



**TOWNSHIP OF TYRONE  
LIVINGSTON COUNTY, MICHIGAN  
ANNUAL FINANCIAL REPORT  
YEAR ENDED MARCH 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Township of Tyrone, Michigan

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Tyrone (the "Township") 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Township, 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 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.

***Change in Accounting Principle***

As stated in Note 11 to the basic financial statements, the Township adopted GASB Statement No. 87, *Leases* in 2023, which represents a change in its policy for reporting lease activities. Our opinions are not modified with respect to this matter.

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

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

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

## ***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 Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained

during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining and individual fund financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Gabridge & Company".

Gabridge & Company, PLC  
Grand Rapids, Michigan  
August 4, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Township of Tyrone**  
**Management's Discussion and Analysis**  
**March 31, 2023**

As management of the Township of Tyrone, Livingston County, Michigan (the "Township" or "government") we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2023. We encourage readers to consider the information presented here in conjunction with the financial statements.

**Financial Highlights**

- The assets and deferred outflows of the Township exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$23,010,522 (net position). Of this amount, \$10,389,934 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the Township's governmental funds reported combined fund balances of \$12,226,261, an increase of \$958,323 in comparison with the prior year. Approximately 45.0% of this amount, or \$5,498,712, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,498,712, or approximately 468.2% of annual general fund expenditures.

**Overview of the Financial Statements**

The discussion and analysis provided here is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

The *statement of net position* presents financial information on all of the Township's assets, deferred inflows / outflows, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the Township'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 for some items that will only result in cash flows in future fiscal periods (e.g., unavailable revenues, accrued interest, and long-term debt).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, police and fire protection, roads, health and welfare, community and economic development, and culture. The business-type activities of the Township include the sewage disposal system.

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

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

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

The Township maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, public safety fund, and the Irish Hills road improvement fund, which are considered to be major funds. Data from the other governmental funds is presented as a separate column as they are considered nonmajor funds.

The Township adopts an annual appropriated budget for the general fund and each special revenue fund. A budgetary comparison schedule for the general fund and each major special revenue fund has been provided to demonstrate compliance with these budgets.

**Proprietary Funds** - The Township maintains one type of proprietary fund, an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses an enterprises fund to account for its sewer operations.



Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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

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

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Township's budgetary comparison schedules.

This report also presents other supplementary information which includes the combining and individual fund statements. The combining statements are presented immediately following the required supplementary information on budgets.

### **Government-wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Township, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$23,010,522 at the close of the most recent fiscal year.

A significant portion of the Township's net position, \$8,680,440, or 37.7% of its total net position, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related outstanding debt that was used to acquire those assets. The Township uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Township's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Township's net position, \$3,940,148, or 17.1% of its total net position, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$10,389,934, or 45.2% of its total net position, is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

Cash, cash equivalents, and investments increased during the year, from \$13,538,137 as of March 31, 2022 to \$14,554,183 as of March 31, 2023. This increase of \$1,016,046 was primarily related to the overall increase in net position of \$1,146,624. Receivables decreased by \$297,437 because the 2022 balance due from the State of Michigan included a one-time census adjustment.

The Township's capital assets decreased by a net \$298,437. This was a result of total depreciation expense of \$602,903 exceeding capital asset additions of \$304,466. Unearned revenues decreased by \$162,393 during the year because the Township used a portion of the unspent ARPA funds that were on hand as of March 31, 2022.

Following is a comparative schedule showing the Township's assets, deferred inflows and outflows, liabilities, and net position for each of the two past fiscal years:

**Township of Tyrone's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and Cash Equivalents	\$ 10,284,383	\$ 9,195,766	\$ 219,305	\$ 410,554	\$ 10,503,688	\$ 9,606,320
Cash and Cash Equivalents - Restricted	-	-	1,267,536	1,299,544	1,267,536	1,299,544
Investments	292,958	322,304	454,462	290,669	747,420	612,973
Receivables	458,966	739,859	251,155	267,699	710,121	1,007,558
Special Assessment Receivables, Current	160,272	213,914	86,025	489,740	246,297	703,654
Prepaid Items	11,694	10,622	-	-	11,694	10,622
Due from Agency Fund	4,824	3,448	-	-	4,824	3,448
<b>Total Current Assets</b>	<b>11,213,097</b>	<b>10,485,913</b>	<b>2,278,483</b>	<b>2,758,206</b>	<b>13,491,580</b>	<b>13,244,119</b>
<i>Noncurrent Assets</i>						
Capital Assets not being Depreciated	-	-	17,595	17,595	17,595	17,595
Capital Assets being Depreciated	1,745,077	1,523,082	10,181,718	10,702,150	11,926,795	12,225,232
Cash Held by Agent	-	-	1,027	1,027	1,027	1,027
Investments - Restricted	-	-	2,035,539	2,019,300	2,035,539	2,019,300
Special Assessment Receivables	1,128,895	1,235,526	834,630	850,570	1,963,525	2,086,096
<b>Total Assets</b>	<b>14,087,069</b>	<b>13,244,521</b>	<b>15,348,992</b>	<b>16,348,848</b>	<b>29,436,061</b>	<b>29,593,369</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Charge on Refunding	-	-	127,582	160,319	127,582	160,319
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>127,582</b>	<b>160,319</b>	<b>127,582</b>	<b>160,319</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts Payable	128,632	125,761	68,412	83,100	197,044	208,861
Accrued Liabilities and Other	25,215	41,727	-	-	25,215	41,727
Accrued Interest	14,513	16,070	42,848	56,449	57,361	72,519
Compensated Absences	10,644	9,097	-	-	10,644	9,097
Current Portion of Long-term Debt	195,000	190,000	908,470	921,400	1,103,470	1,111,400
Unearned Revenue	392,587	554,980	-	-	392,587	554,980
Internal Balances	(8,291)	(8,742)	8,291	8,742	-	-
<b>Total Current Liabilities</b>	<b>758,300</b>	<b>928,893</b>	<b>1,028,021</b>	<b>1,069,691</b>	<b>1,786,321</b>	<b>1,998,584</b>
<i>Noncurrent Liabilities</i>						
Long-term Debt	1,591,061	1,787,904	2,484,089	3,419,381	4,075,150	5,207,285
Advances from Other Funds	(2,550,000)	(2,550,000)	2,550,000	2,550,000	-	-
<b>Total Liabilities</b>	<b>(200,639)</b>	<b>166,797</b>	<b>6,062,110</b>	<b>7,039,072</b>	<b>5,861,471</b>	<b>7,205,869</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Assessments Levied for Subsequent Periods	691,650	683,921	-	-	691,650	683,921
<b>Total Deferred Inflows of Resources</b>	<b>691,650</b>	<b>683,921</b>	<b>-</b>	<b>-</b>	<b>691,650</b>	<b>683,921</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	1,745,077	1,523,082	6,935,363	6,540,310	8,680,440	8,063,392
Restricted	2,229,610	2,236,820	1,710,538	2,158,263	3,940,148	4,395,083
Unrestricted	9,621,371	8,633,901	768,563	771,522	10,389,934	9,405,423
<b>Total Net Position</b>	<b>\$ 13,596,058</b>	<b>\$ 12,393,803</b>	<b>\$ 9,414,464</b>	<b>\$ 9,470,095</b>	<b>\$ 23,010,522</b>	<b>\$ 21,863,898</b>

The Township's overall net position increased \$1,146,624 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**Township of Tyrone's Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 1,060,328	\$ 1,122,998	\$ 1,384,013	\$ 1,549,093	\$ 2,444,341	\$ 2,672,091
Operating Grants and Contributions	925,395	206,490	-	-	925,395	206,490
Capital Grants and Contributions	-	-	48,694	70,322	48,694	70,322
<b>Total Program Revenues</b>	<b>1,985,723</b>	<b>1,329,488</b>	<b>1,432,707</b>	<b>1,619,415</b>	<b>3,418,430</b>	<b>2,948,903</b>
<b>General Revenues</b>						
Property Taxes	507,859	486,806	-	-	507,859	486,806
State Revenue	1,381,728	1,401,248	-	-	1,381,728	1,401,248
Interest	90,557	11,036	22,342	11,004	112,899	22,040
<b>Total General Revenues</b>	<b>1,980,144</b>	<b>1,899,090</b>	<b>22,342</b>	<b>11,004</b>	<b>2,002,486</b>	<b>1,910,094</b>
<b>Total Revenues</b>	<b>3,965,867</b>	<b>3,228,578</b>	<b>1,455,049</b>	<b>1,630,419</b>	<b>5,420,916</b>	<b>4,858,997</b>
<b>Expenses</b>						
General Government	914,372	770,041	-	-	914,372	770,041
Public Safety	710,091	759,494	-	-	710,091	759,494
Public Works	854,332	242,321	1,510,680	1,520,226	2,365,012	1,762,547
Community and Economic Development	205,700	148,777	-	-	205,700	148,777
Health and Welfare	4,400	4,400	-	-	4,400	4,400
Culture	16,199	46,593	-	-	16,199	46,593
Interest on Long-term Debt	58,518	64,707	-	-	58,518	64,707
<b>Total Expenses</b>	<b>2,763,612</b>	<b>2,036,333</b>	<b>1,510,680</b>	<b>1,520,226</b>	<b>4,274,292</b>	<b>3,556,559</b>
<b>Change in Net Position</b>	<b>1,202,255</b>	<b>1,192,245</b>	<b>(55,631)</b>	<b>110,193</b>	<b>1,146,624</b>	<b>1,302,438</b>
<i>Net Position at Beginning of Period</i>	<i>12,393,803</i>	<i>11,201,558</i>	<i>9,470,095</i>	<i>9,359,902</i>	<i>21,863,898</i>	<i>20,561,460</i>
<b>Net Position at End of Period</b>	<b>\$ 13,596,058</b>	<b>\$ 12,393,803</b>	<b>\$ 9,414,464</b>	<b>\$ 9,470,095</b>	<b>\$ 23,010,522</b>	<b>\$ 21,863,898</b>

**Governmental Activities** - Governmental activities increased the Township's net position by \$1,202,255. Total revenues increased by \$737,289 mostly due to \$720,687 of federal American Rescue Plan Act funds reported during the year. Revenues were also aided by a 5.9% increase in taxable values, yielding an increase in tax revenues, net of a 1.3% decrease in the Township's operating millage, of \$21,053. Favorable interest rates on the Township's certificate of deposit and pooled investment accounts generated a \$79,521 increase in interest income.

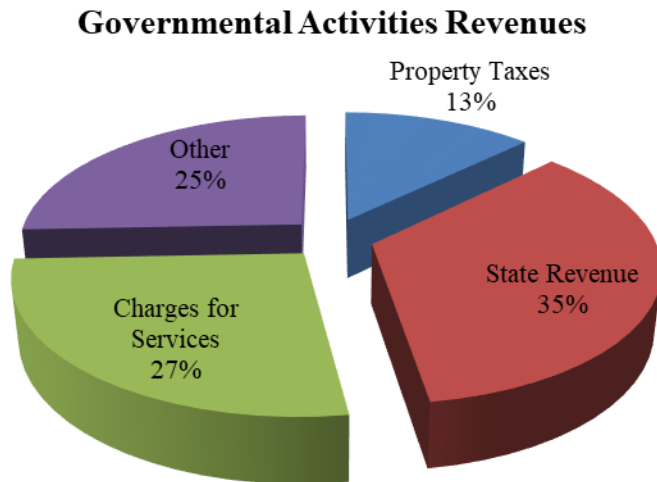
Expenses as a whole increased by \$727,279. The most significant change in expenses was a public works increase of \$612,011 resulting from more road projects during 2023 compared to 2022.

**Business-type Activities** - Business-type activities decreased the Township's net position by \$55,631. The most significant change in 2023, compared to 2022, was a \$165,080 decrease in sewer charges for services. The decrease was a result of a one-time revenue of \$304,500 during 2022 for REU purchases.

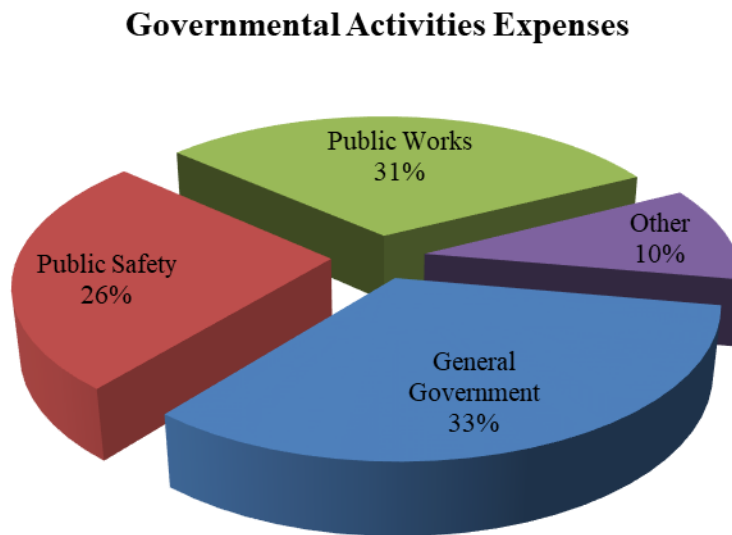
Expenses decreased by \$9,546 during 2023 compared to 2022, from \$1,520,226 down to \$1,510,680, as operations remained comparable to the prior year.

## Governmental Activities

The following chart summarizes the revenue sources for the governmental activities of the Township for the most recent fiscal year-end.



The following chart summarizes the expenses for the governmental activities of the Township for the most recent fiscal year-end.



## Financial Analysis of Governmental Funds

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

**Governmental Funds** - The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Township itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Township's Board.

At March 31, 2023, the Township's governmental funds reported combined fund balances of \$12,226,261, an increase of \$958,323 in comparison with the prior year. Approximately 45.0% of this amount, or \$5,498,712, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is: 1) nonspendable advance from the general fund to the sewer fund and prepaid items; \$2,561,694 (21.0%), 2) restricted for police/sheriff, fire and EMS, public education grant, and other service related assessments; \$2,229,610 (18.2%), 3) committed for cash gaps due to timing of state revenue sharing and property tax receipts; \$500,000 (4.1%), or 4) assigned for capital improvement projects, technology upgrades, and park and recreation expenditures; \$1,436,245 (11.7%).

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,498,712 while total fund balance increased by \$965,533 to \$9,996,651. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents approximately 468.2% of total general fund expenditures.

The public safety fund, a major fund, had a \$28,939 decrease in fund balance during the current fiscal year, which compares to a decrease of \$53,622 in the prior year. Fund balance was \$884,026 at the end of the year. Both revenues and expenditures remained reasonably consistent when compared to the prior year.

The Irish Hills road improvement fund, a major fund, ended the year with a fund balance of \$236,782, which was a decrease of \$4,349 over the prior year. This also was a result of the current year special assessment collections exceeding debt service expenditures.

The fund balance of the nonmajor governmental funds increased by \$26,078 during the current fiscal year leading to combined ending fund balances of \$1,108,802.

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

Unrestricted net position at the end of the year was \$768,563, a decrease from \$771,552 over the prior year, for the sewer fund. Total net position decreased by \$55,631 which put the overall net position at \$9,414,464. The significant reasons for the change in net position of the sewer fund are stated in the previous section.

**General Fund Budgetary Highlights**

*Original budget compared to final budget.* There were no significant adjustments to the budget during the year.

*Final budget compared to actual results.* The Township had no expenditures in excess of the amounts appropriated during the year ended March 31, 2023.

**Capital Assets and Debt Administration**

***Capital Assets***

The Township’s investment in capital assets for its governmental and business-type activities as of March 31, 2023 amounts to \$11,944,390 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, and sewer infrastructure.

The following summarizes the Township’s capital assets:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Land	\$ -	\$ 17,595	\$ 17,595
Construction in Progress	-	-	-
Land Improvements	469,029	-	469,029
Building and Improvements	1,264,119	-	1,264,119
Equipment	11,929	-	11,929
Sewer System	-	10,181,718	10,181,718
<b><i>Totals</i></b>	<b><u>\$ 1,745,077</u></b>	<b><u>\$ 10,199,313</u></b>	<b><u>\$ 11,944,390</u></b>

More detailed information about the Township’s capital assets can be found in note 5.

### ***Long-term Debt***

As described in note 7 to the financial statements, the Township had \$5,178,620 in long-term debt at the end of the fiscal year, which was a reduction of \$1,140,065 compared to March 31, 2022. This reduction was a result of regularly scheduled principal payments and amortization of premiums. The Township is well under its legal debt limit as of year-end.

### **Economic Condition and Outlook**

The activity for 2024 is expected to be similar to the activity of 2023. The Township continues to review all budget line items for opportunities to reduce expenditures when possible. The budget will be monitored during the year to identify any necessary amendments. In 2024, the Township plans again to use current revenues to provide essential services and to maintain the Township's financial reserves at similar levels. Property tax revenues are expected to change minimally reflecting fairly stable property values. The ongoing costs of providing essential services for the citizens of the Township will again need to be monitored in order to maintain the financial condition of the Township.

### **Contacting the Township**

This financial report is designed to provide a general overview of the Township's finances to its citizens, customers, investors, and creditors and to demonstrate the Township's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

The Township of Tyrone  
8420 Runyan Lake Road  
Fenton, MI 48430

## **BASIC FINANCIAL STATEMENTS**



**Township of Tyrone**  
**Statement of Net Position**  
**March 31, 2023**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ 10,284,383	\$ 219,305	\$ 10,503,688
Cash and Cash Equivalents - Restricted	--	1,267,536	1,267,536
Investments	292,958	454,462	747,420
Receivables	458,966	251,155	710,121
Special Assessments Receivables, Current	160,272	86,025	246,297
Prepaid Items	11,694	--	11,694
Due from Agency	4,824	--	4,824
<b>Total Current Assets</b>	<u>11,213,097</u>	<u>2,278,483</u>	<u>13,491,580</u>
<i>Noncurrent Assets</i>			
Capital Assets not being Depreciated	--	17,595	17,595
Capital Assets being Depreciated	1,745,077	10,181,718	11,926,795
Cash Held by Agent	--	1,027	1,027
Investments - Restricted	--	2,035,539	2,035,539
Special Assessment Receivables	1,128,895	834,630	1,963,525
<b>Total Assets</b>	<u>14,087,069</u>	<u>15,348,992</u>	<u>29,436,061</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charged on Bond Refunding	--	127,582	127,582
<b>Total Deferred Outflows of Resources</b>	<u>--</u>	<u>127,582</u>	<u>127,582</u>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Accounts Payable	128,632	68,412	197,044
Accrued Liabilities and Other	23,682	--	23,682
Unearned Revenue	392,587	--	392,587
Accrued Interest	14,513	42,848	57,361
Compensated Absences	10,644	--	10,644
Current Portion of Long-term Debt	195,000	908,470	1,103,470
Due to Other Governmental Units	1,533	--	1,533
Internal Balances	(8,291)	8,291	--
<b>Total Current Liabilities</b>	<u>758,300</u>	<u>1,028,021</u>	<u>1,786,321</u>
<i>Noncurrent Liabilities</i>			
Long-term Debt	1,591,061	2,484,089	4,075,150
Internal Balances	(2,550,000)	2,550,000	--
<b>Total Liabilities</b>	<u>(200,639)</u>	<u>6,062,110</u>	<u>5,861,471</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Assessments Levied for a Subsequent Period	691,650	--	691,650
<b>Total Deferred Inflows of Resources</b>	<u>691,650</u>	<u>--</u>	<u>691,650</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,745,077	6,935,363	8,680,440
<i>Restricted for:</i>			
Public Safety	884,026	--	884,026
Debt Service	846,981	1,710,538	2,557,519
Public Access Programming	435,254	--	435,254
Streets and Right of Way	43,293	--	43,293
Waste Removal	7,789	--	7,789
Snow Removal	11,009	--	11,009
Lighting Districts	1,258	--	1,258
<i>Unrestricted</i>	9,621,371	768,563	10,389,934
<b>Total Net Position</b>	<u>\$ 13,596,058</u>	<u>\$ 9,414,464</u>	<u>\$ 23,010,522</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Township of Tyrone  
Statement of Activities  
For the Year Ended March 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
General Government	\$ 914,372	\$ 213,314	\$ 720,687	\$ --	\$ 19,629	\$ --	\$ 19,629
Public Safety	710,091	664,255	--	--	(45,836)	--	(45,836)
Public Works	854,332	169,859	11,066	--	(673,407)	--	(673,407)
Community and Economic Development	205,700	12,900	--	--	(192,800)	--	(192,800)
Health and Welfare	4,400	--	--	--	(4,400)	--	(4,400)
Culture	16,199	--	193,642	--	177,443	--	177,443
Interest on Long-term Debt	58,518	--	--	--	(58,518)	--	(58,518)
<b>Total Governmental Activities</b>	<u>2,763,612</u>	<u>1,060,328</u>	<u>925,395</u>	<u>--</u>	<u>(777,889)</u>	<u>--</u>	<u>(777,889)</u>
<b>Business-type Activities:</b>							
Sewer Fund	1,510,680	1,384,013	--	48,694	--	(77,973)	(77,973)
<b>Total Business-type Activities</b>	<u>1,510,680</u>	<u>1,384,013</u>	<u>--</u>	<u>48,694</u>	<u>--</u>	<u>(77,973)</u>	<u>(77,973)</u>
<b>Total</b>	<u>\$ 4,274,292</u>	<u>\$ 2,444,341</u>	<u>\$ 925,395</u>	<u>\$ 48,694</u>	<u>(777,889)</u>	<u>(77,973)</u>	<u>(855,862)</u>
<b>General Purpose Revenues:</b>							
					507,859	--	507,859
					90,557	22,342	112,899
					1,381,728	--	1,381,728
					<u>1,980,144</u>	<u>22,342</u>	<u>2,002,486</u>
					<b>1,202,255</b>	<b>(55,631)</b>	<b>1,146,624</b>
					12,393,803	9,470,095	21,863,898
					<u>\$ 13,596,058</u>	<u>\$ 9,414,464</u>	<u>\$ 23,010,522</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Township of Tyrone  
Balance Sheet  
Governmental Funds  
March 31, 2023**

	<u>General</u>	<u>Special Revenue Public Safety</u>	<u>Debt Service Irish Hills Road Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 7,602,316	\$ 1,587,293	\$ 235,874	\$ 858,900	\$ 10,284,383
Investments	--	--	--	292,958	292,958
Receivables	256,577	176,941	908	24,540	458,966
Prepaid Items	11,694	--	--	--	11,694
Due from Agency	4,824	--	--	--	4,824
Due from Other Funds	9,042	--	--	--	9,042
Special Assessment Receivables	--	--	578,136	711,031	1,289,167
Advances to Other Funds	2,550,000	--	--	--	2,550,000
<b>Total Assets</b>	<b>\$ 10,434,453</b>	<b>\$ 1,764,234</b>	<b>\$ 814,918</b>	<b>\$ 1,887,429</b>	<b>\$ 14,901,034</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 19,760	\$ 107,696	\$ --	\$ 1,176	\$ 128,632
Accrued Liabilities and Other	23,682	--	--	--	23,682
Unearned Revenue	392,587	--	--	--	392,587
Due to Other Governmental Units	1,533	--	--	--	1,533
Due to Other Funds	240	511	--	--	751
<b>Total Liabilities</b>	<b>437,802</b>	<b>108,207</b>	<b>--</b>	<b>1,176</b>	<b>547,185</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenues	--	146,771	578,136	711,031	1,435,938
Assessments Levied for a Subsequent Period	--	625,230	--	66,420	691,650
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>437,802</b>	<b>880,208</b>	<b>578,136</b>	<b>778,627</b>	<b>2,674,773</b>
<b>FUND BALANCE</b>					
Nonspendable	2,561,694	--	--	--	2,561,694
Restricted	--	884,026	236,782	1,108,802	2,229,610
Committed for Cash Gaps	500,000	--	--	--	500,000
<i>Assigned for:</i>					
Recreation and Culture	5,934	--	--	--	5,934
Capital Expenditures	1,430,311	--	--	--	1,430,311
Unassigned	5,498,712	--	--	--	5,498,712
<b>Total Fund Balance</b>	<b>9,996,651</b>	<b>884,026</b>	<b>236,782</b>	<b>1,108,802</b>	<b>12,226,261</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 10,434,453</b>	<b>\$ 1,764,234</b>	<b>\$ 814,918</b>	<b>\$ 1,887,429</b>	<b>\$ 14,901,034</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Township of Tyrone**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**March 31, 2023**

Total Fund Balance - Governmental Funds	\$	12,226,261
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statement. This amount represents capital assets of \$2,117,893 less accumulated depreciation of \$372,816.		1,745,077
Receivables not collected within 60 days of the Township's year-end are not available to pay current period expenditures and, therefore, are deferred in the funds.		1,435,938
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds. This represents long-term debt payable as of year-end.		(1,786,061)
In the statement of net position, interest is accrued on outstanding long-term debt, whereas in the governmental funds, the interest expenditure is reported when due.		(14,513)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds. This represents compensated absences as of year-end.		(10,644)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>13,596,058</u></b>

**Township of Tyrone**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended March 31, 2023**

	General	Special Revenue	Debt Service	Other	Total
		Public Safety	Irish Hills Road Improvement	Governmental Funds	Governmental Funds
<b>Revenues</b>					
Property Taxes	\$ 507,859	\$ --	\$ --	\$ --	\$ 507,859
Licenses and Permits	13,325	--	--	--	13,325
Federal Revenue	720,687	--	--	--	720,687
State Revenue	1,381,728	--	--	13,412	1,395,140
Charges for Services	230,269	45,376	--	--	275,645
Fines and Forfeitures	28,859	--	--	--	28,859
Special Assessments	--	621,365	59,046	224,010	904,421
Cable Franchise Fees	138,316	--	--	55,326	193,642
Other Miscellaneous Income	5,648	--	--	--	5,648
Interest	74,137	12,065	920	3,435	90,557
<b>Total Revenues</b>	<b>3,100,828</b>	<b>678,806</b>	<b>59,966</b>	<b>296,183</b>	<b>4,135,783</b>
<b>Expenditures</b>					
General Government	830,354	--	--	--	830,354
Public Safety	--	707,745	--	2,346	710,091
Public Works	790,375	--	--	63,957	854,332
Health and Welfare	4,400	--	--	--	4,400
Community and Economic Development	205,700	--	--	--	205,700
Culture	--	--	--	16,199	16,199
Capital Outlay	304,466	--	--	--	304,466
Debt Service - Interest	--	--	19,315	42,603	61,918
Debt Service - Principal	--	--	45,000	145,000	190,000
<b>Total Expenditures</b>	<b>2,135,295</b>	<b>707,745</b>	<b>64,315</b>	<b>270,105</b>	<b>3,177,460</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>965,533</b>	<b>(28,939)</b>	<b>(4,349)</b>	<b>26,078</b>	<b>958,323</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	--	--	--	--	--
Transfers Out	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>965,533</b>	<b>(28,939)</b>	<b>(4,349)</b>	<b>26,078</b>	<b>958,323</b>
<i>Fund Balance at Beginning of Period</i>	<i>9,031,118</i>	<i>912,965</i>	<i>241,131</i>	<i>1,082,724</i>	<i>11,267,938</i>
<b>Fund Balance at End of Period</b>	<b>\$ 9,996,651</b>	<b>\$ 884,026</b>	<b>\$ 236,782</b>	<b>\$ 1,108,802</b>	<b>\$ 12,226,261</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Township of Tyrone**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended March 31, 2023**

Total Net Change in Fund Balances - Governmental Funds	\$	958,323
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount represents capital outlay expenditures of \$304,466 less depreciation expense of \$82,471.		221,995
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds but, rather, are deferred to the following fiscal year. This		(169,916)
Repayment of bond principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position.		190,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds. This represents the change in accrued interest and bond premiums during the year.		3,400
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds. This represents the change		(1,547)
<b>Changes in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>1,202,255</u></b>

**Township of Tyrone  
Statement of Net Position  
Proprietary Fund  
March 31, 2023**

	<b>Business-type Activities - Enterprise Fund</b>
	<b>Sewer Fund</b>
<b>ASSETS</b>	
<i>Current Assets</i>	
Cash and Cash Equivalents	\$ 219,305
Cash and Cash Equivalents - Restricted	1,267,536
Investments	454,462
Receivables	251,155
Special Assessments Receivables, Current	86,025
Due from Other Funds	1,248
<b>Total Current Assets</b>	<b>2,279,731</b>
<i>Noncurrent Assets</i>	
Capital Assets not being Depreciated	17,595
Capital Assets being Depreciated	10,181,718
Cash Held by Agent	1,027
Investments - Restricted	2,035,539
Special Assessment Receivables	834,630
<b>Total Assets</b>	<b>15,350,240</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Charged on Bond Refunding	127,582
<b>Total Deferred Outflows of Resources</b>	<b>127,582</b>
<b>LIABILITIES</b>	
<i>Current Liabilities</i>	
Accounts Payable	68,412
Accrued Interest	42,848
Current Portion of Long-term Debt	908,470
Due to Other Funds	9,539
<b>Total Current Liabilities</b>	<b>1,029,269</b>
<i>Noncurrent Liabilities</i>	
Long-term Debt	2,484,089
Advances from Other Funds	2,550,000
<b>Total Liabilities</b>	<b>6,063,358</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	6,935,363
<i>Restricted for:</i>	
Debt Service	1,710,538
<i>Unrestricted</i>	
	768,563
<b>Total Net Position</b>	<b>\$ 9,414,464</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Township of Tyrone**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Fund**  
**For the Year Ended March 31, 2023**

	<b>Business-type Activities - Enterprise Fund</b>
	<b>Sewer Fund</b>
<b>Operating Revenues</b>	
Charges for Services	\$ 1,380,046
Other Miscellaneous Income	3,967
<b><i>Total Operating Revenues</i></b>	<b>1,384,013</b>
<b>Operating Expenses</b>	
Cost of Sewage Operations and Maintenance	886,402
Depreciation	520,432
<b><i>Total Operating Expenses</i></b>	<b>1,406,834</b>
<b><i>Operating Income (Loss)</i></b>	<b>(22,821)</b>
<b>Non-Operating Revenues (Expenses)</b>	
Interest	22,342
Special Assessments	48,694
Interest Expense	(103,846)
<b><i>Net Non-Operating Revenues (Expenses)</i></b>	<b>(32,810)</b>
<b><i>Change In Net Position</i></b>	<b>(55,631)</b>
<i>Net Position at Beginning of Period</i>	9,470,095
<b><i>Net Position at End of Period</i></b>	<b>\$ 9,414,464</b>

The Notes to the Financial Statements are an integral part of these Financial Statements



**Township of Tyrone  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended March 31, 2023**

	<b>Business-type Activities - Enterprise Fund</b>
	<b>Sewer Fund</b>
<b>Cash Flows from Operating Activities</b>	
Receipts from Customers and Users	\$ 1,400,557
Payments to Suppliers	(901,090)
<b><i>Net Cash Provided by Operating Activities</i></b>	<b>499,467</b>
<b>Cash Flows from Non-capital Financing Activities</b>	
Increase in Due to Other Funds	(451)
<b><i>Net Cash Used by Non-capital Financing Activities</i></b>	<b>(451)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Special Assessment Collections	468,349
Principal Payments and Bond Premium Amortization on Long-term Debt	(915,485)
Interest Payments and Debt Service Charges on Long-term Debt	(117,447)
<b><i>Net Cash Used by Capital and Related Financing Activities</i></b>	<b>(564,583)</b>
<b>Cash Flows from Investing Activities</b>	
Interest Received on Investments	22,342
<b><i>Net Cash Provided by Investing Activities</i></b>	<b>22,342</b>
Net decrease in Cash and Investments	(43,225)
<i>Cash and Investments - Beginning of Year</i>	4,021,094
<b>Cash and Investments - End of Year</b>	<b>\$ 3,977,869</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Township of Tyrone  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended March 31, 2023**

	<b>Business-type Activities - Enterprise Fund</b>
	<b>Sewer Fund</b>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</b>	
Operating Loss	\$ (22,821)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>	
Depreciation Expense	520,432
<b>Changes in Assets and Liabilities</b>	
Receivables	16,544
Accounts Payable	(14,688)
<b><i>Net Cash Provided by Operating Activities</i></b>	<b>\$ 499,467</b>
 <b>Cash and Investments</b>	
Cash and Cash Equivalents	\$ 219,305
Cash and Cash Equivalents - Restricted	1,267,536
Investments	454,462
Cash Held by Agent	1,027
Investments - Restricted	2,035,539
<b><i>Total Cash and Investments</i></b>	<b>\$ 3,977,869</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**Township of Tyrone**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**March 31, 2023**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 21,427
<i>Total Assets</i>	21,427
<b>LIABILITIES</b>	
Undistributed Collections	16,603
Due to General Fund	4,824
<i>Total Liabilities</i>	21,427
<b>NET POSITION</b>	
Restricted for Individuals, organizations, and other governments	\$ -

The Notes to the Financial Statements are an integral part of these Financial Statements

**Township of Tyrone**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended March 31, 2023**

	<b>Custodial Funds</b>
<b>Additions</b>	
Taxes Collected for Other Governments	\$ 15,354,269
<i>Total Additions</i>	15,354,269
<b>Deductions</b>	
Payments of Property Taxes to Other Governments	15,354,269
<i>Total Deductions</i>	15,354,269
<i>Change in Net Position</i>	--
Net Position at Beginning of Period	--
<i>Net Position at End of Period</i>	\$ --

The Notes to the Financial Statements are an integral part of these Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS**

# Township of Tyrone

## Notes to the Financial Statements

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### Note 1 - Summary of Significant Accounting Policies

The financial statements of the Township of Tyrone (the “Township” or “government”) have been prepared in conformity with generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial-reporting principles. The more significant of the Township’s accounting policies are described below.

#### Reporting Entity

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity," these financial statements represent the Township for financial reporting purposes. The criteria established by GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if component unit data were not included. Accordingly, there are no other governmental organizations required to be included in the financial statements of the Township.

#### Government-wide and Fund Financial Statements

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

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

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

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary

## Township of Tyrone

### Notes to the Financial Statements

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fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for expenditure-driven grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service and compensated absences expenditures are recorded only when payment is due.

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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the following major governmental funds:

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

The ***public safety fund*** is used to account for the Township's police and fire activities paid with extra voted special assessments.

The ***Irish Hills road improvement – debt service*** is used to account for the Township's debt service expenditures related to the Irish Hills Road Special Assessment.

The Township reports the following major proprietary fund:

The ***sewer fund*** accounts for the operations of the sewage pumping and collection system.

Additionally, the government reports the following fund types:

***Special revenue funds*** are used to account for the proceeds of specific revenue sources (other than permanent trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

## Township of Tyrone

### Notes to the Financial Statements

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

*Custodial funds* account for assets held by the Township as an agent for individuals, private organizations, and other governments.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for services. Operating expenses for the enterprise funds include depreciation on capital assets, labor, supplies, and contracted services. All revenues and expenses are not meeting this definition are reported as nonoperating revenues and expenses.

#### ***Interfund Activity***

During the course of operations, the government 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 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.

Further, 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.

#### **Assets, Liabilities, and Fund Equity**

##### ***Cash and Cash Equivalents***

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



## Township of Tyrone

### Notes to the Financial Statements

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#### ***Investments***

Investments are stated at fair value at the balance sheet date.

#### ***Restricted Assets***

The Township's restricted cash and cash equivalents and restricted investments in its sewer fund report the resources accumulated from the issuance of special assessments within the sewer fund that are legally restricted to repay the underlying bond principal and interest amounts.

#### ***Receivables***

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. The Township reported no uncollectible amounts as of March 31, 2023.

#### ***Prepaid Items***

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

#### ***Capital Assets***

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$2,500 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 at the date of donation.

Infrastructure, intangibles, buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Buildings	39
Land improvements	15
Machinery, equipment, and software	3 - 7
Sewer distribution system	39

#### ***Compensated Absences***

It is the Township's policy to permit employees to accumulate earned but unused sick and vacation time benefits, subject to certain limitations. All sick and vacation time pay is accrued when

## Township of Tyrone

### Notes to the Financial Statements

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incurred in the governmental-wide statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

#### ***Unearned Revenues***

Unearned revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

#### ***Long-term Obligations***

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

#### ***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Township has a deferred outflow in the sewer fund and government-wide statements related to a bond refunding charge that is being amortized.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Township has two types of items that are reported under this category. First, the Township reports special assessment revenues, which are levied to finance the following period’s budget, as deferred and recognized as an inflow of resources in the period that it was intended to finance. The Township has a second type of deferred inflow, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenues*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: amounts receivable and special assessments; both of which are collected beyond 60 days after the date of the financial statements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## Township of Tyrone

### Notes to the Financial Statements

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#### ***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 government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### ***Fund Balance Flow Assumptions***

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 government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, 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. Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either: a) not in spendable form or b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. 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 government's highest level of decision-making authority. The Township Board is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) 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 Township Board, or its designee, is authorized to assign fund balance. The Township Board may also assign 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,

## Township of Tyrone

### Notes to the Financial Statements

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assignments generally only exist 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.

*Unassigned fund balance* is the residual classification for the Township's general fund and includes all spendable amounts not contained in the other classifications and is therefore available to be spent as determined by the Township Board.

#### *Use of Estimates*

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

#### *Property Tax Revenue Recognition*

The Township levies property taxes on December 1 of each year. These taxes become liens on the property at that date. Township taxes are collected without penalty from December 1 to February 28 each year. The taxes become delinquent on March 1 and penalties are assessed. The Township's 2023 tax was levied and collectible on December 1, 2022 and was recognized as revenue in the year ended March 31, 2023, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2022 taxable valuation of the Township totaled \$596,579,705, on which taxes levied consisted of .8512 mills for operating purposes. This resulted in \$507,857 of revenue recognized in the general fund.

#### *Special Assessments*

The Township special assesses a flat fee per parcel for public works (road maintenance and construction), public safety (police and fire), lighting, rubbish removal, and snow removal. The assessment was levied and collectible on December 1, 2022 and is recognized as revenue in the year ended March 31, 2023, when the proceeds of the assessment are budgeted to pay for the operation of the special assessment districts, except for service-type special assessments which recognize revenue in the period the related services are provided.

#### *Subsequent Events*

Management is not aware of any subsequent events that would have a significant impact on the financial condition of the Township.

## Township of Tyrone

### Notes to the Financial Statements

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#### **Note 2 - Statutory Compliance**

##### ***Budgetary Information***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and all special revenue funds. All annual appropriations lapse at fiscal year-end, except for approved contracts which are appropriated on a contract (grant) length basis.

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 (i.e., the level at which expenditures may not legally exceed appropriations). The Supervisor is authorized to transfer budgeted amounts within departmental appropriation accounts. However, any revisions that alter the total expenditures of any department must be approved by the Township Board. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

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

1. Prior to February 1, the Supervisor submits to the Township board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them for the general fund and special revenue funds.
2. Public hearings are conducted at the Township Hall to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted on a departmental (activity) basis through passage of a resolution in accordance with Public Act 621 of the State of Michigan.

The Township had no expenditures in excess of the amounts appropriated during the year ended March 31, 2023.

#### **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 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, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which 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.

## Township of Tyrone

### Notes to the Financial Statements

The Township has designated several 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 authority.

Following is a reconciliation of deposit and investments balances as of March 31, 2023:

#### Statement of Net Position

##### *Current Assets*

Cash and Cash Equivalents	\$ 10,503,688
Cash and Cash Equivalents - Restricted	1,267,536
Investments	747,420

##### *Noncurrent Assets*

Investments - Restricted	2,035,539
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#### Statement of Fiduciary Net Position

Cash and Cash Equivalents	21,427
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<b><i>Total Deposits and Investments</i></b>	<b><u>\$ 14,575,610</u></b>
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#### Deposits and Investments

Cash and Cash Equivalents	\$ 11,324,379
Certificates of Deposit	2,782,959
Pooled Investments	467,672
Cash on Hand	600

<b><i>Total</i></b>	<b><u>\$ 14,575,610</u></b>
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The Township's cash and investments are subject to several types of risk, which are examined in more detail below.

***Custodial Credit Risk – Deposits*** - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require and the Township does not have a policy for deposit custodial credit risk. At year end, the carrying amount of the Township's deposits was \$14,575,610. As of year-end, \$4,302,066 of the combined deposit (bank) balances of \$14,120,189 was exposed to custodial credit risk because it was 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 bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

***Credit Risk*** - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices.

**Township of Tyrone**

Notes to the Financial Statements

Credit risk ratings, where applicable, are summarized as follows:

<b>Rating Organization</b>	<b>Rating</b>	<b>Maturity</b>	<b>Fair Value</b>
Standard & Poor's	AAAm	N/A	\$ 467,672

**Interest Rate Risk** - Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The Township’s investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Township’s pooled investments of \$300,000 as of yearend have no maturity.

	<b>Certificates of Deposit</b>	<b>Pooled Investments</b>
Not Applicable	\$ -	\$ 467,672
Due Within 1 Year	2,782,959	-
<b>Totals</b>	\$ 2,782,959	\$ 467,672

**Fair Value Measurement**

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

The Township has the following recurring fair value measurements as of December 31, 2021:

- Investments held with MICLASS totaled \$467,672. MICLASS is authorized to invest in the same investment types as local units of government in Michigan. These holdings are valued using Level 2 inputs.

## Township of Tyrone

### Notes to the Financial Statements

#### Note 4 - Receivables

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

	<u>General Fund</u>	<u>Public Safety Fund</u>	<u>Irish Hills Road Improvement</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>	<u>Sewer Fund</u>
<b>Receivables:</b>						
Accounts	\$ 33,603	\$ 146,771	\$ -	\$ 13,441	\$ 193,815	\$ 225,783
Due from County	24,813	30,170	908	11,099	66,990	25,372
Due from State	198,161	-	-	-	198,161	-
<b>Total Receivables</b>	<u>\$ 256,577</u>	<u>\$ 176,941</u>	<u>\$ 908</u>	<u>\$ 24,540</u>	<u>\$ 458,966</u>	<u>\$ 251,155</u>

#### Note 5 - Capital Assets

Capital asset activity for governmental activities during the year was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Land improvements	\$ 255,103	\$ 304,466	\$ -	\$ 559,569
Building and improvements	1,412,202	-	-	1,412,202
Equipment	101,702	-	-	101,702
Information technology	44,420	-	-	44,420
<i>Subtotal</i>	<u>1,813,427</u>	<u>304,466</u>	<u>-</u>	<u>2,117,893</u>
Less accumulated depreciation				
Land improvements	53,511	37,029	-	90,540
Building and improvements	107,422	40,661	-	148,083
Equipment	84,992	4,781	-	89,773
Information technology	44,420	-	-	44,420
<i>Subtotal</i>	<u>290,345</u>	<u>82,471</u>	<u>-</u>	<u>372,816</u>
Capital assets being depreciated, net	<u>1,523,082</u>	<u>221,995</u>	<u>-</u>	<u>1,745,077</u>
<b>Capital assets, net</b>	<u>\$ 1,523,082</u>	<u>\$ 221,995</u>	<u>\$ -</u>	<u>\$ 1,745,077</u>

All depreciation expense for governmental activities was charged to the general government function.



## Township of Tyrone

### Notes to the Financial Statements

Capital asset activity for business-type activities during the year was as follows:

<u>Business-type Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 17,595	\$ -	\$ -	\$ 17,595
Capital assets being depreciated				
Sewer system	20,319,380	-	-	20,319,380
Machinery and equipment	360,810	-	-	360,810
<i>Subtotal</i>	<u>20,680,190</u>	<u>-</u>	<u>-</u>	<u>20,680,190</u>
Less accumulated depreciation				
Sewer system	9,617,230	520,432	-	10,137,662
Machinery and equipment	360,810	-	-	360,810
<i>Subtotal</i>	<u>9,978,040</u>	<u>520,432</u>	<u>-</u>	<u>10,498,472</u>
Capital assets being depreciated, net	<u>10,702,150</u>	<u>(520,432)</u>	<u>-</u>	<u>10,181,718</u>
<i>Capital assets, net</i>	<u>\$ 10,719,745</u>	<u>\$ (520,432)</u>	<u>\$ -</u>	<u>\$ 10,199,313</u>

#### Note 6 - Interfund Activity

##### *Interfund Balances*

The interfund balances as of March 31, 2023 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Sewer	\$ 9,042
Sewer	General	240
Sewer	Public Safety	511

Interfund balances resulted primarily from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Advances between the general fund and sewer fund (\$2,550,000) are expected to be repaid in the next 20 years based on a tentative repayment schedule as the sewer fund looks for ways to increase funds while making its bond payments. Payments to the general fund are not expected to start in the upcoming year.

## Township of Tyrone

### Notes to the Financial Statements

#### Note 7 - Long-term Obligations

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. County contractual agreements and 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. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Following is a summary of long-term obligations activity of the Township for the year ended March 31, 2023:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Shannon Lake Road Special Assessment Bond	\$ 755,000	\$ -	\$ (110,000)	\$ 645,000	\$ 110,000
Parkin Lane Road Special Assessment Bond	305,000	-	(25,000)	280,000	30,000
Laurel Springs Road Special Assessment Bond	175,000	-	(10,000)	165,000	10,000
Irish Hills Road Special Assessment Bond	730,000	-	(45,000)	685,000	45,000
Bond Premiums	12,904	-	(1,843)	11,061	-
Compensated Absences	9,097	32,275	(30,728)	10,644	10,644
<b>Total Governmental Activities</b>	<b>1,987,001</b>	<b>32,275</b>	<b>(222,571)</b>	<b>1,796,705</b>	<b>205,644</b>
<b>Business-type Activities</b>					
Livingston County Sanitary Sewer Improvement Bonds Series 2007	990,000	-	(500,000)	490,000	490,000
Livingston County Sanitary Sewer Improvement Refunding Bonds Series 2013	2,560,000	-	(380,000)	2,180,000	375,000
Livingston County Clean Water Sewer Improvement Bond, Series 2015	635,888	-	(41,400)	594,488	43,470
Bond Premiums	154,893	-	(26,822)	128,071	-
<b>Total Business-type Activities</b>	<b>4,340,781</b>	<b>-</b>	<b>(948,222)</b>	<b>3,392,559</b>	<b>908,470</b>
<b>Total Long-term Obligations</b>	<b>\$ 6,327,782</b>	<b>\$ 32,275</b>	<b>\$ (1,170,793)</b>	<b>\$ 5,189,264</b>	<b>\$ 1,114,114</b>

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

<b>Year Ended</b>	<b>Governmental Activities</b>			<b>Business-type Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>March 31,</b>						
2024	\$ 195,000	\$ 54,826	\$ 249,826	\$ 908,470	\$ 84,437	\$ 992,907
2025	190,000	48,441	238,441	413,470	62,376	475,846
2026	190,000	42,079	232,079	415,540	50,188	465,728
2027	190,000	35,633	225,633	405,540	38,100	443,640
2028	190,000	29,149	219,149	402,610	26,237	428,847
2029-2033	475,000	75,986	550,986	606,680	38,784	645,464
2034-2038	250,000	30,570	280,570	112,178	4,212	116,390
2039-2040	95,000	2,559	97,559	-	-	-
<b>Totals</b>	<b>\$ 1,775,000</b>	<b>\$ 319,243</b>	<b>\$ 2,094,243</b>	<b>\$ 3,264,488</b>	<b>\$ 304,334</b>	<b>\$ 3,568,822</b>

## Township of Tyrone

### Notes to the Financial Statements

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***Lake Shannon Road Improvement Special Assessment Bonds – Series 2018*** - Tyrone Township issued \$1,045,000 in Special Assessment Bonds. The Lake Shannon Road Improvement Special Assessment Bonds were issued pursuant to Act 188, Michigan Public Acts of 1954, as amended. They are primarily payable from collections of special assessments levied against the benefited properties in the district. The Township's limited tax full faith and credit are pledged for the payment of the bonds if the special assessments are not adequate. The interest rate is 4.23% with a maturity date of July 1, 2028.

***Parkin Lane Road Improvement Special Assessment Bonds – Series 2010*** - Tyrone Township issued \$500,000 in Special Assessment Bonds. The Parkin Lane Road Improvement Special Assessment Bonds were issued pursuant to Act 188, Michigan Public Acts of 1954, as amended. They are primarily payable from collections of special assessments levied against the benefited properties in the district. The Township's limited tax full faith and credit are pledged for the payment of the bonds if the special assessments are not adequate. The interest rate ranges from 3.00% to 4.95% with a maturity date of July 1, 2030.

***Laurel Springs Road Improvement Special Assessment Bonds – Series 2019*** - Tyrone Township issued \$180,000 in Special Assessment Bonds. The Laurel Springs Road Improvement Special Assessment Bonds were issued pursuant to Act 188, Michigan Public Acts of 1954, as amended. They are primarily payable from collections of special assessments levied against the benefited properties in the district. The Township's limited tax full faith and credit are pledged for the payment of the bonds if the special assessments are not adequate. The interest rate is 3.00% with a maturity date of July 1, 2039.

***Irish Hills Road Improvement Special Assessment Bonds – Series 2019*** - Tyrone Township issued \$785,000 in Special Assessment Bonds. The Irish Hills Road Improvement Special Assessment Bonds were issued pursuant to Act 188, Michigan Public Acts of 1954, as amended. They are primarily payable from collections of special assessments levied against the benefited properties in the district. The Township's limited tax full faith and credit are pledged for the payment of the bonds if the special assessments are not adequate. The interest rate is 2.73% with a maturity date of July 1, 2039.

***Tyrone Township Sewer Bonds - Series 2007*** - Tyrone Township, through Livingston County, issued \$4,155,000 in Sanitary Sewer Improvement Refunding Bonds. The Livingston County Sanitary Sewer Improvement Refunding Bonds Series 2007 (Tyrone Township Sewer Bonds) were issued pursuant to Act 185 and 342, Michigan Public Acts of 1954, as amended. The bonds were issued to refund a portion of the Tyrone Township Sewer Bonds - Series 2003. The bond proceeds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the financial statements. The interest rate is 4.00% with a maturity date of November 1, 2023.

***Tyrone Township Sewer Bonds - Series 2013*** - Tyrone Township, through Livingston County, issued \$4,945,000 in Sanitary Sewer Improvement Refunding Bonds. The Livingston County

## Township of Tyrone

### Notes to the Financial Statements

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Sanitary Sewer Improvement Refunding Bonds Series 2013 (Tyrone Township Sewer Bonds) were issued pursuant to Act 185 and 342, Michigan Public Acts of 1954, as amended. The bonds were issued to refund a portion of the Tyrone Township Sewer Bonds - Series 2005. The bond proceeds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the financial statements. The maturity date is May 1, 2028.

***Township of Tyrone Sewer Bonds - Series 2015 - Lake Tyrone Improvements*** - Tyrone Township, through Livingston County, issued \$2,240,000 in Sanitary Sewer Improvement Refunding Bonds. The Livingston County Sewage Disposal System Bonds Series 2015 (Tyrone Township Sewer Bonds) were issued pursuant to part 53 of the Clean Water Assistance, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. The bonds were issued to pay for improvements to the Lake Tyrone sanitary sewer system. The bonds will be split between the Township of Tyrone (41.4%) and the Township of Hartland (58.6%), which was determined based on the total taxable values of the properties in both townships. Tyrone Township will also provide sufficient capacity from its current 2003 sewer system for treating the output of 77 Lake Tyrone residential connections. Payments will be made to the 2003 Sewer Debt Fund for those 77 connections. The interest rate is 2.50% with a maturity date of April 1, 2035. The bond is primarily payable from collections of special assessments levied against the benefited properties in the district and revenue expected to be generated by future sewer connection fees. The bonds are dated September 17, 2015 with interest and principal payable April 1 and interest payable October 1. The Township's limited tax full faith and credit are pledged for the payment of the bonds if the special assessments are not adequate.

#### **Note 8 - Risk Management and Contingent Liabilities**

The Township is exposed to various risks of loss related to property loss, torts, errors and omission, and employee injuries. The Township has purchased commercial insurance for these claims. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Livingston County (the "County") purchases delinquent tax rolls from the County's local units. In the event that those taxes become uncollectible, the County charges those amounts back to the local units. Therefore, the Township is exposed to potential refunds to Livingston County for the amount of uncollectible taxes and special assessment that were purchased by the County. The County has purchased a significant amount of delinquent special assessments levied by the Sewer Fund over the past few years. As of March 31, 2023, the Township estimates there is no significant liability related to Livingston County chargebacks.

#### **Note 9 - Commitments**

The Township has committed to a multi-year fire suppression, rescue, and emergency medical services agreement with the Charter Township of Fenton, the City of Fenton, and Hartland

## Township of Tyrone

### Notes to the Financial Statements

Township. An agreement was signed covering the period from April 1, 2019 through March 31, 2024. This agreement commits the Township to pay a base rate for each fire run of:

<u>Year Ending</u> <u>March 31,</u>	<u>Base Rate</u> <u>per Run</u>
2024	\$ 1,476

The Township paid \$548,953 during the fiscal year ended March 31, 2023 under the agreement.

#### **Note 10 - Net Investment in Capital Assets**

Below is the determination of the net investment of capital assets as of March 31, 2023:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Nondepreciable capital assets	\$ -	\$ 17,595
Depreciable capital assets, net	1,745,077	10,181,718
Current portion of long-term debt	-	(908,470)
Long-term debt	-	(2,484,089)
Deferred charge on bond refunding	-	127,582
Cash held by agent - restricted	-	1,027
<i>Net investment in capital assets</i>	\$ 1,745,077	\$ 6,935,363

#### **Note 11 - Adoption of GASB Statement No. 87, Leases**

The Township adopted the provisions of GASB Statement No. 87, *Leases*, in the current year, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Township had no material leases to report during the year in accordance with the standard.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Township of Tyrone**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended March 31, 2023**

	<u>Budgeted Amounts</u>			<b>Variance</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Favorable (Unfavorable)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Property Taxes	\$ 419,448	\$ 419,448	\$ 507,859	\$ 88,411
Licenses and Permits	12,891	12,891	13,325	434
Federal Revenue	554,980	554,980	720,687	165,707
State Revenue	816,500	816,500	1,381,728	565,228
Charges for Services	176,901	176,901	230,269	53,368
Fines and Forfeitures	17,211	17,211	28,859	11,648
Cable Franchise Fees	121,781	121,781	138,316	16,535
Other Miscellaneous Income	5,000	5,000	5,647	647
Interest	1,500	1,500	74,138	72,638
<b>Total Revenues</b>	<u>2,126,212</u>	<u>2,126,212</u>	<u>3,100,828</u>	<u>974,616</u>
<b>Expenditures</b>				
<b>General Government</b>				
Township Board	123,360	123,360	93,453	29,907
Supervisor	52,618	52,618	50,046	2,572
Clerk	137,692	137,692	133,236	4,456
Elections	60,635	60,635	44,797	15,838
Treasurer	149,495	149,495	133,346	16,149
Assessing	124,723	156,219	133,810	22,409
Board of Review	2,510	2,510	1,694	816
Building and Grounds	49,280	49,280	32,808	16,472
Unallocated	14,691	14,691	12,845	1,846
Other General Government	173,600	203,600	194,319	9,281
<b>Total General Government</b>	<u>888,604</u>	<u>950,100</u>	<u>830,354</u>	<u>119,746</u>
<b>Public Works</b>				
General Public Works	12,000	12,000	--	12,000
Road Improvements	580,940	1,055,940	784,794	271,146
Street Lighting	2,546	2,546	1,941	605
Cemeteries	8,055	8,055	3,640	4,415
<b>Total Public Works</b>	<u>603,541</u>	<u>1,078,541</u>	<u>790,375</u>	<u>288,166</u>
<b>Health and Welfare - Seniors</b>	<u>5,000</u>	<u>5,000</u>	<u>4,400</u>	<u>600</u>
<b>Community and Economic Development</b>				
Planning	156,862	156,862	118,845	38,017
Zoning	78,886	78,886	71,297	7,589
Ordinance Enforcement	29,182	29,182	15,558	13,624
<b>Total Community and Economic Development</b>	<u>264,930</u>	<u>264,930</u>	<u>205,700</u>	<u>59,230</u>
<b>Culture - Public Education Grant</b>	<u>2,500</u>	<u>2,500</u>	<u>--</u>	<u>2,500</u>
<b>Capital Outlay</b>	<u>190,000</u>	<u>395,000</u>	<u>304,466</u>	<u>90,534</u>
<b>Total Expenditures</b>	<u>1,954,575</u>	<u>2,696,071</u>	<u>2,135,295</u>	<u>560,776</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>171,637</u>	<u>(569,859)</u>	<u>965,533</u>	<u>1,535,392</u>
<b>Net Change in Fund Balance</b>	<u>171,637</u>	<u>(569,859)</u>	<u>965,533</u>	<u>1,535,392</u>
<b>Fund Balance at Beginning of Period</b>	<u>9,031,118</u>	<u>9,031,118</u>	<u>9,031,118</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 9,202,755</u>	<u>\$ 8,461,259</u>	<u>\$ 9,996,651</u>	<u>\$ 1,535,392</u>

**Township of Tyrone**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Public Safety**  
**For the Year Ended March 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Favorable (Unfavorable)</b>
				<u>Final to Actual</u>
<b>Revenues</b>				
Charges for Services	\$ 48,000	\$ 48,000	\$ 45,376	\$ (2,624)
Special Assessments	616,670	616,670	621,365	4,695
Interest	4,000	4,000	12,065	8,065
<b>Total Revenues</b>	<u>668,670</u>	<u>668,670</u>	<u>678,806</u>	<u>10,136</u>
<b>Expenditures</b>				
Public Safety	810,236	810,236	707,745	102,491
<b>Total Expenditures</b>	<u>810,236</u>	<u>810,236</u>	<u>707,745</u>	<u>102,491</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>(141,566)</u>	<u>(141,566)</u>	<u>(28,939)</u>	<u>112,627</u>
<b>Net Change in Fund Balance</b>	<u>(141,566)</u>	<u>(141,566)</u>	<u>(28,939)</u>	<u>112,627</u>
<i>Fund Balance at Beginning of Period</i>	912,965	912,965	912,965	--
<b>Fund Balance at End of Period</b>	<u>\$ 771,399</u>	<u>\$ 771,399</u>	<u>\$ 884,026</u>	<u>\$ 112,627</u>



**OTHER SUPPLEMENTARY INFORMATION**

**Township of Tyrone  
Combining Balance Sheet  
Nonmajor Governmental Funds  
March 31, 2023**

**Special Revenue**

	<b>Liquor Law Enforcement</b>	<b>Jayne Hill Street Lighting</b>	<b>Walnut Shores Street Lighting</b>	<b>Jayne Hill Waste Removal</b>	<b>Parkin Lane Snow Removal</b>	<b>Great Oaks Drive</b>	<b>Right of Way</b>	<b>Public Education Grant</b>
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ --	\$ 1,250	\$ 769	\$ 23,588	\$ 17,890	\$ 12,014	\$ 33,944	\$ 226,968
Investments	--	--	--	--	--	--	--	194,845
Receivables	--	11	--	357	630	370	--	13,441
Special Assessment Receivables	--	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ --</b>	<b>\$ 1,261</b>	<b>\$ 769</b>	<b>\$ 23,945</b>	<b>\$ 18,520</b>	<b>\$ 12,384</b>	<b>\$ 33,944</b>	<b>\$ 435,254</b>
<b>LIABILITIES</b>								
Accounts Payable	\$ --	\$ 89	\$ 11	\$ --	\$ 1,001	\$ 75	\$ --	\$ --
<b>Total Liabilities</b>	<b>--</b>	<b>89</b>	<b>11</b>	<b>--</b>	<b>1,001</b>	<b>75</b>	<b>--</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenues	--	--	--	--	--	--	--	--
Assessments Levied for a Subsequent Period	--	572	100	21,618	6,510	2,960	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>--</b>	<b>661</b>	<b>111</b>	<b>21,618</b>	<b>7,511</b>	<b>3,035</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCE</b>								
Restricted	--	600	658	2,327	11,009	9,349	33,944	435,254
Unassigned	--	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>--</b>	<b>600</b>	<b>658</b>	<b>2,327</b>	<b>11,009</b>	<b>9,349</b>	<b>33,944</b>	<b>435,254</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ --</b>	<b>\$ 1,261</b>	<b>\$ 769</b>	<b>\$ 23,945</b>	<b>\$ 18,520</b>	<b>\$ 12,384</b>	<b>\$ 33,944</b>	<b>\$ 435,254</b>

Continued...

**Township of Tyrone  
Combining Balance Sheet  
Nonmajor Governmental Funds  
March 31, 2023**

	Special Revenue				Debt Service			Total Nonmajor Governmental Funds
	Shannon Glen Rubbish Removal	Apple Orchard Rubbish Removal	Silver Lakes Estates Waste Removal	Laurel Springs Rubbish Removal	Laurel Springs Road Improvement Debt	Lake Shannon Road Improvement	Parkin Lane Road Improvement Debt	
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 6,831	\$ 7,698	\$ 16,356	\$ 8,337	\$ 58,364	\$ 381,808	\$ 63,083	\$ 858,900
Investments	--	--	--	--	--	--	98,113	292,958
Receivables	195	175	180	350	1,123	5,080	2,628	24,540
Special Assessment Receivables	--	--	--	--	133,640	420,913	156,478	711,031
<i>Total Assets</i>	<u>\$ 7,026</u>	<u>\$ 7,873</u>	<u>\$ 16,536</u>	<u>\$ 8,687</u>	<u>\$ 193,127</u>	<u>\$ 807,801</u>	<u>\$ 320,302</u>	<u>\$ 1,887,429</u>
<b>LIABILITIES</b>								
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,176
<i>Total Liabilities</i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,176</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenues	--	--	--	--	133,640	420,913	156,478	711,031
Assessments Levied for a Subsequent Period	6,045	7,183	15,300	6,132	--	--	--	66,420
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>6,045</u>	<u>7,183</u>	<u>15,300</u>	<u>6,132</u>	<u>133,640</u>	<u>420,913</u>	<u>156,478</u>	<u>778,627</u>
<b>FUND BALANCE</b>								
Restricted	981	690	1,236	2,555	59,487	386,888	163,824	1,108,802
Unassigned	--	--	--	--	--	--	--	--
<i>Total Fund Balance</i>	<u>981</u>	<u>690</u>	<u>1,236</u>	<u>2,555</u>	<u>59,487</u>	<u>386,888</u>	<u>163,824</u>	<u>1,108,802</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<u>\$ 7,026</u>	<u>\$ 7,873</u>	<u>\$ 16,536</u>	<u>\$ 8,687</u>	<u>\$ 193,127</u>	<u>\$ 807,801</u>	<u>\$ 320,302</u>	<u>\$ 1,887,429</u>

Concluded.

**Township of Tyrone**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended March 31, 2023**

**Special Revenue**

	<b>Liquor Law Enforcement</b>	<b>Jayne Hill Street Lighting</b>	<b>Walnut Shores Street Lighting</b>	<b>Jayne Hill Waste Removal</b>	<b>Parkin Lane Snow Removal</b>	<b>Great Oaks Drive</b>	<b>Right of Way</b>	<b>Public Education Grant</b>
<b>Revenues</b>								
State Revenue	\$ 2,346	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 11,066	\$ --
Special Assessments	--	520	100	19,742	6,510	2,960	--	--
Cable Franchise Fees	--	--	--	--	--	--	--	55,326
Interest	--	--	--	--	--	--	--	394
<b>Total Revenues</b>	<b>2,346</b>	<b>520</b>	<b>100</b>	<b>19,742</b>	<b>6,510</b>	<b>2,960</b>	<b>11,066</b>	<b>55,720</b>
<b>Expenditures</b>								
Public Safety	2,346	--	--	--	--	--	--	--
Public Works	--	1,027	128	19,361	5,545	1,575	3,001	--
Culture	--	--	--	--	--	--	--	16,199
Debt Service - Interest	--	--	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>2,346</b>	<b>1,027</b>	<b>128</b>	<b>19,361</b>	<b>5,545</b>	<b>1,575</b>	<b>3,001</b>	<b>16,199</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>--</b>	<b>(507)</b>	<b>(28)</b>	<b>381</b>	<b>965</b>	<b>1,385</b>	<b>8,065</b>	<b>39,521</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	--	--	--	--	--	--	--	--
Transfers Out	--	--	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>--</b>	<b>(507)</b>	<b>(28)</b>	<b>381</b>	<b>965</b>	<b>1,385</b>	<b>8,065</b>	<b>39,521</b>
<i>Fund Balance at Beginning of Period</i>	<i>--</i>	<i>1,107</i>	<i>686</i>	<i>1,946</i>	<i>10,044</i>	<i>7,964</i>	<i>25,879</i>	<i>395,733</i>
<b>Fund Balance at End of Period</b>	<b>\$ --</b>	<b>\$ 600</b>	<b>\$ 658</b>	<b>\$ 2,327</b>	<b>\$ 11,009</b>	<b>\$ 9,349</b>	<b>\$ 33,944</b>	<b>\$ 435,254</b>

Continued...

**Township of Tyrone**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended March 31, 2023**

	Special Revenue				Debt Service			Total Nonmajor Governmental Funds
	Shannon Glen Rubbish Removal	Apple Orchard Rubbish Removal	Silver Lakes Estates Waste Removal	Laurel Springs Rubbish Removal	Laurel Springs Road Improvement Debt	Lake Shannon Road Improvement	Parkin Lane Road Improvement Debt	
<b>Revenues</b>								
State Revenue	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 13,412
Special Assessments	5,264	6,560	15,300	5,600	14,032	111,063	36,359	224,010
Cable Franchise Fees	--	--	--	--	--	--	--	55,326
Interest	--	--	--	--	235	2,326	480	3,435
<b>Total Revenues</b>	<u>5,264</u>	<u>6,560</u>	<u>15,300</u>	<u>5,600</u>	<u>14,267</u>	<u>113,389</u>	<u>36,839</u>	<u>296,183</u>
<b>Expenditures</b>								
Public Safety	--	--	--	--	--	--	--	2,346
Public Works	5,859	6,561	15,300	5,600	--	--	--	63,957
Culture	--	--	--	--	--	--	--	16,199
Debt Service - Interest	--	--	--	--	5,100	23,250	14,253	42,603
Debt Service - Principal	--	--	--	--	10,000	110,000	25,000	145,000
<b>Total Expenditures</b>	<u>5,859</u>	<u>6,561</u>	<u>15,300</u>	<u>5,600</u>	<u>15,100</u>	<u>133,250</u>	<u>39,253</u>	<u>270,105</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(595)</u>	<u>(1)</u>	<u>--</u>	<u>--</u>	<u>(833)</u>	<u>(19,861)</u>	<u>(2,414)</u>	<u>26,078</u>
<b>Other Financing Sources (Uses)</b>								
Transfers In	--	--	--	--	--	--	--	--
Transfers Out	--	--	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<u>(595)</u>	<u>(1)</u>	<u>--</u>	<u>--</u>	<u>(833)</u>	<u>(19,861)</u>	<u>(2,414)</u>	<u>26,078</u>
<b>Fund Balance at Beginning of Period</b>	1,576	691	1,236	2,555	60,320	406,749	166,238	1,082,724
<b>Fund Balance at End of Period</b>	<u>\$ 981</u>	<u>\$ 690</u>	<u>\$ 1,236</u>	<u>\$ 2,555</u>	<u>\$ 59,487</u>	<u>\$ 386,888</u>	<u>\$ 163,824</u>	<u>\$ 1,108,802</u>

**Township of Tyrone**  
**General Fund Combining Balance Sheet**  
**All Funds Treated as General**  
**March 31, 2023**

	<u>General</u>	<u>Technology</u>	<u>Public Improvement Building and Site</u>	<u>Park and Recreation</u>	<u>Public Improvement Road</u>	<u>Township Improvement Revolving</u>	<u>Total General Funds</u>
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 6,166,071	\$ 56,782	\$ 144,756	\$ 5,934	\$ 683,248	\$ 545,525	\$ 7,602,316
Receivables	256,577	--	--	--	--	--	256,577
Prepaid Items	11,694	--	--	--	--	--	11,694
Due from Agency	4,824	--	--	--	--	--	4,824
Due from Other Funds	9,042	--	--	--	--	--	9,042
Advances to Other Funds	2,550,000	--	--	--	--	--	2,550,000
<i>Total Assets</i>	<u>\$ 8,998,208</u>	<u>\$ 56,782</u>	<u>\$ 144,756</u>	<u>\$ 5,934</u>	<u>\$ 683,248</u>	<u>\$ 545,525</u>	<u>\$ 10,434,453</u>
<b>LIABILITIES</b>							
Accounts Payable	\$ 19,760	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 19,760
Accrued Liabilities and Other	23,682	--	--	--	--	--	23,682
Unearned Revenue	392,587	--	--	--	--	--	392,587
Due to Other Governmental Units	1,533	--	--	--	--	--	1,533
Due to Other Funds	240	--	--	--	--	--	240
<i>Total Liabilities</i>	<u>437,802</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>437,802</u>
<b>FUND BALANCE</b>							
Nonspendable	2,561,694	--	--	--	--	--	2,561,694
Committed	500,000	--	--	--	--	--	500,000
Assigned	--	56,782	144,756	5,934	683,248	545,525	1,436,245
Unassigned	5,498,712	--	--	--	--	--	5,498,712
<i>Total Fund Balance</i>	<u>8,560,406</u>	<u>56,782</u>	<u>144,756</u>	<u>5,934</u>	<u>683,248</u>	<u>545,525</u>	<u>9,996,651</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 8,998,208</u>	<u>\$ 56,782</u>	<u>\$ 144,756</u>	<u>\$ 5,934</u>	<u>\$ 683,248</u>	<u>\$ 545,525</u>	<u>\$ 10,434,453</u>

**Township of Tyrone**  
**General Fund Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**All Funds Treated as General**  
**For the Year Ended March 31, 2023**

	General	Technology	Public Improvement Building and Site	Park and Recreation	Public Improvement Road	Township Improvement Revolving	Eliminations	Total General Funds
<b>Revenues</b>								
Property Taxes	\$ 507,859	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 507,859
Licenses and Permits	13,325	--	--	--	--	--	--	13,325
Federal Revenue	720,687	--	--	--	--	--	--	720,687
State Revenue	1,381,728	--	--	--	--	--	--	1,381,728
Charges for Services	230,269	--	--	--	--	--	--	230,269
Fines and Forfeitures	28,859	--	--	--	--	--	--	28,859
Cable Franchise Fees	138,316	--	--	--	--	--	--	138,316
Other Miscellaneous Income	5,648	--	--	--	--	--	--	5,648
Interest	61,036	--	--	--	7,553	5,548	--	74,137
<b>Total Revenues</b>	<b>3,087,727</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>7,553</b>	<b>5,548</b>	<b>--</b>	<b>3,100,828</b>
<b>Expenditures</b>								
General Government	830,354	--	--	--	--	--	--	830,354
Public Works	5,581	--	--	--	784,794	--	--	790,375
Health and Welfare	4,400	--	--	--	--	--	--	4,400
Community and Economic Development	205,700	--	--	--	--	--	--	205,700
Capital Outlay	--	--	304,466	--	--	--	--	304,466
<b>Total Expenditures</b>	<b>1,046,035</b>	<b>--</b>	<b>304,466</b>	<b>--</b>	<b>784,794</b>	<b>--</b>	<b>--</b>	<b>2,135,295</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>2,041,692</b>	<b>--</b>	<b>(304,466)</b>	<b>--</b>	<b>(777,241)</b>	<b>5,548</b>	<b>--</b>	<b>965,533</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	--	--	305,000	--	760,000	--	(1,065,000)	--
Transfers Out	(1,065,000)	--	--	--	--	--	1,065,000	--
<b>Net Other Financing Sources (Uses)</b>	<b>(1,065,000)</b>	<b>--</b>	<b>305,000</b>	<b>--</b>	<b>760,000</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>976,692</b>	<b>--</b>	<b>534</b>	<b>--</b>	<b>(17,241)</b>	<b>5,548</b>	<b>--</b>	<b>965,533</b>
<b>Fund Balance at Beginning of Period</b>	<b>7,583,714</b>	<b>56,782</b>	<b>144,222</b>	<b>5,934</b>	<b>700,489</b>	<b>539,977</b>	<b>--</b>	<b>9,031,118</b>
<b>Fund Balance at End of Period</b>	<b>\$ 8,560,406</b>	<b>\$ 56,782</b>	<b>\$ 144,756</b>	<b>\$ 5,934</b>	<b>\$ 683,248</b>	<b>\$ 545,525</b>	<b>\$ --</b>	<b>\$ 9,996,651</b>

To the Township Board  
Tyrone Township  
Livingston County, Michigan

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 Tyrone (the “Township”) for the year ended March 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 22, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Township are described in Note 1 to the financial statements. There were no new accounting policies adopted and, except as stated in Note 11 to the financial statements, the application of existing policies was not changed during the fiscal year ended March 31, 2023. We noted no transactions entered into by Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Township’s financial statements was:

- Management’s estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.

We evaluated key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.



### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were identified during the audit.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 4, 2023.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to management's discussion and analysis and the budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining and individual fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary

information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Township Board and management of the Township and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Gabridge & Company". The signature is written in dark ink and is positioned above the typed name of the company.

Gabridge & Company, PLC  
Grand Rapids, MI  
August 4, 2023