

**Blissfield Township
Lenawee County, Michigan
Financial Statements
Year Ended March 31, 2023
With Independent Auditor's Report**



**Blissfield Township
Lenawee County, Michigan**

Independent Auditor's Report

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Independent Auditor's Report

To the Board of Trustees
Blissfield Township
Lenawee County, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund, of Blissfield Township, Lenawee County, Michigan, as of and for the year ended March 31, 2023, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, of Blissfield Township, Lenawee County, Michigan, as of March 31, 2023, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Blissfield Township, Lenawee County, Michigan, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and 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 Blissfield Township, Lenawee County, Michigan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Your partner in financial statement auditing and all things accounting.

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To the Board of Trustees
Blissfield Township
Lenawee County, Michigan

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-9 and 24-26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

To the Board of Trustees
Blissfield Township
Lenawee County, Michigan

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Blissfield Township's basic financial statements. The schedule of changes in assets and liabilities for the tax collection fund, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 schedule of changes in assets and liabilities for the tax collection fund, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, Blissfield Township's basic financial statements for the year ended March 31, 2022, which are not presented with the accompanying financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, and each major fund. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Blissfield Township's basic financial statements as a whole. The comparative totals for the year ended March 31, 2022, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 the auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative totals are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Meredith Francis, CPA, P.C.

Adrian, Michigan
September 25, 2023

**Blissfield Township
Lenawee County, Michigan**

Management's Discussion and Analysis

For the year ended March 31, 2023

As management of Blissfield Township, Lenawee County, Michigan, we offer readers of Blissfield Township, Lenawee County, Michigan's financial statements this narrative overview and analysis of the financial activities of Blissfield Township, Lenawee County, Michigan for the fiscal year ended March 31, 2023. We encourage readers to consider the information presented here.

Financial Highlights

- The assets of Blissfield Township, Lenawee County, Michigan exceeded its liabilities at the close of the most recent fiscal year \$4,759,079 (*net position*). Of this amount, \$540,649 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased \$262,300.
- At the end of the current year, unassigned fund balance for the General Fund was \$540,649 or 174.03 percent of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Blissfield Township, Lenawee County, Michigan's basic financial statements. Blissfield Township, Lenawee County, Michigan's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Blissfield Township, Lenawee County, Michigan's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Blissfield Township, Lenawee County, Michigan's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Blissfield Township, Lenawee County, Michigan is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Blissfield Township, Lenawee County, Michigan that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Blissfield Township, Lenawee County, Michigan include general government, public safety, roads and bridges, and cemetery operations. The business-type activity of Blissfield Township, Lenawee County, Michigan includes the sewer system.

The government-wide financial statements can be found on pages 10 – 11 of this report.

**Blissfield Township
Lenawee County, Michigan**

Management's Discussion and Analysis

For the year ended March 31, 2023

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

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

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

Blissfield Township, Lenawee County, Michigan maintains three individual governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Fire Fund and Road Fund which are considered to be a major funds.

Blissfield Township, Lenawee County, Michigan adopts an annual appropriated budget for the General Fund, Fire Fund and Road Fund. A budgetary comparison statement has been provided for the General Fund, Fire Fund and Road Fund to demonstrate compliance with budget.

The basic governmental fund financial statements can be found on pages 12 – 13 of this report.

Fiduciary Fund. The Fiduciary Fund is used to account for resources held under tax collection activity. The Fiduciary fund is *not* reflected in the government-wide financial statement.

The basic fiduciary fund financial statement can be found on page 14 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 – 22 of this report.

**Blissfield Township
Lenawee County, Michigan**

Management’s Discussion and Analysis

For the year ended March 31, 2023

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of Blissfield Township, Lenawee County, Michigan, assets exceeded liabilities by \$4,759,079 at the close of the most recent fiscal year.

The largest portion of Blissfield Township, Lenawee County, Michigan’s net position (44.96 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. Blissfield Township, Lenawee County, Michigan uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Blissfield Township, Lenawee County, Michigan’s Net Position

	Governmental Activities	Totals 2023	2022
Assets:			
Current assets	\$ 2,694,358	\$ 2,694,358	\$ 2,356,481
Capital assets	2,139,524	2,139,524	2,188,645
Total assets	4,833,882	4,833,882	4,545,126
Liabilities:			
Total liabilities	74,803	74,803	48,347
Net position:			
Invested in capital assets, net of related debt	2,139,524	2,139,524	2,188,645
Restricted for:			
Perpetual care	3,695	3,695	3,740
Fire operations	772,885	772,885	607,500
Fire equipment	398,656	398,656	323,224
Road improvements	903,670	903,670	868,923
Unrestricted	540,649	540,649	504,747
Total net position	\$ 4,759,079	\$ 4,759,079	\$ 4,496,779

The *unrestricted net position* (\$540,649) may be used to meet the government’s ongoing obligations to citizens and creditors.

**Blissfield Township
Lenawee County, Michigan**

Management's Discussion and Analysis

For the year ended March 31, 2023

Blissfield Township, Lenawee County, Michigan's Change in Net Position

	Governmental Activities	Totals	
		2023	2022
Program revenues:			
Charges for services	\$ 135,794	\$ 135,794	\$ 136,718
Total program revenues	<u>135,794</u>	<u>135,794</u>	<u>136,718</u>
General revenues:			
Property taxes	780,174	780,174	608,010
Intergovernmental - State	145,017	145,017	107,675
Unrestricted investment earnings	4,428	4,428	3,017
Other	7,198	7,198	6,959
Total general revenues	<u>936,817</u>	<u>936,817</u>	<u>725,661</u>
Total revenues	<u><u>1,072,611</u></u>	<u><u>1,072,611</u></u>	<u><u>862,379</u></u>
Expenses:			
General government	229,398	229,398	\$ 206,286
Public safety	296,174	296,174	346,949
Public works	277,164	277,164	179,698
Community and economic development	7,575	7,575	3,212
Total expenses	<u>810,311</u>	<u>810,311</u>	<u>736,145</u>
Change in net position	262,300	262,300	126,234
Beginning net position	<u>4,496,779</u>	<u>4,496,779</u>	<u>4,346,439</u>
Ending net position	<u><u>\$ 4,759,079</u></u>	<u><u>\$ 4,759,079</u></u>	<u><u>\$ 4,472,673</u></u>

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

**Blissfield Township
Lenawee County, Michigan**

Management's Discussion and Analysis

For the year ended March 31, 2023

Financial Analysis of the Government's Funds

As noted earlier, Blissfield Township, Lenawee County, Michigan uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, Blissfield Township, Lenawee County, Michigan's governmental funds reported combined ending fund balance of \$2,619,555, an increase of \$311,421 in comparison with the prior year.

The General Fund is the chief operating fund of Blissfield Township, Lenawee County, Michigan. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$540,649.

The fund balance of Blissfield Township, Lenawee County, Michigan's General Fund increased by \$35,857 during the current fiscal year. A key factor in this increase was transferring amounts improperly allocated to other funds.

Budgetary Highlights

The general fund actual revenues were lower than expected due to unspent grant funds.

**Blissfield Township
Lenawee County, Michigan**

Management’s Discussion and Analysis

For the year ended March 31, 2023

Capital Asset and Debt Administration

Capital assets. Blissfield Township, Lenawee County, Michigan’s investment in capital assets for its governmental activities as of March 31, 2023, amounts to \$2,139,524 (net of accumulated depreciation). This investment in capital assets includes land, buildings, fire equipment and fire vehicles.

Blissfield Township, Lenawee County, Michigan’s Capital Assets

	Governmental Activities	Totals 2023	Totals 2022
Land	\$ 73,942	\$ 73,942	\$ 73,942
Land improvements	46,730	46,730	46,730
Buildings and improvements	1,378,189	1,378,189	1,378,189
Machinery and equipment	32,275	32,275	16,850
Fire equipment	72,305	72,305	22,997
Fire vehicles	1,551,233	1,551,233	1,551,233
Less: accumulated depreciation	(1,015,150)	(1,015,150)	(901,296)
Total	\$ 2,139,524	\$ 2,139,524	\$ 2,188,645

Additional information on Blissfield Township’s capital assets can be found in Note 5 on page 21.

Economic Factors and Next Year’s Budgets

The Township does not anticipate significant changes in operations in the next fiscal.

Requests for Information

This financial report is designed to provide a general overview of Blissfield Township, Lenawee County, Michigan’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Blissfield Township, 120 S. Lane Street, P.O. Box 58, Blissfield, MI 49228.

**Blissfield Township
Lenawee County, Michigan**

Statement of Net Position

**March 31, 2023
With Comparative Totals for March 31, 2022**

	Governmental Activities	Total 2023	Total 2022
<u>Assets:</u>			
Current assets:			
Cash and cash equivalents	\$ 2,629,816	\$ 2,629,816	\$ 2,289,030
Accounts receivable	-	-	5,167
Taxes receivable	4,032	4,032	4,035
Due from other governmental units	45,772	45,772	36,517
Due from agency funds	14,738	14,738	21,732
Total current assets	2,694,358	2,694,358	2,356,481
Noncurrent assets:			
Capital assets:			
Land	73,942	73,942	73,942
Land improvements	46,730	46,730	46,730
Buildings	1,378,189	1,378,189	1,378,189
Machinery and equipment	32,275	32,275	16,850
Fire equipment	72,305	72,305	22,997
Fire vehicles	1,551,233	1,551,233	1,551,233
Less: accumulated depreciation	(1,015,150)	(1,015,150)	(901,296)
Total capital assets	2,139,524	2,139,524	2,188,645
Total noncurrent assets	2,139,524	2,139,524	2,188,645
Total assets	4,833,882	4,833,882	4,545,126
<u>Liabilities:</u>			
Current liabilities:			
Accounts payable	9,113	9,113	9,113
Accrued expenses	281	281	3,656
Due to agency funds	44	44	2,895
Unearned revenue	65,365	65,365	32,683
Total liabilities	74,803	74,803	48,347
<u>Net position:</u>			
Invested in capital assets, net of related debt	2,139,524	2,139,524	2,188,645
Restricted for:			
Perpetual care	3,695	3,695	3,740
Fire operations	772,885	772,885	607,500
Fire equipment	398,656	398,656	323,224
Road improvements	903,670	903,670	868,923
Unrestricted	540,649	540,649	504,747
Total net position	\$ 4,759,079	\$ 4,759,079	\$ 4,496,779

The notes to the financial statements are an integral part of this statement.

**Blissfield Township
Lenawee County, Michigan**

Statement of Activities

**For the Year Ended March 31, 2023
With Comparative Totals for the Year Ended March 31, 2022**

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Governmental Activities	2023	Total 2022
Primary government:					
Governmental activities:					
General government	\$ 229,398	\$ 40,495	\$ (188,903)	\$ (188,903)	\$ (147,675)
Public safety	296,174	95,299	(200,875)	(200,875)	(244,736)
Public works	277,164	-	(277,164)	(277,164)	(179,698)
Community and economic development	7,575	-	(7,575)	(7,575)	(3,212)
Total governmental activities	810,311	135,794	(674,517)	(674,517)	(575,321)
General Revenues:					
Property taxes			780,174	780,174	\$ 608,010
Intergovernmental revenues			145,017	145,017	107,675
Investment earnings			4,428	4,428	3,017
Other			7,198	7,198	6,959
Total general revenues			936,817	936,817	725,661
Change in net position			262,300	262,300	150,340
Net position - beginning of year			4,496,779	4,496,779	4,346,439
Net position - end of year			\$ 4,759,079	\$ 4,759,079	\$ 4,496,779

The notes to the financial statements are an integral part of this statement.

**Blissfield Township
Lenawee County, Michigan**

Balance Sheet

Governmental Funds

March 31, 2023

With Comparative Totals for March 31, 2022

	General Fund	Fire Fund	Road Fund	Total Governmental Funds	
				2023	2022
<u>Assets:</u>					
Cash and cash equivalents	\$ 590,103	\$ 1,155,024	\$ 884,689	\$ 2,629,816	\$ 2,289,030
Accounts receivable	-	-	-	-	5,167
Taxes receivable	369	1,866	1,797	4,032	4,035
Due from other governmental units	19,121	16,767	9,884	45,772	36,517
Due from other funds	2,944	-	-	2,944	2,934
Due from agency funds	-	7,438	7,300	14,738	21,732
Total assets	612,537	1,181,095	903,670	2,697,302	2,359,415
<u>Liabilities:</u>					
Current liabilities:					
Accounts payable	2,503	6,610	-	9,113	9,113
Accrued expenses	281	-	-	281	3,656
Due to other funds	-	2,944	-	2,944	2,934
Due to agency funds	44	-	-	44	2,895
Unearned revenue	65,365	-	-	65,365	32,683
Total liabilities	68,193	9,554	-	77,747	51,281
<u>Fund Balances:</u>					
Restricted for:					
Perpetual care	3,695	-	-	3,695	3,740
Fire operations	-	772,885	-	772,885	607,500
Fire equipment	-	398,656	-	398,656	323,224
Road improvements	-	-	903,670	903,670	868,923
Unassigned	540,649	-	-	540,649	504,747
Total fund balances	544,344	1,171,541	903,670	2,619,555	2,308,134
Total liabilities and fund balances	\$ 612,537	\$ 1,181,095	\$ 903,670	\$ 2,697,302	\$ 2,359,415

Reconciliation of the Fund Balances of Governmental Funds to the Net Position of Governmental Activities

Total governmental fund balances	\$ 2,619,555	\$ 2,308,134
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.		
The cost of the capital assets is:	3,154,674	3,089,941
The accumulated depreciation is:	(1,015,150)	(901,296)
Net differences	2,139,524	2,188,645
Net position of governmental activities	\$ 4,759,079	\$ 4,496,779

The notes to the financial statements are an integral part of this statement.

**Blissfield Township
Lenawee County, Michigan**

Statement of Revenues, Expenditures And Changes In Fund Balances –

Governmental Funds

**For the Year Ended March 31, 2023
With Comparative Totals for the Year Ended March 31, 2022**

	General Fund	Fire Fund	Road Fund	Total Governmental Funds	
				2023	2022
<u>Revenues:</u>					
Property taxes	\$ 198,671	\$ 365,844	\$ 215,659	\$ 780,174	\$ 608,010
Charges for services	40,495	95,299	-	135,794	136,718
State grants	98,133	13,195	33,689	145,017	131,781
Investment income and rentals	1,634	1,303	1,491	4,428	3,017
Other revenues	2,955	4,243	-	7,198	6,959
Total revenues	341,888	479,884	250,839	1,072,611	886,485
<u>Expenditures:</u>					
<u>Current:</u>					
General government	222,906	-	-	222,906	201,338
Public safety	1,272	189,759	-	191,031	255,833
Public works	58,853	-	211,283	270,136	172,674
Community and economic development	7,575	-	-	7,575	3,212
Other	-	-	4,809	4,809	4,805
Capital outlay	15,425	49,308	-	64,733	-
Total expenditures	306,031	239,067	216,092	761,190	637,862
Change in fund balances	35,857	240,817	34,747	311,421	248,623
Fund balances - beginning of year	508,487	930,724	868,923	2,308,134	2,059,511
Fund balances - end of year	<u>\$ 544,344</u>	<u>\$ 1,171,541</u>	<u>\$ 903,670</u>	<u>\$ 2,619,555</u>	<u>\$ 2,308,134</u>
Change in fund balances of total governmental funds				\$ 311,421	\$ 248,623
Amounts reported for governmental activities in the statement of activities are different because:					
Governmental funds report capital outlays as expenditures.					
In the Statement of Activities, these costs are allocated over their estimated useful lives as depreciation.					
Depreciation expense				(113,854)	(98,283)
Capital outlay				64,733	-
Change in net position of governmental activities				<u>\$ 262,300</u>	<u>\$ 150,340</u>

The notes to the financial statements are an integral part of this statement.

**Blissfield Township
Lenawee County, Michigan**

Statement of Fiduciary Net Position

Fiduciary Fund

March 31, 2023

	Custodial Funds	
	2023	2022
<u>Assets:</u>		
Cash	\$ 110,882	\$ 81,604
Due from other governmental entities	44	-
	<hr/>	<hr/>
Total assets	<u>110,926</u>	<u>81,604</u>
<u>Liabilities:</u>		
Due to other funds	14,738	18,837
Due to other governmental units	96,188	62,767
	<hr/>	<hr/>
Total liabilities	<u>\$ 110,926</u>	<u>\$ 81,604</u>

The notes to the financial statements are an integral part of this statement.

Blissfield Township
Lenawee County, Michigan

Notes to Financial Statements

March 31, 2023

Note 1. Summary of Significant Accounting Policies

The financial statements of Blissfield Township, Lenawee County, Michigan (Township) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units.

A. Reporting Entity

Blissfield Township is a non-charter township, governed by a Board of Trustees. As required by generally accepted accounting principles, these financial statements present Blissfield Township as a primary government. There are no component units to the Township.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Township. The government-wide financial statements categorize primary activities as either governmental or business-type.

Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds and a fiduciary fund, even though the latter are excluded from the government-wide financial statements. The major individual governmental fund (General Fund) and the major individual enterprise fund (Sewer Fund) are reported as a separate column in the fund financial statements.

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

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

**Blissfield Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2023

Note 1. Summary of Significant Accounting Policies (Concluded)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, sales taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental fund:

The *General Fund* is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Fire Fund* accounts for the financial resources of the Township's fire department operations and special fire equipment.

The *Road Fund* accounts for the maintenance of the roads within the limits of the Township.

Additionally, the government reports the following fiduciary fund types:

The *Tax Collection Fund* is used to account for assets held by the Township as an agent for other governments, and/or other funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is payment of utility charges between the Township's sewer function and the general fund. Elimination of these charges would distort the direct costs and program revenues reported for the two functions concerned.

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

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

**Blissfield Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

D. Other Accounting Policies

Deposits and Investments

The Township's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with a maturity date within three months or less when acquired. Investments are state at fair value.

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

Investments are stated at cost or amortized cost. The Township will use amortized cost only when it reflects fair value of the investment. Currently, no investments are stated at amortized cost.

Receivables and Payables

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., road, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**Blissfield Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

D. Other Accounting Policies (Continued)

Capital Assets (Concluded)

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	30
Buildings	50
Machinery and equipment	10
Furniture	20
Fire vehicles	20
Water system	100
Water equipment	30
Sewer system	100
Sewer equipment	40

Fund Equity

In the fund financial statements, governmental funds report fund balances as either nonspendable, restricted, assigned or unassigned. The term nonspendable indicates that a portion of the fund balance that will either never convert to cash or not convert within the current period. Restricted fund balances are constrained to specific purposes by constitutional provisions or enabling legislation. Committed fund balances are for amounts that are authorized through resolution by the board of trustees. The assigned fund balance represents the portion of fund balance that is intended to be spent within the purpose of the fund. The unassigned fund balance represents the residual classification for the general fund.

After classifying any fund balance as nonspendable, the Township considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates, particularly given the significant social and economic disruptions and uncertainties associated with the COVID-19 pandemic and the COVID-19 control responses, and such differences may be material.

**Blissfield Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2023

Note 1. Summary of Significant Accounting Policies (Concluded)

D. Other Accounting Policies (Concluded)

Property Tax

The Township property tax is levied on each December 1 on the taxable value of property located in the Township as of the preceding December 31.

The Township's 2022 ad valorem tax was levied and collectible on December 1, 2022. It is the Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are made available for the financing of Township operations. Payment from the County Delinquent Tax Fund, which purchases the 2022 delinquent real property taxes, is recorded as a receivable and recognized as revenue in the current fiscal year.

The 2022 taxable value of Blissfield Township totaled \$145,833,082. The Township levied 1.0 mill (Tax, \$145,833) for general operations; 2.0 mill (tax, \$291,666) for fire operations; .5 mills (tax, \$72,917) for fire equipment; and 1.4737 mills (tax, \$214,914) for road improvements.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including September 25, 2023, which is the date the financial statements were available to be issued.

Upcoming Accounting Pronouncements

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Township's financial statements for the year ending March 31, 2024.

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

**Blissfield Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2023

Note 2. Budgetary information

The accounting basis used by the Township for budgeting is in accordance with accounting principles generally accepted in the United States of America (GAAP).

The Township follows the budgetary procedures outlined by the State of Michigan including public hearings and proper adoption. All funds of the Township have a budget. All annual appropriations lapse at fiscal year-end. The budgets are amended during the year as needed.

Excess of expenditures over appropriations in budgetary funds

P.A. 621 of 1978, Section 18(1), as amended, of the State of Michigan provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level. During the year ended March 31, 2023, the Township incurred one expenditure in the Fire Fund that was in excess of the amounts appropriated.

Expenditure	Appropriations	Actual	Budget Variance
Fire Fund:			
Public Safety	186,798	189,759	(2,961)

Note 3. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. As of March 31, 2023 and 2022, \$2,019,425 and \$1,696,690 of the Township's bank balance of \$2,750,478 and \$2,410,890, respectively, was exposed to custodial credit risk as follows:

	2023	2022
Uninsured and uncollateralized	\$ 2,019,425	\$ 1,696,690

All deposits are with banks located in Michigan as required by statutes.

The above amount is the balance in financial institution accounts. A reconciliation to the total cash presented within the financial statements is as follows:

Bank balances at March 31, 2023	\$ 2,750,478
Less: net effect of outstanding items	(1,649)
Less: fiduciary fund bank balance	(119,013)
Combined cash & investment balances at March 31, 2023	\$ 2,629,816

**Blissfield Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2023

Note 4. Receivables

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

	General Fund	Fire Fund	Road Fund	Total
Receivables:				
Due from governments	\$ 19,121	\$ 16,767	\$ 9,884	\$ 45,772
Taxes receivable	369	1,866	1,797	4,032
Due from tax collection	-	7,438	7,300	14,738
Gross receivables	19,490	26,071	18,981	64,542
Less: allowance for uncollectib	-	-	-	-
Net total receivables	\$ 19,490	\$ 26,071	\$ 18,981	\$ 64,542

Note 5. Interfund Balances

At the end of the fiscal year, the Fire Fund owed the General Fund \$2,944. This amount is expected to be repaid in the next fiscal year.

**Blissfield Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2023

Note 6. Capital Assets

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

	Beginning Balance	Acquisitions	Dispositions	Ending Balance
Governmental activities:				
Land	\$ 73,942	\$ -	\$ -	\$ 73,942
Construction in progress	-			-
Total assets not being depreciated-land	73,942	-	-	73,942
Land improvements	46,730	-	-	46,730
Buildings and improvements	1,378,189	-	-	1,378,189
Machinery and equipment	16,850	15,425	-	32,275
Fire equipment	22,997	49,308	-	72,305
Fire vehicles	1,551,233	-	-	1,551,233
Depreciable capital assets	3,015,999	64,733	-	3,080,732
Less accumulated depreciation for:				
Land improvements	29,661	1,557	-	31,218
Buildings and improvements	110,468	27,861	-	138,329
Machinery and equipment	13,564	4,915	-	18,479
Fire equipment	12,624	17,887	-	30,511
Fire vehicles	734,979	61,634	-	796,613
Total accumulated depreciation	901,296	113,854	-	1,015,150
Net depreciable capital assets	2,114,703	(49,121)	-	2,065,582
Governmental activities net capital assets	<u>\$ 2,188,645</u>	<u>\$ (49,121)</u>	<u>\$ -</u>	<u>\$ 2,139,524</u>

Depreciation expense charged to functions is as follows:

	2023	2022
Governmental activities:		
General government	\$ 6,492	\$ 4,948
Public safety	105,143	91,116
Public works	2,219	2,219
Total depreciation expense-governmental activities	<u>\$ 113,854</u>	<u>\$ 98,283</u>

**Blissfield Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2023

Note 7. Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions, and employee injuries (workers' compensation). The Township obtains coverage from insurance companies to establish and administer a risk management program; to prevent or lessen the incidence and severity of casualty losses and to defend and protect against liability or loss. The Plan provides protection to the Township based on its selected risks, limits and deductibles. Any settled claims have not exceeded the limits of coverage in any of the past three years.

Note 8. Retirement Plan

The Township provides pension benefits for elected officials through a defined contribution plan as authorized by IRS code section 401(b). The plan is through John Hancock, an insurance company, in connection with the Michigan Township Association. The contributions to the pension plan are invested in life insurance annuities. Officials are eligible to participate the first policy anniversary date after becoming employed are at least twenty-one (21) years old. Contributions to the plan are based on past service and level of income. Employees must contribute 20% of premium costs and the Township contributes the remaining 80%. The Township's pension expense for the years ended March 31, 2023 and 2022 were \$13,110 and \$13,641, respectively, and participants contributed \$3,390 and \$3,294, respectively.

Note 9. Tax Abatements

The Township entered into property tax abatement agreements with local businesses under the Plan Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption for ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government. The IFT of a new plant and non-industrial property, such as some high-tech personal property, is computed at half the local property tax millage rate. This amounts to a reduction in property taxes of approximately 50%.

For the years ended March 31, 2023 and 2022, the Township abated property tax revenues totaling \$24,335 and \$12,413, respectively, under this program.

Note 10. Subsequent Events

The Township has reviewed subsequent events up to September 25, 2023, the date of this report. The financial statements were available to be issued on the same date.

Required Supplementary Information

**Blissfield Township
Lenawee County, Michigan**

Budgetary Comparison Schedule

General Fund

For the Year Ended March 31, 2023

<u>Revenues:</u>	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Property taxes	\$ 176,659	\$ 200,804	\$ 198,671	\$ (2,133)
Charges for services	51,788	40,495	40,495	-
Federal grants	-	32,751	-	(32,751)
State grants	70,860	106,183	98,133	(8,050)
Investment income and rentals	430	956	1,634	678
Other revenue	35	2,955	2,955	-
Total revenues	<u>299,772</u>	<u>384,144</u>	<u>341,888</u>	<u>(42,256)</u>
<u>Expenditures:</u>				
General Government				
Legislative	52,767	81,199	74,717	6,482
Chief executive	15,000	15,000	15,000	-
Clerk	29,500	28,346	28,346	-
Treasurer	29,500	29,012	29,012	-
Board of review	2,000	1,825	1,825	-
Assessor	42,143	43,813	43,813	-
Election	17,000	18,542	18,542	-
Attorney	6,000	1,800	1,800	-
Administration	11,100	5,771	5,771	-
Township hall	2,500	4,080	4,080	-
Public Health and Safety:				
Building inspection	1,500	1,272	1,272	-
Public Works				
Cemetery	37,025	55,408	55,408	-
Drain at large	4,000	3,445	3,445	-
Community and Economic Development				
Zoning	150	120	120	-
Planning	6,000	7,455	7,455	-
Capital outlay	2,145	16,839	15,425	1,414
Total expenditures	<u>258,330</u>	<u>313,927</u>	<u>306,031</u>	<u>7,896</u>
Change in fund balance	41,442	70,217	35,857	(34,360)
Fund balance - beginning of year			<u>508,487</u>	
Fund balance - end of year			<u><u>\$ 544,344</u></u>	

**Blissfield Township
Lenawee County, Michigan**

Budgetary Comparison Schedule

Fire Fund

For the Year Ended March 31, 2023

<u>Revenues:</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Property taxes	\$ 202,536	\$ 362,087	\$ 365,844	\$ 3,757
State grants	12,496	14,318	13,195	(1,123)
Charges for ambulance runs	99,357	82,117	95,299	13,182
Interest income	467	1,023	1,303	280
Other income	125	4,243	4,243	-
Total revenues	<u>314,981</u>	<u>463,788</u>	<u>479,884</u>	<u>16,096</u>
<u>Expenditures:</u>				
Public Safety	222,891	186,798	189,759	(2,961)
Capital outlay	28,000	49,308	49,308	-
Total expenditures	<u>250,891</u>	<u>236,106</u>	<u>239,067</u>	<u>(2,961)</u>
Change in fund balance	64,090	227,682	240,817	19,057
Fund balance - beginning of year			<u>930,724</u>	
Fund balance - end of year			<u><u>\$ 1,171,541</u></u>	

**Blissfield Township
Lenawee County, Michigan**

Budgetary Comparison Schedule

Road Improvement Fund

For the Year Ended March 31, 2023

<u>Revenues:</u>	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Property taxes	\$ 248,990	\$ 218,836	\$ 215,659	\$ (3,177)
State grants	11,774	34,811	33,689	(1,122)
Interest income	531	1,279	1,491	212
Total revenues	<u>261,295</u>	<u>254,926</u>	<u>250,839</u>	<u>(4,087)</u>
<u>Expenditures:</u>				
Public Works				
Highways, streets and bridges	246,003	211,283	211,283	-
Other	5,200	4,809	4,809	-
Total expenditures	<u>251,203</u>	<u>216,092</u>	<u>216,092</u>	<u>-</u>
Change in fund balance	10,092	38,834	34,747	(4,087)
Fund balance - beginning of year			<u>868,923</u>	
Fund balance - end of year			<u><u>\$ 903,670</u></u>	

Other Supplementary Information

**Blissfield Township
Lenawee County, Michigan**

Schedule of Changes in Assets & Liabilities

Tax Collection Fund

March 31, 2023

	Balance April 1, 2022	Additions	Deletions	Balance March 31, 2023
<u>Assets:</u>				
Cash	\$ 81,604	\$ 4,569,052	\$ 4,539,774	\$ 110,882
Due from other governmental units	-	44	-	44
Total assets	81,604	4,569,096	4,539,774	110,926
 <u>Liabilities:</u>				
Due to other funds	18,837	691,743	695,842	14,738
Due to other governmental units	62,767	3,877,353	3,843,932	96,188
Total liabilities	\$ 81,604	\$ 4,569,096	\$ 4,539,774	\$ 110,926