

Saginaw Charter
Township,
Michigan



Year Ended
March 31, 2022

Annual
Comprehensive
Financial Report

Prepared by: Fiscal Services Department

SAGINAW CHARTER TOWNSHIP, MICHIGAN

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INTRODUCTORY SECTION

SAGINAW CHARTER TOWNSHIP, MICHIGAN

PRINCIPAL TOWNSHIP OFFICIALS

For the Year Ended March 31, 2022

TOWNSHIP BOARD

Timothy J. Braun
Supervisor

Shirley M. Wazny - Clerk
Lori L. Gorney
James S. Kelly

Steven G. Gerhardt - Treasurer
Jon R. Howell
Peter C. Ryan

Brian J. Rombalski, Jr.
Township Manager

Heather M. J. Kuebler, CPA
Director of Fiscal Services

David W. Johnson
Director of Assessing

William J. Schutt
Director of Community Development

Christopher B. Van Loo
Fire Chief

Scott A. Malace
Police Chief

Daryl J. Gotham
Director of Public Services

Braun Kendrick
Township Attorney



Saginaw Charter Township

4980 Shattuck Rd. P.O. Box 6400, Saginaw, MI 48608-6400
989.791-9800 989.791-9815 (fax)

August 31, 2022

To the Saginaw Charter Township Board:

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in conformity with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the annual comprehensive financial report for the Saginaw Charter Township for the fiscal year ended March 31, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rehmann Robson, Certified Public Accountants, has issued an unmodified ("clean") opinion on the Township's financial statements for the year ended March 31, 2022. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and it should be read in conjunction with it.

Profile of the Government

The management of the Township is overseen by a Board of Trustees composed of seven members and a professional Manager. Saginaw Charter Township is the second largest governmental unit in Saginaw County, Michigan, with a population of 41,679 (2020 U.S. Census). These Census results showed Saginaw Township as one of only a few communities within the County to see an increase in population. Saginaw Township is a residential, retail, and medical community with a few small light industrial areas. It serves the Great Lakes Bay Region of Saginaw, Bay City, and Midland.

Saginaw Township is a full service community in that it provides many services to its residents including police, fire, sanitation, water, planning and zoning, indoor and outdoor recreation, refuse collection, library and general administrative services.

Local Economy

The economy is improving in Saginaw Township as reflected in rising real estate values and revitalized new construction and ongoing rehabilitation of commercial properties. Single family home sales are continuing to rise after rebounding from several down years. Saginaw Township commercial and residential sales have weathered the storm of the COVID-19 pandemic. As we continue to progress in the post-pandemic economy, we are seeing a great upswing in the number of Michigan Tax Tribunal Appeals of property values. This is a result due to continued increases in both residential and commercial property values. This trend is likely to continue for at least one (1) more fiscal year.

Saginaw Charter Township received significant commercial and residential investment in fiscal year 2021-22, with approximately \$26 million in total permitted building projects. The Township Building Department issued a total of 465 building permits for various projects completed during the year. Several significant projects were started or completed during the fiscal year, including the finishing of the JOLT Credit Union Building, construction of Tommy's Express Car Wash, Isabella Bank, Parkside Villas, and several other projects. The Township has also approved plans for various residential developments including Redwood Properties, and Shattuck Farms Phase III. Development continues within our region, and with an update of our Zoning Ordinance, we expect this trend to continue.

Long-term Financial Planning

Saginaw Charter Township continues to refine and update its financial forecast model to address changes and trends identified. By reviewing the potential outcomes available, the Township can position itself to maintain current levels of service. The Board continues to identify areas where costs can be reduced, as well as examine future sources of revenue to ensure financial stability. In the fiscal year ended March 31, 2010, the Township completed a water and sewer rate study to develop a long-term rate plan. The study is updated annually based upon capital replacement, maintenance and adjusted water rates from the City of Saginaw. An updated study is being completed in 2022 and will help to ensure the viability of the water and sewer utilities. The Township has also placed a greater emphasis on succession planning, and capital improvements to better forecast future needs.

Relevant Financial Policies

The accounting policies of the Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. There were no policies that had a significant or unusual impact on the current period's financial statements.

Major Initiatives

There is continued interest toward enhancing our viability and quality of life in Saginaw Charter Township. Our vision remains the same:

- A planned community identified with pride and excellence in living, medical care, regional/local shopping and recreational activities;
- Where the quality of life is desirable and safe;
- Where government is unobtrusive and economical yet effective and efficient in the management of land, infrastructure, services and recreation; and
- A community which serves as a model for innovation and regional cooperation, with its focus on the future.

The Core Values

In 2005 the Township Board established a set of core community values. These core values form the nucleus by which all Township Departments carry out their activities and programs:

- Providing for a Safe Community,
- Promoting a Neat, Clean, Attractive Community with Beautiful neighborhoods,
- Providing Quality of Life Opportunities.
- Maintaining a Professionally Well Run, Efficient Government...One that Provides High Quality Services to its Residents.

Saginaw Charter Township's activities are focused within the context of the above four core values. The underlying objective is to maintain the community as a quality living environment. To date, we believe that maintenance of the core values has helped to keep the Township a model of stability at a time when other communities are showing the strain of a tight economy.

Activities in 2021-2022 included such projects as:

- Updating of the Saginaw Township Zoning Ordinance.
- Refurbishment of Township Police Department basement with various abatement endeavors, and a complete remodel of our evidence storage for roughly \$450,000.00.
- Finalized several informational projects: Residential Market Analysis, Retail Market Analysis, Broadband Needs Assessment, Wage and Compensation Study.
- Oversaw roughly 5,000 Code Enforcement matters within Saginaw Township.
- Established a Special Assessment District for road improvements in Prairie Creek Subdivision.

The Coming Year

The Township is dedicated to continue providing excellent and high quality service to it's residents, developers, businesses, and visitors. Some initiatives being introduced in the coming year that will allow for and support this continuation include:

- Improved Succession Planning Initiatives to pass along information from long-term employees to their replacements.
- Replacement of IT Infrastructure - Hardware and Software
- Adoption and implementation of the Saginaw Township Mall Planned Unit Development
- Improvements to internal processes to facilitate greater efficiencies
- Continued work on revitalizing our commercial corridors through planning and zoning
- Continued water transmission system improvements and monitoring programs
- Focus on Strategic Planning to identify community needs and forecast areas in need of investment

Financial Management

The Township Board is responsible for establishing and maintaining internal control designed to ensure that the assets of the Township are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Control

The Township maintains budgetary control with the objective to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Township Board of Trustees. Activities of the general and special revenue funds are included in the annual appropriation budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by activity in the general fund and at the fund level for special revenue funds. The Township also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end and are re-appropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the Township continues to meet its responsibility for sound financial management.

Independent Audit

The Michigan Uniform Accounting and Budgeting Act requires an annual audit by independent certified public accountants. The accounting firm of Rehmann Robson was selected by the Saginaw Charter Township Board of Trustees to perform the Township's annual audit. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Accounting Systems and Reports

The Township's accounting records for traditional governmental operations; i.e., general fund, special revenue funds, and capital project funds, are maintained on a modified accrual basis of accounting. As a result, the more significant revenues such as property taxes, intergovernmental revenues and investment earnings are recognized as earned and other revenues are generally recognized only when received. Expenditures are recorded when incurred and encumbrances placed when purchase orders are issued. Employees' accumulated unused annual leave is also recognized on the modified accrual basis.

Budgetary control is maintained by an annual allotment system. Allotments, or appropriation, balances are encumbered by the simultaneous issuance and recording of purchase orders. Purchase orders that exceed allotted balances are not released until additional appropriations or appropriate budgetary adjustments are made available.

Generally accepted accounting standards require that management provide a narrative introduction, overview, and analysis to accompany these basic financial statements in the form of a management's discussion and analysis ("MD&A") letter. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Saginaw Charter Township's MD&A can be found immediately following the report of the independent auditors.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Saginaw Charter Township for its annual comprehensive financial report for the fiscal year ended March 31, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a report of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

Appreciation is extended to the Fiscal Services Department and various employees throughout the Township responsible for financial management and reporting. Their adherence to following the law, utilizing proper accounting methods and eliminating waste from processes has greatly improved the efficiency and accountability of the entire Township.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brian Rombalski".

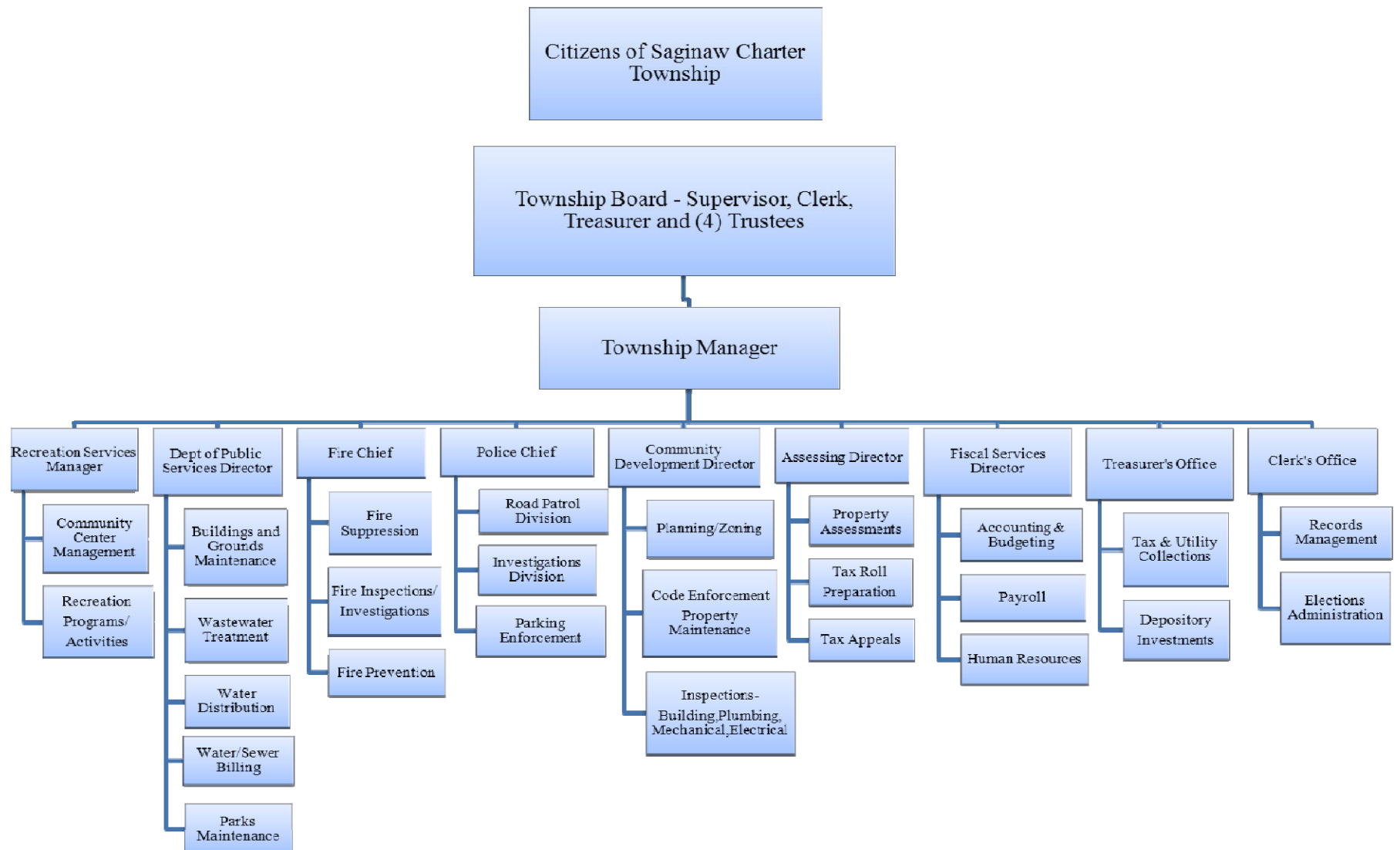
Brian Rombalski
Township Manager

A handwritten signature in black ink, appearing to read "Heather Kuebler".

Heather Kuebler, CPA
Director of Fiscal Services

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Table of Organization



SAGINAW CHARTER TOWNSHIP, MICHIGAN
GFOA Certificate of Achievement



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Saginaw Charter Township
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

March 31, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section is composed of the following:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining and Individual Fund Financial Statements and Schedules

August 31, 2022

Members of the Township Board of
Saginaw Charter Township
Saginaw, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Saginaw Charter Township, Michigan** (the "Township"), as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township, as of March 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Independent Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 the schedules for the pension and other postemployment benefit plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate 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 and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2022, on our consideration of the 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 the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Rehmann Lohman LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

As management of Saginaw Charter Township, Michigan, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2022. We encourage readers to consider the information presented here in conjunction with the additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the Township exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$84,585,119 (net position). Of this amount, \$25,992,451 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Township's governmental funds reported a combined ending fund balance of \$21,457,536, an increase of \$5,596,124 in comparison with the prior year. Approximately 51 percent of ending fund balance, or \$10,846,470, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,846,470 or 163 percent of total general fund expenditures and transfers out.
- The Township's total bonded debt decreased by \$647,147 during the current fiscal year as a result of principal payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

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

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

The government-wide financial statements include not only the Township itself (known as the primary government), but also a legally separate component unit for the State Street Corridor Improvement Authority for which the County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

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

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

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

The Township maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, fire protection, police, and garbage and rubbish collection funds, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary Funds. The Township maintains two different 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. *Internal service funds* are an accounting device used to accumulate and allocate cost internally among the Township's various functions. The Township uses internal service funds to account for its self-insurance operations for employees healthcare coverage and property and liability coverage. Because both of these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer and water operations, both of which are considered to be major funds of the Township. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information includes this management's discussion and analysis and the schedules for the Township's pension and other postemployment benefit plans.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$84,585,119 at the close of the most recent fiscal year.

The largest portion of the Township's net position (60 percent) reflects its investment in capital assets (e.g., land, construction in progress, land improvements, buildings and improvements, plants and mains, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 26,224,377	\$ 19,345,113	\$ 14,779,169	\$ 15,120,611	\$ 41,003,546	\$ 34,465,724
Capital assets, net	11,962,252	12,697,918	43,644,667	41,956,371	55,606,919	54,654,289
	38,186,629	32,043,031	58,423,836	57,076,982	96,610,465	89,120,013
Deferred outflows of resources	1,972,464	1,459,748	77,809	88,924	2,050,273	1,548,672
Liabilities						
Long-term debt	1,354,998	1,505,518	5,146,972	5,779,200	6,501,970	7,284,718
Other liabilities	1,965,430	3,347,191	1,221,412	1,798,950	3,186,842	5,146,141
	3,320,428	4,852,709	6,368,384	7,578,150	9,688,812	12,430,859
Deferred inflows of resources	3,956,019	2,120,538	430,788	236,170	4,386,807	2,356,708
Net position						
Net investment in capital assets	11,962,252	12,697,918	38,784,705	36,467,355	50,746,957	49,165,273
Restricted	7,541,500	5,507,191	-	-	7,541,500	5,507,191
Unrestricted	13,074,683	8,324,423	12,917,768	12,884,231	25,992,451	21,208,654
Total net position	<u>\$ 32,882,646</u>	<u>\$ 26,529,532</u>	<u>\$ 51,702,473</u>	<u>\$ 49,351,586</u>	<u>\$ 84,585,119</u>	<u>\$ 75,881,118</u>

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

Governmental activities. Current and other assets increased from the prior year by \$6.8 million. The increase in current and other assets is mainly due to an increase cash balance resulting from Federal funds received and reduction in internal balances owed to business-type activities resulting from early redemption of advances payable.

A decrease of \$1.3 million in other liabilities is a direct result of decreases to net position and other post employment liabilities.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

The following condensed financial information was derived from the government-wide statement of activities and reflects how the Township's net position changed during the fiscal year:

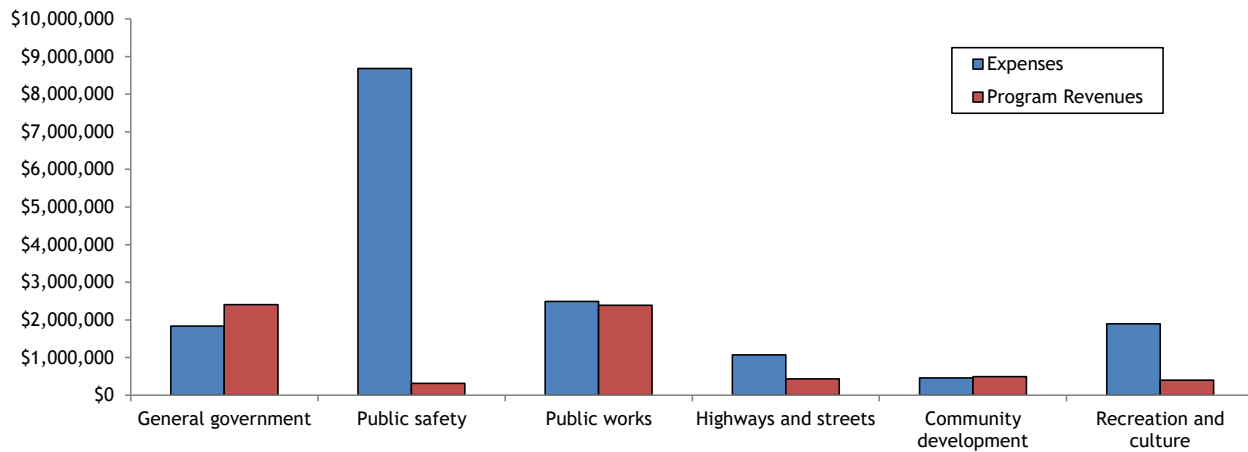
	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues						
Charges for services	\$ 4,589,287	\$ 4,366,250	\$ 14,034,614	\$ 13,554,422	\$ 18,623,901	\$ 17,920,672
Operating grants and contributions	1,837,255	859,106	-	10,471	1,837,255	869,577
Capital grants and contributions	-	17,675	951,159	198,373	951,159	216,048
General revenues						
Property taxes	10,884,594	10,758,836	-	-	10,884,594	10,758,836
Grants and contributions not restricted to specific programs	4,431,689	3,765,425	-	-	4,431,689	3,765,425
Unrestricted investment earnings	54,964	72,707	35,078	78,848	90,042	151,555
Franchise taxes	863,711	729,903	-	-	863,711	729,903
Miscellaneous	109,552	70,162	10,050	-	119,602	70,162
Total revenues	<u>22,771,052</u>	<u>20,640,064</u>	<u>15,030,901</u>	<u>13,842,114</u>	<u>37,801,953</u>	<u>34,482,178</u>
Expenses						
General government	1,833,448	2,050,269	-	-	1,833,448	2,050,269
Public safety	8,679,924	9,220,814	-	-	8,679,924	9,220,814
Public works	2,488,001	2,460,598	-	-	2,488,001	2,460,598
Highways and streets	1,067,067	1,196,705	-	-	1,067,067	1,196,705
Community development	457,235	386,142	-	-	457,235	386,142
Recreation and culture	1,892,263	1,806,970	-	-	1,892,263	1,806,970
Sewer	-	-	5,549,680	6,522,185	5,549,680	6,522,185
Water	-	-	7,130,334	6,932,251	7,130,334	6,932,251
Total expenses	<u>16,417,938</u>	<u>17,121,498</u>	<u>12,680,014</u>	<u>13,454,436</u>	<u>29,097,952</u>	<u>30,575,934</u>
Change in net position	6,353,114	3,518,566	2,350,887	387,678	8,704,001	3,906,244
Net position:						
Beginning of year	<u>26,529,532</u>	<u>23,010,966</u>	<u>49,351,586</u>	<u>48,963,908</u>	<u>75,881,118</u>	<u>71,974,874</u>
End of year	<u>\$ 32,882,646</u>	<u>\$ 26,529,532</u>	<u>\$ 51,702,473</u>	<u>\$ 49,351,586</u>	<u>\$ 84,585,119</u>	<u>\$ 75,881,118</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

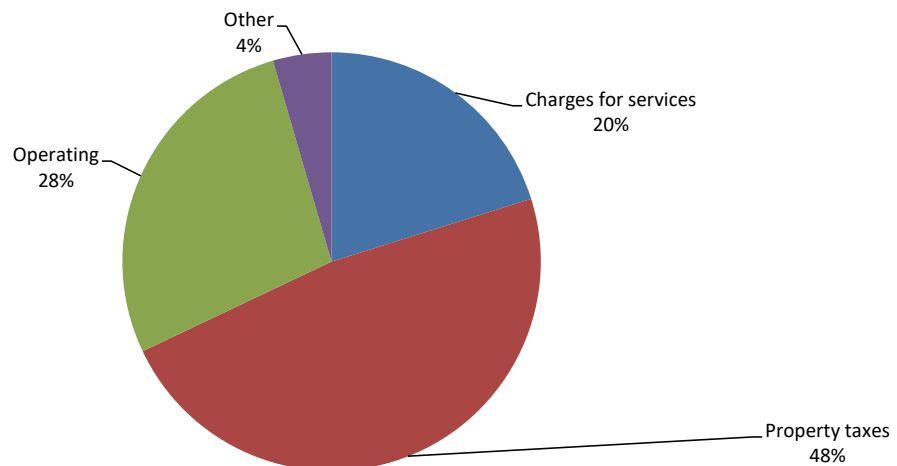
Management's Discussion and Analysis

Governmental activities. Governmental activities increased the Township's net position by \$6.4 million, which is an increase of approximately \$2.8 million from the prior year. Revenues increased by approximately \$2.1 million which mainly consists of a \$1 million increase in Federal grant revenue and increased Constitutional Revenue Sharing received from the State of Michigan.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



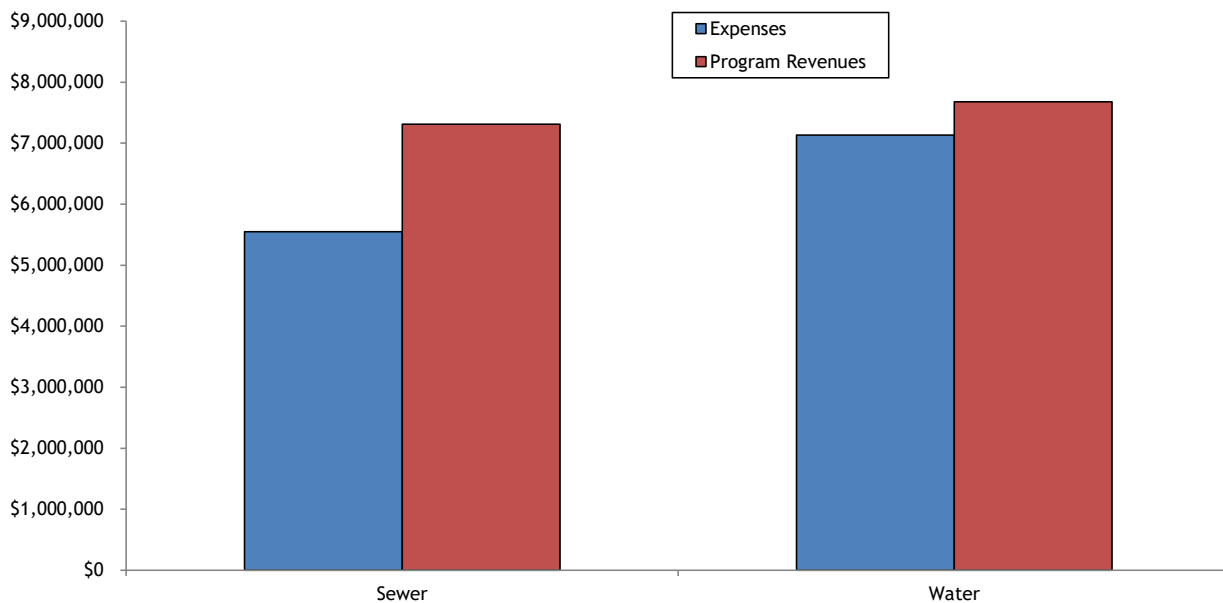
SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

Business-type activities. In the later part of 2009, the Township completed the first comprehensive study of utility rates in approximately 20 years. Prior rate adjustments were made “as needed” to keep pace with basic operating expenses. The goal of the study was to keep rates as low as possible for all customers, yet generate the revenues required to meet anticipated operations, maintenance, capital, and debt requirements. The sewer fund had an excess of cash that would be useful in moderating the impact of anticipated rate increases in future years. The cash position in the water fund was not as strong and needed to be improved. Another study is expected to be completed in 2022.

Business-type activities increased the Township’s net position by approximately \$2.3 million. This increase is primarily due to increased contributed capital from privately financed construction projects.

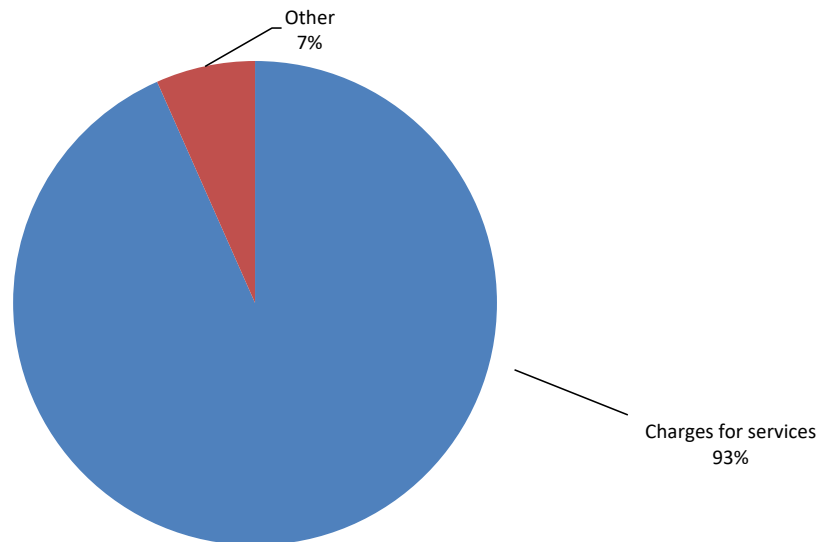
Expenses and Program Revenues - Business-type Activities



SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$21,457,536, an increase of \$5,596,124 in comparison with the prior year. Approximately 51 percent of this total amount (\$10,846,470) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is not available for new spending because it is either in a nonspendable form (\$82,926), restricted (\$7,386,050), committed (\$581,899) or assigned (\$2,560,191).

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,846,470, and total fund balance was \$10,947,693. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures and transfers out. Unassigned fund balance represents approximately 163 percent of total general fund expenditures and transfers to other funds.

The fund balance of the Township's general fund increased by \$3,277,868 during the current fiscal year compared to a prior year increase of \$1,009,364. This increase from prior year can be attributed to the increase in revenues from State and Federal sources.

The fire protection fund has a total fund balance of \$958,509, which increased by \$32,234 during the year. The Township has authority to levy 2.5 mills for fire protection and the current levy is 1.8 mills for the fiscal year ending March 31, 2022. 1.4 mills are dedicated for fire protection operations, while .4 mills are used for capital investment. Strict adherence to the budget has allowed revenues to keep pace with operational costs.

The police fund has a total fund balance of \$5,740,937, which increased by \$1,505,249 during the year. The police fund remains on track, building a fund balance as designed in the 2014 millage request approved by the voters. The fund balance builds in the early years of the levy that will sustain a consistent level of service as costs increase throughout the life of the levy. By securing support for this request, the Township has ensured funding to provide police services to the community for the remaining life of the millage levy, expiring in 2028.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

The garbage and rubbish collection fund has a total fund balance of \$1,715,242, which increased by \$73,437 during the year compared to a prior year decrease of \$30,971. In 2015 the Township, as part of the Mid-Michigan Waste Authority, entered into a seven year agreement with Waste Management of Michigan for collection services. Since that time there has been a steady increase in costs. Stricter quality standards have been imposed, increasing the cost of supplying recyclable items to the resale market. An increase in annual collection fees from \$171 to \$182 per unit in January 2022 was necessary to prevent another deficit year.

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

Total net position of the water and sewer funds at the end of the year amounted to \$24,747,389 and \$26,821,530, respectively. The water fund had an increase in net position for the year of \$529,579 and the sewer fund had an increase in net position for the year of \$1,700,479. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Township's business-type activities.

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account various events occurring during the year. In the General Fund differences between the original and final amended budgets for expenditures were relatively minor besides the budget adjustments for an increase in federal revenue due to the COVID-19 funding in the current year.

The Township takes an active role in monitoring department needs and budget requests throughout the fiscal year. The Township will continue to find ways to reduce costs and yet provide essential services, allowing for favorable budgetary results.

- The general government budget to actual was under budget \$358,612 and the original to final budget was amended to an increase of \$159,570.
- Community and economic development budget to actual was under budget \$139,363 and the original to final budget was amended to an increase of \$213,448.
- Highway and streets budget to actual was under budget \$184,748.
- Recreation and culture budget to actual was under budget \$156,946.

Capital Asset and Debt Administration

Capital Assets. The Township's investment in capital assets as of March 31, 2022, amounted to \$55,606,919 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, building and improvements, plants and mains, equipment, and vehicles.

Major capital asset events during the fiscal year included the following:

- Completion of the Hermansau sewer pump station
- Watermain replacement on Coolidge

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,167,774	\$ 1,167,744	\$ 283,260	\$ 283,260	\$ 1,451,034	\$ 1,451,004
Construction in progress	-	268,949	1,010,382	1,529,119	1,010,382	1,798,068
Land improvements	1,461,622	1,619,040	152,502	161,347	1,614,124	1,780,387
Buildings and improvements, plants and mains	7,092,643	7,096,059	41,491,107	39,195,289	48,583,750	46,291,348
Equipment	326,973	364,485	386,563	418,944	713,536	783,429
Vehicles	1,913,240	2,181,641	320,853	368,412	2,234,093	2,550,053
Total capital assets, net	\$ 11,962,252	\$ 12,697,918	\$ 43,644,667	\$ 41,956,371	\$ 55,606,919	\$ 54,654,289

Additional information on the Township's capital assets can be found in Note 5 to the financial statements.

Debt Administration. At the end of the current fiscal year, the Township had total long-term debt outstanding of \$6,501,970. Of this amount, \$5,433,771 represents bonds secured solely by specified revenue sources (i.e., revenue bonds and special assessments), and \$1,068,199 represents accrued compensated absences.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Bonds payable	\$ 496,000	\$ 547,000	\$ 4,717,663	\$ 5,313,810	\$ 5,213,663	\$ 5,860,810
Bond premiums	-	-	220,108	264,130	220,108	264,130
Compensated absences	858,998	958,518	209,201	201,260	1,068,199	1,159,778
Total debt	\$ 1,354,998	\$ 1,505,518	\$ 5,146,972	\$ 5,779,200	\$ 6,501,970	\$ 7,284,718

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the Township is \$146,570,590. As of March 31, 2022, the Township had no outstanding general obligation debt.

Additional information on the Township's long-term debt can be found in Note 7 to the financial statements.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the Township's budget for the 2022-2023 fiscal year:

- Estimated 4.0% increase in taxable values.
- The Township is comprised principally of residential areas with several key commercial corridors. There is a stable business base.
- Increasing costs are limited supplies of many goods and services.
- Commitment to sustaining the same level of service delivery while also remaining fiscally conservative.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township Fiscal Services Department, 4980 Shattuck Rd, Saginaw, Michigan 48603.

BASIC FINANCIAL STATEMENTS

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Net Position

March 31, 2022

	Primary Government			Component Unit - State Street Corridor Improvement Authority
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investment pool	\$ 23,979,398	\$ 8,214,272	\$ 32,193,670	\$ 25,276
Receivables	2,704,826	5,237,022	7,941,848	84
Internal balances	(877,172)	877,172	-	-
Inventory	46,813	276,841	323,654	-
Prepaid items	36,113	94,400	130,513	-
Net other post employment benefits asset	334,399	79,462	413,861	-
Capital assets not being depreciated	1,167,774	1,293,642	2,461,416	-
Capital assets being depreciated, net	10,794,478	42,351,025	53,145,503	-
Total assets	38,186,629	58,423,836	96,610,465	25,360
Deferred outflows of resources				
Deferred charge on bond refunding	-	77,809	77,809	-
Deferred pension amounts	1,972,464	-	1,972,464	-
Total deferred outflows of resources	1,972,464	77,809	2,050,273	-
Liabilities				
Accounts payable	1,036,733	887,662	1,924,395	-
Accrued liabilities	402,248	74,663	476,911	-
Unearned revenue	335,810	259,087	594,897	-
Long-term debt:				
Due within one year	757,923	512,749	1,270,672	-
Due in more than one year	597,075	4,634,223	5,231,298	-
Net pension liability, due in more than one year	190,639	-	190,639	-
Total liabilities	3,320,428	6,368,384	9,688,812	-
Deferred inflows of resources				
Deferred pension amounts	2,143,120	-	2,143,120	-
Deferred OPEB amounts	1,812,899	430,788	2,243,687	-
Total deferred inflows of resources	3,956,019	430,788	4,386,807	-
Net position				
Net investment in capital assets	11,962,252	38,784,705	50,746,957	-
Restricted for:				
Debt service	516,716	-	516,716	-
Fire protection	958,509	-	958,509	-
Police	3,322,688	-	3,322,688	-
Garbage and rubbish collection	1,715,242	-	1,715,242	-
Fire improvement	1,025,445	-	1,025,445	-
Arts in public places	2,900	-	2,900	-
Community development	304,211	-	304,211	-
Unrestricted	13,074,683	12,917,768	25,992,451	25,360
Total net position	\$ 32,882,646	\$ 51,702,473	\$ 84,585,119	\$ 25,360

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Activities

For the Year Ended March 31, 2022

		Program Revenues			
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities:					
General government	\$ 1,833,448	\$ 679,293	\$ 1,724,635	\$ -	\$ 570,480
Public safety	8,679,924	197,998	112,620	-	(8,369,306)
Public works	2,488,001	2,389,976	-	-	(98,025)
Highways and streets	1,067,067	430,309	-	-	(636,758)
Community development	457,235	492,605	-	-	35,370
Recreation and culture	1,892,263	399,106	-	-	(1,493,157)
Total governmental activities	16,417,938	4,589,287	1,837,255	-	(9,991,396)
Business-type activities:					
Water	7,130,334	7,110,690	-	565,678	546,034
Sewer	5,549,680	6,923,924	-	385,481	1,759,725
Total business-type activities	12,680,014	14,034,614	-	951,159	2,305,759
Total primary government	\$ 29,097,952	\$ 18,623,901	\$ 1,837,255	\$ 951,159	\$ (7,685,637)
Component unit					
State Street Corridor Improvement Authority	\$ -	\$ -	\$ -	\$ -	\$ -

continued...

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Activities

For the Year Ended March 31, 2022

	Primary Government			Component Unit State Street Corridor Improvement Authority
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (9,991,396)	\$ 2,305,759	\$ (7,685,637)	\$ -
General revenues:				
Property taxes	10,884,594	-	10,884,594	13,644
Grants and contributions not restricted to specific programs	4,431,689	-	4,431,689	-
Unrestricted investment earnings	54,964	35,078	90,042	-
Franchise taxes	863,711	-	863,711	-
Miscellaneous	109,552	10,050	119,602	-
Total general revenues	16,344,510	45,128	16,389,638	13,644
Change in net position	6,353,114	2,350,887	8,704,001	13,644
Net position, beginning of year	26,529,532	49,351,586	75,881,118	11,716
Net position, end of year	<u>\$ 32,882,646</u>	<u>\$ 51,702,473</u>	<u>\$ 84,585,119</u>	<u>\$ 25,360</u>

concluded.

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Balance Sheet

Governmental Funds

March 31, 2022

		Special Revenue Funds		
	General Fund	Fire Protection	Police	Garbage and Rubbish Collection
Assets				
Cash and investment pool	\$ 10,252,882	\$ 919,626	\$ 7,078,142	\$ 1,793,468
Accounts receivable	258,922	-	11,632	-
Taxes receivable	86,599	71,284	304,761	94,779
Special assessments receivable	72,972	-	-	-
Due from other funds	868,098	130	-	-
Due from other governmental units	711,637	-	-	-
Inventory	46,813	-	-	-
Prepays	19,435	6,446	9,957	-
Advance to Mid Michigan Waste Authority	-	-	-	144,100
Total assets	<u>\$ 12,317,358</u>	<u>\$ 997,486</u>	<u>\$ 7,404,492</u>	<u>\$ 2,032,347</u>
Liabilities				
Accounts payable	\$ 520,661	\$ 21,753	\$ 8,088	\$ 316,572
Accrued liabilities	106,977	17,224	155,467	533
Deposits payable	22,766	-	-	-
Due to other funds	113,247	-	-	-
Due to other governmental units	136,830	-	-	-
Unearned revenue	332,500	-	-	-
Advance from other funds	-	-	1,500,000	-
Total liabilities	<u>1,232,981</u>	<u>38,977</u>	<u>1,663,555</u>	<u>317,105</u>
Deferred inflows of resources				
Unavailable revenue - special assessments	72,972	-	-	-
Unavailable revenue - soccer association	63,712	-	-	-
Total deferred inflows of resources	<u>136,684</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	66,248	6,446	9,957	-
Restricted	-	952,063	3,312,731	1,715,242
Committed	-	-	-	-
Assigned	34,975	-	2,418,249	-
Unassigned	10,846,470	-	-	-
Total fund balances	<u>10,947,693</u>	<u>958,509</u>	<u>5,740,937</u>	<u>1,715,242</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,317,358</u>	<u>\$ 997,486</u>	<u>\$ 7,404,492</u>	<u>\$ 2,032,347</u>

The accompanying notes are an integral part of these basic financial statements.



Nonmajor Governmental Funds	Total
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\$ 2,076,445	\$ 22,120,563
789	271,343
20,365	577,788
918,819	991,791
1,601	869,829
8,167	719,804
-	46,813
275	36,113
-	144,100

<u>\$ 3,026,461</u>	<u>\$ 25,778,144</u>
---------------------	----------------------

\$ 1,179	\$ 868,253
8,158	288,359
-	22,766
200	113,447
-	136,830
2,950	335,450
-	1,500,000

<u>12,487</u>	<u>3,265,105</u>
---------------	------------------

918,819	991,791
-	63,712

<u>918,819</u>	<u>1,055,503</u>
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275	82,926
1,406,014	7,386,050
581,899	581,899
106,967	2,560,191
-	10,846,470

<u>2,095,155</u>	<u>21,457,536</u>
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<u>\$ 3,026,461</u>	<u>\$ 25,778,144</u>
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SAGINAW CHARTER TOWNSHIP, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
To Net Position of Governmental Activities
March 31, 2022

Fund balances - total governmental funds	\$ 21,457,536
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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 not being depreciated	1,167,774
Capital assets being depreciated, net	10,794,478

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, are not included in fund balance.

Deferred special assessments	991,791
Unavailable revenue - soccer association	63,712

Certain pension and other postemployment benefit amounts, such as the net pension and OPEB assets/liabilities and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.

Net pension liability	(190,639)
Net OPEB asset	334,399
Deferred outflows related to the net pension liability	1,972,464
Deferred inflows related to the net pension liability	(2,143,120)
Deferred inflows related to the net OPEB asset	(1,812,899)

Internal service funds are used by management to charge the costs of certain insurances to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Net position of governmental activities accounted for in internal service funds	1,735,702
Net position allocated to business-type activities from governmental activities internal service funds	(133,554)

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.

Special assessment bonds payable	(496,000)
Compensated absences	(858,998)

Net position of governmental activities	<u>\$ 32,882,646</u>
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The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

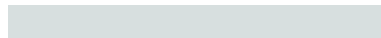
Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended March 31, 2022

	Special Revenue Funds			
	General Fund	Fire Protection	Police	Garbage and Rubbish Collection
Revenues				
Property taxes	\$ 1,782,851	\$ 1,759,347	\$ 7,362,327	\$ -
Licenses and permits	904,202	-	29,151	-
Intergovernmental:				
Federal sources	1,724,635	-	4,531	-
State sources	4,418,921	-	25,217	-
Charges for services	346,152	9,471	32,210	2,386,265
Fines and forfeits	68,860	-	-	-
Special assessments	446,129	-	-	-
Interest	5,311	134	2,145	940
Other	221,216	12,943	171,911	-
Total revenues	<u>9,918,277</u>	<u>1,781,895</u>	<u>7,627,492</u>	<u>2,387,205</u>
Expenditures				
Current:				
General government	2,322,613	-	-	-
Public safety	23,153	1,722,747	6,841,484	-
Community and economic development	563,061	-	-	-
Highway and streets	1,028,233	-	-	-
Public works	113,845	-	-	2,313,768
Recreation and culture	1,657,504	-	-	-
Capital outlay	-	26,914	186,361	-
Debt service:				
Principal	-	-	-	-
Interest expense	-	-	26,398	-
Total expenditures	<u>5,708,409</u>	<u>1,749,661</u>	<u>7,054,243</u>	<u>2,313,768</u>
Revenues over (under) expenditures	<u>4,209,868</u>	<u>32,234</u>	<u>573,249</u>	<u>73,437</u>
Other financing sources (uses)				
Transfers in	-	-	932,000	-
Transfers out	(932,000)	-	-	-
Total other financing sources (uses)	<u>(932,000)</u>	<u>-</u>	<u>932,000</u>	<u>-</u>
Net change in fund balances	<u>3,277,868</u>	<u>32,234</u>	<u>1,505,249</u>	<u>73,437</u>
Fund balances, beginning of year	<u>7,669,825</u>	<u>926,275</u>	<u>4,235,688</u>	<u>1,641,805</u>
Fund balances, end of year	<u>\$ 10,947,693</u>	<u>\$ 958,509</u>	<u>\$ 5,740,937</u>	<u>\$ 1,715,242</u>

The accompanying notes are an integral part of these basic financial statements.



Nonmajor Governmental Funds		Total	
\$	502,060	\$	11,406,585
	488,348		1,421,701
	-		1,729,166
	-		4,444,138
	8,573		2,782,671
	-		68,860
	144,396		590,525
	43,295		51,825
	7,057		413,127
	<u>1,193,729</u>		<u>22,908,598</u>
	-		2,322,613
	-		8,587,384
	407,800		970,861
	-		1,028,233
	1,650		2,429,263
	20		1,657,524
	14,450		227,725
	51,000		51,000
	11,473		37,871
	<u>486,393</u>		<u>17,312,474</u>
	<u>707,336</u>		<u>5,596,124</u>
	-		932,000
	<u>-</u>		<u>(932,000)</u>
	<u>-</u>		<u>-</u>
	707,336		5,596,124
	<u>1,387,819</u>		<u>15,861,412</u>
\$	<u>2,095,155</u>	\$	<u>21,457,536</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
To Change in Net Position of Governmental Activities
For the Year Ended March 31, 2022

Net change in fund balances - total governmental funds \$ 5,596,124

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital assets purchased/constructed	296,568
Depreciation	(1,015,922)
Loss on disposal of capital assets	(16,312)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.

Change in unavailable revenue	(140,685)
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Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduced long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal paid on bonds	51,000
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Internal service funds are used by management to charge the costs of certain insurances to individual funds. The change in the internal service funds net position is reported with governmental activities.

Change in net position from governmental activities accounted for in internal service funds	563,593
Change in net position from governmental activities accounted for in internal service funds charged to business-type activities	(120,829)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Change in the accrual of compensated absences	99,520
Change in the net OPEB asset and related deferred amounts	848,563
Change in net pension liability and related deferred amounts	191,494

Change in net position of governmental activities \$ 6,353,114

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended March 31, 2022

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Property taxes	\$ 1,749,476	\$ 1,749,476	\$ 1,782,851	\$ 33,375
Licenses and permits	726,205	726,205	904,202	177,997
Intergovernmental -				
Federal sources	-	183,170	1,724,635	1,541,465
State sources	3,584,396	3,584,396	4,418,921	834,525
Charges for services	240,800	276,800	346,152	69,352
Fines and forfeits	105,000	105,000	68,860	(36,140)
Special assessments	462,000	462,000	446,129	(15,871)
Interest	10,000	10,000	5,311	(4,689)
Other	162,213	162,213	221,216	59,003
Total revenues	7,040,090	7,259,260	9,918,277	2,659,017
Expenditures				
Current:				
General government				
Township board	41,543	42,591	36,243	(6,348)
Township supervisor	22,676	22,751	21,792	(959)
Township manager	291,665	359,890	298,150	(61,740)
Fiscal services	238,578	275,473	268,850	(6,623)
Elections/clerk	172,777	184,769	167,101	(17,668)
Data processing	76,168	126,874	104,959	(21,915)
Assessors	368,535	383,683	373,093	(10,590)
Township attorney	130,000	155,000	153,559	(1,441)
Board of review	4,870	4,870	3,159	(1,711)
Treasurer's office	144,515	148,371	145,849	(2,522)
Township property	226,095	228,069	208,419	(19,650)
Motor vehicle - equipment pool	117,300	127,300	88,194	(39,106)
Less: administration reimbursement	(884,594)	(884,594)	(875,686)	8,908
Other	1,571,527	1,506,178	1,328,931	(177,247)
Total general government	2,521,655	2,681,225	2,322,613	(358,612)
Public safety				
Parking enforcement	22,710	23,819	23,153	(666)
Community and economic development				
Housing inspection	57,467	57,960	28,277	(29,683)
Planning	431,509	544,364	456,520	(87,844)
Economic development	-	100,100	78,264	(21,836)
Total community and economic development	488,976	702,424	563,061	(139,363)

continued...

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended March 31, 2022

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Highway and streets				
Department of public services	\$ 534,226	\$ 539,031	\$ 499,290	\$ (39,741)
Sidewalks	50,500	50,500	-	(50,500)
Road construction and resurfacing	154,950	155,450	76,210	(79,240)
Street lighting	435,000	468,000	452,733	(15,267)
Total highway and streets	<u>1,174,676</u>	<u>1,212,981</u>	<u>1,028,233</u>	<u>(184,748)</u>
Public works				
Drains - public benefit	<u>101,429</u>	<u>114,910</u>	<u>113,845</u>	<u>(1,065)</u>
Recreation and culture				
Parks and recreation	805,705	820,655	704,423	(116,232)
Center courts	273,845	274,701	241,220	(33,481)
Library	<u>719,094</u>	<u>719,094</u>	<u>711,861</u>	<u>(7,233)</u>
Total recreation and culture	<u>1,798,644</u>	<u>1,814,450</u>	<u>1,657,504</u>	<u>(156,946)</u>
Total expenditures	<u>6,108,090</u>	<u>6,549,809</u>	<u>5,708,409</u>	<u>(841,400)</u>
Revenues over (under) expenditures	932,000	709,451	4,209,868	3,500,417
Other financing uses				
Transfers out	<u>(932,000)</u>	<u>(932,000)</u>	<u>(932,000)</u>	<u>-</u>
Net change in fund balance	-	(222,549)	3,277,868	3,500,417
Fund balance, beginning of year	<u>7,669,825</u>	<u>7,669,825</u>	<u>7,669,825</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,669,825</u>	<u>\$ 7,447,276</u>	<u>\$ 10,947,693</u>	<u>\$ 3,500,417</u>

concluded.

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Fire Protection Fund
For the Year Ended March 31, 2022

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Property taxes	\$ 1,764,655	\$ 1,764,655	\$ 1,759,347	\$ (5,308)
Intergovernmental -				
Federal sources	30,000	30,000	-	(30,000)
Charges for services	6,550	6,550	9,471	2,921
Interest	1,000	1,000	134	(866)
Other	11,420	14,720	12,943	(1,777)
Total revenues	<u>1,813,625</u>	<u>1,816,925</u>	<u>1,781,895</u>	<u>(35,030)</u>
Expenditures				
Current:				
Public safety:				
Salaries and wages	775,092	779,630	739,729	(39,901)
Contractual services	5,000	-	-	-
Volunteer firefighters	460,945	460,945	442,372	(18,573)
Supplies	68,800	88,570	73,344	(15,226)
Services	95,955	105,081	103,817	(1,264)
Gas and oil	16,000	16,000	15,291	(709)
Insurance	67,500	67,500	65,836	(1,664)
Public utilities	82,000	86,004	83,318	(2,686)
Repairs and maintenance	108,100	115,600	107,191	(8,409)
Education and training	28,000	28,000	19,624	(8,376)
Computer expense	5,000	11,000	11,159	159
Worker's compensation insurance				
less worker's compensation dividend	68,000	75,894	61,066	(14,828)
Total public safety	<u>1,780,392</u>	<u>1,834,224</u>	<u>1,722,747</u>	<u>(111,477)</u>
Capital outlay	<u>60,500</u>	<u>56,300</u>	<u>26,914</u>	<u>(29,386)</u>
Total expenditures	<u>1,840,892</u>	<u>1,890,524</u>	<u>1,749,661</u>	<u>(140,863)</u>
Net change in fund balance	(27,267)	(73,599)	32,234	105,833
Fund balance, beginning of year	<u>926,275</u>	<u>926,275</u>	<u>926,275</u>	<u>-</u>
Fund balance, end of year	<u>\$ 899,008</u>	<u>\$ 852,676</u>	<u>\$ 958,509</u>	<u>\$ 105,833</u>

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Police Fund
For the Year Ended March 31, 2022

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Property taxes	\$ 7,360,292	\$ 7,360,292	\$ 7,362,327	\$ 2,035
Licenses and permits	28,000	28,000	29,151	1,151
Intergovernmental:				
Federal sources	96	4,601	4,531	(70)
State sources	23,800	23,800	25,217	1,417
Charges for services	88,135	88,135	32,210	(55,925)
Interest	10,000	10,000	2,145	(7,855)
Other	82,561	127,300	171,911	44,611
Total revenues	7,592,884	7,642,128	7,627,492	(14,636)
Expenditures				
Current:				
Public safety:				
Salaries and wages	5,964,543	6,013,033	5,761,859	(251,174)
Supplies	560,925	570,630	537,628	(33,002)
Services	2,000	2,000	-	(2,000)
Contractual services	37,973	42,473	36,651	(5,822)
Gas and oil	80,000	90,000	86,309	(3,691)
Insurance	166,700	168,700	166,678	(2,022)
Public utilities	20,640	20,640	20,308	(332)
Repairs and maintenance	111,652	122,527	97,505	(25,022)
Education and training	19,000	21,525	17,971	(3,554)
Worker's compensation insurance less worker's compensation dividend	125,000	145,500	116,575	(28,925)
Total public safety	7,088,433	7,197,028	6,841,484	(355,544)
Capital outlay	165,616	183,942	186,361	2,419
Debt service:				
Interest expense	27,555	27,555	26,398	(1,157)
Total expenditures	7,281,604	7,408,525	7,054,243	(354,282)
Revenues over expenditures	311,280	233,603	573,249	339,646
Other financing sources				
Transfers in	932,000	932,000	932,000	-
Net change in fund balance	1,243,280	1,165,603	1,505,249	339,646
Fund balance, beginning of year	4,235,688	4,235,688	4,235,688	-
Fund balance, end of year	\$ 5,478,968	\$ 5,401,291	\$ 5,740,937	\$ 339,646

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Garbage and Rubbish Collection Fund
For the Year Ended March 31, 2022

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Charges for services	\$ 2,237,838	\$ 2,237,838	\$ 2,386,265	\$ 148,427
Interest	2,000	2,000	940	(1,060)
Total revenues	<u>2,239,838</u>	<u>2,239,838</u>	<u>2,387,205</u>	<u>147,367</u>
Expenditures				
Current:				
Public works:				
Salaries and wages	15,450	15,450	14,336	(1,114)
Sanitation collection	2,372,787	2,372,787	2,254,352	(118,435)
Supplies	1,000	1,000	325	(675)
Other	106,164	106,164	44,755	(61,409)
Total expenditures	<u>2,495,401</u>	<u>2,495,401</u>	<u>2,313,768</u>	<u>(181,633)</u>
Net change in fund balance	(255,563)	(255,563)	73,437	329,000
Fund balance, beginning of year	<u>1,641,805</u>	<u>1,641,805</u>	<u>1,641,805</u>	-
Fund balance, end of year	<u>\$ 1,386,242</u>	<u>\$ 1,386,242</u>	<u>\$ 1,715,242</u>	<u>\$ 329,000</u>

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Net Position

Proprietary Funds
March 31, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Fund
Assets				
Current assets:				
Cash and investment pool	\$ 3,088,216	\$ 5,126,056	\$ 8,214,272	\$ 1,858,835
Accounts receivable	1,779,592	3,245,753	5,025,345	-
Special assessments receivable, current portion	-	20,961	20,961	-
Advance to other funds, current portion	-	250,000	250,000	-
Due from other funds	34,992	76,654	111,646	-
Inventory	276,841	-	276,841	-
Prepays	1,734	92,666	94,400	-
Total current assets	5,181,375	8,812,090	13,993,465	1,858,835
Noncurrent assets:				
Special assessments receivable, net of current portion	-	190,716	190,716	-
Advance to other funds, net of current portion	-	1,250,000	1,250,000	-
Capital assets not being depreciated	655,078	638,564	1,293,642	-
Capital assets being depreciated, net	19,920,397	22,430,628	42,351,025	-
Net OPEB asset	28,681	50,781	79,462	-
Total noncurrent assets	20,604,156	24,560,689	45,164,845	-
Total assets	25,785,531	33,372,779	59,158,310	1,858,835
Deferred outflows of resources				
Deferred charge on bond refunding	-	77,809	77,809	-
Liabilities				
Current liabilities:				
Accounts payable	407,445	345,685	753,130	122,773
Accrued liabilities	24,046	50,617	74,663	-
Deposits payable	1,000	-	1,000	-
Due to other governmental units	-	133,532	133,532	-
Due to other funds	328,306	539,722	868,028	-
Unearned revenue	71,072	188,015	259,087	360
Current portion of bonds payable	-	372,628	372,628	-
Current portion of accrued compensated absences	42,579	97,542	140,121	-
Total current liabilities	874,448	1,727,741	2,602,189	123,133
Noncurrent liabilities:				
Bonds payable, net of current portion	-	4,565,143	4,565,143	-
Accrued compensated absences, net of current portion	8,206	60,874	69,080	-
Total noncurrent liabilities	8,206	4,626,017	4,634,223	-
Total liabilities	882,654	6,353,758	7,236,412	123,133
Deferred inflows of resources				
Deferred OPEB amounts	155,488	275,300	430,788	-
Net position				
Net investment in capital assets	20,575,475	18,209,230	38,784,705	-
Unrestricted	4,171,914	8,612,300	12,784,214	1,735,702
Total net position	\$ 24,747,389	\$ 26,821,530	51,568,919	\$ 1,735,702
Adjustment to reflect the consolidation of internal service fund activities related to business-type activities			133,554	
Net position of business-type activities			\$ 51,702,473	

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended March 31, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Fund
Operating revenues				
Charges for services	\$ 7,080,140	\$ 6,569,729	\$ 13,649,869	\$ 3,279,249
Special assessments	-	232,458	232,458	-
Other	30,550	117,546	148,096	-
Total operating revenues	7,110,690	6,919,733	14,030,423	3,279,249
Operating expenses				
Wages and benefits	829,000	1,688,584	2,517,584	-
Administration	116,491	200,667	317,158	385,339
Professional services	55,311	323,814	379,125	-
Supplies	47,183	234,063	281,246	-
Property and liability claims	-	-	-	52,399
Other services and charges	109,321	60,333	169,654	5,035
Insurance	49,702	63,226	112,928	2,276,022
Utilities	38,799	328,822	367,621	-
Cost of goods sold	4,562,731	1,456,693	6,019,424	-
Repairs and maintenance	576,815	219,419	796,234	-
Education and training	4,458	4,462	8,920	-
Depreciation	784,610	907,883	1,692,493	-
Total operating expenses	7,174,421	5,487,966	12,662,387	2,718,795
Operating (loss) income	(63,731)	1,431,767	1,368,036	560,454
Nonoperating revenues (expenses)				
Interest revenue	17,582	17,496	35,078	3,139
Interest expense	-	(138,456)	(138,456)	-
Gain on disposal of property	10,050	4,191	14,241	-
Total nonoperating revenues (expenses)	27,632	(116,769)	(89,137)	3,139
Income(loss) before capital contributions	(36,099)	1,314,998	1,278,899	563,593
Capital contributions	565,678	385,481	951,159	-
Change in net position	529,579	1,700,479	2,230,058	563,593
Net position, beginning of year	24,217,810	25,121,051		1,172,109
Net position, end of year	\$ 24,747,389	\$ 26,821,530		\$ 1,735,702
Adjustment to reflect the consolidation of internal service fund activities related to business-type activities			120,829	
Change in net position of business-type activities			\$ 2,350,887	

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended March 31, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Cash flows from operating activities				
Cash received from customers	\$ 7,218,032	\$ 6,892,573	\$ 14,110,605	\$ -
Cash received from employees and retirees	-	-	-	246,685
Cash received from interfund services	-	-	-	3,319,980
Cash payments to employees	(916,191)	(1,809,514)	(2,725,705)	-
Cash payments to suppliers for goods and services	(5,696,314)	(2,957,398)	(8,653,712)	(2,527,568)
Net cash provided by (used in) operating activities	605,527	2,125,661	2,731,188	1,039,097
Cash flows from capital and related financing activities				
Acquisition of capital assets	(1,701,702)	(1,683,897)	(3,385,599)	-
Capital contributions	565,678	385,481	951,159	-
Principal paid on long-term debt	-	(596,147)	(596,147)	-
Interest and fiscal charges paid on long-term debt	-	(171,363)	(171,363)	-
Proceeds from sale of assets	10,050	9,001	19,051	-
Net cash used in capital and related financing activities	(1,125,974)	(2,056,925)	(3,182,899)	-
Cash flows from investing activities				
Collection of advances to other funds	1,050,000	250,000	1,300,000	-
Interest received	17,582	17,496	35,078	3,139
Net cash provided by investing activities	1,067,582	267,496	1,335,078	3,139
Net increase (decrease) in cash and investment pool	547,135	336,232	883,367	1,042,236
Cash and investment pool, beginning of year	2,541,081	4,789,824	7,330,905	816,599
Cash and investment pool, end of year	\$ 3,088,216	\$ 5,126,056	\$ 8,214,272	\$ 1,858,835
Reconciliation of operating (loss) income to net cash provided by (used in) operating activities:				
Operating (loss) income	\$ (63,731)	\$ 1,431,767	\$ 1,368,036	\$ 560,454
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	784,610	907,883	1,692,493	-
Change in operating assets and liabilities that provided (used) cash:				
Accounts receivable	(98,333)	(316,174)	(414,507)	-
Special assessments receivable	-	150,507	150,507	-
Due from other funds	-	2,143	2,143	287,416
Inventory	(49,883)	-	(49,883)	-
Prepays	(1,734)	3,942	2,208	141,807
Accounts payable	(90,470)	(169,371)	(259,841)	50,963
Accrued liabilities	3,292	7,627	10,919	(1,543)
Due to other governmental units	-	80,774	80,774	-
Due to other funds	168,723	265,909	434,632	-
Unearned revenue	36,952	(129,545)	(92,593)	-
Accrued compensated absences	(11,119)	19,060	7,941	-
Net OPEB asset	(143,025)	(253,234)	(396,259)	-
Deferred inflows related to OPEB	70,245	124,373	194,618	-
Net cash provided by (used in) operating activities	\$ 605,527	\$ 2,125,661	\$ 2,731,188	\$ 1,039,097

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

March 31, 2022

	Retiree Health Trust	Custodial Funds
Assets		
Cash and cash equivalents	\$ -	\$ 1,815,607
Investments - MERS total market portfolio	6,861,135	-
Total assets	<u>6,861,135</u>	<u>1,815,607</u>
Liabilities		
Due to others	-	1,662
Due to other governmental units	-	102,011
Total liabilities	<u>-</u>	<u>103,673</u>
Net position		
Restricted for:		
Retiree healthcare	6,861,135	-
Other organizations	-	1,711,934
Total net position	<u>\$ 6,861,135</u>	<u>\$ 1,711,934</u>

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended March 31, 2022

	Retiree Health Trust	Custodial Funds
Additions		
Contributions:		
Current premium contributions	\$ 547,723	\$ -
Investment income:		
Net appreciation in fair value of investments	341,120	-
Taxes collected for other governments	-	61,195,627
Forfeitures	-	1,711,934
Total additions	<u>888,843</u>	<u>62,907,561</u>
Deductions		
Retiree healthcare premium payments	547,723	-
Administration	12,475	-
Payments of taxes to other governments	-	61,195,627
Total deductions	<u>560,198</u>	<u>61,195,627</u>
Change in net position	328,645	1,711,934
Net position, beginning of year	<u>6,532,490</u>	<u>-</u>
Net position, end of year	<u>\$ 6,861,135</u>	<u>\$ 1,711,934</u>

The accompanying notes are an integral part of these basic financial statements.

NOTES TO FINANCIAL STATEMENTS

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Saginaw Charter Township (the "Township") conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant policies:

Reporting Entity

Saginaw Charter Township is a municipal corporation governed by an elected Board. As required by generally accepted accounting principles, these financial statements present the government and its component units, an entity for which the Township is financially accountable. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Fiduciary Component Unit

The Retiree Health Trust - The Retiree Health Trust is considered a fiduciary component unit. The Township created a trust to account for the accumulation of resources to be used for certain health cost for retirees. The Trust meets the criteria of a fiduciary component unit because it is considered a legally separate entity without a separate Board, and because the Township has an obligation to make contributions to it (a financial benefit/burden relationship).

Discretely Presented Component Unit

State Street Corridor Improvement Authority - On October 25, 2010, the Saginaw Charter Township Board adopted Ordinance No. 717 of 2010 which created the State Street Corridor Improvement Authority in accordance with Public Act 280 of 2005. The Authority is governed by a Board. Property tax revenues received from the captured portion of these properties are restricted to pay for improvements to the State Street Corridor Authority district, which incorporates properties along State Street between Passolt Street and Midland Road. The Authority began capturing taxes in fiscal year 2021 as taxable values began exceeding base values.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from as certain component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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, or within one year for reimbursement-based grants. 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.

Property taxes, franchise taxes, licenses, intergovernmental revenues 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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

The *fire protection special revenue fund* accounts for the separate voted millage and related operation of the fire department.

The *police special revenue fund* accounts for the separate voted millage and the related operation of the police department.

The *garbage and rubbish collection special revenue fund* accounts for separate charges for service and the related operation of garbage and rubbish collection.

The government reports the following major proprietary funds:

The *water enterprise fund* accounts for the activities of the Township's water distribution system.

The *sewer enterprise fund* accounts for the activities of the Township's sewage disposal and treatment system.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Additionally, the Township reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than capital projects.

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Internal service funds account for health benefits and risk management services provided to other departments or agencies of the government on a cost reimbursement basis.

The *custodial funds* are custodial in nature and report fiduciary activities that are held on behalf of other entities or individuals, including tax collections, but the resources are not held in a trust or equivalent arrangement.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and water enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, banker's acceptances, and mutual funds composed of otherwise legal investments.

Investments are reported at fair value or amortized cost.

Receivables and Payables

All receivables and payables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Township has an allowance on uncollectible receivables as of March 31, 2022.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventory and Prepaids

Inventory maintained by the general fund and water enterprise fund is valued at cost using the first-in, first-out method. Inventory of expendable supplies in other funds have not been recorded and the amount of any such inventory is not considered material. The cost value of such expendable supplies was recorded as an expenditure at the time of purchase.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Items are recorded as prepaid at the time of payment if the Township is to receive a future benefit. Prepaids in governmental funds are accounted for using the consumption method.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure such as water and sewer systems, are reported in the governmental and business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation. The governmental activities have no infrastructure assets.

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

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year. Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

	Years
Land improvements	20-30
Buildings and improvements	20-50
Water / sewer plants and mains	5-40
Equipment	5-20
Vehicles	5-20

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township reports deferred outflows of resources related to its pension plan. The Township also reports a deferred outflow related to a bond refunding.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township reports deferred inflows of resources related to its pension and OPEB plans. The governmental funds also report unavailable revenues, which arise only under a modified accrual basis of accounting, from special assessments and long term receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Fund Equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees (the government's highest level of decision-making authority). A formal resolution of the Board of Trustees is required to establish, modify, or rescind a fund balance commitment. The Township reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Trustees by resolution has delegated the authority to assign fund balance to the Fiscal Services Director. Unassigned fund balance is the residual classification for the general fund. In other funds, the unassigned classification should be only used to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

Pensions and OPEB

For purposes of measuring the net pension and OPEB assets/liabilities, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, and pension and OPEB expense, information about the fiduciary net position of the plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Township utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

2. BUDGETARY INFORMATION

Comparisons to budget are presented for the general and special revenue funds as required by generally accepted accounting principles. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to March 31, the Township Manager submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments.
2. The budget is legally enacted through passage of a resolution on or before March 31.
3. Budgets for the general and special revenue funds are legally adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget is adopted at the activity level for the general fund and the fund level for special revenue funds. Expenditures are reported using the administrative detail for informational purposes.
4. Adoption and amendments of all budgets used by the Township are governed by Michigan Public Act 621, which was complied with during the year ended March 31, 2022. Any amendment of the original budget must meet the requirements of Public Act 621.
5. The Township Manager be designated as responsible for the Budgets and authorized to make budgetary transfers between accounts in amounts not to exceed \$7,500 per transfer, with the understanding that under no circumstance may a fund's total budget be changed without prior Board approval.

Budgeted amounts are as originally adopted, or as amended by the Township Board. Encumbered appropriations lapse at year-end and amounts are reappropriated for expenditures to be incurred in the next fiscal year.

For the year ended March 31, 2022, the Township's incurred no expenditures in excess of the amounts appropriated.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

3. DEPOSITS AND INVESTMENTS

A reconciliation of cash and investments as shown in the basic financial statements to the Township's deposits and investments is as follows:

	Primary Government	Component Units	Totals
Statement of Net Positions			
Cash and investment pool	\$ 32,193,670	\$ 25,276	\$ 32,218,946
Statement of fiduciary net position			
Retiree health trust:			
Cash and cash equivalents	1,815,607	-	1,815,607
Other fiduciary funds:			
Investments - MERS Total Market Portfolio	6,861,135	-	6,861,135
Total	<u>\$ 40,870,412</u>	<u>\$ 25,276</u>	<u>\$ 40,895,688</u>
Deposits and investments			
Bank deposits			\$ 26,999,905
Investments			13,894,333
Cash on hand			1,450
Total			<u>\$ 40,895,688</u>

The Township chooses to disclose its investments by specifically identifying each. As of March 31, 2022, the Township had the following investments:

	Maturity	Fair Value/ Amortized Cost	S&P Rating
MBIA Michigan Class Pool	N/A	\$ 7,033,198	AAAm
MERS Total Market Portfolio	N/A	6,861,135	Not rated
Total		<u>\$ 13,894,333</u>	

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified below. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Michigan Class investment had a carrying amount equal to its amortized cost at year end. The weighted average maturity of this investment was 51 days.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Credit Risk. State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The Township's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings for Michigan Class Pool are noted above. The MERS Total Market Portfolio is not rated.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require and the Township does not have a policy for deposit custodial credit risk. As of year end \$23,999,162 of the Township's bank balance of \$25,504,202 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Township does not have a policy for investment custodial credit risk. The MERS total market pool and Michigan Class investments above are held in the counterparty's trust department in the Township's name, so are not exposed to custodial credit risk.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified below. The Township's investment policy does not have specific limits in excess of state law on concentration of credit risk.

The Township Board is authorized to designate depositories for Township funds, and to determine that the funds are invested in accordance with State of Michigan statutory authority. The Township's deposits are in accordance with statutory authority.

The MBIA Michigan Class and MERS total market investments operate in accordance with appropriate state laws and regulations.

Fair Value Measurement

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Township had the following recurring fair value measurements as of year end:

Investment Type	Level 1	Level 2	Level 3	Total Fair Value
MERS Total Market Portfolio	\$ 6,861,135	\$ -	\$ -	\$ 6,861,135
Investments carried at amortized cost				7,033,198
				<u>\$ 13,894,333</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

4. RECEIVABLES AND ACCOUNTS PAYABLE

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Unit
Accounts	\$ 271,343	\$ 5,025,345	-
Taxes	577,788	-	-
Special assessments:			
Due within one year	137,607	20,961	-
Due in more than one year	854,184	190,716	-
Due from other governmental units	719,804	-	84
Advance to Mid Michigan Waste Authority, due in more than one year	144,100	-	-
	<u>\$ 2,704,826</u>	<u>\$ 5,237,022</u>	<u>\$ 84</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the Township has recorded \$991,791 of deferred inflows of resources for special assessments and \$63,712 for long term receivables.

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts	\$ 1,013,967	\$ 753,130
Deposits	22,766	1,000
Due to other governmental units	-	133,532
	<u>\$ 1,036,733</u>	<u>\$ 887,662</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

5. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2022, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 1,167,744	\$ 30	\$ -	\$ -	\$ 1,167,774
Construction in progress	268,949	10,000	-	(278,949)	-
	<u>1,436,693</u>	<u>10,030</u>	<u>-</u>	<u>(278,949)</u>	<u>1,167,774</u>
Capital assets being depreciated:					
Land improvements	7,109,926	-	-	-	7,109,926
Buildings and improvements	13,479,143	54,428	-	278,949	13,812,520
Equipment	1,311,811	51,661	(21,118)	-	1,342,354
Vehicles	5,758,520	180,449	(173,104)	-	5,765,865
	<u>27,659,400</u>	<u>286,538</u>	<u>(194,222)</u>	<u>278,949</u>	<u>28,030,665</u>
Less accumulated depreciation for:					
Land improvements	(5,490,886)	(157,418)	-	-	(5,648,304)
Buildings and improvements	(6,383,082)	(336,795)	-	-	(6,719,877)
Equipment	(947,326)	(89,173)	21,118	-	(1,015,381)
Vehicles	(3,576,881)	(432,536)	156,792	-	(3,852,625)
	<u>(16,398,175)</u>	<u>(1,015,922)</u>	<u>177,910</u>	<u>-</u>	<u>(17,236,187)</u>
Total capital assets being depreciated, net	<u>11,261,225</u>	<u>(729,384)</u>	<u>(16,312)</u>	<u>278,949</u>	<u>10,794,478</u>
Governmental activities capital assets, net	<u>\$ 12,697,918</u>	<u>\$ (719,354)</u>	<u>\$ (16,312)</u>	<u>\$ -</u>	<u>\$ 11,962,252</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type Activities					
Capital assets not being depreciated:					
Land	\$ 283,260	\$ -	\$ -	\$ -	\$ 283,260
Construction in progress	1,529,119	2,732,310	-	(3,251,047)	1,010,382
	<u>1,812,379</u>	<u>2,732,310</u>	<u>-</u>	<u>(3,251,047)</u>	<u>1,293,642</u>
Capital assets being depreciated:					
Land Improvements	169,293	-	-	-	169,293
Buildings, plants and mains	92,707,565	584,144	-	3,251,047	96,542,756
Equipment	2,020,024	41,316	(29,124)	-	2,032,216
Vehicles	1,236,508	27,829	(31,620)	-	1,232,717
	<u>96,133,390</u>	<u>653,289</u>	<u>(60,744)</u>	<u>3,251,047</u>	<u>99,976,982</u>
Less accumulated depreciation for:					
Land improvements	(7,946)	(8,845)	-	-	(16,791)
Buildings, plants and mains	(53,512,276)	(1,539,373)	-	-	(55,051,649)
Equipment	(1,601,080)	(68,887)	24,314	-	(1,645,653)
Vehicles	(868,096)	(75,388)	31,620	-	(911,864)
	<u>(55,989,398)</u>	<u>(1,692,493)</u>	<u>55,934</u>	<u>-</u>	<u>(57,625,957)</u>
Total capital assets being depreciated, net	<u>40,143,992</u>	<u>(1,039,204)</u>	<u>(4,810)</u>	<u>3,251,047</u>	<u>42,351,025</u>
Business-type activities					
capital assets, net	<u>\$ 41,956,371</u>	<u>\$ 1,693,106</u>	<u>\$ (4,810)</u>	<u>\$ -</u>	<u>\$ 43,644,667</u>

See footnote 12 for outstanding commitment related to construction in progress.

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

Depreciation of governmental activities by function

General government	\$ 140,820
Public safety	558,090
Public works	47,265
Highways and streets	38,834
Recreation and culture	230,913
	<u>\$ 1,015,922</u>

Depreciation of business-type activities by function

Water	\$ 784,610
Sewer	907,883
	<u>\$ 1,692,493</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

6. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of March 31, 2022, was as follows:

	Due from Other Funds	Due to Other Funds
General fund	\$ 868,098	\$ 113,247
Fire protection fund	130	-
Nonmajor governmental funds	1,601	200
Water fund	34,992	328,306
Sewer fund	76,654	539,722
	<u>\$ 981,475</u>	<u>\$ 981,475</u>

The above balances generally resulted from a time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

The composition of interfund advances as of March 31, 2022, was as follows:

	Advance from Other Funds	Advance to Other Funds
Police fund	\$ 1,500,000	\$ -
Sewer fund	-	1,500,000
	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

The water, sewer and garbage and rubbish collection funds made advances to the police fund during fiscal year ending March 31, 2018 to be used as discretionary contributions by the police fund into the MERS pension plan. These advances were originally scheduled to be repaid in annual installments of \$800,000 through December, 2027 with interest charged at 1.0%. In February 2022, the police fund paid-in-full the balances owed to both the water, and garbage and rubbish collection funds. The remaining advance from the sewer fund is scheduled to be repaid in annual installments of \$250,000 through December, 2027 with the interest charged at 1.0%.

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. The interfund transfer from the general fund to the police fund for \$932,000 was used to subsidize those operations.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

7. LONG-TERM DEBT

Long-term debt activity for the year ended March 31, 2022, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Direct borrowing:					
Bonds payable	\$ 547,000	\$ -	\$ (51,000)	\$ 496,000	\$ 52,000
Compensated absences	958,518	739,404	(838,924)	858,998	705,923
Total governmental activities	\$ 1,505,518	\$ 739,404	\$ (889,924)	\$ 1,354,998	\$ 757,923
Business-type Activities					
Direct borrowing:					
Bonds payable	\$ 1,973,810	\$ -	\$ (46,147)	\$ 1,927,663	\$ 53,606
Bonds payable	3,340,000	-	(550,000)	2,790,000	275,000
Bond premium	264,130	-	(44,022)	220,108	44,022
	5,577,940	-	(640,169)	4,937,771	372,628
Compensated absences	201,260	211,819	(203,878)	209,201	140,121
Total business-type	\$ 5,779,200	\$ 211,819	\$ (844,047)	\$ 5,146,972	\$ 512,749

Governmental activities

Bonds payable at March 31, 2022, are comprised of the following individual issue:

2019 Special Assessment Bonds (Limited Tax General Obligation) due in semi-annual installments of \$48,000 to \$52,000 through May 1, 2032 plus interest charged at 2.20%.

\$ 496,000

Governmental bond debt service requirements to maturity for the direct borrowing obligations are as follows:

Year Ended March 31,	Principal	Interest
2023	\$ 52,000	\$ 10,340
2024	51,000	9,207
2025	51,000	8,085
2026	50,000	6,974
2027	50,000	5,874
2028-2032	194,000	12,716
2033	48,000	528
	<u>\$ 496,000</u>	<u>\$ 53,724</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

For the governmental activities, the compensated absences are generally liquidated by the general, fire protection, and police funds.

Business-type activities

Bonds payable at March 31, 2022, are comprised of the following individual issues:

Direct borrowing obligations

2010 NWUA Sewage Disposal System Improvement Bonds. The Township participated, as a member of the NWUA, in a pump station improvement program. To finance this project \$4,450,000 in bonds were issued by the NWUA. The Township has a contract with NWUA for the cost of the construction attributable to its 3 year average flow. For the year ended March 31, 2022, the Township's share was \$448,144, plus their portion of the flow (49.57%), based on the 3 year average. Prorata share of annual installments varies from approximately \$70,500 to \$132,500 through May 1, 2041, with interest at 3.00%.

\$ 1,927,663

Other obligations

2017 Capital Improvement Bonds due in annual installments of \$275,000 to \$465,000 through May 1, 2028 plus interest charged at 4.00%.

2,790,000

Total installment debt

4,717,663

Bond premium

220,108

Total bonds payable

\$ 4,937,771

The Township has pledged future water and sewer customer revenues, net of specified operating expenses, to repay the bonds payable recorded in business-type activities. The bonds are payable solely from the water and sewer customers net revenues and are payable through 2041. Annual principal and interest payments on the bonds are expected to require less than 50 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,729,126. Principal and interest paid for the current year and total customer net revenues were \$596,147, \$163,675 and \$2,357,145, respectively.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Business-type bond debt service requirements to maturity for the long-term obligations, excluding compensated absences, are as follows:

Year Ended March 31,	Direct Borrowing Obligations		Other Obligations	
	Principal	Interest	Principal	Interest
2023	\$ 53,606	\$ 56,398	\$ 275,000	\$ 106,100
2024	73,271	54,207	375,000	93,100
2025	78,908	51,854	370,000	78,200
2026	81,726	49,409	370,000	63,400
2027	84,544	46,880	470,000	46,600
2028-2032	487,537	191,865	930,000	37,200
2033-2037	563,626	111,739	-	-
2038-2042	504,445	24,511	-	-
	<u>\$ 1,927,663</u>	<u>\$ 586,863</u>	<u>\$ 2,790,000</u>	<u>\$ 424,600</u>

8. BENEFIT PLANS

Defined Contribution Pension Plan

The Saginaw Charter Township Municipal Government Employees Pension Plan is a defined contribution pension plan, which is held in trust and covers 80 full-time employees and board members, over the age of 18, employed with the Township for more than four months. The Plan is administered by a third-party. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Defined contribution pension cost to the Township for the fiscal year ending March 31, 2022, was \$741,989, which represented 15 percent of current year covered payroll. Defined contribution pension cost to the employees was \$177,020. Contributions to the plan are recognized when due and payable. Plan provisions and contribution rates are set for union employees by contract and for non-union employees by resolution of the Township Board under the Township's Pension Ordinance. The Township contributes 15 percent of covered payroll, while employees are required to contribute 2 percent. Employees may make voluntary contributions not to exceed 8 percent, for a maximum employee contribution of 10 percent of total wages.

The Township's contributions for each employee are fully vested after five years for non-union/police union employees and 10 years for Union Local 406 employees. Effective April 1, 2022, these union employees have a 5-year cliff vesting period. Unvested benefits forfeited by employees who leave employment early are used to reduce future Township contributions. At March 31, 2022, assets of the defined contribution plan were valued at \$26,418,750.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Defined Benefit Pension Plan

Plan Description. As of April 1, 2010, members of the police unions must enroll in the Municipal Employees Retirement System of Michigan (MERS) defined benefit pension. For police union employees participating in the Township's defined benefit pension plan, the plan provides retirement and disability benefits, annual cost-of-living adjustments (to those hired prior to March 31, 2015), and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided. Pension benefits are calculated as final average compensation (based on a 5 year period) and multiplier of 2.00 percent for those hired after March 31, 2015. For those hired prior to this date, benefits were bridged as of February 28, 2015. The bridged benefit provides a 2.50 percent multiplier (80% max) frozen FAC; 2.00 percent multiplier (80% max). Participants are considered to be fully vested in the plan after 10/6 (new/old members) years. Normal retirement age is 60 with early retirement at age 55/50 (new/old members) with 25 years of service.

Employees Covered by Benefit Terms. At December 31, 2021, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	32
Inactive employees entitled to but not yet receiving benefits	11
Active employees	41
	<hr/>
Total membership	84
	<hr/>

Contributions. The Township is required to contribute at an actuarially determined rate; the current rate is 15% of annual covered payroll. The Township's contribution is capped at 15%. If the actuarially determined rate is higher than the cap, the difference is paid by the employees. Employees are currently required to contribute 10% to the Plan. The contribution requirements of the Township are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members, if any, are established and may be amended by the Township depending on the MERS contribution program adopted by the Township.

Net Pension Liability. The Township's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.00%, net of administrative and investment expenses, including inflation

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

The mortality table used to project the mortality experience of non-disabled plan members incorporates fully generational mortality.

Pre-Retirement Mortality:

- 100% of Pub-2010 Juvenile Mortality Tables for Ages 0-17
- 100% of PubG-2010 Employee Mortality Tables for Ages 18-80
- 100% of PubG-2010 Healthy Retiree Tables for Ages 81-120

Non-Disabled retired plan members and beneficiaries:

- 106% of Pub-2010 Juvenile Mortality Tables for Ages 0-17
- 106% of PubG-2010 Employee Mortality Tables for Ages 18-49
- 106% of PubG-2010 Healthy Retiree Tables for Ages 50-120

Disabled retired plan members:

- 100% of Pub-2010 Juvenile Mortality Tables for Ages 0-17
- 100% of PubNS-2010 Disabled Retiree Tables for Ages 18-120

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.0%	4.50%	2.70%
Global fixed income	20.0%	2.00%	0.40%
Private investments	20.0%	7.00%	1.40%
	<u>100.0%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u><u>7.25%</u></u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2021 was 7.25%, down from 7.60% at December 31, 2020. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2020	\$ 23,874,975	\$ 22,989,096	\$ 885,879
Changes for the year:			
Service cost	380,661	-	380,661
Interest	1,694,799	-	1,694,799
Differences between expected and actual experience	(45,800)	-	(45,800)
Changes in assumptions	989,534	-	989,534
Employer contributions	-	452,735	(452,735)
Employee contributions	-	301,539	(301,539)
Net investment income	-	3,078,464	(3,078,464)
Benefit payments, including refunds of employee contributions	(1,375,923)	(1,375,923)	-
Administrative expense	-	(36,486)	36,486
Other changes	81,818	-	81,818
Net changes	1,725,089	2,420,329	(695,240)
Balances at December 31, 2021	\$ 25,600,064	\$ 25,409,425	\$ 190,639

Changes in Assumptions. In 2022, amounts reported as changes of assumptions resulted from a decrease in the assumed rate of return from 7.35% to 7.00%.

The net pension liability is expected to be liquidated by the police special revenue fund.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Township, calculated using the discount rate of 7.25%, as well as what the Township's net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Township's net pension liability (asset)	\$ 3,414,767	\$ 190,639	\$ (2,473,740)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

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

For the year ended March 31, 2022, the Township recognized pension expense of \$263,208. The Township reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 103,079	\$ 205,534	\$ (102,455)
Changes in assumptions	1,762,838	-	1,762,838
Net difference between projected and actual earnings on pension plan investments	-	1,937,586	(1,937,586)
	1,865,917	2,143,120	(277,203)
Contributions subsequent to the measurement date	106,547	-	106,547
Total	\$ 1,972,464	\$ 2,143,120	\$ (170,656)

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the total pension liability for the year ending March 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended March 31,	Amount
2023	\$ 75,149
2024	(398,274)
2025	(138,914)
2026	27,547
2027	157,289
Total	\$ (277,203)

Payable to the Pension Plan. At March 31, 2022, the Township did not have any outstanding payables for contributions to the pension plan.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

9. OTHER POSTEMPLOYMENT BENEFITS

Saginaw Township administers a single-employer defined benefit postemployment healthcare plan, the Retiree Health Trust. A separately issued financial report of the plan has not been prepared. The plan is closed to Teamsters Union employees hired after April 1, 2016, closed to POAM and COAM Union employees hired after March 31, 2015 and open to non-union employees.

Employees Covered by Benefit Terms. At the April 1, 2021 valuation date, plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	90
Active plan members	<u>90</u>
Total	<u>180</u>

The Township provides postemployment health care benefits in accordance with a Township resolution as follows:

Nonunion employees

Eligibility - Any retiree who has attained age 55 with 20 years of continuous service.

Medical and dental benefits - The Township will reimburse 50% of the premium, not to exceed \$7,000 for retiree and spousal coverage, or \$3,500 for employees retiring between age 55 and 60 after 20 years of service, \$8,000 for retiree and spousal coverage, or \$4,000 for employees retiring between age 60 and 62 after 25 years of service, or \$9,000 for retiree and spousal coverage, or \$4,500 for employees retiring between age 62 and 65 after 25 years of service for pre-65 coverage. For post-65, retirees get a per person premium reimbursement (\$1,620 at January 1, 2022) increasing each year with the CPI. In the alternative, retirees shall have the option of receiving an annual cash payment of \$1,000 until the retiree reaches age 65.

Police Department Union

Eligibility - Any retiree who has applied for a MERS annuity.

Medical and dental benefits - The retiree has to pay 100% of the premium between the ages of 50 and 52. After age 52, the Township provides health and dental insurance for single or double coverage at no cost to the retiree until age 65. Beginning April 1, 2014 through April 1, 2016, employees retiring will be required to pay a monthly copay of \$25 for single and \$40 for double coverage. Those retiring after April 1, 2016, must pay a monthly copay equivalent to active employees, up to a maximum of \$125. For post-65, retirees get a per person premium reimbursement (\$1,620 at January 1, 2022) increasing each year with the CPI. In the alternative, retirees shall have the option of receiving an annual cash payment of \$1,000 for single and \$2,000 for double until the retiree reaches age 65.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Department of Public Services (DPS) Union

Eligibility - Any retiree who has attained age 55 with 25 years of service.

Medical and dental benefits - The Township will reimburse 50% of the premium, not to exceed \$7,000 for retiree and spousal coverage, or \$3,500 for employees retiring between age 55 and 60 after 25 years of service, \$8,000 for retiree and spousal coverage, or \$4,000 for employees retiring between age 60 and 62 after 30 years of service, or \$9,000 for retiree and spousal coverage, or \$4,500 for employees retiring between age 62 and 65 after 30 years of service for pre-65 coverage. For post-65, retirees get a per person premium reimbursement (\$1,620 at January 1, 2022) increasing each year with the CPI. In the alternative, retirees shall have the option of receiving an annual cash payment of \$1,000 until the retiree reaches age 65.

Changes in Net OPEB (Asset) Liability

The components of the change in the net OPEB (asset) liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a) - (b)
Balances at March 31, 2021	\$ 8,182,470	\$ 6,532,490	\$ 1,649,980
Changes for the year:			
Service cost	117,182	-	117,182
Interest	478,032	-	478,032
Difference between expected and actual experience	(1,628,961)	-	(1,628,961)
Changes in assumptions	(157,481)	-	(157,481)
Employer contributions	-	547,723	(547,723)
Net investment income	-	341,120	(341,120)
Benefit payments, including refunds of employee contributions	(547,723)	(547,723)	-
Administrative expenses	-	(12,475)	12,475
Other changes	3,755	-	3,755
Net changes	(1,735,196)	328,645	(2,063,841)
Balances at March 31, 2022	\$ 6,447,274	\$ 6,861,135	\$ (413,861)

Changes in Assumptions. In 2021, medical trend rates were updated. The mortality assumptions were updated to the Pub-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements per the MP-2021 Ultimate scale. PubG-2010 was used for DPS and Non-Union employees and PubS-2010 was used for Police employees.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The total OPEB liability was calculated as of March 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of April 1, 2021. The following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Retirement rates for active employees— Rates were based on years of service and ranged from 5% to 40%. At age 75 the retirement rate is assumed 100%.

Spousal election rates— 75% of future retirees are assumed to elect two-person coverage.

Retirees participating in the Plan— 100% of current employees are expected to participate in the Plan at retirement.

Mortality— Pub-2010 General Headcount-weighted Mortality Tables (Employee, Retiree, Survivor, and Disabled, as appropriate) with generational projection using Projection Scale MP-2021 for general employees and Pub-2010 Safety Headcount-weighted Mortality Tables (Employee, Retiree, Survivor, and Disabled, as appropriate) with generational projection using Projection Scale MP-2021 for police.

Turnover— Turnover rates ranging from 1.5% to 23.4%, depending on years of service and employment group, were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Healthcare cost trend rate— The expected rate of increase in healthcare insurance premiums was based on projections by the "Getzen" model published by the Society of Actuaries. Rates used were as follows:

Year	Annual Trend Rates	
	Medical	Dental
2021-22	5.20%	5.40%
2022-23	5.00%	5.30%
2023-24	4.80%	5.10%
2024-25	4.70%	5.00%
2025-26	4.60%	4.90%
2026-27	4.50%	4.80%
2027-28	4.40%	4.60%
2028-29	4.30%	4.50%
2029-38	4.20%	4.40%
2038-44	4.10%	4.30%
2065-67	4.00%	4.10%
2072-74	3.70%	3.90%
2069-71	3.80%	3.90%
2071-72	3.80%	3.80%
2072-73	3.70%	3.80%
2073-74	3.70%	3.70%
2074-	3.60%	3.70%

Health and dental insurance premiums— 2021 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate— The expected long-term inflation assumption used was 2.30%.

Based on the historical and expected returns of the Township's long-term investment portfolio, a discount rate of 6.00 percent was used (same percentage that was used in the prior valuation).

Investments

Investment Policy. The OPEB Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment processes that the Board deems appropriate. The OPEB Plan's asset allocation policy is shown below.

Rate of Return. For the year ended March 31, 2022, the annual money-weighted rate of return on investments, net of investment expense, was 5.23 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

The long-term expected rate of return on OPEB Plan investments was determined using a forward looking estimate of capital market returns model for each investment major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and investment expenses. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
US Treasury Bonds	13.10%	0.59%	0.08%
US Short (1-3 Yr) Govt Bonds	1.70%	0.25%	0.00%
US High Yield Bonds	0.10%	3.92%	0.00%
Emerging Markets Equity	7.10%	3.98%	0.28%
US Broad Equity Market	24.40%	5.17%	1.26%
Non-US Equity	18.80%	6.78%	1.27%
Emerging Markets Equity	10.30%	8.82%	0.91%
Private Equity	24.50%	10.36%	2.54%
	<u>100.0%</u>		
Inflation			2.50%
Risk adjustment			-2.84%
Investment rate of return			<u>6.00%</u>

Discount Rate. The discount rate used to measure the total OPEB liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that Township contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the net OPEB liability (asset) of the Township, calculated using the discount rate of 6.00%, as well as what the Township's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.00%) or 1% higher (7.00%) than the current rate:

1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
\$ 332,923	\$ (413,861)	\$ (1,050,506)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability (asset) of the Township, calculated using the healthcare cost trend rate, as well as what the Township's net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current rate:

1% Decrease	Current Trend Rate	1% Increase
\$ (1,129,129)	\$ (413,861)	\$ 442,673

For the governmental activities, the OPEB liability is generally liquidated by the general, fire protection, and police funds.

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

For the year ended March 31, 2022, the Township recognized OPEB gain of \$502,481. The Township reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 1,635,203	\$ (1,635,203)
Changes in assumptions	-	142,776	(142,776)
Net difference between projected and actual earnings on pension OPEB investments	-	465,708	(465,708)
Total	\$ -	\$ 2,243,687	\$ (2,243,687)

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

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

Year Ended March 31,	Amount
2023	\$ (722,348)
2024	(623,185)
2025	(630,842)
2026	<u>(267,312)</u>
Total	<u>\$ (2,243,687)</u>

Payable to the OPEB Plan. At March 31, 2022, the Township did not have any outstanding payables for contributions to the OPEB plan.

10. RISK MANAGEMENT

Generally Accepted Accounting Principles (GAAP) requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A summary of the Township's self-insurance is as follows.

Health Benefit - The Township initiated a self-insurance health benefit package August 10, 1981. As of March 31, 2022, the maximum aggregate health liability to the Township was \$2,655,471. Amounts above this are covered by an insurance policy. In addition, insurance was purchased for individual health claims which have a \$100,000 per person deductible. Life insurance premiums, short-term disability benefits of 70% of compensation, police early-retiree health insurance and medigap premium reimbursement are also paid by this fund. Assets of this plan of \$1,649,397 are recorded in the health benefit internal service fund. Accounts payable, accrued liabilities and unearned revenue of \$57,840 and \$360, respectively represent unpaid medical invoices which are incurred but not reported as of March 31, 2022, and are expected to be paid in the next year.

The changes in the claims liability for the years ended March 31, 2022 and 2021, are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2021	\$ 28,858	\$ 1,893,373	\$ 1,886,058	\$ 36,173
2022	36,173	2,216,993	2,184,795	68,371

The Township is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any potential claims associated with these risks and has had no claims that exceeded the insurance coverage during the past three years.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Property and Liability - The Township entered into a Joint Exercise of Powers Agreement with the Michigan Municipal Risk Management Authority (MMRMA) on July 19, 1985.

The changes in the claims liability for the years ended March 31, 2022 and 2021, are as follows:

		Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2021	\$	81,023	\$ 144,487	\$ 189,873	\$ 35,637
2022		35,637	52,399	33,634	54,402

Currently, the Township self-insures the first \$100,000 for each liability claim. After the first \$100,000 and up to \$15,000,000, the Michigan Municipal Risk Management Authority (MMRMA) is responsible for the claims. Each property claim is subject to a \$1,000 deductible, paid by the Township. A stop loss coverage through the MMRMA protects the Township from aggregate liability claims exceeding \$210,000. The revenues for this fund's operation are reimbursements from various funds. The funds are charged for general liability insurance based on number of employees, previous claims, number of vehicles and other pertinent information. Losses, damages and administrative expenses are all paid from this fund.

There were no significant reductions in insurance coverage from the prior year and there were no insurance settlements exceeding insurance coverage in any of the past three years for either the health benefit or property and liability insurance.

11. PROPERTY TAXES

Township property taxes are attached as an enforceable lien on property as of December 1 and recorded in the Township ledgers as receivables as of that date. Township taxes are levied December 1 and are due without penalty on or before February 14. The December tax bills include the Township's own property taxes, special assessments and taxes billed on behalf of Saginaw County.

Real property and special assessment taxes not collected as of March 1 are turned over to Saginaw County for collection, which advances the Township 100% for those delinquent taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer.

Property taxes levied in December of each year and collected within sixty days after the fiscal year-end are recognized as revenue in that fiscal year.

The Township acts as a collection agent for Saginaw County, Saginaw Intermediate Schools, Delta College and Saginaw Charter Township Community Schools for property taxes.

Taxes collected on behalf of the educational institutions and Saginaw County are turned over to the districts and the County following collection and are accounted for in designated custodial funds.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

12. COMMITMENTS AND CONTINGENCIES

As of March 31, 2022, the Township had outstanding commitments for the following items.

Commitment	Outstanding
2022 Watermain	\$ 942,192
CSO Channel Cleaning	171,187
Water Tower Painting	143,799
Alvin St. Sewer	122,229
Sewer Cleaning	99,996
Sewer State St.	95,000
Sewer Lining	59,076
Comp Study	31,000
Biological Sampling	17,400
Broadband Study	12,460
Total outstanding commitments	\$ 1,694,338

13. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of March 31, 2022, was as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Capital assets not being depreciated	\$ 1,167,774	\$ 1,293,642
Capital assets being depreciated, net	10,794,478	42,351,025
	<u>11,962,252</u>	<u>43,644,667</u>
Related debt:		
Bonds payable, including related premiums	-	4,937,771
Deferred charge on refunding	-	(77,809)
	<u>-</u>	<u>4,859,962</u>
Net investment in capital assets	\$ 11,962,252	\$ 38,784,705

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

14. OTHER INFORMATION

Jointly Governed Organization

The Bay Area Narcotics Enforcement Team (BAYANET) was organized to create a cooperative team of narcotics investigators made up of personnel from municipal, county, and state law enforcement agencies within Midland and Saginaw counties for the purpose of combining their efforts toward the enforcement of narcotic and controlled substance laws in the State of Michigan. All participating entities shall maintain at least one (1) full-time law enforcement officer assigned to exclusively work in drug law enforcement with BAYANET or meet the criteria for membership as established in the by-laws of the Command Board. Saginaw Charter Township serves as the fiduciary for BAYANET monies. The BAYANET Command Board is made up of the administrative heads, or their representatives, of the law enforcement agencies of the participating entities.

Separate financial statements for BAYANET may be obtained by writing to the BAYANET Command Board at PO Box 676 Freeland, MI 48623

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

15. FUND BALANCES - GOVERNMENTAL FUNDS

The Township classifies fund balances based primarily on the extent to which it is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Fire Protection	Police	Garbage and Rubbish Collection	Nonmajor Governmental Funds	Total
Nonspendable						
Inventory	\$ 46,813	\$ -	\$ -	\$ -	\$ -	\$ 46,813
Prepays	19,435	6,446	9,957	-	275	36,113
	<u>66,248</u>	<u>6,446</u>	<u>9,957</u>	<u>-</u>	<u>275</u>	<u>82,926</u>
Restricted						
Fire protection	-	952,063	-	-	-	952,063
Police	-	-	3,312,731	-	-	3,312,731
Garbage and rubbish collection	-	-	-	1,715,242	-	1,715,242
Fire improvement	-	-	-	-	1,025,445	1,025,445
Art in public places	-	-	-	-	2,900	2,900
Debt service	-	-	-	-	73,458	73,458
Community development	-	-	-	-	304,211	304,211
	<u>-</u>	<u>952,063</u>	<u>3,312,731</u>	<u>1,715,242</u>	<u>1,406,014</u>	<u>7,386,050</u>
Committed						
Special assessments	-	-	-	-	581,899	581,899
Assigned						
Center courts/library	34,975	-	-	-	-	34,975
Building capital projects	-	-	-	-	94,913	94,913
Police	-	-	2,418,249	-	-	2,418,249
Parks	-	-	-	-	12,054	12,054
	<u>34,975</u>	<u>-</u>	<u>2,418,249</u>	<u>-</u>	<u>106,967</u>	<u>2,560,191</u>
Unassigned	<u>10,846,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,846,470</u>
Total fund balances - governmental funds	<u>\$ 10,947,693</u>	<u>\$ 958,509</u>	<u>\$ 5,740,937</u>	<u>\$ 1,715,242</u>	<u>\$ 2,095,155</u>	<u>\$ 21,457,536</u>

16. SUBSEQUENT EVENTS

The Township entered in to an agreement with TSP Services, Inc on April 11, 2022 for the George Street Pump Station Improvements for \$288,381.

The Township entered in to an agreement for 2022 WWTP Improvements on April 11, 2022 for \$332,700.

The Township entered in to an agreement with Gerald Bergman Construction on May 23, 2022 for Saginaw Charter Township Fire Station No. 1 for \$55,400.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

The Township entered in to an agreement for Schust Road and St. Andrews Road on May 2, 2022 for paving for \$137,631 and \$528,290, respectively, of which the Township funds 50%. The County Road Commissoin funds the remaining 50%.

17. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the County for providing emergency services to its citizens, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. The Township directly received over \$1.7 million during 2022 from various funding sources to be used to respond to the impacts of the COVID-19 pandemic through the American Rescue Plan Act and other funding sources. This funding was used to provide relief in multiple areas such as State public safety and public health programs, purchases of personal protection equipment (PPE), transportation assistance, library assistance, and election assistance.

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REQUIRED SUPPLEMENTARY INFORMATION

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in the Township's Net Pension (Asset) Liability and Related Ratios

	Year Ended March 31,			
	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 380,661	\$ 358,255	\$ 359,135	\$ 399,179
Interest	1,694,799	1,654,276	1,555,535	1,568,309
Changes in benefits	-	-	-	198,624
Difference between expected and actual experience	(45,800)	154,619	(201,814)	(199,389)
Changes in assumptions	989,534	789,722	823,488	-
Benefit payments, including refunds of employee contributions	(1,375,923)	(1,340,717)	(1,295,599)	(1,275,587)
Other changes	81,818	-	300,204	(15,329)
Net change in total pension liability	<u>1,725,089</u>	<u>1,616,155</u>	<u>1,540,949</u>	<u>675,807</u>
Total pension liability, beginning of year	<u>23,874,975</u>	<u>22,258,820</u>	<u>20,717,871</u>	<u>20,042,064</u>
Total pension liability, end of year	<u>25,600,064</u>	<u>23,874,975</u>	<u>22,258,820</u>	<u>20,717,871</u>
Plan fiduciary net position				
Employer contributions	452,735	461,777	432,705	412,369
Employee contributions	301,539	308,134	325,460	275,104
Net investment income (loss)	3,078,464	2,900,324	2,533,418	(779,762)
Benefit payments, including refunds of employee contributions	(1,375,923)	(1,340,717)	(1,295,599)	(1,275,587)
Administrative expense	(36,486)	(41,503)	(43,646)	(38,880)
Net change in plan fiduciary net position	<u>2,420,329</u>	<u>2,288,015</u>	<u>1,952,338</u>	<u>(1,406,756)</u>
Plan fiduciary net position, beginning of year	<u>22,989,096</u>	<u>20,701,081</u>	<u>18,748,743</u>	<u>20,155,499</u>
Plan fiduciary net position, end of year	<u>25,409,425</u>	<u>22,989,096</u>	<u>20,701,081</u>	<u>18,748,743</u>
Township's net pension (asset) liability	<u>\$ 190,639</u>	<u>\$ 885,879</u>	<u>\$ 1,557,739</u>	<u>\$ 1,969,128</u>
Plan fiduciary net position as a percentage of total pension liability	99.3%	96.3%	93.0%	90.5%
Covered payroll	\$ 3,015,405	\$ 3,078,510	\$ 2,884,702	\$ 2,585,256
Township's net pension (asset) liability as a percentage of covered payroll	6.3%	28.8%	54.0%	76.2%

See notes to required supplementary information.

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2018	2017	2016
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\$ 361,761	\$ 395,376	\$ 406,867
1,512,100	1,599,971	1,531,237
1,468	(2,541,688)	-
96,128	175,247	-
-	1,108,393	-
(1,224,430)	(1,130,184)	(1,028,871)
(37,553)	(35,516)	(19,688)
709,474	(428,401)	889,545
19,332,590	19,760,991	18,871,446
20,042,064	19,332,590	19,760,991
7,185,148	357,488	322,586
355,369	271,458	234,135
1,633,170	1,286,251	(179,018)
(1,224,430)	(1,130,184)	(1,028,871)
(25,710)	(25,411)	(26,326)
7,923,547	759,602	(677,494)
12,231,952	11,472,350	12,149,844
20,155,499	12,231,952	11,472,350
\$ (113,435)	\$ 7,100,638	\$ 8,288,641

100.6%	63.3%	58.1%
\$ 2,320,068	\$ 2,079,587	\$ 2,055,071
-4.9%	341.4%	403.3%

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Contributions

Fiscal Year Ended March 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2016	\$ 322,525	\$ 336,723	(14,198)	\$ 2,283,884	14.7%
2017	308,731	367,954	(59,223)	2,423,270	15.2%
2018	341,273	7,196,587	(6,855,314)	2,643,913	272.2%
2019	385,148	413,798	(28,650)	2,788,344	14.8%
2020	58,320	443,113	(384,793)	2,954,088	15.0%
2021	183,660	443,405	(259,745)	2,958,854	15.0%
2022	219,948	454,702	(234,754)	3,028,516	15.0%

See notes to required supplementary information.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Notes to Schedule of Changes in the Township's Net Pension (Asset) Liability and Related Ratios

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

GASB 68 was implemented in fiscal year 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Changes in the Township's Net Pension (Asset) Liability and Related Ratios

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

GASB 68 was implemented in fiscal year 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in Assumptions. Effective for the December 31, 2021 valuation, the MERS Retirement Board has adopted a Dedicated Gains Policy which allows for recognition of asset gains in excess of a set threshold in combination with lowering the assumed rate of investment return (discussed below). Changes to these assumptions and methods are effective for contributions beginning in 2023. Effective with the 2020 and 2019 valuations respectively, the MERS Retirement Board adopted updated demographic and economic assumptions. The combined impact of the prior demographic and economic assumption changes may be phased in. The remaining combined phase in period is three years for all assumption changes.

Changes in Assumptions. Effective for the December 31, 2020 valuation, the MERS Retirement Board has adopted updated demographic assumptions. Changes to these assumptions are effective for contributions beginning in 2022. Effective with the 2019 valuation, the MERS Retirement Board adopted updated economic assumptions. The combined impact of these assumption changes may be phased in. This valuation reflects the second year of phase-in for the economic assumption update and the first year of phase-in for the demographic assumption update. The remaining combined phase-in period is four years for all assumption changes.

Changes in Assumptions. In 2020, the MERS Retirement Board adopted a reduction in the investment rate of return assumption from 7.75% to 7.35%, effective with the December 31, 2019 valuation first impacting 2021 contributions. The Board has also changed the assumed wage inflation from 3.75% to 3.00%, with the same effective date. In 2017, amounts reported as changes in assumptions resulted in primarily from adjustments to the mortality table to reflect longer lifetimes, decreases in the assumed rate of return and changes in asset smoothing.

Changes in Assumptions. In 2017, based on the 2009-2013 Experience Study the following assumptions were changed starting with the December 31, 2015 valuation: (1) mortality table was adjusted to reflect longer lifetimes, (2) assumed annual rate of return of investment return, net of all expenses, was lowered from 8% to 7.75% (3) asset smoothing period was changed from 10 years to 5 years.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Notes to Schedule of Contributions

GASB 68 was implemented in fiscal year 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Valuation date	Actuarially determined contribution rates are calculated as of December 31, which is 15 months prior to the beginning of the fiscal year in which contributions are reported.
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Methods and assumptions used to determine contribution rates (2022, based on the 12/31/2019 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll
Remaining amortization period	20 years
Asset valuation method	Open; 5-year smooth market
Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.35%
Retirement age	Age 60
Mortality	Pre-Retirement Mortality: 1. 100% of Pub-2010 Juvenile Mortality Tables for Ages 0-17 2. 100% of PubG-2010 Employee Mortality Tables for Ages 18-80 3. 100% of PubG-2010 Healthy Retiree Tables for Ages 81-120 Non-Disabled retired plan members and beneficiaries: 1. 106% of Pub-2010 Juvenile Mortality Tables for Ages 0-17 2. 106% of PubG-2010 Employee Mortality Tables for Ages 18-49 3. 106% of PubG-2010 Healthy Retiree Tables for Ages 50-120 Disabled retired plan members: 1. 100% of Pub-2010 Juvenile Mortality Tables for Ages 0-17 2. 100% of PubNS-2010 Disabled Retiree Tables for Ages 18-120

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information

Postemployment Healthcare Plan - Retiree Health Trust

Schedule of Changes in the Township's Net OPEB (Asset) Liability and Related Ratios

	Year Ended March 31,				
	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 117,182	\$ 166,384	\$ 154,851	\$ 216,047	\$ 203,818
Interest	478,032	469,008	449,609	507,605	486,333
Changes in benefits	-	-	134,389	66,779	-
Difference between expected and actual experience	(1,628,961)	-	-	(1,331,411)	-
Changes in assumptions	(157,481)	(20,533)	(2,593)	(16,811)	-
Benefit payments, including refunds of employee contributions	(547,723)	(342,280)	(335,428)	(359,420)	(336,596)
Other changes	3,755	5,142	-	-	-
Net change in total OPEB liability	(1,735,196)	277,721	400,828	(917,211)	353,555
Total OPEB liability, beginning of year	8,182,470	7,904,749	7,503,921	8,421,132	8,067,577
Total OPEB liability, end of year	6,447,274	8,182,470	7,904,749	7,503,921	8,421,132
Plan fiduciary net position					
Employer contributions	547,723	705,780	695,428	695,420	628,596
Net investment income (loss)	341,120	1,582,727	(290,769)	47,531	352,462
Benefit payments, including refunds of employee contributions	(547,723)	(342,280)	(335,428)	(359,420)	(336,596)
Administrative expense	(12,475)	(9,866)	(8,521)	(9,383)	(8,942)
Net change in plan fiduciary net position	328,645	1,936,361	60,710	374,148	635,520
Plan fiduciary net position, beginning of year	6,532,490	4,596,129	4,535,419	4,161,271	3,525,751
Plan fiduciary net position, end of year	6,861,135	6,532,490	4,596,129	4,535,419	4,161,271
Township's net OPEB (asset) liability	\$ (413,861)	\$ 1,649,980	\$ 3,308,620	\$ 2,968,502	\$ 4,259,861
Plan fiduciary net position as a percentage of total OPEB liability	106.4%	79.8%	58.1%	60.4%	49.4%
Covered payroll	\$ 6,686,797	\$ 6,628,909	\$ 6,802,597	\$ 6,581,935	\$ 6,697,233
Township's net OPEB (asset) liability as a percentage of covered payroll	-6.2%	24.9%	48.6%	45.1%	63.6%

See notes to required supplementary information.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information

Postemployment Healthcare Plan - Retiree Health Trust

Schedule of Contributions

Fiscal Year Ending March 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2018	\$ 744,991	\$ 628,596	\$ 116,395	\$ 6,697,233	9.4%
2019	345,893	695,420	(349,527)	6,581,935	10.6%
2020	369,405	695,428	(326,023)	6,802,597	10.2%
2021	384,342	705,780	(321,438)	6,628,909	10.6%
2022	265,280	547,723	(282,443)	6,686,797	8.2%

See notes to required supplementary information.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information

Postemployment Healthcare Plan - Retiree Health Trust

Schedule of Investment Returns

Fiscal Year Ended March 31,	Annual Rate of Return*
2018	9.59%
2019	1.13%
2020	-6.33%
2021	34.07%
2022	5.23%

* Annual money-weighted rate of return, net of investment expenses.

See notes to required supplementary information.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes to Required Supplementary Information

Postemployment Healthcare Plan - Retiree Health Trust

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

GASB 74 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

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

GASB 74 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in Benefits. In August 2019, the Township's maximum reimbursement structure for DPS and Non- Union members changed. This change has been reflected in the total OPEB liability reported at March 31, 2020.

Changes in Benefits. In 2019, amounts reported as changes in benefits resulted primarily from changes to the estimated annual claim costs.

Changes in Assumptions. In 2022, the pre-65 medical trend rate was update to an initial rate of 5.2%, grading down to an ultimate inflation rate of 3.6%, over a period of 54 years, and the post-65 medical trend rate to an initial inflation rate of 5.40%, grading down to an ultimate rate of 3.7%, over a period of 53 years. This assumption no longer includes a provision for the excise tax which was eliminated as part of the SECURE Act.

Decrements were updated to reflect the latest Municipal Employees' Retirement System of Michigan (MERS) valuation assumptions. Mortality was updated to the Pub-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements per the MP-2021 Ultimate scale. PubG-2010 was used for DPS and Non-Union employees and PubS-2010 was used for Police employees.

The above changes, in assumptions, decreased the liabilities by about \$136,000.

Changes in Assumptions. In 2021, estimated annual claim costs were rolled forward from the prior valuation based on the medical trend rate assumptions. The mortality assumptions have been updated based upon the most recent mortality study issued by the Society of Actuaries. To reflect the provisions of the Secure Act, we have removed the excise tax provision from the trend assumption. In 2020, estimated annual claim costs were rolled forward from the prior valuation based on the medical trend rate assumptions. The mortality assumptions have been updated based upon the most recent mortality study issued by the Society of Actuaries. To reflect the provisions of the Secure Act, we have removed the excise tax provision from the trend assumption.

Changes in Assumptions. In 2019, amounts reported as changes in assumptions resulted primarily from adjustments to the retirement rate assumptions and the mortality assumptions based upon the most recent mortality study issued by the Society of Actuaries to be gender distinct and reflect generational mortality improvement.

Notes to Schedule of Contributions

GASB 74 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Valuation Date	Actuarially determined contribution rates are calculated as of March 31, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Individual Entry-Age Normal Actuarial Cost Method - Level Percent of Pay
Amortization method	Level percent of payroll
Remaining amortization period	28 years
Asset valuation method	Market value of assets
Health care inflation rates	5.00% (changing each year starting 2030 until the rate reaches 4.40%)
Salary increases	2.50% in the long-term
Investment rate of return	6.00%

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Notes to Required Supplementary Information

Postemployment Healthcare Plan - Retiree Health Trust

Retirement age	Age-based table of rates that are specific to the type of eligibility condition, which are based on retirement income replacement.
Mortality	RP-2014 Mortality Tables (Healthy Annuitant, Employee, and Disabled, as appropriate) projected back to 2006 base year using Projection Scale MP-2014 (male and female, as appropriate) with generational projection using Projection Scale MP-2018.

Notes to Schedule of Investment Returns

GASB 74 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

These financial statements provide a more detailed view of the "Basic Financial Statements" presented in the preceding subsection.

Combining statements are presented when there is more than one fund of a given fund type. Individual fund statements are presented when there is only one fund of a given type. They are also necessary to present budgetary comparisons.

GENERAL FUND

The general fund accounts for all revenues and expenditures used to finance the traditional services associated with Township government, which are not accounted for and reported in other funds. In the Township these services include elections, data processing, motor pool, parks, public services, library and general administration services, and any other activity for which a special or capital projects fund has not been created.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues

Budget and Actual - General Fund
For the Year Ended March 31, 2022

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Property taxes				
Operating	\$ 1,247,260	\$ 1,247,260	\$ 1,260,860	\$ 13,600
Administration fee	487,216	487,216	507,022	19,806
Interest and penalties on delinquent taxes	15,000	15,000	14,969	(31)
Total property taxes	<u>1,749,476</u>	<u>1,749,476</u>	<u>1,782,851</u>	<u>33,375</u>
Licenses and permits				
Ordinance 229 fees-business	25,500	25,500	34,865	9,365
Mobile home fees	4,400	4,400	4,356	(44)
Peddler's permits	2,300	2,300	1,120	(1,180)
Miscellaneous	425	425	150	(275)
Franchise taxes	693,580	693,580	863,711	170,131
Total licenses and permits	<u>726,205</u>	<u>726,205</u>	<u>904,202</u>	<u>177,997</u>
Intergovernmental - Federal sources	<u>-</u>	<u>183,170</u>	<u>1,724,635</u>	<u>1,541,465</u>
Intergovernmental - State sources				
Sales tax - constitutional	3,440,000	3,440,000	4,272,593	832,593
Sales tax - statutory	144,396	144,396	146,328	1,932
Total intergovernmental - State sources	<u>3,584,396</u>	<u>3,584,396</u>	<u>4,418,921</u>	<u>834,525</u>
Charges for services				
Recreation fees	220,000	221,000	296,489	75,489
Sales	2,500	2,500	5,538	3,038
Administration fees	500	500	656	156
Zoning fees	6,800	6,800	13,475	6,675
Site review fees	10,000	45,000	29,109	(15,891)
Weed cutting	500	500	85	(415)
Other	500	500	800	300
Total charges for services	<u>240,800</u>	<u>276,800</u>	<u>346,152</u>	<u>69,352</u>
Fines and forfeits				
Parking	20,000	20,000	18,808	(1,192)
Circuit court	84,000	84,000	48,377	(35,623)
Ordinance	1,000	1,000	1,675	675
Total fines and forfeits	<u>105,000</u>	<u>105,000</u>	<u>68,860</u>	<u>(36,140)</u>
Special assessments				
Street lighting	422,000	422,000	430,309	8,309
Other	40,000	40,000	15,820	(24,180)
Total special assessments	<u>462,000</u>	<u>462,000</u>	<u>446,129</u>	<u>(15,871)</u>
Interest	<u>10,000</u>	<u>10,000</u>	<u>5,311</u>	<u>(4,689)</u>
Other				
Vehicles and equipment	1,585	1,585	22,183	20,598
Rent	71,286	71,286	86,693	15,407
Donations-private sources	1,600	1,600	8,150	6,550
Other miscellaneous	87,742	87,742	104,190	16,448
Total other	<u>162,213</u>	<u>162,213</u>	<u>221,216</u>	<u>59,003</u>
Total revenues	<u>\$ 7,040,090</u>	<u>\$ 7,259,260</u>	<u>\$ 9,918,277</u>	<u>\$ 2,659,017</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Expenditures

Budget and Actual - General Fund
For the Year Ended March 31, 2022

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
General government				
Township board				
Fees and per diem	\$ 22,454	\$ 22,454	\$ 22,454	\$ -
Supplies	200	250	200	(50)
Dues and conferences	18,889	19,887	13,589	(6,298)
Total township board	41,543	42,591	36,243	(6,348)
Township supervisor				
Salaries and wages	20,902	20,902	20,901	(1)
Miscellaneous	1,774	1,849	891	(958)
Total township supervisor	22,676	22,751	21,792	(959)
Township manager				
Salaries and wages	257,896	266,000	266,250	250
Supplies	2,140	2,890	1,997	(893)
Contractual service	22,000	80,400	22,404	(57,996)
Education and training	8,293	8,293	5,520	(2,773)
Miscellaneous	1,336	2,307	1,979	(328)
Total township manager	291,665	359,890	298,150	(61,740)
Fiscal services				
Salaries and wages	232,549	232,549	227,212	(5,337)
Supplies	1,430	29,200	27,815	(1,385)
Education and training	3,779	12,579	12,832	253
Miscellaneous	820	1,145	991	(154)
Total fiscal services	238,578	275,473	268,850	(6,623)
Elections/clerk				
Elections:				
Salaries and wages	46,451	49,600	53,257	3,657
Supplies	2,000	8,752	1,545	(7,207)
Computer services and maintenance	11,777	11,777	21	(11,756)
Education and training	200	200	-	(200)
Clerk:				
Salaries	94,249	95,730	99,606	3,876
Supplies	1,600	2,102	1,967	(135)
Contractual services	11,200	10,698	7,131	(3,567)
Education and training	5,100	5,100	3,399	(1,701)
Equipment repairs	200	760	126	(634)
Miscellaneous	-	50	49	(1)
Total elections/clerk	172,777	184,769	167,101	(17,668)

continued...

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Expenditures

Budget and Actual - General Fund
For the Year Ended March 31, 2022

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
General government (continued)				
Data processing				
Consultant services	\$ 40,830	\$ 82,746	\$ 68,228	\$ (14,518)
Repairs and maintenance	17,600	17,600	17,108	(492)
Supplies	1,950	4,350	2,205	(2,145)
Internet services	13,788	20,178	16,948	(3,230)
Equipment	2,000	2,000	470	(1,530)
Total data processing	<u>76,168</u>	<u>126,874</u>	<u>104,959</u>	<u>(21,915)</u>
Assessors				
Salaries and wages	320,337	325,089	325,052	(37)
Supplies	30,733	36,300	33,156	(3,144)
Contractual services	240	390	390	-
Miscellaneous	12,000	12,400	8,928	(3,472)
Repairs and maintenance	500	1,100	442	(658)
Education and training	4,725	4,725	3,249	(1,476)
Equipment	-	3,679	1,876	(1,803)
Total assessors	<u>368,535</u>	<u>383,683</u>	<u>373,093</u>	<u>(10,590)</u>
Township attorney	<u>130,000</u>	<u>155,000</u>	<u>153,559</u>	<u>(1,441)</u>
Board of review				
Fees and per diem	2,880	2,880	2,280	(600)
Miscellaneous	1,990	1,990	879	(1,111)
Total board of review	<u>4,870</u>	<u>4,870</u>	<u>3,159</u>	<u>(1,711)</u>
Treasurer's office				
Salaries	141,465	143,751	143,705	(46)
Supplies	1,000	1,600	989	(611)
Repairs and maintenance	-	120	157	37
Education and training	1,700	1,700	477	(1,223)
Miscellaneous	350	500	154	(346)
Total treasurer's office	<u>144,515</u>	<u>148,371</u>	<u>145,849</u>	<u>(2,522)</u>
Township property				
Salaries	29,453	30,307	34,772	4,465
Postage	17,000	17,000	16,219	(781)
Operating supplies	13,842	16,362	14,093	(2,269)
Telephone	15,800	15,800	15,440	(360)
Insurance	72,000	72,000	58,317	(13,683)
Public utilities	40,000	40,000	34,789	(5,211)
Repairs and maintenance	38,000	36,600	34,647	(1,953)
Miscellaneous	-	-	142	142
Total township property	<u>226,095</u>	<u>228,069</u>	<u>208,419</u>	<u>(19,650)</u>

continued...

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Expenditures

Budget and Actual - General Fund
For the Year Ended March 31, 2022

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
General government (concluded)				
Motor vehicle - equipment pool				
Supplies	\$ 15,500	\$ 15,500	\$ 16,241	\$ 741
Gas and oil	25,000	35,000	11,900	(23,100)
Repairs and maintenance	13,000	13,000	8,851	(4,149)
Insurance	29,000	29,000	17,409	(11,591)
Equipment	32,500	32,500	32,293	(207)
Miscellaneous	2,300	2,300	1,500	(800)
Total motor vehicle - equipment pool	<u>117,300</u>	<u>127,300</u>	<u>88,194</u>	<u>(39,106)</u>
Less: administration reimbursement	<u>(884,594)</u>	<u>(884,594)</u>	<u>(875,686)</u>	<u>8,908</u>
Other				
Social security - township share	189,638	193,188	170,194	(22,994)
Health insurance - cash benefit	18,720	18,720	18,090	(630)
Hospitalization insurance	488,464	488,464	488,460	(4)
Life insurance	9,372	9,372	9,372	-
Disability insurance	28,779	28,779	28,442	(337)
Retirement contribution	363,259	363,259	347,790	(15,469)
Retiree health	159,895	161,089	160,976	(113)
Unemployment compensation	1,000	1,000	195	(805)
Workmen's compensation insurance	50,000	72,500	72,162	(338)
Less: workmen's compensation dividend	-	-	(14,482)	(14,482)
Miscellaneous	262,400	169,807	47,732	(122,075)
Total other	<u>1,571,527</u>	<u>1,506,178</u>	<u>1,328,931</u>	<u>(177,247)</u>
Total general government	<u>2,521,655</u>	<u>2,681,225</u>	<u>2,322,613</u>	<u>(358,612)</u>
Public safety				
Parking enforcement				
Salaries	17,460	17,530	17,015	(515)
Supplies	250	250	63	(187)
Miscellaneous	5,000	6,039	6,075	36
Total public safety	<u>22,710</u>	<u>23,819</u>	<u>23,153</u>	<u>(666)</u>
Community and economic development				
Housing inspection				
Salaries	17,263	17,750	13,484	(4,266)
Services-maintenance	40,000	40,000	14,603	(25,397)
Miscellaneous	204	210	190	(20)
Total housing inspection	<u>57,467</u>	<u>57,960</u>	<u>28,277</u>	<u>(29,683)</u>

continued...

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Expenditures

Budget and Actual - General Fund
For the Year Ended March 31, 2022

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Community and economic development (concluded)				
Planning				
Planning department:				
Salaries and wages	\$ 359,792	\$ 360,792	\$ 343,864	\$ (16,928)
Operating supplies	7,754	7,754	4,537	(3,217)
Contractual services	43,903	93,903	70,076	(23,827)
Development plan	5,000	61,500	25,987	(35,513)
Education and training	4,600	6,455	3,848	(2,607)
Miscellaneous	6,500	10,000	7,758	(2,242)
Zoning board of appeals:				
Wages	1,260	1,260	450	(810)
Education and training	2,700	2,700	-	(2,700)
Total planning	<u>431,509</u>	<u>544,364</u>	<u>456,520</u>	<u>(87,844)</u>
Economic Development				
Planning department:				
Contractual services	-	100,100	78,264	(21,836)
Total community and economic development	<u>488,976</u>	<u>702,424</u>	<u>563,061</u>	<u>(139,363)</u>
Highway and streets				
Department of public services				
Salaries	487,796	487,796	452,999	(34,797)
Operating supplies	21,450	21,650	21,237	(413)
Contractual services	22,980	26,685	23,660	(3,025)
Education and training	1,500	1,500	101	(1,399)
Miscellaneous	500	1,400	1,293	(107)
Total department of public services	<u>534,226</u>	<u>539,031</u>	<u>499,290</u>	<u>(39,741)</u>
Sidewalks				
Repairs	50,000	50,000	-	(50,000)
Miscellaneous	500	500	-	(500)
Total sidewalks	<u>50,500</u>	<u>50,500</u>	<u>-</u>	<u>(50,500)</u>
Road construction and resurfacing				
County Road Commission	154,950	155,450	76,210	(79,240)
Street lighting	<u>435,000</u>	<u>468,000</u>	<u>452,733</u>	<u>(15,267)</u>
Total highway and streets	<u>1,174,676</u>	<u>1,212,981</u>	<u>1,028,233</u>	<u>(184,748)</u>
Public works				
Drains - public benefit				
Storm water authority	86,429	87,910	87,795	(115)
Drains-at-large	15,000	27,000	26,050	(950)
Total public works	<u>101,429</u>	<u>114,910</u>	<u>113,845</u>	<u>(1,065)</u>

continued...

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Expenditures

Budget and Actual - General Fund
For the Year Ended March 31, 2022

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Recreation and culture				
Parks and recreation				
Salaries	\$ 462,050	\$ 467,721	\$ 442,074	\$ (25,647)
Officials	55,000	55,000	42,493	(12,507)
Operating supplies	42,500	42,500	34,047	(8,453)
Contractual services	12,775	14,630	13,786	(844)
Public utilities	56,900	58,212	47,714	(10,498)
Repairs and maintenance - equipment	169,700	174,700	117,247	(57,453)
Miscellaneous	5,550	6,568	6,688	120
Education and training	1,230	1,324	374	(950)
Total parks and recreation	805,705	820,655	704,423	(116,232)
Center courts				
Salaries	120,654	120,654	105,591	(15,063)
Operating supplies	18,200	18,200	13,826	(4,374)
Contractual services	2,515	2,520	2,368	(152)
Public utilities	65,876	66,026	61,197	(4,829)
Repairs and maintenance	66,600	66,600	57,537	(9,063)
Equipment	-	701	701	-
Total center courts	273,845	274,701	241,220	(33,481)
Library				
Salaries - maintenance	27,568	27,568	25,863	(1,705)
Supplies - operating	7,500	7,500	6,681	(819)
Services - Public Libraries of Saginaw	634,526	634,526	634,526	-
Public utilities	29,000	29,000	27,093	(1,907)
Repairs and maintenance	20,500	20,500	17,698	(2,802)
Total library	719,094	719,094	711,861	(7,233)
Total recreation and culture	1,798,644	1,814,450	1,657,504	(156,946)
Total expenditures	\$ 6,108,090	\$ 6,549,809	\$ 5,708,409	\$ (841,400)

concluded.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for revenues derived from specific taxes or other "earmarked" revenue sources. The Township utilizes the following special revenue funds:

Community Development - This fund was established in April 2000 to comply with regulations issued for compliance with PA 245 of Michigan Public Acts of 1999. It accounts for the revenues and expenditures for construction site plan review, inspection, and construction code enforcement.

Art in Public Places - This fund is used to account for private donations received to fund an annual art show and display art works throughout the year at the township office.

Capital Project Funds

Fire Improvement - This fund was established in 1983 to purchase fire equipment, construct fire stations and other major capital outlay. Funding is currently received from the fire protection tax levy. For the fiscal year end 2022, the Fire Improvement fund was moved from a Special Revenue Fund to a Capital Project fund.

Building Capital Improvement - This fund was established in 2009 to receive transfers from the general, fire and police funds. The fund accounts for renovations made to various Township buildings.

Parks - This fund was established to construct park improvements from the proceeds of the sale of property adjacent to the Harvey Randall Wickes Recreational Complex.

Special Assessment Revolving - This fund was established by the 1985-86 budget resolution to receive transfers from the general fund consisting of balances on closed out water and sewer special assessment debt service funds. These monies are used to finance construction of public improvements supported by special assessments.

Debt Service Fund

Special Assessment - This fund was established in fiscal year 2019-20 to account for the collection of special assessment principal and interest payments designated for repayment of special assessment debt issued.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

March 31, 2022

	Special Revenue Funds	
	Community Development	Art In Public Places
Assets		
Cash and investment pool	\$ 311,158	\$ 5,850
Accounts receivable	789	-
Taxes receivable	-	-
Special assessments receivable	-	-
Due from other funds	1,601	-
Due from other governmental units	-	-
Prepays	275	-
Total assets	<u>\$ 313,823</u>	<u>\$ 5,850</u>
Liabilities		
Accounts payable	\$ 1,179	\$ -
Accrued liabilities	8,158	-
Due to other funds	-	-
Unearned revenue	-	2,950
Total liabilities	<u>9,337</u>	<u>2,950</u>
Deferred inflows of resources		
Unavailable revenue - special assessments	-	-
Fund balances		
Nonspendable	275	-
Restricted	304,211	2,900
Committed	-	-
Assigned	-	-
Total fund balances	<u>304,486</u>	<u>2,900</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 313,823</u>	<u>\$ 5,850</u>



Capital Projects Funds				Debt Service	
Fire Improvement	Building Capital Improvement	Parks	Special Assessment Revolving	Special Assessment	Total
\$ 1,005,080	\$ 94,913	\$ 12,054	\$ 577,770	\$ 69,620	\$ 2,076,445
-	-	-	-	-	789
20,365	-	-	-	-	20,365
-	-	-	475,561	443,258	918,819
-	-	-	-	-	1,601
-	-	-	4,129	4,038	8,167
-	-	-	-	-	275
<u>\$ 1,025,445</u>	<u>\$ 94,913</u>	<u>\$ 12,054</u>	<u>\$ 1,057,460</u>	<u>\$ 516,916</u>	<u>\$ 3,026,461</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,179
-	-	-	-	-	8,158
-	-	-	-	200	200
-	-	-	-	-	2,950
-	-	-	-	200	12,487
-	-	-	475,561	443,258	918,819
-	-	-	-	-	275
1,025,445	-	-	-	73,458	1,406,014
-	-	-	581,899	-	581,899
-	94,913	12,054	-	-	106,967
<u>1,025,445</u>	<u>94,913</u>	<u>12,054</u>	<u>581,899</u>	<u>73,458</u>	<u>2,095,155</u>
<u>\$ 1,025,445</u>	<u>\$ 94,913</u>	<u>\$ 12,054</u>	<u>\$ 1,057,460</u>	<u>\$ 516,916</u>	<u>\$ 3,026,461</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended March 31, 2022

	Special Revenue Funds	
	Community Development	Art In Public Places
Revenues		
Property taxes	\$ -	\$ -
Licenses and permits	488,348	-
Charges for services	-	309
Special assessments	-	-
Interest	113	2
Other	4,257	800
Total revenues	<u>492,718</u>	<u>1,111</u>
Expenditures		
Current:		
Public works	-	-
Community development	407,800	-
Recreation and culture	-	20
Debt service:		
Principal	-	-
Interest	-	-
Capital outlay	-	-
Total expenditures	<u>407,800</u>	<u>20</u>
Net change in fund balances	84,918	1,091
Fund balances, beginning of year	<u>219,568</u>	<u>1,809</u>
Fund balances, end of year	<u><u>\$ 304,486</u></u>	<u><u>\$ 2,900</u></u>

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Capital Projects Funds				Debt Service	
Fire Improvement	Building Capital Improvement	Parks	Special Assessment Revolving	Special Assessment	Total
\$ 502,060	\$ -	\$ -	\$ -	\$ -	\$ 502,060
-	-	-	-	-	488,348
-	8,264	-	-	-	8,573
-	-	-	89,669	54,727	144,396
256	34	5	23,031	19,854	43,295
2,000	-	-	-	-	7,057
504,316	8,298	5	112,700	74,581	1,193,729
-	-	-	1,650	-	1,650
-	-	-	-	-	407,800
-	-	-	-	-	20
-	-	-	-	51,000	51,000
-	-	-	-	11,473	11,473
14,450	-	-	-	-	14,450
14,450	-	-	1,650	62,473	486,393
489,866	8,298	5	111,050	12,108	707,336
535,579	86,615	12,049	470,849	61,350	1,387,819
\$ 1,025,445	\$ 94,913	\$ 12,054	\$ 581,899	\$ 73,458	\$ 2,095,155

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Community Development

For the Year Ended March 31, 2022

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Licenses and permits	\$ 346,500	\$ 346,500	\$ 488,348	\$ 141,848
Interest	300	300	113	(187)
Other	300	5,900	4,257	(1,643)
Total revenues	<u>347,100</u>	<u>352,700</u>	<u>492,718</u>	<u>140,018</u>
Expenditures				
Community development:				
Current:				
Salaries and wages	313,928	319,709	315,732	(3,977)
Supplies	1,750	1,750	673	(1,077)
Contractual services	53,455	60,055	50,081	(9,974)
Repairs and maintenance	800	800	1,099	299
Training and education	3,135	3,135	2,959	(176)
Office equipment	-	1,075	1,075	-
Miscellaneous	39,836	37,761	36,181	(1,580)
Total expenditures	<u>412,904</u>	<u>424,285</u>	<u>407,800</u>	<u>(16,485)</u>
Net change in fund balance	(65,804)	(71,585)	84,918	156,503
Fund balance, beginning of year	<u>219,568</u>	<u>219,568</u>	<u>219,568</u>	<u>-</u>
Fund balance, end of year	<u>\$ 153,764</u>	<u>\$ 147,983</u>	<u>\$ 304,486</u>	<u>\$ 156,503</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Art in Public Places

For the Year Ended March 31, 2022

	Original Budget	Amended Budget	Actual	Actual Over (Under) Amended Budget
Revenues				
Charges for services	\$ 1,960	\$ 1,960	\$ 309	\$ (1,651)
Interest	10	10	2	(8)
Other	5,000	5,000	800	(4,200)
Total revenues	6,970	6,970	1,111	(5,859)
Expenditures				
Current:				
Recreation and culture	7,875	7,875	20	(7,855)
Net change in fund balance	(905)	(905)	1,091	1,996
Fund balance, beginning of year	1,809	1,809	1,809	-
Fund balance, end of year	<u>\$ 904</u>	<u>\$ 904</u>	<u>\$ 2,900</u>	<u>\$ 1,996</u>

INTERNAL SERVICE FUNDS

The Township uses the following internal service funds:

Health Benefit - This fund was created in 1981 to account for the receipt of revenues from the various operating funds of the Township to be used for payment of employee health benefits, short-term disability income, and third party processing costs and reinsurance.

MMRMA Self Insurance - This fund receives contributions from the other Township funds for property and liability self insurance and is used to account for transactions made on behalf of the Township by the Michigan Municipal Risk Management Authority.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

March 31, 2022

	Health Benefit	MMRMA Self Insurance	Total
Assets (all current)			
Cash and investment pool	\$ 1,659,928	\$ 198,907	\$ 1,858,835
Prepays	-	-	-
Total assets	<u>1,659,928</u>	<u>198,907</u>	<u>1,858,835</u>
Liabilities (all current)			
Accounts payable	68,371	54,402	122,773
Unearned revenue	360	-	360
Total liabilities	<u>68,731</u>	<u>54,402</u>	<u>123,133</u>
Net position			
Unrestricted	<u>\$ 1,591,197</u>	<u>\$ 144,505</u>	<u>\$ 1,735,702</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Year Ended March 31, 2022

	Health Benefit	MMRMA Self Insurance	Total
Operating revenues			
Charges for services	\$ 2,695,080	\$ 584,169	\$ 3,279,249
Operating expenses			
Administration	-	385,339	385,339
Property and liability claims	-	52,399	52,399
Health insurance benefit claims	2,276,022	-	2,276,022
Other services and charges	-	5,035	5,035
Total operating expenses	<u>2,276,022</u>	<u>442,773</u>	<u>2,718,795</u>
Operating income	419,058	141,396	560,454
Nonoperating revenues			
Interest revenue	<u>30</u>	<u>3,109</u>	<u>3,139</u>
Change in net position	419,088	144,505	563,593
Net position, beginning of year	<u>1,172,109</u>	<u>-</u>	<u>1,172,109</u>
Net position, end of year	<u>\$ 1,591,197</u>	<u>\$ 144,505</u>	<u>\$ 1,735,702</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended March 31, 2022

	Health Benefit	MMRMA Self Insurance	Total
Cash flows from operating activities			
Cash received from employees and retirees	\$ 246,685	\$ -	\$ 246,685
Cash received from interfund services	2,730,175	589,805	3,319,980
Cash payments to suppliers for goods and services	(2,103,560)	(424,008)	(2,527,568)
Net cash provided by (used in) operating activities	873,300	165,797	1,039,097
Cash flows from investing activities			
Interest received	30	3,109	3,139
Net increase (decrease) in cash and investment pool	873,330	168,906	1,042,236
Cash and investment pool, beginning of year	786,598	30,001	816,599
Cash and investment pool, end of year	\$ 1,659,928	\$ 198,907	\$ 1,858,835
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 419,058	\$ 141,396	\$ 560,454
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in operating assets and liabilities that provided (used) cash:			
Due from other funds	281,780	5,636	287,416
Prepays	141,807	-	141,807
Accounts payable	32,198	18,765	50,963
Accrued liabilities	(1,543)	-	(1,543)
Net cash provided by (used in) operating activities	\$ 873,300	\$ 165,797	\$ 1,039,097

Fiduciary Funds

The Township uses the following fiduciary funds - custodial funds:

Tax Collection - This fund is used to account for property tax collections and subsequent distribution to the Township's General, Police and Fire Operating and Capital funds, as well as other various taxing entities.

Bay Area Narcotics Enforcement Team (BAYANET) - This fund accounts for deposits and distributions made by BAYANET.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds - Custodial Funds

March 31, 2022

	Tax Collection Fund	BAYANET Fund	Total
Assets			
Cash and cash equivalents	\$ 103,673	\$ 1,711,934	\$ 1,815,607
Liabilities			
Due to others	1,662	-	1,662
Due to other governmental units	102,011	-	102,011
Total liabilities	103,673	-	103,673
Net position restricted for other organizations	<u>\$ -</u>	<u>\$ 1,711,934</u>	<u>\$ 1,711,934</u>

The accompanying notes are an integral part of these basic financial statements.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds - Custodial Funds
For the Year Ended March 31, 2022

	Tax Collection Fund	BAYANET Fund	Total
Additions			
Taxes collected for other governments	\$ 61,195,627	\$ -	\$ 61,195,627
Forfeitures	-	1,711,934	1,711,934
Total additions	<u>61,195,627</u>	<u>1,711,934</u>	<u>62,907,561</u>
Deductions			
Payments of taxes to other governments	<u>61,195,627</u>	<u>-</u>	<u>61,195,627</u>
Total deductions	<u>61,195,627</u>	<u>-</u>	<u>61,195,627</u>
Change in net position	-	1,711,934	1,711,934
Net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net position, end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,711,934</u></u>	<u><u>\$ 1,711,934</u></u>

The accompanying notes are an integral part of these basic financial statements.

STATISTICAL SECTION

Statistical tables differ from the financial statements because they usually cover more than one year and may present non-accounting data. These tables reflect social and economic data, financial trends and the fiscal capability of the Township.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Statistical Section Table of Contents

This part of the Township's Annual Comprehensive Financial Report presents detailed information to assist the user in understanding what the financial statements, note disclosures and required supplementary information say about the overall economic condition of Saginaw Charter Township.

	<u>Page</u>
Financial Trends Tables 1-4	These schedules contain trend information to help the reader understand and evaluate how the Township's financial condition, performance and well-being have changed over time. 112-120
Revenue Capacity Tables 5-9	These schedules contain information to help the reader assess the Township's ability to generate its most significant local revenue source, the property tax. 122-129
Debt Capacity Tables 10-13	These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and its ability to issue additional debt in the future. 131-135
Demographic and Economic Information Table 14-15	These schedules present various demographic and economic indicators to help the reader understand the environment within which the Township operates and how they affect the Township's financial activities. 136-137
Operating Information Tables 16-18	These schedules contain information about the Township's operations and resources to help the reader understand how the information in the Township's financial report relates to the services the Township provides and the activities it performs. 138-142

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 12,050,162	\$ 12,332,959	\$ 11,971,309	\$ 12,535,467
Restricted	5,309,504	4,066,819	4,212,572	5,914,023
Unrestricted (deficit)	4,636,419	4,008,643	5,611,231	(2,270,339)
Total governmental activities net position	21,996,085	20,408,421	21,795,112	16,179,151
Business-type activities				
Net investment in capital assets	39,336,705	38,486,362	37,959,130	37,055,679
Unrestricted	8,911,212	9,189,951	9,718,693	11,448,886
Total business-type activities net position	48,247,917	47,676,313	47,677,823	48,504,565
Primary government				
Net investment in capital assets	51,386,867	50,819,321	49,930,439	49,591,146
Restricted	5,309,504	4,066,819	4,212,572	5,914,023
Unrestricted	13,547,631	13,198,594	15,329,924	9,178,547
Total primary government net position	\$ 70,244,002	\$ 68,084,734	\$ 69,472,935	\$ 64,683,716

Table 1
Unaudited

2017	2018	2019	2020	2021	2022
\$ 12,026,817	\$ 12,721,806	\$ 12,428,831	\$ 12,560,163	\$ 12,697,918	\$ 11,962,252
8,040,255	3,703,035	4,841,751	6,397,940	5,507,191	7,845,711
(377,256)	4,918,549	4,992,573	4,052,863	8,324,423	13,074,683
19,689,816	21,343,390	22,263,155	23,010,966	26,529,532	32,882,646
36,255,061	36,050,315	35,813,491	35,728,229	36,467,355	38,784,705
12,077,712	12,670,024	12,981,664	13,235,679	12,884,231	12,917,768
48,332,773	48,720,339	48,795,155	48,963,908	49,351,586	51,702,473
48,281,878	48,772,121	48,242,322	48,288,392	49,165,273	50,746,957
8,040,255	3,703,035	4,841,751	6,397,940	5,507,191	7,845,711
11,700,456	17,588,573	17,974,237	17,288,542	21,208,654	25,992,451
\$ 68,022,589	\$ 70,063,729	\$ 71,058,310	\$ 71,974,874	\$ 75,881,118	\$ 84,585,119

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2014	2015	2016
Expenses				
Governmental activities				
General government	\$ 2,926,236	\$ 2,909,911	\$ 2,288,834	\$ 2,330,484
Public safety	8,080,467	8,293,347	8,453,387	8,969,486
Public works	1,616,090	1,793,059	1,839,469	1,965,834
Highway and streets	1,007,096	1,542,996	1,095,794	1,411,497
Community development	435,179	410,085	487,366	460,305
Recreation and culture	2,061,903	1,448,412	2,059,299	2,031,047
Total governmental activities expenses	16,126,971	16,397,810	16,224,149	17,168,653
Business-type activities:				
Sewer	5,833,084	6,240,183	6,341,458	6,299,380
Water	5,247,437	5,338,405	5,071,970	5,271,567
Total business-type activities expenses	11,080,521	11,578,588	11,413,428	11,570,947
Total primary government expenses	27,207,492	27,976,398	27,637,577	28,739,600
Program Revenues				
Governmental activities:				
Charges for services:				
General government	379,741	346,813	665,733	731,223
Public safety	215,901	221,780	270,258	264,572
Public works	1,591,170	1,597,724	1,599,655	1,920,248
Highways and streets	481,598	497,732	445,762	453,167
Community development	385,524	361,747	391,297	399,139
Recreation and culture	403,289	391,857	376,686	365,870
Operating grants and contributions	367,713	571,155	264,073	216,932
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	3,824,936	3,988,808	4,013,464	4,351,151
Business-type activities:				
Charges for services:				
Sewer	5,488,665	5,664,342	6,008,509	5,716,178
Water	5,335,282	5,304,823	5,216,657	5,282,624
Operating grants and contributions	-	-	-	-
Capital grants and contributions	216,507	155,792	60,159	292,350
Total business-type activities program revenues	11,040,454	11,124,957	11,285,325	11,291,152
Total primary government program revenues	14,865,390	15,113,765	15,298,789	15,642,303

Table 2
Unaudited

2017	2018	2019	2020	2021	2022
\$ 2,043,268	\$ 2,052,181	\$ 2,442,534	\$ 2,703,779	\$ 2,050,269	\$ 1,833,448
7,037,309	9,261,442	9,239,730	10,239,639	9,220,814	8,679,924
1,949,376	2,407,270	2,871,108	3,619,052	2,460,598	2,488,001
1,127,782	1,144,157	1,102,729	1,218,721	1,196,705	1,067,067
486,745	400,651	371,848	378,160	386,142	457,235
2,051,003	2,010,978	2,104,783	2,104,054	1,806,970	1,892,263
14,695,483	17,276,679	18,132,732	20,263,405	17,121,498	16,417,938
6,457,734	6,552,273	6,627,595	6,365,158	6,522,185	5,549,680
5,851,044	6,055,724	5,879,273	6,405,594	6,932,251	7,130,334
12,308,778	12,607,997	12,506,868	12,770,752	13,454,436	12,680,014
27,004,261	29,884,676	30,639,600	33,034,157	30,575,934	29,097,952
654,849	698,720	729,802	754,598	836,532	679,293
232,647	242,490	305,125	337,715	310,622	197,998
1,943,342	2,273,002	2,395,787	3,418,918	2,253,128	2,389,976
402,405	437,312	495,667	421,873	411,498	430,309
429,103	434,275	470,662	359,771	383,233	492,605
366,555	368,056	358,544	337,148	171,237	399,106
117,016	110,652	119,752	109,348	859,106	1,837,255
-	-	-	-	17,675	-
4,145,917	4,564,507	4,875,339	5,739,371	5,243,031	6,426,542
5,886,653	6,242,080	6,264,581	6,413,052	6,594,895	6,923,924
6,140,901	6,339,841	6,460,204	6,357,793	6,959,527	7,110,690
-	-	-	-	10,471	-
54,669	344,528	-	67,277	198,373	951,159
12,082,223	12,926,449	12,724,785	12,838,122	13,763,266	14,985,773
16,228,140	17,490,956	17,600,124	18,577,493	19,006,297	21,412,315

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2014	2015	2016
Net (expense)/revenue				
Governmental activities	\$ (12,302,035)	\$ (12,409,002)	\$ (12,210,685)	\$ (12,817,502)
Business-type activities	(40,067)	(453,631)	(128,103)	(279,795)
Total primary government net expense	<u>(12,342,102)</u>	<u>(12,862,633)</u>	<u>(12,338,788)</u>	<u>(13,097,297)</u>
General revenues				
Governmental activities:				
Property taxes	6,422,463	6,406,329	9,466,064	9,772,762
Grants and contributions not restricted to specific programs	2,973,296	3,025,985	3,282,325	3,213,789
Unrestricted investment earnings	61,473	34,195	19,427	14,204
Franchise taxes	696,824	729,752	771,698	785,718
Miscellaneous	53,814	62,736	57,892	61,596
Transfers - internal activities	218,000	229,856	-	-
Total governmental activities	<u>10,425,870</u>	<u>10,488,853</u>	<u>13,597,406</u>	<u>13,848,069</u>
Business-type activities:				
Unrestricted investment earnings	9,152	8,260	25,855	43,885
Gain on sale of capital assets	-	-	-	-
Miscellaneous	76,457	66,206	103,758	96,498
Transfers - internal activities	(218,000)	(229,856)	-	-
Total business-type activities	<u>(132,391)</u>	<u>(155,390)</u>	<u>129,613</u>	<u>140,383</u>
Total primary government	<u>10,293,479</u>	<u>10,333,463</u>	<u>13,727,019</u>	<u>13,988,452</u>
Change in net position				
Governmental activities	(1,876,165)	(1,920,149)	1,386,721	1,030,567
Business-type activities	(172,458)	(609,021)	1,510	(139,412)
Total primary government	<u>\$ (2,048,623)</u>	<u>\$ (2,529,170)</u>	<u>\$ 1,388,231</u>	<u>\$ 891,155</u>

Table 2
Unaudited

2017	2018	2019	2020	2021	2022
\$ (10,549,566) (226,555)	\$ (12,712,172) 318,452	\$ (13,257,393) 217,917	\$ (14,524,034) 67,370	\$ (11,878,467) 308,830	\$ (9,991,396) 2,305,759
(10,776,121)	(12,393,720)	(13,039,476)	(14,456,664)	(11,569,637)	(7,685,637)
9,807,748	10,008,190	10,274,255	10,402,657	10,758,836	10,884,594
3,364,047	3,502,225	3,791,255	3,829,120	3,765,425	4,431,689
30,839	67,039	138,780	192,397	72,707	54,964
773,358	736,719	730,615	717,141	729,903	863,711
84,239	51,573	210,461	130,530	70,162	109,552
-	-	-	-	-	-
14,060,231	14,365,746	15,145,366	15,271,845	15,397,033	16,344,510
42,572	69,114	109,172	101,383	78,848	35,078
12,191	-	-	-	-	-
-	-	-	-	-	10,050
-	-	-	-	-	-
54,763	69,114	109,172	101,383	78,848	45,128
14,114,994	14,434,860	15,254,538	15,373,228	15,475,881	16,389,638
3,510,665	1,653,574	1,887,973	747,811	3,518,566	6,353,114
(171,792)	387,566	327,089	168,753	387,678	2,350,887
\$ 3,338,873	\$ 2,041,140	\$ 2,215,062	\$ 916,564	\$ 3,906,244	\$ 8,704,001

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2013	2014	2015	2016
General fund				
Nonspendable	\$ 257,463	\$ 221,839	\$ 215,751	\$ 233,197
Assigned	106,841	106,947	111,941	112,016
Unassigned	5,151,361	5,089,006	5,333,621	5,106,154
Total general fund	<u>\$ 5,515,665</u>	<u>\$ 5,417,792</u>	<u>\$ 5,661,313</u>	<u>\$ 5,451,367</u>
All other governmental funds				
Nonspendable	\$ 154,465	\$ 155,410	\$ 4,379	\$ 83,903
Restricted	5,155,039	4,066,214	4,212,572	5,836,495
Committed	-	-	923,174	954,071
Assigned	22,557	59,795	1,001,717	1,005,757
Total all other governmental funds	<u>\$ 5,332,061</u>	<u>\$ 4,281,419</u>	<u>\$ 6,141,842</u>	<u>\$ 7,880,226</u>

Table 3
Unaudited

2017	2018	2019	2020	2021	2022
\$ 215,184	\$ 176,173	\$ 53,907	\$ 61,445	\$ 46,924	\$ 66,248
112,016	112,091	34,975	79,420	34,975	34,975
5,209,857	5,894,685	6,543,598	6,519,596	7,587,926	10,846,470
<u>\$ 5,537,057</u>	<u>\$ 6,182,949</u>	<u>\$ 6,632,480</u>	<u>\$ 6,660,461</u>	<u>\$ 7,669,825</u>	<u>\$ 10,947,693</u>
\$ 102,918	\$ 60,676	\$ 15,759	\$ 12,207	\$ 19,908	\$ 16,678
7,943,412	2,648,099	4,538,317	5,817,347	4,989,657	7,386,050
979,983	791,854	550,161	343,862	470,849	581,899
1,005,937	120,296	233,088	216,007	2,711,173	2,525,216
<u>\$ 10,032,250</u>	<u>\$ 3,620,925</u>	<u>\$ 5,337,325</u>	<u>\$ 6,389,423</u>	<u>\$ 8,191,587</u>	<u>\$ 10,509,843</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2013	2014	2015	2016
Revenues				
Property taxes	\$ 6,877,313	\$ 6,880,790	\$ 9,889,748	\$ 10,206,759
Licenses and permits	1,144,719	1,151,056	1,223,704	1,245,303
Intergovernmental:				
Federal sources	63,216	363,723	32,846	-
State sources	3,108,758	3,139,771	3,338,768	3,244,259
Charges for services	1,978,825	1,973,572	1,999,074	2,308,549
Fines and forfeits	132,716	124,829	107,680	109,496
Special assessments	589,511	578,407	549,221	518,028
Interest	49,446	27,151	13,730	9,536
Other	466,727	412,712	509,355	580,414
Total revenues	14,411,231	14,652,011	17,664,126	18,222,344
Expenditures				
Current:				
General government	1,571,657	1,915,867	1,000,725	2,024,392
Public safety	8,964,704	7,587,756	8,265,739	8,841,810
Highway and streets	950,162	1,488,464	1,043,195	1,361,756
Public works	1,606,263	1,789,871	1,792,915	1,924,023
Community development	435,179	410,085	487,366	460,305
Recreation and culture	1,777,236	1,719,565	1,795,401	2,050,363
Other	1,096,630	1,118,780	1,174,835	31,257
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	16,401,831	16,030,388	15,560,176	16,693,906
Revenues over (under) expenditures	(1,990,600)	(1,378,377)	2,103,950	1,528,438
Other financing sources (uses)				
Transfers in	2,235,270	2,114,130	1,029,050	999,000
Transfers out	(2,017,270)	(1,884,274)	(1,029,050)	(999,000)
Bond proceeds	-	-	-	-
Total other financing sources (uses)	218,000	229,856	-	-
Net change in fund balances	\$ (1,772,600)	\$ (1,148,521)	\$ 2,103,950	\$ 1,528,438
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%

Table 4
Unaudited

2017	2018	2019	2020	2021	2022
\$ 10,249,332	\$ 10,742,782	\$ 10,742,782	\$ 10,890,128	\$ 11,269,571	\$ 11,406,585
1,262,504	1,262,117	1,262,117	1,138,451	1,170,234	1,421,701
-	-	-	-	790,085	1,729,166
3,385,226	3,649,152	3,800,702	3,836,123	3,794,991	4,444,138
2,316,441	2,307,960	2,307,960	2,539,664	2,502,308	2,782,671
103,192	108,380	108,380	100,063	53,314	68,860
482,783	873,421	734,246	887,382	604,259	590,525
25,143	130,887	130,887	184,749	69,761	51,825
399,920	537,345	676,520	586,566	538,867	413,127
18,224,541	19,612,044	19,763,594	20,163,126	20,793,390	22,908,598
2,294,986	2,311,944	2,518,948	2,850,270	2,405,999	2,322,613
8,275,014	8,639,029	8,638,520	8,826,701	8,943,061	8,587,384
1,123,632	1,094,607	1,095,116	1,175,116	1,155,162	1,028,233
1,935,617	2,828,254	2,828,254	3,552,511	2,405,651	2,429,263
486,745	371,848	371,848	382,851	389,842	970,861
1,838,623	1,831,079	1,831,079	1,822,066	1,532,148	1,657,524
32,160	35,003	35,003	-	-	-
-	239,041	239,041	998,296	1,071,625	227,725
-	-	-	-	36,000	51,000
-	39,854	39,854	35,754	42,374	37,871
-	-	-	22,482	-	-
15,986,777	17,390,659	17,597,663	19,666,047	17,981,862	17,312,474
2,237,764	2,221,385	2,165,931	497,079	2,811,528	5,596,124
990,380	932,000	932,000	932,000	1,032,000	932,000
(990,380)	(932,000)	(932,000)	(932,000)	(1,032,000)	(932,000)
-	-	-	583,000	-	-
-	-	-	583,000	-	-
\$ 2,237,764	\$ 2,221,385	\$ 2,165,931	\$ 1,080,079	\$ 2,811,528	\$ 5,596,124
0%	0%	0%	0%	0%	1%

Governmental Activities Tax Revenue by Year

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	Property Tax
2013	\$ 6,974,447
2014	6,978,344
2015	9,466,064
2016	9,772,762
2017	9,807,748
2018	10,008,190
2019	10,274,255
2020	10,402,657
2021	10,758,836
2022	10,884,594

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Assessed Value and Taxable Value of Property

Last Ten Fiscal Years

Fiscal Year Ended March 31,	Agricultural	Commercial	Industrial	Residential	Developmental
2013	\$ 411,800	\$ 354,302,100	\$ 6,905,900	\$ 810,471,200	\$ 7,696,500
2014	2,877,000	349,310,600	6,895,200	810,783,000	2,481,300 (2)
2015	2,960,200	338,933,900	7,002,100	822,132,200	2,393,100
2016	2,989,100	339,571,900	7,082,200	835,736,900	2,202,100
2017	3,059,500	341,526,900	7,354,700	850,733,500	2,202,100
2018	5,221,700	366,769,600	6,770,900	871,298,000	-
2019	5,126,200	377,967,900	6,584,000	875,525,400	-
2020	5,651,200	395,051,700	7,204,400	940,386,200	-
2021	5,778,500	387,849,900	7,178,200	993,407,200	-
2022	6,078,500	451,404,900	7,682,100	1,076,416,000	-

Source: Saginaw Charter Township Assessing Department

(1) Assessed values as of 3/31.

(2) A number of parcels were reclassified resulting in this change.

Table 6
Unaudited

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	Personal	Total Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Value as a Percentage of Assessed Value
\$	73,049,600	\$ 1,252,837,100	5.4155	\$ 1,225,459,905	97.81%
	74,969,600	1,247,316,700	5.4155	1,221,384,667	97.92%
	70,686,400	1,244,107,900	7.9311	1,217,378,338	97.85%
	72,088,100	1,259,670,300	8.1311	1,221,402,095	96.96%
	72,129,600	1,277,006,300	8.1311	1,223,170,035	95.78%
	71,543,200	1,321,603,400	8.2311	1,233,116,036	93.30%
	71,122,800	1,336,326,300	8.2311	1,262,076,777	94.44%
	71,945,000	1,420,238,500	8.2311	1,314,301,372	92.54%
	71,492,100	1,465,705,900	8.2311	1,333,540,075	90.98%
	72,229,800	1,613,811,300	8.2311	1,413,301,779	87.58%

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Property Tax Rates

Direct and Overlapping Governments

Last Ten Fiscal Years

Fiscal Year	Saginaw Charter Township (Direct)				Overlapping Rates
	Operating Millage (1)	Police Millage (1)	Fire Special Assessment	Total Township Millage	Saginaw County Operating
2013	0.9311	2.9844	1.5000	5.4155	8.5192
2014	0.9311	2.9844	1.5000	5.4155	8.3007
2015	0.9311	5.5000	1.5000	7.9311	8.4468
2016	0.9311	5.5000	1.7000	8.1311	8.7805
2017	0.9311	5.5000	1.7000	8.1311	8.8111
2018	0.9311	5.5000	1.8000	8.2311	8.8160
2019	0.9311	5.5000	1.8000	8.2311	9.3704
2020	0.9311	5.5000	1.8000	8.2311	9.5080
2021	0.9311	5.5000	1.8000	8.2311	10.3891
2022	0.9311	5.5000	1.8000	8.2311	10.6100

Source: Saginaw Charter Township Assessing Department

(1) Rates reduced to comply with the Headlee Amendment, except for year 2015 for Police Millage, as voters approved a new levy that was not reduced by Headlee

Non-homestead School Operating Millage	
2013	18.0000
2014	18.0000
2015	18.0000
2016	18.0000
2017	18.0000
2018	18.0000
2019	18.0000
2020	18.0000
2021	18.0000
2022	18.0000

The above millage rates apply only to non-homestead properties, and therefore are not included in the Total Direct and Overlapping Rates column above.

Source: Saginaw Charter Township Assessing Department

Table 7
Unaudited

Overlapping Rates				Total Direct & Overlapping Rates
Inter- mediate Schools	Delta Community College	State Education Tax	Saginaw Twp Schools Debt	
2.0872	2.0427	6.0000	2.8000	26.86460
2.0872	2.0427	6.0000	2.8000	26.64610
2.0872	2.0427	6.0000	2.9000	29.40780
2.0872	2.0427	6.0000	2.9000	29.94150
2.0872	2.0427	6.0000	2.9000	29.97210
2.0872	2.0427	6.0000	2.9000	30.07700
3.0872	2.0427	6.0000	2.9000	31.63140
3.0872	2.0427	6.0000	2.9000	31.76900
3.0872	2.0427	6.0000	3.9000	33.65010
3.0872	2.0427	6.0000	3.9000	33.87100

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Principal Property Taxpayers

March 31, 2022 and Nine Years Ago

Taxpayer	2022		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Consumers Energy	\$ 30,380,979	1	1.88%
JG Saginaw LLC / Fashion Square Mall Realty	12,315,987	2	0.76%
Andmark Township Square Apts LLC	8,816,500	3	0.55%
Milton Valley Center LLC	8,125,500	4	0.50%
BC Camelot Place LLC	7,909,500	5	0.49%
LPC Partnerts LC/Morley Companies	7,356,741	6	0.46%
Country Ridge Apartments LLC	6,205,800	7	0.38%
Wellspring Luthern Services	5,709,525	8	0.35%
Yes Lawndale LLC	5,663,319	9	0.35%
Andmark Township Court Apts LLC	5,007,600	10	0.31%
Bre DDR BR West Valley MI LLC			
Sears Roebuck & Company			
Wal-Mart Property			
Fox Glen Apartments			
Mill Creek Bradford			
Saginaw Control & Engineering			
Galileo Fashion Corner LLC			
Totals	<u>\$ 97,491,451</u>		<u>6.04%</u>

Source: Saginaw Charter Township Assessing Department

Table 8
Unaudited

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2013		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
\$ 17,701,700	2	1.44%
22,734,100	1	1.86%
4,782,400	4	0.39%
6,876,700	3	0.56%
4,325,200	5	0.35%
4,016,600	6	0.33%
3,785,500	7	0.31%
3,540,900	8	0.29%
3,500,200	9	0.29%
3,461,600	10	0.28%
<hr/>		
\$ 74,724,900		6.10%
<hr/>		

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended March 31,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquents Purchased by County Treasurer
		Amount	Percentage of Levy	
2013	\$ 6,524,397	\$ 6,254,941	95.87%	\$ 262,562
2014	6,494,644	6,248,789	96.21%	235,556
2015	9,520,062	9,150,191	96.11%	361,137
2016	9,780,292	9,355,631	95.66%	404,255
2017	9,799,523	9,373,768	95.66%	387,800
2018	9,997,793	9,625,376	96.28%	356,658
2019	10,237,415	9,857,722	96.29%	366,607
2020	10,398,108	10,015,060	96.32%	367,271
2021	10,691,328	10,262,914	95.99%	416,837
2022	10,824,568	10,384,883	95.94%	419,416

Source: Saginaw Charter Township Treasurer

(1) This information is not yet available.

Saginaw County reimburses the Township for all delinquent real property tax.

Delinquent personal property tax, interest, and penalty is collected in subsequent years.

Table 9
Unaudited

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		Total Collections to Date	
		Amount	Percentage of Levy
\$	3,527	\$ 6,521,030	99.95%
	7,193	6,491,538	99.95%
	6,065	9,517,393	99.97%
	13,785	9,773,671	99.93%
	14,655	9,776,223	99.76%
	14,304	9,996,338	99.99%
	9,087	10,233,416	99.96%
	15,432	10,397,763	100.00%
	6,934	10,686,685	99.96%
	(1)	(1)	(1)

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Table 10
Unaudited

Direct and Overlapping Debt

As of March 31, 2022

Governmental Unit	Debt Outstanding	Percentage Applicable to Saginaw Twp	Share of Overlapping Debt
Direct			
Township of Saginaw	\$ 5,433,771	100.00%	\$ 5,433,771
Less debt payable from enterprise revenues	(4,937,771)	100.00%	(4,937,771)
Net tax supported debt	496,000		496,000
Overlapping (1)			
Saginaw Township Schools	21,350,000	100.00%	21,350,000
Saginaw County	36,628,263	24.37%	8,926,308
TOTAL	\$ 57,978,263		\$ 30,276,308

(1) Sources: Debt outstanding and estimated share of overlapping debt provided by Municipal Advisory Council of Michigan.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Township. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Saginaw Charter Township. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Legal Debt Margin Information

Last Ten Fiscal Years

	2013	2014	2015	2016
Legal debt limit	\$ 125,283,710	\$ 124,731,670	\$ 124,410,790	\$ 125,967,030
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 125,283,710</u>	<u>\$ 124,731,670</u>	<u>\$ 124,410,790</u>	<u>\$ 125,967,030</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Note: Under state finance law Saginaw Charter Township's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Table 11
Unaudited

2017	2018	2019	2020	2021	2022
\$ 127,700,630	\$ 132,160,340	\$ 133,632,630	\$ 137,385,480	\$ 142,023,850	\$ 146,570,590
-	-	-	-	-	-
<u>\$ 127,700,630</u>	<u>\$ 132,160,340</u>	<u>\$ 132,160,340</u>	<u>\$ 137,385,480</u>	<u>\$ 142,023,850</u>	<u>\$ 146,570,590</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2022

State equalized value of real property	1,394,213,800
State equalized value of personal property	<u>71,492,100</u>
Total state equalized value	1,465,705,900
Debt limit (10% of total state equalized value)	146,570,590
Debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 146,570,590</u>

Pledged-Revenue Coverage

Last Ten Fiscal Years

Sewer Fund Revenue Bonds							
Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2013	\$ 5,807,393	\$ 3,977,324	\$ 1,830,069	\$ 701,241	\$ 334,319	\$ 1,035,560	1.77
2014	5,759,277	4,400,969	1,358,308	370,038	319,168	689,206	1.97
2015	6,101,671	4,407,527	1,694,144	482,173	301,936	784,109	2.16
2016	5,782,970	4,426,261	1,356,709	495,700	284,494	780,194	1.74
2017	5,916,511	4,737,296	1,179,215	497,133	265,562	762,695	1.55
2018	6,287,257	4,867,776	1,419,481	296,200	151,735	447,935	3.17
2019	6,330,252	4,998,797	1,331,455	400,702	184,463	585,165	2.28
2020	6,462,306	5,056,447	1,405,859	426,667	152,855	579,522	2.43
2021	6,635,281	5,389,238	1,246,043	424,431	185,296	609,727	2.04
2022	6,937,229	4,580,083	2,357,146	596,147	163,675	759,822	3.10

(1) Total operating revenues including interest and excluding capital contributions

(2) Total operating expenses exclusive of depreciation but including transfer to the general fund for administration

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended March 31,	Governmental Activities	Business-type Activities				Debt as a Percentage of Personal Income	Debt Per Capita
	Special Assessment Bonds	Revenue Bonds	Special Assessment Bonds	Installment Purchase	Total		
2013	\$ -	\$ 8,916,948	\$ 965,000	\$ 243,602	\$ 10,125,550	0.15%	\$ 247.93
2014	-	8,523,561	880,000	169,214	9,572,775	0.14%	234.40
2015	-	8,087,965	795,000	92,450	8,975,415	0.14%	219.77
2016	-	7,592,795	710,000	13,234	8,316,029	0.12%	203.62
2017	-	7,077,984	625,000	-	7,702,984	0.11%	188.61
2018	-	6,835,856	540,000	-	7,375,856	0.10%	180.60
2019	-	6,334,582	450,000	-	6,784,582	0.09%	166.13
2020	583,000	5,821,393	360,000	-	6,181,393	0.07%	151.36
2021	547,000	5,307,940	270,000	-	5,577,940	(1)	136.58
2022	496,000	4,937,771	-	-	4,937,771	(1)	118.47

See the schedule of Demographic and Economic Statistics on table 14 for personal income and population data.

(1) This information is not yet available.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Table 14

Unaudited

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)(3)	Per Capita Personal Income (3)	School Enrollment (4)	Unemployment Rate (5)
2013	40,840	\$ 6,465,883	\$ 32,855	4,788	4.50%
2014	40,840	6,655,431	34,086	4,721	4.50%
2015	40,840	6,926,110	35,828	4,697	3.30%
2016	40,840	7,069,810	36,722	4,717	2.90%
2017	40,840	7,158,836	37,286	4,731	2.90%
2018	40,840	7,394,256	38,754	4,677	3.20%
2019	40,840	7,723,177	40,533	4,803	2.90%
2020	41,679	8,606,416	45,328	4,864	2.30%
2021	41,679	(6)	(6)	4,706	3.70%
2022	41,679	(6)	(6)	4,669	3.10%

Data Sources:

(1) Population reflects the actual 2010 census.

(2) Amounts expressed in thousands

(3) Bureau of Economic Analysis, U.S. Department of Commerce - Saginaw County, MI.

(4) Local school district.

(5) U.S. Department of Labor Bureau of Labor Statistics Data - Unemployment rate information is a yearly average not seasonally adjusted.

(6) This information is not yet available.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Table 15
Unaudited

Principal Employers

2022 and Nine Years Ago

Employer	2022			2013		
	Employees	Percentage of Total Township Employment	Rank	Employees	Percentage of Total Township Employment	Rank
Morley Companies	4,400	21.67%	1	1,200	(1)	1
Saginaw Intermediate School District	690	3.40%	2	575	(1)	3
HealthSource Saginaw	621	3.06%	3	422	(1)	5
Consumers Energy	525	2.59%	4	525	(1)	4
Saginaw Twp Community Schools	521	2.57%	5	672	(1)	2
Wal-Mart Supercenter	380	1.87%	6	320	(1)	6
Kroger Co of Michigan #738	249	1.23%	7			
Training & Treatment Innovations, Inc.	244	1.20%	8			
United Parcel Service	215	1.06%	9	215	(1)	7
Covenant Healthcare	210	1.03%	10	208	(1)	8
Sears, Roebuck and Company				185	(1)	9
Macy's				179	(1)	10
Totals	8,055	39.68%		4,501		

Source:

Saginaw Future, Inc.

Saginaw Township Clerk's Office

(1) This information is not available.

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Full-time Equivalent Township Employees by Function

Last Ten Fiscal Years

	Full-time Equivalent Employees as of March 31,			
	2013	2014	2015	2016
Function				
General government	21.0	22.0	21.0	21.0
Public safety	98.0	98.0	97.0	93.0
Public works	39.0	39.0	39.0	39.0
Community development	3.0	3.0	3.0	3.0
Recreation and culture	6.0	6.0	6.0	6.0
Total	<u>167.0</u>	<u>168.0</u>	<u>166.0</u>	<u>162.0</u>

Source: Saginaw Township Fiscal Services

Table 16
Unaudited

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Full-time Equivalent Employees as of March 31,					
2017	2018	2019	2020	2021	2022
22.0	20.0	21.0	21.0	20.2	22.6
93.0	93.0	93.0	89.0	86.7	82.7
38.0	38.0	38.0	37.0	37.6	39.6
3.0	2.0	2.0	2.0	2.0	2.0
6.0	6.0	6.0	6.0	6.0	6.0
<u>162.0</u>	<u>159.0</u>	<u>160.0</u>	<u>155.0</u>	<u>152.5</u>	<u>152.9</u>

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Operating Indicators by Function

Last Ten Fiscal Years

	2013	2014	2015	2016
Function				
Public safety				
Police				
Number of traffic accidents	913	998	997	942
Number of traffic offenses issued	4,352	3,167	2,324	2,318
Fire				
Number of alarms	703	719	751	736
Completed inspections	1,159	1,489	1,569	1,656
Community development				
Permits issued	328	310	334	273
Code enforcement complaints	5,701	5,607	5,929	4,683
General government				
Fiscal services				
Number of W-2's processed	420	401	396	384
Number of accounts payable checks processed	4,396	3,984	3,999	3,992
Clerk's office				
Number of licensed businesses	1,732	1,679	1,638	1,633
Elections				
Number of registered voters	31,988	31,768	31,193	31,443
Treasurer's office				
Average number of sewer/water bills per month	4,867	4,890	4,895	4,878
Number of tax bills - two billings/year	16,059	15,656	15,425	15,434
Recreation and culture				
Number of programs	70	74	78	75
Number of participants	9,460	9,620	9,520	9,400
Sewer				
Average daily sewage treatment				
-millions of gallons per day	4.454	4.592	4.968	5.946
Water				
Number of active customers	14,672	14,744	14,744	14,814
Number of gallons sold (000 omitted)	1,411,236	1,289,933	1,181,309	1,161,659

Source: Applicable Township Departments

Table 17
Unaudited

2017	2018	2019	2020	2021	2022
1,098	1,016	930	1,014	889	1,271
1,767	2,569	1,692	2,208	1,188	1,702
749	734	659	668	746	824
1,607	1,402	1,255	1,405	661	700
316	418	424	414	439	465
5,322	5,585	4,444	5,235	3,663	4,881
380	358	349	345	335	309
3,989	3,636	3,928	3,684	3,667	3,258
1,619	1,587	1,595	1,609	1,542	1,985
31,517	31,629	32,237	33,323	33,943	34,387
4,920	4,943	4,966	4,995	5,001	5,002
15,373	15,364	15,169	15,229	15,144	15,120
75	79	77	77	25	72
9,275	9,615	9,648	9,525	5,453	10,470
4.749	4.650	4.790	5.684	5.090	6.836
14,871	14,939	15,000	15,070	15,135	15,354
1,262,619	1,235,732	1,218,720	1,138,212	1,242,546	1,084,292

SAGINAW CHARTER TOWNSHIP, MICHIGAN

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2013	2014	2015	2016
Public safety				
Police				
Station	1	1	1	1
Patrol vehicles	20	20	20	20
Fire				
Admin. office/stations	1/3	1/3	1/3	1/3
Fire fighting vehicles	10	10	10	10
Recreation and culture				
Parks	13	13	13	13
Recreation center	1	1	1	1
Library	1	1	1	1

Source: Saginaw Township Fiscal Services

Table 18

Unaudited

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2017	2018	2019	2020	2021	2022
------	------	------	------	------	------

1	1	1	1	1	1
20	20	20	20	20	20
1/3	1/3	1/3	1/3	1/3	1/3
11	12	11	11	11	11
13	13	13	13	13	13
1	1	1	1	1	1
1	1	1	1	1	1

**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

August 31, 2022

Members of the Township Board of
Saginaw Charter Township
Saginaw, Michigan

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of ***Saginaw Charter Township, Michigan*** (the "Township"), as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 31, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rehmann Lohman LLC". The signature is written in a cursive, flowing style.