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# Charter Township of Vienna

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**Financial Report  
with Supplemental Information  
December 31, 2022**

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## **Independent Auditor's Report**

To the Members of the Township Board  
Charter Township of Vienna

### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Vienna (the "Township") as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the Charter Township of Vienna's basic financial statements, as listed in the table of contents.

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

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

To the Members of the Township Board  
Charter Township of Vienna

In performing an audit in accordance with GAAS, we:

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

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

**Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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.

**Other Supplemental Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Vienna's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is 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 other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.



May 31, 2023

Our discussion and analysis of the Charter Township of Vienna's (Vienna Township or the "Township") financial performance provides an overview of the Township's financial activities for the year ended December 31, 2022. Please read it in conjunction with the Township's financial statements.

### ***Financial Highlights***

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2022:

- Property taxes, Vienna Township's largest revenue source, increased by \$25,017, or 1.8 percent.
- State-shared revenue, Vienna Township's second-largest revenue source, was increased by the State of Michigan by \$107,783 this year.
- Total net position related to Vienna Township's governmental activities increased by \$1,103,530. The unrestricted portion of net position increased by \$1,196,666, or 51.7 percent.

### ***Using This Annual Report***

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of Vienna Township as a whole and present a longer-term view of Vienna Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year and how much is available for future spending. Fund financial statements also report Vienna Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which Vienna Township acts solely as a trustee or agent for the benefit of those outside of the government.

# Charter Township of Vienna

## Management's Discussion and Analysis (Continued)

### Government-wide Overall Financial Analysis

The following tables show, in a condensed format, the current year's net position and changes in net position, compared to the prior year:

#### The Township's Net Position

	Governmental Activities			
	2021	2022	Change	Percent Change
<b>Assets</b>				
Current and other assets	\$ 7,015,118	\$ 8,456,765	\$ 1,441,647	20.6
Capital assets	6,221,800	6,006,528	(215,272)	(3.5)
Total assets	13,236,918	14,463,293	1,226,375	9.3
<b>Deferred Outflows of Resources</b>	181,455	196,370	14,915	8.2
<b>Liabilities</b>				
Current liabilities	1,041,414	1,585,138	543,724	52.2
Noncurrent liabilities	1,447,135	898,681	(548,454)	(37.9)
Total liabilities	2,488,549	2,483,819	(4,730)	(0.2)
<b>Deferred Inflows of Resources</b>	2,420,313	2,542,167	121,854	5.0
<b>Net Position</b>				
Net investment in capital assets	6,066,800	6,006,528	(60,272)	(1.0)
Restricted	128,525	95,661	(32,864)	(25.6)
Unrestricted	2,314,186	3,531,488	1,217,302	52.6
Total net position	<b>\$ 8,509,511</b>	<b>\$ 9,633,677</b>	<b>\$ 1,124,166</b>	13.2
<b>Business-type Activities</b>				
	2021	2022	Change	Percent Change
<b>Assets</b>				
Current and other assets	\$ 4,741,477	\$ 5,170,593	\$ 429,116	9.1
Capital assets	8,482,931	8,429,858	(53,073)	(0.6)
Total assets	13,224,408	13,600,451	376,043	2.8
<b>Deferred Outflows of Resources</b>	116,791	137,191	20,400	17.5
<b>Liabilities</b>				
Current liabilities	533,013	579,020	46,007	8.6
Noncurrent liabilities	672,495	614,756	(57,739)	(8.6)
Total liabilities	1,205,508	1,193,776	(11,732)	(1.0)
<b>Deferred Inflows of Resources</b>	110,991	204,434	93,443	84.2
<b>Net Position</b>				
Net investment in capital assets	8,482,931	8,429,858	(53,073)	(0.6)
Unrestricted	3,541,769	3,909,574	367,805	10.4
Total net position	<b>\$ 12,024,700</b>	<b>\$ 12,339,432</b>	<b>\$ 314,732</b>	2.6

#### Governmental Activities

Vienna Township's combined net position increased by 7.0 percent from a year ago, from \$20,534,211 to \$21,973,109. As we look at the governmental activities separately from the business-type activities, we can see that governmental activities increased by 13.2 percent and business-type activities increased by 2.6 percent.

# Charter Township of Vienna

## Management's Discussion and Analysis (Continued)

Unrestricted net position, the part of net position that can be used to finance day-to-day operations, increased by \$1,217,302 for the governmental activities mainly due to the long-term debt being paid off in the prior year, freeing up over \$500,000 of expenditures. This represents an increase of approximately 52.6 percent from 2021 to 2022 and 82.4 percent from 2020 to 2021.

### Business-type Activities

Business-type activities current assets increased by \$429,116, and business-type activities capital assets decreased by \$53,073 from a year ago. This large decrease is due to depreciation expense on the business-type activities capital assets and lack of significant capital asset additions in the current year.

### The Township's Changes in Net Position

	Governmental Activities			
	2021	2022	Change	Percent Change
<b>Revenue</b>				
Program revenue:				
Charges for services	\$ 1,046,115	\$ 1,130,948	\$ 84,833	8.1
Operating grants	303,546	383,031	79,485	26.2
Capital grants	180	103	(77)	(42.8)
General revenue:				
Property taxes	1,424,908	1,449,263	24,355	1.7
State-shared revenue	1,424,657	1,532,440	107,783	7.6
Investment earnings	3,573	61,929	58,356	1,633.2
Other revenue	231,804	218,563	(13,241)	(5.7)
Total revenue	4,434,783	4,776,277	341,494	7.7
<b>Expenses</b>				
General government	771,200	621,076	(150,124)	(19.5)
Public safety	1,528,281	1,625,235	96,954	6.3
Public works	885,954	1,034,369	148,415	16.8
Community and economic development	29,845	19,102	(10,743)	(36.0)
Recreation and culture	297,046	345,549	48,503	16.3
Debt service	14,859	6,780	(8,079)	(54.4)
Total expenses	3,527,185	3,652,111	124,926	3.5
<b>Change in Net Position</b>	907,598	1,124,166	216,568	23.9
<b>Net Position - Beginning of year</b>	7,601,913	8,509,511	907,598	11.9
<b>Net Position - End of year</b>	<b>\$ 8,509,511</b>	<b>\$ 9,633,677</b>	<b>\$ 1,124,166</b>	13.2
	Business-type Activities			
	2021	2022	Change	Percent Change
<b>Revenue</b>				
Program revenue:				
Operating revenue	\$ 2,617,740	\$ 3,067,239	\$ 449,499	17.2
Capital contributions	60,390	255,899	195,509	323.7
Interest income	7,343	54,508	47,165	642.3
Total revenue	2,685,473	3,377,646	692,173	25.8
<b>Expenses</b>	2,838,364	3,062,914	224,550	7.9
<b>Change in Net Position</b>	(152,891)	314,732	467,623	(305.9)
<b>Net Position - Beginning of year</b>	12,177,591	12,024,700	(152,891)	(1.3)
<b>Net Position - End of year</b>	<b>\$ 12,024,700</b>	<b>\$ 12,339,432</b>	<b>\$ 314,732</b>	2.6

## **Charter Township of Vienna**

### **Management's Discussion and Analysis (Continued)**

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#### ***Governmental Activities***

Vienna Township's total governmental revenue increased by \$341,494 primarily as a result of the increase in property taxes and state-shared revenue.

Expenses increased by \$124,926 during the year. The largest increase was reported in public works. The increase is primarily due to increased construction and contractual services costs.

#### ***Business-type Activities***

The Township's business-type activities consist of the Water and Sewer funds. We provide water to residents from the Genesee County Water System. We provide sewage treatment through a sewage treatment plant operated by Genesee County Water and Waste. Sewer and water operating expenses increased in 2022 by \$224,550 primarily due to increases in consumption, and operating revenue increased by \$692,173 for the same reason.

#### **General Fund Budgetary Highlights**

Over the course of the year, Vienna Township amended the budget to take into account events during the year. There were no significant budget amendments to note in the current year.

#### ***Capital Assets and Debt Administration***

At the end of 2022, the Township had \$14,436,386 invested in a broad range of capital assets, including buildings, machinery, equipment, and water and sewer lines. In addition, the Township has invested significantly in roads within Vienna Township.

#### ***Economic Factors and Next Year's Budgets and Rates***

Low home construction levels in 2022 were a continuation from 2021. This lack of growth will be reflected in a flat level in state equalized value, tax revenue, sewer and water tap-ins, and building fee revenue.

#### ***Contacting Vienna Township's Management***

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Office of the Supervisor, 3400 W. Vienna Road, Vienna Township, Clio, MI 48420.

# Charter Township of Vienna

## Statement of Net Position

December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Business Development Authority
<b>Assets</b>				
Cash and cash equivalents (Note 3)	\$ 4,345,455	\$ 1,955,509	\$ 6,300,964	\$ 2,337,113
Investments	1,653,898	2,031,958	3,685,856	-
Receivables - Net of allowance	2,407,457	1,183,005	3,590,462	527,202
Prepaid expenses	49,955	121	50,076	700
Capital assets: (Note 4)				
Assets not subject to depreciation	526,352	55,200	581,552	20,000
Assets subject to depreciation - Net	5,480,176	8,374,658	13,854,834	1,177,363
Total assets	14,463,293	13,600,451	28,063,744	4,062,378
<b>Deferred Outflows of Resources</b>				
Deferred pension costs (Note 8)	170,897	119,453	290,350	-
Deferred OPEB costs (Note 9)	25,473	17,738	43,211	-
Total deferred outflows of resources	196,370	137,191	333,561	-
<b>Liabilities</b>				
Accounts payable	84,548	63,123	147,671	17,456
Due to other governmental units	159,186	515,897	675,083	1,201
Deposits	9,893	-	9,893	-
Unearned revenue	1,331,511	-	1,331,511	-
Noncurrent liabilities:				
Due within one year - Compensated absences	12,409	-	12,409	-
Due in more than one year:				
Net pension liability (Note 8)	402,251	277,691	679,942	-
Net OPEB obligation (Note 9)	484,021	337,065	821,086	-
Total liabilities	2,483,819	1,193,776	3,677,595	18,657
<b>Deferred Inflows of Resources</b>				
Property taxes levied for the following year	1,585,123	-	1,585,123	527,202
Special assessments levied for the following year	664,810	-	664,810	-
Deferred pension cost reductions (Note 8)	90,500	63,951	154,451	-
Deferred OPEB cost reductions (Note 9)	201,734	140,483	342,217	-
Total deferred inflows of resources	2,542,167	204,434	2,746,601	527,202
<b>Net Position</b>				
Net investment in capital assets	6,006,528	8,429,858	14,436,386	1,197,363
Restricted:				
Rubbish	65,772	-	65,772	-
Public access programming	29,889	-	29,889	-
Unrestricted	3,531,488	3,909,574	7,441,062	2,319,156
Total net position	<u>\$ 9,633,677</u>	<u>\$ 12,339,432</u>	<u>\$ 21,973,109</u>	<u>\$ 3,516,519</u>

# Charter Township of Vienna

Functions/Programs	Program Revenue			Capital Grants and Contributions
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary government:				
Governmental activities:				
General government	\$ 621,076	\$ 274,874	\$ 1,195	\$ -
Public safety	1,625,235	223,201	100,000	-
Public works	1,034,369	620,362	-	103
Community and economic development	19,102	-	-	-
Recreation and culture	345,549	12,511	281,836	-
Interest on long-term debt	6,780	-	-	-
Total governmental activities	3,652,111	1,130,948	383,031	103
Business-type activities:				
Sewer Fund	1,557,322	1,594,629	-	190,899
Water Fund	1,505,592	1,472,610	-	65,000
Total business-type activities	3,062,914	3,067,239	-	255,899
Total primary government	<u>\$ 6,715,025</u>	<u>\$ 4,198,187</u>	<u>\$ 383,031</u>	<u>\$ 256,002</u>
Component units - Business Development Authority	<u>\$ 651,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,725</u>
General revenue:				
Property taxes				
State-shared revenue:				
State-shared revenue				
Local community stabilization authority				
Investment income				
Cable franchise fees				
Other miscellaneous income				
Total general revenue				
<b>Change in Net Position</b>				
<b>Net Position - Beginning of year</b>				
<b>Net Position - End of year</b>				

## Statement of Activities

Year Ended December 31, 2022

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Business Development Authority
\$ (345,007)	\$ -	\$ (345,007)	\$ -
(1,302,034)	-	(1,302,034)	-
(413,904)	-	(413,904)	-
(19,102)	-	(19,102)	-
(51,202)	-	(51,202)	-
(6,780)	-	(6,780)	-
(2,138,029)	-	(2,138,029)	-
-	228,206	228,206	-
-	32,018	32,018	-
-	260,224	260,224	-
(2,138,029)	260,224	(1,877,805)	-
-	-	-	(649,288)
1,449,263	-	1,449,263	867,782
1,517,954	-	1,517,954	-
14,486	-	14,486	-
61,929	-	61,929	10,898
203,970	-	203,970	511
14,593	54,508	69,101	-
3,262,195	54,508	3,316,703	879,191
1,124,166	314,732	1,438,898	229,903
8,509,511	12,024,700	20,534,211	3,286,616
<b>\$ 9,633,677</b>	<b>\$ 12,339,432</b>	<b>\$ 21,973,109</b>	<b>\$ 3,516,519</b>

# Charter Township of Vienna

## Governmental Funds Balance Sheet

December 31, 2022

	General Fund	Sanitation Fund	Senior Citizens Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents (Note 3)	\$ 4,024,789	\$ 150,357	\$ 15,297	\$ 155,012	\$ 4,345,455
Investments	1,525,688	6,179	-	122,031	1,653,898
Receivables - Net of allowance:					
Property taxes receivable	1,372,601	-	-	-	1,372,601
Special assessments receivable	-	575,621	-	-	575,621
Other receivables	144,795	-	-	-	144,795
Due from other governments	252,355	-	62,085	-	314,440
Prepaid expenses	49,842	15	98	-	49,955
<b>Total assets</b>	<b>\$ 7,370,070</b>	<b>\$ 732,172</b>	<b>\$ 77,480</b>	<b>\$ 277,043</b>	<b>\$ 8,456,765</b>
<b>Liabilities</b>					
Accounts payable	\$ 81,729	\$ 1,590	\$ 1,229	\$ -	\$ 84,548
Due to other governmental units	159,186	-	-	-	159,186
Deposits	9,893	-	-	-	9,893
Unearned revenue	1,331,511	-	-	-	1,331,511
<b>Total liabilities</b>	<b>1,582,319</b>	<b>1,590</b>	<b>1,229</b>	<b>-</b>	<b>1,585,138</b>
<b>Deferred Inflows of Resources</b>					
Property taxes levied for the following year	1,585,123	-	-	-	1,585,123
Special assessments levied for the following year	-	664,810	-	-	664,810
<b>Total deferred inflows of resources</b>	<b>1,585,123</b>	<b>664,810</b>	<b>-</b>	<b>-</b>	<b>2,249,933</b>
<b>Fund Balances</b>					
Nonspendable - Prepays	49,842	15	98	-	49,955
Restricted:					
Rubbish	-	65,757	-	-	65,757
Public access programming	29,889	-	-	-	29,889
Assigned:					
Capital projects	-	-	-	277,043	277,043
Senior citizens	-	-	76,153	-	76,153
Unassigned	4,122,897	-	-	-	4,122,897
<b>Total fund balances</b>	<b>4,202,628</b>	<b>65,772</b>	<b>76,251</b>	<b>277,043</b>	<b>4,621,694</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 7,370,070</b>	<b>\$ 732,172</b>	<b>\$ 77,480</b>	<b>\$ 277,043</b>	<b>\$ 8,456,765</b>

# Charter Township of Vienna

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

December 31, 2022

<b>Fund Balances Reported in Governmental Funds</b>	\$ 4,621,694
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 capital assets	14,910,706
Accumulated depreciation	<u>(8,904,178)</u>
Net capital assets used in governmental activities	6,006,528
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(898,681)
Deferred inflows related to pensions and OPEB are not recorded in the funds	(292,234)
Deferred outflows related to pensions and OPEB are not recorded in the funds	<u>196,370</u>
<b>Net Position of Governmental Activities</b>	<b><u><u>\$ 9,633,677</u></u></b>

# Charter Township of Vienna

## Governmental Funds

### Statement of Revenue, Expenditures, and Changes in Fund Balances

**Year Ended December 31, 2022**

	General Fund	Sanitation Fund	Senior Citizens Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenue</b>					
Property taxes	\$ 1,449,155	\$ -	\$ -	\$ -	\$ 1,449,155
Special assessments	-	617,500	-	-	617,500
Intergovernmental:					
Federal grants	1,195	-	46,073	4,850	52,118
State sources	1,532,440	-	-	-	1,532,440
County grants	-	-	230,913	-	230,913
Charges for services	351,006	-	-	-	351,006
Licenses and permits	434,827	-	-	-	434,827
Interest	60,689	1,160	12,911	3,481	78,241
Other revenue	43,077	2,862	59,600	-	105,539
Total revenue	3,872,389	621,522	349,497	8,331	4,851,739
<b>Expenditures</b>					
Current services:					
General government:					
Township board	200,531	-	-	-	200,531
Supervisor	81,483	-	-	-	81,483
Treasurer	120,244	-	-	-	120,244
Assessing	86,250	-	-	-	86,250
Clerk	113,128	-	-	-	113,128
Township hall and grounds	48,608	-	-	12,588	61,196
Elections	58,596	-	-	-	58,596
Cemetery	479	-	-	-	479
Public safety:					
Police	1,150,627	-	-	-	1,150,627
Fire	388,332	-	-	-	388,332
Building inspections and related	218,367	-	-	-	218,367
Public works:					
Stormwater drainage	19,314	-	-	-	19,314
Sanitation	-	648,465	-	-	648,465
Streets	173,431	-	-	-	173,431
Street lighting	27,516	-	-	-	27,516
Other public works activities	16,099	-	-	-	16,099
Community and economic development	19,102	-	-	-	19,102
Recreation and culture:					
Library	31,631	-	-	-	31,631
Parks and recreation	101,281	-	-	4,850	106,131
Senior citizens	-	-	312,400	-	312,400
Debt service:					
Principal	-	-	155,000	-	155,000
Interest on long-term debt	-	-	14,059	-	14,059
Total expenditures	2,855,019	648,465	481,459	17,438	4,002,381
<b>Excess of Revenue Over (Under) Expenditures</b>	1,017,370	(26,943)	(131,962)	(9,107)	849,358
<b>Other Financing Sources (Uses)</b>					
Transfers in (Note 5)	-	-	162,595	65,000	227,595
Transfers out (Note 5)	(227,595)	-	-	-	(227,595)
Total other financing (uses) sources	(227,595)	-	162,595	65,000	-
<b>Net Change in Fund Balances</b>	789,775	(26,943)	30,633	55,893	849,358
<b>Fund Balances - Beginning of year</b>	3,412,853	92,715	45,618	221,150	3,772,336
<b>Fund Balances - End of year</b>	\$ 4,202,628	\$ 65,772	\$ 76,251	\$ 277,043	\$ 4,621,694

## Charter Township of Vienna

### Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended December 31, 2022

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	<b>\$ 849,358</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	357,633
Depreciation expense	(537,099)
Loss on sale of assets	(35,806)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	155,000
Interest expense is recognized in the government-wide statements as it accrues	7,279
Increases in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment	(807)
The change in the net pension liability is recorded when incurred in the statement of activities	120,777
The change in the net other postemployment benefit obligations is not reported as fund liabilities	273,484
Change in deferred inflows related to pensions and OPEB	(80,568)
Change in deferred outflows related to pensions and OPEB	14,915
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 1,124,166</u></b>

# Charter Township of Vienna

## Proprietary Funds Statement of Net Position

December 31, 2022

	Enterprise Funds		
	Sewer Fund	Water Fund	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 881,071	\$ 1,074,438	\$ 1,955,509
Investments	1,388,982	642,976	2,031,958
Receivables - Net of allowance:			
Unbilled utility charges	650,476	-	650,476
Other receivables	244,950	54,000	298,950
Delinquent fees	222,653	10,926	233,579
Due from other funds (Note 5)	-	390,479	390,479
Prepaid expenses	61	60	121
Total current assets	3,388,193	2,172,879	5,561,072
Noncurrent assets -			
Capital assets: (Note 4)			
Assets not subject to depreciation	55,200	-	55,200
Assets subject to depreciation - Net	6,181,645	2,193,013	8,374,658
Total noncurrent assets	6,236,845	2,193,013	8,429,858
Total assets	9,625,038	4,365,892	13,990,930
<b>Deferred Outflows of Resources</b> - Pension and OPEB (Notes 8 and 9)	84,823	52,368	137,191
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	57,065	6,058	63,123
Due to other governmental units	261,575	254,322	515,897
Due to other funds (Note 5)	390,479	-	390,479
Total current liabilities	709,119	260,380	969,499
Noncurrent liabilities:			
Net pension liability (Note 8)	171,348	106,343	277,691
Net OPEB obligation (Note 9)	204,426	132,639	337,065
Total noncurrent liabilities	375,774	238,982	614,756
Total liabilities	1,084,893	499,362	1,584,255
<b>Deferred Inflows of Resources</b> - Pension and OPEB (Notes 8 and 9)	125,016	79,418	204,434
<b>Net Position</b>			
Net investment in capital assets	6,236,845	2,193,013	8,429,858
Unrestricted	2,263,107	1,646,467	3,909,574
Total net position	<b>\$ 8,499,952</b>	<b>\$ 3,839,480</b>	<b>\$ 12,339,432</b>

# Charter Township of Vienna

## Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position

**Year Ended December 31, 2022**

	Enterprise Funds		
	Sewer Fund	Water Fund	Total
<b>Operating Revenue</b>			
Sale of water	\$ -	\$ 1,472,610	\$ 1,472,610
Sewage disposal charges	1,523,377	-	1,523,377
Interest and penalty charges	62,464	-	62,464
Miscellaneous	8,788	-	8,788
Total operating revenue	1,594,629	1,472,610	3,067,239
<b>Operating Expenses</b>			
Cost of water	-	1,308,220	1,308,220
Cost of sewage treatment	1,146,788	-	1,146,788
Insurance	-	351	351
Salaries, wages, and fringes	199,305	103,157	302,462
Professional services	1,532	1,532	3,064
Computer billing charge	6,437	6,913	13,350
Office supplies and postage	20,700	287	20,987
Miscellaneous	150	11,980	12,130
Maintenance and repair	64,245	-	64,245
Depreciation	105,170	73,152	178,322
Total operating expenses	1,544,327	1,505,592	3,049,919
<b>Operating Income (Loss)</b>	50,302	(32,982)	17,320
<b>Nonoperating (Expense) Revenue</b>			
Interest expense	(12,995)	-	(12,995)
Interest income	29,434	25,074	54,508
Total nonoperating revenue	16,439	25,074	41,513
<b>Income (Loss) - Before capital contributions</b>	66,741	(7,908)	58,833
<b>Capital Contributions</b>	190,899	65,000	255,899
<b>Change in Net Position</b>	257,640	57,092	314,732
<b>Net Position - Beginning of year</b>	8,242,312	3,782,388	12,024,700
<b>Net Position - End of year</b>	<b>\$ 8,499,952</b>	<b>\$ 3,839,480</b>	<b>\$ 12,339,432</b>

## Charter Township of Vienna

### Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2022

	Enterprise Funds		
	Sewer Fund	Water Fund	Total
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 1,568,971	\$ 1,296,253	\$ 2,865,224
Payments to suppliers	(1,215,624)	(1,258,262)	(2,473,886)
Payments to employees and fringes	(210,395)	(126,005)	(336,400)
Other receipts	370	6,509	6,879
Net cash and cash equivalents provided by (used in) operating activities	143,322	(81,505)	61,817
<b>Cash Flows from Capital and Related Financing Activities</b>			
Receipt of capital grants	125,249	-	125,249
Capital contributions	95,139	90,074	185,213
Purchase of capital assets	(125,249)	-	(125,249)
Principal and interest paid on capital debt	(12,995)	-	(12,995)
Net cash and cash equivalents provided by capital and related financing activities	82,144	90,074	172,218
<b>Cash Flows Used in Investing Activities - Purchase of investment securities</b>	(23,594)	(10,922)	(34,516)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	201,872	(2,353)	199,519
<b>Cash and Cash Equivalents - Beginning of year</b>	679,199	1,076,791	1,755,990
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 881,071</b>	<b>\$ 1,074,438</b>	<b>\$ 1,955,509</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</b>			
Operating income (loss)	\$ 50,302	\$ (32,982)	\$ 17,320
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation	105,170	73,152	178,322
Changes in assets and liabilities:			
Receivables	(25,288)	(169,848)	(195,136)
Net pension or OPEB liability	(10,940)	(10,868)	(21,808)
Accounts payable	24,078	59,041	83,119
Net cash and cash equivalents provided by (used in) operating activities	<b>\$ 143,322</b>	<b>\$ (81,505)</b>	<b>\$ 61,817</b>

# Charter Township of Vienna

## Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2022

	Retiree Health Care Benefit Trust Fund	Custodial Fund - Property Tax Collection Fund
<b>Assets</b>		
Cash and cash equivalents	\$ 374,195	\$ 3,392,747
Investments:		
Investment pools	170,059	-
MERS equity investments	151,661	-
Receivables - Property taxes	-	5,219,530
Prepaid expenses	4,706	-
Total assets	700,621	8,612,277
<b>Liabilities</b> - Due to other governmental units	-	3,392,746
<b>Deferred Inflows of Resources</b> - Property taxes levied for the following year	-	5,219,531
Total liabilities and deferred inflows of resources	-	8,612,277
<b>Net Position</b> - Restricted - Postemployment benefits other than pension	<u>\$ 700,621</u>	<u>\$ -</u>

# Charter Township of Vienna

## Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2022

	Retiree Health Care Benefit Trust Fund	Custodial Fund - Property Tax Collection Fund
<b>Additions</b>		
Investment income:		
Interest and dividends	\$ 6,060	\$ -
Net decrease in fair value of investments	(17,661)	-
Net investment income	(11,601)	-
Contributions - Employer contributions	200,000	-
Property tax collections	-	15,248,168
Total additions	188,399	15,248,168
<b>Deductions</b>		
Benefit payments	68,526	-
Administrative expenses	4,281	-
Tax distributions to other governments	-	15,248,168
Total deductions	72,807	15,248,168
<b>Net Increase in Fiduciary Net Position</b>	115,592	-
<b>Net Position - Beginning of year</b>	585,029	-
<b>Net Position - End of year</b>	<u>\$ 700,621</u>	<u>\$ -</u>

**Note 1 - Significant Accounting Policies**

***Accounting and Reporting Principles***

The Charter Township of Vienna (the "Township") elected charter township status in August 1978. The Township provides the following services authorized by its charter: public safety (police, fire, and inspections), highways and streets, sanitation, public improvements, recreation, planning, and general administrative services.

The Township follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the Township:

***Reporting Entity***

The Township is governed by an elected seven-member board. The accompanying financial statements present the Township and its component unit, an entity for which the Township is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Township.

**Discretely Presented Component Unit**

***Business Development Authority (the "Authority")***

The members of the governing board are appointed by the township supervisor and approved by the township board. The Authority's operational and capital budgets must be approved by the township board. The Authority was created on May 23, 1992 under Act 197, Public Act of Michigan, 1975, as amended. The Business Development Authority does not issue separate financial statements. However, detailed financial information can be obtained from the Authority's administrative office at the following address:

Business Development Authority of Vienna Township  
P.O. Box 129  
Clio, MI 48420

**Fiduciary Component Unit**

***Retiree Health Care Benefits Trust***

The Township's OPEB plan is governed by the Township's board. Although it is legally separate from the Township, it is reported as a fiduciary component unit because the Township administers the plan and the plan imposes a financial burden on the Township.

**Jointly Governed Organization**

The following organizations are not included in the Township's annual report as component units but rather are considered joint ventures. The organizations have the following characteristics:

***Clio Area Library and Clio Area Fire Authority***

- Financed by other communities besides the Charter Township of Vienna
- Serve several communities outside the Township
- The Township has no obligation to fund deficits of the library or guarantee its debt, nor is it responsible for approving the library's operating budget.

The Clio Area Library and Clio Area Fire Authority have June 30 and March 31 year ends, respectively. Audited financial statements of both organizations for the years ended June 30, 2022 and March 31, 2022 are available for public inspection at the Charter Township of Vienna.

**Note 1 - Significant Accounting Policies (Continued)**

***Report Presentation***

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. 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. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenue are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Township's water and sewer function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

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

***Fund Accounting***

The Township accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures for which specific revenue was used. The various funds are aggregated into three broad fund types:

**Governmental Funds**

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The Township reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Sanitation Fund is used to account for the customer charges that are to be used to pay contracted services for rubbish collection.
- The Senior Citizens Fund is used to account for the revenue earned and received through a grant with Genesee County, Michigan and expenditures incurred by the Township to support senior citizens' activities.

**Note 1 - Significant Accounting Policies (Continued)**

**Proprietary Funds**

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the Township). The Township reports the following funds as major enterprise funds:

- The Water Fund and the Sewer Fund are separate funds maintained for the operations of the water distribution system and the sewage pumping and collection system that transfer sewage to Genesee County, Michigan’s treatment plant.

**Fiduciary Funds**

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government’s programs. Activities that are reported as fiduciary include the following:

- The Retiree Health Care Benefit Trust Fund accounts for the accumulation of resources and payment of postretirement health care benefits to qualified employees.
- The Custodial Fund - Property Tax Collection Fund collects taxes on behalf of all the taxing authorities (state, county, school district, township, and the various smaller authorities).

**Interfund Activity**

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

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

**Basis of Accounting**

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

**Note 1 - Significant Accounting Policies (Continued)**

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, county grants, and miscellaneous revenue associated with the current fiscal period.

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full 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.

***Specific Balances and Transactions***

**Cash and Cash Equivalents**

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

**Investments**

Investments are reported at fair value or estimated fair value. The Township's investment policy is to invest public funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state statutes and local ordinances governing the investment of public funds.

**Receivables and Payables**

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

All trade notes, contracts, and property tax receivables are shown as net of an allowance of \$1,771 for uncollectible amounts.

**Prepaid Items**

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

**Capital Assets**

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

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**Note 1 - Significant Accounting Policies (Continued)**

Property, plant, and equipment are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Infrastructure	5 to 30
Water system	60
Sewer system	100
Drains	40
Machinery and equipment	5 to 20

**Long-term Obligations**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as other financing sources, as well as bond premiums and discounts. The General Fund is generally used to liquidate governmental long-term debt.

**Unearned Revenue**

Unearned revenue represents money received that does not yet meet the criteria for revenue recognition. As of December 31, 2022, the General Fund balance of unearned revenue includes \$1,164,311 of American Rescue Plan Act cash received in advance of eligibility criteria being met and \$167,200 in cash received in advance that has not been earned related to a cell tower lease. Unearned amounts are reported as liabilities.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

The Township reports deferred outflows of resources related to the defined benefit pension plan and OPEB plan, which are disclosed in more detail in Notes 8 and 9, respectively.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

The Township reports deferred inflows in the governmental funds and in the government-wide statements related to property taxes and special assessments that have been collected by the Township prior to year end but are used to fund 2022 operations and deferred inflows in the government-wide statements related to the defined benefit pension plan and OPEB plan, which are disclosed in more detail in Notes 8 and 9, respectively.

**Note 1 - Significant Accounting Policies (Continued)**

**Net Position Flow Assumption**

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

**Fund Balance Flow Assumptions**

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

**Fund Balance Policies**

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

- **Nonspendable:** Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- **Restricted:** Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose
- **Committed:** Amounts that have been formally set aside by the Township to be used for specific purposes. Commitments are made and can be rescinded only via resolution of the honorable members of the township board.
- **Assigned:** Intent to spend resources on specific purposes expressed by the governing body. Assignments must be authorized by resolution and approved by the governing body.
- **Unassigned:** Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

**Property Tax Revenue**

Property taxes are levied on each December 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on February 15 of the following year, at which time penalties and interest are assessed.

The Township's 2021 property tax revenue was levied and collectible on December 31, 2021 and is recognized as revenue in the year ended December 31, 2022 when the proceeds of the levy are budgeted and available for the financing of operations.

**Note 1 - Significant Accounting Policies (Continued)**

The 2021 taxable valuation of the Township totaled \$390 million (a portion of which is abated and a portion of which is captured by the TIFA), on which taxes levied consisted of 4.04 mills for operating purposes. This resulted in approximately \$2,434,000, of which approximately \$832,000 was captured by the Authority. These amounts are recognized in the General Fund financial statements as tax revenue.

**Pension**

The Township offers a defined benefit pension plan to its employees hired before September 24, 2017 and a defined contribution plan for employees hired after September 24, 2017. The Township records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Township's pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund, Water Fund, and Sewer Fund are used to liquidate the pension obligation.

**Other Postemployment Benefit Costs**

The Township offers retiree health care benefits to retirees hired before January 1, 2010. The Township records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The General Fund, Water Fund, and Sewer Fund are used to liquidate the OPEB liability.

**Compensated Absences (Vacation and Sick Leave)**

Employees' unused personal time is paid out in cash at the end of the year. It is the Township's policy to permit employees to accumulate earned but unused vacation pay benefits. Vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employee terminations at year end. The General Fund is generally used to liquidate compensated absences.

**Proprietary Funds Operating Classification**

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

December 31, 2022

**Note 1 - Significant Accounting Policies (Continued)**

**Use of Estimates**

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

**Upcoming Accounting Pronouncements**

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2023.

In April 2022, the Governmental Accounting Standards Board issued Statement No. 99, *Omnibus 2022*, which establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, public-public and public-private partnerships (PPPs), subscription-based information technology arrangements (SBITAs), the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program (SNAP), nonmonetary transactions, pledges of future revenue, the focus of government-wide financial statements, and terminology. The standard has various effective dates. The Township does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2024.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2024.

**Note 2 - Stewardship, Compliance, and Accountability**

**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal year end. The budget document presents information by fund, function, and object. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the object level. State law requires the Township to have its budget in place by January 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. There were no significant amendments during the year.

**December 31, 2022**

**Note 2 - Stewardship, Compliance, and Accountability (Continued)**

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to November 1, the supervisor submits to the township board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the General and special revenue funds. Informational summaries of projected revenue and expenditures are provided for all other township funds, as well as estimated total costs and proposed methods of financing all capital construction projects.
- Public hearings are conducted at the Township Hall to obtain taxpayer comments
- Prior to January 1, the budget is legally enacted on a departmental (activity) basis through passage of a resolution in accordance with Public Act 621 of the State of Michigan.
- The supervisor is authorized to transfer budgeted amounts within departmental appropriation accounts; however, any revisions that alter the total expenditures of any department must be approved by the township board.
- Formal budgetary integration is employed as a management control device during the year for all budgetary funds. The amount of encumbrances at year end is not known. Also, all budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- Budget appropriations lapse at year end except for approved contracts, which are appropriated on a contract (grant) length basis

**Construction Code Fees**

The Township oversees building construction in accordance with the State's Construction Code Act, including inspection of building construction and renovation, to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at January 1, 2022	\$ (89,207)
Current year permit revenue	218,214
Related expenses - Estimated indirect costs	218,367
Current year shortfall	(153)
Cumulative shortfall December 31, 2022	\$ (89,360)

**Note 3 - Deposits and Investments**

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

December 31, 2022

**Note 3 - Deposits and Investments (Continued)**

The Township has designated five banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs but not the remainder of state statutory authority, as listed above. The Township's deposits and investment policies are in accordance with statutory authority deposits and investment policies are in accordance with statutory authority.

The Township's cash and investments are subject to two types of risk, which are examined in more detail below:

***Custodial Credit Risk of Bank Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had bank deposits of \$9,149,675 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Township believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

***Component Unit***

At year end, the Business Development Authority had bank deposits of \$1,869,388 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized.

***Fair Value Measurements***

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Township's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is presented on the table below.

***Investments in Entities that Calculate Net Asset Value per Share***

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

The investments have no unfunded commitments or redemption rules. At December 31, 2022, the fair value of the investments is as follows:

Michigan CLASS investment pool	\$ 3,855,915
MERS ISP Total Market Portfolio	<u>151,661</u>
Total	<u><u>\$ 4,007,576</u></u>

December 31, 2022

**Note 3 - Deposits and Investments (Continued)**

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

The MERS ISP Total Market Portfolio is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. MERS manages the asset allocation and monitors the underlying investment managers of the MERS ISP Total Market Portfolio.

**Note 4 - Capital Assets**

Capital asset activity of the Township's governmental and business-type activities was as follows:

**Governmental Activities**

	Balance January 1, 2022	Additions	Disposals and Adjustments	Balance December 31, 2022
Capital assets not being depreciated - Land	\$ 526,352	\$ -	\$ -	\$ 526,352
Capital assets being depreciated:				
Roads and sidewalks	5,899,620	178,331	-	6,077,951
Buildings and improvements	7,503,077	74,852	-	7,577,929
Furniture and equipment	665,987	104,450	(41,963)	728,474
Subtotal	14,068,684	357,633	(41,963)	14,384,354
Accumulated depreciation:				
Roads and sidewalks	4,000,113	337,227	-	4,337,340
Buildings and improvements	3,783,563	188,075	-	3,971,638
Furniture and equipment	589,560	11,797	(6,157)	595,200
Subtotal	8,373,236	537,099	(6,157)	8,904,178
Net capital assets being depreciated	5,695,448	(179,466)	(35,806)	5,480,176
Net governmental activities capital assets	<u>\$ 6,221,800</u>	<u>\$ (179,466)</u>	<u>\$ (35,806)</u>	<u>\$ 6,006,528</u>

December 31, 2022

**Note 4 - Capital Assets (Continued)**

***Business-type Activities***

	Balance January 1, 2022	Additions	Disposals and Adjustments	Balance December 31, 2022
Capital assets not being depreciated - Land	\$ 55,200	\$ -	\$ -	\$ 55,200
Capital assets being depreciated:				
Water and sewer lines	13,726,779	125,249	-	13,852,028
Furniture and equipment	32,390	-	-	32,390
Subtotal	13,759,169	125,249	-	13,884,418
Accumulated depreciation:				
Water and sewer lines	5,301,076	180,962	-	5,482,038
Furniture and equipment	30,362	1,788	(4,428)	27,722
Subtotal	5,331,438	182,750	(4,428)	5,509,760
Net capital assets being depreciated	8,427,731	(57,501)	4,428	8,374,658
Net business-type activity capital assets	<u>\$ 8,482,931</u>	<u>\$ (57,501)</u>	<u>\$ 4,428</u>	<u>\$ 8,429,858</u>

Capital asset activity for the Township's component unit for the year ended December 31, 2022 was as follows:

***Component Unit***

	Balance January 1, 2022	Additions	Disposals and Adjustments	Balance December 31, 2022
Capital assets not being depreciated - Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Capital assets being depreciated:				
Roads and sidewalks	715,568	-	-	715,568
Buildings and improvements	47,254	175,329	-	222,583
Furniture and equipment	1,313,360	-	-	1,313,360
Vehicles	-	27,919	-	27,919
Subtotal	2,076,182	203,248	-	2,279,430
Accumulated depreciation:				
Roads and sidewalks	394,631	34,684	-	429,315
Buildings and improvements	25,331	4,547	-	29,878
Furniture and equipment	574,770	65,113	-	639,883
Vehicles	-	2,991	-	2,991
Subtotal	994,732	107,335	-	1,102,067
Net capital assets being depreciated	1,081,450	95,913	-	1,177,363
Net capital assets	<u>\$ 1,101,450</u>	<u>\$ 95,913</u>	<u>\$ -</u>	<u>\$ 1,197,363</u>

**December 31, 2022**

**Note 4 - Capital Assets (Continued)**

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

Governmental activities:		
General government		\$ 55,733
Public safety		66,009
Public works		346,557
Recreation and culture		<u>68,800</u>
Total governmental activities		<u>\$ 537,099</u>
Business-type activities:		
Water Fund		\$ 73,152
Sewer Fund		<u>105,170</u>
Total business-type activities		<u>\$ 178,322</u>
Component unit activities - Business Development Authority		\$ 107,335

**Note 5 - Interfund Receivables, Payables, and Transfers**

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Fund	Sewer Fund	\$ 390,479

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are composed of the following:

<u>Paying Fund (Transfer Out)</u>	<u>Receiving Fund (Transfer In)</u>	<u>Amount</u>
General Fund	Senior Citizens Fund	\$ 162,595
	Capital Projects Fund	<u>65,000</u>
	Total	<u>\$ 227,595</u>

The transfer from the General Fund to the Senior Citizens Fund was made to cover the current year fund balance deficit. The transfer from the General Fund to the Capital Projects Fund was made to fund future capital projects.

December 31, 2022

**Note 6 - Long-term Debt**

Long-term debt activity for the year ended December 31, 2022 can be summarized as follows:

**Governmental Activities**

	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable - Direct borrowings and direct placements - 2006 Capital Improvement Bonds (Senior Center) - Final payment due in 2022	-	\$ 155,000	\$ -	\$ (155,000)	\$ -	\$ -
Compensated absences		11,602	16,767	(15,960)	12,409	12,409
Total governmental activities long-term debt		\$ 166,602	\$ 16,767	\$ (170,960)	\$ 12,409	\$ 12,409

The Township was a participant in the countywide sanitary sewer and water system construction program. This program was financed by general obligation bonds issued by Genesee County, Michigan. The Township is obligated to assume the portion of the total debt for the construction of the systems within its boundaries. As of December 31, 2022, the Township does not have any obligations related to countywide projects.

**Note 7 - Risk Management**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for these claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

**Note 8 - Pension Plan**

**Plan Description**

The Charter Township of Vienna participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS), which covers all employees of the Township hired before September 24, 2017. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report that includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at [www.mersofmichigan.com](http://www.mersofmichigan.com) or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

**Benefits Provided**

The plan provides retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The MERS plan covers all full-time employees of the Township hired before September 24, 2017.

Retirement benefits for employees are calculated as 2.5 percent of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 60, with early retirement at 55 with 15 years of service. The vesting period is 10 years.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the township board, generally after negotiations of these terms with the employees.

December 31, 2022

**Note 8 - Pension Plan (Continued)**

**Employees Covered by Benefit Terms**

At the December 31, 2021 measurement date, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	8
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>3</u>
Total employees covered by the plan	<u><u>13</u></u>

**Contributions**

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended December 31, 2022, the active employee contribution rate was 10.0 percent of annual pay, and the Township's contribution rate was 66.54 percent of annual payroll.

**Net Pension Liability**

The December 31, 2022 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2021 measurement date. The December 31, 2021 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at January 1, 2021</b>	\$ 2,203,908	\$ 1,363,021	\$ 840,887
Changes for the year:			
Service cost	20,845	-	20,845
Interest	162,928	-	162,928
Differences between expected and actual experience	(84,857)	-	(84,857)
Changes in assumptions	87,516	-	87,516
Contributions - Employer	-	144,000	(144,000)
Contributions - Employee	-	18,718	(18,718)
Net investment income	-	186,866	(186,866)
Benefit payments, including refunds	(141,078)	(141,078)	-
Administrative expenses	-	(2,207)	2,207
Net changes	<u>45,354</u>	<u>206,299</u>	<u>(160,945)</u>
<b>Balance at December 31, 2021</b>	<u><u>\$ 2,249,262</u></u>	<u><u>\$ 1,569,320</u></u>	<u><u>\$ 679,942</u></u>

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

For the year ended December 31, 2022, the Township recognized pension expense of \$97,269.

**December 31, 2022**

**Note 8 - Pension Plan (Continued)**

At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 21,288	\$ (42,428)
Changes in assumptions	101,062	-
Net difference between projected and actual earnings on pension plan investments	-	(112,023)
Employer contributions to the plan subsequent to the measurement date	168,000	-
<b>Total</b>	<b>\$ 290,350</b>	<b>\$ (154,451)</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date of \$168,000 will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending December 31	Amount
2023	\$ 46,944
2024	(29,644)
2025	(32,894)
2026	(16,507)
<b>Total</b>	<b>\$ (32,101)</b>

**Actuarial Assumptions**

The total pension liability in the December 31, 2021 actuarial valuation was determined using an inflation assumption of 2.50 percent, assumed salary increases (including inflation) of 3.00 percent, an investment rate of return (net of investment expenses) of 7.25 percent, and the Pub-2010 mortality tables.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Note 8 - Pension Plan (Continued)**

**Investment Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of the December 31, 2021 measurement date for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

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

The following presents the net pension liability of the Township, calculated using the discount rate of 7.25 percent, as well as what the Township's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension liability (asset) of the plan	\$ 284,390	\$ 672,440	\$ (236,035)

**Pension Plan Fiduciary Net Position**

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

**Assumption Changes**

The discount rate was updated from 7.60 percent to 7.25 percent.

**Note 9 - Other Postemployment Benefit Plan**

**Plan Description**

The Township board administers the OPEB plan (the "Plan"), a single-employer defined benefit OPEB plan that is used to provide postemployment benefits other than pensions (OPEB) for certain retirees and their beneficiaries.

Management of the Plan is vested with the township board, which consists of all seven members of the board.

December 31, 2022

**Note 9 - Other Postemployment Benefit Plan (Continued)**

**Benefits Provided**

The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Benefits are provided through a third-party insurer, and the cost of the benefits is covered by the Plan. As of 2008, the Plan was closed to new entrants.

**Employees Covered by Benefit Terms**

The following members were covered by the benefit terms:

Date of member count	December 31, 2022
Inactive plan members or beneficiaries currently receiving benefits	7
Active plan members	<u>2</u>
Total plan members	<u><u>9</u></u>

**Contributions**

Article 9, Section 24 of the State of Michigan grants authority to the board to establish and amend the contribution requirements of the Township and plan members. The board establishes contribution rates based on an actuarially determined rate per a funding valuation. For the year ended December 31, 2022, the Township's average contribution rate was 190.2 percent of covered-employee payroll.

**Net OPEB Liability**

The Township has chosen to use the December 31 measurement date as its measurement date for the net OPEB liability. The December 31, 2022 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2022 measurement date. The December 31, 2022 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2022.

Changes in the net OPEB liability during the measurement year were as follows:

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
<b>Balance at January 1, 2022</b>	\$ 1,697,168	\$ 585,027	\$ 1,112,141
Changes for the year:			
Service cost	16,209	-	16,209
Interest	92,351	-	92,351
Differences between expected and actual experience	(144,663)	-	(144,663)
Changes in assumptions	(70,832)	-	(70,832)
Contributions - Employer	-	200,000	(200,000)
Net investment loss	-	(11,601)	11,601
Benefit payments, including refunds	(68,526)	(68,526)	-
Administrative expenses	-	(4,279)	4,279
Net changes	<u>(175,461)</u>	<u>115,594</u>	<u>(291,055)</u>
<b>Balance at December 31, 2022</b>	<u><u>\$ 1,521,707</u></u>	<u><u>\$ 700,621</u></u>	<u><u>\$ 821,086</u></u>

The Plan's fiduciary net position represents 46.0 percent of the total OPEB liability.

December 31, 2022

**Note 9 - Other Postemployment Benefit Plan (Continued)**

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

For the year ended December 31, 2022, the Township recognized OPEB cost recovery of \$7,554.

At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (191,952)
Changes in assumptions	-	(150,265)
Net difference between projected and actual earnings on OPEB plan investments	43,211	-
Total	\$ 43,211	\$ (342,217)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense):

Years Ending December 31	Amount
2023	\$ (126,724)
2024	(122,694)
2025	(38,989)
2026	(10,599)
Total	\$ (299,006)

***Actuarial Assumptions***

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 3.50 percent; an investment rate of return (net of investment expenses) of 5.50 percent; a health care cost trend rate of 7.00 percent for 2022, decreasing 0.25 percent per year to an ultimate rate of 4.50 percent for 2039 and later years; and the Pub-2010 mortality tables with the MP-2020 improvement scale. These assumptions were applied to all periods included in the measurement.

***Discount Rate***

The discount rate used to measure the total OPEB liability was 5.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees.

December 31, 2022

**Note 9 - Other Postemployment Benefit Plan (Continued)**

**Investment Rate of Return**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the December 31, 2022 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed below, are summarized in the following tables:

Asset Class	Long-term Expected Real Rate of Return
Global equity	4.50 %
Global fixed income	2.00
Private investments	7.00
Cash or cash equivalents	1.20

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

The following presents the net OPEB liability of the Township, calculated using the discount rate of 5.5 percent, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (4.50%)	Current Discount Rate (5.50%)	1 Percentage Point Increase (6.50%)
Net OPEB liability of the Township	\$ 1,040,519	\$ 821,086	\$ 644,143

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate**

The following presents the net OPEB liability of the Township, calculated using the health care cost trend rate, as well as what the Township's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.00%)	Current Health Care Cost Trend Rate (7.00%)	1 Percentage Point Increase (8.00%)
Net OPEB liability of the Township	\$ 631,103	\$ 821,086	\$ 1,058,612

December 31, 2022

**Note 9 - Other Postemployment Benefit Plan (Continued)**

**Investment Policy**

The Plan’s policy in regard to the allocation of invested assets is established and may be amended by the township board by a majority vote of its members. It is the policy of the township board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the township board’s adopted asset allocation policy as of December 31, 2022:

Asset Class	Target Allocation
Global equity	13.00 %
Global fixed income	4.50
Private investments	4.50
Cash or cash equivalents	78.00
Total	<u>100.00 %</u>

**Rate of Return**

For the year ended December 31, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was (1.79) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Note 10 - Joint Ventures**

**Clio Area Fire Authority**

In April 1976, the Charter Township of Vienna entered into a joint venture with the City of Clio, Michigan and the Township of Thetford to create the Clio Area Fire Authority (the "Fire Authority"). The purpose of this joint venture was to obtain adequate fire protection for residents of the municipalities. The agreement calls for each of the three municipalities to pay the Fire Authority such amounts as are necessary to cover one-third of the fixed operational costs of the Fire Authority. During 1992, the three members approved a 1-mill levy to be collected from their respective property owners to be used to fund operations of the Fire Authority. Effective April 1, 2007, each participating municipality has the option to retain up to 0.25 mill for the limited purpose of the construction, remodeling, or restoration of a fire hall or to retire any debt incurred for the acquisition or construction of a fire hall commencing with the December 2006 levy. The agreement does not state any fixed shares of interest to be owned by the municipalities. However, if a municipality should withdraw from the Fire Authority, the distribution of equipment or cash equivalent to the withdrawing unit's share shall be determined by unanimous consent of the members. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future.

The following is a summary of selected financial information from the last available statement of the Clio Area Fire Authority as of March 31, 2022:

Total assets	\$ 2,442,304
Total liabilities	1,063,556
Total net position	1,378,748
Total revenue	654,448
Total expenditures	553,737

**Note 10 - Joint Ventures (Continued)**

***Clio Area Library***

The Clio Area Library was formed by the City of Clio, Michigan; the Charter Township of Vienna; and Thetford Township effective March 20, 1978, replacing the library fund previously operated by the City of Clio, Michigan.

The library's operation is funded by contributions made by the participating units. Each unit's contribution is based on the usage rate of the library system by its residents. The contribution paid by the Township during 2022 was \$31,050.

Should any participating municipality decide to withdraw from the Clio Area Library, it is to give written notice and, upon a favorable vote of the majority, will be released from the agreement.

The agreement does not state any fixed shares of interest to be owned by the municipalities. However, if a municipality should withdraw from the Clio Area Library, the distribution of equipment or cash equivalent to the withdrawing unit's share would be determined by unanimous consent of the members. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future.

The following is selected financial information of the Clio Area Library from the latest audited financial statements as of June 30, 2022:

Total assets	\$	181,866
Total liabilities		31,050
Total net position		150,816
Total revenue		57,941
Total expenditures		57,433

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## Required Supplemental Information

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# Charter Township of Vienna

## Required Supplemental Information Budgetary Comparison Schedule General Fund

**Year Ended December 31, 2022**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 1,438,706	\$ 1,449,362	\$ 1,449,263	\$ (99)
Intergovernmental - State sources -				
Federal grants:	296,600	1,195	1,195	-
State-shared revenue	1,275,000	1,475,000	1,517,954	42,954
Local Community Stabilization Authority	12,000	14,486	14,486	-
Charges for services	321,920	346,643	351,006	4,363
Licenses and permits	209,100	211,397	216,613	5,216
Interest	6,300	53,300	59,380	6,080
Other revenue	2,525	29,384	29,284	(100)
<b>Total revenue</b>	<b>3,562,151</b>	<b>3,580,767</b>	<b>3,639,181</b>	<b>58,414</b>
<b>Expenditures</b>				
Current services:				
General government:				
Township board	222,622	212,672	200,531	12,141
Supervisor	83,812	82,678	81,483	1,195
Treasurer	122,530	121,355	120,244	1,111
Assessing	90,962	87,583	86,250	1,333
Clerk	110,871	115,006	113,128	1,878
Township hall and grounds	49,000	52,395	48,608	3,787
Elections	98,150	60,665	58,596	2,069
Cemetery	425	525	479	46
Public safety:				
Police	1,255,880	1,245,140	1,150,627	94,513
Fire	391,300	388,400	388,332	68
Public works:				
Stormwater drainage	19,750	19,750	19,314	436
Streets	229,500	228,900	173,431	55,469
Street lighting	46,500	29,200	27,516	1,684
Other public works activities	23,025	16,125	16,099	26
Community and economic development	24,687	20,427	19,102	1,325
Recreation and culture:				
Library	35,650	31,850	31,631	219
Parks and recreation	467,065	105,600	101,281	4,319
<b>Total expenditures</b>	<b>3,271,729</b>	<b>2,818,271</b>	<b>2,636,652</b>	<b>181,619</b>
<b>Excess of Revenue Over Expenditures</b>	<b>290,422</b>	<b>762,496</b>	<b>1,002,529</b>	<b>240,033</b>
<b>Other Financing Uses</b> - Transfers out	<b>(227,595)</b>	<b>(227,595)</b>	<b>(227,595)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>62,827</b>	<b>534,901</b>	<b>774,934</b>	<b>240,033</b>
<b>Fund Balance</b> - Beginning of year	<b>3,289,349</b>	<b>3,289,349</b>	<b>3,289,349</b>	<b>-</b>
<b>Fund Balance</b> - End of year	<b>\$ 3,352,176</b>	<b>\$ 3,824,250</b>	<b>\$ 4,064,283</b>	<b>\$ 240,033</b>

# Charter Township of Vienna

## Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Sanitation Fund

Year Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Special assessments	\$ 625,000	\$ 617,500	\$ 617,500	\$ -
Interest	400	1,140	1,160	20
Other revenue	2,450	2,850	2,862	12
Total revenue	627,850	621,490	621,522	32
<b>Expenditures</b> - Current services - Public works	630,619	650,326	648,465	1,861
<b>Net Change in Fund Balance</b>	(2,769)	(28,836)	(26,943)	1,893
<b>Fund Balance</b> - Beginning of year	92,715	92,715	92,715	-
<b>Fund Balance</b> - End of year	<u>\$ 89,946</u>	<u>\$ 63,879</u>	<u>\$ 65,772</u>	<u>\$ 1,893</u>

**Charter Township of Vienna**

Required Supplemental Information  
 Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)  
 Senior Citizens

**Year Ended December 31, 2022**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Intergovernmental	\$ 198,930	\$ 249,608	\$ 276,986	\$ 27,378
Interest	2,020	9,400	12,911	3,511
Other revenue	-	59,600	59,600	-
Total revenue	200,950	318,608	349,497	30,889
<b>Expenditures</b>				
Current services - Recreation and culture	202,418	314,615	312,400	2,215
Debt service	170,095	169,060	169,059	1
Total expenditures	372,513	483,675	481,459	2,216
<b>Excess of Expenditures Over Revenue</b>	(171,563)	(165,067)	(131,962)	33,105
<b>Other Financing Sources - Transfers in</b>	162,595	162,595	162,595	-
<b>Net Change in Fund Balance</b>	(8,968)	(2,472)	30,633	33,105
<b>Fund Balance - Beginning of year</b>	45,618	45,618	45,618	-
<b>Fund Balance - End of year</b>	<u>\$ 36,650</u>	<u>\$ 43,146</u>	<u>\$ 76,251</u>	<u>\$ 33,105</u>

## Charter Township of Vienna

### Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios

	Last Seven Plan Years						
	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>							
Service cost	\$ 20,845	\$ 28,545	\$ 26,978	\$ 25,765	\$ 24,657	\$ 31,300	\$ 35,312
Interest	162,928	150,158	149,059	145,356	141,838	139,351	131,502
Changes in benefit terms	-	-	-	-	(1,591)	(5,346)	-
Differences between expected and actual experience	(84,857)	33,225	17,708	15,648	13,495	(5,057)	18,017
Changes in assumptions	87,516	101,030	59,068	-	-	-	78,427
Benefit payments, including refunds	(141,078)	(141,078)	(141,078)	(141,079)	(128,887)	(122,795)	(103,863)
<b>Net Change in Total Pension Liability</b>	45,354	171,880	111,735	45,690	49,512	37,453	159,395
<b>Total Pension Liability - Beginning of year</b>	2,203,908	2,032,028	1,920,293	1,874,603	1,825,091	1,787,638	1,628,243
<b>Total Pension Liability - End of year</b>	<b>\$ 2,249,262</b>	<b>\$ 2,203,908</b>	<b>\$ 2,032,028</b>	<b>\$ 1,920,293</b>	<b>\$ 1,874,603</b>	<b>\$ 1,825,091</b>	<b>\$ 1,787,638</b>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 144,000	\$ 120,000	\$ 96,492	\$ 52,472	\$ 39,419	\$ 40,098	\$ 45,607
Contributions - Member	18,718	21,590	20,437	19,513	21,473	20,361	23,411
Net investment income (loss)	186,866	172,483	145,360	(44,565)	144,651	118,681	(16,661)
Administrative expenses	(2,207)	(2,420)	(2,504)	(2,261)	(2,295)	(2,343)	(2,434)
Benefit payments, including refunds	(141,078)	(141,078)	(141,078)	(141,079)	(128,887)	(122,795)	(103,863)
<b>Net Change in Plan Fiduciary Net Position</b>	206,299	170,575	118,707	(115,920)	74,361	54,002	(53,940)
<b>Plan Fiduciary Net Position - Beginning of year</b>	1,363,021	1,192,446	1,073,739	1,189,659	1,115,298	1,061,296	1,115,236
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 1,569,320</b>	<b>\$ 1,363,021</b>	<b>\$ 1,192,446</b>	<b>\$ 1,073,739</b>	<b>\$ 1,189,659</b>	<b>\$ 1,115,298</b>	<b>\$ 1,061,296</b>
<b>Township's Net Pension Liability - Ending</b>	<b>\$ 679,942</b>	<b>\$ 840,887</b>	<b>\$ 839,582</b>	<b>\$ 846,554</b>	<b>\$ 684,944</b>	<b>\$ 709,793</b>	<b>\$ 726,342</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	69.77 %	61.85 %	58.68 %	55.92 %	63.46 %	61.11 %	59.37 %
<b>Covered Payroll</b>	\$ 155,325	\$ 216,415	\$ 204,373	\$ 195,929	\$ 186,656	\$ 241,510	\$ 260,032
<b>Township's Net Pension Liability as a Percentage of Covered Payroll</b>	437.75 %	388.55 %	410.81 %	432.07 %	366.96 %	293.90 %	279.33 %

Note: Governmental Accounting Standards Board Statement No. 68 was implemented beginning with plan year 2015. Therefore, 10-year trend information is not yet available.

## Charter Township of Vienna

### Required Supplemental Information Schedule of Pension Contributions

	<b>Last Ten Fiscal Years</b>									
	<b>Years Ended December 31</b>									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 58,584	\$ 76,152	\$ 66,096	\$ 96,492	\$ 52,392	\$ 39,419	\$ 40,098	\$ 45,606	\$ 38,688	\$ 46,071
Contributions in relation to the actuarially determined contribution	168,000	144,001	120,000	96,492	52,472	39,419	40,098	45,606	38,688	46,071
<b>Contribution Excess</b>	<b>\$ 109,416</b>	<b>\$ 67,849</b>	<b>\$ 53,904</b>	<b>\$ -</b>	<b>\$ 80</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered Payroll</b>	<b>\$ 155,325</b>	<b>\$ 216,415</b>	<b>\$ 215,858</b>	<b>\$ 204,373</b>	<b>\$ 195,929</b>	<b>\$ 241,510</b>	<b>\$ 260,032</b>	<b>\$ 282,875</b>	<b>\$ 276,070</b>	<b>\$ 299,743</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>108.16 %</b>	<b>66.54 %</b>	<b>55.59 %</b>	<b>47.21 %</b>	<b>26.78 %</b>	<b>16.32 %</b>	<b>15.42 %</b>	<b>16.12 %</b>	<b>14.01 %</b>	<b>15.37 %</b>

#### Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date                      Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported. Contributions for the Township's fiscal year ended December 31, 2022 were based on the actuarial valuation as of December 31, 2020. The most recent valuation is as of December 31, 2021.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	19 years
Asset valuation method	10-year smoothed market
Inflation	2.50 percent
Salary increase	3.00 percent
Investment rate of return	7.60 percent
Retirement age	Experience-based table of rates are specific to the type of eligibility condition
Mortality	Pub-2010 mortality tables of a 50 percent male and 50 percent female blend
Other information	None

## Charter Township of Vienna

### Required Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios

	<b>Last Six Fiscal Years</b>					
	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>						
Service cost	\$ 16,209	\$ 26,753	\$ 30,173	\$ 34,986	\$ 36,437	\$ 31,055
Interest	92,351	90,279	101,155	96,781	93,598	91,937
Differences between expected and actual experience	(144,663)	-	(177,378)	-	-	(366,330)
Changes in assumptions	(70,832)	-	(83,341)	(132,046)	(31,977)	155,871
Benefit payments, including refunds	<u>(68,526)</u>	<u>(65,334)</u>	<u>(64,535)</u>	<u>(68,458)</u>	<u>(73,493)</u>	<u>(71,639)</u>
<b>Net Change in Total OPEB Liability</b>	(175,461)	51,698	(193,926)	(68,737)	24,565	(159,106)
<b>Total OPEB Liability - Beginning of year</b>	<u>1,697,168</u>	<u>1,645,470</u>	<u>1,839,396</u>	<u>1,908,133</u>	<u>1,883,568</u>	<u>2,042,674</u>
<b>Total OPEB Liability - End of year</b>	<u><b>\$1,521,707</b></u>	<u><b>\$1,697,168</b></u>	<u><b>\$1,645,470</b></u>	<u><b>\$1,839,396</b></u>	<u><b>\$1,908,133</b></u>	<u><b>\$1,883,568</b></u>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 200,000	\$ 174,999	\$ 150,000	\$ 150,000	\$ 100,000	\$ 85,000
Net investment (loss) income	(11,601)	19,178	18,312	24,163	(2,947)	15,936
Administrative expenses	(4,279)	(3,291)	(4,240)	(3,228)	(3,298)	(276)
Benefit payments, including refunds	<u>(68,526)</u>	<u>(65,334)</u>	<u>(64,535)</u>	<u>(68,458)</u>	<u>(73,493)</u>	<u>(71,639)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	115,594	125,552	99,537	102,477	20,262	29,021
<b>Plan Fiduciary Net Position - Beginning of year</b>	<u>585,027</u>	<u>459,475</u>	<u>359,938</u>	<u>257,461</u>	<u>237,199</u>	<u>208,178</u>
<b>Plan Fiduciary Net Position - End of year</b>	<u><b>\$ 700,621</b></u>	<u><b>\$ 585,027</b></u>	<u><b>\$ 459,475</b></u>	<u><b>\$ 359,938</b></u>	<u><b>\$ 257,461</b></u>	<u><b>\$ 237,199</b></u>
<b>Net OPEB Liability - Ending</b>	<u><b>\$ 821,086</b></u>	<u><b>\$1,112,141</b></u>	<u><b>\$1,185,995</b></u>	<u><b>\$1,479,458</b></u>	<u><b>\$1,650,672</b></u>	<u><b>\$1,646,369</b></u>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	46.04 %	34.47 %	27.92 %	19.57 %	13.49 %	12.59 %
<b>Covered-employee Payroll</b>	\$ 105,152	\$ 142,071	\$ 140,664	\$ 116,595	\$ 115,441	\$ 114,298
<b>Net OPEB Liability as a Percentage of Covered-employee Payroll</b>	780.86 %	782.81 %	843.14 %	1,268.89 %	1,429.88 %	1,440.42 %

Note: Governmental Accounting Standards Board Statement No. 75 was implemented beginning with fiscal year 2018. Therefore, 10-year trend information is not yet available.



## Charter Township of Vienna

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### Required Supplemental Information Schedule of OPEB Investment Returns

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	Last Six Fiscal Years					
	Years Ended December 31					
	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	(1.79)%	3.73 %	4.60 %	8.20 %	(1.20)%	7.40 %

Note: Governmental Accounting Standards Board Statement No. 74 was implemented beginning with fiscal year 2018. Therefore, 10-year trend information is not yet available.

***Budgetary Information***

A reconciliation of the budgetary comparison schedule to the fund-based statement of revenue, expenditures, and changes in fund balances is as follows:

	Total Revenue	Total Expenditures	Fund Balance
General Fund - Amounts per operating statement	\$ 3,872,389	\$ 2,855,019	\$ 4,202,628
Building Inspection Fund	(233,208)	(218,367)	(138,345)
Amounts per budget statement	<u>\$ 3,639,181</u>	<u>\$ 2,636,652</u>	<u>\$ 4,064,283</u>

***Pension Information***

**Changes in Assumptions**

There were no changes of assumptions in 2014, 2016, 2017, or 2018.

In 2021, assumptions changed related to the discount rate, resulting in an increase to the total pension liability.

In 2020, assumptions changed related to mortality, retirement, disability, and termination rates based on a five-year experience study, resulting in an increase to the total pension liability.

In 2019, assumptions changed related to the investment rate of return and a change in the assumed rate of wage inflation, resulting in an increase of the total pension liability.

In 2015, assumptions changed related to the investment rate of return, discount rate, and mortality tables, resulting in an increase of the total pension liability.

***OPEB Information***

**Changes in Assumptions**

In 2022, assumptions changed related to health care cost trend rate and the updated Pub-2010 improvement scale MP-2020 table, resulting in a decrease to the total OPEB liability.

There were no changes of assumptions in 2021.

In 2020, assumptions changed related to the mortality tables, assumed salary increases, and the health care cost trend rate, resulting in a decrease of the total OPEB liability.

In 2019, assumptions changed related to the discount rate, resulting in a decrease of the total OPEB liability.

In 2018, assumptions changed related to the discount rate, resulting in a decrease of the total OPEB liability.

In 2017, assumptions changed related to the discount rate, resulting in an increase of the total OPEB liability.

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## Other Supplemental Information

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**December 31, 2022**

***Nonmajor Special Revenue Funds***

**Community Development Fund**

To account for the revenue earned and expenditures incurred by the Township for use of community development grant funds

**Capital Projects Fund**

To account for the funding and project costs of capital projects of the Township

Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds

**December 31, 2022**

	Special Revenue Fund - Community Development Fund	Capital Projects Fund	Total
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 155,012	\$ 155,012
Investments	-	122,031	122,031
Total assets	<b>\$ -</b>	<b>\$ 277,043</b>	<b>\$ 277,043</b>
<b>Liabilities</b>	\$ -	\$ -	\$ -
<b>Fund Balances</b> - Assigned - Capital projects	-	277,043	277,043
Total liabilities and fund balances	<b>\$ -</b>	<b>\$ 277,043</b>	<b>\$ 277,043</b>

**Charter Township of Vienna**

Other Supplemental Information  
Combining Statement of Revenue, Expenditures, and Changes in Fund  
Balances  
Nonmajor Governmental Funds

**Year Ended December 31, 2022**

	Special Revenue Fund - Community Development Fund	Capital Projects Fund	Total
<b>Revenue</b>			
Intergovernmental - Federal grants:	\$ 4,850	\$ -	\$ 4,850
Interest	-	3,481	3,481
Total revenue	4,850	3,481	8,331
<b>Expenditures</b>			
Current services:			
General government - Township hall and grounds	-	12,588	12,588
Recreation and culture - Parks and recreation	4,850	-	4,850
Total expenditures	4,850	12,588	17,438
<b>Excess of Expenditures Over Revenue</b>	-	(9,107)	(9,107)
<b>Other Financing Sources</b> - Transfers in	-	65,000	65,000
<b>Net Change in Fund Balances</b>	-	55,893	55,893
<b>Fund Balances</b> - Beginning of year	-	221,150	221,150
<b>Fund Balances</b> - End of year	<u>\$ -</u>	<u>\$ 277,043</u>	<u>\$ 277,043</u>