

**MONROE CHARTER TOWNSHIP**  
Monroe County, Michigan

ANNUAL FINANCIAL REPORT  
December 31, 2023

MONROE CHARTER TOWNSHIP

Table of Contents  
December 31, 2023

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**Independent Auditor's Report** ..... 1-3

**Independent 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*** ..... 4-5

**Management's Discussion and Analysis** ..... 6-13

**Basic Financial Statements:**

Government-Wide Financial Statements:

    Statement of Net Position ..... 14

    Statement of Activities ..... 15-16

Fund Financial Statements:

    Governmental Funds:

        Balance Sheet ..... 17-18

        Reconciliation of the Balance Sheet of Governmental Funds to the  
        Statement of Net Position ..... 19

        Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 20-21

        Reconciliation of the Statement of Revenues, Expenditures, and Changes  
        in Fund Balances of Governmental Funds to the Statement of Activities ..... 22

    Fiduciary Fund:

        Statement of Fiduciary Net Position – Custodial Funds ..... 23

        Statement of Changes in Fiduciary Net Position – Custodial Funds ..... 24

Notes to Financial Statements ..... 25-36

**Required Supplemental Information:**

General Fund:

    Statement of Revenues, Expenditures, and Changes in Fund Balance  
    - Budget and Actual ..... 37-38

Special Revenue Fund – Fire Millage

    Statement of Revenues, Expenditures, and Changes in Fund Balance  
    - Budget and Actual ..... 39

Capital Projects Fund - Health and Safety:

    Statement of Revenues, Expenditures, and Changes in Fund Balance  
    - Budget and Actual ..... 40

Capital Projects Fund - Roads:

    Statement of Revenues, Expenditures, and Changes in Fund Balance  
    - Budget and Actual ..... 41

**MONROE CHARTER TOWNSHIP**

*Table of Contents (Concluded)*  
*December 31, 2023*

---

**Other Supplemental Information:**

Nonmajor Governmental Funds:  
    Combining Balance Sheet ..... 42-43  
    Combining Statement of Revenues, Expenditures and Changes in Fund Balances ..... 44-45

Special Revenue Fund – Street Lights Fund:  
    Statement of Revenues, Expenditures, and Changes in Fund Balance  
        - Budget and Actual ..... 46

Special Revenue Fund - Water District #69:  
    Statement of Revenues, Expenditures, and Changes in Fund Balance  
        - Budget and Actual ..... 47

Capital Projects Fund – Township Hall and Technology Improvements:  
    Statement of Revenues, Expenditures, and Changes in Fund Balance  
        - Budget and Actual ..... 48

Capital Projects Fund – Parks and Recreation:  
    Statement of Revenues, Expenditures, and Changes in Fund Balance  
        - Budget and Actual ..... 49

Capital Projects Fund – Wry Road and Drainage Project:  
    Statement of Revenues, Expenditures, and Changes in Fund Balance  
        - Budget and Actual ..... 50

Index to Water Districts ..... 51

**Federal Financial Assistance Programs:**

Schedule of Expenditures of Federal Awards ..... 52-53  
Notes to Schedule of Expenditures of Federal Awards ..... 54



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— CERTIFIED PUBLIC ACCOUNTANTS —

## Independent Auditor's Report

Township Board  
Monroe Charter Township  
Monroe County, Michigan

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Monroe Charter Township, Michigan as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Monroe Charter Township, Michigan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Monroe Charter Township, Michigan as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Monroe Charter Township, Michigan, 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 the 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 Monroe Charter Township, Michigan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal controls 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 Monroe Charter Township, Michigan'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 Monroe Charter Township, Michigan's ability to continue as a going concern for a reasonable period of time.

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, 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 Monroe Charter Township, Michigan's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2024, on our consideration of Monroe Charter Township, Michigan’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 Monroe Charter Township, Michigan’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 Monroe Charter Township, Michigan’s internal control over financial reporting and compliance.



Monroe, Michigan

May 14, 2024



CALKINS HEHL RAFKO  
— CERTIFIED PUBLIC ACCOUNTANTS —

Independent Auditor's 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*

To the Township Board  
Monroe Charter Township, 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, each major fund, and the aggregate remaining fund information of Monroe Charter Township, Michigan, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Monroe Charter Township, Michigan's basic financial statements, and have issued our report thereon dated May 14, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Monroe Charter Township, Michigan'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 Monroe Charter Township, Michigan's internal control. Accordingly, we do not express an opinion on the effectiveness of Monroe Charter Township, Michigan'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 were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Monroe Charter Township, Michigan'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 entity'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.

*Callina Hebe Raygo*

Monroe, Michigan  
May 14, 2024



# MONROE CHARTER TOWNSHIP

*Management's Discussion and Analysis  
Year Ended December 31, 2023*

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This section of the Monroe Charter Township's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended December 31, 2023. Please read it in conjunction with the Township's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the Township's revenues and expenditures by program for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds.

## **Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Monroe Charter Township financially as a whole. The ***Government-Wide Financial Statements***, which include the Statement of Net Position and the Statement of Activities, provide information about the activities of the Township as a whole and presents both a short-term and a long-term view of those finances. The ***Fund Financial Statements*** provide the next level of detail. For governmental activities, these statements explain how services were financed in the short-term as well as what remains for future spending. The ***Fund Financial Statements*** report the Township's operations in more detail than the ***Government-Wide Financial Statements*** by providing information about the Township's most significant funds – the General Fund, the Fire Millage Special Revenue Fund, the Special Assessment Water District #70 Debt Fund, the Health and Safety Capital Projects Fund, and the Roads Capital Projects Fund. All other funds are presented in one column as nonmajor funds. The remaining statements; the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position, presents financial information about activities for which the Township acts solely as an agent for the benefit of the public. The following summary illustrates how the various parts of this annual report are arranged:

*Management's Discussion and Analysis (MD&A)  
(Required Supplemental Information)*

### Basic Financial Statements

*Government-Wide Financial Statements      Fund Financial Statements*

*Notes to the Basic Financial Statements*

*Budgetary Information for Major Funds  
(Required Supplemental Information)*

*Other Supplemental Information*

# MONROE CHARTER TOWNSHIP

*Management's Discussion and Analysis  
Year Ended December 31, 2023*

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## **Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities, which appear first in the Township's financial statements, report information on the Township as a whole and its activities. These statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Township's net position and changes therein. The change in net position provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The relationship between revenues and expenses indicates the Township's operating results. However, the Township's goal is to provide services to our residents, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the services provided and the safety of the public to assess the overall health of the Township.

The government-wide financial statements of the Township are divided into two categories:

- Governmental activities which encompasses all of the Township's services, including general government services, public safety, public works, community and economic development, and culture and recreation. Property taxes, state grants, charges for services, and capital contributions finance most of these activities.
- Business-type activities which consists of the joint venture in the Monroe Metropolitan Water Pollution Control System.

## **Fund Financial Statements**

The Township's Fund Financial Statements provide detailed information about the most significant or "major" funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes other funds to control and manage money for particular purposes or to show that it is properly using revenues. The Township's two types of funds, governmental and fiduciary, use different accounting approaches as described below:

**Governmental funds** – All of the Township's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using the modified accrual accounting method, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Township and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation format in the financial section.

**Fiduciary funds** – These funds are used to account for the collection and disbursement of resources, primarily taxes, for the benefit of parties outside of the Township. The Township is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. The Township's fiduciary balances and activities are reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

**MONROE CHARTER TOWNSHIP**

*Management's Discussion and Analysis  
Year Ended December 31, 2023*

**Government-Wide Financial Analysis**

The Statement of Net Position provides the perspective of the Township as a whole. Table 1 provides a summary of the Township's net position as of December 31, 2023 and 2022:

**Table 1:**

**Condensed Statement of Net Position  
December 31,**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and other assets	\$14,788,693	\$12,857,564	\$0	\$0	\$14,788,693	\$12,857,564
Capital assets	7,188,568	7,174,064	0	0	7,188,568	7,174,064
Investment in joint venture	0	0	9,026,749	8,385,839	9,026,749	8,385,839
<b>Total Assets</b>	<b>21,977,261</b>	<b>20,031,628</b>	<b>9,026,749</b>	<b>8,385,839</b>	<b>31,004,010</b>	<b>28,417,467</b>
<b>Liabilities</b>						
Current and other liabilities	1,512,962	2,206,144	0	0	1,512,962	2,206,144
Long-term liabilities	55,248	88,990	0	0	55,248	88,990
<b>Total Liabilities</b>	<b>1,568,210</b>	<b>2,295,134</b>	<b>0</b>	<b>0</b>	<b>1,568,210</b>	<b>2,295,134</b>
<b>Deferred Inflows of Resources</b>						
Property taxes levied for subsequent year	3,070,521	2,844,767	0	0	3,070,521	2,844,767
<b>Net Position</b>						
Net investment in capital assets	7,123,568	7,089,064	8,020,362	7,317,869	15,143,930	14,406,933
Restricted for:						
Debt service	41,354	50,917	0	0	41,354	50,917
Application fees	26,135	44,675	0	0	26,135	44,675
Public improvements	0	126,597	0	0	0	126,597
Street lights	89,030	88,878	0	0	89,030	88,878
Roads	1,172,670	772,670	0	0	1,172,670	772,670
Health and safety	533,986	402,326	0	0	533,986	402,326
Fire millage	1,439,030	736,084	0	0	1,439,030	736,084
Hall and technology improvements	569,451	19,451	0	0	569,451	19,451
Culture and recreation	284,056	218,653	0	0	284,056	218,653
Drains	873	24	0	0	873	24
Unrestricted	6,058,377	5,342,388	1,006,387	1,067,970	7,064,764	6,410,358
<b>Total Net Position</b>	<b>\$17,338,530</b>	<b>\$14,891,727</b>	<b>\$9,026,749</b>	<b>\$8,385,839</b>	<b>\$26,365,279</b>	<b>\$23,277,566</b>

As depicted in Table 1, the Township's total net position of *governmental activities* was \$17.3 million at December 31, 2023. Of this amount, a positive \$6.0 million was unrestricted. This amount represents the *accumulated* results of all past years' operations. The unrestricted portion is used for working capital and cash flow needs as well as to provide for future uncertainties. It means that if we had to pay off all our bills *today*, including all of our noncapital liabilities, we could with our current resources. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

**MONROE CHARTER TOWNSHIP**

*Management's Discussion and Analysis  
Year Ended December 31, 2023*

**Government-Wide Financial Analysis – Continued**

The results of this year's operations for the Township as a whole are reported in the Statement of Activities. Table 2 shows the changes in the net position for the calendar year ended December 31, 2023 and 2022.

**Table 2:**

**Changes in Net Position  
Year Ended December 31,**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues						
Charges for services	\$765,408	\$852,303	\$2,743,024	\$2,699,361	\$3,508,432	\$3,551,664
Operating grants and contributions	7,994	0	0	0	7,994	0
Capital grants and contributions	348,548	125,354	0	0	348,548	125,354
	<u>1,121,950</u>	<u>977,657</u>	<u>2,743,024</u>	<u>2,699,361</u>	<u>3,864,974</u>	<u>3,677,018</u>
General revenues						
Taxes	3,770,582	3,281,536	0	0	3,770,582	3,281,536
Grants	1,683,015	1,710,012	0	0	1,683,015	1,710,012
Interest and penalties	115,809	60,459	0	0	115,809	60,459
Other general revenues	195,037	115,628	0	0	195,037	115,628
	<u>5,764,443</u>	<u>5,167,635</u>	<u>0</u>	<u>0</u>	<u>5,764,443</u>	<u>5,167,635</u>
Total Revenues	6,886,393	6,145,292	2,743,024	2,699,361	9,629,417	8,844,653
<b>Functions/Program Expenses</b>						
Legislative	92,749	96,401	0	0	92,749	96,401
General government	1,546,856	1,689,163	0	0	1,546,856	1,689,163
Public safety	1,780,245	1,504,481	0	0	1,780,245	1,504,481
Public works	344,260	1,403,587	0	0	344,260	1,403,587
Culture and recreation	556,750	238,537	0	0	556,750	238,537
Community and economic development	112,506	124,496	0	0	112,506	124,496
Interest on long-term debt	6,224	8,061	0	0	6,224	8,061
Water pollution control system	0	0	2,102,114	2,193,612	2,102,114	2,193,612
	<u>4,439,590</u>	<u>5,064,726</u>	<u>2,102,114</u>	<u>2,193,612</u>	<u>6,541,704</u>	<u>7,258,338</u>
Total Expenses	4,439,590	5,064,726	2,102,114	2,193,612	6,541,704	7,258,338
<b>Increase (Decrease) in Net Position</b>	2,446,803	1,080,566	640,910	505,749	3,087,713	1,586,315
<b>Net Position - Beginning of Year</b>	14,891,727	13,811,161	8,385,839	7,880,090	23,277,566	21,691,251
<b>Net Position - End of Year</b>	<u>\$17,338,530</u>	<u>\$14,891,727</u>	<u>\$9,026,749</u>	<u>\$8,385,839</u>	<u>\$26,365,279</u>	<u>\$23,277,566</u>

**MONROE CHARTER TOWNSHIP**

*Management's Discussion and Analysis  
Year Ended December 31, 2023*

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**Government-Wide Financial Analysis – Concluded**

As indicated in Table 2, the cost of *all governmental* activities this year was \$4.4 million. Of this amount, approximately \$1.1 million was subsidized with revenue generated from charges for services, grants, and other contributions with the remaining costs financed with general revenues. The cost of *business-type* activities this year was \$2.1 million, which was subsidized with revenue generated from charges for services.

The Township’s governmental activities experienced an increase in net position of \$2,446,803. Compared to 2022, revenues increased by \$741,101 and expenses decreased by \$625,136. Taxes increased \$489,046, mainly due to the marijuana excise tax. Grants and contributions increased \$204,191, mainly due to spending of the ARPA funds. Interest and penalties increased \$55,350 due to the increase in interest rates in 2023. During 2023, the Township had decreased expenses for legislative, general government, public works, community and economic development, and interest. The Township had increased expenses for public safety and culture and recreation.

**Fund Financial Analysis**

As noted earlier, the Township uses funds to help control and manage money for particular purposes. Looking at funds helps the reader consider whether Monroe Charter Township is being held accountable for the resources taxpayers and others provide to it and may give more insight into the Township’s overall financial health.

On December 31, 2023, the governmental funds reported a combined fund balance of \$10,115,272, which is an increase of \$2,412,908 from last year. The changes by fund types are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Retirement Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
<b>Fund balances - Beginning of year</b>	\$5,294,478	\$951,559	\$43,203	\$1,413,124	\$7,702,364
Increase (decrease)	<u>696,948</u>	<u>576,501</u>	<u>(8,453)</u>	<u>1,147,912</u>	<u>2,412,908</u>
<b>Fund balances - End of year</b>	<u>\$5,991,426</u>	<u>\$1,528,060</u>	<u>\$34,750</u>	<u>\$2,561,036</u>	<u>\$10,115,272</u>

The Township’s General Fund balance increase is due to many factors. Revenues increased by 9.2%. General Fund expenditures decrease by 10.4%.

The tables that follow assist in illustrating the financial activities of the General Fund.

## MONROE CHARTER TOWNSHIP

Management's Discussion and Analysis  
Year Ended December 31, 2023

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### General Fund Financial Analysis

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>Percent</u> <u>Change</u>
<b>Revenues</b>			
Property taxes	\$2,852,991	\$2,400,239	18.9%
Licenses and permits	546,671	622,579	(12.2)%
Grants	1,683,015	1,710,012	(1.6)%
Charges for services	76,555	78,579	(2.6)%
Interest	113,471	57,007	99.0%
Other	<u>169,973</u>	<u>115,628</u>	47.0%
Total Revenues	<u>\$5,442,676</u>	<u>\$4,984,044</u>	9.2%

The Township's revenues increased from \$4,984,044 in 2022 to \$5,442,676 in 2023. This increase is due primarily to increases in taxes (marijuana excise tax), interest and other (election reimbursements). There were decreases in revenues in licenses and permits, grants, and charges for services.

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>Percent</u> <u>Change</u>
<b>Expenditures</b>			
Legislative	\$92,749	\$93,771	(1.1)%
General government	1,757,507	1,692,685	3.8%
Public safety	1,477,276	1,161,284	27.2%
Public works	52,270	81,791	(36.1)%
Culture and recreation	95,345	98,542	(3.2)%
Community and economic development	112,506	118,995	(5.5)%
Debt service	<u>14,481</u>	<u>14,482</u>	0.0%
Total Expenditures	<u>\$3,602,134</u>	<u>\$3,261,550</u>	10.4%

The Township's expenditures increased from \$3,261,550 in 2022 to \$3,602,134 in 2023. The increase in expenditures were for general government and public safety. There were decreases for legislative, public works, culture and recreation, and community and economic development.

In 2023, the increase was mainly due to public safety expenses, included contracted deputy fees, health insurance, and supplies. The decrease to public works was mainly due to decreased road/ditch maintenance.

# MONROE CHARTER TOWNSHIP

Management's Discussion and Analysis  
Year Ended December 31, 2023

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## General Fund Financial Analysis – Concluded

The amounts transferred in increased \$126,597, and the amounts transferred to other funds increased \$1,212,278 in 2023. See the detail for the interfund transfers in Note 5 to the financial statements.

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>Percent</u> <u>Change</u>
<b>Other Financing Sources</b>			
Transfers in	\$126,597	\$0	100.0% <sup>1</sup>
Transfers out	<u>(1,270,191)</u>	<u>(57,913)</u>	2,093.3%
	<u>(\$1,143,594)</u>	<u>(\$57,913)</u>	1,874.7%

## General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires the Charter Township Board to adopt the original budget prior to January 1, the start of the fiscal year. Over the course of the year, the Township revises its budget as it attempts to deal with the unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule illustrating the Township's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these statements. Revisions to the General Fund budget were as follows:

Revenues - The original budget of \$4,193,741 was amended to \$5,227,380. There were significant increases to taxes, licenses and permits, grants, charges for service, interest, other revenues, and transfers in.

Expenditures – The original budget of \$4,193,741 was amended to \$5,227,380. The main sources of expenditure increases were in elections, township hall and grounds, general administration, fire department, cemetery, debt service, and transfers out.

## Capital Assets

On December 31, 2023, the Township had \$14.1 million invested in a broad range of capital assets, including land, land improvements, buildings and building improvements, machinery and equipment, vehicles, water lines, and roads. This amount represents a net increase (including additions and disposals) of \$525,721 from last year. This year's additions included a privacy fence, fire department parking lot re-sealing, fire department rooftop A/C unit, fire department server, fire department LED sign, fire department foundation restoration, township hall parking lot re-sealing, township hall server, playground and volleyball equipment, and ball diamond improvements. Depreciation and amortization for this year totaled \$511,217. Details regarding capital assets are included in Note 6 to the financial statements.

## Debt Administration

On December 31, 2023, the Township's debt for special assessment bonds was \$65,000. The special assessment bonds are paid with special assessments. Details regarding long-term debt are included in Note 7 to the financial statements. The Township also reports a long-term liability for lease commitments, which are presented in Note 9. Other obligations included compensated absences of \$3,163 which are presented in detail in Note 12 to the financial statements.

## **MONROE CHARTER TOWNSHIP**

*Management's Discussion and Analysis  
Year Ended December 31, 2023*

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### **Development of the 2024 Fiscal Year Budget**

The Monroe Charter Township Board considers many factors when setting the 2024 fiscal year budget. The budget is based primarily on the previous year's spending patterns as well as goals set forth by the Township Board. Foresight is given to the uncertainty of state shared revenue which accounted for 29% of the Township's total revenue in 2023. Monroe Charter Township continues to monitor and control the rising cost of governmental services as it plans for the future and assesses the needs, the health and safety, and the desires of its residents. The Township, along with their engineers, will also be looking at 2024-2025 road projects, as identified by the Township Pavement Asset Management Plan and the Pavement Service Evaluation and Rating System (PASER).

In 2023, the Township plans to continue moving forward with the Parks and Recreation Master Plan. This includes the continued construction of a new park facility on approximately 37 acres adjacent to the Township Hall. The park currently consists of 12 baseball diamonds, a pavilion/concession area, playground equipment, a playground picnic pavilion, a boundless playground area, a sand volleyball court, a paved hiking/nature trail, nature center, additional paved parking areas, and an overflow parking area. The park plan is being completed in several phases with a portion completed each year, as funds become available. Future construction plans may include additional play area, restrooms facilities, and further extension and improvement of the walking trails. Additionally, the Parks and Recreation committee will continue to seek donation monies from private corporations, and the Township will start the process of updating the 5-year Parks and Recreation Plan.

The Township will continue to assess the needs of the volunteer fire department and the need for additional police protection.

ARPA grant funds, provided to the Township, will continue in 2024 to be used for projects that enhance and improve our community services and facilities. Some of these improvements include, but are not limited to, Fire Station #2 building and land replacements and repairs, IT server upgrades, township park expansion of amenities and purchase of inclusive playground equipment, Township Hall expansion and renovation needs, and any allowable repair and replacement needs for Township roads.

### **Contacting Monroe Charter Township**

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate their accountability for the money it receives. If you have any questions about this report or need additional information, contact the Monroe Charter Township Clerk, 4925 East Dunbar Road, Monroe, MI 48161.



## BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**MONROE CHARTER TOWNSHIP**

*Statement of Net Position  
December 31, 2023*

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$11,527,718	\$0	\$11,527,718
Receivables:			
Accounts and accrued interest	1,004,294	0	1,004,294
Special assessments	137,399	0	137,399
Tax receivable	1,810,229	0	1,810,229
Prepaid expenses	309,053	0	309,053
Net investment in Monroe Metropolitan Water Pollution Control System	0	9,026,749	9,026,749
Capital assets, net of depreciation/amortization	7,188,568	0	7,188,568
<b>Total Assets</b>	<b>21,977,261</b>	<b>9,026,749</b>	<b>31,004,010</b>
<b>Liabilities</b>			
Accounts payable	240,136	0	240,136
Accrued interest payable	517	0	517
Performance bonds	220,332	0	220,332
Unearned revenue	1,018,578	0	1,018,578
Long-term liabilities:			
Lease commitment - due within one year	13,399	0	13,399
Long-term debt - due within one year	20,000	0	20,000
Lease commitment - due in more than one year	7,085	0	7,085
Long-term debt - due in more than one year	48,163	0	48,163
<b>Total Liabilities</b>	<b>1,568,210</b>	<b>0</b>	<b>1,568,210</b>
<b>Deferred Inflows of Resources</b>			
Property taxes levied for subsequent year	3,070,521	0	3,070,521
<b>Net Position</b>			
Net investment in capital assets	7,123,568	8,020,362	15,143,930
Restricted for:			
Debt service	41,354	0	41,354
Application fees	26,135	0	26,135
Streetlights	89,030	0	89,030
Roads	1,172,670	0	1,172,670
Health and safety	533,986	0	533,986
Fire Millage	1,439,030	0	1,439,030
Township hall and technology improvements	569,451	0	569,451
Culture and recreation	284,056	0	284,056
Drains	873	0	873
Unrestricted	6,058,377	1,006,387	7,064,764
<b>Total Net Position</b>	<b>\$17,338,530</b>	<b>\$9,026,749</b>	<b>\$26,365,279</b>

See accompanying notes to the basic financial statements.

**MONROE CHARTER TOWNSHIP**

*Statement of Activities  
Year Ended December 31, 2023*

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
Legislative	\$92,749	\$0	\$0	\$0
General government	1,546,856	556,942	0	65,168
Public safety	1,780,245	55,374	0	17,380
Public works	344,260	142,182	7,994	0
Culture and recreation	556,750	0	0	266,000
Community and economic development	112,506	10,910	0	0
Interest on long-term debt	6,224	0	0	0
Total governmental activities	<u>4,439,590</u>	<u>765,408</u>	<u>7,994</u>	<u>348,548</u>
Business-type activities:				
Water pollution control system	2,102,114	2,743,024	0	0
Total primary government	<u>\$6,541,704</u>	<u>\$3,508,432</u>	<u>\$7,994</u>	<u>\$348,548</u>

General Revenues:  
 Taxes  
 Grants  
 Interest and penalties  
 Other

Total General Revenues

**Change in Net Position**

Net Position - Beginning of year

Net Position - End of year

See accompanying notes to the basic financial statements.

<hr/> <hr/> Net (Expense) Revenue and Changes in Net Position <hr/> Primary Government <hr/>		
Governmental Activities	Business-type Activities	Total
(\$92,749)	\$0	(\$92,749)
(924,746)	0	(924,746)
(1,707,491)	0	(1,707,491)
(194,084)	0	(194,084)
(290,750)	0	(290,750)
(101,596)	0	(101,596)
(6,224)	0	(6,224)
<hr/>	<hr/>	<hr/>
(3,317,640)	0	(3,317,640)
<hr/>	<hr/>	<hr/>
0	640,910	640,910
<hr/>	<hr/>	<hr/>
(3,317,640)	640,910	(2,676,730)
3,770,582	0	3,770,582
1,683,015	0	1,683,015
115,809	0	115,809
195,037	0	195,037
<hr/>	<hr/>	<hr/>
5,764,443	0	5,764,443
<hr/>	<hr/>	<hr/>
2,446,803	640,910	3,087,713
14,891,727	8,385,839	23,277,566
<hr/>	<hr/>	<hr/>
\$17,338,530	\$9,026,749	\$26,365,279
<hr/>	<hr/>	<hr/>

## FUND FINANCIAL STATEMENTS

**MONROE CHARTER TOWNSHIP**

*Governmental Funds  
Balance Sheet  
December 31, 2023*

	General	Special Revenue Fund  Fire Millage	Debt Service Fund  Special Assessment Water District #70
<b>Assets</b>			
Cash and cash equivalents	\$6,067,305	\$1,663,364	\$25,846
Receivables:			
Special assessment	96,766	0	40,633
Accounts and accrued interest	1,001,958	0	2,336
Tax receivable	1,159,989	549,124	8,904
Prepaid expenditures	109,953	199,100	0
Total Assets	<u>\$8,435,971</u>	<u>\$2,411,588</u>	<u>\$77,719</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$184,913	\$29,071	\$0
Performance bonds	220,332	0	0
Unearned revenue	0	0	0
Total Liabilities	405,245	29,071	0
<b>Deferred Inflows of Resources</b>			
Property taxes levied for subsequent year	1,942,534	943,487	15,881
Special assessments	96,766	0	27,088
Total Deferred Inflows of Resources	2,039,300	943,487	42,969
<b>Fund Balances</b>			
Non-spendable fund balance:			
Prepaid expenditures	109,953	199,100	0
Restricted for:			
Debt service	0	0	34,750
Application fees	26,135	0	0
Fire Millage	0	1,239,930	0
Assigned to:			
Streetlights	0	0	0
Health and safety	0	0	0
Township hall and technology improvements	0	0	0
Roads	0	0	0
Culture and recreation	0	0	0
Drains	0	0	0
Unassigned fund balance	5,855,338	0	0
Total Fund Balances	<u>5,991,426</u>	<u>1,439,030</u>	<u>34,750</u>
Total Liabilities and Fund Balances	<u>\$8,435,971</u>	<u>\$2,411,588</u>	<u>\$77,719</u>

See accompanying notes to the basic financial statements.

<u>Capital Projects Funds</u>			
<u>Health and Safety</u>	<u>Roads</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$790,654	\$1,565,097	\$1,415,452	\$11,527,718
0	0	0	137,399
0	0	0	1,004,294
0	0	92,212	1,810,229
0	0	0	309,053
<u>\$790,654</u>	<u>\$1,565,097</u>	<u>\$1,507,664</u>	<u>\$14,788,693</u>
\$11,182	\$421	\$14,549	\$240,136
0	0	0	220,332
245,486	392,006	381,086	1,018,578
256,668	392,427	395,635	1,479,046
0	0	168,619	3,070,521
0	0	0	123,854
0	0	168,619	3,194,375
0	0	0	309,053
0	0	0	34,750
0	0	0	26,135
0	0	0	1,239,930
0	0	89,030	89,030
533,986	0	0	533,986
0	0	569,451	569,451
0	1,172,670	0	1,172,670
0	0	284,056	284,056
0	0	873	873
0	0	0	5,855,338
<u>533,986</u>	<u>1,172,670</u>	<u>943,410</u>	<u>10,115,272</u>
<u>\$790,654</u>	<u>\$1,565,097</u>	<u>\$1,507,664</u>	<u>\$14,788,693</u>



**MONROE CHARTER TOWNSHIP**

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

*December 31, 2023*

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<b>Total Fund Balances - Governmental Funds</b>		\$10,115,272
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Cost of the capital assets	\$14,130,661	
Accumulated depreciation and amortization	<u>(6,942,093)</u>	
		7,188,568
Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred revenue in the funds.		
		123,854
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	(65,000)	
Lease payable	(20,484)	
Accrued interest	(517)	
Compensated absences	<u>(3,163)</u>	
		<u>(89,164)</u>
<b>Total Net Position - Governmental Activities</b>		<u><u>\$17,338,530</u></u>

See accompanying notes to the basic financial statements.

**MONROE CHARTER TOWNSHIP**

*Governmental Funds*

*Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended December 31, 2023*

	General	Special Revenue Fund  Fire Millage	Debt Service Fund  Special Assessment Water District #70
<b>Revenues</b>			
Taxes	\$2,852,991	\$917,591	\$0
Special assessments	0	0	13,544
Licenses and permits	546,671	0	0
Federal grant	0	0	0
State grants	1,683,015	0	0
Contributions	0	0	0
Charges for services	76,555	0	0
Interest and penalties	113,471	0	2,338
Other	169,973	0	0
<b>Total Revenues</b>	<b>5,442,676</b>	<b>917,591</b>	<b>15,882</b>
<b>Expenditures</b>			
Legislative	92,749	0	0
General government	1,757,507	0	0
Public safety	1,477,276	214,645	0
Public works	52,270	0	0
Culture and recreation	95,345	0	0
Community and economic development	112,506	0	0
Debt service	14,481	0	24,335
<b>Total Expenditures</b>	<b>3,602,134</b>	<b>214,645</b>	<b>24,335</b>
Excess (Deficiency) of Revenues Over Expenditures	1,840,542	702,946	(8,453)
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	126,597	0	0
Operating transfers out	(1,270,191)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(1,143,594)</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>696,948</b>	<b>702,946</b>	<b>(8,453)</b>
Fund Balances - Beginning of year	5,294,478	736,084	43,203
Fund Balances - End of year	<u>\$5,991,426</u>	<u>\$1,439,030</u>	<u>\$34,750</u>

See accompanying notes to the basic financial statements.

<u>Capital Projects Funds</u>		<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Health and Safety</u>	<u>Roads</u>		
\$0	\$0	\$0	\$3,770,582
0	0	142,182	155,726
0	0	0	546,671
12,380	7,994	331,168	351,542
0	0	0	1,683,015
5,000	0	500	5,500
0	0	0	76,555
0	0	0	115,809
24,564	0	0	194,537
41,944	7,994	473,850	6,899,937
0	0	0	92,749
0	0	65,168	1,822,675
60,284	0	0	1,752,205
0	7,994	211,372	271,636
0	0	301,097	396,442
0	0	0	112,506
0	0	0	38,816
60,284	7,994	577,637	4,487,029
(18,340)	0	(103,787)	2,412,908
150,000	400,000	720,191	1,396,788
0	0	(126,597)	(1,396,788)
150,000	400,000	593,594	0
131,660	400,000	489,807	2,412,908
402,326	772,670	453,603	7,702,364
<u>\$533,986</u>	<u>\$1,172,670</u>	<u>\$943,410</u>	<u>\$10,115,272</u>

**MONROE CHARTER TOWNSHIP**

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended December 31, 2023*

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<b>Net Change in Fund Balances - Total Governmental Funds</b>		<b>\$2,412,908</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation expense.		
Capital outlay	\$525,721	
Depreciation and amortization expense	<u>(511,217)</u>	14,504
Changes in the liability for compensated absences are reported as an expenditure in the statement of activities, but not in the governmental funds.		343
Accrued interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid.		158
Repayments of long term debt are an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt).		32,434
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		<u>(13,544)</u>
<b>Change in Net Position - Governmental Activities</b>		<b><u><u>\$2,446,803</u></u></b>

See accompanying notes to the basic financial statements.

**MONROE CHARTER TOWNSHIP**

*Custodial Funds*  
*Statement of Fiduciary Net Position*  
*December 31, 2023*

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	<u>Tax</u>	<u>Custodial</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$2,279,270	\$3,398	\$2,282,668
<b>Liabilities</b>			
Due to other governmental units	<u>2,279,270</u>	<u>3,398</u>	<u>\$2,282,668</u>
<b>Net Position</b>			
Committed for other governments	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

See accompanying notes to the basic financial statements.

**MONROE CHARTER TOWNSHIP**

*Custodial Funds*  
*Statement of Changes in Fiduciary Net Position*  
*For the Year Ended December 31, 2023*

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	<u>Tax</u>	<u>Custodial</u>	<u>Total</u>
<b>Additions</b>			
Property taxes collected for other governments	\$11,726,739	\$39,025	\$11,765,764
<b>Deductions</b>			
Property taxes distributed to other governments	<u>11,726,739</u>	<u>39,025</u>	<u>11,765,764</u>
Net increase in net position	0	0	0
<b>Net position committed for other governments:</b>			
Beginning of year	<u>0</u>	<u>0</u>	<u>0</u>
End of year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

# MONROE CHARTER TOWNSHIP

*Notes to Financial Statements  
Year Ended December 31, 2023*

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Note 1      Description of the Township and Reporting Entity

The Township operates under a locally elected seven member Board form of government and provides the following services: public safety (fire), highways and streets, culture and recreation, public improvements, planning and zoning, and general administrative services.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Township consists of all funds, departments, boards, and agencies that are not legally separate from the Township.

Component units are legally separate organizations for which the Township is financially accountable. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt, or the levying of taxes. The Township has no component units.

The following entity is a joint venture which is not included in the governmental fund financial statements but is included as a business-type activity in the government-wide financial statements.

Monroe Metropolitan Water Pollution Control System

This is a joint venture between Monroe Charter Township, Frenchtown Charter Township, City of Monroe, and the County of Monroe to provide a wastewater treatment system to these municipalities located within the County of Monroe.

Note 2      Summary of Significant Accounting Policies

The financial statements of Monroe Charter Township have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following are the more significant of the Township's accounting policies.

Basis of Presentation

A. 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. As a general rule, the effect of interfund activity has been eliminated from the government-wide 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. 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. Amounts reported as program revenue include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. General revenue includes taxes, intergovernmental payments, sales of property, and other items not properly included among program revenues.

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

**MONROE CHARTER TOWNSHIP**

*Notes to Financial Statements  
Year Ended December 31, 2023*

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Note 2      Summary of Significant Accounting Policies  
Basis of Presentation (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected 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. Governmental fund 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.

On the governmental funds statements, property taxes, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

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

Fiduciary fund statements also are reported using the economic resources measurement focus and the cash basis of accounting.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. The General Fund accounts for all financial resources of the Township, except those required to be accounted for in another fund.

The Special Revenue Fund – Fire Millage accounts for fire protection expenses and related tax revenue.

The Debt Fund - Special Assessment Water District #70 accounts for the payment of special assessment bond principal and interest from special assessment levies for Hull Road.

The Capital Projects Fund – Health and Safety accounts for monies set aside for the payment of health and safety expenditures.

The Capital Projects Fund – Roads accounts for monies set aside for specific capital projects.



MONROE CHARTER TOWNSHIP

Notes to Financial Statements
Year Ended December 31, 2023

Note 2 Summary of Significant Accounting Policies (Continued)
Basis of Presentation (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)

The Township reports the following nonmajor governmental funds:

The Special Revenue Fund - Street Lights, Special Revenue Fund - Water District #69, Capital Projects Fund - Township Hall and Technology Improvements, Capital Projects Fund - Parks and Recreation, and Capital Projects Fund - Wry Road and Drainage Project.

C. Assets, Liabilities, and Net Position or Equity

Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Property Tax Receivable - Property taxes are assessed as of December 31 and the related property taxes become a lien on July 1 and December 1 of the following year. Summer taxes are considered delinquent September 15, and winter taxes are considered delinquent February 15 of the following year.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets - General capital assets are those assets related to the general activities and expenditures reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The Township maintains a capitalization threshold of five thousand dollars and an estimated useful life in excess of one year. The Township has elected not to retroactively report infrastructure assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, other than land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Table with 2 columns: Description and Estimated Lives. Rows include Land improvements (20 years), Buildings and buildings improvements (10-50 years), Machinery and equipment (3-10 years), Vehicles (5-25 years), Water Lines (50 years), and Roads (20 years).

# MONROE CHARTER TOWNSHIP

*Notes to Financial Statements  
Year Ended December 31, 2023*

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Note 2      Summary of Significant Accounting Policies (Continued)  
Basis of Presentation (Continued)

C. Assets, Liabilities, and Net Position or Equity (Continued)

Interfund Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “due to/from other funds.” These amounts are eliminated in the governmental activities column of the statement of net position.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Payments of long-term loans that are paid from governmental funds are recognized as an expenditure on the governmental fund financial statements when due.

Net Position - Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The components of net position are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net position is unrestricted when other net position does not meet the definition of net investment in capital assets or is restricted and is available for general use. Restricted resources should be used first, followed by unrestricted amounts.

Deferred Outflows/Inflows 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, deferred outflows of resources, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. 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 periods and so will not be recognized as an inflow of resources until that time.

Interfund Transactions - Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Non-spendable, Restricted, Committed, Assigned, and Unassigned – The fund balance is categorized as non-spendable, restricted, committed, assigned, or unassigned based on the relative strength of the spending constraints. The township board has the authority to place funds under the committed and assigned categories. Restricted resources should be used first, followed by committed funds, assigned amounts, and then unassigned amounts. The Township will maintain a minimum unrestricted general fund balance of no less than 15% of annual budgeted expenditures.

# MONROE CHARTER TOWNSHIP

*Notes to Financial Statements  
Year Ended December 31, 2023*

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Note 2      Summary of Significant Accounting Policies (Continued)  
Basis of Presentation (Continued)

C. Assets, Liabilities, and Net Position or Equity (Concluded)

Compensated Absences - Township employees are granted vacation, personal, and sick days under formulas and conditions in the personnel policy manual. All earned vacation must be taken within the calendar year. Vacation time not used during the year will not accrue and will be lost. Personal days must be used and no accrual is allowed. Full-time employees earn five days of sick leave per calendar year. Part-time regular employees, after ninety days of continuous employment, shall receive prorated sick days according to the number of hours worked. As of December 31, 2003, any sick time became "banked sick days." Banked sick time can only be used after current sick time has been exhausted. Employees will receive a banked sick day compensation payment at one-half rate for the total accumulated sick days with the regular hourly rate in effect at the date of resignation or dismissal. Banked sick days are accrued in the government-wide financial statements. In the fund financial statements, these accounts are reported when paid.

D. Unearned Revenue – Unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received before the Township has legal claim to them.

E. Estimates - The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

F. Extraordinary and Special Items - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Township and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2023.

G. Budgetary Policies - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The General Fund and all Special Revenue Funds are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Township Board at the function level. Any budgetary modifications may only be made by resolution of the Township Board.

The Township follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements.

1. Prior to October 31, the fiscal officer submits to the Township Board a proposed operating budget for the fiscal year commencing on January 1.
2. A public hearing is conducted during October to obtain taxpayer comments.
3. Prior to October 31, the budget is legally enacted through passage of a resolution.
4. During the year the budget is monitored, and amendments to the budget are made when deemed necessary.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

## MONROE CHARTER TOWNSHIP

*Notes to Financial Statements  
Year Ended December 31, 2023*

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Note 2      Summary of Significant Accounting Policies (Concluded)

Basis of Presentation (Concluded)

G. Budgetary Policies (Concluded)

6. Lapsing of Appropriations - At the close of each year all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations.

H. Subsequent Events - The Township's management evaluated subsequent events from December 31, 2023 through May 14, 2024, the date the financial statements were available to be issued.

Note 3      Stewardship, Accountability and Compliance

The Township shall not incur expenditures in excess of the amount appropriated. Annual budgets are adopted on a basis that is consistent with generally accepted accounting principles and State law for the General and Special Revenue Funds.

In the required supplemental information, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, which is the adopted legal level of control.

Note 4      Deposits

Statutes authorize the Township to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; commercial paper within the three highest rate classifications by at least two rating services; bankers' acceptances of U.S. banks, U.S. or agency repurchase agreements; savings accounts and certificates of deposit with banks and savings and loan associations, or credit unions which are insured with the applicable federal agency. Public funds of the Township may not be deposited in financial institutions located in states other than Michigan.

Public Act 367 of 1982 (known as the Surplus Funds Investment Pool Act) enables municipalities to invest surplus operating funds in investment pools managed by qualified financial institutions. At December 31, 2023, the Township had invested in such a fund with a local bank. The Township is able to retrieve these funds without restriction and, accordingly, this amount is considered to be available cash. The local bank invests these funds in a variety of instruments including bonds and direct obligations of the United States, certificates of deposit, commercial paper rated within the three highest classifications by not less than two standard rating services, United States government or federal agency obligation repurchase agreements and bankers acceptances of the United States banks.

The Township believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, and since State of Michigan legislation does not require that all deposits be collateralized, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk at each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The Board has adopted an investment policy authorizing certain types of investments and authorized these depositories: First Merchants Bank and Fifth Third Bank.

*Interest rate risk.* The Township's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**MONROE CHARTER TOWNSHIP**

*Notes to Financial Statements  
Year Ended December 31, 2023*

Note 4      Deposits (Concluded)

*Credit risk.* The Township will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the Township’s investment policy.

*Concentration of credit risk.* The Township does not place any limits on the amount the Township may deposit or invest in any one issuer.

*Custodial credit risk.* Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township’s deposits may not be returned or the Township will not be able to recover the collateral securities in the possession of an outside party. The Township has \$14,003,952 invested in certificates of deposit, checking accounts, and money markets. The Township’s deposits are insured by the FDIC in the amount of \$114,923. In addition, the Township has deposits that are bank collateralized in the amount of \$13,889,029. The Township does not have any uninsured or uncollateralized deposits. The Township Board approves and designates a list of authorized depository institutions. The Township’s investment policy does not address deposit risk.

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

Note 5      Interfund Transfers

Interfund transfers for the year ended December 31, 2023, consisted of the following:

Transfers In:	Transfers Out		Total
	General Fund	Special Water District#69	
General Fund	\$0	\$126,597	\$126,597
Special Revenue Funds:			
Street Lights	14,000	0	14,000
Capital Projects Funds:			
Roads	400,000	0	400,000
Fire	150,000	0	150,000
Township Hall and Technology	550,000	0	550,000
Parks and Recreation	100,000	0	100,000
Wry Road and Drainage Project	56,191	0	56,191
Total	\$1,270,191	\$126,597	\$1,396,788

The transfer from the Water District #69 to General Fund was to close out the Water District #69 Fund. The transfer from the General Fund to the Wry Road and Drainage Project Fund were for future expenditures. The transfer from the General Fund to the Road Fund were for future road projects. The transfer from the General Fund to the Fire Fund were for future fire expenses. The transfer from the General to the Township Hall and Technology Fund were for future hall expenses. The transfer from the General to the Park and Recreation Fund were for park improvements. The transfer from the General Fund to the Street Lights fund were for utility expenses.

**MONROE CHARTER TOWNSHIP**

*Notes to Financial Statements  
Year Ended December 31, 2023*

Note 6      Capital Assets

Capital asset activity for the fiscal year ended December 31, 2023, was as follows:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
Governmental Activities:				
Assets not being depreciated:				
Land	\$680,777	\$0	\$0	\$680,777
Capital assets being depreciated:				
Land improvements	2,959,004	155,925	0	3,114,929
Buildings and building improvements	3,150,840	27,000	0	3,177,840
Machinery and equipment	967,402	342,796	0	1,310,198
Vehicles	3,664,597	0	0	3,664,597
Roads	995,544	0	0	995,544
Water lines	1,142,320	0	0	1,142,320
	<u>12,879,707</u>	<u>525,721</u>	<u>0</u>	<u>13,405,428</u>
Total capital assets	13,560,484	525,721	0	14,086,205
Less accumulated depreciation for:				
Land improvements	(1,945,831)	(140,867)	0	(2,086,698)
Building and building improvements	(1,285,516)	(65,829)	0	(1,351,345)
Machinery and equipment	(597,782)	(75,873)	0	(673,655)
Vehicles	(1,354,346)	(136,019)	0	(1,490,365)
Roads	(746,656)	(49,777)	0	(796,433)
Water lines	(480,740)	(22,847)	0	(503,587)
Total accumulated depreciation	<u>(6,410,871)</u>	<u>(491,212)</u>	<u>0</u>	<u>(6,902,083)</u>
Net capital assets	7,149,613	34,509	0	7,184,122
Intangible right-to-use leased assets				
Leased equipment	44,456	0	0	44,456
Less accumulated amortization	<u>(20,005)</u>	<u>(20,005)</u>	<u>0</u>	<u>(40,010)</u>
Net intangible right-to-use leased assets	<u>24,451</u>	<u>(20,005)</u>	<u>0</u>	<u>4,446</u>
Total capital and leased assets, net	<u>\$7,174,064</u>	<u>\$14,504</u>	<u>\$0</u>	<u>\$7,188,568</u>

Depreciation and amortization expense was charged to governmental functions as follows:

General government	\$69,217
Public safety	209,068
Public works	72,624
Culture and recreation	<u>160,308</u>
Total governmental activities	<u>\$511,217</u>

**MONROE CHARTER TOWNSHIP**

*Notes to Financial Statements  
Year Ended December 31, 2023*

Note 7      Long-Term Debt

The following is a summary of long-term debt outstanding as of December 31, 2023:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Original Amount of Issue</u>	<u>Balance Outstanding</u>
<u>Special Assessment Bonds:</u>					
Water District #70	4.75-4.8%	11/08/05	05/01/07-2026	\$405,000	<u>\$65,000</u>

Changes in bond and loan principal during 2023 are summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due In One Year</u>
Special Assessment Bonds Payable	<u>\$85,000</u>	<u>\$0</u>	<u>\$20,000</u>	<u>\$65,000</u>	<u>\$20,000</u>

The following is a schedule of remaining principal and interest requirements for the special assessment bonds as of December 31, 2023.

Water District #70 water main - \$405,000 General Obligation Limited Tax bonds issued November 8, 2005 by Monroe Charter Township. The bonds were issued in accordance with Act 34 of the Public Acts of Michigan of 1895, as amended, for the purpose of paying part of the cost of construction of various public improvements in the Special Assessment District No. 70. In addition to the special assessments primarily pledged, the Township's full faith, credit, and resources are pledged secondarily for the prompt payment of the principal and interest on the bonds as they become due.

<u>Year</u>	<u>Interest Due</u>		<u>Principal Due</u>	<u>Total</u>
	<u>May 1</u>	<u>November 1</u>	<u>May 1</u>	<u>Requirements</u>
2024	\$1,550	\$1,075	\$20,000	\$22,625
2025	1,075	600	20,000	21,675
2026	<u>600</u>	<u>0</u>	<u>25,000</u>	<u>25,600</u>
	<u>\$3,225</u>	<u>\$1,675</u>	<u>\$65,000</u>	<u>\$69,900</u>

The annual requirements to pay principal and interest on the long-term debt outstanding at December 31, 2023, are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$20,000	\$2,625	\$22,625
2025	20,000	1,675	21,675
2026	<u>25,000</u>	<u>600</u>	<u>25,600</u>
	<u>\$65,000</u>	<u>\$4,900</u>	<u>\$69,900</u>

**MONROE CHARTER TOWNSHIP**

*Notes to Financial Statements  
Year Ended December 31, 2023*

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Note 8      Contingent Liability – Federal Grant

The Township received a federal grant through the State of Michigan as part of the American Rescue Plan Act (ARPA) from the Coronavirus Local Fiscal Recovery Funds totaling \$1,490,473. The objectives of the funding are to support COVID-19 response efforts to decrease the spread of the virus and bring the pandemic under control, replace lost revenue to strengthen support for vital public services and help retain jobs, support immediate stabilization for households and businesses, and address the systemic public health and economic challenges that have contributed to the inequal impact of the pandemic. There are five allowable uses outlined by the ARPA for these Fiscal Recovery Funds. These funds must be obligated by December 31, 2024 and expended by December 31, 2026. This federal grant is subject to reviews and audits by the grantor agency. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. For the year ended December 31, 2023, expenditures related to this federal grant totaled \$351,542. The Township has \$1,018,578 in unearned revenue related to this grant.

Note 9      Lease Commitments

The following is a summary of long-term lease commitments as of December 31, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due In One Year
MT Business Technologies	\$32,918	\$0	\$12,434	\$20,484	\$13,399

Effective July 1, 2020, The Township entered into operating leases with MT Business Technologies for four copiers. The lease terms are for sixty (60) months each, ending in 2025. The Township paid \$14,481 for the equipment lease in 2023. For purposes of discounting future payments on the lease, the Township used an interest rate of 7.5%. The leased copier and accumulated amortization of the right-to-use assets are outlined in Note 6. As of December 31, 2023, minimum lease payments are as follows:

Year	Principal	Interest	Total
2024	\$13,399	\$1,082	\$14,481
2025	7,085	156	7,241
	<u>\$20,484</u>	<u>\$1,238</u>	<u>\$21,722</u>

Note 10      Property Taxes

The Township bills and collects its own property taxes and also taxes for the County of Monroe, Monroe Public Schools, Ida Public Schools, Monroe County Community College, and the Monroe County Intermediate School District. Collections are accounted for in the Tax Collection Custodial Fund. On December 1, 2022 the Township levied 3.7388 mills for general operating and 1.9886 mills for the fire department, due and payable on February 14, 2023. The valuation for real and personal property totaled \$463,485,443, which was based on December 31, 2022 assessments. During 2023, the Township received \$158,495 for administrative fees.

The taxes levied on December 1, 2023 raised approximately \$3.0 million dollars. This amount is recognized in the financial statements as deferred inflows of resources, based upon the period for which the proceeds are budgeted and will be made available for the financing of operations.



## MONROE CHARTER TOWNSHIP

*Notes to Financial Statements  
Year Ended December 31, 2023*

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### Note 11     Tax Abatements

Monroe Charter Township entered into property tax abatement agreements with local businesses under the Industrial Facilities Tax Exemption, P.A. 198 of 1974, M.C.L. 207.551 et seq and the New Personal Property Exemption, P.A. 328 of 1998, M.C.L. 211.9f, as amended. Under these exemptions, localities may grant property tax abatements of a business's property tax bill for the purpose of attracting or retaining businesses within their jurisdiction, and to any business located within or promising to relocate to the Township.

For the year ended December 31, 2023, the Township abated property taxes totaling approximately \$1,619 under these programs.

Also, the Township has payments in lieu of taxes, which are established under the State Housing Development Authority Act of 1966. Under this authority, housing developments pay a percentage of shelter rents, ranging from 0 to 4 percent. Two of these housing developments have been exempt since the year they were built; and, therefore, they do not have a taxable value. If one of the housing developments were on the Ad Valorem tax roll, the Township would receive approximately \$27,792 more in property taxes.

### Note 12     Employee's Pension Plan

The Township is a member of the Michigan Townships Association defined contribution plan administered by John Hancock Life Insurance Company, USA. All full time and permanent employees and all elected officials are eligible for participation upon employment with 100% vesting after two years of continuous employment. The Township, which contributes 10% of eligible wages, contributed \$119,626 in 2023. Employees may make voluntary contributions to the plan; they contributed \$3,610 in 2023. The Township has no liability beyond its own contribution. The covered payroll for the year was \$1,196,256 out of a total payroll of \$1,957,407. Plan provisions and contribution requirements are established and may be amended by the Township Board.

### Note 13     Michigan Unemployment

On May 16, 1974, Governor Milliken signed into law enrolled Senate Bill 741, which is known as Act No. 104 of the Public Acts of 1974. The provisions of this Act subject political subdivisions to the Michigan Employment Security Act effective January 1, 1975. The Township has elected to make reimbursement payments rather than to pay contributions as a contributing employer. As of December 31, 2023, no reserve has been established for this contingent liability.

### Note 14     Accumulated Compensated Absences

As of December 31, 2003, any sick time became "banked sick days." Banked sick time can only be used after current sick time has been exhausted. Employees will receive a banked sick day compensation payment at one-half rate for the total accumulated sick days at the regular hourly rate in effect at the date of resignation or dismissal. Banked sick days are accrued in the government-wide financial statements. The liability as of December 31, 2023, for banked sick days totaled approximately \$3,163. In the fund financial statements, these accounts are reported when paid.

**MONROE CHARTER TOWNSHIP**

*Notes to Financial Statements  
Year Ended December 31, 2023*

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Note 15     Joint Venture

Monroe Charter Township is a member of the Monroe Metropolitan Water Pollution Control System. Monroe Charter Township, Frenchtown Township, and the City of Monroe each appoint two members and the County of Monroe appoints one member to the joint venture's seven member governing board, which approves the annual budget. The following is the financial information of the joint venture, obtained from their financial report, as of June 30, 2023:

Total assets	\$71,208,286
Deferred outflows of resources	1,858,579
Total liabilities	35,136,160
Deferred inflows of resources	0
Total net position	37,930,705
Total revenues	11,526,279
Total expenses	8,833,154
Increase in system equity	2,693,123

The operations of the joint venture are performed by the employees of the City of Monroe. Therefore, the City is liable for all related employee commitments and is then reimbursed by the joint venture.

Monroe Charter Township's investment in the joint venture is based on the capacity of the treatment facilities. Monroe Charter Township's capacity of the treatment facilities is 23.798%.

Complete financial statements for the Monroe Metropolitan Water Pollution Control System can be obtained from the City of Monroe Finance Department, 120 East First Street, Monroe, MI 48161.

Note 16     Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions and employee injuries (workman's compensation). The Township has purchased commercial insurance for property loss, torts, errors, omissions and employee injuries.

Note 17     Accounting Pronouncements

In May 2020, the Governmental Accounting Standards Board issued GASB Statement Number 96, Subscription-Based Information Technology Arrangements (SBITA). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITA's are based on the standards established in Statement No. 87, Leases, as amended. The Township implemented this standard effective January 1, 2023; however, there was no material effect to the financial statements as a whole.

REQUIRED SUPPLEMENTAL INFORMATION

**MONROE CHARTER TOWNSHIP**

*General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Positive (Negative) Budget
	Original	Final		
<b>Revenues</b>				
Taxes:				
Current tax collection	\$1,649,175	\$1,725,723	\$1,725,221	(\$502)
Payments in lieu of taxes	15,800	15,500	15,185	(315)
Property tax administrative fee	155,000	159,000	158,495	(505)
Marijuana tax	0	575,000	945,626	370,626
Trailer park taxes	8,000	8,000	7,780	(220)
Industrial facility tax	0	685	684	(1)
	<u>1,827,975</u>	<u>2,483,908</u>	<u>2,852,991</u>	<u>369,084</u>
Licenses and permits:				
Business licenses and permits	270,000	220,000	213,414	(6,586)
Non-business licenses and permits	125,000	170,000	165,350	(4,650)
Elec/plumbing/mech permits	60,000	99,000	98,667	(333)
Monitoring fees	43,500	58,000	55,565	(2,435)
Zoning permit fees	8,000	6,000	5,510	(490)
Liquor license fee	0	8,200	8,165	(35)
	<u>506,500</u>	<u>561,200</u>	<u>546,671</u>	<u>(14,529)</u>
State grants:				
State shared revenue	1,527,241	1,604,700	1,604,678	(22)
Local community stabilization authority	78,000	75,000	71,517	(3,483)
Metro Act revenue	10,500	7,000	6,820	(180)
	<u>1,615,741</u>	<u>1,686,700</u>	<u>1,683,015</u>	<u>(3,685)</u>
Charges for services:				
Cost recovery fees	45,000	49,500	49,323	(177)
Fines and forfeits	1,000	6,000	6,051	51
Penalties and interest on tax	5,000	7,000	6,776	(224)
Planning commission fees	10,000	6,500	6,410	(90)
Dike committee review fees	275	275	0	(275)
Zoning board of appeals fees	7,000	5,000	4,500	(500)
Weed mowing fees	8,000	4,000	3,495	(505)
	<u>76,275</u>	<u>78,275</u>	<u>76,555</u>	<u>(1,720)</u>
Interest	52,500	113,700	113,471	(229)
Other revenue:	114,750	177,000	169,973	(7,027)
Total Revenues	<u>4,193,741</u>	<u>5,100,783</u>	<u>5,442,676</u>	<u>341,894</u>
<b>Expenditures</b>				
Legislative:				
Township board	109,244	102,244	92,749	9,495
General government:				
Supervisor	176,018	174,818	166,342	8,476
Elections	32,000	42,000	30,922	11,078
Finance	19,500	19,500	16,800	2,700
Assessor	292,432	282,832	250,119	32,713
Legal fees	160,000	160,000	133,032	26,968
Clerk	366,639	366,639	353,852	12,787
Board of review	3,000	3,000	1,650	1,350
Treasurer	249,211	245,061	226,676	18,385
Township hall and grounds	305,650	319,580	273,001	46,579
General administration	294,300	312,300	305,113	7,187
	<u>1,898,750</u>	<u>1,925,730</u>	<u>1,757,507</u>	<u>168,223</u>

**MONROE CHARTER TOWNSHIP**

*General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Positive (Negative) Budget
	Original	Final		
<b>Expenditures (Concluded)</b>				
Public safety:				
Police department	\$261,000	\$234,000	\$220,030	\$13,970
Fire department	923,728	997,958	971,112	26,846
Building department	309,707	306,356	286,134	20,222
	<u>1,494,435</u>	<u>1,538,314</u>	<u>1,477,276</u>	<u>61,038</u>
Public works:				
Engineering	10,000	10,000	3,274	6,726
Roads and drains	43,500	43,500	33,100	10,400
Cemetery	19,500	24,000	15,896	8,104
	<u>73,000</u>	<u>77,500</u>	<u>52,270</u>	<u>17,126</u>
Culture and recreation:				
Parks and recreation	128,200	126,525	95,345	31,180
Community and economic development:				
Zoning enforcement	133,921	120,345	112,506	7,839
Debt service	0	16,531	14,481	2,050
Other:				
Contingency	50,000	50,000	0	50,000
	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u>
Total Expenditures	<u>3,887,550</u>	<u>3,957,189</u>	<u>3,602,134</u>	<u>355,055</u>
Excess (Deficiency) of Revenues Over Expenditures	306,191	1,143,594	1,840,542	696,948
<b>Other Financing Sources (Uses)</b>				
Operating transfer in	0	126,597	126,597	0
Operating transfer out	(306,191)	(1,270,191)	(1,270,191)	0
Total Other Financial Sources (Uses)	<u>(306,191)</u>	<u>(1,143,594)</u>	<u>(1,143,594)</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	0	0	696,948	696,948
Fund Balance - Beginning of year	<u>3,629,897</u>	<u>5,294,478</u>	<u>5,294,478</u>	<u>0</u>
Fund Balance - End of year	<u>\$3,629,897</u>	<u>\$5,294,478</u>	<u>\$5,991,426</u>	<u>\$696,948</u>

**MONROE CHARTER TOWNSHIP**

*Fire Millage Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Current tax collection	\$877,313	\$919,813	\$917,591	(\$2,222)
<b>Expenditures</b>				
Public safety	877,313	919,813	214,645	705,168
<b>Net Change in Fund Balance</b>	0	0	702,946	702,946
Fund Balance - Beginning of year	861,535	736,084	736,084	0
Fund Balance - End of year	\$861,535	\$736,084	\$1,439,030	\$702,946

**MONROE CHARTER TOWNSHIP**

*Health and Safety Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Federal grant	\$0	\$12,380	\$12,380	\$0
Contributions	5,000	5,000	5,000	0
Other	0	24,565	24,564	(1)
Total Revenues	5,000	41,945	41,944	(1)
<b>Expenditures</b>				
Public safety:				
Capital outlay	270,000	250,000	16,124	233,876
Other	0	45,000	44,160	840
Total Expenditures	270,000	295,000	60,284	234,716
Excess (Deficiency) of Revenues Over Expenditures	(265,000)	(253,055)	(18,340)	234,715
<b>Other Financing Sources</b>				
Operating transfers in	0	150,000	150,000	0
<b>Net Change in Fund Balance</b>	(265,000)	(103,055)	131,660	234,715
Fund Balance - Beginning of year	879,438	402,326	402,326	0
Fund Balance - End of year	\$614,438	\$299,271	\$533,986	\$234,715

**MONROE CHARTER TOWNSHIP**

*Roads Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Federal grant	\$0	\$7,994	\$7,994	\$0
<b>Expenditures</b>				
Public works:				
Engineering	25,000	25,000	7,994	17,006
Paving and drainage	300,000	300,000	0	300,000
Other	5,000	5,000	0	5,000
Total Expenditures	330,000	330,000	7,994	322,006
Excess (Deficiency) of Revenues Over Expenditures	(330,000)	(322,006)	0	322,006
<b>Other Financing Sources</b>				
Operating transfers in	0	400,000	400,000	0
<b>Net Change in Fund Balance</b>	(330,000)	77,994	400,000	322,006
Fund Balance - Beginning of year	1,821,678	772,670	772,670	0
Fund Balance - End of year	\$1,491,678	\$850,664	\$1,172,670	\$322,006



## OTHER SUPPLEMENTAL INFORMATION

**MONROE CHARTER TOWNSHIP**

*Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2023*

	Special Revenue Funds	
	Street Lights	Water District #69
<b>Assets</b>		
Cash and cash equivalents	\$178,897	\$0
Receivables:		
Special assessments	0	0
Accounts and accrued interest	0	0
Taxes receivable	92,212	0
Total Assets	\$271,109	\$0
<b>Total Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$13,460	\$0
Unearned revenue	0	0
Total Liabilities	13,460	0
<b>Deferred Inflows of Resources</b>		
Property taxes levied for subsequent year	168,619	0
<b>Fund Balances</b>		
Assigned to:		
Streetlights	89,030	0
Public works	0	0
Township hall and technology improvements	0	0
Culture and recreation	0	0
Drains	0	0
Total Fund Balances	89,030	0
Total Liabilities and Fund Balances	\$271,109	\$0

Capital Projects Funds

Township Hall and Technology Improvements	Parks and Recreation	Wry Road and Drainage Project	Total Nonmajor Governmental Funds
\$950,537	\$285,145	\$873	\$1,415,452
0	0	0	0
0	0	0	0
0	0	0	92,212
<u>\$950,537</u>	<u>\$285,145</u>	<u>\$873</u>	<u>\$1,507,664</u>
\$0	\$1,089	\$0	\$14,549
381,086	0	0	381,086
381,086	1,089	0	395,635
0	0	0	168,619
0	0	0	89,030
0	0	0	0
569,451	0	0	569,451
0	284,056	0	284,056
0	0	873	873
<u>569,451</u>	<u>284,056</u>	<u>873</u>	<u>943,410</u>
<u>\$950,537</u>	<u>\$285,145</u>	<u>\$873</u>	<u>\$1,507,664</u>

**MONROE CHARTER TOWNSHIP**

*Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended December 31, 2023*

	Special Revenue Funds	
	Street Lights	Water District #69
<b>Revenues</b>		
Special assessments	\$142,182	\$0
Federal grant	0	0
Contributions	0	0
Other	0	0
<b>Total Revenues</b>	<b>142,182</b>	<b>0</b>
<b>Expenditures</b>		
General government	0	0
Public works	156,030	0
Culture and recreation	0	0
Debt service	0	0
<b>Total Expenditures</b>	<b>156,030</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures	(13,848)	0
<b>Other Financing Sources</b>		
Operating transfers in	14,000	0
Operating transfers out	0	(126,597)
<b>Total Other Financing Sources (Uses)</b>	<b>14,000</b>	<b>(126,597)</b>
<b>Net Change in Fund Balances</b>	<b>152</b>	<b>(126,597)</b>
Fund Balances - Beginning of year	88,878	126,597
Fund Balances - End of year	<b>\$89,030</b>	<b>\$0</b>

Capital Projects Funds

Township Hall and Technology Improvements	Parks and Recreation	Wry Road and Drainage Project	Total Nonmajor Governmental Funds
\$0	\$0	\$0	\$142,182
65,168	266,000	0	331,168
0	500	0	500
0	0	0	0
65,168	266,500	0	473,850
65,168	0	0	65,168
0	0	55,342	211,372
0	301,097	0	301,097
0	0	0	0
65,168	301,097	55,342	577,637
0	(34,597)	(55,342)	(103,787)
550,000	100,000	56,191	720,191
0	0	0	(126,597)
550,000	100,000	56,191	593,594
550,000	65,403	849	489,807
19,451	218,653	24	453,603
<u>\$569,451</u>	<u>\$284,056</u>	<u>\$873</u>	<u>\$943,410</u>

**MONROE CHARTER TOWNSHIP**

*Street Light Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended December 31, 2023*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Special assessments	\$142,500	\$142,500	\$142,182	(\$318)
<b>Expenditures</b>				
Public works:				
Street light utility bills	142,500	156,500	156,030	470
Excess (Deficiency) of Revenues Over Expenditures	0	(14,000)	(13,848)	152
<b>Other Financing Sources</b>				
Operating transfers in	0	14,000	14,000	0
<b>Net Change in Fund Balance</b>	0	0	152	152
Fund Balance - Beginning of year	79,313	88,878	88,878	0
Fund Balance - End of year	<u>\$79,313</u>	<u>\$88,878</u>	<u>\$89,030</u>	<u>\$152</u>

**MONROE CHARTER TOWNSHIP**

*Water District #69 Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Special assessments	\$2,647	\$0	\$0	\$0
Interest	134	0	0	0
Total Revenues	2,781	0	0	0
<b>Expenditures</b>				
Public works	0	0	0	0
Excess (Deficiency) of Revenues Over Expenditures	2,781	0	0	0
<b>Other Financing Sources</b>				
Operating transfers out	0	(126,597)	(126,597)	0
<b>Net Change in Fund Balance</b>	2,781	(126,597)	(126,597)	0
Fund Balance - Beginning of year	123,817	126,597	126,597	0
Fund Balance - End of year	\$126,598	\$0	\$0	\$0

**MONROE CHARTER TOWNSHIP**

*Township Hall and Technology Improvements Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Federal grant	\$0	\$65,168	\$65,168	\$0
<b>Expenditures</b>				
General government:				
Capital outlay	250,000	291,000	65,168	225,832
Excess (Deficiency) of Revenues Over Expenditures	(250,000)	(225,832)	0	(225,832)
<b>Other Financing Sources</b>				
Operating transfers in	250,000	550,000	550,000	0
<b>Net Change in Fund Balance</b>	0	324,168	550,000	225,832
Fund Balance - Beginning of year	19,451	19,451	19,451	0
Fund Balance - End of year	\$19,451	\$343,619	\$569,451	\$225,832



**MONROE CHARTER TOWNSHIP**

*Parks and Recreation Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended December 31, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Contributions	\$0	\$500	\$500	\$0
Federal grants	0	266,000	266,000	0
Total Revenues	0	266,500	266,500	0
<b>Expenditures</b>				
Culture and recreation:				
Engineering	10,000	19,000	18,784	216
Capital outlay	200,000	282,500	282,313	187
Other	5,000	5,000	0	5,000
Total Expenditures	215,000	306,500	301,097	5,187
Excess (Deficiency) of Revenues Over Expenditures	(215,000)	(40,000)	(34,597)	(5,187)
<b>Other Financing Sources</b>				
Operating transfers in	0	100,000	100,000	0
<b>Net Change in Fund Balance</b>	(215,000)	60,000	65,403	5,187
Fund Balance - Beginning of year	218,653	218,653	218,653	0
Fund Balance - End of year	\$3,653	\$278,653	\$284,056	\$5,187

**MONROE CHARTER TOWNSHIP**

*Wry Road and Drainage Project  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended December 31, 2023*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Public works:				
Drainage	56,191	56,191	55,342	849
Excess (Deficiency) of Revenues Over Expenditures	(56,191)	(56,191)	(55,342)	849
<b>Other Financing Sources</b>				
Operating transfers in	56,191	56,191	56,191	0
<b>Net Change in Fund Balance</b>	0	0	849	849
Fund Balance - Beginning of year	23	24	24	0
Fund Balance - End of year	\$23	\$24	\$873	\$849

**MONROE CHARTER TOWNSHIP**

*Index to Water Districts  
Year Ended December 31, 2023*

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Water Districts

#69 Goutz Road Watermain

#70 Hull Road Watermain

**MONROE CHARTER TOWNSHIP**

*Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2023*

Federal Grantor/Pass Through Grantor/Program Title	Federal AL Number	Approved Grant Award Amount	Accrued (Deferred) Revenue December 31,2022	Prior Year Expenditures (Memo Only)
<u>U.S. Department of Treasury</u>				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.019	1,490,473	(1,370,120)	120,353
Total U.S. Department of Treasury		1,490,473	(1,370,120)	120,353
Total Federal Financial Assistance		\$1,490,473	(\$1,370,120)	\$120,353

<u>Current Year Expenditures</u>	<u>Federal Funds/ Payments In-Kind (Cash Basis)</u>	<u>Accrued (Deferred) Revenue December 31, 2023</u>	<u>Subrecipient Award/ Contract Amount</u>	<u>Subrecipient Current Year Expenditures</u>	<u>Current Year Cash Transferred to Subrecipient</u>
351,542	0	(1,018,578)	0	0	0
351,542	0	(1,018,578)	0	0	0
<u>\$351,542</u>	<u>\$0</u>	<u>(\$1,018,578)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

## MONROE CHARTER TOWNSHIP

*Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2023*

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1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Monroe Charter Township under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Monroe Charter Township, it is not intended to and does not present the financial position, changes in net position, or cash flows of Monroe Charter Township.
2. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as a reimbursement.
3. Certain federal programs require that the Township contribute non-federal funds (matching funds) to support the federally-funded programs. The Township has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the Schedule.
4. There were no federal awards expended for loan or loan guarantee programs.
5. Monroe Charter Township does not have any subrecipients.
6. The amounts reported for federal grants on the Statement of Revenues, Expenditures, and Changes in Fund Balance reconcile with this schedule.