

ACME TOWNSHIP, GRAND TRAVERSE COUNTY

WILLIAMSBURG, MICHIGAN

JUNE 30, 2023

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Township Board
Acme Township
Grand Traverse County
Williamsburg, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Acme Township, Grand Traverse County, Williamsburg, Michigan as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Acme Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Acme Township, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement 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 Acme Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Acme Township's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 11 and 39 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 Acme Township's basic financial statements. The accompanying combining fund financial statements is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2023, on our consideration of Acme Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Acme Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Acme Township's internal control over financial reporting and compliance.

UHY LLP

Cadillac, Michigan
October 11, 2023

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2023

The management of Acme Township, Grand Traverse County, Williamsburg, Michigan ("the Township") offers this narrative overview and analysis of the financial activities of the Township for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole, which can be found in this report.

Financial Highlights

- ❖ The assets of the Township exceeded its liabilities at the close of this fiscal year by \$32,330,367 (shown as *net position*). Of this amount, \$5,545,676 (*unrestricted net position*) may be used to meet the Township's ongoing obligations to citizens and creditors.
- ❖ The Township's net position increased by \$2,113,018 during the fiscal year. Government activities had a \$1,802,148 increase, while business-type activities had an increase of \$310,870.
- ❖ As of June 30, 2023, the governmental funds of the Township reported combined ending fund balances of \$4,334,157, of which \$1,542,213 was unassigned.
- ❖ The net position of the Township's Water and Sewer funds increased by \$310,870, bringing the total net position of these funds to \$9,433,885.
- ❖ The Township's total long-term obligations decreased by \$65,000 during the fiscal year.

Overview of the Financial Statements

This discussion and analysis provided here is intended to serve as an introduction to the Township's basic financial statements. The Township's financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other 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 and liabilities, with the difference 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 the information showing how the Township'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 for some items that will only result in cash flows in future periods.

Both of the government-wide statements distinguish functions of the Township that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). The governmental activities of the Township

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WILLIAMSBURG, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2023

include general government, public safety, public works, community and economic development, recreation and culture, and interest on long-term debt. Business-type activities of the Township include sewer and water services.

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 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 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 assessing 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 twelve individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire Fund, Farmland Preservation Fund, Police Protection Fund, Ambulance Fund, Nakwema Trailway Fund, #2 Nakwema Trailway Fund, Bertha Vos Fund, Holiday Hills Improvement Fund, and Springbrook Improvement Fund which are considered to be major funds. The remaining funds are considered nonmajor funds. These funds are aggregated on the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. Information is presented separately for these nonmajor funds in the combining balance sheet of nonmajor governmental fund types and the combining statement of revenues, expenditures, and changes in fund balances of nonmajor governmental fund types.

The Township adopts an annual appropriated budget for all funds of the Township. A budgetary comparison has been provided for the major special revenue funds to demonstrate compliance with this budget.

Proprietary Funds The Township maintains two types of proprietary funds. *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 operations.

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 Township maintains one type of fiduciary fund. The custodial fund reports resources held by the Township in a custodial capacity for other governments and other entities.

Notes to Financial Statements The notes provide additional information that is necessary to acquire a full understanding of the data provided in both the government-wide and the fund financial statements.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2023

Other Information In addition to the basic financial statements and accompanying notes, this report further presents *Required Supplementary Information* (RSI) that explains and supports the information presented in the financial statements.

This report also presents other supplementary information which includes the combining nonmajor fund financial statements. The combining nonmajor fund financial statements are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position, over time, may serve as a useful indicator of a government's financial position. In the case of the Township, assets exceeded liabilities by \$32,330,367 at the close of the most recent fiscal year.

Acme Township
Net Position as of June 30,

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Assets						
Current Assets	\$ 4,953,605	\$ 5,272,784	\$ 3,143,959	\$ 2,529,496	\$ 8,097,564	\$ 7,802,280
Non Current Assets						
Special Assessments & Accounts Receivables	617,393	740,511	0	0	617,393	740,511
Capital Assets	19,727,401	17,753,605	13,968,402	13,968,402	33,695,803	31,722,007
Less: Accumulated Depreciation	(946,310)	(825,139)	(7,653,685)	(7,374,317)	(8,599,995)	(8,199,456)
Total Non Current Assets	19,398,484	17,668,977	6,314,717	6,594,085	25,713,201	24,263,062
Total Assets	24,352,089	22,941,761	9,458,676	9,123,581	33,810,765	32,065,342
Liabilities						
Current Liabilities	650,757	952,589	24,791	566	675,548	953,155
Long-Term Liabilities	804,850	894,838	0	0	804,850	894,838
Total Liabilities	1,455,607	1,847,427	24,791	566	1,480,398	1,847,993
Net Position						
Net Investment in Capital Assets	18,781,091	16,928,466	6,314,717	6,594,085	25,095,808	23,522,551
Restricted	1,688,883	1,861,194	0	0	1,688,883	1,861,194
Unrestricted	2,426,508	2,304,674	3,119,168	2,528,930	5,545,676	4,833,604
Total Net Position	\$ 22,896,482	\$ 21,094,334	\$ 9,433,885	\$ 9,123,015	\$ 32,330,367	\$ 30,217,349

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2023

A significant balance of net position, \$5,545,676, is unrestricted and may be used to meet the Township's ongoing obligations to citizens and creditors. An additional portion of the Township's net position represents resources, \$1,688,883 that are subject to external restrictions on how they may be used.

The remainder of the Township's net position, \$25,095,808, reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure, and others), less any related debt that is outstanding that the Township used to acquire or construct those assets. The Township uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending.

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

The Township's overall net position increased \$2,113,018 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Acme Township
Change in Net Position
for the Fiscal Year Ended June 30,

	Governmental		Business-Type		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	\$ 217,854	\$ 163,525	\$ 1,031,344	\$ 905,831	\$ 1,249,198	\$ 1,069,356
Operating Grants and Contributions	40,322	580,290	0	0	40,322	580,290
Capital Grants and Contributions	1,396,118	541,104	0	0	1,396,118	541,104
General Revenues						
Taxes	2,048,017	1,884,891	0	0	2,048,017	1,884,891
State Grants	480,646	472,940	0	0	480,646	472,940
Interest Earnings	25,149	27,183	2,896	8,549	28,045	35,732
Other	19,601	15,529	0	0	19,601	15,529
Total Revenues	4,227,707	3,685,462	1,034,240	914,380	5,261,947	4,599,842

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2023

Acme Township
Change in Net Position
for the Fiscal Year Ended June 30,

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Expenses						
General Government	606,694	539,824	0	0	606,694	539,824
Public Safety	1,330,901	1,163,581	0	0	1,330,901	1,163,581
Public Works	31,530	562,516	723,370	782,034	754,900	1,344,550
Community and Economic Development	223,733	206,162	0	0	223,733	206,162
Recreation and Culture	207,669	179,063	0	0	207,669	179,063
Interest on Long-Term Debt	25,032	24,875	0	0	25,032	24,875
Total Expenses	2,425,559	2,676,021	723,370	782,034	3,148,929	3,458,055
Change in Net Position	1,802,148	1,009,441	310,870	132,346	2,113,018	1,141,787
NET POSITION -						
Beginning of Year	21,094,334	20,084,893	9,123,015	8,990,669	30,217,349	29,075,562
NET POSITION -						
End of Year	\$ 22,896,482	\$ 21,094,334	\$ 9,433,885	\$ 9,123,015	\$ 32,330,367	\$ 30,217,349

Governmental Activities

During the current fiscal year, net position for the governmental activities increased \$1,802,148 from the prior fiscal year for an ending balance of \$22,896,482. The most significant portion of the revenue for all governmental activities of the Township comes from property taxes and state-shared revenues.

The Township's governmental activities expenses are dominated by Public Safety expenditures. Public Safety represented the largest expense at \$1,330,901, with the majority of the expenses being fire protection and ambulance services the Township provides to its residents.

Business-Type Activities

For the Township's business-type activities, net position increased during the fiscal year by \$310,870 to reach an ending balance of \$9,433,885. The business-type activities of the Township include the Water and Sewer Fund, which provide water and sewer services to various Township residents and commercial customers. The most significant portion of the revenue for the Water and Sewer Fund in fiscal year 2022-2023 was from charges for services while the most significant portion of the expenses was operation and maintenance.

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.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2023

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 discretionary use as they represent the portion of fund balance which has not been limited to use for a particular purpose by either an external party, the Township itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Township's Board.

As of June 30, 2023, the Township's governmental funds reported combined fund balances of \$4,334,157, an increase of \$121,312 in comparison with the prior year. \$1,542,213 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$105,128) 2) restricted for particular purposes (\$2,618,200), 3) committed for particular purposes (\$668,616), or 4) assigned for particular purposes.

General Fund – The fund balance of the General Fund increased in this fiscal year by \$233,390, bringing the balance to \$2,257,548. The increase can be attributed to the Township's conservative spending and overall increase in revenues compared to the prior year.

Fire Fund – The fund balance of the Fire Fund increased in this fiscal year by \$2,251, bringing the balance to \$26,793. The increase in fund balance can be attributed to property tax revenue exceeding the amount of fire protection expenditures.

Ambulance Fund – The fund balance of the Ambulance Fund increased in this fiscal year by \$25,428, bringing the balance to \$130,501. The increase in fund balance can be attributed to property tax revenue exceeding the amount of emergency medical service expenditures.

Farmland Preservation Fund - The fund balance of the Farmland Preservation Fund decreased by \$110,333, bringing the balance to \$1,392,133. The decrease in fund balance can be attributed to property tax revenue being exceeded by farmland development right purchases and related expenditures.

Police Protection Fund - The fund balance of the Police Protection Fund increased by \$9,868, bringing the balance to \$50,362. The increase in fund balance is caused by property taxes and transfers in exceeding expenditures for police protection.

Nakwema Trailway Fund – The fund balance of the Nakwema Trailway Fund decreased by \$134,346, bringing the balance to \$900. The decrease can be attributed to trailway expenditures exceeding grants received.

#2 Nakwema Trailway Fund – The fund balance of the #2 Nakwema Trailway Fund increased by \$25,000, bringing the balance to \$25,000. The increased can be attributed to grants received exceeding trailway expenditures.

Bertha Vos Fund – The fund balance of the Bertha Vos Fund increased by \$56,635, bringing the balance to \$56,635. The increased can be attributed to transfers from the General Fund exceeding expenditures of the fund.

Holiday Hills Improvement Fund – The fund balance of the Holiday Hills Improvement Fund decreased in this fiscal year by \$14,936, bringing the balance to \$273,628. The decrease was caused by the special assessments and interest collected being exceeded by the debt and interest obligations.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2023

Springbrook Improvement Fund – The fund balance of the Springbrook Improvement Fund increased in this fiscal year by \$33,239, bringing the balance to \$55,689. The increase was caused by special assessments and interest collected exceeding debt and interest obligations.

Proprietary Funds The proprietary funds provide virtually the same information as the government-wide statements; however, more detail may be found in the fund financial statements.

Water and Sewer Fund – The Water and Sewer Funds ended this fiscal year with \$9,433,885 in net position, an increase of \$310,870 in comparison with the prior year. The increase in fund balance is due to service charge revenues exceeding expenses for operations and depreciation.

General Fund Budgetary Highlights

During the year, there were amendments in appropriations between the General Fund's original and final budget. For more information, refer to page 39.

The following schedule shows a comparison of the original general fund budget, the final amended general fund budget and actual totals from operations:

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
TOTAL REVENUES	\$ 1,261,887	\$ 1,261,887	\$ 1,160,145
TOTAL EXPENDITURES	\$ 997,863	\$ 969,863	\$ 840,051

The Township budgets conservatively, preparing for a worse-case scenario in terms of spending which accounts for most of the variance between final budgeted appropriations and actual expenditures. The variance between final budget and actual revenues was caused by the Township receiving more in state grants and charges for services than were originally anticipated.

Capital Assets and Debt Administration

Capital Assets

The Township's investment in capital assets for governmental and business-type activities as of June 30, 2023, amounted to \$25,095,808 net of accumulated depreciation. Capital assets summarized below include any items purchased with a cost greater than \$5,000 individually and that have a useful life greater than one year. A summary of capital asset categories is illustrated below:

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WILLIAMSBURG, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2023

Acme Township
Capital Assets as of June 30,

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land and Development Rights	\$ 16,405,979	\$ 15,575,227	\$ 0	\$ 0	\$ 16,405,979	\$ 15,575,227
Construction in Progress	0	527,361	0	0	0	527,361
Buildings and Improvements	1,457,209	1,457,209	0	0	1,457,209	1,457,209
Land Improvements	1,664,206	0	0	0	1,664,206	0
Vehicles	97,342	97,342	0	0	97,342	97,342
Equipment	102,665	96,466	0	0	102,665	96,466
Water and Sewer System	0	0	13,968,402	13,968,402	13,968,402	13,968,402
	19,727,401	17,753,605	13,968,402	13,968,402	33,695,803	31,722,007
Less: Accumulated Depreciation	(946,310)	(825,139)	(7,653,685)	(7,374,317)	(8,599,995)	(8,199,456)
Net Capital Assets	\$ 18,781,091	\$ 16,928,466	\$ 6,314,717	\$ 6,594,085	\$ 25,095,808	\$ 23,522,551

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

- Land improvements for work on the Nakwema Trailway that totaled \$1,664,206, (which includes \$527,361 of work in progress from prior years) development rights for farmland preservation in the amount of \$830,752, as well as the purchase of equipment for \$6,199.

Additional information regarding the Township's capital assets can be found in the Notes to Financial Statements section of this document.

Long-Term Obligations

The Township has bonded debt outstanding of \$919,825 as of June 30, 2023. More information on the Township's long-term obligation is available in the Notes to Financial Statements section of this document.

Economic Condition and Outlook

The following Economic factors currently affect the Township and were considered in developing the 2023-2024 budget:

- The Township has received approximately \$497,000 for its first and second tranche of ARPA funding. As of June 30, 2023, the Township has not spent any of these funds. The Township is evaluating how to best utilize the funds to provide the optimal benefits to the Township residents. These funds need to be obligated by December 2024 and spent by December 2026.
- The Township continues to look for ways to improve the services it provides to its residents in a manner that is financially responsible.

Request for Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need any additional information, contact Acme Township at 6042 Acme Road, Williamsburg, MI 49690.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTALS</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash	\$ 4,535,606	\$ 3,143,959	\$ 7,679,565
Accounts Receivable	28,577	0	28,577
Special Assessments Receivable	66,980	0	66,980
Due from Other Governmental Units	298,478	0	298,478
Prepaid Expenses	23,964	0	23,964
	<hr/>		
Total Current Assets	4,953,605	3,143,959	8,097,564
	<hr/>		
<u>NON-CURRENT ASSETS</u>			
Special Assessments Receivable	617,393	0	617,393
	<hr/>		
<u>CAPITAL ASSETS</u>			
Capital Assets (Net of Accumulated Depreciation)			
Assets Not Being Depreciated	16,405,979	0	16,405,979
Assets Being Depreciated	2,375,112	6,314,717	8,689,829
	<hr/>		
Net Capital Assets	18,781,091	6,314,717	25,095,808
	<hr/>		
Total Non Current Assets	19,398,484	6,314,717	25,713,201
	<hr/>		
TOTAL ASSETS	24,352,089	9,458,676	33,810,765
	<hr/>		

The accompanying notes are an integral part of the financial statements.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

STATEMENT OF NET POSITION
JUNE 30, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	10,258	0	10,258
Accrued Payroll and Payroll Liabilities	7,820	0	7,820
Due to Other Governments	0	24,791	24,791
Unearned Revenue	504,390	0	504,390
Accrued Interest	13,314	0	13,314
Current Portion of Long-Term Debt	114,975	0	114,975
	<hr/>		
Total Current Liabilities	650,757	24,791	675,548
<u>LONG-TERM LIABILITIES</u>			
Bonds Payable, Net of Premium	919,825	0	919,825
Less: Current Portion	(114,975)	0	(114,975)
	<hr/>		
Total Long-Term Liabilities	804,850	0	804,850
	<hr/>		
TOTAL LIABILITIES	1,455,607	24,791	1,480,398
<u>NET POSITION</u>			
Net Investment in Capital Assets	18,781,091	6,314,717	25,095,808
Restricted for Fire Protection	26,793	0	26,793
Restricted for Public Broadcast	6,864	0	6,864
Restricted for Telecommunication Right-of-Ways	20,998	0	20,998
Restricted for Liquor Law Enforcement	4,298	0	4,298
Restricted for Police Protection	50,362	0	50,362
Restricted for Ambulance	130,501	0	130,501
Restricted for Preservation of Farmland	1,392,133	0	1,392,133
Restricted for Nakwema Trailway	25,900	0	25,900
Restricted for Parks and Recreation	31,034	0	31,034
Unrestricted	2,426,508	3,119,168	5,545,676
	<hr/>		
TOTAL NET POSITION	\$ 22,896,482	\$ 9,433,885	\$ 32,330,367
	<hr/> <hr/>		

The accompanying notes are an integral part of the financial statements.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGE IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		TOTALS
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
<u>PRIMARY GOVERNMENT</u>							
<u>GOVERNMENTAL ACTIVITIES</u>							
General Government	\$ 606,694	\$ 103,602	\$ 0	\$ 1,849	\$ (501,243)	\$ 0	\$ (501,243)
Public Safety	1,330,901	0	12,081	0	(1,318,820)	0	(1,318,820)
Public Works	31,530	19,750	8,383	0	(3,397)	0	(3,397)
Recreation and Culture	207,669	93,362	19,858	918,519	824,070	0	824,070
Community and Economic Development	223,733	1,140	0	475,750	253,157	0	253,157
Interest on Long-Term Debt	25,032	0	0	0	(25,032)	0	(25,032)
Total Governmental Activities	2,425,559	217,854	40,322	1,396,118	(771,265)	0	(771,265)
<u>BUSINESS-TYPE ACTIVITIES</u>							
Public Works - Sewer System	708,106	1,016,566	0	0	0	308,460	308,460
Public Works - Water System	15,264	14,778	0	0	0	(486)	(486)
Total Business-Type Activities	723,370	1,031,344	0	0	0	307,974	307,974
TOTAL	\$ 3,148,929	\$ 1,249,198	\$ 40,322	\$ 1,396,118	(771,265)	307,974	(463,291)
<u>GENERAL REVENUES</u>							
Taxes					2,048,017	0	2,048,017
State Grants					480,646	0	480,646
Interest Earnings					25,149	2,896	28,045
Other					19,601	0	19,601
Total General Revenues					2,573,413	2,896	2,576,309
Change in Net Position					1,802,148	310,870	2,113,018
<u>NET POSITION</u> - Beginning of Year					21,094,334	9,123,015	30,217,349
<u>NET POSITION</u> - End of Year					\$ 22,896,482	\$ 9,433,885	\$ 32,330,367

The accompanying notes are an integral part of the financial statements.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET
JUNE 30, 2023

	SPECIAL REVENUE FUNDS					CAPITAL PROJECT FUNDS			DEBT SERVICE FUNDS			TOTALS
	GENERAL FUND	FIRE FUND	FARM LAND PRESERVATION FUND	POLICE PROTECTION FUND	AMBULANCE FUND	NAKWEMA TRAILWAY FUND	#2 NAKWEMA TRAILWAY FUND	BERTHA VOS FUND	HOLIDAY HILLS IMPROVEMENT FUND	SPRINGBROOK IMPROVEMENT FUND	NONMAJOR GOVERNMENTAL FUNDS	
ASSETS												
Cash	\$ 2,771,542	\$ 26,793	\$ 916,383	\$ 49,612	\$ 130,501	\$ 159,992	\$ 25,000	\$ 61,498	\$ 273,628	\$ 55,689	\$ 64,968	\$ 4,535,606
Accounts Receivable	28,577	0	0	0	0	0	0	0	0	0	0	28,577
Special Assessments Receivable	0	0	0	0	0	0	0	0	370,501	313,872	0	684,373
Due from Other Governmental Units	157,570	0	0	0	0	140,908	0	0	0	0	0	298,478
Due from Other Funds	270,000	0	475,750	0	0	0	0	0	0	0	0	745,750
Prepaid Expenditures	23,214	0	0	750	0	0	0	0	0	0	0	23,964
TOTAL ASSETS	\$ 3,250,903	\$ 26,793	\$ 1,392,133	\$ 50,362	\$ 130,501	\$ 300,900	\$ 25,000	\$ 61,498	\$ 644,129	\$ 369,561	\$ 64,968	\$ 6,316,748
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE												
LIABILITIES												
Accounts Payable	\$ 5,395	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,863	\$ 0	\$ 0	\$ 0	\$ 10,258
Accrued Payroll and Payroll Liabilities	7,820	0	0	0	0	0	0	0	0	0	0	7,820
Due to Other Funds	475,750	0	0	0	0	270,000	0	0	0	0	0	745,750
Unearned Revenues	504,390	0	0	0	0	0	0	0	0	0	0	504,390
Total Liabilities	993,355	0	0	0	0	270,000	0	4,863	0	0	0	1,268,218
DEFERRED INFLOWS OF RESOURCES												
Unavailable Revenue	0	0	0	0	0	30,000	0	0	370,501	313,872	0	714,373
FUND BALANCE												
Nonspendable for Prepaid Expenditures	23,214	0	0	0	0	0	0	0	0	0	0	23,214
Nonspendable for Long-Term Receivables	81,914	0	0	0	0	0	0	0	0	0	0	81,914
Restricted for Fire Protection	0	26,793	0	0	0	0	0	0	0	0	0	26,793
Restricted for Debt Service	0	0	0	0	0	0	0	0	273,628	55,689	0	329,317
Restricted for Public Broadcast	6,864	0	0	0	0	0	0	0	0	0	0	6,864
Restricted for Telecommunication Right-of-Ways	20,998	0	0	0	0	0	0	0	0	0	0	20,998
Restricted for Liquor Law Enforcement	0	0	0	0	0	0	0	0	0	0	4,298	4,298
Restricted for Police Protection	0	0	0	50,362	0	0	0	0	0	0	0	50,362
Restricted for Ambulance	0	0	0	0	130,501	0	0	0	0	0	0	130,501
Restricted for Preservation of Farmland	0	0	1,392,133	0	0	0	0	0	0	0	0	1,392,133
Restricted for Nakwema Trailway	0	0	0	0	0	900	25,000	0	0	0	0	25,900
Restricted for Parks and Recreation	0	0	0	0	0	0	0	0	0	0	31,034	31,034
Committed for Bertha Vos	0	0	0	0	0	0	0	56,635	0	0	0	56,635
Committed for Parks and Recreation	0	0	0	0	0	0	0	0	0	0	28,246	28,246
Committed for Shoreline Preservation	0	0	0	0	0	0	0	0	0	0	1,390	1,390
Committed for Self Funded Accounts	388,125	0	0	0	0	0	0	0	0	0	0	388,125
Committed for Septage Plant Bond Buyout	132,220	0	0	0	0	0	0	0	0	0	0	132,220
Committed for GTTC Engineer Project Manager	32,000	0	0	0	0	0	0	0	0	0	0	32,000
Committed for Townhall/Community Center Improvements	30,000	0	0	0	0	0	0	0	0	0	0	30,000
Unassigned	1,542,213	0	0	0	0	0	0	0	0	0	0	1,542,213
Total Fund Balance	2,257,548	26,793	1,392,133	50,362	130,501	900	25,000	56,635	273,628	55,689	64,968	4,334,157
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 3,250,903	\$ 26,793	\$ 1,392,133	\$ 50,362	\$ 130,501	\$ 300,900	\$ 25,000	\$ 61,498	\$ 644,129	\$ 369,561	\$ 64,968	\$ 6,316,748

The accompanying notes are an integral part of the financial statements.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balance for Governmental Funds	\$	4,334,157
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets	\$	19,727,401
Accumulated Depreciation		<u>(946,310)</u>
		18,781,091
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
Bonds Payable		(919,825)
Accrued interest is not reported as a liability in the funds; it is recorded when paid.		
		(13,314)
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable in the funds.		
Special Assessments and Other Receivables		<u>714,373</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>22,896,482</u></u>

The accompanying notes are an integral part of the financial statements.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY

WILLIAMSBURG, MICHIGAN

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS			DEBT SERVICE FUNDS		NONMAJOR GOVERNMENTAL FUNDS	TOTALS
	GENERAL FUND	FIRE FUND	FARM LAND PRESERVATION FUND	POLICE PROTECTION FUND	AMBULANCE FUND	NAKWEMA TRAILWAY FUND	#2 NAKWEMA TRAILWAY FUND	BERTHA VOS FUND	HOLIDAY HILLS IMPROVEMENT FUND	SPRINGBROOK IMPROVEMENT FUND		
REVENUES												
Property Taxes	\$ 405,267	\$ 1,052,198	\$ 284,484	\$ 95,640	\$ 210,428	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,048,017
Special Assessments	0	0	0	0	0	0	0	0	53,977	26,542	0	80,519
Licenses and Permits	90,764	0	0	0	0	0	0	0	0	0	0	90,764
State Grants	489,029	0	475,750	0	0	270,000	0	0	0	0	12,081	1,246,860
Charges for Services	125,950	0	0	0	0	0	0	0	0	0	0	125,950
Interest and Rents	4,244	0	685	0	0	0	0	0	14,662	6,697	1	26,289
Other Revenues	44,891	0	0	0	0	730,000	25,000	1,849	0	0	15,625	817,365
Total Revenues	1,160,145	1,052,198	760,919	95,640	210,428	1,000,000	25,000	1,849	68,639	33,239	27,707	4,435,764
EXPENDITURES												
General Government	548,733	0	0	0	0	0	0	0	0	0	0	548,733
Public Safety	0	1,049,947	0	95,954	185,000	0	0	0	0	0	0	1,330,901
Public Works	29,040	0	0	0	0	0	0	0	0	0	0	29,040
Community and Economic Development	183,233	0	871,252	0	0	0	0	0	0	0	0	1,054,485
Recreation and Culture	72,846	0	0	0	0	27,500	0	0	0	0	415	100,761
Capital Outlay	6,199	0	0	0	0	1,136,846	0	23,912	0	0	0	1,166,957
Debt Service	0	0	0	0	0	0	0	0	83,575	0	0	83,575
Total Expenditures	840,051	1,049,947	871,252	95,954	185,000	1,164,346	0	23,912	83,575	0	415	4,314,452
Excess (Deficiency) of Revenues Over Expenditures	320,094	2,251	(110,333)	(314)	25,428	(164,346)	25,000	(22,063)	(14,936)	33,239	27,292	121,312
OTHER FINANCING SOURCES (USES)												
Transfers In (Out)	(86,704)	0	0	10,000	0	30,000	0	78,698	0	0	(31,994)	0
Net Change in Fund Balance	233,390	2,251	(110,333)	9,686	25,428	(134,346)	25,000	56,635	(14,936)	33,239	(4,702)	121,312
FUND BALANCE - Beginning of Year	2,024,158	24,542	1,502,466	40,676	105,073	135,246	0	0	288,564	22,450	69,670	4,212,845
FUND BALANCE - End of Year	\$ 2,257,548	\$ 26,793	\$ 1,392,133	\$ 50,362	\$ 130,501	\$ 900	\$ 25,000	\$ 56,635	\$ 273,628	\$ 55,689	\$ 64,968	\$ 4,334,157

The accompanying notes are an integral part of the financial statements.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY

WILLIAMSBURG, MICHIGAN

GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

Net Change in Fund Balance - Total Governmental Funds \$ 121,312

Amounts reported for governmental activities are different because:

Governmental funds report capital outlay as expenditures in the Statement of Activities. These costs are allocated over their estimated useful lives as depreciation.

Depreciation Expense	(121,171)
Capital Outlay	1,973,796

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

Repayment of Bond Principal	65,000
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Accrued interest in bonds is recorded on the Statement of Activities when incurred; it is not recorded in the governmental funds until it is paid.

Accrued Interest - Beginning of the Year	6,857
Accrued Interest - End of the Year	(13,314)

Under the modified accrual basis of accounting, revenue is recognized when measurable and available. The entity-wide statements recognize revenue when earned.

Unavailable Revenue - Beginning of the Year	(944,705)
Unavailable Revenue - End of the Year	714,373

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,802,148</u>
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The accompanying notes are an integral part of the financial statements.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY

WILLIAMSBURG, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2023

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>		<u>TOTAL ENTERPRISE FUNDS</u>
	<u>SEWER FUND</u>	<u>WATER FUND</u>	
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash	\$ 3,123,921	\$ 20,038	\$ 3,143,959
 <u>CAPITAL ASSETS</u>			
System Infrastructure - Water	0	177,000	177,000
System Infrastructure - Sewer	13,791,402	0	13,791,402
Less: Accumulated Depreciation	(7,561,350)	(92,335)	(7,653,685)
 Net Investment in Capital Assets	 6,230,052	 84,665	 6,314,717
 TOTAL ASSETS	 9,353,973	 104,703	 9,458,676
 <u>LIABILITIES</u>			
Due to Other Governments	23,277	1,514	24,791
 <u>NET POSITION</u>			
Net Investment in Capital Assets	6,230,052	84,665	6,314,717
Unrestricted	3,100,644	18,524	3,119,168
 TOTAL NET POSITION	 \$ 9,330,696	 \$ 103,189	 \$ 9,433,885

The accompanying notes are an integral part of the financial statements.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		TOTAL ENTERPRISE FUNDS
	SEWER FUND	WATER FUND	
<u>OPERATING REVENUES</u>			
Charges for Services	\$ 1,016,566	\$ 14,778	\$ 1,031,344
<u>OPERATING EXPENSES</u>			
Operations and Maintenance	432,278	11,724	444,002
Depreciation	275,828	3,540	279,368
Total Operating Expenses	708,106	15,264	723,370
Operating Income (Loss)	308,460	(486)	307,974
<u>NONOPERATING REVENUE (EXPENSE)</u>			
Interest Income	2,896	0	2,896
Change in Net Position	311,356	(486)	310,870
<u>NET POSITION - Beginning of Year</u>	9,019,340	103,675	9,123,015
<u>NET POSITION - End of Year</u>	\$ 9,330,696	\$ 103,189	\$ 9,433,885

The accompanying notes are an integral part of the financial statements.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	SEWER FUND	WATER FUND	TOTAL ENTERPRISE FUNDS
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>			
Cash Flows from Operating Activities			
Cash Received from Other Governments	\$ 1,135,806	\$ 16,007	\$ 1,151,813
Cash Payments to Suppliers for Goods and Services	(409,001)	(10,776)	(419,777)
Net Cash Provided (Used) by Operating Activities	726,805	5,231	732,036
Cash Flows from Investing Activities			
Interest Income	2,896	0	2,896
Net Increase (Decrease) in Cash and Cash Equivalents	729,701	5,231	734,932
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	2,394,220	14,807	2,409,027
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	\$ 3,123,921	\$ 20,038	\$ 3,143,959
<u>RECONCILIATION OF OPERATING INCOME</u>			
<u>TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>			
Operating Income (Loss)	\$ 308,460	\$ (486)	\$ 307,974
Adjustments to Reconcile Operating Income			
To Net Cash Provided by Operating Activities			
Depreciation	275,828	3,540	279,368
(Increase) Decrease in Current Assets			
Due from Other Governments	119,240	1,229	120,469
Increase (Decrease) in Current Liabilities			
Due to Other Governments	23,277	948	24,225
Total Adjustments	418,345	5,717	424,062
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 726,805	\$ 5,231	\$ 732,036

The accompanying notes are an integral part of the financial statements.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

FIDUCIARY FUND

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

	CUSTODIAL FUNDS		
	TAX COLLECTION FUND	TRUST AND AGENCY FUND	TOTALS
<u>ASSETS</u>			
Cash	\$ 0	\$ 66,863	\$ 66,863
<u>LIABILITIES</u>			
Due to Other Governments	0	0	0
<u>NET POSITION</u>			
Restricted for Others	\$ 0	\$ 66,863	\$ 66,863

The accompanying notes are an integral part of the financial statements.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

FIDUCIARY FUND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2023

	CUSTODIAL FUNDS		TOTALS
	TAX COLLECTION FUND	TRUST AND AGENCY FUND	
<u>ADDITIONS</u>			
Property Taxes Collected	\$ 13,203,179	\$ 0	\$ 13,203,179
Collected for Others	0	1,513	1,513
Total Additions	13,203,179	1,513	13,204,692
<u>DEDUCTIONS</u>			
Property Taxes Distributed	13,203,179	0	13,203,179
Disbursed to Others	0	45,000	45,000
Total Deductions	13,203,179	45,000	13,248,179
Net Increase (Decrease) in Fiduciary Net Position	0	(43,487)	(43,487)
<u>NET POSITION</u> - Beginning of Year	0	110,350	110,350
<u>NET POSITION</u> - End of Year	\$ 0	\$ 66,863	\$ 66,863

The accompanying notes are an integral part of the financial statements.

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Acme Township (the "Township" or "government") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., *The Statement of Net Position* and *The Statement of Activities*) report the information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the *primary government* is financially accountable. Acme Township does not have any component units.

B. Reporting Entity

The Township is located in Grand Traverse County, Michigan, and provides services to its residents in many areas including police and fire protection, community enrichment and development, water and sewer services, and recreation and culture. The Township is a general law township governed by a seven-member board elected by the citizens of the Township. The Township Board consists of the supervisor, clerk, treasurer and four trustees.

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity," these financial statements present the Township. The criteria established by GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. There are no other units that should be included in the financial statements.

The following entities are not included in the Township's financial statements but do represent an ongoing financial interest or responsibility:

Joint Ventures

Master Sewer Agreement

The Township entered into a master sewer agreement effective July 1, 1987, through June 30, 2041 with the City of Traverse City, the Townships of Peninsula and Garfield in Grand Traverse County, the Township of Elmwood in Leelanau County, and Grand Traverse County. This master sewer agreement defines the allocation of costs and establishes certain rights and responsibilities with respect to the wastewater treatment plant and sewer system. Grand Traverse County is the owner of the treatment plant, and the City of Traverse City is the owner of all multi-user facilities. The townships have the option to purchase the facility when certain bonds issued by Grand Traverse County are retired.

The City of Traverse City is the exclusive manager of the plant for the benefit to itself and the townships. As the exclusive manager, the City of Traverse City has the obligation to fully inform and advise townships as to the

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

treatment plant's operation and the townships shall have the right to comment on all matters connected with the administration of the plant.

Each participant in the joint venture pays an amount sufficient to cover its pro rata share of treatment plant costs. Each participant's pro rata share is determined by its volume of sewage treated in relation to total sewage treated at the plant.

Metro Emergency Services Authority

The Township participates jointly in the operation of the Metro Emergency Services Authority with the charter townships of East Bay and Garfield in Grand Traverse County. The Township paid \$1,049,947 to Metro Emergency Services Authority during the year ended June 30, 2023, for fire department services.

Mobile Medical Response

The Township participates jointly in the operation of the Mobile Medical Response with the City of Traverse City and the townships of Garfield and Whitewater in Grand Traverse County. The Township paid \$185,000 to Mobile Medical Response during the year ended June 30, 2023, for ambulance services.

C. 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 and internal service 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between government's water and sewer functions and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column.

The Township 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. Revenues are primarily derived from property taxes and state shared revenue.

The *Fire Fund* accounts for the Township's portion of operation of the Metro Emergency Services Authority. Financing is provided by a property tax levy.

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The *Ambulance Fund* accounts for the Township's financial activity related to emergency medical services. Financing is provided by a property tax levy.

The *Farmland Preservation Fund* accounts for the Township's development of farmland. Financing is provided by a property tax levy.

The *Police Protection Fund* accounts for the Township's portion of operation of the Grand Traverse County Police Department. Financing is provided by a property tax levy.

The *Nakwema Trailway Fund* accounts for costs associated with the Nakwema Trailway project. Financing is provided by transfers in from other funds, various local grants and contributions, and state grants.

The *#2 Nakwema Trailway Fund* accounts for costs associated with a Nakwema Trailway project. Financing is provided by transfers from other funds, various local grants and contributions, and state grants.

The *Bertha Vos Fund* accounts for costs associated with the purchase and construction of land and a building. Financing is currently being provided by transfers from General Fund.

The *Holiday Hills Improvement Fund* accounts for costs for improving roads in the Holiday Hills. Financing is provided by a special assessment and transportation bond (which will also be repaid with special assessments).

The *Springbrook Improvement Fund* accounts for costs for improving roads in the Springbrook subdivision. Financing is provided by a special assessment and transportation bond (which will also be repaid with special assessments).

The Township reports the following major proprietary funds:

The *Sewer Fund* accounts for the results of operations that provide sewer services to residents, financed primarily by a user charge for the provision of those services.

The *Water Fund* accounts for the results of operations that provide water services to residents, financed primarily by a user charge for the provision of those services.

Additionally, the Township reports the following nonmajor fund types:

The *Special Revenue Funds* account for revenue sources that are legally restricted, committed, or assigned to expenditures for specific purposes.

Additionally, the Township reports the following fiduciary fund:

The *Custodial Funds* account for property taxes collected by the Township on behalf of other governmental units as well as the Township itself and other monies held for units of governments and organizations.

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

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internal service funds are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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.

E. 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of 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 government considers revenues to be available if they are 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. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, 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 period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue resource (within 60 days of year-end). 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 funds are reported using the *economic measurement focus* and the *accrual basis of accounting*. The custodial funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

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F. Budgetary Information

1. Budgetary Basis of Accounting

- Prior to July 1, the Township Supervisor submits to the Township Board a proposed operating budget for all governmental funds for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- The Township Board holds a public hearing and adopts a resolution approving the budgets.
- All transfers of budget amounts between functions within the General Fund and any revisions that alter the total expenditures of any fund must be approved by the Township Board.
- Formal budgetary integration is employed as a management control device during the year for all governmental fund types.
- Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). All appropriations lapse at year-end. Budgeted amounts are as originally adopted, or as amended by the Township Board from time to time throughout the year.
- Encumbrance accounting is not employed in the Township's governmental funds.

2. Excess of Expenditures Over Appropriations

	<u>APPROPRIATIONS</u>		<u>EXPENDITURES</u>
General Government			
Treasurer	\$ 81,653	\$	81,897
Public Safety			
Police Protection	91,000		95,954

These overages were covered by available fund balance.

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

1. Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. The government considers all highly liquid investments (including certificates of deposit) to be cash equivalents.

2. Investments

The Township's investment policy is in compliance with state law and authorizes the Township treasurer to invest in the investments directly listed in Public Act 20 of 1943, as amended. Some investments authorized by state law are shown as cash on the financial statements.

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3. Inventories and Prepaid Items

Inventory is valued at cost using the first-in/first-out method. Inventory consists of expendable supplies held for consumption, which are recorded as expenditures when consumed rather than when purchased.

Certain payments made to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value 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 improvements are capitalized as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Land and not in progress are depreciated. Property, plant and equipment of the primary government, as well as the component unit are depreciated using the straight-line method over the following estimated useful lives:

<u>ASSETS</u>	<u>YEARS</u>
Road Improvements	15-20
Water and Sewer Infrastructure	50
Buildings and Improvements	20-50
Vehicles	10
Equipment	5-10

5. Conservation Easements

A conservation easement is a legal agreement between a landowner and a qualified conservation organization that permanently limits a property's use in order to protect its conservation values. Conservation easements, either purchased or donated, are initially valued at their appraised value. The difference between the purchase price and appraised value is reflected as capital grants and contributions in the statement of activities. This value is capitalized as a non-depreciable capital asset as it is recognized as an intangible asset providing value to the residents of the Township.

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6. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, 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 which approximates the effective interest method over the term of the related obligations.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes 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 does not have any deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The 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 fit this criteria, unavailable revenue from special assessments, accounts receivable expected to be collected more than 60 days after year end, and amounts due from other governments expected to be collected more than 60 days after year end. Since the accrual basis of accounting recognizes this revenue when it is earned, the unavailable is only reported at the fund level, which uses the modified accrual basis of accounting.

8. Unearned Revenue

Unearned revenue arises when resources are received by the Township before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized. The Township has unearned revenue related to funds received through the American Rescue Plan Act (ARPA).

9. Net Position Flow Assumption

Sometimes the government 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 government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

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10. Fund Balance Flow Assumption

Sometimes the government 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 government's policy to consider restricted fund balance to have 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.

11. 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 government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

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

Unassigned fund balance is the residual classification for the Township's general fund and includes all spendable amounts not contained in the other classifications and is therefore available to be spent as determined by the Township's Board.

The Township intends to maintain a fund balance of 50% of the Township's General Fund annual operating expenditures. If the General Fund's fund balance declines below 50%, it shall be recovered at a rate of 1%, at a minimum, each year.

12. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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H. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenue 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 and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes/Special Assessments

Property taxes attach as an enforceable lien on the property as of the date they are levied. State education taxes, county taxes, school district and college taxes, and transportation system taxes are levied and due July 1 and become delinquent after September 14. The remaining millages are levied and due December 1 and become delinquent after February 14. Collections of taxes and remittances of them are accounted for in the Tax Collection Fund. Township property tax revenues are recognized when they become both measurable and available for use to finance Township operations.

The 2022 taxable valuation of the Township totaled \$402,991,453, on which ad valorem taxes levied consisted of 0.7081 mills for operating purposes, 2.7500 mills for fire operations, 0.2500 mills for police protection, 0.5500 mills for ambulance services and 0.7049 mills for farmland preservation.

3. 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. Eventually, the principal operating revenues of the sewer fund are charges to customers for services. Operating expenses for enterprise funds include cost of 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 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Violations of Legal or Contractual Provisions

Note I.F.2, on the Excess of expenditures over appropriations, describes budgetary violations that occurred for the year ended June 30, 2023.

NOTE 3 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits

As of June 30, 2023, the Township had deposits 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 government's deposits may not be returned to it. As of June 30, 2023, \$7,091,631 of the government's bank balance of \$7,841,631 was exposed to custodial credit risk because it was uninsured and uncollateralized. The risk is spread amongst the Township's Funds. Although the Township's investment policy does not directly address

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custodial credit risk, it typically limits its exposure by controlling who holds the Township’s deposits. As of June 30, 2023, deposits of \$7,679,365 and petty cash of \$200, are reported on the financial statements as cash. The following summarizes the categorization of these amounts on the financial statements as of June 30, 2023:

	Primary Government	Fiduciary Funds	Reporting Entity
Cash	\$ 7,679,565	\$ 66,863	\$ 7,746,428

Interest rate risk. 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 investing pools and limiting the average maturity in accordance with the Township’s cash requirement.

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 (NRSOs). 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.

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; therefore, it is not addressed in the investment policy.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government 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, brokers/dealers, intermediaries, and advisors with which the Township will do business.

B. Receivables

Receivables as of year-end for the government’s individual major funds in aggregate and combined nonmajor funds, including the applicable allowances for uncollectible accounts are as follows:

	General	Nakwema Trailway	Holiday Hills Improvement	Springbrook Improvement	Water & Sewer	Non Major	Total
Receivables							
Accounts	\$ 28,577	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,577
Special Assessments	0	0	370,501	313,872	0	0	684,373
Due from Other							
Governments	157,570	140,908	0	0	0	0	298,478
Total	\$ 186,147	\$ 140,908	\$ 370,501	\$ 313,872	\$ 0	\$ 0	\$ 1,011,428

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Amounts due from other governments include amounts consisting of state-shared revenues and an amount owed from the State of Michigan for the Nakwema Trailway capital project.

C. Capital Assets

<u>Governmental Activities</u>	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land and Development Rights	\$ 15,575,227	\$ 830,752	\$ 0	\$ 16,405,979
Construction in Progress	527,361	0	(527,361)	0
Total Capital Assets, Not Being Depreciated	16,102,588	830,752	(527,361)	16,405,979
Capital Assets, Being Depreciated				
Buildings and Improvements	1,457,209	0	0	1,457,209
Land Improvements	0	1,664,206	0	1,664,206
Vehicles	97,342	0	0	97,342
Equipment	96,466	6,199	0	102,665
Total Capital Assets, Being Depreciated	1,651,017	1,670,405	0	3,321,422
Less Accumulated Depreciation for:				
Buildings and Improvements	665,026	115,946	0	780,972
Land Improvements	0	0	0	0
Vehicles	97,341	0	0	97,341
Equipment	62,772	5,225	0	67,997
Total Accumulated Depreciation	825,139	121,171	0	946,310
Total Capital Assets, Being Depreciated, Net	825,878	1,549,234	0	2,375,112
Governmental Activities Capital Assets, Net	\$ 16,928,466	\$ 2,379,986	\$ (527,361)	\$ 18,781,091
<u>Business-Type Activities</u>				
Capital Assets, Being Depreciated				
Sewer System	\$ 13,791,402	\$ 0	\$ 0	\$ 13,791,402
Water System	177,000	0	0	177,000
Capital Assets, Being Depreciated	13,968,402	0	0	13,968,402
Less Accumulated Depreciation				
Sewer System	7,285,522	275,828	0	7,561,350
Water System	88,795	3,540	0	92,335
Total Capital Assets, Being Depreciated	7,374,317	279,368	0	7,653,685
Business-Type Activities Capital Assets, Net	\$ 6,594,085	\$ (279,368)	\$ 0	\$ 6,314,717

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

Governmental Activities	
General Government	\$ 11,773
Public Works	2,490
Recreation and Culture	106,908
Total Depreciation Expense - Governmental Activities	\$ 121,171
Business-Type Activities	
Water and Sewer	\$ 279,368

D. Interfund Receivables, Payables and Transfers

Individual fund interfund receivable and payable balances at June 30, 2023, were:

Receivable Fund	Payable Fund	Amount
General Fund	Nakwema Trailway Fund	\$ 270,000
Farmland Preservation Fund	General Fund	475,750
		\$ 745,750

All remaining balances generally resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances outstanding at June 30, 2023, are expected to be repaid within one year.

Interfund Transfers for the year ended June 30, 2023, were:

Funds Transferred To	Funds Transferred From	Amount
Nakwema Trailway Fund	General Fund	\$ 30,000
Bertha Vos Fund	General Fund	78,698
General Fund	Cemetery Fund	21,994
Police Protection Fund	Liquor Fund	10,000
		\$ 140,692

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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E. Long-Term Obligation

The following is a summary of long-term obligation transactions of the Township for the year ended June 30, 2023:

	GOVERNMENTAL ACTIVITIES
	GENERAL OBLIGATION BONDS
Balance at July 1, 2022	\$ 984,825
Additions	0
Deletions	(65,000)
Balance at June 30, 2023	\$ 919,825
Due within one year	\$ 114,975

Obligations payable at June 30, 2023, are comprised of the following:

General Obligation Bonds

Michigan Transportation Fund Limited Tax Bonds, Series 2015 (Governmental Activities) \$945,000 issued July 1, 2015, used to finance road improvement projects within Holiday Hills Subdivision, due in annual installments ranging from \$65,000 to \$75,000 with interest of 0.65% to 3.50%; Date of maturity is scheduled for September 1, 2030.	\$ 570,000
Michigan Transportation Fund Limited Tax Bonds, Series 2021 (Governmental Activities) \$374,813 issued October 15, 2021, used to finance road improvement projects within Springbrook Area Subdivision, due in annual installments of a rounded \$24,988 with interest of 2.00%; Date of maturity is scheduled for June 1, 2036.	349,825
	\$ 919,825

The annual requirements to amortize these obligations outstanding as of June 30, 2023, including interest payments of \$128,322 are as follows:

	Governmental Activities		
	Principal	Interest	Total
2024	\$ 114,975	\$ 30,026	\$ 145,001
2025	94,988	20,805	115,793
2026	94,987	18,415	113,402
2027	94,988	15,921	110,909
2028	94,987	13,268	108,255
2029-2033	349,938	26,889	376,827
2034-2036	74,962	2,998	77,960
Total	\$ 919,825	\$ 128,322	\$ 1,048,147

Interest expense for the year was approximately \$25,000 for governmental activities.

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NOTE 4 - OTHER INFORMATION

A. Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) as well as medical benefits provided to employees.

The Township continues to carry commercial insurance for various risks of loss, including general liability, property and casualty, employee health and accident insurance, and workers' disability compensation. The Township has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

B. Retirement Plan/Deferred Compensation Plan

The Township's Section 457(B) Plan is a defined contribution pension plan that provides retirement benefits to all full-time employees and elected officials administered through Nationwide Insurance. Employees are eligible after having 12 months of employment and age of 21 or older. The Township contributes 10% of each eligible employee's salary to the plan annually, while plan members can make voluntary contributions.

For the year ended June 30, 2023, the Township contributed \$27,411 to the plan, while employees made voluntary contributions of \$10,085. The Township board has the authority to amend or terminate the plan. There are no outstanding payables to the plan as of June 30, 2023.

C. Contingencies

Grant Programs

Under the terms of various federal and state grants and regulatory requirements, periodic audits are required, and certain cost may be questioned as not being appropriate expenditures under the terms of the grants and requirements. Such audits could lead to reimbursement of the grantor or regulatory agencies. However, management does not believe such disallowances, if any, would be material to the financial position of the Township.

D. Development Rights

Development rights typically are donated through the gift of a conservation easement. The donation of a perpetual conservation easement which preserves the conservation values of a property deemed to be in the public benefit, such as prime agricultural land, scenic views, wetlands, forests, and unique wildlife habitats, is recognized in the Federal Tax Code and may result in substantial income and estate tax benefits to the donor/landowner.

In situations where charitable tax benefits do not provide sufficient incentives, development rights are purchased rather than donated. This is often the case with farmland preservation programs. The amount paid to the landowner is determined by a "before and after" appraisal of the fair market value of the subject land.

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E. Related Parties

The Township Treasurer has part ownership in an assessing company that the Township contracts with for assessing services. The Treasurer abstains from voting when the Board approves the assessing contract. During the fiscal year, the Township paid \$48,660 to the company for their assessing services.

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REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

	GENERAL FUND			FIRE FUND			FARM LAND PRESERVATION FUND			POLICE PROTECTION FUND			AMBULANCE FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
REVENUES															
Property Taxes	\$ 401,646	\$ 401,646	\$ 405,267	\$ 1,206,534	\$ 1,262,862	\$ 1,052,198	\$ 276,435	\$ 276,435	\$ 284,484	\$ 95,756	\$ 95,756	\$ 95,640	\$ 185,000	\$ 185,000	\$ 210,428
Licenses and Permits	87,900	87,900	90,764	0	0	0	0	0	0	0	0	0	0	0	0
Federal Grants	247,855	247,855	0	0	0	0	0	0	0	0	0	0	0	0	0
State Grants	434,116	434,116	489,029	0	0	0	0	0	475,750	0	0	0	0	0	0
Charges for Services	59,710	59,710	125,950	0	0	0	0	0	0	0	0	0	0	0	0
Interest and Rents	5,660	5,660	4,244	0	0	0	600	600	685	0	0	0	0	0	0
Other Revenues	25,000	25,000	44,891	0	0	0	0	0	0	11,000	11,000	0	0	0	0
Total Revenues	1,261,887	1,261,887	1,160,145	1,206,534	1,262,862	1,052,198	277,035	277,035	760,919	106,756	106,756	95,640	185,000	185,000	210,428
EXPENDITURES															
General Government															
Township Board	192,500	192,500	174,701	0	0	0	0	0	0	0	0	0	0	0	0
Supervisor	68,780	68,780	62,544	0	0	0	0	0	0	0	0	0	0	0	0
Election	21,550	21,550	17,855	0	0	0	0	0	0	0	0	0	0	0	0
Assessor	61,830	61,830	60,720	0	0	0	0	0	0	0	0	0	0	0	0
Clerk	102,445	110,295	98,606	0	0	0	0	0	0	0	0	0	0	0	0
Board of Review	2,060	2,060	1,253	0	0	0	0	0	0	0	0	0	0	0	0
Treasurer	79,653	81,653	81,897	0	0	0	0	0	0	0	0	0	0	0	0
Building and Grounds	69,720	59,720	36,601	0	0	0	0	0	0	0	0	0	0	0	0
Other General Government	15,500	15,500	14,556	0	0	0	0	0	0	0	0	0	0	0	0
Public Safety															
Police	0	0	0	0	0	0	0	0	0	91,000	91,000	95,954	0	0	0
Fire Protection	0	0	0	995,869	1,050,869	1,049,947	0	0	0	0	0	0	0	0	0
Ambulance	0	0	0	0	0	0	0	0	0	0	0	0	185,000	185,000	185,000
Public Works															
Roads, Streets, and Bridges	10,000	10,000	9,223	0	0	0	0	0	0	0	0	0	0	0	0
Street Lighting	12,000	12,000	10,976	0	0	0	0	0	0	0	0	0	0	0	0
Cemetery	10,400	10,400	8,841	0	0	0	0	0	0	0	0	0	0	0	0
Community and Economic Development															
Planning and Zoning	196,159	196,159	183,233	0	0	0	0	0	0	0	0	0	0	0	0
Farmland Preservation	0	0	0	0	0	0	282,950	932,950	871,252	0	0	0	0	0	0
Recreation and Culture															
Parks and Recreation	90,266	90,266	72,846	0	0	0	0	0	0	0	0	0	0	0	0
Capital Outlay	20,000	20,000	6,199	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	45,000	17,150	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures	997,863	969,863	840,051	995,869	1,050,869	1,049,947	282,950	932,950	871,252	91,000	91,000	95,954	185,000	185,000	185,000
Excess (Deficiency) of Revenues															
Over Expenditures	264,024	292,024	320,094	210,665	211,993	2,251	(5,915)	(655,915)	(110,333)	15,756	15,756	(314)	0	0	25,428
OTHER FINANCING SOURCES (USES)															
Transfers In (Out)	0	(360,000)	(86,704)	0	0	0	0	0	0	0	10,000	10,000	0	0	0
Net Change in Fund Balance	264,024	(67,976)	233,390	210,665	211,993	2,251	(5,915)	(655,915)	(110,333)	15,756	25,756	9,686	0	0	25,428
FUND BALANCE - Beginning of Year	2,046,152	2,046,152	2,024,158	24,542	24,542	24,542	1,502,466	1,502,466	1,502,466	40,676	40,676	40,676	105,073	105,073	105,073
FUND BALANCE - End of Year (Deficit)	\$ 2,310,176	\$ 1,978,176	\$ 2,257,548	\$ 235,207	\$ 236,535	\$ 26,793	\$ 1,496,551	\$ 846,551	\$ 1,392,133	\$ 56,432	\$ 66,432	\$ 50,362	\$ 105,073	\$ 105,073	\$ 130,501

ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES

JUNE 30, 2023

	SPECIAL REVENUE FUNDS					TOTALS
	CEMETERY FUND	LIQUOR FUND	SHORELINE PRESERVATION FUND	PARK FUND		
<u>ASSETS</u>						
Cash	\$ 0	\$ 4,298	\$ 1,390	\$ 59,280	\$ 64,968	
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<u>LIABILITIES AND FUND BALANCE</u>						
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
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<u>FUND BALANCE</u>						
Nonspendable	0	0	0	0	0	
Restricted for Specific Purposes	0	4,298	0	31,034	35,332	
Committed for Specific Purposes	0	0	1,390	28,246	29,636	
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Total Fund Balance	0	4,298	1,390	59,280	64,968	
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TOTAL LIABILITIES AND FUND BALANCE	\$ 0	\$ 4,298	\$ 1,390	\$ 59,280	\$ 64,968	
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ACME TOWNSHIP, GRAND TRAVERSE COUNTY
WILLIAMSBURG, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR FUND TYPES

YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS				TOTALS
	CEMETERY FUND	LIQUOR FUND	SHORELINE PRESERVATION FUND	PARK FUND	
<u>REVENUES</u>					
State Grants	\$ 0	\$ 12,081	\$ 0	\$ 0	\$ 12,081
Interest and Rents	0	0	1	0	1
Other Revenues	0	0	0	15,625	15,625
Total Revenues	0	12,081	1	15,625	27,707
<u>EXPENDITURES</u>					
Recreation and Culture	0	0	0	415	415
Excess of Revenues Over (Under) Expenditures	0	12,081	1	15,210	27,292
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In (Out)	(21,994)	(10,000)	0	0	(31,994)
Net Change in Fund Balance	(21,994)	2,081	1	15,210	(4,702)
<u>FUND BALANCE - Beginning of Year</u>	21,994	2,217	1,389	44,070	69,670
<u>FUND BALANCE - End of Year</u>	\$ 0	\$ 4,298	\$ 1,390	\$ 59,280	\$ 64,968

