

CHARTER TOWNSHIP OF DELTA

REPORT ON FINANCIAL STATEMENTS
(with required supplementary information and
additional supplementary information)

YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Charter Township of Delta
State of Michigan

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Charter Township of Delta as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Charter Township of Delta's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining funding information of the Charter Township of Delta, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 of Delta, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of Delta'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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 of Delta'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 of Delta'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, as well as the other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 Delta's basic financial statements. The additional supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Maney Costeiran PC

March 24, 2022

**CHARTER TOWNSHIP OF DELTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

As management of the Charter Township of Delta (Township), we offer readers of the Charter Township of Delta's financial statements this narrative overview and analysis of the financial activities of the Charter Township of Delta for the fiscal year ended December 31, 2021.

Financial Highlights

Governmental-wide Activity

- The assets and deferred outflows of resources of the Township exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$124.9 million dollars (net position). Of this amount, \$34.7 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$5.6 million dollars.

Fund Level Activity

- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$26.1 million, increasing \$1.6 million from the previous year.
- The Township's total outstanding debt decreased \$1.3 million.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary and additional supplementary information, in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Township's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four 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 Township is improving or deteriorating.

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., delinquent personal property taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the 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 Township include general government, public safety, public works, health and welfare, community and economic development, and culture and recreation. The business-type activities of the Township include water and sewer activity.

**CHARTER TOWNSHIP OF DELTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

The government-wide financial statements include not only the Township itself (known as the *primary government*), but also the legally separate Economic Development Corporation (EDC) and Brownfield Redevelopment Authority, for which the Township is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 16 through 18 of this report.

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 Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the 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, unlike the government-wide financial statements, 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 a government'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 this comparison between *governmental funds* and *governmental activities*.

The Township maintains various 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 fund and paramedic fund, which are considered to be major funds. Data from the other three 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 Township adopts an annual appropriated budget for its general fund and special revenue fund. Budgetary comparison statements have been provided for the general fund and major special revenue fund in the required supplementary information to demonstrate compliance with budgets.

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

Proprietary Funds. The Township maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses enterprise funds to account for its water and sewer activity. The Township does not utilize an internal service fund.

Proprietary funds 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 water and sewer funds, both of which are considered to be major funds of the Township.

The basic proprietary fund financial statements can be found on pages 23 through 27 of this report.

**CHARTER TOWNSHIP OF DELTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

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 Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 28 and 29 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 through 64 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Township's progress in funding its obligation to provide retirement benefits to its employees, its obligation to provide other post-employment benefits to its employees, and the general and paramedic special revenue fund budgets. Required supplementary information can be found on pages 65 through 75 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on retirement benefits. Combining and individual fund statements and other schedules can be found on pages 76 through 103 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve, over time, as a useful indicator of government's financial position. In the case of the Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$124.9 million at the close of the most recent fiscal year.

Charter Township of Delta's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and other assets	\$ 39,961,639	\$ 34,929,734	\$ 18,185,547	\$ 18,342,202	\$ 58,147,186	\$ 53,271,936
Capital assets	33,056,114	33,692,190	62,953,803	60,486,119	96,009,917	94,178,309
TOTAL ASSETS	73,017,753	68,621,924	81,139,350	78,828,321	154,157,103	147,450,245
DEFERRED OUTFLOWS OF RESOURCES	9,225,188	9,320,928	1,879,845	2,292,410	11,105,033	11,613,338
LIABILITIES						
Long-term liabilities outstanding	7,227,326	7,665,969	3,496,245	4,358,836	10,723,571	12,024,805
Net pension liability	5,127,346	4,875,693	-	-	5,127,346	4,875,693
Net other postemployment benefit liability	1,373,065	1,819,765	512,687	677,886	1,885,752	2,497,651
Other liabilities	2,908,479	462,315	851,624	829,045	3,760,103	1,291,360
TOTAL LIABILITIES	16,636,216	14,823,742	4,860,556	5,865,767	21,496,772	20,689,509
DEFERRED INFLOWS OF RESOURCES	16,839,056	16,734,136	2,047,165	2,338,379	18,886,221	19,072,515
NET POSITION						
Net investment in capital assets	27,026,429	27,337,631	59,967,360	56,620,564	86,993,789	83,958,195
Restricted	3,199,764	3,226,825	-	-	3,199,764	3,226,825
Unrestricted	18,541,476	15,820,518	16,144,114	16,296,021	34,685,590	32,116,539
TOTAL NET POSITION	\$ 48,767,669	\$ 46,384,974	\$ 76,111,474	\$ 72,916,585	\$ 124,879,143	\$ 119,301,559

**CHARTER TOWNSHIP OF DELTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

By far the largest portion of the Township's net position (70%) reflects its net investment in capital assets (e.g., land, building, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the 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 of the Township's net position (3%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position (\$34.7 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

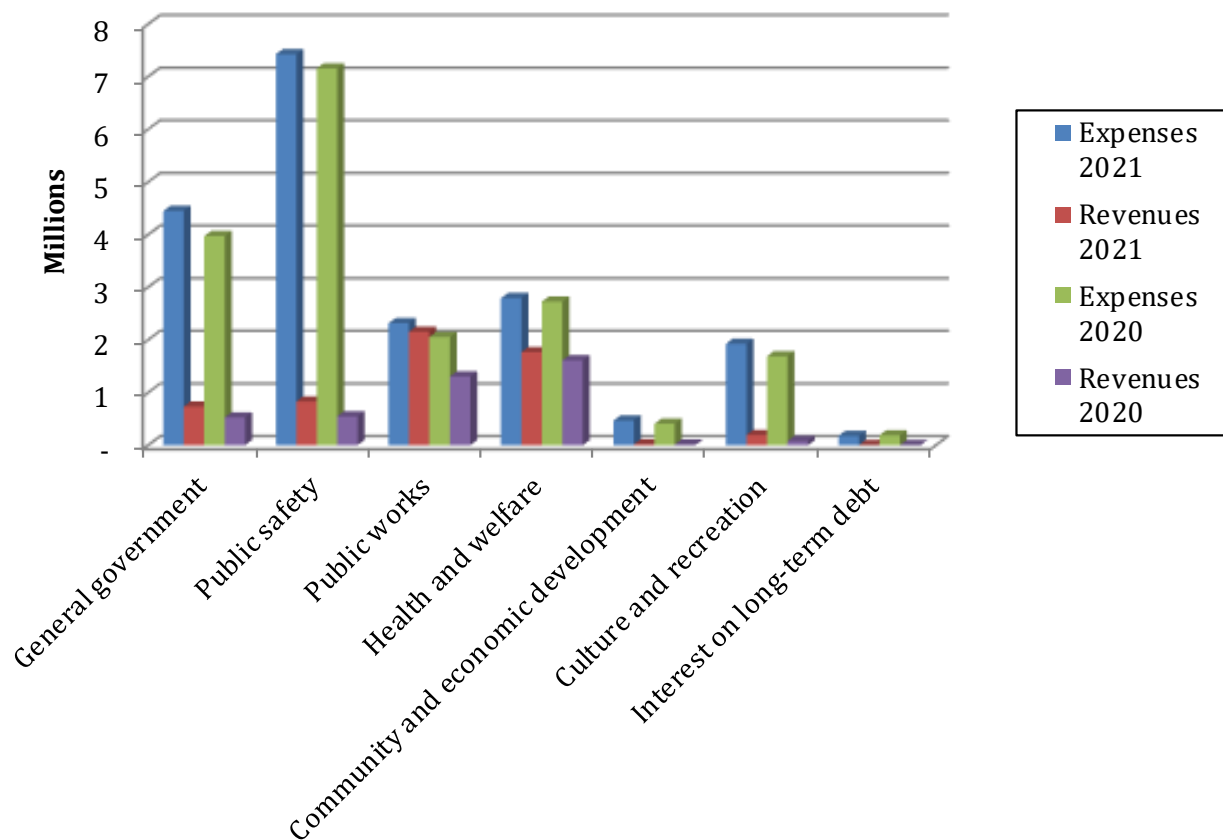
Governmental Activities. Governmental activities increased the Township's net position by \$2,382,695 and the business-type activities net position increased by \$3,194,889. Key elements of this increase are as follows:

Charter Township of Delta's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program revenues						
Charges for services	\$ 5,496,093	\$ 4,088,408	\$ 11,849,075	\$ 10,826,118	\$ 17,345,168	\$ 14,914,526
Operating grants and contributions	76,398	723,262	-	-	76,398	723,262
Capital grants and contributions	130,720	400,184	2,021,547	415,543	2,152,267	815,727
General revenues						
Property taxes	9,441,800	9,248,366	-	-	9,441,800	9,248,366
Paramedic levy	1,550,711	1,503,986	-	-	1,550,711	1,503,986
State sources	3,345,885	2,976,118	-	-	3,345,885	2,976,118
Franchise fees	1,695,485	511,183	-	-	1,695,485	511,183
Investment earnings (loss)	(72,548)	539,390	(46,336)	310,800	(118,884)	850,190
Other	284,766	486,064	-	-	284,766	486,064
TOTAL REVENUE	21,949,310	20,476,961	13,824,286	11,552,461	35,773,596	32,029,422
EXPENSES						
General government	4,450,116	3,972,569	-	-	4,450,116	3,972,569
Public safety	7,427,071	7,159,530	-	-	7,427,071	7,159,530
Public works	2,318,095	2,056,924	-	-	2,318,095	2,056,924
Health and welfare	2,794,805	2,726,775	-	-	2,794,805	2,726,775
Community and economic development	470,670	408,027	-	-	470,670	408,027
Culture and recreation	1,927,542	1,690,757	-	-	1,927,542	1,690,757
Interest on long-term debt	178,316	187,880	-	-	178,316	187,880
Water	-	-	5,712,269	5,552,021	5,712,269	5,552,021
Sewer	-	-	4,917,128	5,059,981	4,917,128	5,059,981
TOTAL EXPENSES	19,566,615	18,202,462	10,629,397	10,612,002	30,196,012	28,814,464
Increase in net position	2,382,695	2,274,499	3,194,889	940,459	5,577,584	3,214,958
Net position, beginning of year	46,384,974	44,110,475	72,916,585	71,976,126	119,301,559	116,086,601
Net position, end of year	<u>\$ 48,767,669</u>	<u>\$ 46,384,974</u>	<u>\$ 76,111,474</u>	<u>\$ 72,916,585</u>	<u>\$ 124,879,143</u>	<u>\$ 119,301,559</u>

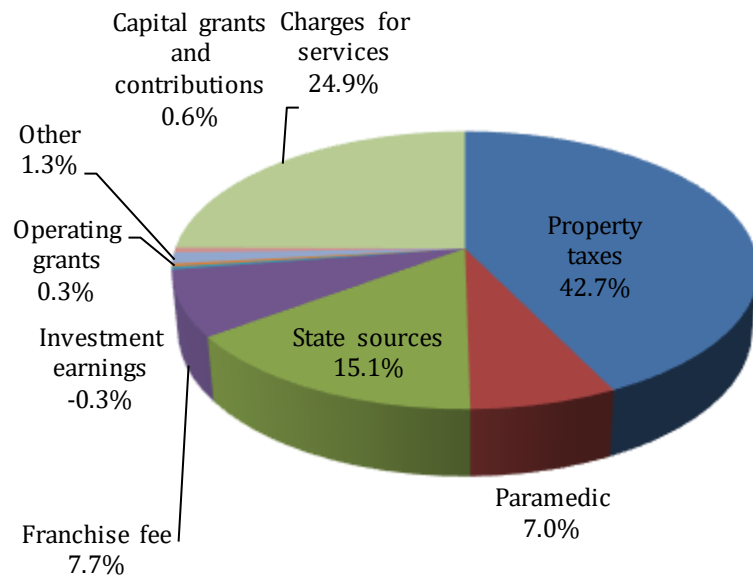
**CHARTER TOWNSHIP OF DELTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

**Charter Township of Delta
Expenses and Program Revenues - Governmental Activities
December 31,**

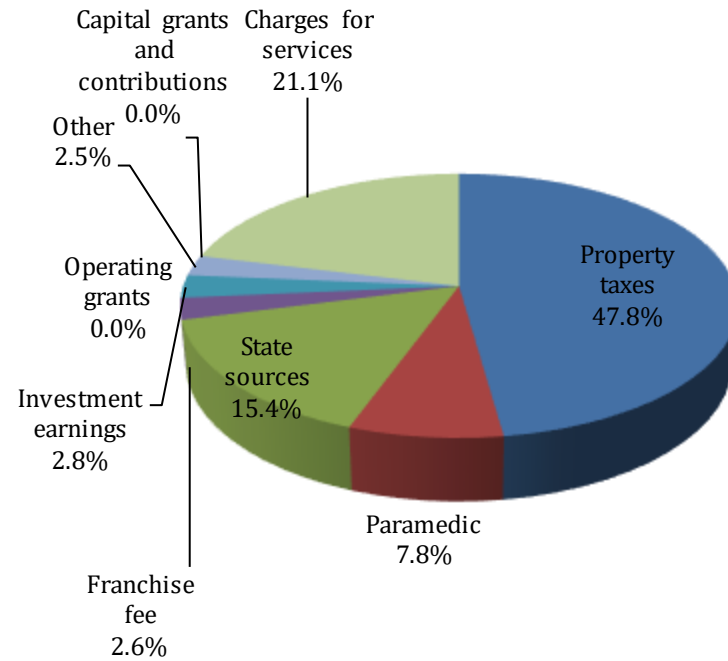


**CHARTER TOWNSHIP OF DELTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

**Charter Township of Delta
Revenues by Source - Governmental Activities
December 31,**



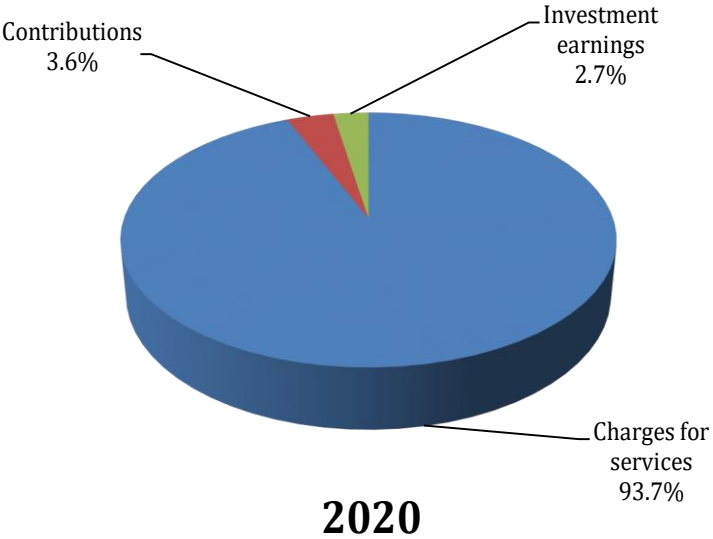
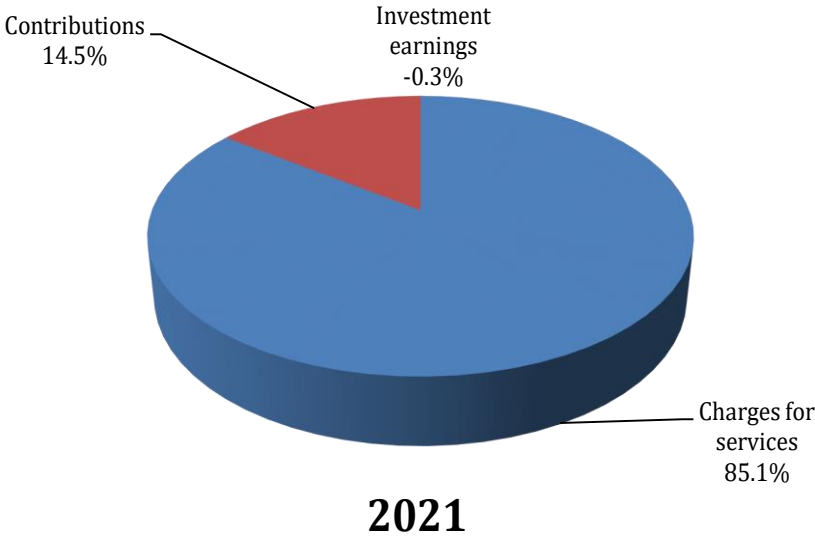
2021



2020

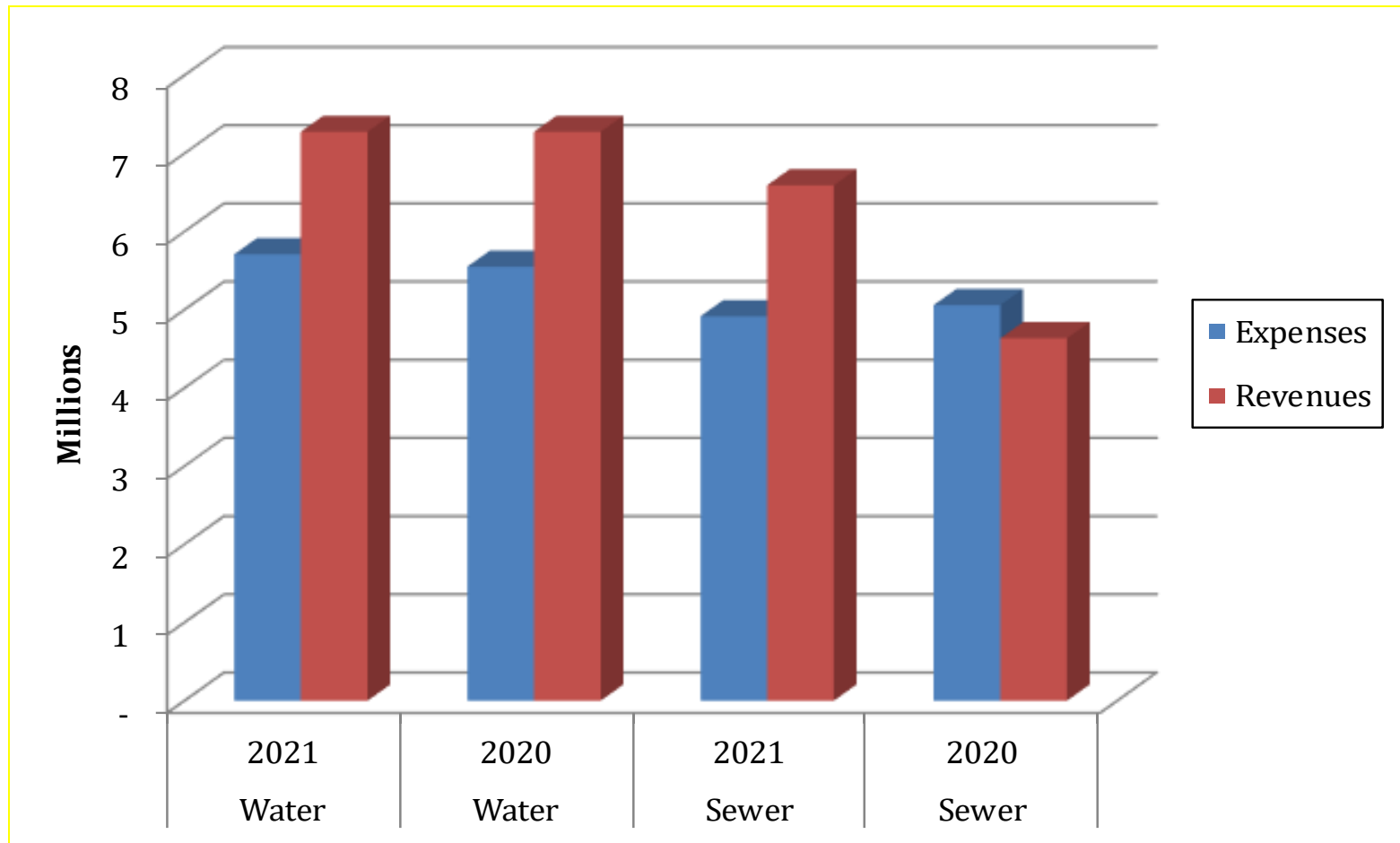
**CHARTER TOWNSHIP OF DELTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

**Charter Township of Delta
Revenues by Source - Business-type Activities
December 31,**



**CHARTER TOWNSHIP OF DELTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

**Charter Township of Delta
Expenses and Program Revenues - Business-type Activities
December 31,**



**CHARTER TOWNSHIP OF DELTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

Changes in net position:

- Overall governmental activities revenue is up \$1.5 million from prior year.
- Expenses for governmental activities went from \$18.2 million to \$19.6 million, an increase of \$1.4 million.

Business-type Activities. Business-type activities increased the Township's net position by \$3.2 million. Approximately \$2 million is attributed to private contributions.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. 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.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balance of \$26.1 million, which is an increase of approximately \$1.6 million. Approximately 33% of this total amount (\$8.6 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable (\$2,531,059), restricted (\$3,199,764), or assigned (\$11,788,674).

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8.6 million, while total fund balance was \$20.4 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 52% of total general fund expenditures and operating transfers out, while total fund balance represents 121% of that same amount.

The fund balance of the Township's general fund increased by \$1,589,238 during the current fiscal year.

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

Unrestricted net positions for the water and sewer funds at the end of the year amounted to \$16.1 million. The total increase in net position amounted to approximately \$3.2 million.

**CHARTER TOWNSHIP OF DELTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

General Fund Budgetary Highlights

The final amended budget increased appropriations by \$813,256, while budgeted revenue and other financial sources and uses increased \$1,196,500 when compared with the original budget. The most significant changes in appropriations can be summarized as follows:

- An increase of \$29,500 for the Clerk's Department for salaries and election supplies
- An increase of \$65,000 for the IT Department for a server upgrade
- An increase of \$1,063,000 for general service administration for the distribution of franchise fees
- An increase of \$327,445 for the payment of retroactive pay related to contract settlement and overtime

During the year, actual revenue was higher than the amended budgetary estimates. This arises primarily from higher than anticipated licenses and permits and state shared revenue, offset by lower than anticipated state and federal grants and local contributions. In addition, actual expenses were lower than the amended budget due to tight budgetary control.

Capital Asset and Debt Administration

Capital Assets. The Township's investment in capital assets for its governmental and business type activities as of December 31, 2021, amounts to \$96 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, vehicles, park facilities, sidewalks, and other infrastructure. The total increase in the Township's investment in capital assets for the current fiscal year was 1.9% (a 1.9% decrease for governmental activities and a 4.1% increase for business-type activities).

**Charter Township of Delta's Capital Assets
(Net of Depreciation)**

	Governmental Activities		Business Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 6,816,315	\$ 6,665,921	\$ 1,615,240	\$ 1,567,569	\$ 8,431,555	\$ 8,233,490
Construction in process	-	-	2,282,009	347,174	2,282,009	347,174
Building and building equipment	10,341,520	10,569,365	2,263,313	2,368,278	12,604,833	12,937,643
Land improvements/sidewalks	7,584,650	7,864,188	74,747	83,128	7,659,397	7,947,316
Vehicles	771,454	837,868	-	-	771,454	837,868
Equipment	1,417,996	1,611,708	744,632	718,704	2,162,628	2,330,412
Flowage rights	4,609,878	4,823,541	-	-	4,609,878	4,823,541
Streets and highways	1,514,301	1,319,599	-	-	1,514,301	1,319,599
Sewer and water mains	-	-	55,973,862	55,401,266	55,973,862	55,401,266
	<u>\$ 33,056,114</u>	<u>\$ 33,692,190</u>	<u>\$ 62,953,803</u>	<u>\$ 60,486,119</u>	<u>\$ 96,009,917</u>	<u>\$ 94,178,309</u>

Additional information on the Township's capital assets can be found in the notes of this report.

**CHARTER TOWNSHIP OF DELTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

Long-Term Obligations. At the end of the current fiscal year, the Township had total long-term obligations outstanding of \$10.7 million. Of this amount, \$8.5 million comprises debt backed by the full faith and credit of the government. The Township also has notes from direct borrowing and direct placements including other long-term items (\$655,000). The remaining \$1.6 million represents compensated absences earned but not used as of year-end.

Charter Township of Delta's Outstanding Long-term Obligations
General Obligation Bonds, Notes from Direct Borrowings and Direct Placements, and
Other Long-term Obligations

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation debts	\$ 5,581,772	\$ 5,804,070	\$ 2,897,513	\$ 3,754,392	\$ 8,479,285	\$ 9,558,462
Notes from direct borrowings and direct placements	566,493	676,974	88,930	111,163	655,423	788,137
Other	1,079,061	1,184,925	509,802	493,281	1,588,863	1,678,206
	<u>\$ 7,227,326</u>	<u>\$ 7,665,969</u>	<u>\$ 3,496,245</u>	<u>\$ 4,358,836</u>	<u>\$ 10,723,571</u>	<u>\$ 12,024,805</u>

The Township's total debt decreased by \$1.3 million (11%) during the current fiscal year. This is attributable to the Township making the routine payments on debt.

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

Economic Factors and Next Year's Budgets and Rates

Charter Township of Delta's goal is to continually look for the most efficient and effective methods to maintain and enhance the services that are provided to the public. The Township has a conservative and financially prudent budget for the fiscal year 2022 that also promotes and funds numerous project objectives that have been set by the Township's strategic plan.

Requests for Information

This financial report is designed to provide a general overview of the 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 financial information should be addressed to the Township Manager's Office, 7710 West Saginaw Highway, Lansing, MI 48917-9712.

BASIC FINANCIAL STATEMENTS

**CHARTER TOWNSHIP OF DELTA
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation	Brownfield Redevelopment Authority
ASSETS					
Cash	\$ 16,558,134	\$ 9,467,558	\$ 26,025,692	\$ 60,687	\$ 144,013
Investments	13,485,265	7,711,668	21,196,933	-	-
Receivables					
Accounts	1,187,727	959,981	2,147,708	-	-
Taxes	6,108,510	-	6,108,510	-	-
Interest	55,107	31,302	86,409	-	-
Other	-	37,249	37,249	-	-
Internal balances	35,837	(35,837)	-	-	-
Prepaid items	2,531,059	-	2,531,059	-	-
Special assessments					
Due within one year - interest	-	128	128	-	-
Due within one year	-	2,566	2,566	-	-
Due in more than one year	-	10,502	10,502	-	-
Deferred charges					
Tap in charges - deferred	-	430	430	-	-
Capital assets not being depreciated					
Land	6,816,315	1,615,240	8,431,555	-	-
Construction in progress	-	2,282,009	2,282,009	-	-
Other capital assets, net of accumulated depreciation	26,239,799	59,056,554	85,296,353	-	-
TOTAL ASSETS	73,017,753	81,139,350	154,157,103	60,687	144,013
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	3,781,116	-	3,781,116	-	-
Other postemployment benefits related items	5,325,492	1,879,845	7,205,337	-	-
Deferred charge on refunding	118,580	-	118,580	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	9,225,188	1,879,845	11,105,033	-	-

See notes to financial statements.

	Primary government			Component units	
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation	Brownfield Redevelopment Authority
LIABILITIES					
Accounts payable	\$ 518,376	\$ 756,955	\$ 1,275,331	\$ -	\$ -
Customer deposits payable	104,130	78,820	182,950	-	-
Retainage payable	219,162	-	219,162	-	-
Accrued salaries and related items	243,429	-	243,429	-	-
Accrued interest	74,999	14,124	89,123	-	-
Unearned revenue	1,748,383	1,725	1,750,108	-	-
Noncurrent liabilities					
Due within one year	1,049,568	1,303,757	2,353,325	-	-
Due in more than one year	6,177,758	2,192,488	8,370,246	-	-
Net other postemployment benefits liability	1,373,065	512,687	1,885,752	-	-
Net pension liability	5,127,346	-	5,127,346	-	-
TOTAL LIABILITIES	16,636,216	4,860,556	21,496,772	-	-
DEFERRED INFLOWS OF RESOURCES					
Pension related items	71,876	-	71,876	-	-
Other postemployment benefits related items	5,823,887	2,047,165	7,871,052	-	-
Unavailable revenue - property taxes	10,943,293	-	10,943,293	-	68,359
TOTAL DEFERRED INFLOWS OF RESOURCES	16,839,056	2,047,165	18,886,221	-	68,359
NET POSITION					
Net investment in capital assets	27,026,429	59,967,360	86,993,789	-	-
Restricted for perpetual care	381,219	-	381,219	-	-
Restricted for paramedic services	2,368,545	-	2,368,545	-	-
Restricted for budget stabilization	450,000	-	450,000	-	-
Unrestricted	18,541,476	16,144,114	34,685,590	60,687	75,654
TOTAL NET POSITION	\$ 48,767,669	\$ 76,111,474	\$ 124,879,143	\$ 60,687	\$ 75,654

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position							
		Program Revenues			Primary Government			Component Unit	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Economic Development Corporation	Brownfield Redevelopment Authority
Primary government									
Governmental activities									
General government	\$ 4,450,116	\$ 605,263	\$ -	\$ 130,720	\$ (3,714,133)	\$ -	\$ (3,714,133)	\$ -	\$ -
Public safety	7,427,071	811,542	19,887	-	(6,595,642)	-	(6,595,642)	-	-
Public works	2,318,095	2,155,842	-	-	(162,253)	-	(162,253)	-	-
Health and welfare	2,794,805	1,709,893	56,511	-	(1,028,401)	-	(1,028,401)	-	-
Community and economic development	470,670	19,880	-	-	(450,790)	-	(450,790)	-	-
Culture and recreation	1,927,542	193,673	-	-	(1,733,869)	-	(1,733,869)	-	-
Interest on long-term debt	178,316	-	-	-	(178,316)	-	(178,316)	-	-
Total governmental activities	19,566,615	5,496,093	76,398	130,720	(13,863,404)	-	(13,863,404)	-	-
Business-type activities									
Water	5,712,269	6,221,703	-	1,055,175	-	1,564,609	1,564,609	-	-
Sewer	4,917,128	5,627,372	-	966,372	-	1,676,616	1,676,616	-	-
Total business activities	10,629,397	11,849,075	-	2,021,547	-	3,241,225	3,241,225	-	-
Total primary government	\$ 30,196,012	\$ 17,345,168	\$ 76,398	\$ 2,152,267	-	-	(10,622,179)	-	-
Component unit									
Economic Development Corporation	\$ 800	\$ -	\$ -	\$ -	-	-	-	(800)	-
Brownfield Redevelopment Authority	86,875	-	-	-	-	-	-	-	(86,875)
Total component unit activities	\$ 87,675	\$ -	\$ -	\$ -	-	-	-	(800)	(86,875)
General revenues									
Taxes									
Property taxes, levied for general purposes					9,441,800	-	9,441,800	-	155,028
Paramedic levy					1,550,711	-	1,550,711	-	-
State sources					3,345,885	-	3,345,885	-	-
Franchise fees					1,695,485	-	1,695,485	-	-
Investment earnings (loss)					(72,548)	(46,336)	(118,884)	(124)	-
Other					284,766	-	284,766	-	-
Total general revenues					16,246,099	(46,336)	16,199,763	(124)	155,028
Change in net position					2,382,695	3,194,889	5,577,584	(924)	68,153
Net position, beginning of year					46,384,974	72,916,585	119,301,559	61,611	7,501
Net position, end of year					\$ 48,767,669	\$ 76,111,474	\$ 124,879,143	\$ 60,687	\$ 75,654

See notes to financial statements.

CHARTER TOWNSHIP OF DELTA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	Paramedic Fund (a Special Revenue Fund)	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash	\$ 12,389,538	\$ 1,324,905	\$ 2,614,299	\$ 244,132	\$ 16,572,874
Investments	10,089,331	1,078,948	2,130,984	171,262	13,470,525
Receivables					
Accounts	1,160,545	27,182	-	-	1,187,727
Taxes	4,467,754	1,640,756	-	-	6,108,510
Interest	41,382	4,380	8,650	695	55,107
Due from other funds	56,487	-	-	-	56,487
Prepaid items	2,526,285	4,774	-	-	2,531,059
TOTAL ASSETS	\$ 30,731,322	\$ 4,080,945	\$ 4,753,933	\$ 416,089	\$ 39,982,289
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 472,156	\$ 46,220	\$ -	\$ -	\$ 518,376
Customer deposits payable	104,130	-	-	-	104,130
Due to other funds	-	20,650	-	-	20,650
Retainage payable	219,162	-	-	-	219,162
Unearned revenue	-	-	1,748,383	-	1,748,383
Accrued salaries and related items	243,429	-	-	-	243,429
TOTAL LIABILITIES	1,038,877	66,870	1,748,383	-	2,854,130
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	9,340,463	1,640,756	-	-	10,981,219
FUND BALANCES					
Nonspendable					
Prepaid items	2,526,285	4,774	-	-	2,531,059
Restricted					
Budget stabilization	450,000	-	-	-	450,000
Perpetual care fund	-	-	-	381,219	381,219
Paramedic fund	-	2,368,545	-	-	2,368,545
Assigned					
Debt service	-	-	-	34,870	34,870
Compensated absences	965,254	-	-	-	965,254
Roads	1,100,000	-	-	-	1,100,000
Retiree health insurance	100,000	-	-	-	100,000

See notes to financial statements.

	General	Paramedic Fund (a Special Revenue Fund)	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
FUND BALANCES (continued)					
Assigned (continued)					
Non-motorized transportation	\$ 700,000	\$ -	\$ -	\$ -	\$ 700,000
Economic development	500,000	-	-	-	500,000
Capital improvements	3,990,000	-	3,005,550	-	6,995,550
Subsequent year expenditures	1,393,000	-	-	-	1,393,000
Unassigned	8,627,443	-	-	-	8,627,443
TOTAL FUND BALANCES	20,351,982	2,373,319	3,005,550	416,089	26,146,940
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 30,731,322	\$ 4,080,945	\$ 4,753,933	\$ 416,089	\$ 39,982,289

Total governmental fund balances \$ 26,146,940

Amounts reported for governmental activities in the statement
of net position are different because:

Deferred outflows of resources - related to pensions	3,781,116
Deferred inflows of resources - related to pensions	(71,876)
Deferred outflows of resources - related to other postemployment benefits	5,325,492
Deferred inflows of resources - related to other postemployment benefits	(5,823,887)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Cost of the capital assets	\$ 61,173,290
Less accumulated depreciation	<u>28,117,176</u>

33,056,114

Other long-term assets are not available to pay for current period expenditures and, therefore,
are unavailable in the funds:

Delinquent personal property taxes receivable, less allowance for doubtful accounts	37,926
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Deferred loss on refunding	118,580
General obligation debt	(5,581,772)
Other long-term debt	(566,493)
Compensated absences	(1,079,061)
Accrued interest	(74,999)
Net other postemployment benefits liability	(1,373,065)
Net pension liability	<u>(5,127,346)</u>

Net position of governmental activities \$ 48,767,669

See notes to financial statements.

CHARTER TOWNSHIP OF DELTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General	Paramedic Fund (a Special Revenue Fund)	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Local sources					
Property taxes	\$ 9,442,511	\$ -	\$ -	\$ -	\$ 9,442,511
Paramedic levy	-	1,550,711	-	-	1,550,711
Licenses and permits	3,173,776	-	-	-	3,173,776
Charges for services	932,019	1,553,499	-	-	2,485,518
Investment earnings (loss)	(57,623)	(5,330)	(8,871)	(724)	(72,548)
Rental income	78,897	-	-	379,800	458,697
Local contributions	583,070	-	-	-	583,070
Other	751,235	-	-	24,048	775,283
Total local sources	14,903,885	3,098,880	(8,871)	403,124	18,397,018
State shared revenue	3,345,885	-	-	-	3,345,885
State and federal grants	150,607	56,511	-	-	207,118
TOTAL REVENUES	18,400,377	3,155,391	(8,871)	403,124	21,950,021
EXPENDITURES					
Current					
General government	4,493,894	-	-	-	4,493,894
Public safety	7,915,282	-	-	-	7,915,282
Public works	1,893,511	-	-	-	1,893,511
Health and welfare	-	3,200,959	-	-	3,200,959
Community and economic development	481,444	-	-	-	481,444
Culture and recreation	1,844,078	-	-	-	1,844,078
Debt service					
Principal repayment	110,481	-	-	180,000	290,481
Interest expenditure	25,949	-	-	200,300	226,249
TOTAL EXPENDITURES	16,764,639	3,200,959	-	380,300	20,345,898
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,635,738	(45,568)	(8,871)	22,824	1,604,123
OTHER FINANCING SOURCES (USES)					
Transfers in	100,000	-	146,500	-	246,500
Transfers out	(146,500)	-	(100,000)	-	(246,500)
Total other financing sources (uses)	(46,500)	-	46,500	-	-
Net change in fund balances	1,589,238	(45,568)	37,629	22,824	1,604,123
FUND BALANCES					
Beginning of year	18,762,744	2,418,887	2,967,921	393,265	24,542,817
End of year	\$ 20,351,982	\$ 2,373,319	\$ 3,005,550	\$ 416,089	\$ 26,146,940

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Net change in fund balances - total governmental funds	\$ 1,604,123
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(1,655,993)
Capital outlay	1,053,864
Realized loss on disposal of capital assets	(33,947)
Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued interest payable beginning of the year	80,634
Accrued interest payable end of the year	(74,999)
Repayments of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it is a reduction of liabilities):	
Amortization of deferred loss on refunding	(7,905)
Amortization of bond premium	42,298
Repayment of principal on long-term debt	290,481
Revenue is recorded on the accrual method in the statement of activities; in the governmental funds it is recorded on the modified accrual method and not considered available:	
Accrued revenue beginning of the year - primarily delinquent personal property taxes	(38,637)
Accrued revenue end of the year - primarily delinquent personal property taxes	37,926
Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Accrued compensated absences beginning of the year	1,184,925
Accrued compensated absences end of the year	(1,079,061)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Other postemployment benefit related items	106,685
Pension related items	872,301
Change in net position of governmental activities	<u><u>\$ 2,382,695</u></u>

**CHARTER TOWNSHIP OF DELTA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Business-type Activities-Enterprise Funds		
	Sewer Fund	Water Fund	Total
ASSETS			
Current assets			
Cash	\$ 4,482,110	\$ 4,985,448	\$ 9,467,558
Investments	3,650,320	4,061,348	7,711,668
Receivables			
Accounts	575,783	384,198	959,981
Interest	14,817	16,485	31,302
Special assessment - current	858	1,708	2,566
Special assessment - interest	5	123	128
Other	-	37,249	37,249
Total current assets	8,723,893	9,486,559	18,210,452
Deferred charges			
Tap in charges - deferred	430	-	430
Special assessment - deferred	-	10,502	10,502
Capital assets not being depreciated	3,408,404	488,845	3,897,249
Property, plant and equipment, net of accumulated depreciation	23,106,371	35,950,183	59,056,554
Total noncurrent assets	26,515,205	36,449,530	62,964,735
TOTAL ASSETS	35,239,098	45,936,089	81,175,187
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefits related items	1,576,644	303,201	1,879,845

	Business-type Activities-Enterprise Funds		
	Sewer Fund	Water Fund	Total
LIABILITIES			
Current liabilities			
Accounts payable	\$ 493,380	\$ 263,575	\$ 756,955
Customer deposits payable	63,090	15,730	78,820
Accrued interest	-	14,124	14,124
Unearned revenue	-	1,725	1,725
Current portion of long-term liabilities	22,233	955,000	977,233
Current portion of compensated absences	270,574	55,950	326,524
Due to other funds	26,342	9,495	35,837
Total current liabilities	875,619	1,315,599	2,191,218
Long-term liabilities, net of current portion			
Compensated absences	149,488	33,790	183,278
Bonds payable	-	1,955,000	1,955,000
Other long-term debt	66,697	-	66,697
Net other postemployment benefits liability	429,996	82,691	512,687
Unamortized bond premiums (discount) - net	-	(12,487)	(12,487)
Total long-term liabilities	646,181	2,058,994	2,705,175
TOTAL LIABILITIES	1,521,800	3,374,593	4,896,393
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits related items	1,716,977	330,188	2,047,165
NET POSITION			
Net investment in capital assets	26,425,845	33,541,515	59,967,360
Unrestricted	7,151,120	8,992,994	16,144,114
TOTAL NET POSITION	\$ 33,576,965	\$ 42,534,509	\$ 76,111,474

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021**

	Business-type Activities-Enterprise Funds		
	Sewer Fund	Water Fund	Total
OPERATING REVENUES			
Charges for services	\$ 5,204,300	\$ 5,385,845	\$ 10,590,145
Hydrant rental	-	156,380	156,380
Forfeited discounts	57,738	57,052	114,790
Other services charges	-	247,096	247,096
Other	41,691	15,928	57,619
TOTAL OPERATING REVENUES	5,303,729	5,862,301	11,166,030
OPERATING EXPENSES			
Costs of sales and services	3,899,230	4,428,463	8,327,693
Depreciation	1,014,275	1,208,826	2,223,101
TOTAL OPERATING EXPENSES	4,913,505	5,637,289	10,550,794
Operating income (loss)	390,224	225,012	615,236
NON-OPERATING REVENUES (EXPENSES)			
Capital charges	323,643	359,402	683,045
Investment income - net	(20,804)	(25,532)	(46,336)
Interest and fiscal charges	(3,623)	(71,858)	(75,481)
Amortization of bond discount	-	(3,122)	(3,122)
TOTAL NON-OPERATING REVENUES (EXPENSES) - NET	299,216	258,890	558,106
Income (loss) before capital contributions	689,440	483,902	1,173,342
CAPITAL CONTRIBUTIONS - infrastructure	966,372	1,055,175	2,021,547
Change in net position	1,655,812	1,539,077	3,194,889
NET POSITION, beginning of year	31,921,153	40,995,432	72,916,585
NET POSITION, end of year	\$ 33,576,965	\$ 42,534,509	\$ 76,111,474

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021**

	Business-type Activities-Enterprise Funds		
	Sewer Fund	Water Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 5,107,557	\$ 5,432,149	\$ 10,539,706
Hydrant rental	-	156,380	156,380
Forfeited discounts	57,738	57,052	114,790
Other services charges	-	247,096	247,096
Other	41,691	15,928	57,619
Payment to suppliers	(1,380,236)	(3,642,309)	(5,022,545)
Payment to employees	(2,418,709)	(873,597)	(3,292,306)
Receipt (payment) for interfund services	4,261	1,644	5,905
Net cash provided by operating activities	1,412,302	1,394,343	2,806,645
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Capital charges	323,643	359,402	683,045
Main and tap in charges	4,371	11,376	15,747
Net cash provided by noncapital financing activities	328,014	370,778	698,792
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest received from special assessments	51	(1,829)	(1,778)
Proceeds (payments) from special assessments	3,803	(6,727)	(2,924)
Principal repayments on debt	(22,233)	(860,000)	(882,233)
Interest paid on bonds and land contract	(3,623)	(73,744)	(77,367)
Payments for capital acquisitions	(2,030,302)	(638,846)	(2,669,148)
Net cash used by capital and related financing activities	(2,052,304)	(1,581,146)	(3,633,450)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received from investments	(15,394)	(18,816)	(34,210)
Proceeds (purchase) of investments	1,350,447	2,558,274	3,908,721
Net cash provided by investing activities	1,335,053	2,539,458	3,874,511
NET INCREASE IN CASH	1,023,065	2,723,433	3,746,498
CASH			
Beginning of year	3,459,045	2,262,015	5,721,060
End of year	\$ 4,482,110	\$ 4,985,448	\$ 9,467,558

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021**

	Business-type Activities-Enterprise Funds		
	Sewer Fund	Water Fund	Total
RECONCILIATION OF NET OPERATING REVENUES			
(EXPENSE) TO NET CASH PROVIDED			
(USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 390,224	\$ 225,012	\$ 615,236
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	1,014,275	1,208,826	2,223,101
(Increase) decrease in assets			
Receivables	(96,743)	46,304	(50,439)
Prepaid expenses	12,993	2,712	15,705
Due to/from other funds - net	4,261	1,644	5,905
Increase (decrease) in liabilities			
Accounts payable	100,174	(39,977)	60,197
Accrued compensated absences	23,894	(7,373)	16,521
Customer deposits	-	90	90
Other postemployment benefit liability	(36,776)	(7,073)	(43,849)
Unearned revenue	-	(35,822)	(35,822)
Net cash provided by operating activities	<u>\$ 1,412,302</u>	<u>\$ 1,394,343</u>	<u>\$ 2,806,645</u>

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Other Post Employment Benefit Trust Fund	Custodial Fund Tax Collection Fund
	Retiree Health Benefits	
ASSETS		
Cash	\$ -	\$ 2,817,807
Investments	18,982,192	2,292,460
Interest receivable	-	9,305
	<u>18,982,192</u>	<u>5,119,572</u>
TOTAL ASSETS		
LIABILITIES		
Undistributed tax collections		
Current	-	5,119,572
Delinquent and other	-	-
	<u>-</u>	<u>5,119,572</u>
TOTAL LIABILITIES		
NET POSITION		
Restricted for other post employment benefits	<u>18,982,192</u>	<u>-</u>
TOTAL NET POSITION	<u><u>\$ 18,982,192</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021**

	Other Post Employment Benefit Trust Fund Retiree Health Benefits	Custodial Fund Tax Collection Fund
ADDITIONS		
Contributions		
Employer	\$ 698,103	\$ -
Nonemployer	15,000	-
Collection of taxes for other governments	-	61,612,559
Investment income	1,332,932	-
	<u>2,046,035</u>	<u>61,612,559</u>
TOTAL ADDITIONS		
	<u>2,046,035</u>	<u>61,612,559</u>
DEDUCTIONS		
Benefits paid to participants	327,103	-
Payment of taxes collected for other governments	-	61,612,559
	<u>327,103</u>	<u>61,612,559</u>
TOTAL DEDUCTIONS		
	<u>327,103</u>	<u>61,612,559</u>
Net change in fiduciary net position	1,718,932	-
NET POSITION		
Beginning of year	<u>17,263,260</u>	<u>-</u>
End of year	<u>\$ 18,982,192</u>	<u>\$ -</u>

See notes to financial statements.

CHARTER TOWNSHIP OF DELTA NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component units for which the primary government is financially accountable.

Reporting Entity

The Charter Township of Delta (Township) is incorporated under the provisions of Act 359, P.A. 1947 as amended (Charter Township Act) and is located in mid-Michigan. The Township is governed by the Charter Township of Delta Board of Trustees (the "Board"), which has responsibility and control over all activities related to the Township. The Township provides the following services as authorized by its charter; public safety (police and fire), public improvements (streets, sewers, water system, lighting), planning and zoning, recreation and general administrative services.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Discretely Presented Component Units

The following is a description of the discretely presented component units:

The Economic Development Corporation of the Charter Township of Delta (EDC) is a nonstock, nonprofit corporation. The primary purpose of the corporation is to encourage and assist commercial enterprises to locate and expand facilities and services in the Township and to its residents. The corporation is organized pursuant to the State of Michigan, Public Act 338 of 1974, as amended. Members of the Board of Directors of the corporation are appointed by the Township Board of Trustees. The Township Board has the ability to exercise oversight responsibility, specifically in the area of designation of management. The EDC is presented as a discretely presented component unit.

The Brownfield Redevelopment Authority of the Charter Township of Delta was established in 2002. The primary purpose of the fund is to clean up environmentally challenged properties in the Township and prepare them for desirable and productive re-use. The Authority is organized pursuant to Section 8 of the State of Michigan's Brownfield Redevelopment Financing Act (Public Act 381 of 1996, as amended by Public Act 145 of 2000 and Public Act 502 of 2012). Members of the Board of Directors of the Authority are the same as the members of the Economic Development Corporation, and are appointed by the Township Board of Trustees. The Township Board has the ability to exercise oversight responsibility, specifically in the area of designation of management. The Brownfield Redevelopment Authority is presented as a discretely presented component unit.

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting Entity (continued)

Discretely Presented Component Units (continued)

The Tax Increment Finance Authority ("TIFA") was established by the Township under the authority contained in Act 450, Michigan Public Acts of 1981 ("Act 450"). Act 450 authorizes the Township to designate specific districts within its corporate limits as TIFA districts. The TIFA presides over such districts, formulating plans for public improvements, economic development, neighborhood revitalization, and historic preservation within the districts. Act 450 allows the TIFA to participate in a broad range of improvement activities intended to contribute to economic growth and prevent property value deterioration. The TIFA's governing body is appointed by the Supervisor and approved by the Township Board. Funding for the Saginaw Highway Corridor Improvement Authority will come from the TIFA. There was no activity in the TIFA for the year ending December 31, 2021, though it will be presented as a discretely presented component unit in future years.

The Saginaw Highway Corridor Improvement Authority ("SHCIA") was created in 2021 with the goals to correct and prevent deterioration in the business district, redevelop the Township's commercial corridors and promote economic growth. The Development and Tax Increment Financing plans arrange projects into three categories: public infrastructure, current and prevent deterioration, and promote neighborhood aligned economic growth. In 2021, the development and tax increment finance plans were approved and allow the Authority to begin its first steps in executing the vision set forth by the corridor's residents, businesses, and other stakeholders. The Authority's governing body is appointed by the Supervisor and approved by the Township Board. The Authority relies on tax increment revenues as available, along with grants and other revenues. There was no activity in the SHCIA for the year ending December 31, 2021, though it will be presented as a discretely presented component unit in future years.

Fiduciary Component Unit

The Other Postemployment Benefit Trust Fund was established in 2004 to account for the assets set aside to fund the Delta Township Retiree Health Care Plan. The primary purpose of the Trust is to provide the necessary funding for the retiree health benefits provided to eligible Township employees during retirement. The Trust was established through ICMA Retirement Corporation, with the Township Board of Trustees serving as the trustees. The assets of the Trust are for the exclusive benefit of the participants and their beneficiaries, and the assets shall not be diverted to any other purchase prior to the satisfaction of all liabilities. The assets are protected from any of the Township's creditors. Members of the Board of Directors of the Trust are the same as the members of the Township Board of Trustees. The Township Board has the ability to exercise oversight responsibility, specifically in the area of designation of management.

Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

CHARTER TOWNSHIP OF DELTA NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Government-wide Financial Statements (continued)

As discussed earlier, the Township has two discretely presented component units. While the Economic Development Corporation and the Brownfield Redevelopment Authority of the Charter Township of Delta are not considered to be major component units, they are nevertheless shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for water, sewer and engineering services between the water and sewer funds and other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the Township's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The government reports the following *major governmental funds*:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *paramedic fund* is a special revenue fund. It is utilized to account for the Township's ambulance service tax levy.

The *capital project fund* is used for the receipt of proceeds and transfers from the general fund for the purchase of capital assets or construction of major capital projects. The Township's capital project fund includes the improvement revolving fund.

The government reports the following *major proprietary funds*:

The water and sewer funds are used to account for the results of operations that provide a service to citizens that are financed primarily by user charges for the provision of that service.

Additionally, the government reports the following nonmajor fund types:

Debt Service Fund - The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term debt payable primarily from rent revenue from the Township Library. The Township's only current debt service fund relates to the Library building.

Permanent Fund - The Township utilizes the Cemetery Perpetual Care fund to account for principal trust amounts received and the related interest.

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

Additionally, the government reports as fiduciary funds the post-employment benefit trust fund and the tax collection fund (custodial fund).

The other *post-employment benefit trust fund* accounts for the accumulated resources related to health benefit payments to qualified retirees.

The *custodial fund* is utilized to account for the Township's collection of taxes for other governmental units.

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

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

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are generally collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, other postemployment benefit trust, and custodial funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Budgetary Information

Budgetary Basis of Accounting:

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue fund. The capital projects fund is appropriated on a project-length basis.

The budget is prepared by fund, function, and department. The Township's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). The Township does not utilize encumbrance accounting.

The budget was amended during the year with supplemental appropriations. All the budget amendments were approved prior to December 31, 2021. The Township does not consider the amendments to be significant. Violations, if any, are noted in the required supplementary information sections.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Investments

Cash includes amounts in petty cash and demand deposits. Investments include instruments allowed by state statute subsequently described. Investments are carried at fair value.

Certain investments are valued at fair value as determined by quoted market prices, or by estimated fair values when quoted market prices are not available. Standards also provide that certain investments are valued at cost (or amortized cost).

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Cash and Investments (continued)

In accordance with Michigan Compiled Laws, the Township is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

The Township's retirement system investments are held in trust by the investment fiduciary, ICMA Retirement Corporation. Michigan Compiled Laws, Section 38.1132, authorizes Delta Township's retirement system to invest in a wide variety of investments including stocks, bonds, certificates of deposit, real estate, annuity contract obligations of a specified nature, and real or personal property.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" and are all current. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Receivables and Payables (continued)

Accounts receivable in the proprietary funds do not have an allowance for uncollectibles. Delinquent amounts are ultimately added to the tax roll and become a lien on the property and as a consequence, no allowance is deemed necessary. An allowance is recorded related to delinquent personal property taxes amounting to 50% of the total. No other significant allowances are deemed necessary.

Prepaid Items

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure (sidewalks, water and sewer lines and usage rights), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvement are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful live:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Land improvements/sidewalks	15 - 25
Sewer and water mains	50
Flowage rights	40
Streets and highways	15
Vehicles	5
Equipment	3 - 5

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Township has three items that qualify for reporting in this category. They are the deferred charge on refunding, pension related items and other postemployment benefits related items reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow is recognized for pension related items and is expensed in the plan years in which it applies. A deferred outflow is also recognized for other postemployment benefit related items and is expensed in the plan years in which it applies.

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Township has three items that qualify for reporting in this category. One is for pension related items reported in the government-wide statement of net position. The second is for other postemployment benefit related items reported in the government-wide statement of net position. The Township also reports unavailable revenues from one source: property taxes. These amounts are property taxes levied for the next fiscal year.

Pension

For purposes 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 Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. 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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes 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 Delta Township Retiree Health Care Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Fund Balance Policies (continued)

In the general fund, the goal of the Township Board shall be to maintain a minimum unassigned fund balance of no less than 50% of general fund expenditures. For purposes of this calculation, "expenditures" will be the annual budgeted expenditures amount less non-recurring capital expenditures. If unassigned fund balance levels fall below 50% of expenditures, the general fund budget for the following year will be adjusted to restore fund balance to the 50% level.

The Township has a stabilization arrangement, under Michigan Public Act 30 of 1978. There are no requirements to add to the stabilization amount. The conditions under which stabilization amount may be spent are to cover general fund deficits, expenses related arising from natural disasters, and to prevent a reduction in the level of public services provided. The use of the stabilization funds may be appropriated by an ordinance or resolution adopted by a 2/3 vote of the Board of Trustees.

Comparative Data/Reclassifications

Comparative total data for the prior year have been presented only for certain individual funds in additional supplementary information in order to provide an understanding of the changes in the financial position and operations of these funds. Also, at certain times the amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenditures/Expenses

Property Taxes

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district, community college and school districts. All tax collections are accounted for in the tax collection fund, an custodial fund. Township tax revenues are recognized in the fiscal year following the December 1 levy date. Property taxes levied for the ensuing year's revenue are included in taxes receivable and deferred inflows of resources. Property tax receivables related to delinquent taxes are also unavailable unless collected within 60 days of year-end.

The Township is permitted by state statute to levy taxes up to \$5.00 per \$1,000 of taxable valuation for general government services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. In addition, the residents of the Township have approved an additional \$1.00 per \$1,000 specifically for the operation of the paramedic operations. In 2021, the Township levied \$4.9287 per \$1,000 for general governmental purposes and \$0.9896 per \$1,000 for the paramedic operation for a total of \$5.9183 per \$1,000. The total taxable value for the 2020 levy within the Township was \$1,556,571,125.

Compensated Absences

It is the Township's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid to employees upon separation from the Township. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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 straight-line method. Bond issuance costs are reported as expenditures in the year in which they are incurred.

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.

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenditures/Expenses (continued)

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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 water and sewer funds are charges to customers for sales and services. The funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 - DEPOSITS AND INVESTMENTS

As of December 31, 2021 the Township had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. As of December 31, 2021, \$14,409,100 of the Township's bank balance of \$14,758,621 was exposed to custodial credit risk because it was uninsured and uncollateralized. Money market accounts are included in the above totals. The balance of \$14,778,029 is reported as deposits on the financial statements as of December 31, 2021.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the 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 Township will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the Township will do business.

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

In accordance with its investment policy, the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Township's cash requirements.

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury Notes	\$ 7,459,969	1.8493
U.S. Agency Loans	9,114,180	1.6508
U.S. Mortgage Backed Securities	6,372,807	1.9516
U.S. Agencies - Corporate	215,458	1.5468
Municipal Bonds	690,596	4.1112
MI CLASS EDGE External Investment Pool	9,749,929	0.1233
MI CLASS External Investment Pool	4,156,624	0.2301
Total fair value	<u>\$ 37,759,563</u>	
Portfolio weighted average maturity		<u>1.2502</u>

1 day maturity equals 0.0027, one year equals 1.00

Credit Risk

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Type	Fair Value	Standard & Poor's Rating	Fitch Rating
Municipal Bonds	\$ 690,596	AA-	N/A
MI CLASS EDGE External Investment Pool	9,749,929	N/A	AAAf/S1
MI CLASS External Investment Pool	4,156,624	AAAm	N/A
Total fair value	<u>\$ 14,597,149</u>		

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Concentration of Credit Risk

The Township will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Township's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Foreign Currency Risk

The Township is not authorized to invest in investments which have this type of risk.

Fair Value Measurement

The Township is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the Township's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Investments that are measured at fair value using net asset per value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

	<u>Level 2</u>
Investments by fair value level	
U.S. Treasury notes	\$ 7,459,969
U.S. Agency loans	9,114,180
U.S. Mortgage backed securities	6,372,807
U.S. Agencies - corporate	215,458
Municipal bonds	<u>690,596</u>
Total investments by fair value level	<u>23,853,010</u>
Investments at net asset value (NAV)	
MI CLASS External Investment Pool	4,156,624
MI CLASS EDGE External Investment Pool	<u>9,749,929</u>
Total investments by net asset value	<u>13,906,553</u>
Total investments	<u><u>\$ 37,759,563</u></u>

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Investments in Entities that Calculate Net Asset Value Per Share

The Township holds shares or interests in an investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

At the year ended December 31, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
MI CLASS External Investment Pool	\$ 4,156,624	\$ -	No restrictions	None
MI CLASS EDGE External Investment Pool	9,749,929	-	No restrictions	5 business days
Total investments at net asset value	<u>\$ 13,906,553</u>	<u>\$ -</u>		

The cash and investments referred to above have been reported in either the cash or investments captions on the financial statements, based upon criteria disclosed in Note 2.

	<u>Primary Government</u>	<u>Component Units</u>	<u>Custodial Fund</u>	<u>Total</u>
Cash	\$ 26,025,692	\$ 204,700	\$ 2,817,807	\$ 29,048,199
Investments	<u>21,196,933</u>	<u>-</u>	<u>2,292,460</u>	<u>23,489,393</u>
	<u>\$ 47,222,625</u>	<u>\$ 204,700</u>	<u>\$ 5,110,267</u>	<u>\$ 52,537,592</u>

Other Postemployment Benefits

The Charter Township of Delta's Other Post Employment Benefit Trust Fund (the "trust fund" or the "System") investments are maintained separately from the Township's pooled cash and investments, and are subject to separate investment policies and state statutes. Accordingly, the required disclosure for the System's deposits and investments are presented separately.

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Deposits

The System does not maintain any checking or other demand/time deposit accounts.

Investments

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1985, as amended, authorizes the System to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The System has the responsibility and authority to oversee the investment portfolio. A professional investment manager is contracted to assist in managing the System's assets. All investment decisions are subject to Michigan law and the investment policy established by the System.

The System's investments are held with an insurance company administered trust fund. Following is a summary of the System's investments as of December 31, 2021:

	Other Post Employment Benefit Trust Fund	Weighted Average Maturity (Years)	Standard & Poor's Rating
	(Level 1)		
Investments by fair value level			
Balanced funds	\$ 17,461,633	0.0027	AAAm
Investments at net asset value (NAV)			
Stable value funds	<u>1,520,559</u>	0.0027	AAAm
	<u><u>\$ 18,982,192</u></u>		
Portfolio weighted average maturity		<u><u>0.0027</u></u>	

One day maturity equals 0.0027, one year equals 1.00.

The investments carried at net asset value there are no unfunded commitments, no restrictions on redemption frequency or notice period for redemption.

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CAPITAL ASSETS

The capital assets are as follows:

	Balance January 1, 2021	Additions/ Reclassifications	Deletions/ Reclassifications	Balance December 31, 2021
Primary government				
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 6,665,921	\$ 150,394	\$ -	\$ 6,816,315
Capital assets, being depreciated				
Buildings and building equipment	19,049,260	130,955	-	19,180,215
Land improvements and sidewalks	12,814,893	-	-	12,814,893
Vehicles	2,139,823	82,945	75,844	2,146,924
Flowage rights	8,546,530	-	-	8,546,530
Streets and highways	5,111,819	464,067	-	5,575,886
Equipment	5,994,199	225,503	127,175	6,092,527
Total capital assets, being depreciated	53,656,524	903,470	203,019	54,356,975
Less accumulated depreciation for				
Buildings and building equipment	8,479,895	358,800	-	8,838,695
Land improvements and sidewalks	4,950,705	279,538	-	5,230,243
Vehicles	1,301,955	147,859	74,344	1,375,470
Flowage rights	3,722,989	213,663	-	3,936,652
Streets and highways	3,792,220	269,365	-	4,061,585
Equipment	4,382,491	386,768	94,728	4,674,531
Total accumulated depreciation	26,630,255	1,655,993	169,072	28,117,176
Total capital assets, being depreciated, net	27,026,269	(752,523)	33,947	26,239,799
Total	\$ 33,692,190	\$ (602,129)	\$ 33,947	\$ 33,056,114

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CAPITAL ASSETS (continued)

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Primary government				
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 1,567,569	\$ 47,671	\$ -	\$ 1,615,240
Construction in process	347,174	1,934,835	-	2,282,009
Total capital assets, not being depreciated	1,914,743	1,982,506	-	3,897,249
Capital assets, being depreciated				
Buildings and building equipment	29,223,883	-	-	29,223,883
Land improvements/sidewalks	149,441	-	-	149,441
Equipment	3,180,788	160,023	19,509	3,321,302
Sewer and water mains	99,692,954	2,548,256	-	102,241,210
Total capital assets, being depreciated	132,247,066	2,708,279	19,509	134,935,836
Less accumulated depreciation for				
Buildings and building equipment	26,855,605	104,965	-	26,960,570
Land improvements/sidewalks	66,313	8,381	-	74,694
Equipment	2,462,084	134,095	19,509	2,576,670
Sewer and water mains	44,291,688	1,975,660	-	46,267,348
Total accumulated depreciation	73,675,690	2,223,101	19,509	75,879,282
Total capital assets, being depreciated, net	58,571,376	485,178	-	59,056,554
Total	<u>\$ 60,486,119</u>	<u>\$ 2,467,684</u>	<u>\$ -</u>	<u>\$ 62,953,803</u>

Depreciation expense was charged to functions/programs of the primary government at December 31, 2021 as follows:

Governmental activities	
General government	\$ 341,771
Public safety	298,562
Public works	621,821
Health and welfare	111,715
Culture and recreation	282,124
Total depreciation expense - governmental activities	<u>\$ 1,655,993</u>
Business-type activities	
Water	\$ 1,208,826
Sewer	1,014,275
Total depreciation expense - business-type activities	<u>\$ 2,223,101</u>

**CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2021 is as follows:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	<u>\$ 56,487</u>	Water fund	\$ 9,495
		Sewer fund	26,342
		Paramedic fund	<u>20,650</u>
			<u>\$ 56,487</u>

The outstanding balances between funds result mainly from the accrued payroll. The payroll is calculated in the general fund, and the other funds reimburse. The general fund expects to collect in the subsequent year.

<u>Transfer Out</u>	<u>Transfer In</u>	
	<u>General Fund</u>	<u>Capital Projects Fund</u>
General fund	\$ -	\$ 146,500
Capital projects fund	<u>100,000</u>	<u>-</u>
	<u>\$ 100,000</u>	<u>\$ 146,500</u>

Transfers are used to 1) move funds for purchase of capital outlay or 2) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

NOTE 5 - LONG-TERM OBLIGATIONS

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	4.00%	\$ 4,905,000
Business-type activities	2.00% - 2.31%	<u>2,910,000</u>
		<u>\$ 7,815,000</u>

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

General Obligation Bonds (continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are issued as 15-year, 20-year, or 30-year serial bonds with differing amounts of principal maturing each year.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 180,000	\$ 192,600	\$ 955,000	\$ 54,098
2023	175,000	185,500	945,000	33,548
2024	175,000	178,500	485,000	17,729
2025	175,000	171,500	525,000	6,064
2026	175,000	164,500	-	-
2027 - 2031	1,530,000	663,000	-	-
2032 - 2036	2,055,000	303,900	-	-
2037	440,000	8,800	-	-
	<u>\$ 4,905,000</u>	<u>\$ 1,868,300</u>	<u>\$ 2,910,000</u>	<u>\$ 111,439</u>

Notes from Direct Borrowings and Direct Placements

The government is assessed for drains at large by Eaton County. The assessment covers the Township's share of installation and flowage rights for the drains.

The general assessment and note payable outstanding at year end are as follows:

Purpose	Interest Rate	Amount
Governmental activities	3.25% - 4.25%	\$ 566,493
Business type activities	3.25%	<u>88,930</u>
		<u>\$ 655,423</u>

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Notes from Direct Borrowings and Direct Placements (continued)

Installment notes and general assessment debt service requirements are as follows:

Year Ending December 31	Governmental Activities General Assessment		Business-type Activities General Assessment	
	Principal	Interest	Principal	Interest
2022	\$ 110,481	\$ 22,051	\$ 22,233	\$ 4,669
2023	110,481	18,185	22,233	3,502
2024	110,481	14,319	22,233	2,334
2025	110,481	10,474	22,231	1,171
2026	26,883	20,403	-	-
2027 - 2031	97,686	903	-	-
	<u>\$ 566,493</u>	<u>\$ 86,335</u>	<u>\$ 88,930</u>	<u>\$ 11,676</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES					
General obligation bonds					
General obligation bonds	\$ 5,085,000	\$ -	\$ (180,000)	\$ 4,905,000	\$ 180,000
Bond premium	719,070	-	(42,298)	676,772	42,298
Total general obligation bonds	5,804,070	-	(222,298)	5,581,772	222,298
Notes from direct borrowings and direct placements					
General assessment payable	676,974	-	(110,481)	566,493	110,481
Compensated absences	1,184,925	-	(105,864)	1,079,061	716,789
	<u>\$ 7,665,969</u>	<u>\$ -</u>	<u>\$ (438,643)</u>	<u>\$ 7,227,326</u>	<u>\$ 1,049,568</u>
BUSINESS-TYPE ACTIVITIES					
General obligation bonds					
General obligation bonds	\$ 3,770,000	\$ -	\$ (860,000)	\$ 2,910,000	\$ 955,000
Bond discount	(15,608)	-	3,121	(12,487)	-
Total general obligation bonds	3,754,392	-	(856,879)	2,897,513	955,000
Notes from direct borrowings and direct placements					
Other long-term debt	111,163	-	(22,233)	88,930	22,233
Compensated absences	493,281	16,521	-	509,802	326,524
	<u>\$ 4,358,836</u>	<u>\$ 16,521</u>	<u>\$ (879,112)</u>	<u>\$ 3,496,245</u>	<u>\$ 1,303,757</u>

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Changes in Long-Term Liabilities (continued)

The Township's outstanding notes from direct borrowings and direct placements related to governmental activities of \$566,493 and business-type activities of \$88,930 contains provisions that in the event of default, (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including interest may become immediately due and payable. In relation to the general assessments, the County could withhold tax settlement payments to ensure the principal and interest payments are made.

NOTE 6 - PENSION PLANS

Money Purchase Retirement Plan

The Charter Township of Delta has a Money Purchase Retirement Plan which was established on January 1, 1971. This defined contribution plan covers all full-time employees and elected officials who have attained the age of 18 years. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus results of investments transactions. The Plan assets are invested by ICMA Retirement Corporation who is the trustee of the Plan. The Township acts as a public plan sponsor for the retirement plan. Partial vesting occurs after 3 years of service at 20% and increases 20% per year until full vesting occurs at 7 years of service. The Township contributes 12.5% of the employees' base annual compensation, based on the contribution provisions set up in the plan and trust agreement. The Township's total payroll was \$10,279,248 in 2021. The base salary amounted to \$5,670,676. The Township made the required contributions of \$708,834. No significant employee contributions were made. Plan provisions and contribution requirements are established and may be amended by the Township.

Deferred Compensation Plan

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all Township employees, permits them to defer a portion of their salary until future years. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The Plan assets are held in trust for the exclusive benefit of participating employees and are not assessable by the government or its creditors.

Defined Benefit Plan

Plan Description

The Township and its firefighter's union elected to place the full-time firefighters into the Municipal Employees Retirement System (MERS) of Michigan. The employer's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

**CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - PENSION PLANS (continued)

Benefits Provided

	2021 Valuation
Benefit Multiplier	Bridged Benefit: 2.50% Multiplier (80% max) Frozen FAC; to 2.00% Multiplier (no max)
Bridged Benefit Date	6/30/2015
Normal Retirement Age	60
Vesting	10 years
Early Retirement (Unreduced)	50/25
Early Retirement (Reduced)	55/15
Final Average Compensation	3 years
COLA for Future Retirees	2.50% (Non-Compound)
Member Contributions	10.00%
Act 88	No

Employees Covered by Benefit Terms

At the December 31, 2020 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	7
Active employees	<u>38</u>
	<u><u>67</u></u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions was 10.00% based on annual payroll for open divisions. At year end, the Township is current on all required pension plan payments. Amounts accrued at year end for accounting purposes was approximately \$39,870. These amounts represent current payments for December paid in January.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

**CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - PENSION PLANS (continued)

Actuarial Assumptions

The total pension liability in the December 31, 2020 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: 3.0% in the long-term

Investment Rate of Return: 7.35%, net of investment expense, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3% - 4%.

The mortality table used to project the mortality experience of non-disabled plan members is a 50% Male - 50% Female blend of the following tables: 1. the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%, 2. the RP-2014 Employee Mortality Tables, and 3. the RP-2014 Juvenile Mortality Tables. The mortality table used to project the mortality experience of disabled plan members is a 50% Male - 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses 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 by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	60.00%	5.25%
Global fixed income	20.00%	1.25%
Real assets	20.00%	7.25%

Change in Assumptions

The change in assumptions since the prior valuation consist of a new experience study was completed, which made changes to the economic and demographic assumptions.

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - PENSION PLANS (continued)

Discount Rate

The discount rate used to measure the total pension liability is 7.60%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 12/31/2019	\$ 17,755,297	\$ 12,879,604	\$ 4,875,693
Changes for the year			
Service Cost	378,172	-	378,172
Interest on total pension liability	1,325,365	-	1,325,365
Changes in benefits	56,314	-	56,314
Difference between expected and actual experience	151,001	-	151,001
Changes of assumptions	779,744	-	779,744
Employer contributions	-	334,949	(334,949)
Employee contributions	-	336,758	(336,758)
Net investment income	-	1,792,939	(1,792,939)
Benefit payments including employee refunds	(1,010,753)	(1,010,753)	-
Administrative expense	-	(25,703)	25,703
Net changes	1,679,843	1,428,190	251,653
Balances as of 12/31/2020	\$ 19,435,140	\$ 14,307,794	\$ 5,127,346

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - PENSION PLANS (continued)

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

The following presents the net pension liability of the employer, calculated using the discount rate of 7.60%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (6.60%) or 1% higher (8.60%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability at 12/31/2020	\$ -	\$ 5,127,346	\$ -
Change in net pension liability (NPL)	<u>2,701,502</u>	<u>-</u>	<u>(2,183,111)</u>
Calculated NPL	<u>\$ 7,828,848</u>	<u>\$ 5,127,346</u>	<u>\$ 2,944,235</u>

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

For the year ended December 31, 2021 the employer recognized pension expense of \$473,341. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experiences	\$ 484,849	\$ 71,876
Differences in assumptions	1,209,572	-
Excess (deficit) investment returns	1,543,899	-
Contributions subsequent to the measurement date*	<u>542,796</u>	<u>-</u>
	<u>\$ 3,781,116</u>	<u>\$ 71,876</u>

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2022.

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

<u>Year End December 31,</u>	
2022	\$ 924,610
2023	919,231
2024	665,649
2025	501,739
2026	<u>155,215</u>
	<u>\$ 3,166,444</u>

**CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

In addition to the pension benefits and deferred compensation plan described in Note 6, the Township also sponsors the Delta Township Retiree Health Care Plan (the "Plan"). Based on the Plan, the Township is required to have an actuarial calculation every two years. The information provided is the results of the most recent actuarial valuation as of December 31, 2020, rolled forward to a measurement date of December 31, 2021.

Plan Administration

The Plan provides other postemployment benefits (OPEB) for all of its full-time employees through a single-employer defined benefit plan. The purpose of the Plan is to provide health care benefits to all employees who retire from the Township with a minimum 10 years of service based on the schedule of shared participation rates. The Plan is held with ICMA and is maintained as a trust fund in the Charter Township of Delta's financial statements.

The management of the Plan is vested in the Township Board of Trustees, which consists of seven members. The trustees have authorized township administration to oversee the operations of the trust.

The Charter Township of Delta and the Delta Township District Library both contribute to the Plan. Delta Township District Library is considered a non-employer contributing entity which is legally required to make their share of contributions to the Plan based on an actuarial valuation.

Benefits Provided

The Plan is to provide health care benefits to retirees. Benefits are provided through a third-party insurer, and the cost of benefits is determined by the schedule of shared participation rates, which the Plan covers the Township portion while the member is liability for the remaining. The Township Board of Trustees has the authority to establish and amend benefit provisions.

Plan Membership

At December 31, 2021, the Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	50
Inactive plan members entitled to but not yet receiving benefit payments	12
Active plan members	<u>124</u>
Total	<u><u>186</u></u>

**CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Plan Description (continued)

Contributions

The contribution requirements of plan members and the Township are established and may be amended by the Township. Retirees receiving benefits contribute to the cost of the premiums based on the number of years of service. The Township's share of costs ranges from 25% for those employees with 10 years of service to 100% for those with 25 years of service. The Township is also required to contribute at a rate that is based on an actuarial valuation that is prepared in accordance within certain parameters, in addition to a pay-as-you-go basis for retiree health care cost. The current rate is 3.58% of annual covered payroll. The Township contributed \$327,103 for their portion of shared costs with retiree's premiums. Delta Township District Library was not required to contribute for their portion of shared costs with retiree's premiums.

Net OPEB Liability

The Township's net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to a measurement date of December 31, 2021.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to a measurement date of December 31, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	Included in investment return
Salary increases	3.5%, average, including inflation
Investment rate of return	3.47%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Pre 65 - 8.25% graded 0.25% to 4.50% per annum Medicare eligible-6.5% graded 0.25% to 4.50% per annum

Mortality rates were based on the General Public 2010 Headcount weighted, annuitant and non-annuitant, sex-distinct mortality with MP-2019 improvement scale and the Public Safety 2010 Headcount weighted.

**CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Investments

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan's board by a majority vote of its members. It is the policy of the Plan's board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	8.8%
Fixed income	52.6%
Large cap	24.2%
Mid cap	1.5%
Small cap	1.4%
International stock	7.8%
Multi-asset	3.7%

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 investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	1.03%
Fixed income	1.27%
Large cap	6.90%
Mid cap	9.00%
Small cap	7.60%
International stock	7.28%
Multi-asset	6.55%

**CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Investments (continued)

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on investments, net of investment expense, was a gain of 39.2%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.47%. The projection of cash flows used to determine the discount rate assumed that Township contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Annual OPEB Cost and Net OPEB Liability of the Township and Library

Funding progress. For the year ended December 31, 2021 the Township has estimated the cost of providing retiree health care benefits through an actuarial valuation as of December 31, 2020, rolled forward to a measurement date of December 31, 2021. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. Based on that valuation, the Township contributed \$698,103 and the Library contributed \$15,000 for the year ended December 31, 2021, which represents 102.3% of the annual required contribution. The value of the Plan's assets at the end of December 31, 2021 was \$18,982,192.

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at December 31, 2020	<u>\$ 19,760,911</u>	<u>\$ 17,263,260</u>	<u>\$ 2,497,651</u>
Changes for the year			
Service cost	476,251	-	476,251
Interest	748,746	-	748,746
Difference between expected and actual experience	(74,070)	-	(74,070)
Change in actuarial assumptions	283,209	-	283,209
Contributions - employer	-	713,103	(713,103)
Contributions - nonemployer	-	-	-
Net investment income (loss)	-	1,332,932	(1,332,932)
Benefit payments	<u>(327,103)</u>	<u>(327,103)</u>	<u>-</u>
Net changes	<u>1,107,033</u>	<u>1,718,932</u>	<u>(611,899)</u>
Balances at December 31, 2021	<u><u>\$ 20,867,944</u></u>	<u><u>\$ 18,982,192</u></u>	<u><u>\$ 1,885,752</u></u>

The components of the net OPEB liability of the Township at December 31, 2021, were as follows:

	Township	Library	Plan Total
Total OPEB liability	\$ 20,278,338	\$ 589,606	\$ 20,867,944
Plan fiduciary net position	<u>(18,376,434)</u>	<u>(605,758)</u>	<u>(18,982,192)</u>
Net OPEB liability (asset)	<u><u>\$ 1,901,904</u></u>	<u><u>\$ (16,152)</u></u>	<u><u>\$ 1,885,752</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability			<u><u>91.0%</u></u>

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

The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.47%) or 1-percentage-point higher (4.47%). That the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Net OPEB liability	<u><u>\$ 5,942,582</u></u>	<u><u>\$ 1,885,752</u></u>	<u><u>\$ (1,291,089)</u></u>

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Changes in the Net OPEB Liability (continued)

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

The following presents the net OPEB liability of the Township, as well as the Township's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (3.5%) or 1-percentage-point higher (5.5%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB liability	<u>\$ (1,790,488)</u>	<u>\$ 1,885,752</u>	<u>\$ 6,757,303</u>

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

For the year ended December 31, 2021, the Township recognized OPEB expense of \$562,570. At December 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 7,377,275
Changes of assumptions	7,205,337	184,286
Net difference between projected and actual earnings on OPEB plan investments	<u>-</u>	<u>309,491</u>
	<u>\$ 7,205,337</u>	<u>\$ 7,871,052</u>

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

<u>Year Ended December 31,</u>	
2022	\$ (11,310)
2023	(329,659)
2024	(208,394)
2025	(310,372)
2026	87,379
Thereafter	106,641

**CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Payable to the OPEB Plan

At December 31, 2021, the Township did not have an outstanding amount of contributions to the Plan required for the year ended December 31, 2021.

Change in Assumptions

The change in assumptions since the prior valuation consist of updating the medical trend rate and lowering the discount rate from 3.73% to 3.47%.

NOTE 8 - LIMITED OBLIGATION BONDS - ECONOMIC DEVELOPMENT CORPORATION

The Corporation acts as a liaison between companies seeking financing and financial institutions in an effort to further the economic development of the Township. In performing this function, the corporation becomes a party in the financing agreements. The resulting debt of the developer is serviced directly by the financial institution. Under the bond agreements, the liability of the corporation upon the default of the debtor, is limited to the underlying value of the property. Under these arrangements, the corporation has no additional responsibility of repayment.

At December 31, 2021, there was no outstanding value of the long-term financing bonds receivable and bonds payable incurred in the aforementioned manner.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The Township and its component units are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township and its component units carry commercial insurance to cover any losses that may result from the above described activities. No settlements have incurred in excess of coverage in 2021 or any of the prior three years.

There are various claims and legal actions pending against the Township, many of which are either partially or fully covered by insurance. The Township is defending against these actions. In the opinion of Township management, the ultimate amount of loss, if any, resulting from these claims and legal actions is not determinable at the time of the release of the Township's financial statements.

NOTE 10 - BUILDING DEPARTMENT

The Township records the results of building department operations in the general fund. In accordance with Michigan Public Act 245 of 1999, the Township is required to maintain an accounting system that separately accumulates revenues and expenditures related to the building department function. For the year ended December 31, 2021 building department revenues were \$1,368,690 and expenditures were \$732,316. The cumulative effect since January 1, 2000, the effective date of Michigan Public Act 245 of 1999, are expenditures in excess of revenues in the amount of \$1,010,969.

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 11 - UNCERTAINTIES

The extent of the impact of COVID-19 on the Township's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the impact on the state economy, taxpayers, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Township's financial condition and results of operations is uncertain.

NOTE 12 - LIBRARY CONSTRUCTION

In April 2007, the Township and the Library entered into a 35-year operating lease. Lease revenue is scheduled as follows:

<u>Year Ending December 31,</u>	
2022	\$ 372,600
2023	360,500
2024	353,500
2025	346,500
2026	339,500
2027 - 2031	2,193,000
2032 - 2036	2,358,900
2037	<u>448,800</u>
	<u><u>\$ 6,773,300</u></u>

NOTE 13 - TAX ABATEMENTS

The Township entered into property tax abatement agreements with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high-tech facilities. An Industrial Facilities Tax Exemption (IFT) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government. The IFT on new plant and new industrial property is computed at 50% of the taxes levied. The Township can elect to freeze the taxable values for rehabilitation properties.

For the year ended December 31, 2021, the Township abated property tax revenue for general operations and emergency services totaling \$53,123 under this program. The Township can recoup the taxes abated if the terms of the contract are not met.

CHARTER TOWNSHIP OF DELTA
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - UPCOMING ACCOUNTING PRONOUNCEMENTS

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, was issued by the GASB in June 2017 and will be effective for the Township's 2022 year end. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Township is currently evaluating the impact this standard will have on the financial statements when adopted for the Township's 2023-year end.

REQUIRED SUPPLEMENTARY INFORMATION

CHARTER TOWNSHIP OF DELTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 9,408,300	\$ 9,408,300	\$ 9,442,511	\$ 34,211
Licenses and permits	1,239,100	2,432,100	3,173,776	741,676
Charges for services	747,956	747,956	932,019	184,063
Investment earnings (loss) - net	250,000	182,000	(57,623)	(239,623)
Rental income	72,700	72,700	78,897	6,197
Local contributions	656,400	656,400	583,070	(73,330)
Other	700,140	771,640	751,235	(20,405)
State shared revenue	2,919,000	2,919,000	3,345,885	426,885
State and federal grants	582,500	582,500	150,607	(431,893)
TOTAL REVENUES	<u>16,576,096</u>	<u>17,772,596</u>	<u>18,400,377</u>	<u>627,781</u>
EXPENDITURES				
Current				
General government				
Legislative - trustees	106,731	100,931	100,133	798
Manager	733,968	699,768	582,848	116,920
Assessing	570,747	570,747	461,222	109,525
Clerk	421,575	490,075	472,553	17,522
Treasurer	613,406	430,162	274,062	156,100
Computer	325,920	369,820	360,120	9,700
Township hall and grounds	590,743	626,543	497,565	128,978
General service administration	626,050	1,601,150	1,500,219	100,931
Cemetery	305,136	305,136	245,172	59,964
Total general government	<u>4,294,276</u>	<u>5,194,332</u>	<u>4,493,894</u>	<u>700,438</u>
Public safety				
Law enforcement - police	3,456,500	3,456,500	3,398,902	57,598
Fire	3,532,912	3,860,357	3,848,918	11,439
Emergency operations center	24,680	24,680	18,070	6,610
Protective inspection	687,637	687,637	649,392	38,245
Total public safety	<u>7,701,729</u>	<u>8,029,174</u>	<u>7,915,282</u>	<u>113,892</u>

**CHARTER TOWNSHIP OF DELTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2021**

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
EXPENDITURES (continued)				
Current				
Public works				
Recycling	\$ 100,275	\$ 105,275	\$ 103,544	\$ 1,731
Drains	74,620	74,620	64,370	10,250
Streets and highways	990,000	990,000	529,398	460,602
Engineering	447,439	462,439	464,383	(1,944)
Street lighting	730,440	730,440	731,816	(1,376)
Total public works	<u>2,342,774</u>	<u>2,362,774</u>	<u>1,893,511</u>	<u>469,263</u>
Community and economic development				
Planning	421,595	399,795	372,758	27,037
Economic development	<u>131,856</u>	<u>131,856</u>	<u>108,686</u>	<u>23,170</u>
Total community and economic development	<u>553,451</u>	<u>531,651</u>	<u>481,444</u>	<u>50,207</u>
Culture and recreation				
Parks and recreation	<u>2,959,950</u>	<u>2,547,505</u>	<u>1,844,078</u>	<u>703,427</u>
Debt service	<u>136,430</u>	<u>136,430</u>	<u>136,430</u>	<u>-</u>
TOTAL EXPENDITURES	<u>17,988,610</u>	<u>18,801,866</u>	<u>16,764,639</u>	<u>2,037,227</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	103,000	103,000	100,000	(3,000)
Transfers out	<u>(146,500)</u>	<u>(146,500)</u>	<u>(146,500)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(43,500)</u>	<u>(43,500)</u>	<u>(46,500)</u>	<u>(3,000)</u>
Net change in fund balance	<u>\$ (1,456,014)</u>	<u>\$ (1,072,770)</u>	1,589,238	<u>\$ 2,662,008</u>
FUND BALANCE				
Beginning of year			<u>18,762,744</u>	
End of year			<u>\$ 20,351,982</u>	

**CHARTER TOWNSHIP OF DELTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PARAMEDIC SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes and special assessments	\$ 1,551,470	\$ 1,551,470	\$ 1,550,711	\$ (759)
State and federal grants	-	-	56,511	56,511
Charges for services	1,700,000	1,700,000	1,553,499	(146,501)
Investment earnings (loss) - net	35,000	35,000	(5,330)	(40,330)
	<u>3,286,470</u>	<u>3,286,470</u>	<u>3,155,391</u>	<u>(131,079)</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Health and welfare	<u>3,585,560</u>	<u>3,585,560</u>	<u>3,200,959</u>	<u>384,601</u>
Excess of revenues over (under) expenditures	<u>\$ (299,090)</u>	<u>\$ (299,090)</u>	(45,568)	<u>\$ 253,522</u>
FUND BALANCE, beginning of year			<u>2,418,887</u>	
FUND BALANCE, end of year			<u>\$ 2,373,319</u>	

CHARTER TOWNSHIP OF DELTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY
AND RELATED RATIOS FOR THE MERS RETIREMENT PLAN
LAST SEVEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 378,172	\$ 385,443	\$ 348,446	\$ 367,324	\$ 337,096	\$ 502,823	\$ 495,489
Interest	1,325,365	1,193,223	1,187,982	1,119,952	1,079,816	1,125,219	1,048,403
Changes of benefit terms	56,314	(81,574)	(50,418)	(9,731)	2,091	(1,854,686)	-
Difference between expected and actual experience	151,001	415,810	93,195	63,846	(251,569)	54,919	-
Changes of assumptions	779,744	670,337	-	-	-	790,245	-
Benefit payments including employee refunds	(1,010,753)	(796,643)	(697,703)	(665,451)	(696,263)	(657,682)	(575,223)
Other	-	62,801	-	-	-	-	-
Net change in total pension liability	1,679,843	1,849,397	881,502	875,940	471,171	(39,162)	968,669
Total pension liability beginning	17,755,297	15,905,900	15,024,398	14,148,458	13,677,287	13,716,449	12,747,780
Total pension liability ending	<u>\$ 19,435,140</u>	<u>\$ 17,755,297</u>	<u>\$ 15,905,900</u>	<u>\$ 15,024,398</u>	<u>\$ 14,148,458</u>	<u>\$ 13,677,287</u>	<u>\$ 13,716,449</u>
Plan fiduciary net position							
Contributions-employer	\$ 334,949	\$ 289,075	\$ 284,469	\$ 248,714	\$ 258,411	\$ 1,215,567	\$ 203,339
Contributions-employee	336,758	291,053	284,413	248,038	257,166	416,946	498,207
Net investment income	1,792,939	1,565,416	(479,010)	1,444,479	1,135,253	(174,811)	544,848
Benefit payments including employee refunds	(1,010,753)	(796,643)	(697,703)	(665,451)	(696,263)	(657,682)	(575,223)
Administrative expense	(25,703)	(26,975)	(23,653)	(22,862)	(22,401)	(21,520)	(20,098)
Net change in plan fiduciary net position	1,428,190	1,321,926	(631,484)	1,252,918	932,166	778,500	651,073
Plan fiduciary net position beginning	12,879,604	11,557,678	12,189,162	10,936,244	10,004,078	9,225,578	8,574,505
Plan fiduciary net position ending	<u>\$ 14,307,794</u>	<u>\$ 12,879,604</u>	<u>\$ 11,557,678</u>	<u>\$ 12,189,162</u>	<u>\$ 10,936,244</u>	<u>\$ 10,004,078</u>	<u>\$ 9,225,578</u>
Employer net pension liability	<u>\$ 5,127,346</u>	<u>\$ 4,875,693</u>	<u>\$ 4,348,222</u>	<u>\$ 2,835,236</u>	<u>\$ 3,212,214</u>	<u>\$ 3,673,209</u>	<u>\$ 4,490,871</u>
Plan fiduciary net position as a percentage of the total pension liability	73.62%	72.54%	72.66%	81.13%	77.30%	73.14%	67.26%
Covered payroll	<u>\$ 2,714,802</u>	<u>\$ 2,723,977</u>	<u>\$ 2,828,986</u>	<u>\$ 2,698,925</u>	<u>\$ 2,475,005</u>	<u>\$ 2,359,565</u>	<u>\$ 2,325,150</u>
Employer's net pension liability as a percentage of covered payroll	188.87%	178.99%	153.70%	105.05%	129.79%	155.67%	193.14%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, reporting units should present information for those years for which information is available.

**CHARTER TOWNSHIP OF DELTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE MERS RETIREMENT PLAN**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarial Determined Contributions	\$ 542,796	\$ 321,536	\$ 289,075	\$ 284,469	\$ 248,714	\$ 258,411	\$ 215,567	\$ 203,339
Contributions in relation to the actuarially determined contribution	<u>542,796</u>	<u>321,536</u>	<u>289,075</u>	<u>284,469</u>	<u>248,714</u>	<u>258,411</u>	<u>1,215,567</u>	<u>203,339</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,000,000)</u>	<u>\$ -</u>
Covered payroll	<u>\$ 2,714,802</u>	<u>\$ 2,723,977</u>	<u>\$ 2,548,980</u>	<u>\$ 2,828,986</u>	<u>\$ 2,698,925</u>	<u>\$ 2,475,005</u>	<u>\$ 2,359,565</u>	<u>\$ 2,325,150</u>
Contributions as a percentage of covered payroll	20%	12%	11%	10%	9%	10%	52%	9%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, reporting units should present information for those years for which information is available.

**CHARTER TOWNSHIP OF DELTA
NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE MERS RETIREMENT PLAN**

Notes to the Schedule of Changes in Employer's Net Pension Liability and Related Ratios

Benefit Changes - There were no benefit changes.

Changes of Assumptions - A five-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates. Changes to the demographic assumptions resulting from the experience study have been approved by the MERS Retirement Board and are effective beginning with the December 31, 2020, actuarial valuation, first impacting 2022 contributions. A complete description of the assumptions may be found in the Appendix to the valuation.

Notes to the Schedule of Employer Contributions

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	19 years
Asset valuation method	5 year smoothed
Inflation	2.5%
Salary Increases	3.00%
Investment rate of return	7.35%
Retirement age	Varies depending on plan adoption
Mortality	50% Female/50% Male RP-2014 Group Annuity Mortality Table

CHARTER TOWNSHIP OF DELTA
REQUIRED SUPPLEMENTARY INFORMATION OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST FIVE YEARS

	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 476,251	\$ 259,970	\$ 297,964	\$ 224,566	\$ 239,038
Interest	748,746	1,231,603	1,134,897	1,291,315	1,237,804
Difference between expected and actual experience	(74,070)	(5,885,625)	(137,607)	(5,519,610)	(325,249)
Changes of assumptions	283,209	7,823,916	(297,575)	2,379,358	-
Benefit payments including employee refunds	(327,103)	(376,625)	(409,735)	(386,561)	(382,435)
Other	-	-	-	(9)	-
Net change in total OPEB liability	1,107,033	3,053,239	587,944	(2,010,941)	769,158
Total OPEB liability beginning	19,760,911	16,707,672	16,119,728	18,130,669	17,361,511
Total OPEB liability ending	<u>\$ 20,867,944</u>	<u>\$ 19,760,911</u>	<u>\$ 16,707,672</u>	<u>\$ 16,119,728</u>	<u>\$ 18,130,669</u>
Plan fiduciary net position					
Contributions-employer	\$ 713,103	\$ 771,625	\$ 844,735	\$ 724,561	\$ 1,057,435
Contributions-nonemployer	-	-	5,900	6,000	5,900
Net investment income (loss)	1,332,932	911,565	1,596,141	(573,523)	1,190,113
Benefit payments including employee refunds	(327,103)	(376,625)	(409,735)	(386,561)	(382,435)
Net change in plan fiduciary net position	1,718,932	1,306,565	2,037,041	(229,523)	1,871,013
Plan fiduciary net position beginning	17,263,260	15,956,695	13,919,654	14,149,177	12,278,164
Plan fiduciary net position ending	<u>\$ 18,982,192</u>	<u>\$ 17,263,260</u>	<u>\$ 15,956,695</u>	<u>\$ 13,919,654</u>	<u>\$ 14,149,177</u>
Employer net OPEB liability	<u>\$ 1,885,752</u>	<u>\$ 2,497,651</u>	<u>\$ 750,977</u>	<u>\$ 2,200,074</u>	<u>\$ 3,981,492</u>
Plan fiduciary net position as a percentage of the total OPEB liability	90.96%	87.36%	95.51%	86.35%	78.04%
Covered employee payroll	<u>\$ 9,137,952</u>	<u>\$ 8,657,996</u>	<u>\$ 8,321,370</u>	<u>\$ 8,616,985</u>	<u>\$ 8,294,632</u>
Employer's net OPEB liability as a percentage of covered employee payroll	20.64%	28.85%	9.02%	25.53%	48.00%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, reporting units should present information for those years for which information is available.

**CHARTER TOWNSHIP OF DELTA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE LAST FIVE YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarial Determined Contributions	\$ 712,562	\$ 373,485	\$ 570,152	\$ 564,940	\$ 590,971
Contributions in relation to the actuarially determined contribution	<u>713,103</u>	<u>771,625</u>	<u>850,635</u>	<u>730,561</u>	<u>1,063,335</u>
Contribution deficiency (excess)	<u><u>\$ (541)</u></u>	<u><u>\$ (398,140)</u></u>	<u><u>\$ (280,483)</u></u>	<u><u>\$ (165,621)</u></u>	<u><u>\$ (472,364)</u></u>
Covered Employee Payroll	\$ 9,137,952	\$ 8,657,996	\$ 8,321,370	\$ 8,616,985	\$ 8,294,632
Contributions as a percentage of covered employee payroll	7.80%	8.91%	10.22%	8.48%	12.82%

Note - Contributions relate to contributions made by the Township and the Library.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, reporting units should present information for those years for which information is available.

**CHARTER TOWNSHIP OF DELTA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF INVESTMENT RETURNS
FOR THE LAST FIVE YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	<u>39.2%</u>	<u>-8.5%</u>	<u>12.1%</u>	<u>-4.1%</u>	<u>9.7%</u>

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, reporting units should present information for those years for which information is available.

CHARTER TOWNSHIP OF DELTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

Notes to the Schedule of Changes in the Township's Net OPEB Liability and Related Ratios

Benefit Changes - There were no benefit changes.

Changes of Assumptions - Assumption changes since prior valuation:

- Medical trend rates updated
- Discount rate lowered from 3.73% to 3.47%

Notes to the Schedule of the Township's Contributions

Valuation Date:

December 31, 2020, rolled forward to December 31, 2021

Methods and Assumptions Used to Determine Contributions Rates:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Amortization period	12 years
Asset valuation method	Market value
Inflation	Included in investment return
Healthcare cost trend rates	Pre 65 - 8.25% graded down to 7.5% after one year and then by 0.25% to 4.50% per annum Medicare eligible-6.5% graded down to 5.75% after one year and then by 0.25% to 4.50% per annum
Salary increases	3.5%, average, including inflation
Investment rate of return	3.47%, net of OPEB plan investment expense, including inflation. Blended rate based on long-term expected return and the 20-year Aa Municipal Bond rate.
20-year Municipal Bond Rate	2.25%
Retirement age	Experience based table of rates that are specific to the type of eligibility condition
Mortality	General Public 2010 Headcount weighted, annuitant and non-annuitant, sex-distinct mortality table with MP 2019 improvement table and Public Safety 2010 Employee and Healthy Retiree Headcount weighted

ADDITIONAL SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF DELTA
GENERAL FUND
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 12,389,538	\$ 11,002,190
Investments	10,089,331	10,323,901
Receivables		
Accounts	1,160,545	1,395,542
Taxes	4,467,754	4,747,848
Interest	41,382	51,467
Due from other funds	56,487	49,831
Prepaid items	<u>2,526,285</u>	<u>8,265</u>
TOTAL ASSETS	<u><u>\$ 30,731,322</u></u>	<u><u>\$ 27,579,044</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 472,156	\$ 132,766
Customer deposits payable	104,130	12,940
Retainage payable	219,162	-
Accrued salaries and related items	<u>243,429</u>	<u>216,069</u>
TOTAL LIABILITIES	<u>1,038,877</u>	<u>361,775</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	<u>9,340,463</u>	<u>8,454,525</u>
FUND BALANCE		
Nonspendable		
Prepaid items	2,526,285	8,265
Restricted		
Budget stabilization	450,000	450,000
Assigned		
Compensated absences	965,254	860,759
Roads	1,100,000	1,100,000
Retiree health insurance	100,000	100,000
Non-motorized transportation	700,000	700,000
Economic development	500,000	500,000
Capital improvements	3,590,000	3,590,000
County drains	400,000	400,000
Subsequent year expenditures	1,393,000	-
Unassigned	<u>8,627,443</u>	<u>11,053,720</u>
TOTAL FUND BALANCE	<u>20,351,982</u>	<u>18,762,744</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u><u>\$ 30,731,322</u></u>	<u><u>\$ 27,579,044</u></u>

**CHARTER TOWNSHIP OF DELTA
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
REVENUES		
Taxes	\$ 9,442,511	\$ 9,243,992
Licenses and permits	3,173,776	1,186,701
Charges for services	932,019	553,258
Investment income - net	(57,623)	457,254
Rental income	78,897	19,642
Local contributions	583,070	644,491
Other	751,235	785,498
State shared revenue	3,345,885	2,976,118
State and federal grants	<u>150,607</u>	<u>823,466</u>
 TOTAL REVENUES	 <u>18,400,377</u>	 <u>16,690,420</u>
EXPENDITURES		
Current		
General government		
Legislative - trustees	100,133	94,414
Manager	582,848	492,322
Assessing	461,222	462,126
Clerk	472,553	765,905
Treasurer	274,062	317,386
Computer	360,120	281,362
Township hall and grounds	497,565	558,716
General service administration	1,500,219	1,087,284
Cemetery	<u>245,172</u>	<u>243,181</u>
 Total general government	 <u>4,493,894</u>	 <u>4,302,696</u>
Public safety		
Law enforcement - police	3,398,902	3,356,832
Fire	3,848,918	3,708,910
Emergency operations center	18,070	40,313
Protective inspection	<u>649,392</u>	<u>652,896</u>
 Total public safety	 <u>7,915,282</u>	 <u>7,758,951</u>

**CHARTER TOWNSHIP OF DELTA
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
EXPENDITURES (continued)		
Current		
Public works		
Recycling	\$ 103,544	\$ 91,847
Drains	64,370	61,968
Streets and highways	529,398	245,449
Engineering	464,383	417,783
Street lighting	<u>731,816</u>	<u>732,876</u>
Total public works	<u>1,893,511</u>	<u>1,549,923</u>
Community and economic development		
Planning	372,758	344,121
Economic development	<u>108,686</u>	<u>81,719</u>
Total community and economic development	<u>481,444</u>	<u>425,840</u>
Parks and recreation	<u>1,844,078</u>	<u>1,689,951</u>
Debt service	<u>136,430</u>	<u>260,265</u>
TOTAL EXPENDITURES	<u>16,764,639</u>	<u>15,987,626</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	100,000	577,420
Transfers out	<u>(146,500)</u>	<u>(1,125,000)</u>
Total other financing sources (uses)	<u>(46,500)</u>	<u>(547,580)</u>
Net change in fund balance	1,589,238	155,214
FUND BALANCE		
Beginning of year	<u>18,762,744</u>	<u>18,607,530</u>
End of year	<u><u>\$ 20,351,982</u></u>	<u><u>\$ 18,762,744</u></u>

CHARTER TOWNSHIP OF DELTA
SCHEDULE GENERAL ASSESSMENT PAYABLE
DECEMBER 31, 2021

	Carrier Creek	Watson & Watson and Branches	Gettysburg	Burrell	Total
2022	\$ 73,590	\$ 20,300	\$ 26,727	\$ 11,915	\$ 132,532
2023	71,867	19,450	25,824	11,525	128,666
2024	70,144	18,600	24,922	11,134	124,800
2025	68,416	17,751	24,036	10,748	120,951
2026	-	-	23,116	10,354	33,470
2027	-	-	22,213	9,969	32,182
2028	-	-	21,311	391	21,702
2029	-	-	20,416	-	20,416
2030	-	-	19,505	-	19,505
2031	-	-	18,604	-	18,604
	<u>284,017</u>	<u>76,101</u>	<u>226,674</u>	<u>66,036</u>	<u>652,828</u>
Less interest	<u>17,227</u>	<u>8,503</u>	<u>49,673</u>	<u>10,932</u>	<u>86,335</u>
	<u>\$ 266,790</u>	<u>\$ 67,598</u>	<u>\$ 177,001</u>	<u>\$ 55,104</u>	<u>\$ 566,493</u>

Note: Drains at large consists of drains installed by Eaton County Drain Commission in which the State of Michigan, homeowner, Delta Township, and the Eaton County Drain Commission share the cost of installment. Delta Township is assessed yearly for their share of the cost plus interest on the outstanding balance. Interest rates charged to the different projects range from 3.25% to 5.25%.

**CHARTER TOWNSHIP OF DELTA
PARAMEDIC FUND
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 1,324,905	\$ 1,265,347
Investments	1,078,948	1,187,454
Prepaid expenses	4,774	-
Receivables		
Accounts	27,182	-
Taxes	1,640,756	1,550,711
Interest	<u>4,380</u>	<u>5,891</u>
TOTAL ASSETS	<u><u>\$ 4,080,945</u></u>	<u><u>\$ 4,009,403</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 46,220	\$ 19,906
Due to other funds	<u>20,650</u>	<u>19,899</u>
TOTAL LIABILITIES	<u>66,870</u>	<u>39,805</u>
DEFERRED INFLOW OF RESOURCES		
Unavailable revenue - property taxes	<u>1,640,756</u>	<u>1,550,711</u>
FUND BALANCE		
Restricted	<u>2,373,319</u>	<u>2,418,887</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE	<u><u>\$ 4,080,945</u></u>	<u><u>\$ 4,009,403</u></u>

**CHARTER TOWNSHIP OF DELTA
PARAMEDIC FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
REVENUES		
Taxes and special assessments	\$ 1,550,711	\$ 1,503,986
State and federal grants	56,511	299,980
Charges for services	1,553,499	1,491,740
Investment earnings (loss) - net	<u>(5,330)</u>	<u>33,818</u>
TOTAL REVENUES	3,155,391	3,329,524
EXPENDITURES		
Current		
Health and welfare	<u>3,200,959</u>	<u>3,270,254</u>
Net change in fund balance	(45,568)	59,270
FUND BALANCE		
Beginning of year	<u>2,418,887</u>	<u>2,359,617</u>
End of year	<u><u>\$ 2,373,319</u></u>	<u><u>\$ 2,418,887</u></u>

**CHARTER TOWNSHIP OF DELTA
CAPITAL PROJECTS FUND
BALANCE SHEET
DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 2,614,299	\$ 1,527,419
Investments	2,130,984	1,433,391
Interest receivable	<u>8,650</u>	<u>7,111</u>
TOTAL ASSETS	<u><u>\$ 4,753,933</u></u>	<u><u>\$ 2,967,921</u></u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Unearned revenue	<u>\$ 1,748,383</u>	<u>\$ -</u>
FUND BALANCE		
Assigned	<u>3,005,550</u>	<u>2,967,921</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 4,753,933</u></u>	<u><u>\$ 2,967,921</u></u>

**CHARTER TOWNSHIP OF DELTA
CAPITAL PROJECTS FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
REVENUES		
Investment earnings (loss)	<u>\$ (8,871)</u>	<u>\$ 40,703</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	146,500	1,125,000
Transfers out	<u>(100,000)</u>	<u>(571,371)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>46,500</u>	<u>553,629</u>
Net change in fund balance	37,629	594,332
FUND BALANCE		
Beginning of year	<u>2,967,921</u>	<u>2,373,589</u>
End of year	<u><u>\$ 3,005,550</u></u>	<u><u>\$ 2,967,921</u></u>

**CHARTER TOWNSHIP OF DELTA
NONMAJOR GOVERNMENTAL FUNDS**

Debt Service Fund

Debt Service Fund

The Township maintains a debt service fund to account for resources accumulated and payments made related to debt related to the Township Library.

Permanent Fund

Cemetery Perpetual Care Fund

This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the cemetery.

**CHARTER TOWNSHIP OF DELTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2021**

		Permanent Fund	
	Debt Service	Cemetery Perpetual Care Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 34,870	\$ 209,262	\$ 244,132
Investments	-	171,262	171,262
Interest receivable	-	695	695
TOTAL ASSETS	<u>\$ 34,870</u>	<u>\$ 381,219</u>	<u>\$ 416,089</u>
FUND BALANCES			
Restricted	\$ -	\$ 381,219	\$ 381,219
Assigned	34,870	-	34,870
TOTAL FUND BALANCES	<u>\$ 34,870</u>	<u>\$ 381,219</u>	<u>\$ 416,089</u>

**CHARTER TOWNSHIP OF DELTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2021**

		Permanent Fund	
	Debt Service	Cemetery Perpetual Care Fund	Total Nonmajor Governmental Funds
REVENUES			
Local sources			
Investment earnings (loss)	\$ 43	\$ (767)	\$ (724)
Rental income	379,800	-	379,800
Other	-	24,048	24,048
	<u>379,843</u>	<u>23,281</u>	<u>403,124</u>
TOTAL REVENUES			
EXPENDITURES			
Debt service			
Principal repayment	180,000	-	180,000
Interest expense	200,300	-	200,300
	<u>380,300</u>	<u>-</u>	<u>380,300</u>
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	<u>(457)</u>	<u>23,281</u>	<u>22,824</u>
FUND BALANCES			
Beginning of year	<u>35,327</u>	<u>357,938</u>	<u>393,265</u>
End of year	<u>\$ 34,870</u>	<u>\$ 381,219</u>	<u>\$ 416,089</u>

**CHARTER TOWNSHIP OF DELTA
DEBT SERVICE FUND
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	<u>\$ 34,870</u>	<u>\$ 35,327</u>
 FUND BALANCE		
Assigned	<u>\$ 34,870</u>	<u>\$ 35,327</u>

**CHARTER TOWNSHIP OF DELTA
DEBT SERVICE FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
REVENUE		
Rental income - Delta Township District Library	\$ 379,800	\$ 387,000
Investment earnings	<u>43</u>	<u>1,567</u>
TOTAL REVENUE	<u>379,843</u>	<u>388,567</u>
EXPENDITURES		
Principal payments on debt	180,000	180,000
Interest and fiscal charges	<u>200,300</u>	<u>207,500</u>
TOTAL EXPENDITURES	<u>380,300</u>	<u>387,500</u>
Net change in fund balances	(457)	1,067
FUND BALANCE		
Beginning of year	<u>35,327</u>	<u>34,260</u>
End of year	<u><u>\$ 34,870</u></u>	<u><u>\$ 35,327</u></u>

CHARTER TOWNSHIP OF DELTA
2016 GENERAL OBLIGATION LIMITED TAX LIBRARY REFUNDING BONDS
SCHEDULE OF BOND AND INTEREST PAYMENT REQUIREMENTS
DECEMBER 31, 2021

Interest Rate	Due April 1	Principal	Interest		Total Payment Requirements
			April 1	October 1	
4.000%	2022	\$ 180,000	\$ 98,100	\$ 94,500	\$ 372,600
4.000%	2023	175,000	94,500	91,000	360,500
4.000%	2024	175,000	91,000	87,500	353,500
4.000%	2025	175,000	87,500	84,000	346,500
4.000%	2026	175,000	84,000	80,500	339,500
4.000%	2027	270,000	80,500	75,100	425,600
4.000%	2028	270,000	75,100	69,700	414,800
4.000%	2029	265,000	69,700	64,400	399,100
4.000%	2030	365,000	64,400	57,100	486,500
4.000%	2031	360,000	57,100	49,900	467,000
4.000%	2032	360,000	49,900	42,700	452,600
4.000%	2033	355,000	42,700	35,600	433,300
4.000%	2034	450,000	35,600	26,600	512,200
4.000%	2035	445,000	26,600	17,700	489,300
4.000%	2036	445,000	17,700	8,800	471,500
4.000%	2037	440,000	8,800	-	448,800
		<u>\$ 4,905,000</u>	<u>\$ 983,200</u>	<u>\$ 885,100</u>	<u>\$ 6,773,300</u>

NOTE: General obligation debt bonds dated September 7, 2016 were issued to refund the 2018-2037 portion of the 2007 library bonds. Original debt of \$5,625,000.

**CHARTER TOWNSHIP OF DELTA
SEWER FUND
STATEMENTS OF NET POSITION
DECEMBER 31, 2021 AND 2020**

ASSETS	<u>2021</u>	<u>2020</u>
Current assets		
Cash	\$ 4,482,110	\$ 3,459,045
Investments	3,650,320	5,000,767
Receivables		
Customer accounts	575,783	479,040
Interest	14,817	20,317
Special assessment - current	858	2,839
Special assessment - interest	5	56
Other	-	1,822
Prepaid expenses	-	12,993
	<u>8,723,893</u>	<u>8,976,879</u>
Total current assets		
Noncurrent assets		
Deferred charges		
Tap in charges - deferred	430	4,801
Capital assets not being depreciated	3,408,404	1,425,898
Property, plant, and equipment, net of accumulated depreciation	<u>23,106,371</u>	<u>23,106,388</u>
	<u>26,515,205</u>	<u>24,537,087</u>
Total noncurrent assets		
TOTAL ASSETS	<u>35,239,098</u>	<u>33,513,966</u>
DEFERRED OUTFLOWS OF RESOURCES		
Other postemployment benefits related items	<u>1,576,644</u>	<u>1,922,666</u>

	2021	2020
LIABILITIES		
Current liabilities		
Accounts payable	\$ 493,380	\$ 393,206
Customer deposits payable	63,090	63,090
Current portion of long-term liabilities	22,233	22,233
Current portion of compensated absences	270,574	257,437
Due to other funds	26,342	22,081
Total current liabilities	875,619	758,047
Long-term liabilities, net of current portion		
Compensated absences	149,488	138,731
Other long-term debt	66,697	88,930
Net other postemployment benefits liability	429,996	568,550
Total long-term liabilities	646,181	796,211
TOTAL LIABILITIES	1,521,800	1,554,258
DEFERRED INFLOWS OF RESOURCES		
Other postemployment benefits related items	1,716,977	1,961,221
NET POSITION		
Net investment in capital assets	26,425,845	24,421,123
Unrestricted	7,151,120	7,500,030
TOTAL NET POSITION	\$ 33,576,965	\$ 31,921,153

**CHARTER TOWNSHIP OF DELTA
SEWER FUND
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for services	\$ 5,204,300	\$ 4,510,575
Forfeited discounts	57,738	21,286
Other	<u>41,691</u>	<u>41,702</u>
TOTAL OPERATING REVENUES	<u>5,303,729</u>	<u>4,573,563</u>
OPERATING EXPENSES		
Costs of sales and services	3,899,230	4,037,633
Depreciation	<u>1,014,275</u>	<u>1,018,013</u>
TOTAL OPERATING EXPENSES	<u>4,913,505</u>	<u>5,055,646</u>
Operating income (loss)	<u>390,224</u>	<u>(482,083)</u>
NON-OPERATING REVENUES (EXPENSES)		
Capital charges	323,643	54,967
Main charges	-	8,337
Investment income - net	(20,804)	145,171
Interest and fiscal charges	<u>(3,623)</u>	<u>(4,335)</u>
TOTAL NON-OPERATING REVENUES	<u>299,216</u>	<u>204,140</u>
Income (loss) before capital contributions	689,440	(277,943)
CAPITAL CONTRIBUTIONS - infrastructure	<u>966,372</u>	<u>-</u>
Change in net position	1,655,812	(277,943)
NET POSITION		
Beginning of year	<u>31,921,153</u>	<u>32,199,096</u>
End of year	<u><u>\$ 33,576,965</u></u>	<u><u>\$ 31,921,153</u></u>

**CHARTER TOWNSHIP OF DELTA
SEWER FUND
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
INCREASE (DECREASE) IN CASH		
Cash flows from operating activities		
Operating income (loss)	\$ 390,224	\$ (482,083)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation	1,014,275	1,018,013
Prepaid expenses	12,993	(12,993)
Receivables	(96,743)	(4,423)
Due to/from other funds - net	4,261	22,081
Accounts payable	100,174	(88,793)
Other postemployment benefit liability	(36,776)	(1,837)
Accrued compensated absences	23,894	7,707
Total adjustments	<u>1,022,078</u>	<u>939,755</u>
Net cash provided by operating activities	<u>1,412,302</u>	<u>457,672</u>
Cash flows from non-capital financing activities		
Capital charges	323,643	54,967
Main and tap in charges	<u>4,371</u>	<u>12,312</u>
Net cash provided by non-capital financing activities	<u>328,014</u>	<u>67,279</u>
Cash flows for capital and related financing activities		
Principal repayments on debt	(22,233)	(22,233)
Net interest paid on bonds	(3,623)	(4,335)
Payments for capital acquisitions	(2,030,302)	(813,373)
Issuance from special assessments	3,803	11,959
Interest received from special assessments	<u>51</u>	<u>702</u>
Net cash used by capital and related financing activities	<u>(2,052,304)</u>	<u>(827,280)</u>
Cash flows from investing activities		
Interest received from investments	(15,394)	145,117
Purchases of investments	<u>1,350,447</u>	<u>100,842</u>
Net cash provided by investing activities	<u>1,335,053</u>	<u>245,959</u>
NET INCREASE (DECREASE) IN CASH	1,023,065	(56,370)
CASH		
Beginning of year	<u>3,459,045</u>	<u>3,515,415</u>
End of year	<u>\$ 4,482,110</u>	<u>\$ 3,459,045</u>

**CHARTER TOWNSHIP OF DELTA
SEWER FUND
SCHEDULES OF COSTS OF SALES AND SERVICES
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Salaries and wages	\$ 1,569,572	\$ 1,558,156
Payroll taxes	117,199	114,504
Employee fringe benefits	539,659	570,723
Pension expense	179,397	181,831
Office supplies	3,462	3,872
Chemicals	259,860	275,387
Supplies	40,960	36,600
Maintenance of plant	26,608	12,175
Maintenance of equipment	112,496	132,827
Accounting and auditing	175,372	163,424
Administrative fees	100,000	100,000
Contracted services	150,204	279,120
Engineering	15,043	-
Collection fees	751	711
Telephone	20,712	20,514
Transportation	32,882	22,052
Legal fees	5,382	887
Insurance	132,563	122,248
Utilities	388,781	432,918
Miscellaneous	28,327	9,684
	<u>\$ 3,899,230</u>	<u>\$ 4,037,633</u>

**CHARTER TOWNSHIP OF DELTA
SEWER FUND
SCHEDULE OF GENERAL ASSESSMENT PAYABLE
DECEMBER 31, 2021**

<u>Year</u>	<u>Carrier Creek</u>
2022	\$ 26,902
2023	25,734
2024	24,567
2025	<u>23,403</u>
	100,606
Less interest	<u>11,676</u>
	<u><u>\$ 88,930</u></u>

NOTE: Drains at large consists of drains installed by Eaton County Drain Commission in which the State of Michigan, homeowners, Delta Township, and the Eaton County Drain Commission share the cost of installment. Delta Township is assessed yearly for their share of the cost plus interest on the outstanding balance. The interest rate charged to the Sewer Fund's share of the Carrier Creek project is 3.25%.

**CHARTER TOWNSHIP OF DELTA
WATER FUND
STATEMENTS OF NET POSITION
DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash	\$ 4,985,448	\$ 2,262,015
Investments	4,061,348	6,619,622
Receivables		
Customer accounts	384,198	448,127
Interest	16,485	21,331
Special assessment - current	1,708	3,999
Special assessment - interest	123	164
Other	37,249	19,624
Prepaid expenses	<u>-</u>	<u>2,712</u>
Total current assets	<u>9,486,559</u>	<u>9,377,594</u>
Noncurrent assets		
Deferred charges		
Water tap charges - deferred	-	11,376
Special assessments - deferred	10,502	1,484
Capital assets not being depreciated	488,845	488,845
Property, plant, and equipment, less accumulated depreciation	<u>35,950,183</u>	<u>35,464,988</u>
Total noncurrent assets	<u>36,449,530</u>	<u>35,966,693</u>
TOTAL ASSETS	<u>45,936,089</u>	<u>45,344,287</u>
DEFERRED OUTFLOWS OF RESOURCES		
Other postemployment benefits related items	<u>303,201</u>	<u>369,744</u>

	<u>2021</u>	<u>2020</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
LIABILITIES		
Current liabilities		
Accounts payable	\$ 263,575	\$ 303,552
Customer deposits payable	15,730	15,640
Accrued interest	14,124	16,010
Unearned revenue	1,725	37,547
Current portion of long-term liabilities	955,000	860,000
Current portion of compensated absences	55,950	45,330
Due to other funds	<u>9,495</u>	<u>7,851</u>
Total current liabilities	<u>1,315,599</u>	<u>1,285,930</u>
Long-term liabilities, net of current portion		
Compensated absences	33,790	51,783
Bonds payable	1,955,000	2,910,000
Net other postemployment benefits liability	82,691	109,336
Unamortized bond premiums (discount) - net	<u>(12,487)</u>	<u>(15,608)</u>
Total long-term liabilities	<u>2,058,994</u>	<u>3,055,511</u>
TOTAL LIABILITIES	<u>3,374,593</u>	<u>4,341,441</u>
DEFERRED INFLOWS OF RESOURCES		
Other postemployment benefits related items	<u>330,188</u>	<u>377,158</u>
NET POSITION		
Net investment in capital assets	33,541,515	32,199,441
Unrestricted	<u>8,992,994</u>	<u>8,795,991</u>
TOTAL NET POSITION	<u>\$ 42,534,509</u>	<u>\$ 40,995,432</u>

CHARTER TOWNSHIP OF DELTA
WATER FUND
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for services	\$ 5,385,845	\$ 5,780,399
Hydrant rental	156,380	155,610
Forfeited discounts	57,052	28,324
Other service charges	247,096	70,743
Other	<u>15,928</u>	<u>3,397</u>
TOTAL OPERATING REVENUES	<u>5,862,301</u>	<u>6,038,473</u>
OPERATING EXPENSES		
Costs of sales and services	4,428,463	4,313,962
Depreciation	<u>1,208,826</u>	<u>1,141,138</u>
TOTAL OPERATING EXPENSES	<u>5,637,289</u>	<u>5,455,100</u>
Operating income	<u>225,012</u>	<u>583,373</u>
NON-OPERATING REVENUES (EXPENSES)		
Capital charges	359,402	94,355
Main charges	-	56,423
Investment income - net	(25,532)	165,629
Interest and fiscal charges	(71,858)	(98,367)
Amortization of bond discount	(3,122)	(3,122)
Amortization of bond premium	<u>-</u>	<u>4,568</u>
TOTAL NON-OPERATING REVENUES	<u>258,890</u>	<u>219,486</u>
Income before capital contributions	483,902	802,859
CAPITAL CONTRIBUTIONS - infrastructure	<u>1,055,175</u>	<u>415,543</u>
Change in net position	1,539,077	1,218,402
NET POSITION		
Beginning of year	<u>40,995,432</u>	<u>39,777,030</u>
End of year	<u><u>\$ 42,534,509</u></u>	<u><u>\$ 40,995,432</u></u>

**CHARTER TOWNSHIP OF DELTA
WATER FUND
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
INCREASE (DECREASE) IN CASH		
Cash flows from operating activities		
Operating income	\$ 225,012	\$ 583,373
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation	1,208,826	1,141,138
Receivables	46,304	6,508
Prepaid expenses	2,712	(2,712)
Due to/from other funds - net	1,644	7,851
Accounts payable	(39,977)	95,031
Accrued compensated absences	(7,373)	23,435
Customer deposits	90	1,890
Other postemployment benefit liability	(7,073)	(65,931)
Unearned revenue	(35,822)	24,022
Total adjustments	<u>1,169,331</u>	<u>1,231,232</u>
Net cash provided by operating activities	<u>1,394,343</u>	<u>1,814,605</u>
Cash flows from non-capital financing activities		
Capital charges	359,402	94,355
Main and tap in charges	<u>11,376</u>	<u>52,894</u>
Net cash provided by non-capital financing activities	<u>370,778</u>	<u>147,249</u>
Cash flows from capital and related financing activities		
Principal repayments on debt	(860,000)	(1,240,000)
Net interest paid on bonds	(73,744)	(104,111)
Payments for capital acquisitions	(638,846)	(1,078,739)
Proceeds from special assessments	(6,727)	546
Interest received from special assessments	<u>(1,829)</u>	<u>2,647</u>
Net cash used by capital and related financing activities	<u>(1,581,146)</u>	<u>(2,419,657)</u>
Cash flows from investing activities		
Interest received from investments	(18,816)	163,888
Proceeds of investments	<u>2,558,274</u>	<u>155,954</u>
Net cash provided by investing activities	<u>2,539,458</u>	<u>319,842</u>
NET INCREASE (DECREASE) IN CASH	2,723,433	(137,961)
CASH		
Beginning of year	<u>2,262,015</u>	<u>2,399,976</u>
End of year	<u><u>\$ 4,985,448</u></u>	<u><u>\$ 2,262,015</u></u>

**CHARTER TOWNSHIP OF DELTA
WATER FUND
SCHEDULES OF COSTS OF SALES AND SERVICES
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Salaries and wages	\$ 571,815	\$ 585,460
Payroll taxes	43,257	40,828
Employee fringe benefits	177,500	121,230
Pension expense	66,579	65,439
Office supplies	2,222	3,191
Supplies	156,162	96,472
Water purchases	2,677,627	2,705,881
Maintenance of plant	93,181	38,484
Maintenance of equipment	15,704	16,716
Transportation	20,359	17,651
Administrative	100,000	100,000
Accounting and auditing	175,372	163,424
Legal fees	-	887
Engineering fees	3,334	-
Contracted services	153,016	178,166
Telephone	12,536	11,909
Insurance	45,657	42,104
Utilities	89,035	103,410
Miscellaneous	25,107	22,710
	<u>\$ 4,428,463</u>	<u>\$ 4,313,962</u>

**CHARTER TOWNSHIP OF DELTA
WATER FUND
SCHEDULE OF GENERAL OBLIGATION LIMITED TAX BOND
AND INTEREST PAYMENT REQUIREMENTS
DECEMBER 31, 2021**

Charter Township of Delta Bonds
General Obligation Limited Tax Bonds

<u>Year</u>	<u>Interest Rate</u>	<u>Principal Due May 1</u>	<u>Interest April 1</u>	<u>Interest October 1</u>	<u>Total</u>	<u>Total Principal and Interest Requirements</u>
2022	2.00%	\$ 450,000	\$ 9,000	\$ 4,500	\$ 13,500	\$ 463,500
2023	2.00%	450,000	4,500	-	4,500	454,500
		<u>\$ 900,000</u>	<u>\$ 13,500</u>	<u>\$ 4,500</u>	<u>\$ 18,000</u>	<u>\$ 918,000</u>

NOTE: The general obligation limited tax bonds were issued by Charter Township of Delta on July 10, 2013, for the purpose of replacing water mains throughout the Township. Original amount was \$4,000,000.

**CHARTER TOWNSHIP OF DELTA
SCHEDULE OF GENERAL OBLIGATION LIMITED TAX BOND
AND INTEREST PAYMENT REQUIREMENTS
DECEMBER 31, 2021**

Charter Township of Delta Bonds
General Obligation Limited Tax Refunding Bonds

Year	Interest Rate	Principal Due May 1	Interest May 1	Interest November 1	Total	Total Principal and Interest Requirements
2022	2.31%	\$ 505,000	\$ 23,215	\$ 17,383	\$ 40,598	\$ 545,598
2023	2.31%	495,000	17,383	11,665	29,048	524,048
2024	2.31%	485,000	11,665	6,064	17,729	502,729
2025	2.31%	525,000	6,064	-	6,064	531,064
		<u>\$ 2,010,000</u>	<u>\$ 58,327</u>	<u>\$ 35,112</u>	<u>\$ 93,439</u>	<u>\$ 2,103,439</u>

NOTE: The general obligation limited tax refunding bonds were issued by Charter Township of Delta on July 30, 2015, for the purpose of refunding the 2006 general obligation limited tax bonds which paid for the cost of acquiring and constructing, various capital improvements to the Township's water supply system. Original amount was \$4,570,000.