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# Charter Township of Benton

Berrien County, Michigan

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**Financial Report**  
**with Supplemental Information**  
**December 31, 2020**

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## **Independent Auditor's Report**

To the Members of the Township Board  
Charter Township of Benton

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Benton (the "Charter Township") as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Charter Township of Benton's basic financial statements, as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Benton as of December 31, 2020 and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the Charter Township adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which established accounting and financial reporting standards for the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

To the Members of the Township Board  
Charter Township of Benton

**Other Matters**

*Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, retirement system and OPEB system schedules, and the major fund budgetary comparison schedules be presented to supplement the basic financial statements. Such information, 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 supplemental 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Benton's basic financial statements. The other supplemental 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.

The other supplemental 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. Such 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 supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Plante & Moran, PLLC*

May 20, 2021

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, 2020. 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, 2020:

The Charter Township's General Fund revenue exceeded budget by approximately \$81,000, which can be attributed to a few factors, mainly property taxes and state-shared revenue and grants. The General Fund expenditures were under budget by approximately \$698,000. The General Fund fund balance saw a decrease of approximately \$40,000 for the year ended December 31, 2020.

The Charter Township, once again, fully funded its annual required contribution of approximately \$226,000 related to the retiree health benefit obligation, bringing the trust balance to \$1,951,243.

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 its government-wide financial statements. The Charter Township recorded a decrease in the liability of approximately \$266,000 for an outstanding liability of \$8,441,104.

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 it is earned, rather than as it is funded. The Charter Township recorded a decrease in the liability of approximately \$202,000 for an outstanding liability of \$1,145,355.

### ***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 by \$24,302,007 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	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current and other assets:						
Cash and cash equivalents	\$ 8,038,269	\$ 7,131,457	\$ 8,258,919	\$ 7,883,086	\$ 16,297,188	\$ 15,014,543
Receivables	5,108,282	5,080,489	1,318,010	1,133,897	6,426,292	6,214,386
Other assets	206,191	459,624	57,463	62,945	263,654	522,569
Capital assets	7,318,065	6,859,622	31,010,053	31,322,223	38,328,118	38,181,845
Total assets	20,670,807	19,531,192	40,644,445	40,402,151	61,315,252	59,933,343
<b>Deferred Outflows of Resources</b>	981,849	211,391	-	-	981,849	211,391
<b>Liabilities</b>						
Current liabilities	732,030	609,226	488,564	706,130	1,220,594	1,315,356
Noncurrent liabilities:						
Due within one year	361,219	439,502	1,325,226	1,265,250	1,686,445	1,704,752
Due in more than one year	10,006,232	10,593,714	17,261,480	18,969,965	27,267,712	29,563,679
Total liabilities	11,099,481	11,642,442	19,075,270	20,941,345	30,174,751	32,583,787
<b>Deferred Inflows of Resources</b>	7,820,343	6,810,818	-	-	7,820,343	6,810,818
<b>Net Position</b>						
Net investment in capital assets	7,129,039	6,769,602	12,475,601	11,139,506	19,604,640	17,909,108
Restricted	1,635,120	1,375,589	-	-	1,635,120	1,375,589
Unrestricted	(6,031,327)	(6,855,868)	9,093,574	8,321,300	3,062,247	1,465,432
Total net position	<u>\$ 2,732,832</u>	<u>\$ 1,289,323</u>	<u>\$ 21,569,175</u>	<u>\$ 19,460,806</u>	<u>\$ 24,302,007</u>	<u>\$ 20,750,129</u>

The financial position of the Charter Township, in total, increased during the year. The governmental activities net position increased by \$1,443,509, or approximately 111.96 percent, from the prior year. Business-type activities increased by \$2,108,369, or approximately 10.83 percent, over the prior year.

# Charter Township of Benton

## Management's Discussion and Analysis (Continued)

### The Charter Township's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 1,528,692	\$ 1,445,076	\$ 7,305,164	\$ 6,430,374	\$ 8,833,856	\$ 7,875,450
Operating grants	410,975	14,763	-	-	410,975	14,763
Capital grants	-	-	38,079	794,875	38,079	794,875
General revenue:						
Property taxes	5,669,020	5,507,411	-	-	5,669,020	5,507,411
State-shared revenue and grants	1,788,029	1,731,400	-	-	1,788,029	1,731,400
Investment earnings	49,902	102,175	100,021	103,639	149,923	205,814
Other revenue:						
Cable franchise fees	126,180	154,021	-	-	126,180	154,021
Sale of capital assets	43,546	5,457	-	-	43,546	5,457
Other miscellaneous income	175,531	87,813	-	-	175,531	87,813
<b>Total revenue</b>	<b>9,791,875</b>	<b>9,048,116</b>	<b>7,443,264</b>	<b>7,328,888</b>	<b>17,235,139</b>	<b>16,377,004</b>
<b>Expenses</b>						
General government	1,769,569	1,555,457	-	-	1,769,569	1,555,457
Public safety	5,834,244	5,754,906	-	-	5,834,244	5,754,906
Public works	675,752	621,330	-	-	675,752	621,330
Community and economic development	3,315	6,760	-	-	3,315	6,760
Recreation and culture	58,089	99,260	-	-	58,089	99,260
Debt service	7,397	15,622	-	-	7,397	15,622
Sanitary Sewage System Fund	-	-	2,797,480	3,645,773	2,797,480	3,645,773
Water System Fund	-	-	2,537,415	2,692,131	2,537,415	2,692,131
<b>Total expenses</b>	<b>8,348,366</b>	<b>8,053,335</b>	<b>5,334,895</b>	<b>6,337,904</b>	<b>13,683,261</b>	<b>14,391,239</b>
<b>Change in Net Position</b>	<b>1,443,509</b>	<b>994,781</b>	<b>2,108,369</b>	<b>990,984</b>	<b>3,551,878</b>	<b>1,985,765</b>
<b>Net Position - Beginning of year</b>	<b>1,289,323</b>	<b>294,542</b>	<b>19,460,806</b>	<b>18,469,822</b>	<b>20,750,129</b>	<b>18,764,364</b>
<b>Net Position - End of year</b>	<b>\$ 2,732,832</b>	<b>\$ 1,289,323</b>	<b>\$ 21,569,175</b>	<b>\$ 19,460,806</b>	<b>\$ 24,302,007</b>	<b>\$ 20,750,129</b>

During the past fiscal year, governmental activities expenses remained relatively consistent, increasing by \$295,031 or approximately 3.66 percent. Business-type activities expenses decreased by \$1,003,009, or approximately 15.83 percent, due to across the board decreases in interest, depreciation, and fringe benefit costs.

### **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. Below is a comparison of the fund balances of governmental funds by type of constraint:

## 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 a decrease in fund balance of approximately \$40,000. The Police Fund had an increase in fund balance of approximately \$211,000, and the Fire Fund had a decrease in fund balance of approximately \$51,000. This was primarily due to increases in expenditures over the prior year for both the General Fund and the Fire Fund. The increase in fund balance for the Police Fund was primarily due to additional transfers in and federal grants received during the current year when compared to the prior year.

The Debt Service Fund had a decrease in fund balance of approximately \$10,000. This was primarily because the Charter Township paid off the fire truck loan and the 2017 trash truck loan during the fiscal year.

Of the enterprise funds, the Sanitary Sewage System Fund had an increase in net position of approximately \$1,216,000, and the Water System Fund had an increase in net position of approximately \$892,000, primarily attributed to rate increases utilized to pay existing and future projects.

#### **Budgetary Highlights**

There were budget overruns in the Fire Fund and Public Safety Fund expenditures as a result of employee retirement payouts and additional expenses recorded at year end. There were board of review and Michigan Tax Tribunal adjustments of approximately \$37,000 that also impacted these funds.

#### **Capital Assets and Debt Administration**

The Charter Township paid down \$1,576,236 of principal on its long-term debt. The Charter Township did not issue new debt during the year ended December 31, 2020. The Charter Township purchased approximately \$1,000,000 of governmental-type fixed assets and \$916,000 of business-type fixed assets.

#### **Economic Factors and Next Year's Budgets and Rates**

The Charter Township has completed its stormwater, asset management, and wastewater (SAW) grant and will continue to survey the sanitary sewer infrastructure. As part of the SAW grant, the Charter Township conducted a sewer rate study in 2019. Sewer rates increased by approximately 15 percent effective January 1, 2020. Water rates increased by approximately 19 percent effective January 1, 2020. Water and sewer rates will increase 4.5 percent in 2021 to offset increased operational costs and to pay down debt. The Charter Township will work with Baker Tilly to refinance the 2014 Sewer Bond in spring of 2021 to save approximately \$300,000 in interest, along with a DWRP Bond for an estimated \$5,000,000 in late summer of 2021.

In March 2020, the World Health Organization declared the outbreak of a new coronavirus a pandemic, and it continues to spread throughout the United States. The coronavirus disease (COVID-19) is still affecting nearly every country and territory around the world. The Charter Township has adjusted to comply with Michigan's executive orders, as well as Centers for Disease Control and Prevention guidelines. Safe work practices and other necessary operational adjustments were put in place and continue to be monitored to best serve the needs of the public. The future of state revenue sharing remains uncertain and represents a significant portion of the Charter Township's revenue. 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 expects to receive funding from the American Rescue Plan Act. While it is difficult to determine the final amount to be received at this time, the Charter Township expects to receive approximately \$1.4 million.

#### **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, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents (Note 3)	\$ 8,038,269	\$ 8,258,919	\$ 16,297,188
Receivables:			
Property taxes receivable	4,170,237	-	4,170,237
Special assessments receivable	289,853	31,044	320,897
Other receivables	94,645	1,294,069	1,388,714
Due from other governmental units	546,444	-	546,444
Internal balances (Note 5)	7,103	(7,103)	-
Prepaid expenses	206,191	57,463	263,654
Capital assets:			
Assets not subject to depreciation (Note 4)	780,769	1,718,826	2,499,595
Assets subject to depreciation - Net (Note 4)	6,537,296	29,291,227	35,828,523
Total assets	20,670,807	40,644,445	61,315,252
<b>Deferred Outflows of Resources</b>			
Deferred pension costs (Note 9)	960,935	-	960,935
Deferred OPEB costs (Note 8)	20,914	-	20,914
Total deferred outflows of resources	981,849	-	981,849
<b>Liabilities</b>			
Accounts payable	288,243	311,809	600,052
Due to other governmental units	8,438	-	8,438
Accrued liabilities and other	435,349	176,755	612,104
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 6)	267,822	5,226	273,048
Current portion of long-term debt (Note 6)	93,397	1,320,000	1,413,397
Due in more than one year:			
Compensated absences (Note 6)	324,144	47,028	371,172
Net pension liability (Note 9)	8,441,104	-	8,441,104
Net OPEB liability (Note 8)	1,145,355	-	1,145,355
Long-term debt (Note 6)	95,629	17,214,452	17,310,081
Total liabilities	11,099,481	19,075,270	30,174,751
<b>Deferred Inflows of Resources</b>			
Property taxes and special assessments levied for the following year	6,056,912	-	6,056,912
Deferred pension cost reductions (Note 9)	1,593,236	-	1,593,236
Deferred OPEB cost reductions (Note 8)	170,195	-	170,195
Total deferred inflows of resources	7,820,343	-	7,820,343
<b>Net Position</b>			
Net investment in capital assets	7,129,039	12,475,601	19,604,640
Restricted:			
Community development	42,904	-	42,904
Rental ordinance	165,013	-	165,013
Fire	543,639	-	543,639
Police	761,322	-	761,322
Street lighting	122,242	-	122,242
Unrestricted	(6,031,327)	9,093,574	3,062,247
Total net position	<u>\$ 2,732,832</u>	<u>\$ 21,569,175</u>	<u>\$ 24,302,007</u>

See notes to financial statements.

# 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	\$ 1,769,569	\$ 34,987	\$ 48,169	\$ -
Public safety	5,834,244	551,872	350,092	-
Public works	675,752	941,833	12,714	-
Community and economic development	3,315	-	-	-
Recreation and culture	58,089	-	-	-
Interest on long-term debt	7,397	-	-	-
Total governmental activities	8,348,366	1,528,692	410,975	-
Business-type activities:				
Sanitary Sewage System Fund	2,797,480	3,928,100	-	-
Water System Fund	2,537,415	3,377,064	-	38,079
Total business-type activities	5,334,895	7,305,164	-	38,079
Total primary government	<b>\$ 13,683,261</b>	<b>\$ 8,833,856</b>	<b>\$ 410,975</b>	<b>\$ 38,079</b>

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, 2020

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,686,413)	\$ -	\$ (1,686,413)
(4,932,280)	-	(4,932,280)
278,795	-	278,795
(3,315)	-	(3,315)
(58,089)	-	(58,089)
(7,397)	-	(7,397)
(6,408,699)	-	(6,408,699)
-	1,130,620	1,130,620
-	877,728	877,728
-	2,008,348	2,008,348
(6,408,699)	2,008,348	(4,400,351)
5,669,020	-	5,669,020
1,788,029	-	1,788,029
49,902	100,021	149,923
126,180	-	126,180
43,546	-	43,546
175,531	-	175,531
7,852,208	100,021	7,952,229
1,443,509	2,108,369	3,551,878
1,289,323	19,460,806	20,750,129
<b>\$ 2,732,832</b>	<b>\$ 21,569,175</b>	<b>\$ 24,302,007</b>

# Charter Township of Benton

## Governmental Funds Balance Sheet

December 31, 2020

	General Fund	Police Fund	Fire Fund	Public Safety Fund	Debt Service Fund	Nonmajor Funds	Total
<b>Assets</b>							
Cash and cash equivalents (Note 3)	\$ 4,506,145	\$ 1,129,381	\$ 853,966	\$ 1,340,420	\$ 13,607	\$ 194,750	\$ 8,038,269
Receivables:							
Property taxes receivable	413,066	825,107	514,224	2,401,140	-	16,700	4,170,237
Special assessments receivable	289,853	-	-	-	-	-	289,853
Other receivables	94,645	-	-	-	-	-	94,645
Due from other governmental units	268,477	42,314	42,315	193,338	-	-	546,444
Due from other funds (Note 5)	2,210	194,246	283,465	1,423	1,060	888,282	1,370,686
Prepaid expenses	150,330	37,341	18,520	-	-	-	206,191
<b>Total assets</b>	<b>\$ 5,724,726</b>	<b>\$ 2,228,389</b>	<b>\$ 1,712,490</b>	<b>\$ 3,936,321</b>	<b>\$ 14,667</b>	<b>\$ 1,099,732</b>	<b>\$ 14,716,325</b>
<b>Liabilities</b>							
Accounts payable	\$ 163,494	\$ 7,684	\$ 109,762	\$ 317	\$ -	\$ 6,986	\$ 288,243
Due to other governmental units	8,438	-	-	-	-	-	8,438
Due to other funds (Note 5)	846,392	247	37,236	477,498	-	2,210	1,363,583
Accrued liabilities and other	223,540	152,661	59,148	-	-	-	435,349
<b>Total liabilities</b>	<b>1,241,864</b>	<b>160,592</b>	<b>206,146</b>	<b>477,815</b>	<b>-</b>	<b>9,196</b>	<b>2,095,613</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	221,469	32,164	32,165	-	-	-	285,798
Property taxes and special assessments levied for the following year	724,627	1,127,113	746,666	3,458,506	-	-	6,056,912
<b>Total deferred inflows of resources</b>	<b>946,096</b>	<b>1,159,277</b>	<b>778,831</b>	<b>3,458,506</b>	<b>-</b>	<b>-</b>	<b>6,342,710</b>
<b>Fund Balances</b>							
Nonspendable - Prepays	150,330	37,341	18,520	-	-	-	206,191
Restricted:							
Police	-	761,322	-	-	-	-	761,322
Fire	-	-	508,639	-	-	35,000	543,639
Community development	-	-	-	-	-	42,904	42,904
Rental ordinance	-	-	-	-	-	165,013	165,013
Street lighting	122,242	-	-	-	-	-	122,242
Assigned:							
Capital improvements	-	-	-	-	-	847,619	847,619
Debt Service	-	-	-	-	14,667	-	14,667
Police	-	109,857	-	-	-	-	109,857
Fire	-	-	200,354	-	-	-	200,354
Unassigned	3,264,194	-	-	-	-	-	3,264,194
<b>Total fund balances</b>	<b>3,536,766</b>	<b>908,520</b>	<b>727,513</b>	<b>-</b>	<b>14,667</b>	<b>1,090,536</b>	<b>6,278,002</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 5,724,726</b>	<b>\$ 2,228,389</b>	<b>\$ 1,712,490</b>	<b>\$ 3,936,321</b>	<b>\$ 14,667</b>	<b>\$ 1,099,732</b>	<b>\$ 14,716,325</b>

# Charter Township of Benton

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

December 31, 2020

<b>Fund Balances Reported in Governmental Funds</b>	<b>\$ 6,278,002</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	7,318,065
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	285,798
Long-term debt obligations are not due and payable in the current period and are not reported in the funds	(189,026)
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	(591,966)
Pension benefits	(9,073,405)
Retiree health care benefits	(1,294,636)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 2,732,832</u></b>

# Charter Township of Benton

## Governmental Funds

### Statement of Revenue, Expenditures, and Changes in Fund Balances

**Year Ended December 31, 2020**

	General Fund	Police Fund	Fire Fund	Public Safety Fund	Debt Service Fund	Nonmajor Funds	Total
<b>Revenue</b>							
Property taxes	\$ 594,123	\$ 919,367	\$ 734,411	\$ 3,421,119	\$ -	\$ -	\$ 5,669,020
Special assessments	8,986	191,844	-	-	-	-	200,830
State-shared revenue and grants	1,547,622	189,595	183,013	214,445	-	-	2,134,675
Charges for services	867,195	-	50,000	-	-	-	917,195
Fines and forfeitures	-	8,679	-	-	-	-	8,679
Licenses and permits	255,482	14,480	-	-	-	63,685	333,647
Interest and rentals	49,698	204	-	-	-	-	49,902
Other revenue	76,902	51,266	42,790	4,499	-	74	175,531
Total revenue	3,400,008	1,375,435	1,010,214	3,640,063	-	63,759	9,489,479
<b>Expenditures</b>							
Current services:							
General government	1,723,873	-	-	-	-	12,943	1,736,816
Public safety	520,989	3,502,216	2,013,383	79,122	-	10,704	6,126,414
Public works	1,022,983	-	-	-	280,242	-	1,303,225
Community and economic development	3,315	-	-	-	-	-	3,315
Recreation and culture	44,896	-	-	-	-	13,797	58,693
Debt service	-	-	-	-	189,325	-	189,325
Total expenditures	3,316,056	3,502,216	2,013,383	79,122	469,567	37,444	9,417,788
<b>Excess of Revenue Over (Under) Expenditures</b>	83,952	(2,126,781)	(1,003,169)	3,560,941	(469,567)	26,315	71,691
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	2,337,901	1,223,040	-	459,766	-	4,020,707
Transfers out	(189,324)	-	(270,442)	(3,560,941)	-	-	(4,020,707)
Sale of capital assets	65,353	-	-	-	-	-	65,353
Total other financing (uses) sources	(123,971)	2,337,901	952,598	(3,560,941)	459,766	-	65,353
<b>Net Change in Fund Balances</b>	(40,019)	211,120	(50,571)	-	(9,801)	26,315	137,044
<b>Fund Balances - Beginning of year</b>	3,576,785	697,400	778,084	-	24,468	1,064,221	6,140,958
<b>Fund Balances - End of year</b>	<b>\$ 3,536,766</b>	<b>\$ 908,520</b>	<b>\$ 727,513</b>	<b>\$ -</b>	<b>\$ 14,667</b>	<b>\$ 1,090,536</b>	<b>\$ 6,278,002</b>

## 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, 2020

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	\$ 137,044
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	1,047,695
Depreciation expense	(567,445)
Net book value of assets disposed of	(21,807)
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	258,850
Repayment of debt principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	181,236
Interest expense is recognized in the government-wide statements as it accrues	692
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	407,244
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 1,443,509</u></b>

# Charter Township of Benton

## Proprietary Funds Statement of Net Position

December 31, 2020

	Enterprise Funds		Total
	Sanitary Sewage System Fund	Water System Fund	
<b>Assets</b>			
Current assets:			
Cash and cash equivalents (Note 3)	\$ 3,831,553	\$ 4,427,366	\$ 8,258,919
Receivables:			
Special assessments receivable - Due within one year	6,319	1,517	7,836
Other receivables	762,700	531,369	1,294,069
Due from other funds (Note 5)	392	10,213	10,605
Prepaid expenses	40,806	16,657	57,463
Total current assets	4,641,770	4,987,122	9,628,892
Noncurrent assets:			
Special assessment receivables - Greater than one year	8,498	14,710	23,208
Capital assets:			
Assets not subject to depreciation (Note 4)	450,977	1,267,849	1,718,826
Assets subject to depreciation - Net (Note 4)	9,194,032	20,097,195	29,291,227
Total noncurrent assets	9,653,507	21,379,754	31,033,261
Total assets	14,295,277	26,366,876	40,662,153
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	135,968	175,841	311,809
Due to other funds (Note 5)	9,903	7,805	17,708
Accrued liabilities and other	50,520	126,235	176,755
Compensated absences (Note 6)	857	4,369	5,226
Current portion of long-term debt (Note 6)	390,000	930,000	1,320,000
Total current liabilities	587,248	1,244,250	1,831,498
Noncurrent liabilities:			
Compensated absences (Note 6)	7,710	39,318	47,028
Long-term debt (Note 6)	3,392,384	13,822,068	17,214,452
Total noncurrent liabilities	3,400,094	13,861,386	17,261,480
Total liabilities	3,987,342	15,105,636	19,092,978
<b>Net Position</b>			
Net investment in capital assets	5,862,625	6,612,976	12,475,601
Unrestricted	4,445,310	4,648,264	9,093,574
Total net position	<u>\$ 10,307,935</u>	<u>\$ 11,261,240</u>	<u>\$ 21,569,175</u>



**Charter Township of Benton**

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

**Year Ended December 31, 2020**

	Enterprise Funds		Total
	Sanitary Sewage System Fund	Water System Fund	
<b>Operating Revenue</b>			
Sale of water	\$ -	\$ 3,377,064	\$ 3,377,064
Sewage disposal charges	3,928,100	-	3,928,100
Total operating revenue	3,928,100	3,377,064	7,305,164
<b>Operating Expenses</b>			
Cost of water	-	1,326,642	1,326,642
Cost of sewage treatment	2,234,654	-	2,234,654
Depreciation	442,456	786,025	1,228,481
Total operating expenses	2,677,110	2,112,667	4,789,777
<b>Operating Income</b>	1,250,990	1,264,397	2,515,387
<b>Nonoperating Revenue (Expense)</b>			
Investment income	85,767	14,254	100,021
Interest expense	(118,755)	(424,748)	(543,503)
Other nonoperating expenses	(1,615)	-	(1,615)
Total nonoperating expense	(34,603)	(410,494)	(445,097)
<b>Income - Before capital contributions</b>	1,216,387	853,903	2,070,290
<b>Capital Contributions</b>	-	38,079	38,079
<b>Change in Net Position</b>	1,216,387	891,982	2,108,369
<b>Net Position - Beginning of year</b>	9,091,548	10,369,258	19,460,806
<b>Net Position - End of year</b>	<b>\$ 10,307,935</b>	<b>\$ 11,261,240</b>	<b>\$ 21,569,175</b>

# Charter Township of Benton

## Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2020

	Enterprise Funds		Total
	Sanitary Sewage System Fund	Water System Fund	
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 3,853,785	\$ 3,254,608	\$ 7,108,393
Payments to suppliers	(1,883,630)	(557,953)	(2,441,583)
Payments to employees and fringes	(569,032)	(763,009)	(1,332,041)
Net cash and cash equivalents provided by operating activities	1,401,123	1,933,646	3,334,769
<b>Cash Flows from Noncapital Financing Activities</b>			
Loans received from other funds	28,640	-	28,640
Loans made to other funds	-	(29,342)	(29,342)
Net cash and cash equivalents provided by (used in) noncapital financing activities	28,640	(29,342)	(702)
<b>Cash Flows from Capital and Related Financing Activities</b>			
Receipt of capital grants	-	38,079	38,079
Special assessment collections	78,710	9,438	88,148
Purchase of capital assets	(145,603)	(770,708)	(916,311)
Principal and interest paid on capital debt	(643,755)	(1,549,627)	(2,193,382)
Net cash and cash equivalents used in capital and related financing activities	(710,648)	(2,272,818)	(2,983,466)
<b>Cash Flows Provided by Investing Activities - Interest received on investments</b>	15,326	9,906	25,232
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	734,441	(358,608)	375,833
<b>Cash and Cash Equivalents - Beginning of year</b>	3,097,112	4,785,974	7,883,086
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 3,831,553</b>	<b>\$ 4,427,366</b>	<b>\$ 8,258,919</b>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>			
Operating income	\$ 1,250,990	\$ 1,264,397	\$ 2,515,387
Adjustments to reconcile operating income to net cash and cash equivalents from operating activities:			
Depreciation	442,456	786,025	1,228,481
Changes in assets and liabilities:			
Receivables	(74,315)	(122,456)	(196,771)
Prepaid and other assets	7,911	(2,429)	5,482
Accounts payable	(227,053)	12,666	(214,387)
Accrued and other liabilities	1,134	(4,557)	(3,423)
Net cash and cash equivalents provided by operating activities	<b>\$ 1,401,123</b>	<b>\$ 1,933,646</b>	<b>\$ 3,334,769</b>

# Charter Township of Benton

## Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2020

	Trust Funds - Pension and Retiree Health Insurance	Custodial Funds
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 401,446
Investments:		
U.S. government securities	789,250	-
Corporate stocks	844,118	-
Corporate bonds	3,750,103	-
Municipal bonds	998,081	-
Bank investment pool funds	17,366,951	-
Total assets	23,748,503	401,446
<b>Liabilities</b>		
Due to other governmental units	-	401,446
Other current liabilities	5,256	-
Total liabilities	5,256	401,446
<b>Net Position - Restricted for pension and other employee benefits</b>	<b>\$ 23,743,247</b>	<b>\$ -</b>

**Charter Township of Benton**

**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**

**Year Ended December 31, 2020**

	Trust Funds - Pension and Retiree Health Insurance	Custodial Funds
<b>Additions</b>		
Investment income:		
Interest and dividends	\$ 397,317	\$ -
Net increase in fair value of investments	2,461,071	-
Net investment income	2,858,388	-
Contributions:		
Employer	1,285,429	-
Employee	224,281	-
Total contributions	1,509,710	-
Property tax collections	-	13,653,013
Total additions	4,368,098	13,653,013
<b>Deductions</b>		
Benefit payments	1,964,942	-
Administrative expenses	63,570	-
Tax distributions to other governments	-	13,653,013
Total deductions	2,028,512	13,653,013
<b>Net Increase Restricted for Pension and Other Employee Benefits</b>	2,339,586	-
<b>Net Position Restricted for Pension and Other Employee Benefits - Beginning of year</b>	21,403,661	-
<b>Net Position Restricted for Pension and Other Employee Benefits - End of year</b>	<b>\$ 23,743,247</b>	<b>\$ -</b>

December 31, 2020

### 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 Township appoints a voting majority to the board and the plan imposes a financial burden on the 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, 2020 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.

**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 \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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>Capital Asset Class</u>	<u>Depreciable Life - Years</u>
Water and sewer treatment systems	10-50
Buildings and improvements	15-50
Vehicles	3-15
Furniture and equipment	5-15
Office furnishings	3-7
Land improvements	5-15
Intangible assets	20

**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 bonds 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.

**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.



**Note 1 - Significant Accounting Policies (Continued)**

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 a future period 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.

**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).

**Note 1 - Significant Accounting Policies (Continued)**

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 only exist 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 2019 property tax revenue was levied and collectible on December 1, 2019 and is recognized as revenue in the year ended December 31, 2020 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2019 taxable valuation of the Charter Township totaled \$423.2 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 \$410,000 ad valorem property tax revenue; \$162,000 in administrative fees for operating services; and \$903,000, \$721,000, and \$3,348,000 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.

**Adoption of New Accounting Pronouncement**

During the current year, the Charter Township adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the tax collection funds, which were previously reported as agency funds, are now reported as custodial funds.

**Note 1 - Significant Accounting Policies (Continued)**

***Upcoming Accounting Pronouncements***

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. 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 ended December 31, 2020 but were extended to December 31, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement are effective for the Charter Township's financial statements for the December 31, 2020 fiscal year but were extended to December 31, 2021 with the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and originally are effective for the Charter Township's financial statements for the year ended December 31, 2020 but were extended to December 31, 2021 with the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The Charter Township does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

**Note 1 - Significant Accounting Policies (Continued)**

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.

In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or an other employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The Charter Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the Charter Township's financial statements for the year ending December 31, 2022.

**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, 2020	\$ (2,683,727)
Current year permit revenue	122,369
Less related expenses - Direct costs	<u>401,565</u>
Current year shortfall	<u>(279,196)</u>
Cumulative shortfall December 31, 2020	<u>\$ (2,962,923)</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 not 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.

**Note 3 - Deposits and Investments (Continued)**

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.

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 approximately \$15.2 million of bank deposits (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. As a result, the Charter Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. At December 31, 2020, 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, 2020, 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
<b>Pension Trust Fund</b>		
Mutual funds	\$ 14,110,476	Counterparty's trust department
Corporate bonds	3,350,207	Counterparty's trust department
Corporate stocks	844,118	Counterparty's trust department
Municipal bonds	947,212	Counterparty's trust department
U.S. government or agency bond or notes	763,387	Counterparty's trust department
<b>Retiree Health Insurance Fund</b>		
Mutual funds	1,315,657	Counterparty's trust department
Corporate bonds	399,897	Counterparty's trust department
Municipal bonds	50,869	Counterparty's trust department
U.S. government or agency bond or notes	25,862	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.



December 31, 2020

**Note 3 - Deposits and Investments (Continued)**

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

Investment	Carrying Value	Weighted- average Maturity (Years)
<b>Pension Trust Fund</b>		
Corporate and municipal bonds	\$ 4,297,418	2.37
U.S. government agency securities	763,388	2.03
<b>Retiree Health Insurance Fund</b>		
Corporate and municipal bonds	450,766	2.49
U.S. government agency securities	25,862	2.33

**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, 2020, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Carrying Value	Rating	Rating Organization
<b>Pension Trust Fund</b>			
Corporate and municipal bonds	\$ 1,629,109	AAA	S&P
Corporate and municipal bonds	171,824	AA1	S&P
Corporate and municipal bonds	139,371	AA+	S&P
Corporate and municipal bonds	905,432	AA	S&P
Corporate and municipal bonds	716,459	A+	S&P
Corporate and municipal bonds	210,118	A	S&P
Corporate and municipal bonds	374,598	A-	S&P
Corporate and municipal bonds	150,507	BBB+	S&P
Total Pension Trust Fund	4,297,418		
<b>Retiree Health Insurance Fund</b>			
Corporate and municipal bonds	217,186	AAA	S&P
Corporate and municipal bonds	27,875	AA+	S&P
Corporate and municipal bonds	50,869	AA	S&P
Corporate and municipal bonds	104,331	A+	S&P
Corporate and municipal bonds	25,421	A-	S&P
Corporate and municipal bonds	25,084	BBB+	S&P
Total Retiree Health Insurance Fund	450,766		
Total	\$ 4,748,184		

**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.

December 31, 2020

**Note 3 - Deposits and Investments (Continued)**

**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.

The Charter Township has the following recurring fair value measurements as of December 31, 2020:

	Assets Measured at Carrying Value on a Recurring Basis at December 31, 2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2020
<b>Pension Trust Fund</b>				
Debt securities:				
U.S. Treasury securities	\$ 563,243	\$ -	\$ -	\$ 563,243
Municipal bonds	-	947,212	-	947,212
Government agencies	-	200,144	-	200,144
Corporate bonds	-	3,350,207	-	3,350,207
Mutual funds - Fixed income	2,623,060	-	-	2,623,060
Total debt securities	3,186,303	4,497,563	-	7,683,866
Equity securities:				
Common stock	844,118	-	-	844,118
Mutual funds - Equity	11,173,661	-	-	11,173,661
Mutual funds - ETF	313,755	-	-	313,755
Total equity securities	12,331,534	-	-	12,331,534
Total pension trust fund assets	\$ 15,517,837	\$ 4,497,563	\$ -	\$ 20,015,400
<b>Retiree Health Trust Fund</b>				
Debt securities:				
U.S. Treasury securities	\$ 25,862	\$ -	\$ -	\$ 25,862
Municipal bonds	-	50,869	-	50,869
Corporate bonds	-	399,897	-	399,897
Mutual funds - Fixed income	226,610	-	-	226,610
Total debt securities	252,472	450,766	-	703,238
Equity securities -				
Mutual funds - Equity	1,089,047	-	-	1,089,047
Total retiree health fund assets	\$ 1,341,519	\$ 450,766	\$ -	\$ 1,792,285
Total	\$ 16,859,356	\$ 4,948,329	\$ -	\$ 21,807,685



December 31, 2020

**Note 3 - Deposits and Investments (Continued)**

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, 2020 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.

**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, 2020	Additions	Disposals	Balance December 31, 2020
Capital assets not being depreciated - Land	\$ 802,576	\$ -	\$ (21,807)	\$ 780,769
Capital assets being depreciated:				
Buildings and improvements	4,919,801	-	-	4,919,801
Vehicles	3,685,778	355,183	(116,855)	3,924,106
Land improvements	109,274	-	-	109,274
Furniture and equipment	1,940,186	139,002	(965)	2,078,223
Office furnishings	427,234	7,280	(9,997)	424,517
Intangible storm drain rights	1,566,537	546,230	-	2,112,767
Subtotal	12,648,810	1,047,695	(127,817)	13,568,688
Accumulated depreciation:				
Buildings and improvements	2,054,425	104,779	-	2,159,204
Vehicles	2,446,779	233,893	(116,855)	2,563,817
Land improvements	74,707	7,306	-	82,013
Furniture and equipment	1,386,020	112,087	(965)	1,497,142
Office furnishings	340,283	37,488	(9,997)	367,774
Intangible storm drain rights	289,550	71,892	-	361,442
Subtotal	6,591,764	567,445	(127,817)	7,031,392
Net capital assets being depreciated	6,057,046	480,250	-	6,537,296
Net governmental activities capital assets	<u>\$ 6,859,622</u>	<u>\$ 480,250</u>	<u>\$ (21,807)</u>	<u>\$ 7,318,065</u>

December 31, 2020

**Note 4 - Capital Assets (Continued)**

***Business-type Activities***

	Balance January 1, 2020	Additions	Disposals	Balance December 31, 2020
Capital assets not being depreciated:				
Land	\$ 1,354,112	\$ -	\$ -	\$ 1,354,112
Construction in progress	-	364,714	-	364,714
Subtotal	1,354,112	364,714	-	1,718,826
Capital assets being depreciated:				
Water and sewer lines	39,267,613	281,417	-	39,549,030
Buildings and improvements	9,291,597	202,760	-	9,494,357
Furniture and equipment	4,524,480	67,420	-	4,591,900
Vehicles	718,394	-	-	718,394
Subtotal	53,802,084	551,597	-	54,353,681
Accumulated depreciation:				
Water and sewer lines	19,167,936	621,086	-	19,789,022
Buildings and improvements	1,922,253	242,537	-	2,164,790
Furniture and equipment	2,148,840	266,693	-	2,415,533
Vehicles	594,944	98,165	-	693,109
Subtotal	23,833,973	1,228,481	-	25,062,454
Net capital assets being depreciated	29,968,111	(676,884)	-	29,291,227
Net business-type activities capital assets	<u>\$ 31,322,223</u>	<u>\$ (312,170)</u>	<u>\$ -</u>	<u>\$ 31,010,053</u>

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

Governmental activities:	
General government	\$ 212,274
Public safety	288,498
Public works	53,480
Recreation and culture	13,193
Total governmental activities	<u>\$ 567,445</u>
Business-type activities:	
Sanitary Sewage System Fund	\$ 442,456
Water System Fund	786,025
Total business-type activities	<u>\$ 1,228,481</u>

December 31, 2020

**Note 4 - Capital Assets (Continued)**

**Construction Commitments**

At December 31, 2020, the Charter Township did not have any signed construction contracts.

**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	845,477
	Water System Fund	7,805
	Fire Fund	35,000
	Total Capital Projects Fund	888,282
General Fund	Community Development Fund	2,210
Sanitary Sewage System Fund	General Fund	392
Police Fund	Public Safety Fund	194,246
Water System Fund	Sanitary Sewage System Fund	9,903
	General Fund	310
	Total Water System Fund	10,213
Fire Fund	Public Safety Fund	283,252
	General Fund	213
	Total Fire Fund	283,465
Public Safety Fund	Fire Fund	1,176
	Police Fund	247
	Total Public Safety Fund	1,423
	Total	<u>\$ 1,381,291</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	\$ 1,223,040
	Police Fund	2,337,901
	Total Public Safety Fund	3,560,941
General Fund	Debt Service Fund	189,324
Fire Fund	Debt Service Fund	270,442
	Total	<u>\$ 4,020,707</u>

December 31, 2020

**Note 5 - Interfund Receivables, Payables, and Transfers (Continued)**

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

**Note 6 - Long-term Debt**

Long-term debt activity for the year ended December 31, 2020 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 - 2017	1.50%	2020	\$ 90,019	\$ -	\$ (90,019)	\$ -	\$ -
Trash Truck Loan - 2019	2.39%	2022	280,243	-	(91,217)	189,026	93,397
Total direct borrowings and direct placements principal outstanding			370,262	-	(181,236)	189,026	93,397
Compensated absences			608,814	319,417	(336,265)	591,966	267,822
Total governmental activities long-term debt			<u>\$ 979,076</u>	<u>\$ 319,417</u>	<u>\$ (517,501)</u>	<u>\$ 780,992</u>	<u>\$ 361,219</u>

**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	\$ 825,000	\$ -	\$ (270,000)	\$ 555,000	\$ 135,000
General obligation bond - 2014	2.0-4.0%	2034	2,625,000	-	(175,000)	2,450,000	175,000
General obligation bond - 2015	0.85%-3.3%	2030	880,000	-	(80,000)	800,000	80,000
General obligation bond - 2018 - Refunded	3.06-3.38%	2030	12,920,000	-	(790,000)	12,130,000	845,000
General obligation bond - 2018 - New	3.06-3.38%	2030	1,240,000	-	(80,000)	1,160,000	85,000
Unamortized bond premium			1,716,948	-	(254,880)	1,462,068	-
Unamortized bond discount			(24,231)	-	1,615	(22,616)	-
Total direct borrowings and direct placements principal outstanding			20,182,717	-	(1,648,265)	18,534,452	1,320,000
Compensated absences			52,498	41,614	(41,858)	52,254	5,226
Total business-type activities long-term debt			<u>\$ 20,235,215</u>	<u>\$ 41,614</u>	<u>\$ (1,690,123)</u>	<u>\$ 18,586,706</u>	<u>\$ 1,325,226</u>

December 31, 2020

**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	Governmental Activities			Business-type Activities		
	Direct Borrowings and Direct Placements			Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 93,397	\$ 4,518	\$ 97,915	\$ 1,320,000	\$ 748,019	\$ 2,068,019
2022	95,629	2,286	97,915	1,495,000	696,238	2,191,238
2023	-	-	-	1,415,000	635,423	2,050,423
2024	-	-	-	1,315,000	575,838	1,890,838
2025	-	-	-	1,375,000	514,088	1,889,088
2026-2030	-	-	-	7,915,000	1,523,059	9,438,059
2031-2034	-	-	-	2,260,000	108,563	2,368,563
<b>Total</b>	<b>\$ 189,026</b>	<b>\$ 6,804</b>	<b>\$ 195,830</b>	<b>\$ 17,095,000</b>	<b>\$ 4,801,228</b>	<b>\$ 21,896,228</b>

**Series 2021 (Series 2014 Refunding)**

The Charter Township's board has approved the issuance of general obligation limited tax refunding bonds, Series 2021, to refinance the Charter Township's Capital Improvement Bonds, Series 2014, as a cost-saving measure. The resolution authorizes bonds up to \$2,450,000. Current estimates for the refunding bonds are \$2,353,000.

**Series 2021 Bonds**

The Charter Township's board has authorized the issuance of sanitary sewer system revenue bonds, in the amount of \$5,000,000, for a period not to exceed 15 years, as well as the issuance of water system revenue bonds, in the amount of \$4,500,000, for a period not to exceed 20 years. The Charter Township intends to issue bonds of approximately \$4,500,000 during 2021.

**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.

**December 31, 2020**

**Note 8 - Other Postemployment Benefit Plan (Continued)**

The financial statements of the OPEB plan are included in these financial statements as the Retiree and 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.

**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, 2019
Inactive plan members or beneficiaries currently receiving benefits	35
Active plan members	<u>38</u>
Total plan members	<u><u>73</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, 2020, the Charter Township made payments for postemployment health benefit premiums of \$225,915. 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, 2020 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, 2020 measurement date. The December 31, 2020 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2019, which used update procedures to roll forward the estimated liability to December 31, 2020.

December 31, 2020

**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
<b>Balance at January 1, 2020</b>	\$ 3,072,924	\$ 1,725,956	\$ 1,346,968
Changes for the year:			
Service cost	42,312	-	42,312
Interest	186,320	-	186,320
Differences between expected and actual experience	20,957	-	20,957
Contributions - Employer	-	225,915	(225,915)
Net investment income	-	230,474	(230,474)
Benefit payments, including refunds	(225,915)	(225,915)	-
Administrative expenses	-	(5,187)	5,187
Net changes	23,674	225,287	(201,613)
<b>Balance at December 31, 2019</b>	<u>\$ 3,096,598</u>	<u>\$ 1,951,243</u>	<u>\$ 1,145,355</u>

The plan's fiduciary net position represents 63.0 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, 2020, the Charter Township recognized OPEB expense of \$90,883.

At December 31, 2020, 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	\$ 20,914	\$ (22,979)
Changes in assumptions	-	(16,546)
Net difference between projected and actual earnings on OPEB plan investments	-	(130,670)
Total	<u>\$ 20,914</u>	<u>\$ (170,195)</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
2021	\$ (35,226)
2022	(35,226)
2023	(55,586)
2024	(23,243)

**Note 8 - Other Postemployment Benefit Plan (Continued)**

**Actuarial Assumptions**

The total OPEB liability in the December 31, 2019 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 RP-2014 fully generational mortality tables with projection scale MP-2019; and a health care cost trend rate of 8.5 percent, gradually decreasing to a trend of 4.5 percent in year 10. These assumptions were applied to all periods included in the measurement.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of the most recent actuarial experience study conducted for the period 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, 2020 measurement date for each major asset class included in the OPEB plan’s target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic equity - Large	4.50 %
Domestic equity - Mid	5.20
Domestic equity - Small	7.00
International equity	6.50
Domestic fixed income	1.40
Cash	0.20



December 31, 2020

**Note 8 - Other Postemployment Benefit Plan (Continued)**

***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	\$ 1,433,129	\$ 1,145,355	\$ 896,451

***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 8.5 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 (7.5%)	Current Health Care Cost Trend Rate (8.5%)	1 Percentage Point Increase (9.5%)
Net OPEB liability of the Benton Charter Township Retiree Medical Plan	\$ 1,104,432	\$ 1,145,355	\$ 1,192,513

***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, 2020:

Asset Class	Target Allocation
Domestic equity - Large	26.00 %
Domestic equity - Mid	8.00
Domestic equity - Small	4.00
International equity	12.00
Domestic fixed income	45.00
Cash	5.00

***Rate of Return***

For the year ended December 31, 2020, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 13.37 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**December 31, 2020**

**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 a pension and other employee benefit 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.

***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.

December 31, 2020

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

**Employees Covered by Benefit Terms**

The following members were covered by the benefit terms:

	December 31, 2020
Date of member count	
Inactive plan members or beneficiaries currently receiving benefits	59
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	31
Total employees covered by the plan	93

**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, 2020, the average active employee contribution rate was 9.50 percent of annual pay, and the Charter Township's average contribution rate was 44.87 percent of annual payroll for the various employee groups.

**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, 2020 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, 2020 measurement date. The December 31, 2020 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
<b>Balance at January 1, 2020</b>	\$ 28,390,134	\$ 19,682,962	\$ 8,707,172
Changes for the year:			
Service cost	502,802	-	502,802
Interest	1,944,048	-	1,944,048
Differences between expected and actual experience	413,113	-	413,113
Changes in assumptions	727,096	-	727,096
Contributions - Employer	-	1,059,316	(1,059,316)
Contributions - Employee	-	224,281	(224,281)
Net investment income	-	2,627,914	(2,627,914)
Benefit payments, including refunds	(1,738,829)	(1,738,829)	-
Administrative expenses	-	(58,384)	58,384
Net changes	1,848,230	2,114,298	(266,068)
<b>Balance at December 31, 2020</b>	\$ 30,238,364	\$ 21,797,260	\$ 8,441,104

The plan's fiduciary net position represents 72.1 percent of the total pension liability.

December 31, 2020

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

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

For the year ended December 31, 2020, the Charter Township recognized pension expense of \$803,949.

At December 31, 2020, 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	\$ 377,639	\$ (146,682)
Changes in assumptions	583,296	(26,989)
Net difference between projected and actual earnings on pension plan investments	-	(1,419,565)
Total	\$ 960,935	\$ (1,593,236)

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
2021	\$ (92,099)
2022	43,003
2023	(329,590)
2024	(253,615)

***Actuarial Assumptions***

The total pension liability in the December 31, 2020 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 7 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 7.0 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.

December 31, 2020

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

**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, 2020 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic equity - Large	4.50 %
Domestic equity - Mid	5.20
Domestic equity - Small	7.00
International equity	6.50
Domestic fixed income	1.40
Cash	0.20

**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 7.0 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 (6.0%)	Current Discount Rate (7.0%)	1 Percentage Point Increase (8.0%)
Net pension liability of the Charter Township of Benton Pension Plan	\$ 11,961,231	\$ 8,441,104	\$ 5,507,578

**Assumption Changes**

Since the prior measurement date, 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.

December 31, 2020

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

**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, 2020:

Asset Class	Target Allocation
Domestic equity - Large	26.00 %
Domestic equity - Mid	8.00
Domestic equity - Small	4.00
International equity	12.00
Domestic fixed income	45.00
Cash	5.00

**Rate of Return**

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.34 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.

The balances of the reserve accounts at December 31, 2020 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 18,457,999	\$ 18,457,999
Employee reserve	3,478,402	3,478,402
Employer reserve	-	(144,397)
Total	<u>\$ 21,936,401</u>	<u>\$ 21,792,004</u>

December 31, 2020

**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
<b>Statement of Net Position</b>			
Investments	\$ 21,797,260	\$ 1,951,243	\$ 23,748,503
Liabilities	(5,256)	-	(5,256)
Net position	<u>\$ 21,792,004</u>	<u>\$ 1,951,243</u>	<u>\$ 23,743,247</u>
<b>Statement of Changes in Net Position</b>			
Investment income	\$ 2,627,914	\$ 230,474	\$ 2,858,388
Contributions	1,283,597	226,113	1,509,710
Benefit payments	(1,738,829)	(226,113)	(1,964,942)
Administrative expenses	(58,383)	(5,187)	(63,570)
Net change in net position	<u>\$ 2,114,299</u>	<u>\$ 225,287</u>	<u>\$ 2,339,586</u>

**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 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 \$189,000 during the current year and employees contributed approximately \$115,000.

**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, 2020, the Charter Township abated approximately \$20,000 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

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, 2020, the brownfield abated approximately \$77,000 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, 2020, the Charter Township abated approximately \$70,000 of taxes under this program. There are no provisions to recapture taxes.

**December 31, 2020**

**Note 12 - Tax Abatements (Continued)**

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



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## Required Supplemental Information

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# Charter Township of Benton

## Required Supplemental Information Budgetary Comparison Schedule - General Fund

**Year Ended December 31, 2020**

	Original Budget	Amended Budget	Actual	Variance
<b>Revenue</b>				
Property taxes	\$ 577,000	\$ 577,000	\$ 594,123	\$ 17,123
Special assessments	28,125	28,125	8,986	(19,139)
State-shared revenue and grants	1,415,000	1,415,000	1,547,622	132,622
Charges for services	944,900	944,900	867,195	(77,705)
Licenses and permits	245,500	245,500	255,482	9,982
Investment income	85,000	85,000	49,698	(35,302)
Other revenue	23,500	23,500	76,902	53,402
Total revenue	3,319,025	3,319,025	3,400,008	80,983
<b>Expenditures</b>				
Current services:				
General government:				
Township board	412,300	692,380	638,230	54,150
Supervisor	42,650	72,895	68,643	4,252
Treasurer	151,500	151,500	100,649	50,851
Assessing	327,740	332,490	296,375	36,115
Board of review	5,600	5,600	1,318	4,282
Clerk	271,020	323,470	196,291	127,179
Buildings and grounds	225,150	242,125	188,802	53,323
Elections	134,310	261,520	233,565	27,955
Public safety:				
Ordinance officer	117,290	137,290	119,424	17,866
Building department	476,930	476,930	401,565	75,365
Public works:				
Streets	180,230	440,230	409,056	31,174
Trash and rubbish	485,340	517,740	445,550	72,190
Street lighting	116,730	116,730	69,284	47,446
Garage	114,660	114,660	99,093	15,567
Community and economic development:				
Planning	7,950	7,950	3,280	4,670
Zoning	2,680	2,680	35	2,645
Recreation and culture	110,520	117,910	44,896	73,014
Total expenditures	3,182,600	4,014,100	3,316,056	698,044
<b>Excess of Revenue Over (Under) Expenditures</b>	136,425	(695,075)	83,952	779,027
<b>Other Financing (Uses) Sources</b>				
Transfers out	(296,900)	(419,900)	(189,324)	230,576
Sale of capital assets	160,475	160,475	65,353	(95,122)
Total other financing uses	(136,425)	(259,425)	(123,971)	135,454
<b>Net Change in Fund Balance</b>	-	(954,500)	(40,019)	914,481
<b>Fund Balance - Beginning of year</b>	3,576,785	3,576,785	3,576,785	-
<b>Fund Balance - End of year</b>	<u>\$ 3,576,785</u>	<u>\$ 2,622,285</u>	<u>\$ 3,536,766</u>	<u>\$ 914,481</u>

**Charter Township of Benton**

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

**Year Ended December 31, 2020**

	Original Budget	Amended Budget	Actual	Variance
<b>Revenue</b>				
Property taxes	\$ 735,650	\$ 735,650	\$ 734,411	\$ (1,239)
State-shared revenue and grants	16,250	188,005	183,013	(4,992)
Charges for services	50,000	50,000	50,000	-
Other revenue	10,000	10,000	42,790	32,790
Total revenue	811,900	983,655	1,010,214	26,559
<b>Expenditures - Public safety</b>	1,810,660	1,919,930	2,013,383	(93,453)
<b>Excess of Expenditures Over Revenue</b>	(998,760)	(936,275)	(1,003,169)	(66,894)
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,217,000	1,217,000	1,223,040	6,040
Transfers out	(218,240)	(399,612)	(270,442)	129,170
Total other financing sources	998,760	817,388	952,598	135,210
<b>Net Change in Fund Balance</b>	-	(118,887)	(50,571)	68,316
<b>Fund Balance - Beginning of year</b>	778,084	778,084	778,084	-
<b>Fund Balance - End of year</b>	<u>\$ 778,084</u>	<u>\$ 659,197</u>	<u>\$ 727,513</u>	<u>\$ 68,316</u>

**Charter Township of Benton**

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

**Year Ended December 31, 2020**

	Original Budget	Amended Budget	Actual	Variance
<b>Revenue</b>				
Property taxes	\$ 928,720	\$ 928,720	\$ 919,367	\$ (9,353)
Special assessments	176,880	176,880	191,844	14,964
State-shared revenue and grants	19,950	194,706	189,595	(5,111)
Fines and forfeitures	16,000	16,000	8,679	(7,321)
Licenses and permits	15,000	15,000	14,480	(520)
Investment income	250	250	204	(46)
Other revenue	40,000	40,000	51,266	11,266
Total revenue	1,196,800	1,371,556	1,375,435	3,879
<b>Expenditures - Public safety</b>	3,523,490	3,645,520	3,502,216	143,304
<b>Excess of Expenditures Over Revenue</b>	(2,326,690)	(2,273,964)	(2,126,781)	147,183
<b>Other Financing Sources - Transfers in</b>	2,326,690	2,326,690	2,337,901	11,211
<b>Net Change in Fund Balance</b>	-	52,726	211,120	158,394
<b>Fund Balance - Beginning of year</b>	697,400	697,400	697,400	-
<b>Fund Balance - End of year</b>	<u>\$ 697,400</u>	<u>\$ 750,126</u>	<u>\$ 908,520</u>	<u>\$ 158,394</u>

**Charter Township of Benton**

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

**Year Ended December 31, 2020**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenue</b>			
Property taxes	\$ 3,327,450	\$ 3,421,119	\$ 93,669
State-shared revenue and grants	100,000	214,445	114,445
Other revenue	3,220	4,499	1,279
Total revenue	3,430,670	3,640,063	209,393
<b>Expenditures - Public safety</b>	71,810	79,122	(7,312)
<b>Excess of Revenue Over Expenditures</b>	3,358,860	3,560,941	202,081
<b>Other Financing Uses - Transfers out</b>	(3,358,860)	(3,560,941)	(202,081)
<b>Net Change in Fund Balance</b>	-	-	-
<b>Fund Balance - Beginning of year</b>	-	-	-
<b>Fund Balance - End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# Charter Township of Benton

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

### Last Seven Fiscal Years

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 502,802	\$ 498,058	\$ 511,176	\$ 559,126	\$ 556,011	\$ 520,965	\$ 566,962
Interest	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	413,113	(294,868)	298,542	(315,318)	(1,151,122)	(447,726)	1,256,878
Changes in assumptions	727,096	78,774	(117,631)	-	-	456,048	-
Benefit payments, including refunds	(1,738,829)	(1,700,304)	(1,658,511)	(1,479,923)	(1,441,442)	(1,480,641)	(1,538,583)
<b>Net Change in Total Pension Liability</b>	1,848,230	492,421	884,354	581,862	(203,120)	821,944	1,923,493
<b>Total Pension Liability - Beginning of year</b>	28,390,134	27,897,713	27,013,359	26,431,497	26,634,617	25,812,673	23,889,180
<b>Total Pension Liability - End of year</b>	<b>\$ 30,238,364</b>	<b>\$ 28,390,134</b>	<b>\$ 27,897,713</b>	<b>\$ 27,013,359</b>	<b>\$ 26,431,497</b>	<b>\$ 26,634,617</b>	<b>\$ 25,812,673</b>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 1,059,316	\$ 956,123	\$ 932,763	\$ 1,056,574	\$ 947,792	\$ 851,779	\$ 800,203
Contributions - Member	224,281	205,096	179,443	181,354	165,901	160,486	137,898
Net investment income (loss)	2,627,914	2,967,515	(802,033)	2,054,024	988,091	(37,297)	862,704
Administrative expenses	(58,384)	(55,740)	(55,071)	(53,027)	(49,222)	(50,070)	(50,060)
Benefit payments, including refunds	(1,738,829)	(1,700,304)	(1,658,511)	(1,479,923)	(1,441,442)	(1,480,641)	(1,538,583)
<b>Net Change in Plan Fiduciary Net Position</b>	2,114,298	2,372,690	(1,403,409)	1,759,002	611,120	(555,743)	212,162
<b>Plan Fiduciary Net Position - Beginning of year</b>	19,682,962	17,310,272	18,713,681	16,954,679	16,343,559	16,899,302	16,687,140
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 21,797,260</b>	<b>\$ 19,682,962</b>	<b>\$ 17,310,272</b>	<b>\$ 18,713,681</b>	<b>\$ 16,954,679</b>	<b>\$ 16,343,559</b>	<b>\$ 16,899,302</b>
<b>Charter Township's Net Pension Liability - Ending</b>	<b>\$ 8,441,104</b>	<b>\$ 8,707,172</b>	<b>\$ 10,587,441</b>	<b>\$ 8,299,678</b>	<b>\$ 9,476,818</b>	<b>\$ 10,291,058</b>	<b>\$ 8,913,371</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	72.08 %	69.33 %	62.05 %	69.28 %	64.15 %	61.36 %	65.47 %
<b>Covered Payroll</b>	\$ 2,164,422	\$ 2,221,565	\$ 2,164,663	\$ 1,993,736	\$ 2,082,378	\$ 2,011,315	\$ 1,995,350
<b>Charter Township's Net Pension Liability as a Percentage of Covered Payroll</b>	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 Supplemental Information Schedule of Pension Contributions

### Last Ten Fiscal Years Years Ended December 31

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 1,059,316	\$ 956,123	\$ 932,763	\$ 1,056,574	\$ 947,792	\$ 851,779	\$ 831,530	\$ 777,366	\$ 719,812	\$ 692,798
Contributions in relation to the actuarially determined contribution	1,059,316	956,123	932,763	1,056,574	947,792	851,779	800,203	730,162	690,326	690,326
<b>Contribution Deficiency</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (31,327)</b>	<b>\$ (47,204)</b>	<b>\$ (29,486)</b>	<b>\$ (2,472)</b>
<b>Covered Payroll</b>	<b>\$ 2,164,422</b>	<b>\$ 2,221,565</b>	<b>\$ 2,164,663</b>	<b>\$ 1,993,736</b>	<b>\$ 2,082,378</b>	<b>\$ 2,011,315</b>	<b>\$ 1,995,350</b>	<b>\$ 2,132,675</b>	<b>\$ 2,250,626</b>	<b>\$ 2,480,399</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>48.94 %</b>	<b>43.04 %</b>	<b>43.09 %</b>	<b>52.99 %</b>	<b>45.51 %</b>	<b>42.35 %</b>	<b>40.10 %</b>	<b>34.24 %</b>	<b>30.67 %</b>	<b>27.83 %</b>

#### 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, the year prior to the end of the fiscal year in which the contributions are reported. Covered employee payroll is as of December 31 of the current year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Remaining amortization period	16 years; closed
Asset valuation method	5-year smoothed market
Inflation	3.5 percent wage inflation assumption
Salary increase	3.5 percent to 7.5 percent, including inflation
Investment rate of return	7.0 percent (net of administrative expenses)
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Mortality Table for males and females projected 20 years with scale AA

**Charter Township of Benton**

**Required Supplemental Information  
Schedule of Pension Investment Returns**

**Last Seven Fiscal Years  
Years Ended December 31**

	<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	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 Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios

	Last Four Fiscal Years			
	2020	2019	2018	2017
<b>Total OPEB Liability</b>				
Service cost	\$ 42,312	\$ 46,459	\$ 52,211	\$ 49,139
Interest	186,320	190,231	187,828	185,410
Differences between expected and actual experience	20,957	(44,205)	11,964	-
Changes in assumptions	-	(31,830)	-	-
Benefit payments, including refunds	<u>(225,915)</u>	<u>(216,406)</u>	<u>(204,935)</u>	<u>(189,880)</u>
<b>Net Change in Total OPEB Liability</b>	23,674	(55,751)	47,068	44,669
<b>Total OPEB Liability - Beginning of year</b>	<u>3,072,924</u>	<u>3,128,675</u>	<u>3,081,607</u>	<u>3,036,938</u>
<b>Total OPEB Liability - End of year</b>	<b><u>\$ 3,096,598</u></b>	<b><u>\$ 3,072,924</u></b>	<b><u>\$ 3,128,675</u></b>	<b><u>\$ 3,081,607</u></b>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 225,915	\$ 216,406	\$ 225,535	\$ 235,881
Net investment income (loss)	230,474	257,295	(70,857)	156,737
Administrative expenses	(5,187)	(4,812)	(4,665)	(4,219)
Benefit payments, including refunds	(225,915)	(216,406)	(204,935)	(189,881)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,370</u>
<b>Net Change in Plan Fiduciary Net Position</b>	225,287	252,483	(54,922)	203,888
<b>Plan Fiduciary Net Position - Beginning of year</b>	<u>1,725,956</u>	<u>1,473,473</u>	<u>1,528,395</u>	<u>1,324,507</u>
<b>Plan Fiduciary Net Position - End of year</b>	<b><u>\$ 1,951,243</u></b>	<b><u>\$ 1,725,956</u></b>	<b><u>\$ 1,473,473</u></b>	<b><u>\$ 1,528,395</u></b>
<b>Net OPEB Liability - Ending</b>	<b><u>\$ 1,145,355</u></b>	<b><u>\$ 1,346,968</u></b>	<b><u>\$ 1,655,202</u></b>	<b><u>\$ 1,553,212</u></b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	63.01 %	56.17 %	47.10 %	49.60 %
<b>Covered Payroll</b>	\$ 2,302,497	\$ 2,588,169	\$ 2,933,093	\$ 2,881,147
<b>Net OPEB Liability as a Percentage of Covered Payroll</b>	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.

# Charter Township of Benton

## Required Supplemental Information Schedule of OPEB Contributions

### Last Ten Fiscal Years Years Ended December 31

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 169,269	\$ 163,802	\$ 169,873	\$ 175,286	\$ 277,722	\$ 277,722	\$ 277,722	\$ 202,101	\$ 201,945	\$ 261,761
Contributions in relation to the actuarially determined contribution	225,915	216,406	225,535	235,881	280,670	280,206	283,530	155,065	136,938	115,167
<b>Contribution Excess (Deficiency)</b>	<b>\$ 56,646</b>	<b>\$ 52,604</b>	<b>\$ 55,662</b>	<b>\$ 60,595</b>	<b>\$ 2,948</b>	<b>\$ 2,484</b>	<b>\$ 5,808</b>	<b>\$ (47,036)</b>	<b>\$ (65,007)</b>	<b>\$ (146,594)</b>

#### 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	17 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 Municipal: 3.5 to 10.2 percent, including inflation
Salary increase	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 Supplemental Information  
Schedule of OPEB Investment Returns**

**Last Four Fiscal Years  
Years Ended December 31**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return - Net of investment expense	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
Fire Fund - Expenditures	\$ 1,919,930	\$ 2,013,383	\$ (93,453)
Public Safety Fund - Expenditures	71,810	79,122	(7,312)

***Pension Information***

**Changes in Assumptions**

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, 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 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 0.25 percent per year to a 4.5 percent long-term rate.

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## Other Supplemental Information

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**Charter Township of Benton**

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

**December 31, 2020**

	Special Revenue Funds			
	Rental Ordinance Fund	Community Development Fund	Capital Projects Fund	Total
<b>Assets</b>				
Cash and investments	\$ 149,636	\$ 45,114	\$ -	\$ 194,750
Receivables - Property taxes receivable	16,700	-	-	16,700
Due from other funds	-	-	888,282	888,282
Total assets	<b>\$ 166,336</b>	<b>\$ 45,114</b>	<b>\$ 888,282</b>	<b>\$ 1,099,732</b>
<b>Liabilities</b>				
Accounts payable	\$ 1,323	\$ -	\$ 5,663	\$ 6,986
Due to other funds	-	2,210	-	2,210
Total liabilities	1,323	2,210	5,663	9,196
<b>Fund Balances</b>				
Restricted:				
Fire	-	-	35,000	35,000
Community development	-	42,904	-	42,904
Rental ordinance	165,013	-	-	165,013
Assigned	-	-	847,619	847,619
Total fund balances	165,013	42,904	882,619	1,090,536
Total liabilities and fund balances	<b>\$ 166,336</b>	<b>\$ 45,114</b>	<b>\$ 888,282</b>	<b>\$ 1,099,732</b>

**Charter Township of Benton**

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

Year Ended December 31, 2020

	Special Revenue Funds			Total
	Rental Ordinance Fund	Community Development Fund	Capital Projects Fund	
<b>Revenue</b>				
Licenses and permits	\$ 63,685	\$ -	\$ -	\$ 63,685
Other revenue	-	74	-	74
Total revenue	63,685	74	-	63,759
<b>Expenditures</b>				
Current services:				
General government	-	-	12,943	12,943
Public safety	10,704	-	-	10,704
Recreation and culture	-	-	13,797	13,797
Total expenditures	10,704	-	26,740	37,444
<b>Net Change in Fund Balances</b>	52,981	74	(26,740)	26,315
<b>Fund Balances - Beginning of year</b>	112,032	42,830	909,359	1,064,221
<b>Fund Balances - End of year</b>	<b>\$ 165,013</b>	<b>\$ 42,904</b>	<b>\$ 882,619</b>	<b>\$ 1,090,536</b>

# Charter Township of Benton

## Other Supplemental Information Statement of Fiduciary Net Position Fiduciary Funds

**December 31, 2020**

	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	
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 213,134	\$ 188,312	\$ 401,446	401,446
Investments	\$ 21,797,260	\$ 1,951,243	\$ 23,748,503	\$ -	\$ -	\$ -	23,748,503
Total assets	21,797,260	1,951,243	23,748,503	213,134	188,312	401,446	24,149,949
<b>Liabilities</b>							
Due to other governmental units	-	-	-	213,134	188,312	401,446	401,446
Other current liabilities	5,256	-	5,256	-	-	-	5,256
Total liabilities	5,256	-	5,256	213,134	188,312	401,446	406,702
<b>Net Position</b>							
Restricted:							
Pension	21,792,004	-	21,792,004	-	-	-	21,792,004
Postemployment benefits other than pension	-	1,951,243	1,951,243	-	-	-	1,951,243
Total net position	<u>\$ 21,792,004</u>	<u>\$ 1,951,243</u>	<u>\$ 23,743,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,743,247</u>



# Charter Township of Benton

## Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds

**Year Ended December 31, 2020**

	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	
<b>Additions</b>							
Investment income:							
Interest and dividends	\$ 366,058	\$ 31,259	\$ 397,317	\$ -	\$ -	\$ -	\$ 397,317
Net increase in fair value of investments	2,261,856	199,215	2,461,071	-	-	-	2,461,071
Net investment income	2,627,914	230,474	2,858,388	-	-	-	2,858,388
Contributions:							
Employer	1,059,316	226,113	1,285,429	-	-	-	1,285,429
Employee	224,281	-	224,281	-	-	-	224,281
Total contributions	1,283,597	226,113	1,509,710	-	-	-	1,509,710
Property tax collections	-	-	-	13,405,992	247,021	13,653,013	13,653,013
Total additions	3,911,511	456,587	4,368,098	13,405,992	247,021	13,653,013	18,021,111
<b>Deductions</b>							
Benefit payments	1,738,829	226,113	1,964,942	-	-	-	1,964,942
Administrative expenses	58,383	5,187	63,570	-	-	-	63,570
Tax distributions to other governments	-	-	-	13,405,992	247,021	13,653,013	13,653,013
Total deductions	1,797,212	231,300	2,028,512	13,405,992	247,021	13,653,013	15,681,525
<b>Net Increase in Fiduciary Net Position</b>	2,114,299	225,287	2,339,586	-	-	-	2,339,586
<b>Net Position Restricted for Pension and Other Employee Benefits - Beginning of year</b>	19,677,705	1,725,956	21,403,661	-	-	-	21,403,661
<b>Net Position Restricted for Pension and Other Employee Benefits - End of year</b>	<b>\$ 21,792,004</b>	<b>\$ 1,951,243</b>	<b>\$ 23,743,247</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,743,247</b>