,897,713	\$ 27,013,359	\$ 26,431,497	\$ 26,634,617	\$ 25,812,673
Plan Fiduciary Net Position									
Contributions - Employer	\$ 1,204,663	\$ 1,101,963	\$ 1,059,316	\$ 956,123	\$ 932,763	\$ 1,056,574	\$ 947,792	\$ 851,779	\$ 800,203
Contributions - Member	224,161	225,068	224,281	205,096	179,443	181,354	165,901	160,486	137,898
Net investment (loss) income	(2,538,171)	2,213,904	2,627,914	2,967,515	(802,033)	2,054,024	988,091	(37,297)	862,704
Administrative expenses	(63,896)	(68,002)	(58,384)	(55,740)	(55,071)	(53,027)	(49,222)	(50,070)	(50,060)
Benefit payments, including refunds	(1,948,514)	(1,916,013)	(1,738,829)	(1,700,304)	(1,658,511)	(1,479,923)	(1,441,442)	(1,480,641)	(1,538,583)
Other	(10,055)	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(3,131,812)	1,556,920	2,114,298	2,372,690	(1,403,409)	1,759,002	611,120	(555,743)	212,162
Plan Fiduciary Net Position - Beginning of year	23,354,180	21,797,260	19,682,962	17,310,272	18,713,681	16,954,679	16,343,559	16,899,302	16,687,140
Plan Fiduciary Net Position - End of year	\$ 20,222,368	\$ 23,354,180	\$ 21,797,260	\$ 19,682,962	\$ 17,310,272	\$ 18,713,681	\$ 16,954,679	\$ 16,343,559	\$ 16,899,302
Charter Township's Net Pension Liability - Ending	\$ 11,910,837	\$ 8,172,067	\$ 8,441,104	\$ 8,707,172	\$ 10,587,441	\$ 8,299,678	\$ 9,476,818	\$ 10,291,058	\$ 8,913,371
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.93 %	74.08 %	72.08 %	69.33 %	62.05 %	69.28 %	64.15 %	61.36 %	65.47 %
Covered Payroll	\$ 1,960,824	\$ 2,297,808	\$ 2,164,422	\$ 2,221,565	\$ 2,164,663	\$ 1,993,736	\$ 2,082,378	\$ 2,011,315	\$ 1,995,350
Charter Township's Net Pension Liability as a Percentage of Covered Payroll	607.44 %	355.65 %	389.99 %	391.94 %	489.10 %	416.29 %	455.10 %	511.66 %	446.71 %

GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Charter Township of Benton

Required Supplementary Information Schedule of Pension Contributions

Last Ten Fiscal Years Years Ended December 31

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,204,663	\$ 1,101,963	\$ 1,059,316	\$ 956,123	\$ 932,763	\$ 1,056,574	\$ 947,792	\$ 851,779	\$ 831,530	\$ 777,366
Contributions in relation to the actuarially determined contribution	1,204,663	1,101,963	1,059,316	956,123	932,763	1,056,574	947,792	851,779	800,203	730,162
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31,327)	\$ (47,204)
Covered Payroll	\$ 1,960,824	\$ 2,297,808	\$ 2,164,422	\$ 2,221,565	\$ 2,164,663	\$ 1,993,736	\$ 2,082,378	\$ 2,011,315	\$ 1,995,350	\$ 2,132,675
Contributions as a Percentage of Covered Payroll	61.44 %	47.96 %	48.94 %	43.04 %	43.09 %	52.99 %	45.51 %	42.35 %	40.10 %	34.24 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, every two years.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	14 years, closed
Asset valuation method	Market value of assets
Inflation	2.75 percent
Health care cost trend rates	Inflation trend of 8.5 percent gradually decreasing to an ultimate trend of 4.5 percent in year 10
Salary increase	Municipal: 3.5 to 10.2 percent, including inflation Police and fire: 3.5 to 7.5 percent, including inflation
Investment rate of return	6.25 percent (net of administrative expenses)
Retirement age	Municipal: Experience-based table of rates that are specific to type of eligibility condition Police and fire: Experience-based table of rates that are specific to type of eligibility condition
Mortality	The Pub-2010 Generational Mortality Tables with a best year of 2010 using MP-2019 scale

Charter Township of Benton

Required Supplementary Information Schedule of Pension Investment Returns

	Last Nine Fiscal Years								
	Years Ended December 31								
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return - Net of investment expense	(10.13)%	10.34 %	13.34 %	17.10 %	(4.66)%	11.94 %	5.87 %	(0.22)%	4.47 %

GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Charter Township of Benton

Required Supplementary Information Schedule of Changes in the Net OPEB Liability and Related Ratios

Last Six Fiscal Years

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 37,842	\$ 37,237	\$ 42,312	\$ 46,459	\$ 52,211	\$ 49,139
Interest	196,122	187,059	186,320	190,231	187,828	185,410
Differences between expected and actual experience	7,177	109,496	20,957	(44,205)	11,964	-
Changes in assumptions	-	59,237	-	(31,830)	-	-
Benefit payments, including refunds	(249,148)	(244,552)	(225,915)	(216,406)	(204,935)	(189,880)
Net Change in Total OPEB Liability	(8,007)	148,477	23,674	(55,751)	47,068	44,669
Total OPEB Liability - Beginning of year	3,245,075	3,096,598	3,072,924	3,128,675	3,081,607	3,036,938
Total OPEB Liability - End of year	<u>\$ 3,237,068</u>	<u>\$ 3,245,075</u>	<u>\$ 3,096,598</u>	<u>\$ 3,072,924</u>	<u>\$ 3,128,675</u>	<u>\$ 3,081,607</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 249,148	\$ 244,552	\$ 225,915	\$ 216,406	\$ 225,535	\$ 235,881
Net investment (loss) income	(250,719)	204,965	230,474	257,295	(70,857)	156,737
Administrative expenses	(5,923)	(6,187)	(5,187)	(4,812)	(4,665)	(4,219)
Benefit payments, including refunds	(249,148)	(244,552)	(225,915)	(216,406)	(204,935)	(189,881)
Other	-	-	-	-	-	5,370
Net Change in Plan Fiduciary Net Position	(256,642)	198,778	225,287	252,483	(54,922)	203,888
Plan Fiduciary Net Position - Beginning of year	2,150,021	1,951,243	1,725,956	1,473,473	1,528,395	1,324,507
Plan Fiduciary Net Position - End of year	<u>\$ 1,893,379</u>	<u>\$ 2,150,021</u>	<u>\$ 1,951,243</u>	<u>\$ 1,725,956</u>	<u>\$ 1,473,473</u>	<u>\$ 1,528,395</u>
Net OPEB Liability - Ending	<u>\$ 1,343,689</u>	<u>\$ 1,095,054</u>	<u>\$ 1,145,355</u>	<u>\$ 1,346,968</u>	<u>\$ 1,655,202</u>	<u>\$ 1,553,212</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	58.49 %	66.25 %	63.01 %	56.17 %	47.10 %	49.60 %
Covered Payroll	\$ 2,203,390	\$ 2,186,105	\$ 2,302,497	\$ 2,588,169	\$ 2,933,093	\$ 2,881,147
Net OPEB Liability as a Percentage of Covered Payroll	60.98 %	50.09 %	49.74 %	52.04 %	56.43 %	53.91 %

GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Required Supplementary Information
Schedule of OPEB Contributions

Last Ten Fiscal Years
Years Ended December 31

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 187,160	\$ 164,194	\$ 169,269	\$ 163,802	\$ 169,873	\$ 175,286	\$ 277,722	\$ 277,722	\$ 277,722	\$ 202,101
Contributions in relation to the actuarially determined contribution	249,148	244,552	225,915	216,406	225,535	235,881	280,670	280,206	283,530	155,065
Contribution Excess (Deficiency)	\$ 61,988	\$ 80,358	\$ 56,646	\$ 52,604	\$ 55,662	\$ 60,595	\$ 2,948	\$ 2,484	\$ 5,808	\$ (47,036)

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, every two years.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	15 years, closed
Asset valuation method	Market value of assets
Inflation	2.5 percent
Health care cost trend rates	Inflation trend of 8.5 percent gradually decreasing to an ultimate trend of 4.5 percent in year 10
Salary increase	Municipal: 3.5 to 10.2 percent, including inflation Police and fire: 3.5 to 7.5 percent, including inflation
Investment rate of return	6.25 percent (net of administrative expense)
Retirement age	Police and fire: Experience-based table of rates that are specific to the type of eligibility condition Municipal: Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The RP-2014 Generational Mortality Tables, adjusted backwards to 2006 with the MP-2014 scale, resulting in a base year of 2006 with future mortality improvements assumed each year using scale MP-2019

Charter Township of Benton

**Required Supplementary Information
Schedule of OPEB Investment Returns**

**Last Six Fiscal Years
Years Ended December 31**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return - Net of investment expense	(11.68)%	10.52 %	13.37 %	17.14 %	(6.28)%	11.92 %

GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds, except that operating transfers and debt proceeds have been included in the revenue and expenditures categories, rather than as other financing sources (uses). The budgets are prepared by the Charter Township comptroller and are approved by the Charter Township's board prior to the start of the fiscal year. The budget was amended during the year for the General Fund.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level.

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

Excess of Expenditures Over Appropriations in Budgeted Funds

	Budget	Actual	Variance
General Fund - General government - Township board	\$ 460,800	\$ 651,249	\$ (190,449)
General Fund - General government - Supervisor	66,700	76,893	(10,193)
General Fund - General government - Clerk	206,100	229,381	(23,281)
General Fund - General government - Elections	147,600	194,909	(47,309)
General Fund - Public safety - Ordinance Officer	141,300	142,073	(773)
General Fund - Public works - Rubbish disposal	533,800	561,336	(27,536)
Public Safety Fund - Expenditures	78,600	84,603	(6,003)
Fire Fund - Expenditures	1,937,100	2,112,113	(175,013)

Pension Information

Changes in Assumptions

For the year ended December 31, 2021, there was a change in the assumed rate of return. The new assumptions include an investment rate of return (discount rate) of 6.85 percent.

For the year ended December 31, 2020, there was a change in the mortality assumptions. The new assumptions include Pub-2010 fully generational mortality with a base year of 2020 and projection scale MP-2019.

For the year ended December 31, 2019, there was a change in the mortality assumptions. The new assumptions for the year ended December 31, 2019 include RP-2014 fully generational mortality tables with projection scale MP-2019.

For the year ended December 31, 2015, the normal cost and actuarial accrued liability for retirement benefits increased by 5.0 percent to account for the inclusion of unused vacation and longevity payment lump sums in the development of the average final compensation.

OPEB Information

Changes in Assumptions

For the year ended December 31, 2021, there was a change in the health care cost trend rates and the mortality tables. The new assumptions include a non-Medicare initial health care cost trend rate of 7.5 percent, decreasing by 0.25 percent per year to a 3.5 percent long-term rate in year 12. Mortality tables used are the Pub-2010 General Employees, General Health Retiree, and Disabled tables, using scale MP-2019.

For the year ended December 31, 2019, there was a change in the mortality assumptions, salary increases, and the health care cost trend rates. The new assumptions for the year ended December 31, 2019 include RP-2014 fully generational mortality tables with projection scale MP-2019; salary increases from 3.5 to 7.5 percent for police and fire and from 3.5 to 10.2 percent for municipal; and a non-Medicare initial health care cost trend rate of 8.5 percent, decreasing by 0.25 percent per year to a 4.5 percent long-term rate, and a Medicare initial health care cost trend rate of 7.0 percent, decreasing by 0.25 percent per year to a 4.5 percent long-term rate.

Other Supplementary Information

**Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds**

December 31, 2022

	Special Revenue Funds			Total	Capital Projects Fund	Total
	Rental Ordinance Fund	Community Development Fund	Drug Law Enforcement/ Settlements Fund			
Assets						
Cash and investments	\$ 306,988	\$ 45,165	\$ -	\$ 352,153	\$ -	\$ 352,153
Receivables	-	-	178,102	178,102	-	178,102
Due from other funds	-	-	-	-	839,012	839,012
Total assets	\$ 306,988	\$ 45,165	\$ 178,102	\$ 530,255	\$ 839,012	\$ 1,369,267
Liabilities						
Accounts payable	\$ 50	\$ -	\$ -	\$ 50	\$ -	\$ 50
Due to other funds	-	2,210	-	2,210	-	2,210
Total liabilities	50	2,210	-	2,260	-	2,260
Deferred Inflows of Resources - Unavailable income	-	-	154,673	154,673	-	154,673
Total liabilities and deferred inflows of resources	50	2,210	154,673	156,933	-	156,933
Fund Balances						
Restricted:						
Fire	-	-	-	-	35,000	35,000
Community development	-	42,955	-	42,955	-	42,955
Rental ordinance	306,938	-	-	306,938	-	306,938
Health and welfare	-	-	23,429	23,429	-	23,429
Assigned	-	-	-	-	804,012	804,012
Total fund balances	306,938	42,955	23,429	373,322	839,012	1,212,334
Total liabilities, deferred inflows of resources, and fund balances	\$ 306,988	\$ 45,165	\$ 178,102	\$ 530,255	\$ 839,012	\$ 1,369,267

Charter Township of Benton

Other Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in Fund
Balances
Nonmajor Governmental Funds

Year Ended December 31, 2022

	Special Revenue Funds			Total	Capital Projects Fund	Total
	Rental Ordinance Fund	Community Development Fund	Drug Law Enforcement/ Settlements Fund			
Revenue						
Licenses and permits	\$ 53,703	\$ -	\$ -	\$ 53,703	\$ -	\$ 53,703
Other revenue	-	18	23,429	23,447	-	23,447
Total revenue	53,703	18	23,429	77,150	-	77,150
Expenditures						
Current services:						
General government	-	-	-	-	23,051	23,051
Public safety	95	-	-	95	-	95
Total expenditures	95	-	-	95	23,051	23,146
Excess of Revenue Over (Under)						
Expenditures	53,608	18	23,429	77,055	(23,051)	54,004
Net Change in Fund Balances	53,608	18	23,429	77,055	(23,051)	54,004
Fund Balances - Beginning of year	253,330	42,937	-	296,267	862,063	1,158,330
Fund Balances - End of year	<u>\$ 306,938</u>	<u>\$ 42,955</u>	<u>\$ 23,429</u>	<u>\$ 373,322</u>	<u>\$ 839,012</u>	<u>\$ 1,212,334</u>

Charter Township of Benton

Other Supplementary Information Combining Statement of Fiduciary Net Position Fiduciary Funds

December 31, 2022

	Pension and Retiree Health Insurance Trust Funds			Custodial Funds			Total Fiduciary Funds
	Pension Trust Fund	Retiree Health Insurance Fund	Total	Current Tax Collections Fund	Delinquent Tax Fund	Total	
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 340,014	\$ 150,170	\$ 490,184	490,184
Investments	20,222,368	1,893,379	22,115,747	-	-	-	22,115,747
Receivables	-	-	-	494,837	91,666	586,503	586,503
Total assets	<u>20,222,368</u>	<u>1,893,379</u>	<u>22,115,747</u>	<u>834,851</u>	<u>241,836</u>	<u>1,076,687</u>	<u>23,192,434</u>
Liabilities - Due to other governmental units	-	-	-	340,014	241,836	581,850	581,850
Deferred Inflows of Resources - Property taxes levied for the following year	-	-	-	494,837	-	494,837	494,837
Net Position - Restricted							
Pension	20,222,368	-	20,222,368	-	-	-	20,222,368
Postemployment benefits other than pension	-	1,893,379	1,893,379	-	-	-	1,893,379
Total net position	<u><u>\$ 20,222,368</u></u>	<u><u>\$ 1,893,379</u></u>	<u><u>\$ 22,115,747</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,115,747</u></u>

Charter Township of Benton

Other Supplementary Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds

Year Ended December 31, 2022

	Pension and Retiree Health Insurance Trust Funds			Custodial Funds			Total Fiduciary Funds
	Pension Trust Fund	Retiree Health Insurance Fund	Total	Current Tax Collections Fund	Delinquent Tax Fund	Total	
Additions							
Investment income (loss):							
Interest and dividends	\$ 781,855	\$ 72,076	\$ 853,931	\$ -	\$ -	\$ -	\$ 853,931
Net decrease in fair value of investments	(3,320,025)	(322,795)	(3,642,820)	-	-	-	(3,642,820)
Net investment loss	(2,538,170)	(250,719)	(2,788,889)	-	-	-	(2,788,889)
Contributions:							
Employer	1,204,663	249,148	1,453,811	-	-	-	1,453,811
Employee	224,161	-	224,161	-	-	-	224,161
Total contributions	1,428,824	249,148	1,677,972	-	-	-	1,677,972
Property tax collections	-	-	-	12,092,149	188,312	12,280,461	12,280,461
Total additions	(1,109,346)	(1,571)	(1,110,917)	12,092,149	188,312	12,280,461	11,169,544
Deductions							
Benefit payments	1,948,514	249,148	2,197,662	-	-	-	2,197,662
Administrative expenses	63,897	5,923	69,820	-	-	-	69,820
Tax distributions to other governments	-	-	-	12,092,149	188,312	12,280,461	12,280,461
Total deductions	2,012,411	255,071	2,267,482	12,092,149	188,312	12,280,461	14,547,943
Net Decrease in Fiduciary Net Position	(3,121,757)	(256,642)	(3,378,399)	-	-	-	(3,378,399)
Net Position - Beginning of year	23,344,125	2,150,021	25,494,146	-	-	-	25,494,146
Net Position - End of year	<u>\$ 20,222,368</u>	<u>\$ 1,893,379</u>	<u>\$ 22,115,747</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,115,747</u>