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# Township of Macomb

Macomb County, Michigan

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**Financial Report**  
**with Supplementary Information**  
**June 30, 2025**

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**Plante & Moran, PLLC**  
P.O. Box 307  
3000 Town Center, Suite 100  
Southfield, MI 48075  
Tel: 248.352.2500  
Fax: 248.352.0018  
plantemoran.com

## **Independent Auditor's Report**

To the Board of Trustees  
Township of Macomb

### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Macomb (the "Township") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township as of June 30, 2025 and the respective changes in its financial position and, where applicable, its 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 Board of Trustees  
Township of Macomb

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 Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplementary information, as defined 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Plante & Moran, PLLC*

November 12, 2025

**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 the Township of Macomb (the "Township") on a government-wide basis. They are designed to present a longer-term view of the Township's finances. Fund financial statements follow the above-mentioned statements and illustrate how the services provided by the Township were financed in the short term and what remains for future spending. Additionally, fund financial statements report the Township's operations in more detail than the government-wide financial statements.

**The Township's Net Position**

In a condensed format, the table below shows the comparison of net position as of June 30, 2025 to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Assets</b>						
Current and other assets:						
Cash and investments	\$ 84,245,052	\$ 72,281,555	\$ 26,974,736	\$ 31,322,214	\$ 111,219,788	\$ 103,603,769
Receivables	6,476,644	3,855,271	10,684,570	9,856,625	17,161,214	13,711,896
Other assets	26,010,346	22,684,811	9,135,670	8,862,377	35,146,016	31,547,188
Capital assets	84,505,214	84,000,740	209,915,357	200,540,978	294,420,571	284,541,718
Total assets	201,237,256	182,822,377	256,710,333	250,582,194	457,947,589	433,404,571
<b>Deferred Outflows of Resources</b>	628,229	856,203	160,906	158,811	789,135	1,015,014
<b>Liabilities</b>						
Current liabilities	9,417,365	8,188,639	5,690,700	5,532,902	15,108,065	13,721,541
Noncurrent liabilities	12,895,210	14,835,682	31,622,507	33,688,049	44,517,717	48,523,731
Total liabilities	22,312,575	23,024,321	37,313,207	39,220,951	59,625,782	62,245,272
<b>Deferred Inflows of Resources</b>	18,713,138	18,209,633	4,576,825	4,906,711	23,289,963	23,116,344
<b>Net Position</b>						
Net investment in capital assets	73,278,917	70,626,471	180,267,207	167,062,399	253,546,124	237,688,870
Restricted	48,533,747	41,312,203	8,972,354	8,696,750	57,506,101	50,008,953
Unrestricted	39,027,108	30,505,952	25,741,646	30,854,194	64,768,754	61,360,146
Total net position	<b>\$ 160,839,772</b>	<b>\$ 142,444,626</b>	<b>\$ 214,981,207</b>	<b>\$ 206,613,343</b>	<b>\$ 375,820,979</b>	<b>\$ 349,057,969</b>

The Township's combined net position increased by approximately \$26.8 million from a year ago, increasing from \$349.1 million to \$375.8 million. A review of the governmental activities, separate from the business-type activities, shows an increase of approximately \$18.4 million in net position, or 12.9 percent, during fiscal year 2025. The business-type activities net position increased from the previous year by approximately \$8.4 million, or 4 percent, during fiscal year 2025. The increase in total net position for both governmental and business-type activities is primarily attributable to a significant increase in the net OPEB asset, a result of the plan's coverage for participants greater than age 65 being changed to a Medicare Advantage plan.

Unrestricted net position for the governmental activities was \$39.0 million at June 30, 2025. This amount represents the part of net position that is available to finance day-to-day operations and future growth of the Township. The business-type activities net investment in capital assets increased by \$13.2 million from the previous year. This is attributable to continued spending on installation of water and sewer mains throughout the Township.

# Township of Macomb

## Management's Discussion and Analysis (Continued)

### The Township's Changes in Net Position

The following table shows the changes in net position during the year ended June 30, 2025 and the prior year:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 6,592,372	\$ 6,312,324	\$ 34,536,540	\$ 31,960,030	\$ 41,128,912	\$ 38,272,354
Operating grants and contributions	712,339	319,550	51,880	1,662	764,219	321,212
Capital grants and contributions	3,073,300	317,109	7,009,092	4,876,521	10,082,392	5,193,630
General revenue:						
Property taxes	23,565,103	22,223,873	-	-	23,565,103	22,223,873
State-shared revenue	10,913,794	10,571,678	-	-	10,913,794	10,571,678
Investment earnings	3,636,457	3,332,374	1,402,170	1,584,677	5,038,627	4,917,051
Cable fees and other	1,744,809	1,852,140	51,508	110,360	1,796,317	1,962,500
<b>Total revenue</b>	<b>50,238,174</b>	<b>44,929,048</b>	<b>43,051,190</b>	<b>38,533,250</b>	<b>93,289,364</b>	<b>83,462,298</b>
<b>Expenses</b>						
General government	5,207,672	5,040,717	-	-	5,207,672	5,040,717
Public safety	15,767,152	14,009,736	-	-	15,767,152	14,009,736
Public works	4,963,825	4,017,302	-	-	4,963,825	4,017,302
Community and economic development	738,183	733,898	-	-	738,183	733,898
Recreation and culture	4,711,588	3,922,255	-	-	4,711,588	3,922,255
Debt service	454,608	507,676	-	-	454,608	507,676
Water and sewer	-	-	34,683,326	33,637,981	34,683,326	33,637,981
<b>Total expenses</b>	<b>31,843,028</b>	<b>28,231,584</b>	<b>34,683,326</b>	<b>33,637,981</b>	<b>66,526,354</b>	<b>61,869,565</b>
<b>Change in Net Position</b>	<b>18,395,146</b>	<b>16,697,464</b>	<b>8,367,864</b>	<b>4,895,269</b>	<b>26,763,010</b>	<b>21,592,733</b>
<b>Net Position - Beginning of year</b>	<b>142,444,626</b>	<b>125,747,162</b>	<b>206,613,343</b>	<b>201,718,074</b>	<b>349,057,969</b>	<b>327,465,236</b>
<b>Net Position - End of year</b>	<b>\$ 160,839,772</b>	<b>\$ 142,444,626</b>	<b>\$ 214,981,207</b>	<b>\$ 206,613,343</b>	<b>\$ 375,820,979</b>	<b>\$ 349,057,969</b>

### Governmental Activities

The Township's total governmental revenue increased by approximately \$5.3 million from the last fiscal year. The increase is primarily due to receipt of intergovernmental revenue sources meant to be spent on road projects that have not been spent as of June 30, 2025.

Total governmental expenses increased by approximately \$3.6 million, or 12.8 percent, from the last fiscal year. The increase corresponds with the increase in intergovernmental revenue.

### Business-type Activities

The Township's business-type activities are recorded in the Water and Sewer Fund. Revenue of the Township's business-type activities increased by \$4.5 million primarily as a result of increased contributions of water and sewer lines from developers during the year ended June 30, 2025.

Expenses increased by approximately \$1 million for the year ended June 30, 2025. There were no significant changes to the Water and Sewer Fund's cost structure. The Township provides water, which is purchased from the Great Lakes Water Authority, to nearly all of its residents. The Township also provides sewage treatment to nearly all of its residents through the Macomb County, Michigan sewage treatment plant.

### ***The Township's Funds***

Our analysis of the Township's major funds begins on pages 8 and 9, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Township as a whole. The township board creates funds to help manage money for specific purposes and show accountability for certain activities. The Township's major funds for 2025 include the General Fund, Parks and Recreation Operating Fund, Fire Operating Fund, Law Enforcement Fund, and Municipal Roadway Capital Projects Fund.

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

Actual General Fund revenue was 10.3 percent above budget, primarily due to investment performance and receipt of additional state grant revenue. Actual expenditures were 16.1 percent below budget, primarily due to planned general government expenditures that did not take place during the fiscal year. The Township completed the year with actual operating revenue over operating expenditures of \$10.5 million.

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

At the end of fiscal year 2025, the Township had approximately \$294.4 million invested in a wide range of capital assets, including land, buildings, fire equipment, computer equipment, and water and sewer lines. In addition, the Township is reporting infrastructure assets, which include roads and bridges in which it has invested since 1980. The value of the infrastructure assets, net of depreciation, contained in this report is \$19.5 million and \$16.9 million for fiscal years 2025 and 2024, respectively (see Note 4 to the financial statements for additional information).

Additionally, the value of buildings and improvements, net of depreciation, for the governmental activities is \$44.2 million and \$43.5 million for fiscal years 2025 and 2024, respectively. Debt reported in these financial statements is related to the construction of the above-mentioned buildings and improvements assets and is reported as a liability on the statement of net position (see Note 6 to the financial statements for additional information).

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

The Township of Macomb's 2025 tax rate decreased slightly when compared with the 2024 tax rate. Strong expenditure controls and past growth in the Township's tax base have helped to accomplish keeping the tax rates low. Property taxes make up roughly 15.2 percent of the General Fund budget. Annual new growth and development in the Township has decreased compared to the previous year but is expected to remain stable for the next few years.

On the expenditure side, the Township continues to operate with relatively low personnel costs and an efficient labor force. We expect annual medical costs to increase by approximately 27 percent from the previous year. The increases in our operating expenditures are anticipated to average between 1 and 4 percent per year. The Township will adjust expenses to mirror the revenue base, with a goal of maintaining revenue in excess of or equal to expenditures unless the need arises to fund large capital projects.

### ***Contacting the 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 any questions about this report or need additional information, we invite you to contact the Township of Macomb's finance office.

# Township of Macomb

## Statement of Net Position

June 30, 2025

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments (Note 3)	\$ 84,245,052	\$ 26,974,736	\$ 111,219,788
Receivables - Net:			
Property taxes	19,107	-	19,107
Special assessments	1,110,994	61,288	1,172,282
Customers	80	10,577,879	10,577,959
Leases receivable (Note 14)	3,050,911	-	3,050,911
Due from other governmental units	2,290,555	50,400	2,340,955
Internal balances	4,997	(4,997)	-
Inventory	-	163,316	163,316
Other assets	321,839	-	321,839
Restricted assets (Note 7)	-	1,695,464	1,695,464
Net pension asset (Note 10)	947,139	-	947,139
Net OPEB asset (Note 9)	24,741,368	7,276,890	32,018,258
Capital assets: (Note 4)			
Assets not subject to depreciation	15,372,869	36,882,156	52,255,025
Assets subject to depreciation - Net	69,132,345	173,033,201	242,165,546
Total assets	201,237,256	256,710,333	457,947,589
<b>Deferred Outflows of Resources</b>			
Deferred charges on bond refunding	122,298	66,309	188,607
Deferred pension costs (Note 10)	186,483	-	186,483
Deferred OPEB costs (Note 9)	319,448	94,597	414,045
Total deferred outflows of resources	628,229	160,906	789,135
<b>Liabilities</b>			
Accounts payable	1,912,961	4,484,650	6,397,611
Due to other governmental units	-	542,870	542,870
Refundable deposits and bonds	2,105,350	-	2,105,350
Accrued liabilities and other	1,765,977	663,180	2,429,157
Unearned revenue	3,633,077	-	3,633,077
Noncurrent liabilities:			
Due within one year:			
Current portion of compensated absences (Note 6)	1,541,020	289,660	1,830,680
Current portion of long-term debt (Note 6)	1,309,421	2,528,760	3,838,181
Due in more than one year:			
Compensated absences - Net of current portion (Note 6)	5,595	37	5,632
Long-term debt - Net of current portion (Note 6)	10,039,174	28,804,050	38,843,224
Total liabilities	22,312,575	37,313,207	59,625,782
<b>Deferred Inflows of Resources</b>			
Deferred benefit on bond refunding	-	77,113	77,113
Deferred pension cost reductions (Note 10)	502,487	-	502,487
Deferred OPEB cost reductions (Note 9)	15,299,057	4,499,712	19,798,769
Deferred inflows from leases (Note 14)	2,911,594	-	2,911,594
Total deferred inflows of resources	18,713,138	4,576,825	23,289,963
<b>Net Position</b>			
Net investment in capital assets	73,278,917	180,267,207	253,546,124
Restricted:			
Fire	15,212,368	-	15,212,368
Municipal roadways	3,000,000	-	3,000,000
County drains	-	1,695,464	1,695,464
Law enforcement	4,234,149	-	4,234,149
Opioid remediation	398,723	-	398,723
Net pension asset	947,139	-	947,139
Net OPEB asset	24,741,368	7,276,890	32,018,258
Unrestricted	39,027,108	25,741,646	64,768,754
Total net position	<u>\$ 160,839,772</u>	<u>\$ 214,981,207</u>	<u>\$ 375,820,979</u>

See notes to financial statements.

# Township of Macomb

## Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 5,207,672	\$ 392,118	\$ 440,270	\$ -	\$ (4,375,284)	\$ -	\$ (4,375,284)
Public safety	15,767,152	2,681,731	2,633	-	(13,082,788)	-	(13,082,788)
Public works	4,963,825	1,343,695	19,439	3,073,300	(527,391)	-	(527,391)
Community and economic development	738,183	-	249,997	-	(488,186)	-	(488,186)
Recreation and culture	4,711,588	2,174,828	-	-	(2,536,760)	-	(2,536,760)
Interest on long-term debt	454,608	-	-	-	(454,608)	-	(454,608)
Total governmental activities	31,843,028	6,592,372	712,339	3,073,300	(21,465,017)	-	(21,465,017)
Business-type activities - Water and sewer	34,683,326	34,536,540	51,880	7,009,092	-	6,914,186	6,914,186
Total primary government	<b>\$ 66,526,354</b>	<b>\$ 41,128,912</b>	<b>\$ 764,219</b>	<b>\$ 10,082,392</b>	(21,465,017)	6,914,186	(14,550,831)
General revenue:							
Property taxes					23,565,103	-	23,565,103
Unrestricted state-shared revenue					10,913,794	-	10,913,794
Unrestricted investment income					3,636,457	1,402,170	5,038,627
Cable franchise fees - Unrestricted					1,278,375	-	1,278,375
Gain on sale of capital assets					-	51,508	51,508
Other miscellaneous income					466,434	-	466,434
Total general revenue					39,860,163	1,453,678	41,313,841
<b>Change in Net Position</b>					18,395,146	8,367,864	26,763,010
<b>Net Position - Beginning of year</b>					142,444,626	206,613,343	349,057,969
<b>Net Position - End of year</b>					<b>\$ 160,839,772</b>	<b>\$ 214,981,207</b>	<b>\$ 375,820,979</b>

# Township of Macomb

	General Fund	Parks and Recreation Operating Fund	Fire Operating Fund	Law Enforcement Fund
<b>Assets</b>				
Cash and investments (Note 3)	\$ 38,387,278	\$ 7,015,416	\$ 13,379,423	\$ 7,249,785
Receivables:				
Property taxes	19,107	-	-	-
Special assessments	1,110,994	-	-	-
Customers	-	-	80	-
Leases receivable (Note 14)	3,050,911	-	-	-
Due from other governmental units	1,992,310	11,270	1,942	-
Due from other funds (Note 5)	8,811	-	-	-
Other assets	155,467	166,372	-	-
	<u>\$ 44,724,878</u>	<u>\$ 7,193,058</u>	<u>\$ 13,381,445</u>	<u>\$ 7,249,785</u>
Total assets				
<b>Liabilities</b>				
Accounts payable	\$ 410,530	\$ 119,453	\$ 405,113	\$ 584,838
Due to other funds (Note 5)	-	3,814	-	-
Refundable deposits and bonds	2,105,350	-	-	-
Accrued liabilities and other	451,650	219,008	218,199	-
Unearned revenue	1,133,077	-	-	-
	<u>4,100,607</u>	<u>342,275</u>	<u>623,312</u>	<u>584,838</u>
Total liabilities				
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	1,755,787	-	-	-
Deferred inflows from leases (Note 14)	2,911,594	-	-	-
	<u>4,667,381</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources				
Total liabilities and deferred inflows of resources	8,767,988	342,275	623,312	584,838
<b>Fund Balances</b>				
Restricted:				
Roads	-	-	-	-
Fire	-	-	12,758,133	-
Law enforcement	-	-	-	4,234,149
Opioid remediation	-	-	-	-
Assigned:				
Subsequent year's budget	2,618,396	-	-	-
Capital outlay	-	-	-	-
Road projects	-	-	-	-
Debt service	-	-	-	-
Parks and recreation	-	6,850,783	-	-
Law enforcement	-	-	-	2,430,798
Unassigned	33,338,494	-	-	-
	<u>35,956,890</u>	<u>6,850,783</u>	<u>12,758,133</u>	<u>6,664,947</u>
Total fund balances				
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 44,724,878</u>	<u>\$ 7,193,058</u>	<u>\$ 13,381,445</u>	<u>\$ 7,249,785</u>

# Governmental Funds Balance Sheet

**June 30, 2025**

Municipal Roadway Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 14,358,607	\$ 3,854,543	\$ 84,245,052
-	-	19,107
-	-	1,110,994
-	-	80
-	-	3,050,911
-	285,033	2,290,555
-	-	8,811
-	-	321,839
<b><u>\$ 14,358,607</u></b>	<b><u>\$ 4,139,576</u></b>	<b><u>\$ 91,047,349</u></b>
\$ 393,027	\$ -	\$ 1,912,961
-	-	3,814
-	-	2,105,350
767,133	-	1,655,990
<u>2,500,000</u>	<u>-</u>	<u>3,633,077</u>
3,660,160	-	9,311,192
-	262,970	2,018,757
<u>-</u>	<u>-</u>	<u>2,911,594</u>
<u>-</u>	<u>262,970</u>	<u>4,930,351</u>
3,660,160	262,970	14,241,543
3,000,000	-	3,000,000
-	2,454,235	15,212,368
-	-	4,234,149
-	135,753	135,753
-	410,400	3,028,796
-	853,294	853,294
7,698,447	-	7,698,447
-	22,924	22,924
-	-	6,850,783
-	-	2,430,798
<u>-</u>	<u>-</u>	<u>33,338,494</u>
<u>10,698,447</u>	<u>3,876,606</u>	<u>76,805,806</u>
<b><u>\$ 14,358,607</u></b>	<b><u>\$ 4,139,576</u></b>	<b><u>\$ 91,047,349</u></b>

**Governmental Funds**

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

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**June 30, 2025**

<b>Fund Balances Reported in Governmental Funds</b>	\$ 76,805,806
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	84,505,214
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	2,018,757
Bonds payable and lease liabilities are not due and payable in the current period and are not reported in the funds	(11,226,297)
Accrued interest is not due and payable in the current period and is not reported in the funds	(109,987)
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. Some employee fringes are a benefit that do not represent current financial resources; therefore, they are not reported as fund assets:	
Employee compensated absences	(1,546,615)
Pension benefits	631,135
Retiree health care benefits	9,761,759
<b>Net Position of Governmental Activities</b>	<b><u>\$ 160,839,772</u></b>

# Township of Macomb

## Governmental Funds

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

**Year Ended June 30, 2025**

	General Fund	Parks and Recreation Operating Fund	Fire Operating Fund	Law Enforcement Fund	Municipal Roadway Capital Projects Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenue</b>							
Taxes - Property taxes and fees	\$ 3,142,344	\$ 3,739,118	\$ 9,481,879	\$ 7,201,762	\$ -	\$ -	\$ 23,565,103
Special assessments	1,292,047	-	-	-	-	-	1,292,047
Intergovernmental:							
Federal grants and other	610,074	20,193	2,633	-	19,439	-	652,339
State-shared revenue and grants	10,787,889	-	101,500	25,297	3,000,000	-	13,914,686
Charges for services	408,617	2,174,828	-	-	51,648	-	2,635,093
Fines and forfeitures	316,626	-	-	-	-	-	316,626
Licenses and permits	3,603,351	-	-	-	-	-	3,603,351
Investment gain:							
Investment earnings	1,800,343	277,026	565,423	264,900	497,291	231,474	3,636,457
Lease revenue	381,694	-	-	-	-	-	381,694
Other revenue	95,088	37,609	11,388	16	73,300	28,424	245,825
<b>Total revenue</b>	<b>22,438,073</b>	<b>6,248,774</b>	<b>10,162,823</b>	<b>7,491,975</b>	<b>3,641,678</b>	<b>259,898</b>	<b>50,243,221</b>
<b>Expenditures</b>							
Current services:							
General government	7,741,777	-	463,272	-	-	541	8,205,590
Public safety	1,661,619	-	6,735,063	6,641,643	-	2,313,796	17,352,121
Public works	1,668,258	-	-	-	437,092	-	2,105,350
Social services	229,804	-	-	-	-	-	229,804
Community and economic development	508,379	-	-	-	-	-	508,379
Recreation and culture	85,764	4,301,436	-	-	-	-	4,387,200
Capital outlay	-	-	-	-	2,115,433	1,013,817	3,129,250
Debt service:							
Principal	-	-	-	-	-	1,805,000	1,805,000
Interest and fiscal charges	-	-	-	-	-	511,966	511,966
<b>Total expenditures</b>	<b>11,895,601</b>	<b>4,301,436</b>	<b>7,198,335</b>	<b>6,641,643</b>	<b>2,552,525</b>	<b>5,645,120</b>	<b>38,234,660</b>
<b>Excess of Revenue Over (Under)</b>	<b>10,542,472</b>	<b>1,947,338</b>	<b>2,964,488</b>	<b>850,332</b>	<b>1,089,153</b>	<b>(5,385,222)</b>	<b>12,008,561</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	9,392	-	-	5,500,000	4,300,467	9,809,859
Transfers out	(6,461,612)	(563,505)	(2,775,350)	-	-	(9,392)	(9,809,859)
Sale of capital assets	5,045	24,493	5,496	-	-	-	35,034
<b>Total other financing (uses) sources</b>	<b>(6,456,567)</b>	<b>(529,620)</b>	<b>(2,769,854)</b>	<b>-</b>	<b>5,500,000</b>	<b>4,291,075</b>	<b>35,034</b>
<b>Net Change in Fund Balances</b>	<b>4,085,905</b>	<b>1,417,718</b>	<b>194,634</b>	<b>850,332</b>	<b>6,589,153</b>	<b>(1,094,147)</b>	<b>12,043,595</b>
<b>Fund Balances - Beginning of year</b>	<b>31,870,985</b>	<b>5,433,065</b>	<b>12,563,499</b>	<b>5,814,615</b>	<b>4,109,294</b>	<b>4,970,753</b>	<b>64,762,211</b>
<b>Fund Balances - End of year</b>	<b>\$ 35,956,890</b>	<b>\$ 6,850,783</b>	<b>\$ 12,758,133</b>	<b>\$ 6,664,947</b>	<b>\$ 10,698,447</b>	<b>\$ 3,876,606</b>	<b>\$ 76,805,806</b>

**Township of Macomb**

**Governmental Funds**

**Reconciliation of the Statement of Revenue, Expenditures, and Changes in  
Fund Balances to the Statement of Activities**

**Year Ended June 30, 2025**

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	<b>\$ 12,043,595</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	4,686,187
Depreciation expense	(4,175,811)
Net book value of assets disposed of	(5,902)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(5,047)
Repayment of bond principal and lease liabilities is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	2,106,464
Interest expense is recognized in the government-wide statements as it accrues. Amortization of bond premiums and deferred charges on bond refundings do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	57,358
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	<u>3,688,302</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 18,395,146</u></b>

**June 30, 2025**

Enterprise Fund -  
Water and Sewer

**Assets**

Current assets:

Cash and cash equivalents (Note 3)	\$ 26,974,736
Receivables - Net:	
Special assessments receivable - Due within one year	61,288
Customers	10,577,879
Due from other governmental units	50,400
Inventory	<u>163,316</u>
Total current assets	37,827,619

Noncurrent assets:

Restricted assets (Note 7)	1,695,464
Net OPEB asset (Note 9)	7,276,890
Capital assets:	
Assets not subject to depreciation (Note 4)	36,882,156
Assets subject to depreciation - Net (Note 4)	<u>173,033,201</u>
Total noncurrent assets	<u>218,887,711</u>
Total assets	256,715,330

**Deferred Outflows of Resources**

Deferred charges on bond refunding	66,309
Deferred OPEB costs (Note 9)	<u>94,597</u>
Total deferred outflows of resources	160,906

**Liabilities**

Current liabilities:

Accounts payable	4,484,650
Due to other governmental units	542,870
Due to other funds (Note 5)	4,997
Accrued liabilities and other	663,180
Current portion of compensated absences (Note 6)	289,660
Current portion of long-term debt (Note 6)	<u>2,528,760</u>
Total current liabilities	8,514,117

Noncurrent liabilities:

Compensated absences - Net of current portion (Note 6)	37
Long-term debt - Net of current portion (Note 6)	<u>28,804,050</u>
Total noncurrent liabilities	<u>28,804,087</u>
Total liabilities	37,318,204

**Deferred Inflows of Resources**

Deferred benefit on bond refunding	77,113
Deferred OPEB cost reductions (Note 9)	<u>4,499,712</u>
Total deferred inflows of resources	4,576,825

## Township of Macomb

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### Proprietary Fund Statement of Net Position (Continued)

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**June 30, 2025**

Enterprise Fund -  
Water and Sewer

**Net Position**

Net investment in capital assets

\$ 180,267,207

Restricted: (Note 7)

County drains

1,695,464

Net OPEB asset

7,276,890

Unrestricted

25,741,646

Total net position

**\$ 214,981,207**

## Township of Macomb

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

Year Ended June 30, 2025

	<u>Enterprise Fund - Water and Sewer</u>
<b>Operating Revenue</b>	
Sale of water	\$ 17,555,468
Sewage disposal charges	14,710,206
Charges for services	<u>2,270,866</u>
Total operating revenue	34,536,540
<b>Operating Expenses</b>	
Cost of water	14,690,426
Cost of sewage disposal	10,225,860
Operation and maintenance	2,101,941
General and administrative	1,874,597
Depreciation (Note 4)	<u>4,903,997</u>
Total operating expenses	<u>33,796,821</u>
<b>Operating Income</b>	739,719
<b>Nonoperating Revenue (Expense)</b>	
Investment gain	1,402,170
Interest expense	(886,505)
Gain on sale of assets	51,508
Grants	<u>51,880</u>
Total nonoperating revenue	<u>619,053</u>
<b>Income - Before contributions</b>	1,358,772
<b>Capital Contributions</b>	
Developers and other governmental units	6,622,092
Tap fees and frontage charges	<u>387,000</u>
Total capital contributions	<u>7,009,092</u>
<b>Change in Net Position</b>	8,367,864
<b>Net Position - Beginning of year</b>	<u>206,613,343</u>
<b>Net Position - End of year</b>	<u><u>\$ 214,981,207</u></u>

## Township of Macomb

## Proprietary Fund Statement of Cash Flows

Year Ended June 30, 2025

	<u>Enterprise Fund - Water and Sewer</u>
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 33,710,111
Payments to suppliers	(26,902,892)
Payments to employees	(2,868,572)
Other payments	<u>(45,403)</u>
Net cash and cash equivalents provided by operating activities	3,893,244
<b>Cash Flows Provided by Noncapital Financing Activities</b> - Operating grants and subsidies	51,880
<b>Cash Flows from Capital and Related Financing Activities</b>	
Collection of special assessments	43,887
Proceeds from sale of capital assets	51,508
Purchase of capital assets	(6,754,050)
Principal and interest paid on capital debt and leases	<u>(3,036,117)</u>
Net cash and cash equivalents used in capital and related financing activities	(9,694,772)
<b>Cash Flows Provided by Investing Activities</b> - Interest received on investments	<u>1,402,170</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(4,347,478)
<b>Cash and Cash Equivalents</b> - Beginning of year	<u>31,322,214</u>
<b>Cash and Cash Equivalents</b> - End of year	<u><b>\$ 26,974,736</b></u>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>	
Operating income	\$ 739,719
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	4,903,997
Changes in assets and liabilities:	
Receivables	(876,829)
Due from other funds	4,997
Inventory	2,311
Net OPEB asset	(763,230)
Accounts payable	527,807
Deferrals related to OPEB	(329,874)
Accrued and other liabilities	<u>(315,654)</u>
Net cash and cash equivalents provided by operating activities	<u><b>\$ 3,893,244</b></u>

**Noncash Investing, Capital, and Financing Activities** - During the year ended June 30, 2025, \$6,622,092 of water and sewer main assets were contributed to the Township either by developers or in connection with Oakland and Macomb County's MID and OMID drain and interceptor projects. A portion of these assets remained within construction in progress at June 30, 2025.

## Township of Macomb

### Fiduciary Funds Statement of Fiduciary Net Position

June 30, 2025

	Pension and Other Employee Benefit Trust Funds	Custodial Fund - Tax Collection Fund	Total Fiduciary Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 964,687	\$ 15,366	\$ 980,053
Investments:			
U.S. Treasury bonds	1,323,921	-	1,323,921
Agency securities	3,014,094	-	3,014,094
Stocks	776,181	-	776,181
Corporate bonds	3,242,837	-	3,242,837
Mutual funds - Equity	29,080,270	-	29,080,270
Mutual funds - Fixed income	10,738,671	-	10,738,671
Total assets	49,140,661	15,366	49,156,027
<b>Liabilities - Due to other governments</b>	-	15,366	15,366
<b>Net Position - Restricted</b>			
Pension	6,488,533	-	6,488,533
Postemployment benefits other than pension	42,652,128	-	42,652,128
Total net position	<u>\$ 49,140,661</u>	<u>\$ -</u>	<u>\$ 49,140,661</u>

**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**

**Year Ended June 30, 2025**

	Pension and Other Employee Benefit Trust Funds	Custodial Fund - Tax Collection Fund	Total Fiduciary Funds
<b>Additions</b>			
Investment income (loss/expenses):			
Interest and dividends	\$ 2,368,321	\$ 538,785	\$ 2,907,106
Net increase in fair value of investments	2,725,707	-	2,725,707
Investment costs	(131,126)	-	(131,126)
Net investment income	4,962,902	538,785	5,501,687
Contributions:			
Employer	310,233	-	310,233
Employee	40,667	-	40,667
Total contributions	350,900	-	350,900
Property tax collections	-	139,574,579	139,574,579
Total additions	5,313,802	140,113,364	145,427,166
<b>Deductions</b>			
Benefit payments	562,779	-	562,779
Administrative expenses	20,253	-	20,253
Tax distributions to other governments	-	140,113,364	140,113,364
Total deductions	583,032	140,113,364	140,696,396
<b>Net Increase in Net Position Held in Trust</b>	4,730,770	-	4,730,770
<b>Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year</b>	44,409,891	-	44,409,891
<b>Net Position Held in Trust for Pension and Other Employee Benefits - End of year</b>	<b>\$ 49,140,661</b>	<b>\$ -</b>	<b>\$ 49,140,661</b>

**Note 1 - Significant Accounting Policies**

***Reporting Entity***

The following is a summary of the significant accounting policies used by the Township of Macomb (the "Township"):

The Township is governed by an elected seven-member board. The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Although blended component units are legally separate entities, in substance, they are part of the Township's operations.

**Blended Component Units**

The Macomb Township Building Authority is governed by a three-member board that is appointed by the Township's board of trustees. Although it is legally separate from the Township, it is reported as if it were part of the primary government because its primary purpose is to provide certain facilities necessary for the operation of the Township's government and to finance and construct the Township's public buildings.

**Fiduciary Component Units**

The Fire Retirement System is governed by a five-member pension board that includes Macomb Township's treasurer, two individuals chosen by the Township's board of trustees, and two elected fire department members. Although it is legally separate from the Township, it is reported as a fiduciary component unit because the Township appoints a voting majority to the pension board and the plan imposes a financial burden on the Township.

The Macomb Township Retiree Health Care Benefit Plan (the "Plan") is governed by a five-member board that includes the Macomb Township supervisor, treasurer, clerk, finance director, and human resources director. Although it is legally separate from the Township, it is reported as a fiduciary component unit because the Township appoints a voting majority to the OPEB board and the Plan imposes a financial burden on the Township.

**Jointly Governed Organization**

The Township, in conjunction with Clinton Township, has created the Clinton Macomb District Library (the "Library"). The Library's board is composed of three members appointed by Clinton Township's board of trustees and three members appointed by Macomb Township's board of trustees. The Library is funded through property taxes, specifically through a separate property tax millage that is not recorded as revenue by Macomb Township. The Library currently does not receive a subsidy from the Township. The financial statements for the Library can be obtained from the Library's administrative office at 43245 Garfield Rd., Clinton Township, Michigan. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments of the above joint venture in the near future.

***Accounting and Reporting Principles***

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).

**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 the government-wide financial statements. Exceptions to this general rule occur when there 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 the Township to show the particular expenditures for which specific revenue is 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. Governmental funds can include the General Fund, special revenue funds, debt service funds, and capital projects 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 Parks and Recreation Operating Fund accounts for the resources from dedicated property tax revenue and user charges for all activities of the parks and recreation department.
- The Fire Operating Fund accounts for the resources from property tax revenue that are restricted for all of the activities of the Township's fire department except for equipment purchased in the Fire Improvement Fund.
- The Law Enforcement Fund accounts for the resources from property tax revenue that are restricted for all of the activities of the Township's law enforcement activities.

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

- The Municipal Roadway Capital Projects Fund accounts for activities related to construction and maintenance of roads throughout the Township.

**Proprietary Funds**

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees). The Township reports the following fund as a major enterprise fund:

- The Water and Sewer Fund provides water to customers and disposes of sanitary sewage in exchange for quarterly user charges.

**Fiduciary Funds**

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the Township's programs. Activities that are reported as fiduciary include the following:

- The Fire Retirement Fund and Retiree Health Care Fund account for the activities of employee benefit plans and accumulate resources for pension and other postemployment benefit payments to qualified employees.
- The custodial fund collects taxes on behalf of all the taxing authorities (state, county, school district, township, and the various smaller authorities) and remits the taxes to each authority.

**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 Township 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: property taxes, state-shared revenue, federal grant revenue, and special assessment revenue. Conversely, a portion of state-shared revenue will be collected after the period of availability; receivables have been recorded for this, along with a deferred inflow.

Proprietary funds and fiduciary funds, as applicable, 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, Cash Equivalents, and Investments**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Pooled investment income from the relevant funds is generally allocated to each fund using a weighted average.

**Inventories and Prepaid Items**

Inventories are valued at cost on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. 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.

**Restricted Assets**

Amounts on deposit at the county being held for the construction or debt service of the Township's water and sewer lines have been classified as restricted assets. In addition, unspent bond proceeds that are required to be set aside for construction have also been classified as restricted assets.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, 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 \$1,000 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 acquisition value.

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
	<hr/>
Roads and bridges	25
Water and sewer lines	50-70
Water meters	50
Buildings and building improvements	15-40
Vehicles	5
Office furnishings	7
Other tools and equipment	5-7

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

**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 bond 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 debt service funds are generally used to liquidate governmental long-term debt.

**Unearned Revenue**

Unearned revenue is recorded in the government-wide statement of net position and in the balance sheet for governmental funds. Unearned revenue consists of grant proceeds, which are not considered earned until they have been spent on eligible expenditures.

**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 position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has three items that qualify for reporting in this category, which include the deferred charge on refunding reported in the government-wide and proprietary fund statements of net position, the deferred pension outflow reported in the government-wide statement of net position, and the deferred OPEB outflows reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to the pension and OPEB plans are described in Notes 10 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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Township has five items that qualify for reporting in this category, which include unavailable revenue reported only in the governmental funds balance sheet and deferred inflows from leases, deferred benefit on bond refunding, and deferred pension and OPEB inflows reported in the government-wide and proprietary fund statements of net position. The governmental funds report unavailable revenue from one source: state-shared revenue. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. A deferred benefit on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred inflows of resources related to the pension and OPEB plans are described in Notes 10 and 9, respectively. Lastly, the Township has deferred inflows related to leases, as is described later in this note.

**Net Position**

Net position of the Township is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

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

**Net Position Flow Assumption**

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

**Fund Balance Flow Assumption**

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

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

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

**Property Tax Revenue**

Properties are assessed as of December 31. The related property taxes become a lien on December 1 of the following year. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Township's 2024 property tax revenue is levied and collectible on December 1, 2024 and is recognized as revenue in the year ended June 30, 2025 when the proceeds of the levy are budgeted and available for the financing of operations.

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

The 2024 taxable valuation of the Township totaled approximately \$5 billion, on which ad valorem taxes levied consisted of 0.6231 mills for operating purposes, 1.9000 mills for fire operating services, 0.0625 mills for fire pension, 1.4500 mills for police protection, and 0.7468 mills for parks and recreation. This resulted in \$3.1 million for operating, \$9.2 million for fire operations, \$0.31 million for fire pension, \$7.2 million for police protection, and \$3.7 million for parks and recreation. These amounts are recognized in the respective General Fund and special revenue fund financial statements as tax revenue.

**Pension**

The Township offers a defined benefit pension plan to its fire employees. The Township records a net pension liability or asset 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 or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Macomb Township Act 345 Fire Retirement System 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.

**Other Postemployment Benefit Costs**

The Township offers retiree health care benefits to retirees. The Township records a net OPEB liability or asset 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 or asset, 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.

**Compensated Absences (Paid Time Off)**

It is the Township's policy to permit employees to accumulate earned but unused paid time off (PTO) benefits. The compensated absence liabilities are reported in the government-wide and proprietary fund financial statements. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

**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 Fund is charges to customers for sales and services. The Water and Sewer Fund also recognizes 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.

**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.

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

**Leases**

The Township is a lessee for noncancelable leases of vehicles. The Township recognizes a lease liability and an intangible right-of-use lease asset (lease asset) in the governmental activities column in the government-wide financial statements. The Township recognizes lease assets and liabilities with an initial value of \$5,000 or more.

At the commencement of a lease, the Township initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Township determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Township uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Township generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Township is reasonably certain to exercise.

The Township monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The Township is a lessor for noncancelable leases of cellular towers. The Township recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the Township initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Township determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The Township uses the actual rate charged to lessees as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Township monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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

***Upcoming Accounting Pronouncements***

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the Township's financial statements for the year ending June 30, 2026.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-of-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. This statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the Township's financial statements for the year ending June 30, 2026.

***Accounting Changes and Error Corrections***

**Adoption of New Accounting Pronouncement**

During the current year, the Township adopted GASB Statement No. 101, *Compensated Absences*. As a result, the liability for compensated absences in the statement of net position of the governmental activities and business-type activities has been calculated to comply with this new pronouncement. The pronouncement did not have a significant impact on the Township's liability for compensated absences for either the governmental activities or business-type activities.

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

***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 surplus or shortfall generated since July 1, 2000 is as follows:

Cumulative expenditures over revenue - June 30, 2024		\$	(7,606,245)
Current year permit revenue			2,480,200
Related expenses:			
Direct costs	\$	1,635,661	
Estimated indirect costs		446,945	2,082,606
			<u>397,594</u>
Net surplus for the year ended June 30, 2025			<u>397,594</u>
Cumulative expenditures over revenue - June 30, 2025		\$	<u><u>(7,208,651)</u></u>

**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.

The Fire Retirement Fund and Retiree Health Care Fund are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Township has designated eight banks for the deposit of its funds. The investment policy adopted by the board is in accordance with Public Act 196 of 1997. The Township's deposits and investment policies are in accordance with statutory requirements.

The Township's cash and investments are subject to several 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's investment policy indicates that credit risks will be minimized by diversifying the portfolio, which includes investing in Certificate of Deposit Account Registry Service (CDARS) accounts in order to maximize its FDIC coverage and minimize potential losses on individual securities. At year end, the Township had bank deposits of \$53,273,283 (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.

***Interest Rate Risk***

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township's investment policy restricts investment maturities to specified time periods based on the type of investment.

At year end, the average maturities of investments are as follows:

Investment	Fair Value	Weighted- average Maturity (Years)
<b>Primary Government</b>		
U.S. Treasury bonds	\$ 1,793,218	0.04
U.S. government agency securities	13,528,207	0.81
Municipal bonds	<u>5,213,307</u>	2.49
Total	<u>\$ 20,534,732</u>	

June 30, 2025

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

Investment	Carrying Value	Weighted- average Maturity (Years)
<b>Fiduciary Funds</b>		
U.S. government agency securities	\$ 3,014,092	25.48
U.S. Treasury bonds	1,323,921	10.95
Corporate bonds	3,242,837	9.05
Mutual funds - Fixed income	<u>10,738,671</u>	8.62
Total	<u>\$ 18,319,521</u>	

**Credit Risk**

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township's investment policy further limits its investment choices to certain ratings classes issued by the rating organizations. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
<b>Primary Government</b>			
U.S. government agency securities	\$ 13,528,207	Aaa to Aa2	S&P
Municipal bonds	2,311,869	Aaa to Aa2	S&P
Municipal bonds	2,901,438	Not rated	Not rated
U.S. Treasury bonds	<u>1,793,218</u>	Aaa to Aa2	S&P
Total	<u>\$ 20,534,732</u>		

Investment	Carrying Value	Rating	Rating Organization
<b>Fiduciary Funds</b>			
U.S. government agency securities	\$ 40,088	AAA to BBB	S&P
U.S. government agency securities	2,974,006	Not rated	Not rated
Corporate bonds	437,686	Not rated	Not rated
Corporate bonds	2,767,694	AAA to BBB-	S&P
Corporate bonds	37,457	Aaa to Baa2	Moody's
Mutual funds - Fixed income	10,738,671	Not rated	Not rated
U.S. Treasury bonds	1,303,750	AA+ to A	S&P
U.S. Treasury bonds	<u>20,171</u>	Aaa to Baa2	Moody's
Total	<u>\$ 18,319,523</u>		

**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. 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.

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

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 Township has the following recurring fair value measurements as of June 30, 2025:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2025		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Balance at June 30, 2025
Debt:			
Municipal bonds	\$ -	\$ 5,213,307	\$ 5,213,307
U.S. Treasury bonds	3,117,139	-	3,117,139
U.S. government agency securities	-	16,542,299	16,542,299
Corporate bonds	-	3,242,837	3,242,837
Mutual funds - Fixed income	10,738,671	-	10,738,671
Total debt	13,855,810	24,998,443	38,854,253
Equity:			
Mutual funds - Equity	29,080,270	-	29,080,270
Common stock	776,181	-	776,181
Total equity	29,856,451	-	29,856,451
Total assets	\$ 43,712,261	\$ 24,998,443	\$ 68,710,704

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of certain assets at June 30, 2025 was determined primarily based on Level 2 inputs. The Township estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

There were no investments valued using Level 3 inputs.

June 30, 2025

**Note 4 - Capital Assets**

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

**Governmental Activities**

	Balance July 1, 2024	Additions	Disposals and Reclassifications	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 5,182,073	\$ -	\$ -	\$ 5,182,073
Construction in progress	14,481,641	1,186,943	(5,477,788)	10,190,796
Subtotal	19,663,714	1,186,943	(5,477,788)	15,372,869
Capital assets being depreciated:				
Infrastructure	27,914,731	-	3,835,336	31,750,067
Buildings and improvements	68,545,777	823,516	1,642,452	71,011,745
Vehicles	4,371,049	1,813,218	-	6,184,267
Office furnishings	4,095,478	35,147	(797,233)	3,333,392
Other tools and equipment	2,869,645	827,363	(61,296)	3,635,712
Right-of-use asset - Vehicles	1,277,856	-	-	1,277,856
Subtotal	109,074,536	3,499,244	4,619,259	117,193,039
Accumulated depreciation:				
Infrastructure	11,052,434	1,161,703	-	12,214,137
Buildings and improvements	25,071,613	1,745,966	-	26,817,579
Vehicles	3,676,960	401,114	-	4,078,074
Office furnishings	3,041,951	295,667	(791,488)	2,546,130
Other tools and equipment	1,441,932	315,790	(61,139)	1,696,583
Right-of-use asset - Vehicles	452,620	255,571	-	708,191
Subtotal	44,737,510	4,175,811	(852,627)	48,060,694
Net capital assets being depreciated	64,337,026	(676,567)	5,471,886	69,132,345
Net governmental activities capital assets	\$ 84,000,740	\$ 510,376	\$ (5,902)	\$ 84,505,214

June 30, 2025

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

***Business-type Activities***

	Balance July 1, 2024	Additions	Disposals and Reclassifications	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 293,123	\$ -	\$ (201,423)	\$ 91,700
Construction in progress	27,483,707	9,306,749	-	36,790,456
Subtotal	27,776,830	9,306,749	(201,423)	36,882,156
Capital assets being depreciated:				
Water and sewer mains	254,938,209	4,501,384	-	259,439,593
Buildings and improvements	2,794,080	129,300	-	2,923,380
Water meters	5,828,550	199,162	-	6,027,712
Vehicles	1,170,287	-	(130,996)	1,039,291
Furniture and equipment	1,480,323	150,954	(26,932)	1,604,345
Right-of-use asset - Vehicles	591,480	192,248	-	783,728
Subtotal	266,802,929	5,173,048	(157,928)	271,818,049
Accumulated depreciation:				
Water and sewer mains	88,088,390	4,252,481	-	92,340,871
Buildings and improvements	1,742,307	71,468	-	1,813,775
Water meters	2,510,006	118,563	-	2,628,569
Vehicles	580,432	178,051	(128,051)	630,432
Furniture and equipment	979,795	140,414	(29,879)	1,090,330
Right-of-use asset - Vehicles	137,851	143,020	-	280,871
Subtotal	94,038,781	4,903,997	(157,930)	98,784,848
Net capital assets being depreciated	172,764,148	269,051	2	173,033,201
Net business-type activities capital assets	<u>\$ 200,540,978</u>	<u>\$ 9,575,800</u>	<u>\$ (201,421)</u>	<u>\$ 209,915,357</u>

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

Governmental activities:	
General government	\$ 619,732
Public safety	1,154,229
Public works	1,167,442
Recreation and culture	1,234,408
Total governmental activities	<u>\$ 4,175,811</u>
Business-type activities - Water and sewer	\$ 4,903,997

**June 30, 2025**

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

**Construction Commitments**

The Township has approved certain construction projects prior to June 30, 2025. At year end, the Township's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Water and sewer infrastructure	\$ 14,669,025	\$ 5,996,156
Capital projects	-	1,831,622
	<u>\$ 14,669,025</u>	<u>\$ 7,827,778</u>

**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>
General Fund	Water and Sewer Fund	\$ 4,997
	Parks and Recreation Operating Fund	3,814
	Total	<u>\$ 8,811</u>

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	Municipal Roadway Capital Projects Fund	\$ 5,500,000
	Nonmajor governmental funds	961,612
	Total General Fund	6,461,612
Fire Operating Fund	Nonmajor governmental funds	2,775,350
Parks and Recreation Operating Fund	Nonmajor governmental funds	563,505
Nonmajor governmental funds	Parks and Recreation Operating Fund	9,392
	Total	<u>\$ 9,809,859</u>

Interfund transfers provided funding for operating assistance, capital projects, capital acquisitions, and debt service.

**Note 6 - Long-term Debt**

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. Installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the Township is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a reassessment of the Township) are received.

June 30, 2025

**Note 6 - Long-term Debt (Continued)**

Long-term debt activity can be summarized as follows:

**Governmental Activities**

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable - Other debt:							
2012 Building Authority							
Refunding Bonds:							
Amount of issue -							
\$13,390,000	-	-	\$ 875,000	\$ -	\$ (875,000)	\$ -	\$ -
Unamortized bond premium			89,123	-	(89,123)	-	-
2018 Building Authority							
Refunding Bonds:							
Amount of issue -							
\$14,010,000	4.00% -	\$510,000 -					
Maturing through 2035	5.00%	\$895,000	9,460,000	-	(485,000)	8,975,000	510,000
Unamortized bond premium			882,126	-	(63,009)	819,117	63,009
2021 Building Authority							
Refunding Bonds:							
Amount of issue -							
\$3,180,000	3.00% -	\$425,000 -					
Maturing through 2027	4.00%	\$430,000	1,300,000	-	(445,000)	855,000	425,000
Unamortized bond premium			119,637	-	(39,879)	79,758	39,879
Total bonds payable			12,725,886	-	(1,997,011)	10,728,875	1,037,888
Lease liability (Note 14)			869,134	-	(249,414)	619,720	271,533
Compensated absences			1,240,662	1,532,690	(1,226,737)	1,546,615	1,541,020
Total governmental activities long-term debt			\$ 14,835,682	\$ 1,532,690	\$ (3,473,162)	\$ 12,895,210	\$ 2,850,441

June 30, 2025

Note 6 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
General obligation bonds:							
Direct borrowings - County drain contract obligations:							
2010A OMID Drainage District:							
Amount of issue - \$1,750,840		\$97,603 -					
Maturing through 2031	2.50%	\$110,437	\$ 718,683	\$ -	\$ (95,241)	\$ 623,442	\$ 97,603
2010 North Gratiot Interceptor Drainage District:							
Amount of issue - \$103,529		\$4,394 -					
Maturing through 2035	1.00% - 6.35%	\$5,950	55,533	-	(4,241)	51,292	4,394
2015 North Gratiot Interceptor Drainage District:							
Amount of issue - \$846,752		\$53,576 -					
Maturing through 2033	3.50% - 5.00%	\$57,563	486,671	-	(48,343)	438,328	53,576
2015A MID Drainage District:							
Amount of issue - \$499,851		\$19,042 -					
Maturing through 2036	2.50%	\$22,094	242,437	-	(19,042)	223,395	19,042
2013 OMID Drainage District:							
Amount of issue - \$4,619,982		\$231,566 -					
Maturing through 2034	2.00%	\$276,958	2,765,322	-	(227,311)	2,538,011	231,566
2014 OMID Drainage District:							
Amount of issue - \$714,579		\$33,144 -					
Maturing through 2035	2.00% - 3.125%	\$44,348	417,341	-	(32,211)	385,130	33,144
2017A MID Drainage District and Refunding Bonds:							
Amount of issue - \$19,249,777		\$417,014 -					
Maturing through 2042	5.00%	\$1,287,443	14,601,064	-	(794,403)	13,806,661	834,088
Unamortized bond premium			2,249,379	-	(168,233)	2,081,146	168,233
2019 OMID Drainage District Refunding Bonds:							
Amount of issue - \$304,268		\$29,044 -					
Maturing through 2030	1.85%	\$33,773	184,734	-	(28,031)	156,703	29,044
2020 Clintondale Pump Station Improvements Drainage District:							
Amount of issue - \$2,204,393		\$179,684 -					
Maturing through 2031	5.00%	\$245,918	1,426,321	-	(170,503)	1,255,818	179,684
Unamortized bond premium			291,807	-	(43,231)	248,576	43,231
2020A OMID Drainage District:							
Amount of issue - \$6,996,937		\$305,119 -					
Maturing through 2040	2.00% - 5.00%	\$491,002	6,340,840	-	(196,890)	6,143,950	305,119
Unamortized bond premium			757,074	-	(46,916)	710,158	46,916
Total direct borrowings principal outstanding			30,537,206	-	(1,874,596)	28,662,610	2,045,640
Other debt:							
2021 Refunding Bonds:							
Amount of issue - \$3,390,000		\$285,000 -					
Maturing through 2031	3.00% - 4.00%	\$340,000	2,145,000	-	(275,000)	1,870,000	285,000
Unamortized bond premium			311,279	-	(45,338)	265,941	45,338
Total general obligation bonds			32,993,485	-	(2,194,934)	30,798,551	2,375,978

June 30, 2025

**Note 6 - Long-term Debt (Continued)**

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Lease liability			\$ 472,183	\$ 192,247	\$ (130,171)	\$ 534,259	\$ 152,782
Compensated absences			222,381	288,627	(221,311)	289,697	289,660
Total business-type activities long-term debt			<u>\$ 33,688,049</u>	<u>\$ 480,874</u>	<u>\$ (2,546,416)</u>	<u>\$ 31,622,507</u>	<u>\$ 2,818,420</u>

**Debt Service Requirements to Maturity**

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities				
	Other Debt				
	Principal	Interest	Total		
2026	\$ 935,000	\$ 446,400	\$ 1,381,400		
2027	960,000	405,950	1,365,950		
2028	560,000	370,700	930,700		
2029	590,000	342,700	932,700		
2030	615,000	313,200	928,200		
2031-2035	3,585,000	1,071,250	4,656,250		
2036-2040	2,585,000	209,200	2,794,200		
2041-2042	-	-	-		
Total	<u>\$ 9,830,000</u>	<u>\$ 3,159,400</u>	<u>\$ 12,989,400</u>		
Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2026	\$ 1,787,260	\$ 1,017,242	\$ 285,000	\$ 67,675	\$ 3,157,177
2027	1,858,234	939,204	295,000	57,500	3,149,938
2028	1,946,492	857,893	305,000	45,500	3,154,885
2029	2,030,580	772,416	315,000	33,100	3,151,096
2030	2,119,492	683,800	330,000	20,200	3,153,492
2031-2035	10,156,105	2,099,168	340,000	6,800	12,602,073
2036-2040	4,654,808	749,196	-	-	5,404,004
2041-2042	1,069,759	80,887	-	-	1,150,646
Total	<u>\$ 25,622,730</u>	<u>\$ 7,199,806</u>	<u>\$ 1,870,000</u>	<u>\$ 230,775</u>	<u>\$ 34,923,311</u>

The Macomb Interceptor Drainage District (MID) is a construction and rehabilitation project that began in 2010 and is ongoing. The MID issued county bonds that were used to acquire the MID interceptor system and to assume amounts owed related to the Garfield Interceptor. Additional county bonds were issued to improve and repair the North Gratiot Interceptor and Clintondale Pump Station. These bonds were issued as Federally Taxable Recovery Zone Economic Development Bonds and are eligible to recover tax credit payments from the United States Treasury equal to 45 percent (for the North Gratiot bond) and 35 percent (for the MID bond) of the interest payable on the bonds.

The Oakland-Macomb Interceptor Drainage District (OMID) is also a construction and rehabilitation project that began in 2010 and is ongoing.

**Note 6 - Long-term Debt (Continued)**

The total amount of bonds issued and the Township's share of the bonds are as follows:

**Macomb Interceptor Drainage District**

	Total Issued	Township Portion
North Gratiot Interceptor 2010	\$ 16,965,000	\$ 103,529
North Gratiot Interceptor 2015	16,990,000	846,752
MID Series 2015A	3,675,000	499,851
MID Series 2017A	126,425,006	19,249,777
Clintondale Pump Station 2020	15,435,000	2,204,393
MID Series 2020 (SRF)	2,505,992	349,852

**Oakland-Macomb Interceptor Drainage District**

	Total Issued	Township Portion
2010A (SRF)	\$ 26,076,000	\$ 6,381,283
2014A	7,235,000	714,579
2019	4,510,000	304,268
2020	57,215,000	6,996,937

The OMID 2010A project is funded through the Michigan State Revolving Loan Fund Program (SRF), with total loans of \$26 million after \$16 million of debt forgiveness, which was recorded in 2010. The amount disclosed represents principal and interest.

**Note 7 - Restricted Assets**

Specific assets of the Water and Sewer Fund have been restricted for operations and maintenance and replacement, as well as unspent bond proceeds. Additionally, specific assets of the Water and Sewer Fund are restricted as the result of external governments issuing bonds for which state law requires the proceeds of the issue to be used exclusively for the purpose for which the bonds were issued or the repayment of the bonds.

The following is the detail of restricted assets at June 30, 2025:

Description	Business-type Activities
Water and Sewer Fund - Unspent bond proceeds and deposits held at county:	
Due from Oakland County, Michigan*	\$ 1,693,210
Due from Macomb County, Michigan**	2,254
Total	<u>\$ 1,695,464</u>

\*This amount is held by Oakland County, Michigan in a construction fund maintained on behalf of the Township for improvements to the Oakland-Macomb Interceptor Drainage District.

\*\*This amount is held by Macomb County, Michigan in construction and debt retirement funds maintained on behalf of the Township by the Macomb County Department of Public Works for drain construction projects of the Township.

Net position has been restricted for these amounts, net of related debt, at June 30, 2025.

**Note 8 - 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 specific property, such as vehicles, computers, and employee medical claims. The Township also participates in the Michigan Municipal League risk pool for claims relating to all other property losses, torts, errors and omissions, and employee injuries. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

**Note 9 - OPEB Plan**

***Plan Description***

The Township administers the Macomb Township Retiree Health Care Benefit Plan, a single-employer defined benefit OPEB plan that is used to provide postemployment benefits other than pensions (OPEB) for all full-time employees upon retirement in accordance with labor contracts.

Management of the Plan is vested with the board of the Macomb Township Retiree Health Care Benefit Plan, which consists of five members: the township supervisor, township treasurer, township clerk, township finance director, and township human resource director.

***Benefits Provided***

The Plan provides health care, vision, and dental benefit for retirees and their dependents. The Plan provides life insurance for retirees. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan.

***Plan Membership***

At June 30, 2024, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	43
Active plan members	118
	<hr/>
Total	161
	<hr/> <hr/>

***Contributions***

The board establishes contribution rates based on an actuarially determined rate per a funding valuation. For the year ended June 30, 2025, the Township's average contribution rate was 0.00 percent of covered employee payroll, or \$0. Plan members are not required to contribute to the Plan.

***Net OPEB Asset***

The Township has chosen to use the June 30 measurement date as its measurement date for the net OPEB asset. The June 30, 2025 fiscal year end reported net OPEB asset was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2025 measurement date. The June 30, 2025 total OPEB liability was determined by an actuarial valuation performed as of June 30, 2024, which used update procedures to roll forward the estimated liability to June 30, 2025.

**Note 9 - OPEB Plan (Continued)**

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

Changes in Net OPEB Asset	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Asset
<b>Balance at July 1, 2024</b>	\$ 10,104,188	\$ 38,642,829	\$ (28,538,641)
Changes for the year:			
Service cost	269,147	-	269,147
Interest	507,676	-	507,676
Changes in assumptions	158,609	-	158,609
Net investment income	-	4,421,230	(4,421,230)
Benefit payments, including refunds	(405,750)	(405,750)	-
Administrative expenses	-	(6,181)	6,181
Net changes	529,682	4,009,299	(3,479,617)
<b>Balance at June 30, 2025</b>	<u>\$ 10,633,870</u>	<u>\$ 42,652,128</u>	<u>\$ (32,018,258)</u>

The Plan's fiduciary net position represents 401.10 percent of the total OPEB liability.

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

For the year ended June 30, 2025, the Township recognized an OPEB recovery of \$4,931,037.

At June 30, 2025, 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	\$ -	\$ 16,098,844
Changes in assumptions	414,045	1,128,651
Net difference between projected and actual earnings on OPEB plan investments	-	2,571,274
Total	<u>\$ 414,045</u>	<u>\$ 19,798,769</u>

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

Years Ending June 30	Amount
2026	\$ (2,809,969)
2027	(4,227,797)
2028	(3,919,691)
2029	(3,382,075)
2030	(2,812,800)
Thereafter	(2,232,392)
Total	<u>\$ (19,384,724)</u>

**Note 9 - OPEB Plan (Continued)**

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using assumed salary increases (including inflation) of 3.65 percent; an investment rate of return (net of investment expenses) of 5.0 percent; a pre-Medicare health care cost trend rate of 7.50 percent and post-Medicare health care cost trend rate of 5.75 percent for 2025, each decreasing 0.25 percent per year to ultimate rates of 4.50 percent; and mortality rates based on the Pub-2010 Total Mortality Tables.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 5.0 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Investment Rate of Return**

The investment rate of return used in this valuation of the Plan was 5.0 percent (net of administrative expenses). This is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the Plan at the valuation date.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each 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. Best estimates of arithmetic real rates of return as of the June 30, 2025 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment note, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	15.00 %	4.53 %
Domestic fixed income	45.00	0.52
U.S. broad equity	30.00	4.37
High yield	10.00	2.27

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

The following presents the net OPEB asset of the Township, calculated using the discount rate of 5.0 percent, as well as what the Township's net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower (4.0 percent) or 1 percentage point higher (6.0 percent) than the current rate:

	1 Percentage Point Decrease (4.0%)	Current Discount Rate (5.0%)	1 Percentage Point Increase (6.0%)
Net OPEB asset	\$ (30,581,705)	\$ (32,018,258)	\$ (33,201,400)

**Note 9 - OPEB Plan (Continued)**

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

The following presents the net OPEB asset, calculated using the current health care cost trend rate, as well as what the net OPEB asset 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	Current Health Care Cost Trend Rate	1 Percentage Point Increase
Net OPEB asset	\$ (33,324,013)	\$ (32,018,258)	\$ (30,414,521)

***OPEB Plan Fiduciary Net Position***

Detailed information about the Plan's fiduciary net position is not available in the separately issued financial report. For the purpose of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB 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 health care cost trend rate was updated to reflect the most recently available health care trend information. Additionally, the assumed salary increase assumption (including inflation) was increased to reflect recent experience.

***Concentrations***

At June 30, 2025, the Plan held approximately 67 percent of its investment portfolio in the following investments, which each represented over 5 percent of the Plan's investment portfolio:

- Vanguard 500 Index Fund - Admiral Shares - \$11,649,665
- Fidelity Advisor Total Bond Fund - \$7,863,723
- American EuroPacific Growth Fund - \$3,997,824
- MFS International Value Fund - \$4,637,466

***Rate of Return***

For the year ended June 30, 2025, the annual money-weighted rate of return on plan investments, net of investment expense was 11.44 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Note 10 - Pension Plan**

***Plan Description***

The retirement system board administers the Macomb Township Act 345 Fire Retirement System, a single-employer defined benefit pension plan that provides pensions for all full-time firefighters of the Township. Benefit terms have been established by contractual agreements between the Township and the various employee union representation; amendments are subject to the same process.

The financial statements of the plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

**Note 10 - Pension Plan (Continued)**

Management of the plan is vested in the retirement system board, which consists of five members: two elected by plan members, two appointed by the township board of trustees, and the township treasurer, who serves as an ex officio member.

**Benefits Provided**

The retirement plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as 2.5 percent of the member's final 3-year average final compensation times the member's first 25 years of service plus 1 percent of the member's final 3-year average final compensation times the years of service in excess of 25 years. Plan members with 10 years of continuous service are eligible to retire at age 60, and plan members with 25 years of continuous service are eligible to retire at age 50. All plan members are eligible for nonduty disability benefits after 5 years of service and for duty-related disability benefits upon hire. Upon reaching the age of 55, disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Prior to reaching age 55, disability retirement benefits are paid at a reduced rate of their 3-year average final compensation. Duty death benefits equal the same amount paid by workers' compensation and nonduty death benefits equal the member's actuarially reduced pension benefit.

Benefit terms are generally established and amended by authority of the board of trustees, generally after negotiations of these terms with the affected unions. Employee benefit terms may be subject to binding arbitration in certain circumstances.

**Employees Covered by Benefit Terms**

As of June 30, 2024, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	5
Active plan members	8
	<hr/>
Total employees covered by the plan	13
	<hr/> <hr/>

**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, the retirement system board retains an independent actuary to determine the annual contribution. 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. Contribution requirements of plan members are established and may be amended by the board of trustees in accordance with the township charter, union contracts, and plan provisions. For the year ended June 30, 2025, the average active member contribution rate was 4.69 percent of annual pay, and the Township's average contribution rate was 35.81 percent of annual payroll.

**Note 10 - Pension Plan (Continued)**

**Net Pension Asset**

The Township has chosen to use the June 30 measurement date as its measurement date for the net pension asset. The June 30, 2025 fiscal year end reported net pension asset was determined using a measure of the total pension liability and the plan net position as of the June 30, 2025 measurement date. The June 30, 2025 total pension liability was determined by an actuarial valuation performed as of June 30, 2024, which used update procedures to roll forward the estimated liability to June 30, 2025.

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

Changes in Net Pension Asset	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Asset
<b>Balance at July 1, 2024</b>	\$ 5,173,802	\$ 5,767,062	\$ (593,260)
Changes for the year:			
Service cost	206,511	-	206,511
Interest	318,108	-	318,108
Contributions - Employer	-	310,233	(310,233)
Contributions - Employee	-	40,667	(40,667)
Net investment income	-	541,672	(541,672)
Benefit payments, including refunds	(157,029)	(157,029)	-
Administrative expenses	-	(14,074)	14,074
Net changes	367,590	721,469	(353,879)
<b>Balance at June 30, 2025</b>	<u>\$ 5,541,392</u>	<u>\$ 6,488,531</u>	<u>\$ (947,139)</u>

The plan's fiduciary net position represents 117.09 percent of the total pension liability.

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

For the year ended June 30, 2025, the Township recognized pension expense of \$124,111.

At June 30, 2025, 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	\$ 124,833	\$ 83,234
Changes in assumptions	61,650	231,423
Net difference between projected and actual earnings on pension plan investments	-	187,830
Total	<u>\$ 186,483</u>	<u>\$ 502,487</u>

**Note 10 - Pension Plan (Continued)**

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

Years Ending June 30	Amount
2026	\$ 80,298
2027	(212,960)
2028	(171,241)
2029	(12,102)
Total	<u>\$ (316,005)</u>

**Actuarial Assumptions**

The total pension liability in the June 30, 2024 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases (including inflation) of 4.50 percent, an investment rate of return (net of investment expenses) of 6.0 percent, and mortality rates based on the PubS-2010 mortality tables.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.0 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 member 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.

**Projected Cash Flows**

The long-term expected rate of return on pension 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 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. Best estimates of arithmetic real rates of return as of June 30, 2025 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment note, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	55.00 %	4.60 %
International equity	15.00	5.00
Fixed-income securities	30.00	2.70

**Note 10 - Pension Plan (Continued)**

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

The following presents the net pension asset of the Township, calculated using the discount rate of 6.0 percent, as well as what the Township's net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (5 percent) or 1 percentage point higher (7 percent) than the current rate:

	1 Percentage Point Decrease (5%)	Current Discount Rate (6%)	1 Percentage Point Increase (7%)
Net pension asset of the Township	\$ (199,650)	\$ (947,139)	\$ (1,571,314)

***Rate of Return***

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.3 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

***Pension Plan Fiduciary Net Position***

Detailed information about the plan's fiduciary net position is not available in a separately issued financial report. For the purpose of measuring the net pension liability or asset, 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.

***Pension Plan Reserves***

In accordance with Act 345, the following reserves are required to be set aside within the pension plan:

The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The employee reserve is credited as employee contributions are received throughout the year. For any employee who terminates before vesting in the pension plan, the employee's balance is returned to him or her; for those who stay until retirement, the balance is transferred into the retiree reserve.

The employer reserve account is used to account for the residual net position balance in the pension plan after funding the above two reserves.

The balances of the reserve accounts at June 30, 2024 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 1,660,268	\$ 1,660,268
Employee reserve	555,069	555,069

**Note 11 - Pension and Other Employee Benefit Trust Funds**

The following are condensed financial statements for the Fire Retirement Fund and Retiree Health Care Fund:

	Fire Retirement Fund	Retiree Health Care Fund	Total
<b>Statement of Net Position</b>			
Cash and cash equivalents	\$ 291,765	\$ 672,922	\$ 964,687
Investments	6,196,768	41,979,206	48,175,974
Net position	<u>\$ 6,488,533</u>	<u>\$ 42,652,128</u>	<u>\$ 49,140,661</u>
<b>Statement of Changes in Net Position</b>			
Investment income	\$ 541,672	\$ 4,421,230	\$ 4,962,902
Contributions	350,900	-	350,900
Benefit payments	157,029	405,750	562,779
Other deductions	14,072	6,181	20,253
Net change in net position	<u>\$ 721,471</u>	<u>\$ 4,009,299</u>	<u>\$ 4,730,770</u>

**Note 12 - Defined Contribution Pension Plan**

All full-time employees, excluding members of the Macomb Township Act 345 Fire Retirement System, belong to a 401(a) retirement plan that is administered by Empower. Annually, the Township contributes 10 percent of base pay for each member into the plan; members are required to contribute 5 percent of base pay.

During the year ended June 30, 2025, the Township made contributions of \$868,549, and the plan members contributed \$434,217 to the plan.

**Note 13 - Tax Abatements**

The Township currently has several businesses that are receiving the industrial facilities tax (IFT) exemption (PA 198 of 1974), which encourages local businesses to construct new industrial facilities or rehabilitate historical facilities. This exemption applies to both real and personal property taxes. IFT abatements use a reduced (specific tax) millage rate of 50 percent of the normal millage rate that is applied to a taxable value that is calculated in the same manner as all of the properties that are contained on the regular (ad valorem) assessment roll. For the fiscal year ended June 30, 2025, the Township abated \$247,105 of taxes under these programs. There are no significant abatements made by other governments that reduce the Township's tax revenue.

**Note 14 - Leases**

The Township leases certain assets from various third parties. The assets leased are vehicles. Payments are generally fixed monthly rates.

Lease asset activity of the Township is included in Note 4.

**Note 14 - Leases (Continued)**

Future principal and interest payment requirements related to the Township’s lease liability at June 30, 2025 are as follows:

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 424,315	\$ 73,269	\$ 497,584
2027	423,773	42,377	466,150
2028	209,788	16,624	226,412
2029	79,712	4,315	84,027
2030	16,391	436	16,827
<b>Total</b>	<b>\$ 1,153,979</b>	<b>\$ 137,021</b>	<b>\$ 1,291,000</b>

The Township leases cell towers to third parties. Payments are generally fixed monthly with escalation over the lease term. In addition, the Township receives certain variable payments not included in the measurement of the lease receivable, which are not guaranteed. At June 30, 2025, the Township reported a lease receivable and deferred inflow of resources related to leases of \$3,050,911 and \$2,911,594, respectively.

During the year ended June 30, 2025, the Township recognized the following related to its lessor agreements:

Lease revenue	\$ 121,380
Interest income related to its leases	107,224

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## Required Supplementary Information

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**Township of Macomb**

Required Supplementary Information  
Budgetary Comparison Schedule - General Fund

**Year Ended June 30, 2025**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Taxes	\$ 3,095,800	\$ 3,095,800	\$ 3,142,344	\$ 46,544
Special assessments	1,180,250	1,180,250	1,292,047	111,797
Intergovernmental:				
Federal grants and other	324,724	324,724	610,074	285,350
State-shared revenue and grants	10,382,700	10,382,700	10,787,889	405,189
Charges for services	331,295	331,295	408,617	77,322
Fines and forfeitures	288,000	288,000	316,626	28,626
Licenses and permits	3,170,610	3,170,610	3,603,351	432,741
Investment gain	1,397,000	1,397,000	2,182,037	785,037
Other revenue	168,000	168,000	95,088	(72,912)
<b>Total revenue</b>	<b>20,338,379</b>	<b>20,338,379</b>	<b>22,438,073</b>	<b>2,099,694</b>
<b>Expenditures</b>				
Current services:				
General government	9,601,733	9,601,733	7,741,777	1,859,956
Public safety	1,731,945	1,731,945	1,661,619	70,326
Public works	1,829,730	1,829,730	1,668,258	161,472
Social services	324,724	324,724	229,804	94,920
Community and economic development	578,050	578,050	508,379	69,671
Recreation and culture	106,120	106,120	85,764	20,356
<b>Total expenditures</b>	<b>14,172,302</b>	<b>14,172,302</b>	<b>11,895,601</b>	<b>2,276,701</b>
<b>Excess of Revenue Over Expenditures</b>	<b>6,166,077</b>	<b>6,166,077</b>	<b>10,542,472</b>	<b>4,376,395</b>
<b>Other Financing (Uses) Sources</b>				
Transfers out	(6,483,500)	(6,483,500)	(6,461,612)	21,888
New leases	400,000	400,000	-	(400,000)
Sale of capital assets	25,000	25,000	5,045	(19,955)
<b>Total other financing uses</b>	<b>(6,058,500)</b>	<b>(6,058,500)</b>	<b>(6,456,567)</b>	<b>(398,067)</b>
<b>Net Change in Fund Balance</b>	<b>107,577</b>	<b>107,577</b>	<b>4,085,905</b>	<b>3,978,328</b>
<b>Fund Balance - Beginning of year</b>	<b>31,800,985</b>	<b>31,800,985</b>	<b>31,800,985</b>	<b>-</b>
<b>Fund Balance - End of year</b>	<b>\$ 31,908,562</b>	<b>\$ 31,908,562</b>	<b>\$ 35,886,890</b>	<b>\$ 3,978,328</b>

## Township of Macomb

### Required Supplementary Information Budgetary Comparison Schedules - Major Special Revenue Funds Parks and Recreation Operating Fund

**Year Ended June 30, 2025**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Taxes	\$ 3,706,000	\$ 3,706,000	\$ 3,739,118	\$ 33,118
Intergovernmental	-	-	20,193	20,193
Charges for services	2,071,000	2,071,000	2,174,828	103,828
Investment gain	177,700	177,700	277,026	99,326
Other revenue	25,000	25,000	37,609	12,609
Total revenue	5,979,700	5,979,700	6,248,774	269,074
<b>Expenditures - Recreation and culture</b>	6,337,164	6,337,164	4,301,436	2,035,728
<b>Excess of Revenue (Under) Over Expenditures</b>	(357,464)	(357,464)	1,947,338	2,304,802
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	9,392	9,392
Transfers out	(590,000)	(590,000)	(563,505)	26,495
Sale of capital assets	30,000	30,000	24,493	(5,507)
Total other financing uses	(560,000)	(560,000)	(529,620)	30,380
<b>Net Change in Fund Balance</b>	(917,464)	(917,464)	1,417,718	2,335,182
<b>Fund Balance - Beginning of year</b>	5,433,065	5,433,065	5,433,065	-
<b>Fund Balance - End of year</b>	<u>\$ 4,515,601</u>	<u>\$ 4,515,601</u>	<u>\$ 6,850,783</u>	<u>\$ 2,335,182</u>

**Township of Macomb**

Required Supplementary Information  
 Budgetary Comparison Schedules - Major Special Revenue Funds  
 (Continued)  
 Fire Operating Fund

**Year Ended June 30, 2025**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Taxes	\$ 9,534,000	\$ 9,534,000	\$ 9,481,879	\$ (52,121)
Intergovernmental	-	-	104,133	104,133
Investment gain	353,650	353,650	565,423	211,773
Other revenue	5,000	5,000	11,388	6,388
Total revenue	9,892,650	9,892,650	10,162,823	270,173
<b>Expenditures - Public safety</b>	9,434,100	9,434,100	7,198,335	2,235,765
<b>Excess of Revenue Over Expenditures</b>	458,550	458,550	2,964,488	2,505,938
<b>Other Financing (Uses) Sources</b>				
Transfers out	(2,777,108)	(2,777,108)	(2,775,350)	1,758
New leases	75,000	75,000	-	(75,000)
Sale of capital assets	-	-	5,496	5,496
Total other financing uses	(2,702,108)	(2,702,108)	(2,769,854)	(67,746)
<b>Net Change in Fund Balance</b>	(2,243,558)	(2,243,558)	194,634	2,438,192
<b>Fund Balance - Beginning of year</b>	12,563,499	12,563,499	12,563,499	-
<b>Fund Balance - End of year</b>	<u>\$ 10,319,941</u>	<u>\$ 10,319,941</u>	<u>\$ 12,758,133</u>	<u>\$ 2,438,192</u>

## Township of Macomb

### Required Supplementary Information Budgetary Comparison Schedules - Major Special Revenue Funds (Continued) Law Enforcement Fund

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b>Revenue</b>				
Taxes	\$ 7,210,000	\$ 7,210,000	\$ 7,201,762	\$ (8,238)
State-shared revenue and grants	26,000	26,000	25,297	(703)
Investment gain	131,600	131,600	264,900	133,300
Other revenue	50	50	16	(34)
Total revenue	<u>7,367,650</u>	<u>7,367,650</u>	<u>7,491,975</u>	<u>124,325</u>
<b>Expenditures - Public safety</b>	<u>6,703,425</u>	<u>6,703,425</u>	<u>6,641,643</u>	<u>61,782</u>
<b>Net Change in Fund Balance</b>	664,225	664,225	850,332	186,107
<b>Fund Balance - Beginning of year</b>	<u>5,814,615</u>	<u>5,814,615</u>	<u>5,814,615</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u><b>\$ 6,478,840</b></u>	<u><b>\$ 6,478,840</b></u>	<u><b>\$ 6,664,947</b></u>	<u><b>\$ 186,107</b></u>

Required Supplementary Information  
Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios

**Last Nine Fiscal Years  
(dollar amounts in thousands)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>									
Service cost	\$ 269	\$ 679	\$ 668	\$ 810	\$ 829	\$ 957	\$ 924	\$ 802	\$ 761
Interest	508	1,310	1,282	1,455	1,403	1,356	1,295	1,045	1,017
Differences between expected and actual experience	-	(17,347)	-	(4,757)	-	(1,339)	(759)	779	(874)
Changes in assumptions	159	101	(1,027)	(307)	(613)	604	(266)	2,918	-
Benefit payments, including refunds	(406)	(334)	(448)	(587)	(530)	(494)	(424)	(378)	(357)
<b>Net Change in Total OPEB Liability</b>	530	(15,591)	475	(3,386)	1,089	1,084	770	5,166	547
<b>Total OPEB Liability - Beginning of year</b>	10,104	25,695	25,220	28,606	27,517	26,433	25,663	20,497	19,950
<b>Total OPEB Liability - End of year</b>	<b>\$ 10,634</b>	<b>\$ 10,104</b>	<b>\$ 25,695</b>	<b>\$ 25,220</b>	<b>\$ 28,606</b>	<b>\$ 27,517</b>	<b>\$ 26,433</b>	<b>\$ 25,663</b>	<b>\$ 20,497</b>
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ -	\$ 289	\$ 393	\$ 454	\$ 739	\$ 826	\$ 1,378	\$ 1,157	\$ 1,514
Net investment income (loss)	4,421	4,013	3,120	(5,242)	6,466	1,855	1,747	1,403	1,822
Benefit payments, including refunds	(406)	(334)	(448)	(587)	(530)	(494)	(424)	(378)	(357)
Other	(6)	(7)	(11)	(6)	(13)	(21)	(15)	(8)	-
<b>Net Change in Plan Fiduciary Net Position</b>	4,009	3,961	3,054	(5,381)	6,662	2,166	2,686	2,174	2,979
<b>Plan Fiduciary Net Position - Beginning of year</b>	38,643	34,682	31,628	37,009	30,347	28,181	25,495	23,321	20,342
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 42,652</b>	<b>\$ 38,643</b>	<b>\$ 34,682</b>	<b>\$ 31,628</b>	<b>\$ 37,009</b>	<b>\$ 30,347</b>	<b>\$ 28,181</b>	<b>\$ 25,495</b>	<b>\$ 23,321</b>
<b>Net OPEB (Asset) Liability - Ending</b>	<b>\$ (32,018)</b>	<b>\$ (28,539)</b>	<b>\$ (8,987)</b>	<b>\$ (6,408)</b>	<b>\$ (8,403)</b>	<b>\$ (2,830)</b>	<b>\$ (1,748)</b>	<b>\$ 168</b>	<b>\$ (2,824)</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	401.09 %	382.45 %	134.98 %	125.41 %	129.37 %	110.28 %	106.61 %	99.35 %	113.78 %
<b>Covered-employee Payroll</b>	\$ 9,121	\$ 9,121	\$ 8,116	\$ 8,116	\$ 7,763	\$ 4,294	\$ 4,629	\$ 4,583	\$ 4,700
<b>Net OPEB (Asset) Liability as a Percentage of Covered-employee Payroll</b>	(351.04)%	(312.89)%	(110.73)%	(78.96)%	(108.24)%	(65.91)%	(37.76)%	3.67 %	(60.09)%



## Township of Macomb

### Required Supplementary Information OPEB Plan Schedule of Investment Returns

	<b>Last Nine Fiscal Years</b>								
	<b>Years Ended June 30</b>								
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return - Net of investment expense	11.44 %	12.09 %	10.07 %	(14.09)%	21.32 %	6.87 %	6.98 %	5.90 %	9.00 %

Required Supplementary Information  
Schedule of Changes in the Net Pension (Asset) Liability and Related Ratios

**Last Ten Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>										
Service cost	\$ 206,511	\$ 171,172	\$ 161,422	\$ 175,137	\$ 226,603	\$ 217,312	\$ 200,259	\$ 162,028	\$ 106,931	\$ 132,825
Interest	318,108	288,752	271,299	259,945	227,128	223,402	207,169	166,044	134,944	138,699
Differences between expected and actual experience	-	151,019	-	(75,099)	(133,670)	(685)	173	345,834	(18,056)	(175,330)
Changes in assumptions	-	-	5,450	-	(597,798)	(32,857)	86,104	320,444	554,112	-
Benefit payments, including refunds	(157,029)	(157,029)	(157,029)	(157,029)	(164,229)	(177,579)	(177,579)	(204,358)	(162,615)	(154,056)
<b>Net Change in Total Pension Liability</b>	367,590	453,914	281,142	202,954	(441,966)	229,593	316,126	789,992	615,316	(57,862)
<b>Total Pension Liability - Beginning of year</b>	5,173,802	4,719,888	4,438,746	4,235,792	4,677,758	4,448,165	4,132,039	3,342,047	2,726,731	2,784,593
<b>Total Pension Liability - End of year</b>	<b>\$ 5,541,392</b>	<b>\$ 5,173,802</b>	<b>\$ 4,719,888</b>	<b>\$ 4,438,746</b>	<b>\$ 4,235,792</b>	<b>\$ 4,677,758</b>	<b>\$ 4,448,165</b>	<b>\$ 4,132,039</b>	<b>\$ 3,342,047</b>	<b>\$ 2,726,731</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 310,233	\$ 289,816	\$ 385,638	\$ 363,888	\$ 391,402	\$ 370,889	\$ 260,283	\$ 246,982	\$ 236,827	\$ 230,009
Contributions - Member	40,667	39,188	34,451	36,364	35,730	37,104	34,132	33,650	30,044	32,417
Net investment income (loss)	541,672	590,666	469,209	(786,277)	1,025,018	113,443	187,628	94,867	242,093	(78,706)
Administrative expenses	(14,074)	(12,075)	(13,034)	(8,869)	(15,149)	(12,244)	(17,061)	(13,120)	(8,875)	(5,612)
Benefit payments, including refunds	(157,029)	(157,029)	(157,029)	(157,029)	(164,229)	(177,579)	(177,579)	(204,358)	(162,615)	(154,056)
<b>Net Change in Plan Fiduciary Net Position</b>	721,469	750,566	719,235	(551,923)	1,272,772	331,613	287,403	158,021	337,474	24,052
<b>Plan Fiduciary Net Position - Beginning of year</b>	5,767,062	5,016,496	4,297,261	4,849,184	3,576,412	3,244,799	2,957,396	2,799,375	2,461,901	2,437,849
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 6,488,531</b>	<b>\$ 5,767,062</b>	<b>\$ 5,016,496</b>	<b>\$ 4,297,261</b>	<b>\$ 4,849,184</b>	<b>\$ 3,576,412</b>	<b>\$ 3,244,799</b>	<b>\$ 2,957,396</b>	<b>\$ 2,799,375</b>	<b>\$ 2,461,901</b>
<b>Township's Net Pension (Asset) Liability - Ending</b>	<b>\$ (947,139)</b>	<b>\$ (593,260)</b>	<b>\$ (296,608)</b>	<b>\$ 141,485</b>	<b>\$ (613,392)</b>	<b>\$ 1,101,346</b>	<b>\$ 1,203,366</b>	<b>\$ 1,174,643</b>	<b>\$ 542,672</b>	<b>\$ 264,830</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	117.09 %	111.47 %	106.28 %	96.81 %	114.48 %	76.46 %	72.95 %	71.57 %	83.76 %	90.29 %
<b>Covered Payroll</b>	\$ 866,235	\$ 866,235	\$ 718,787	\$ 718,787	\$ 741,847	\$ 741,847	\$ 741,847	\$ 741,847	\$ 690,413	\$ 506,370
<b>Township's Net Pension (Asset) Liability as a Percentage of Covered Payroll</b>	(109.34)%	(68.49)%	(41.27)%	19.68 %	(82.68)%	148.46 %	162.21 %	158.34 %	78.60 %	52.30 %



## Township of Macomb

### Required Supplementary Information Schedule of Pension Investment Returns

	<b>Last Ten Fiscal Years Years Ended June 30</b>									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return - Net of investment expense	9.3 %	11.6 %	10.6 %	(15.8)%	29.9 %	3.5 %	6.5 %	3.2 %	10.1 %	(3.1)%

***Budgetary Information***

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all special revenue funds. The Township adopted GASB Statement No. 54 during 2011. The Township did not amend the General Fund budget to take into account the additional activity accounted for in the General Fund as a result of implementation of GASB Statement No. 54. The table below reconciles the actual fiscal year activity in the General Fund budget to the General Fund activity reported in the governmental funds statement of revenue, expenditures, and changes in fund balances. In the General Fund, capital outlay and employee benefits and insurance were budgeted for as separate budget line items; actual expenditures were expensed by function classification. All annual appropriations lapse at fiscal year end. The Township did not have significant expenditure budget variances.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level.

Encumbrances are not included as expenditures. The amount of encumbrances outstanding at June 30, 2025 has not been calculated. During the current year, the budget was amended in a legally permissible manner. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America.

The supervisor presents the preliminary budget to the board of trustees in May, and the final budget is legally adopted at a board meeting in June to commence on the first of July.

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

	<u>Fund Balance - Beginning of Year</u>	<u>Fund Balance - End of Year</u>
Fund balance per the governmental funds statement of revenue, expenditures, and changes in fund balances	\$ 31,870,985	\$ 35,956,890
The fund balance of the previous Budget Stabilization Fund was not included in the beginning and ending fund balance of the General Fund for the year ended June 30, 2023 budget	<u>(70,000)</u>	<u>(70,000)</u>
Fund balance per General Fund budget statement	<u>\$ 31,800,985</u>	<u>\$ 35,886,890</u>

***Pension Information***

**Changes in Assumptions**

2024: The salary increase assumption was updated to 4.5 percent for all members.

2023: The mortality rates were updated to the PubS-2010 tables, with generational improvements using scale MP-2021.

2022: The mortality rates were updated to the PubS-2010 tables, with generational improvements using scale MP-2020.

2021: The investment rate of return increased from 5.0 to 6.0 percent, resulting in a change in the discount rate from 4.71 to 6.00 percent. Also, the mortality rates were updated to the PubS-2010 tables, with generational improvements using scale MP-2018.

2020: Discount rate used to measure the total pension liability was updated to be 4.71 percent.

2019: Discount rate used to measure the total pension liability was updated to be 4.66 percent.

2018: Discount rate used to measure the total pension liability was updated to be 4.8 percent.

2017: Discount rate used to measure the total pension liability was updated to be 5.0 percent.

June 30, 2025

2015: Mortality rates were updated to be based on the RP-2014 Healthy Annuitant Mortality Table.

### ***OPEB Information***

#### **Changes in Assumptions**

2025: The assumed salary increase assumption (including inflation) was increased to 3.65 percent. Also, the pre-Medicare health care cost trend rate was increased to 7.50 percent, and the post-Medicare health care cost trend rate was increased to 5.75 percent.

2024: The health care cost trend rate was updated to reflect the most recently available health care trend information.

2023: The assumed salary increase assumption (including inflation) was increased to 3.25 percent. Also, the mortality rates were updated to the PubS-2010 tables, with generational improvements using scale MP-2021.

2022: The pre-Medicare health care cost trend rate was reduced to 7.25 percent, and the post-Medicare health care cost trend rate was reduced to 5.50 percent. Also, the mortality rates were updated to the PubS-2010 tables, with generational improvements using scale MP-2020.

2021: The pre-Medicare health care cost trend rate was reduced to 7.50 percent, and the post-Medicare health care cost trend rate was reduced to 5.75 percent.

2020: Mortality rates were updated to be based on the Pub-2010 Total Mortality Tables. Also, the pre-Medicare health care cost trend rate was reduced to 8.25 percent, and the post-Medicare health care cost trend rate was reduced to 6.50 percent.

2019: Changes in assumptions result from changes in the assumed salary interest rate, medical inflation rates, and the discount rate.

2018: Changes in assumptions resulted from changes in the interest rate and mortality tables.

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## Supplementary Information

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**Township of Macomb**

Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds

**June 30, 2025**

	Special Revenue	Debt Service Funds		Capital Projects Funds			Total Nonmajor Governmental Funds
	Fund	Building Authority Debt Service	Parks and Recreation Revolving	Public Improvement	Fire Improvement	Building Authority Capital Projects	
<b>Assets</b>							
Cash and investments	\$ 113,690	\$ 22,924	\$ -	\$ 1,263,694	\$ 2,454,235	\$ -	\$ 3,854,543
Receivables - Due from other governmental units	285,033	-	-	-	-	-	285,033
<b>Total assets</b>	<b>\$ 398,723</b>	<b>\$ 22,924</b>	<b>\$ -</b>	<b>\$ 1,263,694</b>	<b>\$ 2,454,235</b>	<b>\$ -</b>	<b>\$ 4,139,576</b>
<b>Liabilities - Accounts payable</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Deferred Inflows of Resources - Unavailable revenue</b>	262,970	-	-	-	-	-	262,970
<b>Fund Balances</b>							
Restricted:							
Fire	-	-	-	-	2,454,235	-	2,454,235
Opioid remediation	135,753	-	-	-	-	-	135,753
Assigned:							
Subsequent year's budget	-	-	-	410,400	-	-	410,400
Capital outlay	-	-	-	853,294	-	-	853,294
Debt service	-	22,924	-	-	-	-	22,924
<b>Total fund balances</b>	135,753	22,924	-	1,263,694	2,454,235	-	3,876,606
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 398,723</b>	<b>\$ 22,924</b>	<b>\$ -</b>	<b>\$ 1,263,694</b>	<b>\$ 2,454,235</b>	<b>\$ -</b>	<b>\$ 4,139,576</b>

**Township of Macomb**

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

**Year Ended June 30, 2025**

	Special	Debt Service Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	Revenue Fund	Building Authority Debt Service	Parks and Recreation Revolving	Public Improvement	Fire Improvement	Building Authority Capital Projects		
<b>Revenue</b>								
Investment gain	\$ 1,639	\$ 21,210	\$ -	\$ 71,737	\$ 136,888	\$ -	\$ 231,474	
Other revenue	27,685	-	-	-	739	-	28,424	
Total revenue	29,324	21,210	-	71,737	137,627	-	259,898	
<b>Expenditures</b>								
Current services:								
General government	180	-	-	361	-	-	541	
Public safety	-	-	-	-	2,313,796	-	2,313,796	
Capital outlay	-	-	-	1,013,817	-	-	1,013,817	
Debt service:								
Principal	-	1,805,000	-	-	-	-	1,805,000	
Interest and fiscal charges	-	511,966	-	-	-	-	511,966	
Total expenditures	180	2,316,966	-	1,014,178	2,313,796	-	5,645,120	
<b>Excess of Revenue Over (Under)</b>								
<b>Expenditures</b>	29,144	(2,295,756)	-	(942,441)	(2,176,169)	-	(5,385,222)	
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	1,750,467	-	-	2,550,000	-	4,300,467	
Transfers out	-	(9,392)	-	-	-	-	(9,392)	
Total other financing sources	-	1,741,075	-	-	2,550,000	-	4,291,075	
<b>Net Change in Fund Balances</b>	29,144	(554,681)	-	(942,441)	373,831	-	(1,094,147)	
<b>Fund Balances - Beginning of year</b>	106,609	577,605	-	2,206,135	2,080,404	-	4,970,753	
<b>Fund Balances - End of year</b>	<u>\$ 135,753</u>	<u>\$ 22,924</u>	<u>\$ -</u>	<u>\$ 1,263,694</u>	<u>\$ 2,454,235</u>	<u>\$ -</u>	<u>\$ 3,876,606</u>	

**Township of Macomb**

Supplementary Information  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds

**June 30, 2025**

	<u>Fire Retirement Fund</u>	<u>Retiree Health Care Fund</u>	<u>Total Pension and Other Employee Benefit Trust Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 291,765	\$ 672,922	\$ 964,687
Investments:			
U.S. Treasury bonds	-	1,323,921	1,323,921
Agency securities	-	3,014,094	3,014,094
Stocks	776,181	-	776,181
Corporate bonds	-	3,242,837	3,242,837
Mutual funds - Equity	3,803,851	25,276,419	29,080,270
Mutual funds - Fixed income	1,616,736	9,121,935	10,738,671
Total assets	<u>6,488,533</u>	<u>42,652,128</u>	<u>49,140,661</u>
<b>Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position - Restricted</b>			
Pension	6,488,533	-	6,488,533
Postemployment benefits other than pension	-	42,652,128	42,652,128
Total net position	<u><u>\$ 6,488,533</u></u>	<u><u>\$ 42,652,128</u></u>	<u><u>\$ 49,140,661</u></u>

## Township of Macomb

### Supplementary Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds

**Year Ended June 30, 2025**

	Fire Retirement Fund	Retiree Health Care Fund	Total Pension and Other Employee Benefit Trust Funds
<b>Additions</b>			
Investment income (loss/expenses):			
Interest and dividends	\$ 279,592	\$ 2,088,729	\$ 2,368,321
Net increase in fair value of investments	292,032	2,433,675	2,725,707
Investment costs	(29,952)	(101,174)	(131,126)
Net investment income	541,672	4,421,230	4,962,902
Contributions:			
Employer	310,233	-	310,233
Employee	40,667	-	40,667
Total contributions	350,900	-	350,900
Total additions	892,572	4,421,230	5,313,802
<b>Deductions</b>			
Benefit payments	157,029	405,750	562,779
Administrative expenses	14,072	6,181	20,253
Total deductions	171,101	411,931	583,032
<b>Net Increase in Net Position Held in Trust</b>	721,471	4,009,299	4,730,770
<b>Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year</b>	5,767,062	38,642,829	44,409,891
<b>Net Position Held in Trust for Pension and Other Employee Benefits - End of year</b>	<b>\$ 6,488,533</b>	<b>\$ 42,652,128</b>	<b>\$ 49,140,661</b>