

CHARTER TOWNSHIP OF BENTON,
BERRIEN COUNTY, MICHIGAN

ANNUAL FINANCIAL REPORT



**BENTON CHARTER
TOWNSHIP**

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

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CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

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FINANCIAL SECTION

This section includes:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

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INDEPENDENT AUDITOR'S REPORT

This section includes the opinion of the Charter Township's independent auditing firm.



INDEPENDENT AUDITOR'S REPORT

June 26, 2025

Members of the Township Board
Charter Township of Benton
Berrien County, Michigan

Report on the Audit of the Financial Statements

Opinion

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, Michigan (the Charter Township), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Charter Township's basic financial statements as listed in the table of contents.

In our opinion, the 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, Michigan, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Charter Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charter Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter Township's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025, on our consideration of the Charter Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter Township's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Management's Discussion and Analysis

December 31, 2024

Our discussion and analysis of the Charter Township of Benton (the Charter Township), Michigan's financial performance provides an overview of the Charter Township's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction the Charter Township's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The Charter Township's net position increased as a result of this year's operations. Net position of the governmental activities increased by \$2,864,389, or 38.4 percent and net position of business-type activities increased by \$6,427,107, or 18.9 percent.
- During the year, government-wide revenues for the primary government totaled \$24,118,882, while expenses totaled \$14,827,386, resulting in an increase to net position of \$9,291,496.
- The Charter Township's net position totaled \$50,689,007 on December 31, 2024, which includes \$33,473,068 net investment in capital assets, \$3,450,199 subject to external restrictions, and \$13,765,740 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase this year of \$1,102,214 or 15.9 percent, resulting in ending fund balance of \$8,044,628. The increase is primarily due to a net overall increase in fees, investment, and interest income of \$587,128 and a decrease in expenditures for computers, legal, and contractual services of \$195,051. Additional various other expenditures also decreased in smaller amounts during the year.
- The Charter Township continues to invest in infrastructure for water and sewer, with revolving fund loan bonds issued in the amount of \$8,000,000 for sewer projects.
- The Charter Township continued to pursue grants during the year, with \$1 million awarded for parks grants.
- In 2015, the Charter Township adopted and implemented GASB Statement No. 68, which requires governmental units to recognize the net pension liability and the pension expense on their government-wide financial statements. The Charter Township recorded a decrease in the liability of \$1,355,645 for an outstanding liability of \$9,473,914.
- In 2018, the Charter Township adopted and implemented GASB Statement No. 75, which requires the measurement of other post-employment benefit costs to be expensed as they are earned, rather than as they are funded. The Charter Township recorded a decrease in the liability of \$266,750 for an outstanding liability of \$615,704.

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. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Charter Township's operations in more detail than the government-wide statements by providing information about the Charter Township's most significant funds. The remaining 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.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Management's Discussion and Analysis

December 31, 2024

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Charter Township's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the Charter Township's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Charter Township is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Charter Township's property tax base and the condition of the Charter Township's infrastructure, is needed to assess the overall health of the Charter Township.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Charter Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Charter Township include general government, public safety, public works, community and economic development, and culture and recreation. The business-type activities of the Charter Township include sanitary sewage system and water system operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter Township, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Charter Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Charter Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Management's Discussion and Analysis

December 31, 2024

USING THIS ANNUAL REPORT - Continued

Governmental Funds - Continued

The Charter Township maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Police, Fire, Public Safety, and Debt Service Funds, which are considered major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Charter Township adopts an annual appropriated budget for all of the governmental funds, except for the Rental Ordinance, Community Development, Drug Law Enforcement/Settlements, and Capital Projects Funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Proprietary Funds

The Charter Township maintains enterprise funds which are used to report the same functions presented as business-type activities in the government-wide financial statements. The Charter Township utilizes enterprise funds to account for its sanitary sewage system and water system operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sanitary Sewage System and Water System Funds, which are considered to be major funds of the Charter Township.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Charter Township's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Charter Township's police and fire employee pension obligations, other post-employment retirement benefit obligations, and budgetary comparison schedules for the General Fund and major special revenue funds. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds are presented immediately following the required supplementary information on pensions.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Management's Discussion and Analysis

December 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Charter Township, assets/deferred outflows exceeded liabilities/deferred inflows by \$50,689,007.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Current Assets	\$ 21,305,023	20,428,109	16,767,134	12,727,013	38,072,157	33,155,122
Capital Assets	8,190,265	8,185,990	51,032,192	44,005,398	59,222,457	52,191,388
Total Assets	29,495,288	28,614,099	67,799,326	56,732,411	97,294,614	85,346,510
Deferred Outflows	264,937	1,362,765	—	—	264,937	1,362,765
Total Assets/Deferred Outflows	29,760,225	29,976,864	67,799,326	56,732,411	97,559,551	86,709,275
Long-Term Liabilities	10,344,753	12,419,984	23,718,366	19,247,371	34,063,119	31,667,355
Other Liabilities	1,283,520	2,712,154	3,711,549	3,542,736	4,995,069	6,254,890
Total Liabilities	11,628,273	15,132,138	27,429,915	22,790,107	39,058,188	37,922,245
Deferred Inflows	7,812,356	7,389,519	—	—	7,812,356	7,389,519
Total Liabilities/Deferred Inflows	19,440,629	22,521,657	27,429,915	22,790,107	46,870,544	45,311,764
Net Position						
Net Investment in Capital Assets	8,154,582	8,139,694	25,318,486	22,854,294	33,473,068	30,993,988
Restricted	3,450,199	3,353,753	—	—	3,450,199	3,353,753
Unrestricted (Deficit)	(1,285,185)	(4,038,240)	15,050,925	11,088,010	13,765,740	7,049,770
Total Net Position	10,319,596	7,455,207	40,369,411	33,942,304	50,689,007	41,397,511

A portion of the Charter Township's net position, \$33,473,068, reflects its investment in capital assets (for example, land, construction in progress, buildings and improvements, vehicles, land improvements, furniture and equipment, office furnishings, intangible storm drain rights, subscription assets, and water and sewer lines), less any related debt used to acquire those assets that is still outstanding. The Charter Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Charter Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$3,450,199, of the Charter Township's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$13,765,740 represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Management's Discussion and Analysis

December 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	\$ 1,704,547	1,575,071	8,200,983	8,008,897	9,905,530	9,583,968
Operating Grants/Contributions	121,904	73,290	—	—	121,904	73,290
Capital Grants/Contributions	—	—	3,931,412	1,473,581	3,931,412	1,473,581
General Revenues						
Property Tax	6,929,686	6,475,552	—	—	6,929,686	6,475,552
Special Assessments	235,575	223,518	—	—	235,575	223,518
Franchise Tax	99,304	113,226	—	—	99,304	113,226
Sales Tax	1,756,821	1,758,195	—	—	1,756,821	1,758,195
Personal Property Tax	223,354	247,048	—	—	223,354	247,048
American Rescue Plan Act	—	1,502,769	—	—	—	1,502,769
Investment Income	542,593	117,729	141,599	127,365	684,192	245,094
Miscellaneous	221,587	229,330	9,517	14,633	231,104	243,963
Total Revenues	11,835,371	12,315,728	12,283,511	9,624,476	24,118,882	21,940,204
Expenses						
General Government	926,143	1,733,643	—	—	926,143	1,733,643
Public Safety	6,815,562	7,020,504	—	—	6,815,562	7,020,504
Public Works	1,137,747	853,542	—	—	1,137,747	853,542
Development	11,259	18,414	—	—	11,259	18,414
Culture and Recreation	77,581	75,475	—	—	77,581	75,475
Interest on Long-Term Debt	2,690	—	—	—	2,690	—
Sanitary Sewage System	—	—	2,986,821	3,054,325	2,986,821	3,054,325
Water System	—	—	2,869,583	2,923,037	2,869,583	2,923,037
Total Expenses	8,970,982	9,701,578	5,856,404	5,977,362	14,827,386	15,678,940
Change in Net Position						
Before Transfers	2,864,389	2,614,150	6,427,107	3,647,114	9,291,496	6,261,264
Transfers	—	(7,805)	—	7,805	—	—
Change in Net Position	2,864,389	2,606,345	6,427,107	3,654,919	9,291,496	6,261,264
Net Position - Beginning	7,455,207	4,848,862	33,942,304	30,287,385	41,397,511	35,136,247
Net Position - Ending	10,319,596	7,455,207	40,369,411	33,942,304	50,689,007	41,397,511

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Management's Discussion and Analysis

December 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

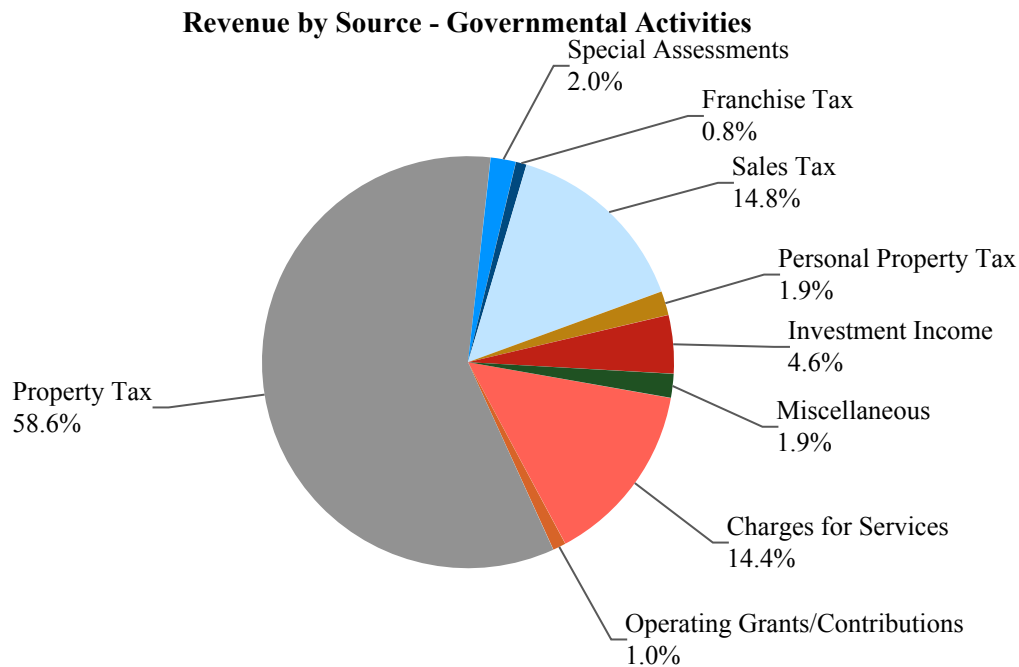
Net position of the Charter Township's governmental activities increased by 38.4 percent (\$10,319,596 in 2024 compared to \$7,455,207 in 2023). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled deficit \$1,285,185 at December 31, 2024.

Net position of business-type activities increased by 18.9 percent (\$40,369,411 in 2024 compared to \$33,942,304 in 2023).

Governmental Activities

Revenues for governmental activities totaled \$11,835,371, while the cost of all governmental functions totaled \$8,970,982. This results in a surplus of \$2,864,389. In 2023, revenues of \$12,315,728 exceeded expenses of \$9,701,578, prior to a transfer out of \$7,805. The surplus in 2024 was primarily due to net overall increase in fees and investment, combined with decreases in expenses for computers, legal, and contractual services.

The following table graphically depicts the major revenue sources of the Charter Township. It depicts very clearly the reliance of property taxes to fund governmental activities. It also clearly identifies the less significant percentage the Charter Township receives from charges for services.



CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

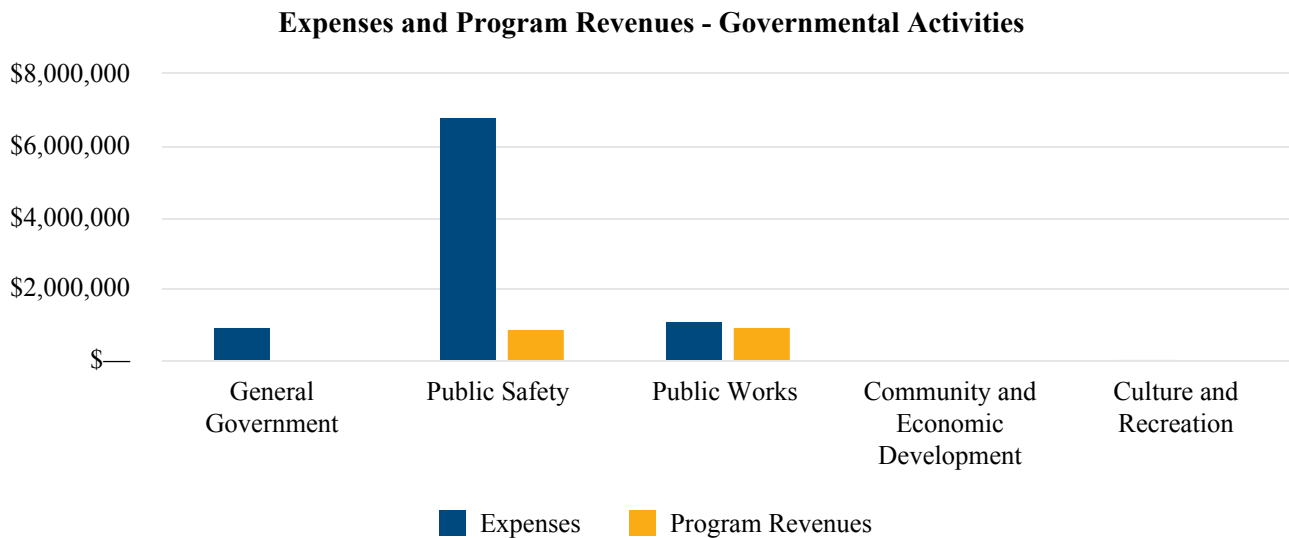
Management's Discussion and Analysis

December 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

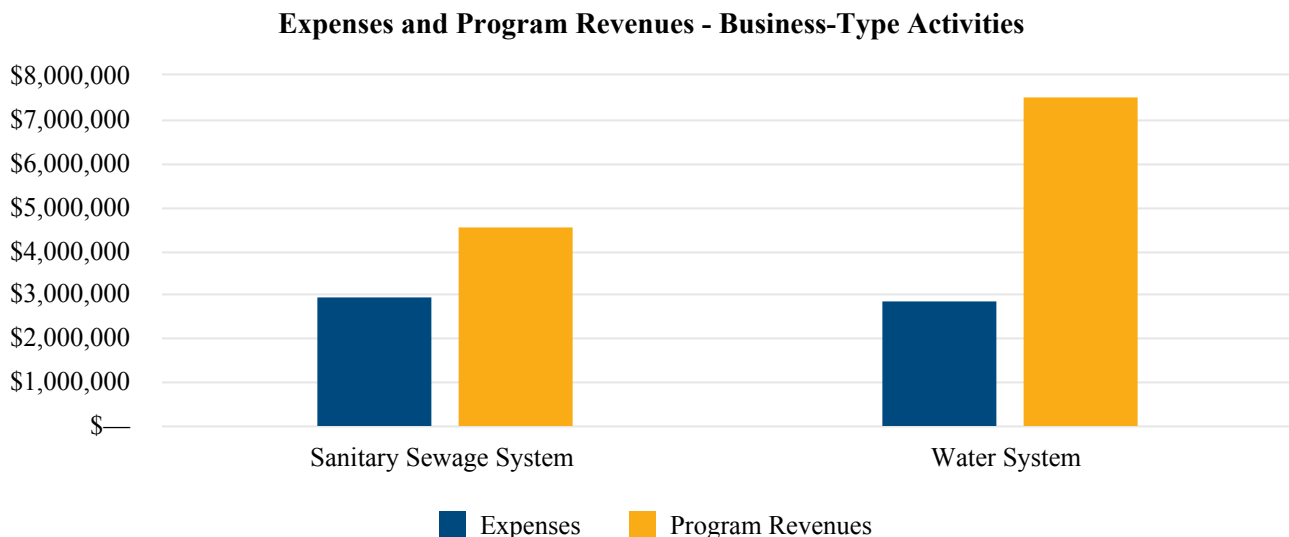
Governmental Activities - Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues. The differences between expenses and program revenues are funded by millages and special assessments.



Business-Type Activities

Business-type activities posted total revenues of \$12,283,511, while the cost of all business-type activities totaled \$5,856,404. This results in a surplus of \$6,427,107. In 2023, revenues of \$9,624,476 exceeded expenses of \$5,977,362. The surplus in the current year is due to an increase in capital contributions related to ongoing water and sewer projects.



CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Management's Discussion and Analysis

December 31, 2024

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Charter Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Charter Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Charter Township's governmental funds reported combining ending fund balances of \$12,601,637, which is \$2,179,662, or 20.9 percent, higher than last year's total of \$10,421,975. Of the \$12,601,637 total, \$7,788,941, or approximately 61.8 percent, of the fund balance constitutes unassigned fund balance.

The General Fund is the chief operating fund of the Charter Township. At December 31, 2024, unassigned fund balance in the General Fund was \$7,788,941, which represents 96.8 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 212.9 percent of total General Fund expenditures. The Charter Township's target reserve for the General Fund is 150 percent of average annual expenditures.

The fund balance in the General Fund at year-end was \$8,044,628, while the previous fiscal year reported a fund balance of \$6,942,414. This is an increase of \$1,102,214, or 15.9 percent. The increase is primarily due to a net overall increase in fees and investment income of \$587,128 and a decrease in expenditures for computers, legal, and contractual services of \$195,051. Additional various other expenditures also decreased in smaller amounts during the year.

The fund balance in the Police Fund at year-end was \$2,279,913, while the previous fiscal year reported a fund balance of \$1,765,883. This is an increase of \$514,030, or 29.1 percent. The increase is primarily due to reduced expenditures due to turnover, albeit less turnover than the prior year.

The fund balance in the Fire Fund at year-end was \$1,762,598, while the previous fiscal year reported a fund balance of \$1,335,613. This is an increase of \$426,985, or 32.0 percent. The increase is primarily due to reduced expenditures due to turnover, albeit less turnover than the prior year.

The fund balance in the Public Safety Fund at year-end was \$—, while the previous fiscal year also reported no fund balance.

The fund balance in the Debt Service Fund did not change from the prior year. This is due to no new loans being taken out for large equipment or vehicles.

Proprietary Funds

The Charter Township's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Charter Township reports the Sanitary Sewage System and Water System Funds as major funds. The Sanitary Sewage System Fund is used to account for the activities of the sewage collection system. The Water System Fund is used to account for the activities of the water distribution system. The Charter Township intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Management's Discussion and Analysis

December 31, 2024

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

Proprietary Funds - Continued

The net position in the Sanitary Sewage System Fund at year-end was \$19,845,306, while the previous fiscal year reported net position of \$18,172,175. This is an increase of \$1,673,131, or 9.2 percent. Unrestricted net position in the Sanitary Sewage System Fund totaled \$8,955,260 at December 31, 2024. The increase is primarily due to expected rate increases utilized to pay for existing and future projects, approved in a prior year.

The net position in the Water System Fund during the current fiscal year was \$20,524,105, while the previous fiscal year reported net position of \$15,770,129. This is an increase of \$4,753,976, or 30.1 percent. Unrestricted net position in the Water System Fund totaled \$6,095,665 at December 31, 2024. The increase is primarily due to expected rate increases utilized to pay for existing and future projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Township Board made one budget amendment to the General Fund during the year. General Fund actual revenues for the year totaled \$4,745,882, compared to budgeted revenues of \$3,756,771. Revenues for all functions came in over budget, except for taxes.

The General Fund actual expenditures for the year were \$621,917 less than budgeted (\$3,658,397 actual compared to \$4,280,314 budgeted). Expenditures for all functions came in under budget, except for community and economic development.

CAPITAL ASSETS

The Charter Township's investment in capital assets for its governmental and business type activities as of December 31, 2024 was \$59,222,457 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, land improvements, furniture and equipment, office furnishings, intangible storm drain rights, subscriptions assets, and water and sewer lines

	Capital Assets - Net of Depreciation/Amortization					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Land	\$ 654,272	661,541	1,451,054	1,429,943	2,105,326	2,091,484
Construction in Progress	1,658,858	1,668,804	13,153,437	12,577,739	14,812,295	14,246,543
Water and Sewer Lines	—	—	28,185,388	21,215,216	28,185,388	21,215,216
Buildings and Improvements	2,594,964	2,623,994	6,327,537	6,582,085	8,922,501	9,206,079
Vehicles	912,330	943,829	137,515	182,900	1,049,845	1,126,729
Land Improvements	155,346	10,415	—	—	155,346	10,415
Furniture and Equipment	416,865	390,277	1,777,261	2,017,515	2,194,126	2,407,792
Office Furnishings	(3,725)	145	—	—	(3,725)	145
Intangible Storm Drain Rights	1,749,245	1,820,979	—	—	1,749,245	1,820,979
Subscription Assets - Software	52,110	66,006	—	—	52,110	66,006
Totals	8,190,265	8,185,990	51,032,192	44,005,398	59,222,457	52,191,388

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Management's Discussion and Analysis

December 31, 2024

CAPITAL ASSETS - Continued

This year's major additions included:

Land	\$	21,111
Construction in Progress		8,266,567
Water and Sewer Lines		38,740
Vehicles		311,931
Land Improvements		154,333
Furniture and Equipment		200,198
Intangible Storm Drain Rights		41,042
		<u>9,033,922</u>

Additional information regarding the capital assets can be found in Note 3 of this report.

DEBT ADMINISTRATION

At year-end, the Charter Township had total outstanding debt of \$25,127,835 as compared to \$20,394,300 the previous year, an increase of 23.2 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ —	—	11,327,000	12,733,000	11,327,000	12,733,000
Subscriptions Payable	35,683	46,296	—	—	35,683	46,296
Revenue Bonds Payable	—	—	13,765,152	7,615,004	13,765,152	7,615,004
Total	35,683	46,296	25,092,152	20,348,004	25,127,835	20,394,300

Additional information on the Charter Township's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Charter Township's elected and appointed officials considered many factors when setting the fiscal year 2025 budget, including tax rates and fees that will be charged for its various activities. The state of the economy was a major factor, as the Charter Township is faced with a similar economic environment as many other local municipalities are faced with, including inflation and unemployment rates. 2025 will include the negotiation of new contracts for both the fire union and the police command union, which will present new considerations for incoming elected and appointment officials in future years.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Charter Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Charter Township of Benton Clerk's Office.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements

- Fund Financial Statements

 - Governmental Funds

 - Proprietary Funds

 - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Statement of Net Position

December 31, 2024

See Following Page

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Statement of Net Position December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 12,060,121	15,345,406	27,405,527
Receivables - Net of Allowances			
Taxes	5,224,876	—	5,224,876
Special Assessments	222,931	528	223,459
Accounts	566,167	845,261	1,411,428
Other	3,040,013	383,326	3,423,339
Due from Other Governments	234,158	—	234,158
Internal Balances	(129,325)	129,325	—
Prepays	86,082	63,288	149,370
Total Current Assets	21,305,023	16,767,134	38,072,157
Noncurrent Assets			
Capital Assets			
Nondepreciable	2,313,130	14,604,491	16,917,621
Depreciable/Amortizable	14,885,309	66,592,193	81,477,502
Accumulated Depreciation/Amortization	(9,008,174)	(30,164,492)	(39,172,666)
Total Noncurrent Assets	8,190,265	51,032,192	59,222,457
Total Assets	29,495,288	67,799,326	97,294,614
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - Pension	235,299	—	235,299
Deferred Items - Retiree Healthcare	29,638	—	29,638
Total Deferred Outflows of Resources	264,937	—	264,937
Total Assets and Deferred Outflows of Resources	29,760,225	67,799,326	97,559,551

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 281,834	1,237,896	1,519,730
Accrued Payroll	40,078	11,956	52,034
Accrued Interest Payable	—	155,329	155,329
Deposits Payable	7,103	76,532	83,635
Due to Other Governments	14,910	3,285	18,195
Unearned Revenues	183,963	—	183,963
Other Payables	253,650	181,455	435,105
Current Portion of Long-Term Liabilities	501,982	2,045,096	2,547,078
Total Current Liabilities	1,283,520	3,711,549	4,995,069
Noncurrent Liabilities			
Compensated Absences Payable	230,681	13,570	244,251
Net Pension Liability - Pension	9,473,914	—	9,473,914
Net OPEB Liability - Retiree Healthcare	615,704	—	615,704
General Obligation Bonds Payable - Net	—	10,319,644	10,319,644
Subscriptions Payable	24,454	—	24,454
Revenue Bonds Payable	—	13,385,152	13,385,152
Total Noncurrent Liabilities	10,344,753	23,718,366	34,063,119
Total Liabilities	11,628,273	27,429,915	39,058,188
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	7,038,102	—	7,038,102
Special Assessments	589,217	—	589,217
Deferred Items - Pension	67,675	—	67,675
Deferred Items - Retiree Healthcare	117,362	—	117,362
Total Deferred Inflows of Resources	7,812,356	—	7,812,356
Total Liabilities and Deferred Inflows of Resources	19,440,629	27,429,915	46,870,544
NET POSITION			
Net Investment in Capital Assets	8,154,582	25,318,486	33,473,068
Restricted			
Street Lighting	215,337	—	215,337
Police	1,618,686	—	1,618,686
Fire	1,116,435	—	1,116,435
Rental Ordinance	361,599	—	361,599
Community Development	46,029	—	46,029
Health and Welfare	92,113	—	92,113
Unrestricted (Deficit)	(1,285,185)	15,050,925	13,765,740
Total Net Position	10,319,596	40,369,411	50,689,007

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

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Statement of Activities

For the Fiscal Year Ended December 31, 2024

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 926,143	3,002	—	—
Public Safety	6,815,562	767,778	121,904	—
Public Works	1,137,747	930,862	—	—
Community and Economic Development	11,259	—	—	—
Culture and Recreation	77,581	2,905	—	—
Interest on Long-Term Debt	2,690	—	—	—
Total Governmental Activities	8,970,982	1,704,547	121,904	—
Business-Type Activities				
Sanitary Sewage System	2,986,821	4,589,650	—	—
Water System	2,869,583	3,611,333	—	3,931,412
Total Business-Type Activities	5,856,404	8,200,983	—	3,931,412
Total Primary Government	14,827,386	9,905,530	121,904	3,931,412

General Revenues

Taxes

Property Tax

Special Assessments

Franchise Tax

Intergovernmental - Unrestricted

Sales Tax

Personal Property Tax

Investment Income

Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(923,141)	—	(923,141)
(5,925,880)	—	(5,925,880)
(206,885)	—	(206,885)
(11,259)	—	(11,259)
(74,676)	—	(74,676)
(2,690)	—	(2,690)
(7,144,531)	—	(7,144,531)
—	1,602,829	1,602,829
—	4,673,162	4,673,162
—	6,275,991	6,275,991
(7,144,531)	6,275,991	(868,540)
6,929,686	—	6,929,686
235,575	—	235,575
99,304	—	99,304
1,756,821	—	1,756,821
223,354	—	223,354
542,593	141,599	684,192
221,587	9,517	231,104
10,008,920	151,116	10,160,036
2,864,389	6,427,107	9,291,496
7,455,207	33,942,304	41,397,511
10,319,596	40,369,411	50,689,007

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

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Balance Sheet - Governmental Funds

December 31, 2024

	General
ASSETS	
Cash and Investments	\$ 7,354,302
Receivables - Net of Allowances	
Taxes	453,719
Special Assessments	222,931
Accounts	519,768
Other	81,303
Due from Other Governments	—
Due from Other Funds	833,410
Prepays	40,350
Total Assets	9,505,783
LIABILITIES	
Accounts Payable	164,906
Accrued Payroll	—
Deposits Payable	7,103
Due to Other Governments	14,910
Due to Other Funds	90
Unearned Revenues	60,183
Other Payables	253,650
Total Liabilities	500,842
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	533,270
Special Assessments	357,684
Unavailable Revenues	69,359
Total Deferred Inflows of Resources	960,313
Total Liabilities and Deferred Inflows of Resources	1,461,155
FUND BALANCES	
Nonspendable	40,350
Restricted	215,337
Assigned	—
Unassigned	7,788,941
Total Fund Balances	8,044,628
Total Liabilities, Deferred Inflows of Resources and Fund Balances	9,505,783

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

Special Revenue					
Police	Fire	Public Safety	Debt Service	Nonmajor	Totals
1,978,801	1,494,956	703,390	13,607	515,065	12,060,121
957,550	627,316	3,186,291	—	—	5,224,876
—	—	—	—	—	222,931
8,802	6,984	30,613	—	—	566,167
—	—	—	—	225,170	306,473
19,154	16,949	198,055	—	—	234,158
879,914	604,428	1,131,129	1,060	90	3,450,031
21,687	24,045	—	—	—	86,082
3,865,908	2,774,678	5,249,478	14,667	740,325	22,150,839
50,402	53,156	256	—	13,114	281,834
24,294	15,784	—	—	—	40,078
—	—	—	—	—	7,103
—	—	—	—	—	14,910
—	1,060	842,456	—	2,210	845,816
123,780	—	—	—	—	183,963
—	—	—	—	—	253,650
198,476	70,000	842,712	—	15,324	1,627,354
1,155,986	942,080	4,406,766	—	—	7,038,102
231,533	—	—	—	—	589,217
—	—	—	—	225,170	294,529
1,387,519	942,080	4,406,766	—	225,170	7,921,848
1,585,995	1,012,080	5,249,478	—	240,494	9,549,202
21,687	24,045	—	—	—	86,082
1,618,686	1,116,435	—	—	499,741	3,450,199
639,540	622,118	—	14,667	90	1,276,415
—	—	—	—	—	7,788,941
2,279,913	1,762,598	—	14,667	499,831	12,601,637
3,865,908	2,774,678	5,249,478	14,667	740,325	22,150,839

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

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

December 31, 2024

Total Governmental Fund Balances	\$ 12,601,637
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	8,190,265
Revenue that is deferred in the funds financial statement because it is not available and recognized as revenue in the government-wide financial statements.	294,529
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - Pension	167,624
Deferred Items - Retiree Healthcare	(87,724)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(721,434)
Net Pension Liability - Pension	(9,473,914)
Net OPEB Liability - Retiree Healthcare	(615,704)
Subscriptions Payable	<u>(35,683)</u>
Net Position of Governmental Activities	<u>10,319,596</u>

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

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2024**

See Following Page

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended December 31, 2024

	<u>General</u>
Revenues	
Taxes	\$ 838,975
Intergovernmental	1,799,862
Charges for Services	964,709
Licenses and Permits	558,136
Fines and Forfeitures	—
Investment Income	536,575
Miscellaneous	47,625
Total Revenues	<u>4,745,882</u>
Expenditures	
General Government	1,767,083
Public Safety	742,693
Public Works	1,069,931
Community and Economic Development	11,259
Culture and Recreation	67,431
Debt Service	
Principal Retirement	—
Interest and Fiscal Charges	—
Total Expenditures	<u>3,658,397</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,087,485</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	54,716
Transfers In	—
Transfers Out	(39,987)
	<u>14,729</u>
Net Change in Fund Balances	1,102,214
Fund Balances - Beginning	<u>6,942,414</u>
Fund Balances - Ending	<u><u>8,044,628</u></u>

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

Special Revenue					
Police	Fire	Public Safety	Debt Service	Nonmajor	Totals
1,333,737	891,947	4,199,906	—	—	7,264,565
130,471	8,567	163,179	—	—	2,102,079
14,943	51,385	—	—	102,370	1,133,407
—	—	—	—	—	558,136
4,297	—	—	—	52,954	57,251
6,018	—	—	—	—	542,593
18,479	152,272	100	—	3,111	221,587
1,507,945	1,104,171	4,363,185	—	158,435	11,879,618
—	—	—	—	—	1,767,083
3,678,235	2,414,511	—	—	61,989	6,897,428
—	—	—	—	—	1,069,931
—	—	—	—	—	11,259
—	—	—	—	—	67,431
10,613	—	—	—	—	10,613
2,690	—	—	—	—	2,690
3,691,538	2,414,511	—	—	61,989	9,826,435
(2,183,593)	(1,310,340)	4,363,185	—	96,446	2,053,183
62,763	9,000	—	—	—	126,479
2,634,860	1,728,325	—	—	39,987	4,403,172
—	—	(4,363,185)	—	—	(4,403,172)
2,697,623	1,737,325	(4,363,185)	—	39,987	126,479
514,030	426,985	—	—	136,433	2,179,662
1,765,883	1,335,613	—	14,667	363,398	10,421,975
2,279,913	1,762,598	—	14,667	499,831	12,601,637

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

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities For the Fiscal Year Ended December 31, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 2,179,662
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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 the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	658,988
Depreciation Expense	(578,956)
Disposals - Cost	(227,993)
Disposals - Accumulated Depreciation	152,236

Some revenues not collected as of the year end are not considered available revenues
in the governmental funds. These are the amounts that were not considered
available in the current year.

(44,247)

The net effect of deferred outflows (inflows) of resources related
to the pensions not reported in the funds.

Change in Deferred Items - Pension	(987,474)
Change in Deferred Items - Retiree Healthcare	(39,761)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	118,926
Change in Net Pension Liability - Pension	1,355,645
Change in Net OPEB Liability - Retiree Healthcare	266,750
Retirement of Subscriptions Payable	10,613

Changes in Net Position of Governmental Activities	2,864,389
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CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Statement of Net Position - Proprietary Funds

December 31, 2024

See Following Page

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Statement of Net Position - Proprietary Funds December 31, 2024

	Business-Type Activities - Enterprise Funds		
	Sanitary	Water	
	System	System	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 9,261,197	6,084,209	15,345,406
Receivables - Net of Allowances			
Accounts	353,560	491,701	845,261
Special Assessments	—	528	528
Other	356,967	26,359	383,326
Due from Other Funds	127,357	1,968	129,325
Prepays	31,491	31,797	63,288
Total Current Assets	10,130,572	6,636,562	16,767,134
Noncurrent Assets			
Capital Assets			
Nondepreciable	10,022,151	4,582,340	14,604,491
Depreciable	25,317,025	41,275,168	66,592,193
Accumulated Depreciation	(11,620,042)	(18,544,450)	(30,164,492)
Total Noncurrent Assets	23,719,134	27,313,058	51,032,192
Total Assets	33,849,706	33,949,620	67,799,326

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

Business-Type Activities - Enterprise Funds			
	Sanitary		
	Sewage	Water	
	System	System	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,081,932	155,964	1,237,896
Accrued Payroll	4,868	7,088	11,956
Deposits Payable	2,200	74,332	76,532
Accrued Interest Payable	63,864	91,465	155,329
Due to Other Governments	—	3,285	3,285
Other Payables	—	181,455	181,455
Current Portion of Long-Term Debt	678,881	1,366,215	2,045,096
Total Current Liabilities	1,831,745	1,879,804	3,711,549
Long-Term Liabilities			
Compensated Absences Payable	6,567	7,003	13,570
General Obligation Bonds Payable - Net	1,659,000	8,660,644	10,319,644
Revenue Bonds Payable	10,507,088	2,878,064	13,385,152
Total Long-Term Liabilities	12,172,655	11,545,711	23,718,366
Total Liabilities	14,004,400	13,425,515	27,429,915
NET POSITION			
Net Investment in Capital Assets	10,890,046	14,428,440	25,318,486
Unrestricted	8,955,260	6,095,665	15,050,925
Total Net Position	19,845,306	20,524,105	40,369,411

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

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds For the Fiscal Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds		
	Sanitary Sewage System	Water System	Totals
Operating Revenues			
Charges for Services	\$ 4,589,650	3,611,333	8,200,983
Operating Expenses			
Operations	2,394,202	1,553,385	3,947,587
Depreciation and Amortization	389,814	776,771	1,166,585
Total Operating Expenses	2,784,016	2,330,156	5,114,172
Operating Income	1,805,634	1,281,177	3,086,811
Nonoperating Revenues (Expenses)			
Investment Income	68,645	72,954	141,599
Disposal of Capital Assets	1,657	7,860	9,517
Interest Expense	(202,805)	(539,427)	(742,232)
	(132,503)	(458,613)	(591,116)
Income Before Capital Contributions	1,673,131	822,564	2,495,695
Capital Contributions	—	3,931,412	3,931,412
Change in Net Position	1,673,131	4,753,976	6,427,107
Net Position - Beginning	18,172,175	15,770,129	33,942,304
Net Position - Ending	19,845,306	20,524,105	40,369,411

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

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Statement of Cash Flows - Proprietary Funds For the Fiscal Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds		
	Sanitary Sewage System	Water System	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 4,556,893	3,640,599	8,197,492
Payments to Employees	(621,916)	(884,049)	(1,505,965)
Payments to Suppliers	(1,667,804)	(696,612)	(2,364,416)
	<u>2,267,173</u>	<u>2,059,938</u>	<u>4,327,111</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(4,543,139)	(3,831,795)	(8,374,934)
Disposal of Capital Assets	1,657	7,860	9,517
Capital Contributions	—	3,931,412	3,931,412
Issuance of Debt	6,196,393	323,755	6,520,148
Principal Paid on Debt	(651,000)	(1,125,000)	(1,776,000)
Interest Paid on Debt	(202,805)	(539,427)	(742,232)
	<u>801,106</u>	<u>(1,233,195)</u>	<u>(432,089)</u>
Cash Flows from Investing Activities			
Investment Income	<u>68,645</u>	<u>72,954</u>	<u>141,599</u>
Net Change in Cash and Cash Equivalents	3,136,924	899,697	4,036,621
Cash and Cash Equivalents - Beginning	<u>6,124,273</u>	<u>5,184,512</u>	<u>11,308,785</u>
Cash and Cash Equivalents - Ending	<u><u>9,261,197</u></u>	<u><u>6,084,209</u></u>	<u><u>15,345,406</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income	1,805,634	1,281,177	3,086,811
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in)			
Depreciation and Amortization	389,814	776,771	1,166,585
(Increase) Decrease in Current Assets	(32,757)	29,266	(3,491)
Increase (Decrease) in Current Liabilities	104,482	(27,276)	77,206
Net Cash Provided by Operating Activities	<u><u>2,267,173</u></u>	<u><u>2,059,938</u></u>	<u><u>4,327,111</u></u>

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

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Statement of Fiduciary Net Position December 31, 2024

	Pension Trust	Special Purpose Trust Retiree Health Insurance	Custodial
ASSETS			
Cash and Cash Equivalents	\$ 354,077	34,184	3,590,444
Investments			
U.S. Treasury Securities	—	253,254	—
U.S. Agency Securities	3,495,157	—	—
Corporate Bonds	1,917,322	199,590	—
Mutual Funds	12,596,583	1,900,400	—
Common Stock	5,442,939	—	—
Accounts Receivable - Net of Allowance			
Other	—	—	3,159
Total Assets	23,806,078	2,387,428	3,593,603
LIABILITIES			
Due to Other Governments	—	—	806,335
Due to Municipality	—	—	2,733,540
Total Liabilities	—	—	3,539,875
NET POSITION			
Restricted Net Position	23,806,078	2,387,428	53,728

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

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended December 31, 2024

	Pension Trust	Special Purpose Trust Retiree Health Insurance	Custodial
Additions			
Contributions - Employer	\$ 1,473,622	269,923	—
Contributions - Plan Members	233,684	—	—
Total Contributions	1,707,306	269,923	—
Collection of Property Tax	—	—	15,848,657
Investment Income			
Interest Earned	563,298	387,786	53,726
Net Change in Fair Value	1,795,128	(139,195)	—
	2,358,426	248,591	53,726
Less Investment Expenses	—	—	—
Net Investment Income	2,358,426	248,591	53,726
Total Additions	4,065,732	518,514	15,902,383
Deductions			
Administration	76,747	9,172	—
Benefits and Refunds	2,182,026	269,923	—
Tax Distributions to Other Governments	—	—	15,848,655
Total Deductions	2,258,773	279,095	15,848,655
Change in Fiduciary Net Position	1,806,959	239,419	53,728
Net Position - Beginning	21,999,119	2,148,009	—
Net Position - Ending	23,806,078	2,387,428	53,728

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

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Charter Township of Benton (the Charter Township) is governed by an elected seven-member board of trustees.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Charter Township's accounting policies established in GAAP and used by the Charter Township are described below.

REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are two fiduciary component units that are required to be included in the financial statements of the Charter Township as trust funds and there are no discretely component units to include in the reporting entity.

Blended Component Units

Police and Fire Retirement System

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.

Benton Charter Township Retiree Healthcare Plan

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

BASIS OF PRESENTATION

Government-Wide Statements

The Charter Township's basic financial statements include both government-wide (reporting the Charter Township as a whole) and fund financial statements (reporting the Charter Township's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Charter Township's assessing, building, clerk's office, elections, finance, fire, parks, police, and fire services are classified as governmental activities. The Charter Township's sanitary sewage and water services are classified as business-type activities.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Charter Township's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Charter Township first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Charter Township's functions and business-type activities (general government, public safety, public works, community and economic development, culture and recreation, etc.) The functions are supported by general government revenues (property taxes, sales taxes, certain intergovernmental revenues, fines, permits, and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, public safety, public works, community and economic development, culture and recreation, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales taxes, certain intergovernmental revenues, fines, permits, and charges for services, etc.).

The Charter Township does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Charter Township as an entity and the change in the Charter Township's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Charter Township are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

A fund is considered major if it is the primary operating fund of the Charter Township or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Charter Township:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Charter Township:

General Fund is the general operating fund of the Charter Township. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes. The Charter Township maintains three major special revenue funds. The Police Fund is used to account for the activities of the police protection department. The Fire Fund is used to account for the activities of the fire protection department. The Public Safety Fund is used to account for the collection of general public safety millages. Additionally, the Charter Township maintains three nonmajor special revenue funds.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is a major fund.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Charter Township maintains one nonmajor capital projects fund.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Charter Township:

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Proprietary Funds - Continued

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Charter Township maintains two major enterprise funds. The Sanitary Sewage System Fund is used to account for the activities of the sewage collection system. The Water System Fund is used to account for the activities of the water distribution system.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Charter Township programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Charter Township's police and fire force.

Special Purpose Trust Funds are used to account assets held in a trustee capacity for other employee benefit payments. The Retiree Health Insurance Fund accounts for contributions made by the Charter Township on behalf of retired employees for their healthcare benefits.

Custodial Funds are used to account for assets held by the Charter Township in a purely custodial capacity. The Current Tax Collections Fund and Delinquent Tax Collections Fund account for assets held by the Charter Township in a trustee capacity.

The Charter Township's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust, special purpose trust, and custodial funds). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Charter Township, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus - Continued

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary, pension trust, special purpose trust, and custodial funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary, pension trust, special purpose trust, and custodial funds' equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Charter Township recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales taxes, franchise taxes, licenses, investment income, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust, special purpose trust, and custodial funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Charter Township's enterprise funds are charges to customers for sales and services. The Charter Township also recognizes 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 revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/NET POSITION

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds' Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, 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; Level 3 inputs are significant unobservable inputs.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes and special assessments. Business-type activities report utility charges as their major receivables.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepaids are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000, depending on asset class, or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Charter Township as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	15 - 60 Years
Vehicles	3 - 5 Years
Land Improvements	5 - 15 Years
Furniture and Equipment	3 - 5 Years
Office Furnishings	3 - 5 Years
Intangible Storm Drain Rights	10 - 30 Years
Subscription Assets - Software	5 Years
Water and Sewer Lines	50 - 75 Years

Compensated Absences

The Charter Township's policy allows full time and part time employees to earn varying amounts of sick and vacation pay for each year employed. Full time and part time employees accrue vacation between two to four weeks. Employees are eligible to accrue vacation based on their length of service with the Charter Township. The employee may carry forward a maximum of two weeks of vacation time each year. Upon separation, unused vacation will be paid. Full time and part time (on a prorated basis) employees earn one half sick day per full calendar month of employment for a maximum of 30 days. After accumulating the maximum 30 days of sick leave, the employee will receive a check each subsequent year for unused sick leave credit earned that year. Upon separation, unused sick leave will be paid.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - Continued

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type 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 reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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.

Other Post-Employment Benefits

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.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption 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 revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Police Fund, Fire Fund, Public Safety Fund, Sanitary Sewer System Fund, and Water System Fund, 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.

The budget document presents information by fund, function, and department. 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.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN FUNDS

The following funds and departments had an excess of actual expenditures/expenses over budget as of the date of this report:

Fund	Function	Department	Excess
General	General Government	Election	\$ 11,939
General	General Government	Clerk	30,260
General	General Government	Hall and Grounds	16,041
General	General Government	Administration	1,592
General	Public Safety	Building	12,110
General	Community and Economic Development	Planning Commission	1,503
General	Community and Economic Development	Zoning Board of Appeals	112
Water System	Operating	Operations	14,385

NOTE 3 - DETAIL NOTES ON ALL FUNDS

PROPERTY TAXES

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 2023 property tax revenue was levied and collectible on December 31, 2023 and is recognized as revenue in the year ended December 31, 2024 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2023 taxable valuation of the Charter Township totaled \$515.3 million, on which taxes levied consisted of 0.98 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 \$503,233 ad valorem property tax revenue; \$200,246 in administrative fees for operating services; and \$1,100,919, \$879,611, and \$4,109,945 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.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS

The Charter Township maintains a cash and investment pool that is available for use by all funds except the trust funds and custodial funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Charter Township's funds. The deposits and investments of the trust funds are held separately from those of other funds.

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

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

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

Charter Township

Deposits. At year-end, the carrying amount of the Charter Township's deposits for governmental and business-type activities totaled \$27,405,527 and the bank balances totaled \$25,546,116.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Charter Township's investment policy states that the investment portfolio shall remain sufficiently liquid to meet all operating requirements from the remainder of the portfolio.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the Charter Township's investment policy further states that investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Custodial Credit Risk - Deposits. In the case of deposits, this 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's investment policy does not specifically address custodial credit risk for deposits. At year-end \$25,046,116 of the bank balance of the deposits was not covered by federal depository or equivalent insurance.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Charter Township - Continued

Custodial Credit Risk - Investments. For an investment, this 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's investment policy states that securities may be held by a third party custodian designated by the treasurer and evidenced by safekeeping receipts as determined by the treasurer.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Charter Township's investment in a single issuer. The Charter Township does not have an investment policy that specifically addresses concentration risk. At year-end, the Charter Township does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Pension Trust Fund

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$354,077 and the bank balances totaled \$354,077.

Investments. The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2024:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Securities	\$ 3,495,157	1,370,211	1,468,390	656,556	—
Corporate Bonds	1,917,322	—	334,924	951,535	630,863
Totals	5,412,479	1,370,211	1,803,314	1,608,091	630,863

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Pension Trust Fund - Continued

The Fund has the following recurring fair value measurements as of December 31, 2024:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	Total			
Debt Securities				
U.S. Treasury Securities	\$ 3,495,157	3,495,157	—	—
Corporate Bonds	1,917,322	—	1,917,322	—
Equity Securities				
Mutual Funds	12,596,583	12,596,583	—	—
Common Stock	5,442,939	5,442,939	—	—
Total Investments Measured at Fair Value	23,452,001	21,534,679	1,917,322	—

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The Fund does not have an investment policy which specifically addresses interest rate risk.

Credit Risk. Besides investing in security instruments authorized under State Statute, the Fund does not have an investment policy which further address credit risk. The Fund's investments in U.S. agency securities, mutual funds, and common stock were not rated. Corporate bonds, mutual funds, and common stock were not rated.

Custodial Credit Risk - Deposits. The Fund does not have an investment policy which specifically addresses custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

Custodial Credit Risk - Investments. The Fund does not have an investment policy which specifically addresses custodial credit risk for investments. At year-end, the Fund's investments in U.S. agency securities, municipal bonds, and corporate bonds are all insured or registered with the Fund or its agent in the Fund's name and the Fund's investment in mutual funds and common stocks are not subject to custodial credit risk.

Notes to the Financial Statements
December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Pension Trust Fund - Continued

Concentration Risk. The Fund’s investment 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 Fund’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. In addition to the securities and fair values listed previously, the Fund also has \$12,596,583 invested in mutual funds and \$5,442,939 in common stocks. At year-end, the Fund has no investments over 5 percent of net plan assets available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). The following was the adopted asset allocation policy as of December 31, 2024:

Asset Class	Target	Long-Term Expected Real Rate of Return
Equity	50.00%	5.80%
Fixed Income	50.00%	2.80%
Cash and Cash Equivalents	0.00%	3.00%

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, 2024 measurement date for each major asset class included in the pension plan's target asset allocation are summarized in the table above.

Rate of Return. For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.69%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Retiree Health Insurance Fund

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$34,184 and the bank balances totaled \$34,184.

Investments. The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2024:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Securities	\$ 253,254	73,984	83,950	58,509	36,811
Corporate Bonds	199,590	42,912	94,977	25,893	35,808
Totals	452,844	116,896	178,927	84,402	72,619

The Fund has the following recurring fair value measurements as of December 31, 2024:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasury Obligations	\$ 253,254	253,254	—	—
Corporate Bonds	199,590	—	199,590	—
Equity Securities				
Mutual Funds	1,900,400	1,900,400	—	—
Total Investments Measured at Fair Value	2,353,244	2,153,654	199,590	—

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The Fund does not have an investment policy which specifically addresses interest rate risk.

Credit Risk. Besides investing in security instruments authorized under State Statute, the Fund does not have an investment policy which further address credit risk. The Fund's investments in corporate bonds and mutual funds were not rated.

Notes to the Financial Statements
December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Retiree Health Insurance Fund - Continued

Custodial Credit Risk - Deposits. The Fund does not have an investment policy which specifically addresses custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

Custodial Credit Risk - Investments. The Fund does not have an investment policy which specifically addresses custodial credit risk for investments. At year-end, the Fund's investments in corporate bonds are all insured or registered with the Fund or its agent in the Fund's name and the Fund's investment in mutual funds are not subject to custodial credit risk.

Concentration Risk. The Fund's investment 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 Fund'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. In addition to the securities and fair values listed above, the Fund also has \$1,900,400 invested in mutual funds. At year-end, the Fund has no investments over 5 percent of net plan assets available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). The following was the adopted asset allocation policy as of December 31, 2024:

Asset Class	Target	Long-Term Expected Real Rate of Return
Equity	50.00%	5.80%
Fixed Income	50.00%	2.80%
Cash and Cash Equivalents	0.00%	3.00%

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, 2024 measurement date for each major asset class included in the OPEB plan's target asset allocation are summarized in the table above.

Rate of Return. For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND TRANSFERS

Interfund transfers for the fiscal year consisted of the following:

Transfer In	Transfer Out	Amount
Police	Public Safety	\$ 2,634,860 (1)
Fire	Public Safety	1,728,325 (1)
Nonmajor Governmental	General	<u>39,987 (2)</u>
		<u>4,403,172</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

INTERFUND BALANCES

Interfund balances result from the time lag between when transactions are recorded in the accounting system. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 2,210
General	Current Tax Collections	817,761
General	Delinquent Tax	13,439
Police	Public Safety	509,847
Police	Current Tax Collections	367,848
Police	Delinquent Tax	2,219
Fire	Public Safety	332,609
Fire	Current Tax Collections	269,600
Fire	Delinquent Tax	2,219
Public Safety	Current Tax Collections	1,086,058
Public Safety	Delinquent Tax	45,071
Debt Service	Fire	1,060
Nonmajor Governmental	General	90
Sanitary Sewage System	Current Tax Collections	127,357
Water System	Current Tax Collections	<u>1,968</u>
		<u>3,579,356</u>

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the fiscal year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 661,541	—	7,269	654,272
Construction in Progress	1,668,804	68,888	78,834	1,658,858
	<u>2,330,345</u>	<u>68,888</u>	<u>86,103</u>	<u>2,313,130</u>
Depreciable/Amortizable Capital Assets				
Buildings and Improvements	5,093,107	78,384	—	5,171,491
Vehicles	4,024,179	244,417	178,715	4,089,881
Land Improvements	109,274	154,783	—	264,057
Furniture and Equipment	2,225,726	150,308	42,009	2,334,025
Office Furnishings	421,832	—	—	421,832
Intangible Storm Drain Rights	2,493,501	41,042	—	2,534,543
Subscription Assets - Software	69,480	—	—	69,480
	<u>14,437,099</u>	<u>668,934</u>	<u>220,724</u>	<u>14,885,309</u>
Less Accumulated Depreciation/Amortization				
Buildings and Improvements	2,469,113	107,414	—	2,576,527
Vehicles	3,080,350	229,728	132,527	3,177,551
Land Improvements	98,859	9,852	—	108,711
Furniture and Equipment	1,835,449	101,420	19,709	1,917,160
Office Furnishings	421,687	3,870	—	425,557
Intangible Storm Drain Rights	672,522	112,776	—	785,298
Subscription Assets - Software	3,474	13,896	—	17,370
	<u>8,581,454</u>	<u>578,956</u>	<u>152,236</u>	<u>9,008,174</u>
Total Net Depreciable/Amortizable Capital Assets	<u>5,855,645</u>	<u>89,978</u>	<u>68,488</u>	<u>5,877,135</u>
Total Net Capital Assets	<u>8,185,990</u>	<u>158,866</u>	<u>154,591</u>	<u>8,190,265</u>

Depreciation/amortization expense was charged to governmental activities as follows:

General Government	\$ 214,685
Public Safety	286,305
Public Works	67,816
Culture and Recreation	<u>10,150</u>
	<u>578,956</u>

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN**Notes to the Financial Statements****December 31, 2024****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****CAPITAL ASSETS - Continued****Business-Type Activities**

Business-type capital asset activity for the fiscal year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,429,943	21,111	—	1,451,054
Construction in Progress	12,577,739	8,197,680	7,621,982	13,153,437
	<u>14,007,682</u>	<u>8,218,791</u>	<u>7,621,982</u>	<u>14,604,491</u>
Depreciable Capital Assets				
Water and Sewer Lines	42,988,497	7,660,721	—	50,649,218
Buildings and Improvements	9,507,657	—	—	9,507,657
Furniture and Equipment	5,307,116	49,890	—	5,357,006
Vehicles	1,010,798	67,514	—	1,078,312
	<u>58,814,068</u>	<u>7,778,125</u>	<u>—</u>	<u>66,592,193</u>
Less Accumulated Depreciation				
Water and Sewer Lines	21,773,281	690,549	—	22,463,830
Buildings and Improvements	2,925,572	254,548	—	3,180,120
Furniture and Equipment	3,289,601	290,144	—	3,579,745
Vehicles	827,898	112,899	—	940,797
	<u>28,816,352</u>	<u>1,348,140</u>	<u>—</u>	<u>30,164,492</u>
Total Net Depreciable Capital Assets	<u>29,997,716</u>	<u>6,429,985</u>	<u>—</u>	<u>36,427,701</u>
Total Net Capital Assets	<u>44,005,398</u>	<u>14,648,776</u>	<u>7,621,982</u>	<u>51,032,192</u>

Depreciation expense was charged to business-type activities as follows:

Sanitary Sewage System	\$ 389,814
Water System	<u>958,326</u>
	<u>1,348,140</u>

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

General Obligation Bonds

The Charter Township issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Charter Township. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$1,200,000 General Obligation Bonds of 2015, due in annual installments of \$80,000 plus interest at 0.85% - 3.30% through September 1, 2030.	\$ 560,000	—	80,000	480,000
\$13,575,000 General Obligation Refunding Bonds of 2018A, due in annual installments of \$655,000 to \$1,425,000 plus interest at 3.06% - 3.38% through May 1, 2031.	9,480,000	—	965,000	8,515,000
\$1,305,000 General Obligation Bonds of 2018B, due in annual installments of \$65,000 to \$130,000 plus interest at 3.06% - 3.38% through May 1, 2031.	900,000	—	95,000	805,000
\$2,315,000 General Obligation Refunding Bonds of 2021, due in semi-annual installments of \$213,000 to \$310,000 plus interest at 1.38% through September 1, 2030.	1,793,000	—	266,000	1,527,000
	12,733,000	—	1,406,000	11,327,000

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Revenue Bonds Payable

The Charter Township enters into revenue bonds payable to provide low-interest financing for waterworks and sewerage improvements. Final repayment schedules for the Water System Junior Lien Revenue Bonds of 2021, Sanitary Sewer System Junior Lien Revenue Bonds of 2022, and the Sanitary Sewer System Junior Lien Revenue Bonds of 2024 are not available at the time of the issuance of this report because the associated revolving fund loans from the Michigan Department of Treasury have not been drawn in full. Revenue bonds payable currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$3,920,000 Water System Junior Lien Revenue Bonds of 2021, due in annual installments of \$57,200 to \$125,000 including interest at 1.88% through April 1, 2061.	\$ 2,684,309	323,755	65,000	2,943,064
\$15,925,000 Sanitary Sewer System Junior Lien Revenue Bonds of 2022, due in annual installments of \$305,000 to \$570,000 including interest at 2.13% through April 1, 2053.	4,930,695	4,981,033	305,000	9,606,728
\$8,000,000 Sanitary Sewer System Junior Lien Revenue Bonds of 2024, due in annual installments of \$230,000 to \$305,000 including interest at 1.00% through October 1, 2055.	—	1,215,360	—	1,215,360
	7,615,004	6,520,148	370,000	13,765,152

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN**Notes to the Financial Statements****December 31, 2024****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****LONG-TERM DEBT - Continued****Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Business-Type Activities	
	General Obligation	
	Bonds Payable	
	Principal	Interest
2025	\$ 1,468,000	472,548
2026	1,531,000	409,111
2027	1,589,000	342,458
2028	1,668,000	272,100
2029	1,733,000	197,935
2030	1,778,000	119,814
2031	1,560,000	39,000
Totals	<u>11,327,000</u>	<u>1,852,966</u>

Subscriptions Payable

The Charter Township has the following subscriptions payable at year end:

Subscription	Start Date	End Date	Payments	Interest Rate
Axon Enterprises, Inc.	October 1, 2023	October 1, 2027	\$13,303 Annually	5.81%

During the fiscal year, the Charter Township has recognized \$10,613 of subscription expenses. The future principal and interest subscription payments as of the year-end are as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2025	\$ 11,229	2,073
2026	11,882	1,421
2027	12,572	730
	<u>35,683</u>	<u>4,224</u>

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Liability	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due Within One Year
Governmental Activities					
Compensated Absences	\$ 840,360	—	118,926	721,434	490,753
Net Pension Liability - Pension	10,829,559	—	1,355,645	9,473,914	—
Net OPEB Liability - Retiree Healthcare	882,454	—	266,750	615,704	—
Subscriptions Payable	46,296	—	10,613	35,683	11,229
	12,598,669	—	1,751,934	10,846,735	501,982
Business-Type Activities					
Compensated Absences	67,740	—	17,984	49,756	36,186
General Obligation Bonds Payable	12,733,000	—	1,406,000	11,327,000	1,468,000
Plus: Unamortized Bond Premium	803,100	—	181,546	621,554	160,910
Revenue Bonds Payable	7,615,004	6,520,148	370,000	13,765,152	380,000
	21,218,844	6,520,148	1,975,530	25,763,462	2,045,096

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liability, and the net OPEB liability. The subscriptions payable are being liquidated by the Police Fund.

For the business-type activities the compensated absences, the general obligation bonds payable, and the revenue bonds payable are being liquidated by the Sanitary Sewage System and Water System Funds.

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the Charter Township considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Charter Township first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Township Board; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Township Board's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Township Board itself or b) a body or official to which the Township Board has delegated the authority to assign amounts to be used for specific purposes. The Charter Township's highest level of decision-making authority is the Township Board, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

	Special Revenue						
	General	Police	Fire	Public Safety	Debt Service	Nonmajor	Totals
Fund Balances							
Nonspendable							
Prepays	\$ 40,350	21,687	24,045	—	—	—	86,082
Restricted							
Street Lighting	215,337	—	—	—	—	—	215,337
Police	—	1,618,686	—	—	—	—	1,618,686
Fire	—	—	1,116,435	—	—	—	1,116,435
Rental Ordinance	—	—	—	—	—	361,599	361,599
Community Development	—	—	—	—	—	46,029	46,029
Health and Welfare	—	—	—	—	—	92,113	92,113
	215,337	1,618,686	1,116,435	—	—	499,741	3,450,199
Assigned							
Police	—	639,540	—	—	—	—	639,540
Fire	—	—	622,118	—	—	—	622,118
Capital Projects	—	—	—	—	—	90	90
Debt Service	—	—	—	—	14,667	—	14,667
	—	639,540	622,118	—	14,667	90	1,276,415
Unassigned	7,788,941	—	—	—	—	—	7,788,941
Total Fund Balances	8,044,628	2,279,913	1,762,598	—	14,667	499,831	12,601,637

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2024:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 8,190,265
Less Capital Related Debt:	
Subscriptions Payable	<u>(35,683)</u>
Net Investment in Capital Assets	<u>8,154,582</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	51,032,192
Less Capital Related Debt:	
General Obligation Bonds Payable	(11,327,000)
Revenue Bonds Payable	(13,765,152)
Unamortized Bond Premium	<u>(621,554)</u>
Net Investment in Capital Assets	<u>25,318,486</u>

NOTE 4 - OTHER INFORMATION

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.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES

Litigation

From time to time, the Charter Township is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Charter Township attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Charter Township's financial position or results of operations.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Charter Township expects such amounts, if any, to be immaterial.

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 December 31, 2023	<u>\$ (3,592,160)</u>
Current Year Permit Revenue	274,367
Less: Related Expenses - Direct Costs	<u>(536,491)</u>
Current Year Shortfall	<u>(262,124)</u>
Cumulative Shortfall at December 31, 2024	<u><u>(3,854,284)</u></u>

CONSTRUCTION COMMITMENTS

As of December 31, 2024, the Charter Township was committed to services of approximately \$36,653,765, of which approximately \$14,514,267 was incurred prior to December 31, 2024. The majority of these commitments, approximately \$17,506,930, are related to drinking water system improvement projects and are expected to be completed through the fiscal year ending December 31, 2026. The Charter Township intends to use the grants, noting that additional money may continue to be drawn down on the Sanitary Sewer System Junior Lien Revenue Bonds of 2024.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

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, 2024, the Charter Township abated approximately \$18,629 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, 2024, the brownfield abated approximately \$390,880 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, 2024, the Charter Township abated approximately \$16,500 of taxes under this program. There are no provisions to recapture taxes.

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

DEFINED CONTRIBUTION PENSION PLAN

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 \$185,186 during the current year and employees contributed approximately \$132,420.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Police and Fire Retirement System

Plan Descriptions

Plan Administration. The Police and Fire Retirement System (PFRS) is a single-employer defined benefit pension plan that covers all sworn public safety personnel. 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 Charter Township accounts for the Fund as a pension trust 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 services as an ex officio member.

Plan Membership. At December 31, 2024, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	62
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>31</u>
Total	<u>97</u>

Benefits Provided. The Police and Fire Retirement System 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 the 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.

Notes to the Financial Statements
December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Police and Fire Retirement System - Continued

Plan Descriptions - Continued

Net Pension Liability. The Charter Township's net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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, 2024, the average active employee contribution rate was 9.50 percent of annual pay, and the Charter Township's average contribution rate was 58.57 percent of annual payroll for the various employee groups.

Concentrations. At year-end, the Pension Fund does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2024, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5-Year Smoothed Market
Actuarial Assumptions	
Interest Rate	6.85%
Salary Increases	3.50% to 7.50%
Inflation	2.50%

Notes to the Financial Statements
December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Police and Fire Retirement System - Continued

Actuarial Assumptions - Continued

For pre-retirement mortality, Sex distinct Pub-2010 General Employees table without adjustment. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2019, as published by the Society of Actuaries. For healthy post-retirement mortality, Sex distinct Pub-2010 General Healthy Retiree tables scaled by a factor of 106%. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2019, as published by the Society of Actuaries. For disability retirement mortality, ex distinct PubNS-2010 Disabled tables without adjustment. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2019, as published by the Society of Actuaries.

Discount Rate

The discount rate used to measure the total pension liability was 6.85%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Charter Township contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Charter Township calculated using the discount rate as well as what the Charter Township's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Net Pension Liability	\$ 37,223,086	9,473,914	30,223,372

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN**Notes to the Financial Statements****December 31, 2024****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued****Police and Fire Retirement System - Continued****Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2023	\$ 32,828,678	21,999,119	10,829,559
Changes for the Year:			
Service Cost	480,578	—	480,578
Interest on the Total Pension Liability	2,065,952	—	2,065,952
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	86,810	—	86,810
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,473,622	(1,473,622)
Contributions - Employees	—	233,684	(233,684)
Net Investment Income	—	2,358,426	(2,358,426)
Benefit Payments, Including Refunds of Employee Contributions	(2,182,026)	(2,182,026)	—
Other (Net Transfer)	—	(76,747)	76,747
Net Changes	451,314	1,806,959	(1,355,645)
Balances at December 31, 2024	33,279,992	23,806,078	9,473,914

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Police and Fire Retirement System - Continued

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

For the fiscal year ended December 31, 2024, the Charter Township recognized pension expense of \$1,105,451. At December 31, 2024, 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	Totals
Difference Between Expected and Actual Experience	\$ 199,297	(27,722)	171,575
Change in Assumptions	9,547	(39,953)	(30,406)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	26,455	—	26,455
Total Deferred Amounts Related to Police Pension	235,299	(67,675)	167,624

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2025	\$ 320,829
2026	437,510
2027	(418,445)
2028	(172,270)
2029	—
Thereafter	—
Total	167,624

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

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, 2024 are as follows:

	Required Reserve	Amount Funded
Retiree Reserve	\$ 18,839,293	18,839,293
Employee Reserve	3,159,826	3,159,826
Employer Reserve	1,795,483	1,933,172
Total	23,794,602	23,932,291

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB 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 Healthcare Plan (RHP), a single-employer defined benefit OPEB plan administered by the Charter Township. The financial statements of the OPEB plan are included in these financial statements as a special purpose trust 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.

Notes to the Financial Statements
December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

General Information about the OPEB Plan - Continued

Plan Membership. As of December 31, 2024, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	41
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>25</u>
Total	<u>66</u>

Net OPEB Liability. The Charter Township’s net OPEB liability was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

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, 2024, the Charter Township made payments for post-employment health benefit premiums of \$269,923. Employees are not required to contribute to the plan.

Concentrations. At year-end, the Fund does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Actuarial Assumptions

The net OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.25% to 9.95%
Interest Rate	6.25%
Healthcare Cost Trend Rates	Initial rate of 7.25% decreasing each year to a 3.50% long-term rate for non-medicare. Initial rate of 6.50% decreasing each year to a 3.50% long-term rate for medicare.

Mortality rates were based on Pub-2010 Tables with mortality improvements using scale MP-2021.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Charter Township contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB liability, calculated using the discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability	\$ 873,266	615,704	391,701

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

The following presents the net OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the net OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Net OPEB Liability	\$ 580,411	615,704	655,700

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Change in the Net OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at December 31, 2023	\$ 3,030,463	2,148,009	882,454
Changes for the Year:			
Service Cost	31,580	—	31,580
Interest on the Total Pension Liability	181,956	—	181,956
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	29,056	—	29,056
Changes of Assumptions	—	—	—
Contributions - Employer	—	269,923	(269,923)
Contributions - Employees	—	—	—
Net Investment Income	—	248,591	(248,591)
Benefit Payments, Including Refunds of Employee Contributions	(269,923)	(269,923)	—
Administrative Expense	—	(9,172)	9,172
Net Changes	(27,331)	239,419	(266,750)
Balances at December 31, 2024	3,003,132	2,387,428	615,704

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Notes to the Financial Statements

December 31, 2024

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

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

For the fiscal year ended December 31, 2024, the Charter Township recognized OPEB expense of \$42,934. At December 31, 2024, the Charter Township and 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	Totals
Difference Between Expected and Actual Experience	\$ 18,948	(77,119)	(58,171)
Change in Assumptions	10,690	—	10,690
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(40,243)	(40,243)
Total Deferred Amounts Related to OPEB	29,638	(117,362)	(87,724)

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2025	\$ (34,178)
2026	20,929
2027	(51,548)
2028	(22,927)
2029	—
Thereafter	—
Total	(87,724)

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Police and Fire Retirement System
 - Schedule Employer Contributions
 - Schedule of Changes in the Employer's Net Pension Liability
 - Schedule of Investment Returns
- Retiree Healthcare Plan
 - Schedule Employer Contributions
 - Schedule of Changes in the Employer's Net OPEB Liability
 - Schedule of Investment Returns
- Budgetary Comparison Schedules - Major Funds
 - General Fund
 - Special Revenue Funds

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Police and Fire Retirement System

Schedule of Employer Contributions - Last Ten Fiscal Years

December 31, 2024

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 851,779	\$ 851,779	\$ —	\$ 2,011,315	42.35%
2016	947,792	947,792	—	2,082,378	45.51%
2017	1,056,574	1,056,574	—	1,993,736	52.99%
2018	932,763	932,763	—	2,164,663	43.09%
2019	956,123	956,123	—	2,221,565	43.04%
2020	1,059,316	1,059,316	—	2,164,422	48.94%
2021	1,101,963	1,101,963	—	2,297,808	47.96%
2022	1,204,663	1,204,663	—	1,960,824	61.44%
2023	1,079,590	1,079,590	—	2,091,314	51.62%
2024	1,473,622	1,473,622	—	2,516,209	58.57%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	12 Years, Closed
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.50% to 7.50%, Including Inflation
Investment Rate of Return	6.85%, Net of Administrative Expenses
Retirement Age	Experience-based table of rates that are specific to type of eligibility condition
Mortality	Sex distinct Pub-2010 General Employees table without adjustment. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2019, as published by the Society of Actuaries.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Police and Fire Retirement System

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2024

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 520,965	556,011	559,126
Interest	1,773,298	1,833,433	1,817,977
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	(447,726)	(1,151,122)	(315,318)
Change of Assumptions	456,048	—	—
Benefit Payments, Including Refunds of Member Contributions	(1,480,641)	(1,441,442)	(1,479,923)
Net Change in Total Pension Liability	821,944	(203,120)	581,862
Total Pension Liability - Beginning	25,812,673	26,634,617	26,431,497
Total Pension Liability - Ending	26,634,617	26,431,497	27,013,359
Plan Fiduciary Net Position			
Contributions - Employer	\$ 851,779	947,792	1,056,574
Contributions - Members	160,486	165,901	181,354
Net Investment Income	(37,297)	988,091	2,054,024
Benefit Payments, Including Refunds of Member Contributions	(50,070)	(49,222)	(53,027)
Administrative Expenses	(1,480,641)	(1,441,442)	(1,479,923)
Other	—	—	—
Net Change in Plan Fiduciary Net Position	(555,743)	611,120	1,759,002
Plan Net Position - Beginning	16,899,302	16,343,559	16,954,679
Plan Net Position - Ending	16,343,559	16,954,679	18,713,681
Employer's Net Pension Liability	\$ 10,291,058	9,476,818	8,299,678
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.36%	64.15%	69.28%
Covered Payroll	\$ 2,011,315	2,082,378	1,993,736
Employer's Net Pension Liability as a Percentage of Covered Payroll	511.66%	455.10%	416.29%

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
511,176	498,058	502,802	491,898	537,412	457,528	480,578
1,850,778	1,910,761	1,944,048	2,066,841	2,111,218	2,144,162	2,065,952
—	—	—	—	—	—	—
298,542	(294,868)	413,113	150,462	(93,158)	306,824	86,810
(117,631)	78,774	727,096	494,695	—	(92,399)	—
(1,658,511)	(1,700,304)	(1,738,829)	(1,916,013)	(1,948,514)	(2,120,642)	(2,182,026)
884,354	492,421	1,848,230	1,287,883	606,958	695,473	451,314
27,013,359	27,897,713	28,390,134	30,238,364	31,526,247	32,133,205	32,828,678
27,897,713	28,390,134	30,238,364	31,526,247	32,133,205	32,828,678	33,279,992
932,763	956,123	1,059,316	1,101,963	1,204,663	1,079,590	1,473,622
179,443	205,096	224,281	225,068	224,161	202,530	233,684
(802,033)	2,967,515	2,627,914	2,213,904	(2,538,171)	2,682,348	2,358,426
(55,071)	(55,740)	(58,384)	(68,002)	(63,896)	(2,120,642)	(2,182,026)
(1,658,511)	(1,700,304)	(1,738,829)	(1,916,013)	(1,948,514)	(67,075)	(76,747)
—	—	—	—	(10,055)	—	—
(1,403,409)	2,372,690	2,114,298	1,556,920	(3,131,812)	1,776,751	1,806,959
18,713,681	17,310,272	19,682,962	21,797,260	23,354,180	20,222,368	21,999,119
17,310,272	19,682,962	21,797,260	23,354,180	20,222,368	21,999,119	23,806,078
10,587,441	8,707,172	8,441,104	8,172,067	11,910,837	10,829,559	9,473,914
62.05%	69.33%	72.08%	74.08%	62.93%	67.01%	71.53%
2,164,663	2,221,565	2,164,422	2,297,808	1,960,824	2,091,314	2,516,209
489.10%	391.94%	389.99%	355.65%	607.44%	517.84%	376.52%

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Police and Fire Retirement System

Schedule of Investment Returns

December 31, 2024

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	(0.22%)
2016	5.87%
2017	11.94%
2018	(4.66%)
2019	17.10%
2020	13.34%
2021	10.34%
2022	(10.13%)
2023	13.34%
2024	10.69%

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Retiree Healthcare Plan Schedule of Employer Contributions December 31, 2024

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 277,722	\$ 280,206	\$ 2,484	\$ N/A	N/A
2016	277,722	280,670	2,948	N/A	N/A
2017	175,286	235,881	60,595	2,881,147	8.19%
2018	169,873	225,535	55,662	2,933,093	7.69%
2019	163,802	216,406	52,604	2,588,169	8.36%
2020	169,269	225,915	56,646	2,302,497	9.81%
2021	164,194	244,552	80,358	2,186,105	11.19%
2022	187,160	249,148	61,988	2,203,390	11.31%
2023	186,084	257,516	71,432	2,035,044	12.65%
2024	165,652	269,923	104,271	1,886,659	14.31%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	13 Years, Closed
Asset Valuation Method	Fair Value of Assets
Inflation	2.50%
Salary Increases	Police and Fire (3.25% to 7.24%), Municipal (3.25% to 9.95%)
Investment Rate of Return	6.25%, Net of OPEB Plan Investment Expenses
Retirement Age	Experience-based table of rates that are specific to type of eligibility condition.
Mortality Rates	Sex distinct Pub-2010 General Employees table without adjustment.

N/A - Not Available

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Retiree Healthcare Plan

Schedule of Changes in the Employer's Net OPEB Liability

December 31, 2024

	<u>12/31/2017</u>
Total OPEB Liability	
Service Cost	\$ 49,139
Interest	185,410
Change in Benefit Terms	—
Differences Between Expected and Actual Experience	—
Change of Assumptions	—
Benefit Payments, Including Refunds of Member Contributions	—
Administrative Expense	(189,880)
Net Change in Total OPEB Liability	<u>44,669</u>
Total OPEB Liability - Beginning	<u>3,036,938</u>
Total OPEB Liability - Ending	<u><u>3,081,607</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	235,881
Contributions - Members	—
Net Investment Income	156,737
Benefit Payments, Including Refunds of Member Contributions	(189,881)
Administrative Expense	(4,219)
Other	5,370
Net Change in Plan Fiduciary Net Position	<u>203,888</u>
Plan Net Position - Beginning	<u>1,324,507</u>
Plan Net Position - Ending	<u><u>1,528,395</u></u>
Employer's Net OPEB Liability	<u><u>1,553,212</u></u>
Fiduciary Net Position as a Percentage of the Total OPEB Liability	49.60%
Covered Payroll	\$ 2,881,147
Net OPEB Liability as a Percentage of Covered Payroll	53.91%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate from 2017 through 2024.

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
52,211	46,459	42,312	37,237	37,842	33,338	31,580
187,828	190,231	186,320	187,059	196,122	192,194	181,956
—	—	—	—	—	—	—
11,964	(44,205)	20,957	109,496	7,177	(202,721)	29,056
—	(31,830)	—	59,237	—	28,100	—
—	—	—	—	—	(257,516)	(269,923)
(204,935)	(216,406)	(225,915)	(244,552)	(249,148)	—	—
47,068	(55,751)	23,674	148,477	(8,007)	(206,605)	(27,331)
3,081,607	3,128,675	3,072,924	3,096,598	3,245,075	3,237,068	3,030,463
3,128,675	3,072,924	3,096,598	3,245,075	3,237,068	3,030,463	3,003,132
225,535	216,406	225,915	244,552	249,148	257,516	269,923
—	—	—	—	—	—	—
(70,857)	257,295	230,474	204,965	(250,719)	261,237	248,591
(204,935)	(216,406)	(225,915)	(244,552)	(249,148)	(257,516)	(269,923)
(4,665)	(4,812)	(5,187)	(6,187)	(5,923)	(6,607)	(8,346)
—	—	—	—	—	—	(826)
(54,922)	252,483	225,287	198,778	(256,642)	254,630	239,419
1,528,395	1,473,473	1,725,956	1,951,243	2,150,021	1,893,379	2,148,009
1,473,473	1,725,956	1,951,243	2,150,021	1,893,379	2,148,009	2,387,428
1,655,202	1,346,968	1,145,355	1,095,054	1,343,689	882,454	615,704
47.10%	56.17%	63.01%	66.25%	58.49%	70.88%	79.50%
2,933,093	2,588,169	2,302,497	2,186,105	2,203,390	2,035,044	1,886,659
56.43%	52.04%	49.74%	50.09%	60.98%	43.36%	32.63%

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Retiree Healthcare Plan

Schedule of Investment Returns

December 31, 2024

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2017	11.92%
2018	(6.28%)
2019	17.14%
2020	13.37%
2021	10.52%
2022	(11.68%)
2023	13.82%
2024	11.56%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 855,975	855,975	838,975	(17,000)
Intergovernmental	1,576,496	1,576,496	1,799,862	223,366
Charges for Services	825,500	825,500	964,709	139,209
Licenses and Permits	401,800	401,800	558,136	156,336
Investment Income	66,000	66,000	536,575	470,575
Miscellaneous	31,000	31,000	47,625	16,625
Total Revenues	3,756,771	3,756,771	4,745,882	989,111
Expenditures				
General Government	1,981,484	2,114,604	1,767,083	347,521
Public Safety	679,662	756,960	742,693	14,267
Public Works	1,221,719	1,286,268	1,069,931	216,337
Community and Economic Development	4,779	9,644	11,259	(1,615)
Culture and Recreation	112,837	112,838	67,431	45,407
Total Expenditures	4,000,481	4,280,314	3,658,397	621,917
Excess (Deficiency) of Revenues Over (Under) Expenditures	(243,710)	(523,543)	1,087,485	1,611,028
Other Financing Sources (Uses)				
Disposal of Capital Assets	40,000	40,000	54,716	14,716
Transfers In	255,000	255,000	—	(255,000)
Transfers Out	(51,290)	(91,277)	(39,987)	51,290
	243,710	203,723	14,729	(188,994)
Net Change in Fund Balance	—	(319,820)	1,102,214	1,422,034
Fund Balance - Beginning			6,942,414	
Fund Balance - Ending			8,044,628	

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN**Police - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property Tax	\$ 1,262,965	1,262,965	1,114,448	(148,517)
Special Assessments	219,287	219,287	219,289	2
Intergovernmental				
Personal Property Tax	13,268	13,268	8,567	(4,701)
Grants	17,500	17,500	101,904	84,404
Contributions	—	—	20,000	20,000
Charges for Services	16,000	16,000	14,943	(1,057)
Fines and Forfeitures	6,500	6,500	4,297	(2,203)
Investment Income	100	100	6,018	5,918
Miscellaneous	40,000	40,000	18,479	(21,521)
Total Revenues	1,575,620	1,575,620	1,507,945	(67,675)
Expenditures				
Public Safety	4,306,562	4,367,426	3,678,235	689,191
Debt Service				
Principal Retirement	—	—	10,613	(10,613)
Interest and Fiscal Charges	—	—	2,690	(2,690)
Total Expenditures	4,306,562	4,367,426	3,691,538	675,888
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,730,942)	(2,791,806)	(2,183,593)	608,213
Other Financing Sources				
Disposal of Capital Assets	—	—	62,763	62,763
Transfers In	2,730,942	2,730,942	2,634,860	(96,082)
	2,730,942	2,730,942	2,697,623	(33,319)
Net Change in Fund Balance	—	(60,864)	514,030	574,894
Fund Balance - Beginning			1,765,883	
Fund Balance - Ending			2,279,913	

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN**Fire - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property Tax	\$ 1,013,647	1,013,647	891,947	(121,700)
Intergovernmental				
Personal Property Tax	13,268	13,268	8,567	(4,701)
Charges for Services	79,000	79,000	51,385	(27,615)
Miscellaneous	10,000	10,000	152,272	142,272
Total Revenues	1,115,915	1,115,915	1,104,171	(11,744)
Expenditures				
Public Safety	2,645,867	2,703,301	2,414,511	288,790
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,529,952)	(1,587,386)	(1,310,340)	277,046
Other Financing Sources				
Disposal of Capital Assets	—	—	9,000	9,000
Transfers In	1,529,952	1,529,952	1,728,325	198,373
	1,529,952	1,529,952	1,737,325	207,373
Net Change in Fund Balance	—	(57,434)	426,985	484,419
Fund Balance - Beginning			1,335,613	
Fund Balance - Ending			1,762,598	

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Public Safety - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property Tax	\$ 4,102,694	4,102,694	4,199,906	97,212
Intergovernmental				
Personal Property Tax	250,000	250,000	163,179	(86,821)
Miscellaneous	—	—	100	100
Total Revenues	4,352,694	4,352,694	4,363,185	10,491
Expenditures				
Public Safety	91,800	91,800	—	91,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,260,894	4,260,894	4,363,185	102,291
Other Financing (Uses)				
Transfers Out	(4,260,894)	(4,260,894)	(4,363,185)	(102,291)
Net Change in Fund Balance	—	—	—	—
Fund Balance - Beginning			—	
Fund Balance - Ending			—	

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - General Fund
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Fund
- Budgetary Comparison Schedules - Enterprise Funds
- Combining Statements - Custodial Funds

INDIVIDUAL FUND SCHEDULES

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Police

The Police Fund is used to account for the activities of the police protection department.

Fire

The Fire Fund is used to account for the activities of the fire protection department.

Public Safety

The Public Safety Fund is used to account for the collection and distribution of general public safety millages.

Rental Ordinance

The Rental Ordinance Fund is used to account for activities of the enforcement of rental ordinances such as annual registrations and inspections.

Community Development

The Community Development Fund is used to account for activities related to community and economic development. Note, the Charter Township is not currently running any programs for such development.

Drug Enforcement/Settlements

The Drug Enforcement/Settlements Fund is used to account for the collection and expenditure of restricted opioid settlement and enforcement dollars.

DEBT SERVICE FUND

Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

INDIVIDUAL FUND SCHEDULES - Continued

CAPITAL PROJECTS FUND

Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital assets (other than those financed by business-type/proprietary funds).

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Sanitary Sewage System Fund

The Sanitary Sewage System Fund is used to account for the activities of the sewage collection system.

Water System Fund

The Water System Fund is used to account for the activities of the water distribution system.

FIDUCIARY FUNDS

PENSION TRUST FUND

Police and Fire Pension Fund

The Police and Fire Pension Fund is used to account for the activities of the Police and Fire Retirement System by accumulating resources for pension benefit payments to qualified police and fire employees.

SPECIAL PURPOSE TRUST FUND

Retiree Health Insurance

The Retiree Health Insurance Fund is used to account for the contributions made by the Charter Township on behalf of the retired employees for their healthcare benefits.

CUSTODIAL FUNDS

Current Tax Collections

The Current Tax Collections Fund is used to account for assets held by the Charter Township in a trustee capacity.

Delinquent Tax Collections

The Delinquent Tax Collection Fund is used to account for assets held by the Charter Township in a trustee capacity.

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN**General Fund****Schedule of Revenues - Budget and Actual****For the Fiscal Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Taxes				
Property Tax	\$ 703,975	703,975	723,385	19,410
Special Assessments	23,500	23,500	16,286	(7,214)
Franchise Tax	128,500	128,500	99,304	(29,196)
	855,975	855,975	838,975	(17,000)
Intergovernmental				
Sales Tax	1,547,741	1,547,741	1,756,821	209,080
Personal Property Tax	28,755	28,755	43,041	14,286
	1,576,496	1,576,496	1,799,862	223,366
Charges for Services	825,500	825,500	964,709	139,209
Licenses and Permits	401,800	401,800	558,136	156,336
Investment Income	66,000	66,000	536,575	470,575
Miscellaneous	31,000	31,000	47,625	16,625
Total Revenues	3,756,771	3,756,771	4,745,882	989,111

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN**General Fund****Schedule of Expenditures - Budget and Actual****For the Fiscal Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
General Government				
Township Board	\$ 627,978	588,107	427,445	160,662
Supervisor	285,464	289,664	68,680	220,984
Election	152,045	266,677	278,616	(11,939)
Assessor	248,944	258,493	239,813	18,680
Clerk	256,640	273,592	303,852	(30,260)
Board of Review	5,297	5,297	1,588	3,709
Treasurer	134,668	134,668	131,350	3,318
Hall and Grounds	210,448	238,106	254,147	(16,041)
Administration	60,000	60,000	61,592	(1,592)
	1,981,484	2,114,604	1,767,083	347,521
Public Safety				
Ordinance Enforcement Officer	181,526	232,581	206,204	26,377
Building	498,136	524,379	536,489	(12,110)
	679,662	756,960	742,693	14,267
Public Works				
Garage	97,444	161,992	143,031	18,961
Street Lighting	93,840	93,840	92,511	1,329
Road Maintenance	180,029	180,029	146,183	33,846
Trash and Rubbish	850,406	850,407	688,206	162,201
	1,221,719	1,286,268	1,069,931	216,337
Community and Economic Development				
Planning Commission	4,035	8,900	10,403	(1,503)
Zoning Board of Appeals	744	744	856	(112)
	4,779	9,644	11,259	(1,615)
Culture and Recreation				
Parks	112,837	112,838	67,431	45,407
Total Expenditures	4,000,481	4,280,314	3,658,397	621,917

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

**Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2024**

	Special Revenue				
	Rental	Community	Drug Enforcement/ Settlements	Capital Projects	Totals
	Ordinance	Development			
ASSETS					
Cash and Investments	\$ 374,713	48,239	92,113	—	515,065
Receivables - Net of Allowances					
Other	—	—	225,170	—	225,170
Due from Other Funds	—	—	—	90	90
Total Assets	374,713	48,239	317,283	90	740,325
LIABILITIES					
Accounts Payable	13,114	—	—	—	13,114
Due to Other Funds	—	2,210	—	—	2,210
Total Liabilities	13,114	2,210	—	—	15,324
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	—	—	225,170	—	225,170
Total Liabilities and Deferred Inflows of Resources	13,114	2,210	225,170	—	240,494
FUND BALANCES					
Restricted	361,599	46,029	92,113	—	499,741
Assigned	—	—	—	90	90
Total Fund Balances	361,599	46,029	92,113	90	499,831
Total Liabilities, Deferred Inflows of Resources and Fund Balances	374,713	48,239	317,283	90	740,325

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 2024

	Special Revenue				Totals
	Rental Ordinance	Community Development	Drug Enforcement/ Settlements	Capital Projects	
Revenues					
Charges for Services	\$ 102,370	—	—	—	102,370
Fines and Forfeitures	—	—	52,954	—	52,954
Miscellaneous	40	3,071	—	—	3,111
Total Revenues	102,410	3,071	52,954	—	158,435
Expenditures					
Public Safety	61,989	—	—	—	61,989
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,421	3,071	52,954	—	96,446
Other Financing Sources					
Transfers In	—	—	—	39,987	39,987
Net Change in Fund Balances	40,421	3,071	52,954	39,987	136,433
Fund Balances - Beginning	321,178	42,958	39,159	(39,897)	363,398
Fund Balances - Ending	361,599	46,029	92,113	90	499,831

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN**Sanitary Sewage System - Enterprise Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual****For the Fiscal Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operating Revenues				
Charges for Services	\$ —	4,095,000	4,589,650	494,650
Operating Expenses				
Operations	—	2,984,000	2,394,202	589,798
Depreciation	—	400,000	389,814	10,186
Total Operating Expenses	—	3,384,000	2,784,016	599,984
Operating Income	—	711,000	1,805,634	1,094,634
Nonoperating Revenues (Expenses)				
Investment Income	—	69,000	68,645	(355)
Miscellaneous	—	3,000	1,657	(1,343)
Debt Issuance	—	(48,000)	—	48,000
Interest Expense	—	(160,000)	(202,805)	(42,805)
	—	(136,000)	(132,503)	3,497
Change in Net Position	—	575,000	1,673,131	1,098,131
Net Position - Beginning			18,172,175	
Net Position - Ending			19,845,306	

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN**Water System - Enterprise Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual****For the Fiscal Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operating Revenues				
Charges for Services	\$ —	3,583,000	3,611,333	28,333
Operating Expenses				
Operations	—	1,539,000	1,553,385	(14,385)
Depreciation and Amortization	—	1,323,000	776,771	546,229
Total Operating Expenses	—	2,862,000	2,330,156	531,844
Operating Income	—	721,000	1,281,177	560,177
Nonoperating Revenues (Expenses)				
Investment Income	—	25,000	72,954	47,954
Disposal of Capital Assets	—	9,000	—	(9,000)
Miscellaneous	—	12,000	7,860	(4,140)
Interest Expense	—	(678,000)	(539,427)	138,573
	—	(632,000)	(458,613)	173,387
Income Before				
Capital Contributions and Transfers	—	89,000	822,564	733,564
Capital Contributions	—	32,000	3,931,412	3,899,412
Transfers In	—	7,000	—	(7,000)
	—	39,000	3,931,412	3,892,412
Change in Net Position	—	128,000	4,753,976	4,625,976
Net Position - Beginning			15,770,129	
Net Position - Ending			20,524,105	

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Custodial Funds

Combining Statement of Fiduciary Net Position

December 31, 2024

	Current Tax Collections	Delinquent Tax	Totals
ASSETS			
Cash and Cash Equivalents	\$ 3,324,815	265,629	3,590,444
Accounts Receivable - Net of Allowance			
Other	3,159	—	3,159
Total Assets	3,327,974	265,629	3,593,603
LIABILITIES			
Due to Other Governments	603,654	202,681	806,335
Due to Municipality	2,670,592	62,948	2,733,540
Total Liabilities	3,274,246	265,629	3,539,875
NET POSITION			
Net Position Restricted for Individuals, Organizations, and Other Governments	53,728	—	53,728

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN**Custodial Funds****Combining Statement of Changes in Fiduciary Net Position****For the Fiscal Year Ended December 31, 2024**

	Current Tax Collections	Delinquent Tax	Totals
Additions			
Collection of Property Tax	\$ 15,647,873	200,784	15,848,657
Investment Income			
Interest Earned	53,726	—	53,726
Total Additions	15,701,599	200,784	15,902,383
Deductions			
Administration	—	—	—
Tax Distributions to Other Governments	15,647,871	200,784	15,848,655
Total Deductions	15,647,871	200,784	15,848,655
Change in Fiduciary Net Position	53,728	—	53,728
Net Position Restricted for Individuals, Organizations, and Other Governments			
Beginning	—	—	—
Ending	53,728	—	53,728

SUPPLEMENTAL SCHEDULES

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Long-Term Debt Requirements General Obligation Bonds of 2015 December 31, 2024

Date of Issue	May 1, 2015
Date of Maturity	September 1, 2030
Authorized Issue	\$1,200,000
Interest Rates	0.85% - 3.30%
Interest Dates	March 1 and September 1
Principal Maturity Date	September 1
Payable at	Huntington National Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 80,000	14,400	94,400
2026	80,000	12,280	92,280
2027	80,000	10,040	90,040
2028	80,000	7,680	87,680
2029	80,000	5,200	85,200
2030	80,000	2,640	82,640
	480,000	52,240	532,240

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2018A

December 31, 2024

Date of Issue	March 1, 2018
Date of Maturity	May 1, 2031
Authorized Issue	\$13,575,000
Interest Rates	3.06% - 3.38%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	U.S. Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 1,020,000	400,250	1,420,250
2026	1,080,000	347,750	1,427,750
2027	1,135,000	292,375	1,427,375
2028	1,220,000	233,500	1,453,500
2029	1,275,000	171,125	1,446,125
2030	1,360,000	105,250	1,465,250
2031	1,425,000	35,625	1,460,625
	8,515,000	1,585,875	10,100,875

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Long-Term Debt Requirements General Obligation Bonds of 2018B December 31, 2024

Date of Issue	March 1, 2018
Date of Maturity	May 1, 2031
Authorized Issue	\$1,305,000
Interest Rates	3.06% - 3.38%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	U.S. Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 100,000	37,750	137,750
2026	105,000	32,625	137,625
2027	110,000	27,250	137,250
2028	110,000	21,750	131,750
2029	120,000	16,000	136,000
2030	125,000	9,875	134,875
2031	135,000	3,375	138,375
	805,000	148,625	953,625

CHARTER TOWNSHIP OF BENTON, BERRIEN COUNTY, MICHIGAN

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2021

December 31, 2024

Date of Issue	June 8, 2021
Date of Maturity	September 1, 2030
Authorized Issue	\$2,315,000
Interest Rate	1.38%
Interest Dates	March 1 and September 1
Principal Maturity Date	March 1 and September 1
Payable at	Highpoint Community Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2025	\$ 268,000	20,148	288,148
2026	266,000	16,456	282,456
2027	264,000	12,793	276,793
2028	258,000	9,170	267,170
2029	258,000	5,610	263,610
2030	213,000	2,049	215,049
	<u>1,527,000</u>	<u>66,226</u>	<u>1,593,226</u>