

***Charter Township of Comstock  
Kalamazoo County, Michigan***

**FINANCIAL STATEMENTS**

*Year ended December 31, 2024*

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Vredeveld Haefner LLC  
CPAs and Consultants

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**INDEPENDENT AUDITOR'S REPORT**



## Vredeveld Haefner LLC

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### INDEPENDENT AUDITORS' REPORT

June 9, 2025

Members of the Board  
Charter Township of Comstock  
Kalamazoo County, Michigan

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

##### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Comstock, Kalamazoo County, Michigan, (the Township) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Townships 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 discretely presented component unit, each major fund and the aggregate remaining fund information of the Township, as of December 31, 2023 and the respective changes in financial position 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of 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 on pages 6 through 12 and the budgetary comparison schedules on pages 34 through 39 be presented to supplement the basic financial statements 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 nonmajor fund and component unit financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund and component unit financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2025, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

*Vrederseld Haefner LLC*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Charter Township of Comstock's (the Township) financial performance provides a narrative overview of the Township's financial activities for the fiscal Year ended December 31, 2024. Please read it in conjunction with the Township's financial statements.

### **FINANCIAL HIGHLIGHTS**

- The Township's total net position increased by \$2,073,748 (8 percent) as a result of this year's activities.
- Of the \$27,118,885 total net position reported, \$760,494 (3 percent) is available to be used to meet the Township's ongoing obligations to its citizens and customers, without constraints established by debt covenants, enabling legislation, or other legal requirements.
- The General Fund's unassigned fund balance at the end of the fiscal year was \$773,475, which is 20 percent of the actual total General Fund expenditures for the current fiscal year.

### **Overview of the financial statements**

The Township's annual report is comprised of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the Township:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township government, reporting the Township's operations in more detail than the government-wide financial statements.
  - Governmental funds statements explain how government services, like general government, public safety, and parks and library, were financed in the short-term, as well as what remains for future spending.
  - Fiduciary funds statements provide information about the financial relationships in which the Township acts solely as a custodian for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by sections of required supplementary information and other supplementary information that further explain and support the information in the financial statements.

A comparative analysis of the government-wide financial statements for 2024 and 2023 is also presented.

### **Government-wide financial statements**

The government-wide financial statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Township's assets, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.



The two government-wide statements report the Township's net position and how it has changed. Net position (the difference between the Township's assets, and liabilities and deferred inflows of resources) is one way to measure the Township's financial health, or position.

- Over time, increases or decreases in the Township's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Township, you need to consider additional nonfinancial factors, such as changes in the Township's property tax base and the condition of the Township's capital assets.

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

- *Governmental activities* - Most of the Township's basic services are included here, such as police, fire, and general government activities. Property taxes, assessments, and state grants finance most of these activities.
- *Component unit* - The Township includes one other entity in its report - the Downtown Development Authority. Although legally separate, the "component unit" is important because the Township is financially accountable for the Authority.

### **Fund financial statements**

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and bond agreements.
- The Township Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain other revenues.

The Township has two types of funds:

- *Governmental funds*. Most of the Township's basic services are included in governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flows in and out, and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship between them.
- *Fiduciary funds*. These funds are used to account for the collection and disbursement of resources, primarily taxes, for the benefit of parties outside the Township. The Township is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. The Township's fiduciary balances and activities are reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net position

Total net position at the end of the fiscal year was \$27,118,885. Of this total, \$18,333,374 is invested in capital assets (net of related debt) and \$8,025,017 is restricted for various purposes. Consequently, unrestricted net position was \$760,494, which represents 3 percent of the total.

Condensed financial information

Net position

	<i>Governmental activities</i>	
	<i>2024</i>	<i>2023</i>
Current and other assets	\$ 18,699,337	\$ 15,743,307
Capital assets	20,838,608	19,472,136
Total assets	39,537,945	35,215,443
Current and other liabilities	631,740	1,502,337
Long-term debt	2,736,307	287,303
Total liabilities	3,368,047	1,581,417
Deferred inflows of resources	9,051,013	8,380,666
Net position:		
Net investment in capital assets	18,333,374	19,472,136
Restricted	8,025,017	5,125,914
Unrestricted	760,494	447,087
Total net position	\$ 27,118,885	\$ 25,253,360

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Changes in net position**

The Township's total revenues are \$13,268,380. For 2024, 47 percent of the Township's revenues comes from charges for services, 29 percent comes from property taxes, and 13 percent comes from state grants.

The total cost of the Township's programs and services was \$11,194,632. Approximately 42 percent of the Township's costs are related to public safety activities. General government costs are 18 percent of the total, culture and recreation costs account for 13 percent, and public works costs are 18 percent of total expenses.

*Condensed financial information  
Changes in net position*

	<i>Governmental activities</i>	
	<i>2024</i>	<i>2023</i>
Program revenues:		
Charges for services	\$ 6,260,422	\$ 5,820,771
Operating grants and contributions	883,614	217,678
Capital grants and contributions	261,719	2,566,486
General revenues:		
Property taxes	3,802,158	3,478,367
State grants	1,693,972	1,702,689
Franchise fees	97,062	106,431
Investment income	30,071	63,611
Gain on sale of asset	(1,023,396)	-
Insurance recoveries	1,262,758	-
Total revenues	<u>13,268,380</u>	<u>13,956,033</u>
Expenses:		
General government	2,017,576	1,771,169
Public safety	4,660,414	4,226,270
Public works	2,034,130	1,695,761
Community and economic development	200,579	216,015
Health and welfare	670,700	632,498
Culture and recreation	1,451,457	1,561,763
Interest	159,776	8,460
Total expenses	<u>11,194,632</u>	<u>10,111,936</u>
Changes in net position	<u>2,073,748</u>	<u>4,052,320</u>
Net position, end of year	<u>\$ 27,118,885</u>	<u>\$ 25,045,137</u>

**Governmental activities**

Net position increased by \$2,073,748 for 2024, compared to a \$4,052,320 increase in net position for 2023. Revenues were \$687,653 lower in 2024, primarily due to a decrease in capital grants related to a large capital project in 2023. Total governmental expenses increased by \$1,082,696. The increase in public safety can be primarily attributed to increased salaries and fringe benefits in the fire fund.

The total cost of governmental activities this year was \$11,194,632. After subtracting the direct charges to those who directly benefited from the programs (\$6,260,422) and operating and capital grants (\$1,145,333), the "public benefit" portion covered by taxes, state revenue sharing, and other general revenues was \$3,788,877.

**FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS**

**Governmental funds**

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$9,200,174, an increase of \$3,393,372 from the prior year.

The General Fund is the primary operating fund of the Township. Its fund balance decreased by \$73,033 during the year, as revenues of \$3,769,222 were lower than expenditures of \$3,842,255. Year-end fund balance totals \$921,118.

The Fire Operating Fund experienced an increase in fund balance of \$1,446,151, as revenues of \$4,005,011 and other financing sources of \$1,262,758 exceeded expenditures of \$3,821,618. Fund balance at the end of the year totals \$1,662,149.

The Library Fund's \$223,848 increase in fund balance was the result of revenues of \$1,123,208 exceeding expenditures of \$899,360. Fund balance at the end of the year totals \$1,662,131.

The Road Fund's \$178,854 increase in fund balance was the result of revenues of \$854,419 exceeding expenditures of \$675,565. Fund balance at the end of the year totals \$241,294.

The Fire Capital Fund experienced an increase in fund balance of \$765,249, as revenues of \$1,480,266 and other financing sources of \$1,406,221 were higher than expenditures of \$2,121,238. Fund balance at the end of the year totals \$1,518,654.

The Sewer and Water Improvement Fund experienced a \$856,902 increase in fund balance, revenues of \$682,596 and other financing sources of \$1,529,153 exceeded expenditures of \$1,354,847. The fund balance at the end of the year is \$2,563,468.

### **General Fund budgetary highlights**

Expenditure budgets were amended during the year. The final expenditure budget totals were increased by \$182,621 over the original budget. Budget amendments were made among several activities within the General Fund with the most significant increases in capital outlay and general governmental activities.

Total actual revenues were lower than budgeted amounts by \$89,665. Total expenditures were \$396,626 less than budgeted amounts. The largest variance was in general government expenditures as election costs were lower than anticipated. In total, these conditions resulted in a \$306,961 positive budget variance and a \$73,033 decrease in fund balance compared to a budgeted decrease of \$379,994.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital assets**

The Township's investment in capital assets for its governmental activities as of December 31, 2024, amounts to \$20,838,608 (net of accumulated depreciation). This investment includes buildings and improvements, fire equipment and vehicles, and sewer and water infrastructure. The \$1,366,472 increase in the Township's investment in capital assets for the current fiscal year reflects capital additions of \$3,618,511 net of depreciation of \$1,228,643 and net disposals of \$1,023,396.

Major capital asset acquisitions during the current year include:

- \$69,472 for library materials and building improvements
- \$156,047 for park playground equipment
- \$1,406,221 for the purchase of a new fire truck
- \$382,116 for the purchase of a fire equipment
- \$69,631 for fire vehicle
- \$1,236,230 for sewer system improvements

More detailed information about the Township's capital assets is presented in Note 5 of the notes to the basic financial statements.

#### **Debt**

At the end of the fiscal year, the Township had \$2,505,234 of long-term debt outstanding, which represents an increase of \$2,505,234 from the previous year as new debt was issued for \$2,969,221 and payment of the debt of \$463,987. The Township's debt issues are backed by the full faith and credit of the Township.

\$333,420 of long-term liabilities represents accrued compensated absences.

More detailed information about the Township's long-term obligations is presented in Note 9 of the notes to the basic financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

There are no significant planned changes in the types of ongoing services to be provided or in related levels of expenditures for ongoing operations during the upcoming fiscal year.

**CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances 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:

Scott Hess, Township Superintendent  
Charter Township of Comstock  
P.O. Box 449  
5858 King Highway  
Comstock, MI 49041-0449

Phone: (269) 381-2360

## **BASIC FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION**

December 31, 2024

	<b>Primary government</b>	<b>Component unit</b>
	<b>Governmental activities</b>	<b>Downtown Development Authority</b>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 9,970,477	\$ 288,083
Investments	1,679,139	-
Prepays	163,674	-
Receivables, net	6,718,630	-
Total current assets	18,531,920	288,083
Noncurrent assets:		
Receivables, net	167,417	-
Capital assets not being depreciated	-	-
Capital assets, net of accumulated depreciation	20,838,608	22,081
Total noncurrent assets	21,006,025	22,081
Total assets	39,537,945	310,164
<b>LIABILITIES</b>		
Current liabilities:		
Payables	529,393	3,986
Compensated absences	102,347	-
Current portion of noted payable	744,351	-
Total current liabilities	1,376,091	3,986
Noncurrent liabilities: - long-term obligations		
Compensated absences	231,073	-
Notes payable	1,760,883	-
Total noncurrent liabilities	1,991,956	-
Total liabilities	3,368,047	3,986
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Lease revenue	126,392	-
Property tax revenues levied for the subsequent year	3,982,581	13,231
Assessments levied for the subsequent year	4,942,040	-
Total deferred inflows of resources	9,051,013	13,231
<b>NET POSITION</b>		
Net investment in capital assets	18,333,374	22,081
Restricted for:		
Public safety	2,044,656	-
Public works	2,836,709	-
Capital	1,518,654	-
Culture and recreation	1,624,998	-
Unrestricted	760,494	270,866
Total net position	\$ 27,118,885	\$ 292,947

See notes to financial statements



**STATEMENT OF ACTIVITIES**

Year ended December 31, 2024

		Program revenues			Net (expenses) revenues and change in net position	Component unit
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Downtown Development Authority
	Expenses					
<b>Functions/Programs</b>						
Governmental activities:						
General government	\$ 2,017,576	\$ 493,987	\$ 276,514	\$ -	\$ (1,247,075)	
Public safety	4,660,414	4,808,989	463,292	256,770	868,637	
Public works	2,034,130	769,793	55,610	4,949	(1,203,778)	
Community and economic development	200,579	-	13,644	-	(186,935)	
Health and welfare	670,700	-	19,048	-	(651,652)	
Culture and recreation	1,451,457	187,653	55,506	-	(1,208,298)	
Interest on long-term debt	159,776	-	-	-	(159,776)	
Total governmental activities	<u>\$ 11,194,632</u>	<u>\$ 6,260,422</u>	<u>\$ 883,614</u>	<u>\$ 261,719</u>	<u>\$ (3,788,877)</u>	
Component unit:						
Downtown Development Authority	<u>\$ 89,157</u>	<u>\$ -</u>	<u>\$ 90,300</u>	<u>\$ -</u>		<u>\$ 1,143</u>
General revenues:						
Property taxes:						
Operating					982,975	15,058
Roads					815,648	-
Library					961,376	-
Road patrol					390,507	-
Seniors					651,652	-
Franchise fees					97,062	-
State shared revenue					1,693,972	-
Investment income					30,071	2,063
Loss on asset disposal					(1,023,396)	-
Insurance recoveries					1,262,758	-
Total general revenues					<u>5,862,625</u>	<u>17,121</u>
Change in net position					2,073,748	18,264
Net position - beginning, as previously reported					25,253,360	274,683
Change in accounting principle					<u>(208,223)</u>	<u>-</u>
Net position - beginning, as restated					<u>25,045,137</u>	<u>274,683</u>
Net position - ending					<u>\$ 27,118,885</u>	<u>\$ 292,947</u>

See notes to financial statements

**BALANCE SHEET - governmental funds**

December 31, 2024

	General	Fire Operating	Library	Roads	Fire Capital	Sewer and Water Improvement	Nonmajor funds	Total governmental funds
<b>ASSETS</b>								
Cash	\$ 1,177,350	\$ 1,939,068	\$ 1,699,907	\$ 639,293	\$ 1,404,888	\$ 2,033,617	\$ 1,076,354	\$ 9,970,477
Investments	-	-	437,541	-	838,833	402,765	-	1,679,139
Receivables, net	1,052,985	3,310,876	594,830	496,568	830,854	202,677	397,257	6,886,047
Prepays	147,643	78,434	17,293	-	-	-	-	243,370
Total assets	<u>\$ 2,377,978</u>	<u>\$ 5,328,378</u>	<u>\$ 2,749,571</u>	<u>\$ 1,135,861</u>	<u>\$ 3,074,575</u>	<u>\$ 2,639,059</u>	<u>\$ 1,473,611</u>	<u>\$ 18,779,033</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Payables	\$ 135,647	\$ 131,518	\$ 25,296	\$ 1,083	\$ 22,200	\$ 10,344	\$ 127,463	\$ 453,551
Unearned grant revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>135,647</u>	<u>131,518</u>	<u>25,296</u>	<u>1,083</u>	<u>22,200</u>	<u>10,344</u>	<u>127,463</u>	<u>453,551</u>
<b>Deferred inflows of resources:</b>								
Property tax revenues levied for the subsequent year	1,321,213	-	1,053,096	893,484	-	-	714,788	3,982,581
Assessments levied for the subsequent year	-	3,408,319	-	-	1,533,721	-	-	4,942,040
Lease revenue	-	126,392	-	-	-	-	-	126,392
Unavailable special assessment	-	-	-	-	-	65,247	-	65,247
Unavailable interest	-	-	9,048	-	-	-	-	9,048
Total deferred inflows of resources	<u>1,321,213</u>	<u>3,534,711</u>	<u>1,062,144</u>	<u>893,484</u>	<u>1,533,721</u>	<u>65,247</u>	<u>714,788</u>	<u>9,125,308</u>
<b>Fund balances:</b>								
Nonspendable - prepaids	147,643	78,434	17,293	-	-	-	-	243,370
Restricted for:								
Fire capital	-	-	-	-	1,518,654	-	-	1,518,654
Fire operating	-	1,583,715	-	-	-	-	-	1,583,715
Police protection	-	-	-	-	-	-	630,352	630,352
Roads	-	-	-	241,294	-	-	-	241,294
Library operating	-	-	1,644,838	-	-	-	-	1,644,838
Sewer and water improvements	-	-	-	-	-	2,563,468	-	2,563,468
Assigned for:								
Street lighting	-	-	-	-	-	-	1,008	1,008
Unassigned	<u>773,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>773,475</u>
Total fund balances	<u>921,118</u>	<u>1,662,149</u>	<u>1,662,131</u>	<u>241,294</u>	<u>1,518,654</u>	<u>2,563,468</u>	<u>631,360</u>	<u>9,200,174</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,377,978</u>	<u>\$ 5,328,378</u>	<u>\$ 2,749,571</u>	<u>\$ 1,135,861</u>	<u>\$ 3,074,575</u>	<u>\$ 2,639,059</u>	<u>\$ 1,473,611</u>	<u>\$ 18,779,033</u>

**BALANCE SHEET - governmental funds (Continued)**

December 31, 2024

Reconciliation of the balance sheet to the statement of net position:

Total fund balance - total governmental funds (page 15)	\$ 9,200,174
Amounts reported for <i>governmental activities</i> in the statement of net position (page 13) are different because:	
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the funds.	20,758,912
Special assessments receivable and other receivables are not available to pay for the current period's expenditures and are deferred in the funds.	65,247
Unavailable interest receivable is not available to pay for the current period's expenditures and are deferred in the funds.	9,048
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(2,838,654)
Interest related to long-term liabilities is not due and payable in the current period and, therefore, is not reported in the funds.	<u>(75,842)</u>
Net position of <i>governmental activities</i>	<u>\$ 27,118,885</u>

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - governmental funds**

Year ended December 31, 2024

	<u>General</u>	<u>Fire Operating</u>	<u>Library</u>	<u>Roads</u>	<u>Fire Capital</u>	<u>Sewer and Water Improvement</u>	<u>Nonmajor funds</u>	<u>Total governmental funds</u>
<b>REVENUES</b>								
Taxes	\$ 1,353,987	\$ -	\$ 961,376	\$ 815,648	\$ -	\$ -	\$ 1,042,159	\$ 4,173,170
Special assessment	-	3,158,151	-	-	1,421,717	11,631	-	4,591,499
Licenses and permits	100,217	-	-	-	-	-	-	100,217
Intergovernmental	-	-	-	-	-	4,949	-	4,949
State grants	1,774,848	59,750	48,966	19,048	-	-	21,820	1,924,432
Federal grants	250,858	594,784	-	-	-	-	-	845,642
Charges for services	198,855	-	5,102	-	-	592,125	-	796,082
Fines and forfeitures	22,693	962	21,767	-	-	-	-	45,422
Interest and rentals	21,862	68,440	82,909	19,723	58,549	73,891	29,524	354,898
Other	45,902	122,924	3,088	-	-	-	-	171,914
Total revenues	<u>3,769,222</u>	<u>4,005,011</u>	<u>1,123,208</u>	<u>854,419</u>	<u>1,480,266</u>	<u>682,596</u>	<u>1,093,503</u>	<u>13,008,225</u>
<b>EXPENDITURES</b>								
Current:								
General government	1,795,528	-	-	-	-	-	-	1,795,528
Public safety	208,998	3,821,618	-	-	-	-	427,402	4,458,018
Public works	900,990	-	-	675,565	-	-	-	1,576,555
Community and economic development	211,066	-	-	-	-	-	-	211,066
Health and welfare	-	-	-	-	-	-	670,700	670,700
Culture and recreation	652,465	-	878,360	-	-	-	-	1,530,825
Capital outlay	73,208	-	21,000	-	1,607,164	1,354,847	-	3,056,219
Debt service:								
Principal	-	-	-	-	463,987	-	-	463,987
Interest	-	-	-	-	50,087	-	33,847	83,934
Total expenditures	<u>3,842,255</u>	<u>3,821,618</u>	<u>899,360</u>	<u>675,565</u>	<u>2,121,238</u>	<u>1,354,847</u>	<u>1,131,949</u>	<u>13,846,832</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(73,033)</u>	<u>183,393</u>	<u>223,848</u>	<u>178,854</u>	<u>(640,972)</u>	<u>(672,251)</u>	<u>(38,446)</u>	<u>(838,607)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Loan proceeds	-	-	-	-	1,406,221	1,563,000	-	2,969,221
Insurance proceeds	-	1,262,758	-	-	-	-	-	1,262,758
Transfers in	-	-	-	-	-	-	33,847	33,847
Transfers out	-	-	-	-	-	(33,847)	-	(33,847)
Net other financing sources (uses)	<u>-</u>	<u>1,262,758</u>	<u>-</u>	<u>-</u>	<u>1,406,221</u>	<u>1,529,153</u>	<u>33,847</u>	<u>4,231,979</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>(73,033)</u>	<u>1,446,151</u>	<u>223,848</u>	<u>178,854</u>	<u>765,249</u>	<u>856,902</u>	<u>(4,599)</u>	<u>3,393,372</u>
<b>FUND BALANCES - BEGINNING</b>	<u>994,151</u>	<u>215,998</u>	<u>1,438,283</u>	<u>62,440</u>	<u>753,405</u>	<u>1,706,566</u>	<u>635,959</u>	<u>5,806,802</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 921,118</u>	<u>\$ 1,662,149</u>	<u>\$ 1,662,131</u>	<u>\$ 241,294</u>	<u>\$ 1,518,654</u>	<u>\$ 2,563,468</u>	<u>\$ 631,360</u>	<u>\$ 9,200,174</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCES - governmental funds (Continued)

Year ended December 31, 2024

Reconciliation of the statement of revenues, expenditures, and changes  
in fund balances to the statement of activities:

Net change in fund balance - total governmental funds (page 17) \$ 3,393,372

Amounts reported for *governmental activities* in the statement  
of activities (page 14) are different because:

Capital assets:

Assets acquired	3,538,815
Basis of assets disposed	(1,023,396)
Provision for depreciation	(1,228,643)

Long-term debt:

Principal repayments	463,987
Debt issued	(2,969,221)

Deferred inflows of resources - net decrease in unavailable revenue 20,793

Changes in other assets/liabilities:

Net increase in accrued interest expense	(75,842)
Net increase in compensated absences	(46,117)

Change in net position of *governmental activities* \$ 2,073,748

*Charter Township of Comstock*

**STATEMENT OF FIDUCIARY NET POSITION - *custodial funds***

*December 31, 2024*

	<u><i>Tax</i></u>	<u><i>Custodial</i></u>
<b>ASSETS</b>		
Cash	\$ 3,761,110	\$ 21,228
<b>LIABILITIES</b>		
Due to others	3,761,110	21,228
<b>NET POSITION</b>		
Fire escrows help for disbursement	\$ -	\$ -

*See notes to financial statements*

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - *custodial funds***

December 31, 2024

	<u><i>Tax</i></u>	<u><i>Custodial</i></u>
<b>ADDITIONS</b>		
Property taxes collected for other governments	\$ 26,676,987	\$ 7,265
Collection of county fees	-	1,780
Collection of other deposits	-	173,074
Collection of fire escrows	-	15,009
Total additions	26,676,987	197,128
<b>DEDUCTIONS</b>		
Property taxes distributed to other governments	26,676,987	180,339
Distributions to county	-	1,780
Distributions individuals	-	15,009
Total deductions	26,676,987	197,128
<b>NET CHANGE IN FIDUCIARY NET POSITION</b>	-	-
<b>NET POSITION - BEGINNING</b>	-	-
<b>NET POSITION - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Charter Township of Comstock, Michigan (the Township), conform to accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles) as applicable to governmental units. The following is a summary of the more significant accounting policies.

*Reporting entity:*

As required by generally accepted accounting principles, these financial statements present the Township and the Downtown Development Area (located in Kalamazoo County), as there are no other entities for which the Township is considered to be financially accountable.

*Discretely presented component unit:*

*Downtown Development Authority* - The Authority was established pursuant to Public Act 197 of 1975, as amended, to correct and prevent deterioration and promote economic growth within the downtown district. The Township appoints the voting majority of the board and is financially accountable for the Authority.

*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 Township. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental 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. 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds 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 if they are collected within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, licenses and permits, charges for services, 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 receivables 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 only when cash is received by the Township.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Measurement focus, basis of accounting, and financial statement presentation (continued):*

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Fire Operating Fund accounts for financial resources used for the operational costs of the Township's fire protection. Revenues are primarily derived from special assessments.

The Library Fund accounts for financial resources used for the operational costs of the Township's library. Revenues are primarily derived from property taxes.

The Road Fund accounts for financial resources used for road projects. Revenues are primarily derived from property taxes.

The Fire Capital Fund accounts for financial resources used for capital purchases of the Township's fire department. Revenues are primarily derived from special assessments.

The Sewer and Water Improvement Fund accounts for financial resources used for the improvement and maintenance of utility lines within the Township. Revenues are primarily derived from special assessments and connection fees.

The Township also reports nonmajor special revenue funds used to account for the resources legally restricted for a specific purpose.

The Township also reports fiduciary funds, which account for assets held by the Township as an agent for individuals, private organizations, and other governments. The Township currently reports the following fiduciary fund types:

The Custodial Funds (Tax and Custodial) account for the collection and disbursement of taxes and other monies due to other units of government and individuals.

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

*Assets, liabilities, deferred inflows of resources, and equity:*

*Cash* - Cash is 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. Pooled investment income is proportionately allocated to all funds.

*Receivables* - In general, outstanding balances between funds are reported as "due to/from other funds." No allowance for uncollectible accounts has been recorded, as the Township considers all receivables to be fully collectible.

*Prepaid items* - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in the fund and government-wide financial statements. The Township follows the consumption method for prepaid items for the fund financial statements.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Assets, liabilities, deferred inflows of resources, and equity (continued):*

*Capital assets* - Capital assets, which include property, equipment, and infrastructure assets (e.g., trails and sewer and water infrastructure), are reported in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$2,000 (\$10,000 for infrastructure assets) 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 as of the date received. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning January 1, 2004.

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

Buildings and improvements	20 - 40 years
Equipment	5 - 10 years
Vehicles	10 - 20 years
Infrastructure	20 - 50 years

*Compensated absences* - It is the Township's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Compensated absences are accrued when earned in the government-wide financial statements.

*Deferred inflows of resources* - The statement of net position and the governmental funds balance sheet include a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The related revenues will not be recognized until a future event occurs. The Township has four items that are included in this category: property taxes, special assessments, unavailable grant revenue, leases and interest. Property tax revenues and certain operating special assessments, which are levied to finance the following period's budget, are deferred and recognized as an inflow of resources in the period that it was intended to finance. Other special assessment, unavailable grant revenues, leases and interest, which are not recognized until available (collected not later than 60 days after the end of the Township's fiscal year) are deferred and recognized as an inflow of resources in the period that the assessments become available.

*Net position* - Net position represents the difference between assets, and liabilities and deferred inflows of resources. The Township reports three categories of net position, as follows: (1) *Net investment in capital assets* consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets; (2) *Restricted net position* is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations, such as federal or state laws or buyers of the Township's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets; (3) *Unrestricted net position* consists of all other net position that does not meet the definition of the above components and is available for general use by the Township.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Assets, liabilities, deferred inflows of resources, and equity (continued):*

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

*Fund equity* - Governmental funds report restricted fund balance when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws and regulations of other governments. The Township Board retains the authority to assign fund balances as to purpose. Unassigned fund balances are amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted or assigned to those purposes. Unassigned fund balance is the residual classification for the General Fund. When the Township incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Township's policy to use the restricted fund balance first, followed by assigned fund balance, and, finally, unassigned fund balance.

*Property tax revenue recognition* - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, at which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is December 1, and, accordingly, the total levy is recognized as revenue in the subsequent year.

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

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

*Budgetary information* - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the Township's general and special revenue funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the activity level. All annual appropriations lapse at the end of the fiscal year. The reportable budget variances were as follows:

<i>Fund</i>	<i>Function</i>	<i>Activity</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance</i>
General	General government	Treasurer	\$ 124,250	\$ 129,522	\$ 5,272
	Public works	Street lights	345,000	347,759	2,759
	Recreation and culture	Parks	636,381	652,465	16,084
Fire	Public safety	Fire	3,726,569	3,821,618	95,049
Fire Capital	Capital outlay		150,000	1,607,164	1,457,164
Senior services	Health and Welfare	Health and Welfare	660,492	670,700	10,208

The Township budgeted for an end of year deficit in the Fire Fund of \$107,227. State statute does not permit a local unit to budget for an end of year deficit. The actual end of year fund balances was \$1,662,149.

**NOTE 3 - CASH AND INVESTMENTS**

The Township's deposits and cash on hand were reported in the basic financial statements as follows:

	<i>Governmental activities</i>	<i>Fiduciary activity</i>	<i>DDA</i>	<i>Totals</i>
Deposits	\$ 9,967,927	\$ 3,782,338	\$ 288,083	\$ 14,038,348
Investments	1,679,139	-	-	1,679,139
Cash on hand	<u>2,550</u>	<u>-</u>	<u>-</u>	<u>2,550</u>
Total cash	<u>\$ 11,649,616</u>	<u>\$ 3,782,338</u>	<u>\$ 288,083</u>	<u>\$ 15,720,037</u>

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township. State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. The Township's investment policy does not specifically address custodial credit risk for deposits. At December 31, 2024, \$6,252,153 of the Township's bank balances of \$7,600,925 was exposed to custodial credit risk because it was uninsured and uncollateralized.

*Investments* - State statutes and the Township's investment policy authorize the Township to invest in a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper rated within the two (2) highest rate classifications, which mature not more than 270 days after the date of purchase; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; and e) mutual funds composed of otherwise legal investments. The Township's investments are reported at fair market value. The Township's investments are in accordance with statutory authority.

*Custodial credit risk.* Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Township's investment policy does not contain requirements that would limit the exposure to custodial credit risk for investments. At year end, custodial credit risk for the Michigan Class investment cannot be determined as this investment does not consist of specific securities while all other investment securities listed below were uninsured and unregistered and held by the same broker-dealer (counterparty) that purchased the securities for the Township.

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

The Township's holdings consist of the following:

<u>Investment type</u>	<u>Maturity</u>	<u>Moody Rating</u>	<u>S&amp;P Rating</u>	<u>Value</u>	<u>Percent of total</u>
U.S. government mortgage backed securities:					
Federated Hermes Government obligations	December 31, 2024	Aaa		\$ 21,791	1.3%
Governmental National Mortgage Association	March 20, 2047	Aaa		5,113	0.3%
Federal Home Loan Mortgage Corp.	September 15, 2043	Aaa		16,541	1.0%
Michigan Class investment pool			AAAm	<u>1,635,694</u>	97.4%
Total investments				<u>\$ 1,679,139</u>	

*Interest rate risk.* Interest rate risk is the risk that the value of an investment will decrease as a result of an increase in market interest rates. Generally, longer investment maturities generate more sensitivity to changes in an investment's fair value due to changes in market interest rates. The Township's investment policy limits maturities to no more than 5 years from date of purchase except for reserve funds which maturities can be no more than 10 years from the date of purchase.

*Credit risk.* Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally-recognized statistical rating organization. The Township's investment policy does not contain requirements that would limit the exposure to credit risk for investments. Obligations of the U.S. government are not considered to have credit risk.

*Concentration of credit risk.* The Township's investment policy places the following limitations on the amount that can be invested in any one issuer: With the exception of securities guaranteed by the U.S. Government and deposits covered by FDIC insurance or in authorized pools, no more than 25% of the Charter Township of Comstock's total investment portfolio will be invested in a single security type and no more than 10% with a single financial institution

*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, 2024:

- Michigan Class, with a balance of \$936,976 at December 31, 2024, which is valued using net asset value (Level 1).
- All other investments are valued using observable fair values of similar assets (Level 2).

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - RECEIVABLES

Receivables as of December 31, 2024, for the Township's individual major funds and nonmajor funds, in the aggregate, were as follows:

<i>Fund</i>	<i>Accounts</i>	<i>Property taxes</i>	<i>Leases receivable</i>	<i>Special assessments</i>	<i>Intergovern- mental</i>	<i>Totals</i>
Governmental:						
General	\$ 29,529	\$ 734,281	\$ -	\$ -	\$ 289,175	\$ 1,052,985
Fire Operating	1,277,863	1,846,366	126,392	-	60,255	3,310,876
Library	9,555	585,275	-	-	-	594,830
Roads	-	496,568	-	-	-	496,568
Fire Capital	-	830,854	-	-	-	830,854
Sewer and Water			-			
Improvement	1,351	-		65,247	136,079	202,677
Nonmajor	-	397,257	-	-	-	397,257
Total governmental	<u>\$ 1,318,298</u>	<u>\$ 4,890,601</u>	<u>\$ 126,392</u>	<u>\$ 65,247</u>	<u>\$ 485,509</u>	<u>\$ 6,886,047</u>
Noncurrent portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,545</u>	<u>\$ 59,872</u>	<u>\$ -</u>	<u>\$ 167,417</u>

All receivables are considered to be fully collectible.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the Year ended December 31, 2024, was as follows:

	<i>Beginning balance</i>	<i>Increases</i>	<i>Reallocate</i>	<i>Decreases</i>	<i>Ending balance</i>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 576,762	\$ -	\$ -	\$ -	\$ 576,762
Construction in progress	968,795	2,886,401	(2,257,822)	-	1,597,374
Subtotal	1,545,557	2,886,401	(2,257,822)	-	2,174,136
Capital assets being depreciated:					
Buildings and improvements	7,018,733	66,592	88,285	-	7,173,610
Equipment	4,409,478	566,885	21,488	(84,340)	4,913,511
Vehicles	5,036,746	69,631	-	(1,389,941)	3,716,436
Infrastructure	19,946,805	1,318,029	859,022	-	22,123,856
Subtotal	36,411,762	2,021,137	968,795	(1,474,281)	37,927,413
Less accumulated depreciation for:					
Buildings and improvements	(3,739,470)	(72,008)	-	-	(3,811,478)
Equipment	(2,787,138)	(307,430)	-	84,340	(3,010,228)
Vehicles	(2,619,367)	(252,585)	-	366,545	(2,505,407)
Infrastructure	(9,339,208)	(596,620)	-	-	(9,935,828)
Subtotal	(18,485,183)	(1,228,643)	-	450,885	(19,262,941)
Total capital assets being depreciated, net	17,926,579	792,494	968,795	(1,023,396)	18,664,472
Governmental activities capital assets, net	<u>\$ 19,472,136</u>	<u>\$ 3,678,895</u>	<u>\$ (1,289,027)</u>	<u>\$ (1,023,396)</u>	<u>\$ 20,838,608</u>

**NOTE 5 - CAPITAL ASSETS (Continued)**

Depreciation expense was charged to governmental activities as follows:

General government	\$ 122,479
Public safety	525,251
Public works	371,983
Culture and recreation	<u>208,930</u>
Total governmental activities	<u>\$ 1,228,643</u>

**NOTE 6 - PAYABLES**

Payables as of December 31, 2024, for the Township's individual major funds and nonmajor funds, in the aggregate, were as follows:

<i>Fund</i>	<i>Accounts</i>	<i>Payroll</i>	<i>Intergovern- mental</i>	<i>Totals</i>
Governmental:				
General	\$ 105,689	\$ 29,958	\$ -	\$ 135,647
Road	1,083	-	-	1,083
Fire Operating	63,718	67,800	-	131,518
Library	10,810	14,486	-	25,296
Fire capital	22,200	-	-	22,200
Sewer and Water Improvement	10,344	-	-	10,344
Nonmajor	<u>32,161</u>	<u>-</u>	<u>95,302</u>	<u>127,463</u>
Total governmental	<u>\$ 246,005</u>	<u>\$ 112,244</u>	<u>\$ 95,302</u>	<u>\$ 453,551</u>

**NOTE 7 - PROPERTY TAXES**

The 2023 taxable valuation of the Township approximated \$664,091,000, on which ad valorem taxes levied consisted of 1.5000 mills for operating purposes, 1.4733 mills for library operations, 1.0000 mills for senior services, 0.6000 mills for road patrol and 1.2500 for roads, raising approximately \$984,000 for operating purposes, \$966,000 for library operations, \$656,000 for senior services, \$393,000 for road patrol, and \$820,000 for roads. These amounts are recognized in the respective fund financial statements as property tax revenue, though they are reduced by tax captures by the Township's component units.

The 2024 taxable valuation of the Township approximated \$728,464,000, on which ad valorem taxes levied consisted of 1.8484 mills for operating purposes, 1.4733 mills for library operations, 1.0000 mills for senior services, and 1.2500 for roads, raising approximately \$1,346,000 for operating purposes, \$1,073,000 for library operations, \$728,000 for senior services, and \$911,000 for roads. These amounts are recognized in the respective fund financial statements as deferred inflows of resources, though they are reduced by tax captures by the Township's component units, based upon the period for which the proceeds are budgeted and will be made available for the financing of operations.



**NOTE 8 - TAX ABATEMENTS**

The Township enters into property tax abatement agreements with local businesses under the State Act 198 of 1974 IFTs. Under the Acts, localities may grant property tax abatements of up to 50 percent of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. Abatements may be granted to any business located within or promising to relocate to the Township.

For the fiscal Year ended December 31, 2024, the Township abated property taxes totaling \$75,832 under this program, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A 50% property tax abatement to Bell's Brewing. The abatement amounted to approximately \$11,000.
- A 50% property tax abatement to SIR Kalamazoo. The abatement amounted to approximately \$7,300.

**NOTE 9 - LONG-TERM OBLIGATIONS**

At December 31, 2024, long-term obligations are comprised of the following:

Governmental activities:

Installment purchase agreement:

\$1,563,000 2024 Limited Tax GO Bond, due in annual payments of \$287,000 to \$339,000,  
plus interest of 4.26% through September 2029 \$ 1,563,000

\$1,406,221 PNC installment purchase agreement, due in annual installments of \$514,074,  
including interest of 3.6% through March 2026 \$ 942,234

Compensated absences \$ 333,420

Total governmental activities long-term obligations \$ 2,838,654

All debt is secured by the full faith and credit of the Township.

Long-term obligation activity for the Year ended December 31, 2024, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Net Change</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Governmental activities:						
Bonds and notes:						
2044 installment purchase agreement	\$ -	\$ 1,406,221	\$ -	\$ (463,987)	\$ 942,234	\$ 457,351
2021 installment purchase agreement	\$ -	\$ 1,563,000	\$ -	\$ -	\$ 1,563,000	\$ 287,000
Total bonds and notes	-	2,969,221	-	(463,987)	2,505,234	744,351
Compensated absences	<u>287,303</u>	<u>-</u>	<u>46,117</u>	<u>-</u>	<u>333,420</u>	<u>102,347</u>
Total governmental activities long-term obligations	<u>\$ 287,303</u>	<u>\$ 2,969,221</u>	<u>\$ 46,117</u>	<u>\$ (463,987)</u>	<u>\$ 2,838,654</u>	<u>\$ 846,698</u>

All debt is direct placement.

**NOTE 9 - LONG-TERM OBLIGATIONS (continued)**

<i>Year ended</i> <i>December 31:</i>	<i>Governmental activities</i>	
	<i>Principal</i>	<i>Interest</i>
2025	\$ 744,351	\$ 123,306
2026	783,883	83,547
2027	312,000	41,620
2028	326,000	28,329
2029	<u>339,000</u>	<u>14,441</u>
Totals	<u>\$ 2,505,234</u>	<u>\$ 291,243</u>

**NOTE 10 - LEASES**

The Township entered into an agreement with a corporation to lease certain property on the Township tower. The terms of this agreement include a fixed minimum annual guaranteed (MAG) payment of \$1,100 per month increased by 3% on the anniversary date to the Township. This lease commenced on July 17, 2006 with a 25 year term.

For the Year ended December 31, 2024, the Township received \$17,660 in lease revenue and \$4,322 in lease interest revenue.

Future MAG payments due to the Township under the lease agreement are as follows:

<i>Year ended</i> <i>December 31:</i>	<i>Principal</i>	<i>Interest</i>	<i>Balance</i>
2025	18,849	3,792	107,543
2026	20,093	3,226	87,450
2027	21,396	2,624	66,054
2028	22,758	1,982	43,296
2029-2030	<u>43,296</u>	<u>1,872</u>	<u>-</u>
Totals	<u>\$ 126,392</u>	<u>\$ 13,496</u>	<u>\$ -</u>

**NOTE 11 - RISK MANAGEMENT**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The risks of loss arising from general liability up to \$7,000,000, property and casualty, and workers' compensation are managed through purchased commercial insurance.

**NOTE 12 - DEFINED CONTRIBUTION PENSION PLAN**

The Township and its full-time employees contribute to the Charter Township of Comstock 401(A) DC Pension Plan, a defined contribution pension plan, which is administered by a third-party administrator.

**NOTE 12 - DEFINED CONTRIBUTION PENSION PLAN (Continued)**

Benefit terms, including contribution requirements, for the Plan are established, and may be amended, by the Township Board. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Full-time employees are eligible to participate at the date of employment. The Township contributes 13% of the employee's base salary each month. Employees are permitted to make contributions to the Plan, up to applicable Internal Revenue Code limits. For the Year ended December 31, 2024, the Township and eligible employees made contributions of \$340,782 and \$52,192, respectively. At December 31, 2024, the Township reported an accrued liability of \$9,852 as part of the contributions to the plan.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in Township contributions and earnings on Township contributions after completion of six (6) months of creditable service with the Township. Nonvested Township contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the Year ended December 31, 2024, there were no forfeitures that reduced the Township's pension expense.

The Township is not a trustee of the defined contribution pension plan, nor is the Township responsible for investment management of the pension plan assets. Accordingly, plan assets, and changes therein, are not reported in these financial statements.

**NOTE 13 - DEFERRED COMPENSATION PLAN**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The assets of the plan were held in trust (custodial account or annuity contract), as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Township's financial statements.

**NOTE 14 - JOINT VENTURE**

The Township is a member of the Kalamazoo Area Building Authority (the Authority), which is a joint venture of the Charter Townships of Comstock and Kalamazoo. The administrative board of the Authority consists of two members appointed by each participating unit and a member-at-large. The Authority was established to administer and enforce the Michigan State Construction Code within its constituent municipalities. Complete audited financial statements for the Authority can be obtained by contacting the Authority at 2322 Nazareth Road, Kalamazoo, MI 49048.

The Township does not expect to receive residual equity from the joint venture. The Township is unaware of any indication that the joint venture is accumulating significant financial resources or is experiencing fiscal stress that may cause an additional financial benefit or burden on the Township in the near future.

**NOTE 15 – IMPLEMENTATION OF GASB STATEMENT NO. 100 – CHANGES IN REPORTING ENTITY**

Effective for the fiscal year ending December 31, 2024, the Township has implemented GASB Statement No. 100, which provides updated guidance on accounting changes and error corrections, including changes to or within the financial reporting entity.

A change in the reporting entity occurs when there is a modification to the composition of the entity's financial statements due to events such as the addition or removal of component units, changes in fund structure, or shifts in financial accountability. As required by GASB 100, these changes have been reflected by adjusting the beginning balances of the current period rather than restating prior periods.

The impact of these changes has been disclosed in the reconciliation of beginning balances, ensuring transparency and comparability for financial statement users.

**NOTE 16 - UPCOMING GASB PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) issued Statement No. 103, "Financial Reporting Model Improvements," in April 2024. This statement is effective for fiscal years beginning after June 15, 2025. The requirements of this statement will enhance the financial reporting model by improving key components to provide essential information for decision-making and assessing accountability. Management's Discussion and Analysis (MD&A) will continue to be required as required supplementary information (RSI), and the presentation of proprietary fund statements will be updated.

The Governmental Accounting Standards Board (GASB) issued Statement No. 104, "Disclosure of Certain Capital Assets," in September 2024. This statement is effective for fiscal years beginning after June 15, 2025. The requirements of this statement will enhance the financial reporting model by providing users of government financial statements with essential information about certain types of capital assets. This includes separate disclosure of lease assets, intangible right-to-use assets, subscription-based IT assets, and other intangible assets by major class. Additionally, capital assets held for sale must be evaluated each reporting period and disclosed separately.

## REQUIRED SUPPLEMENTARY INFORMATION

**BUDGETARY COMPARISON SCHEDULE - General Fund**

Year ended December 31, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>REVENUES</b>				
Taxes	\$ 1,354,539	\$ 1,354,539	\$ 1,353,987	\$ (552)
Licenses and permits - franchise fees	113,000	113,000	100,217	(12,783)
Federal grants	490,000	130,000	250,858	120,858
State grants:				
State shared revenues	1,701,615	1,701,615	1,691,972	(9,643)
Local community stabilization revenue	18,000	18,000	38,841	20,841
Economic development	-	85,000	13,644	(71,356)
Other	11,000	11,000	30,391	19,391
Total state grants	1,730,615	1,815,615	1,774,848	(40,767)
Charges for services:				
Park and recreation fees	94,000	94,000	76,785	(17,215)
Cemetery charges	28,000	28,000	50,835	22,835
Other	55,500	65,633	71,235	5,602
Total charges for services	177,500	187,633	198,855	11,222
Fines and forfeitures:				
Other	21,250	21,250	22,693	1,443
Interest and rentals	25,150	25,150	21,862	(3,288)
Other	211,700	211,700	45,902	(165,798)
Total revenues	4,123,754	3,858,887	3,769,222	(89,665)

**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended December 31, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>EXPENDITURES</b>				
General government:				
Legislative	\$ 30,700	\$ 30,700	\$ 29,558	\$ 1,142
Supervisor	223,150	223,150	212,455	10,695
Elections	165,500	165,500	95,399	70,101
Assessor	295,250	323,850	319,136	4,714
Clerk	357,950	357,950	349,903	8,047
Board of review	4,410	6,910	3,948	2,962
Treasurer	115,750	124,250	129,522	(5,272)
Building and grounds	180,000	200,000	187,092	12,908
Other	424,900	499,900	468,515	31,385
Total general government	1,797,610	1,932,210	1,795,528	136,682
Public safety - police protection	221,650	236,690	208,998	27,692
Public works:				
Street lights	245,000	345,000	347,759	(2,759)
Cemetery	131,950	235,950	210,027	25,923
Other	90,000	115,000	115,000	-
Solid waste compactor	182,650	241,650	228,204	13,446
Total public works	649,600	937,600	900,990	36,610
Community and economic development - planning	161,000	316,000	211,066	104,934
Culture and recreation - parks and recreation	676,400	636,381	652,465	(16,084)
Capital outlay	550,000	180,000	73,208	106,792
Total expenditures	4,056,260	4,238,881	3,842,255	396,626
<b>NET CHANGES IN FUND BALANCES</b>	67,494	(379,994)	(73,033)	306,961
<b>FUND BALANCES - BEGINNING</b>	994,151	994,151	994,151	-
<b>FUND BALANCES - ENDING</b>	\$ 1,061,645	\$ 614,157	\$ 921,118	\$ 306,961

**BUDGETARY COMPARISON SCHEDULE - Fire Operating Fund**

Year ended December 31, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>REVENUES</b>				
Special assessments	\$ 3,178,307	\$ 3,178,307	\$ 3,158,151	\$ (20,156)
Fines and forfeitures	500	500	962	462
Federal grants				
ARPA	-	188,500	205,500	17,000
FEMA	-	-	389,284	389,284
Total federal grants	-	188,500	594,784	406,284
State grants	1,120	1,120	59,750	58,630
Interest and rentals	41,817	41,817	68,440	26,623
Other	13,100	13,100	122,924	109,824
Total revenues	3,234,844	3,423,344	4,005,011	581,667
<b>EXPENDITURES</b>				
Public safety	3,280,540	3,726,569	3,821,618	(95,049)
Capital outlay	20,000	20,000	-	20,000
Total expenditures	3,300,540	3,746,569	3,821,618	(75,049)
<b>OTHER FINANCING SOURCES</b>				
Insurance proceeds	-	-	1,262,758	1,262,758
<b>NET CHANGES IN FUND BALANCES</b>	(65,696)	(323,225)	1,446,151	1,769,376
<b>FUND BALANCES - BEGINNING</b>	215,998	215,998	215,998	-
<b>FUND BALANCES - ENDING</b>	\$ 150,302	\$ (107,227)	\$ 1,662,149	\$ 1,769,376



**BUDGETARY COMPARISON SCHEDULE - Library Fund**

Year ended December 31, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>REVENUES</b>				
Taxes	\$ 967,654	\$ 967,654	\$ 961,376	\$ (6,278)
State grants				
State aid	15,000	15,000	18,844	3,844
PPT reimbursement	2,000	2,000	28,064	26,064
Other	-	-	2,058	2,058
	<u>17,000</u>	<u>17,000</u>	<u>48,966</u>	<u>31,966</u>
Charges for services	<u>2,500</u>	<u>2,500</u>	<u>5,102</u>	<u>2,602</u>
Fines and forfeitures:				
County shared penal fines	15,000	15,000	17,404	2,404
Book fines	<u>2,000</u>	<u>2,000</u>	<u>4,363</u>	<u>2,363</u>
Total fines and forfeitures	<u>17,000</u>	<u>17,000</u>	<u>21,767</u>	<u>4,767</u>
Interest	<u>25,000</u>	<u>25,000</u>	<u>82,909</u>	<u>57,909</u>
Other	<u>900</u>	<u>900</u>	<u>3,088</u>	<u>2,188</u>
Total revenues	<u>1,030,054</u>	<u>1,030,054</u>	<u>1,123,208</u>	<u>93,154</u>
<b>EXPENDITURES</b>				
Culture and recreation:				
Legislative	12,000	12,000	6,121	5,879
Administrative	830,150	836,650	728,449	108,201
Adult services	120,100	120,100	105,743	14,357
Books and materials	<u>44,100</u>	<u>44,100</u>	<u>38,047</u>	<u>6,053</u>
Total culture and recreation	<u>1,006,350</u>	<u>1,012,850</u>	<u>878,360</u>	<u>134,490</u>
Capital outlay	<u>-</u>	<u>21,000</u>	<u>21,000</u>	<u>-</u>
Total expenditures	<u>1,006,350</u>	<u>1,033,850</u>	<u>899,360</u>	<u>134,490</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers out	<u>(6,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	17,204	(3,796)	223,848	227,644
<b>FUND BALANCES - BEGINNING</b>	<u>1,438,283</u>	<u>1,438,283</u>	<u>1,438,283</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,455,487</u>	<u>\$ 1,434,487</u>	<u>\$ 1,662,131</u>	<u>\$ 227,644</u>

**BUDGETARY COMPARISON SCHEDULE - Road Operating Fund**

Year ended December 31, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>REVENUES</b>				
Taxes	\$ 821,015	\$ 821,015	\$ 815,648	\$ (5,367)
State grants	3,000	3,000	19,048	16,048
Interest and rentals	10,000	10,000	19,723	9,723
Total revenues	834,015	834,015	854,419	20,404
<b>EXPENDITURES</b>				
Public works	820,000	820,000	675,565	144,435
<b>NET CHANGES IN FUND BALANCES</b>	14,015	14,015	178,854	164,839
<b>FUND BALANCES - BEGINNING</b>	62,440	62,440	62,440	-
<b>FUND BALANCES - ENDING</b>	<u>\$ 76,455</u>	<u>\$ 76,455</u>	<u>\$ 241,294</u>	<u>\$ 164,839</u>

**BUDGETARY COMPARISON SCHEDULE - Fire Capital Fund**

Year ended December 31, 2024

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
<b>REVENUES</b>				
Special assessments	\$ 1,430,187	\$ 1,430,187	\$ 1,421,717	\$ (8,470)
Interest and rentals	<u>12,000</u>	<u>12,000</u>	<u>58,549</u>	<u>46,549</u>
Total revenues	<u>1,442,187</u>	<u>1,442,187</u>	<u>1,480,266</u>	<u>38,079</u>
<b>EXPENDITURES</b>				
Debt services				
Principal	463,987	463,987	463,987	-
Interest	50,088	50,088	50,087	1
Capital outlay	<u>150,000</u>	<u>150,000</u>	<u>1,607,164</u>	<u>(1,457,164)</u>
Total expenditures	<u>664,075</u>	<u>664,075</u>	<u>2,121,238</u>	<u>(1,457,163)</u>
<b>OTHER FINANCING SOURCES</b>				
Loan proceeds	<u>-</u>	<u>-</u>	<u>1,406,221</u>	<u>1,406,221</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>778,112</u>	<u>778,112</u>	<u>765,249</u>	<u>(12,863)</u>
<b>FUND BALANCES - BEGINNING</b>	<u>753,405</u>	<u>753,405</u>	<u>753,405</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,531,517</u>	<u>\$ 1,531,517</u>	<u>\$ 1,518,654</u>	<u>\$ (12,863)</u>

## SUPPLEMENTARY INFORMATION

Charter Township of Comstock

**COMBINING BALANCE SHEET - nonmajor governmental funds**

December 31, 2024

	<i>Special revenue funds</i>			<i>Debt Service</i>	
	<i>Street Lighting</i>	<i>Road Patrol</i>	<i>Senior Services</i>	<i>Debt service</i>	<i>Totals</i>
<b>ASSETS</b>					
Cash	\$ 1,008	\$ 727,016	\$ 348,330	\$ -	\$ 1,076,354
Investments	-	-	-	-	-
Receivables, net	-	-	397,257	-	397,257
Total assets	<u>\$ 1,008</u>	<u>\$ 727,016</u>	<u>\$ 745,587</u>	<u>\$ -</u>	<u>\$ 1,473,611</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ 96,664	\$ 30,799	\$ -	\$ 127,463
Deferred inflows of resources:					
Property tax revenues levied for the subsequent year	-	-	714,788	-	714,788
Fund balances:					
Restricted for:					
Police protection	-	630,352	-	-	630,352
Assigned for:					
Street lighting	1,008	-	-	-	1,008
Total fund balances	<u>1,008</u>	<u>630,352</u>	<u>-</u>	<u>-</u>	<u>631,360</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,008</u>	<u>\$ 727,016</u>	<u>\$ 745,587</u>	<u>\$ -</u>	<u>\$ 1,473,611</u>

Charter Township of Comstock

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - nonmajor governmental funds**

Year ended December 31, 2024

	<i>Special revenue funds</i>			<i>Debt Service</i>	
	<i>Street Lighting</i>	<i>Road Patrol</i>	<i>Senior Services</i>	<i>Debt service</i>	<i>Totals</i>
<b>REVENUES</b>					
Taxes	\$ -	\$ 390,507	\$ 651,652	\$ -	\$ 1,042,159
State grants	-	2,772	19,048	-	21,820
Interest and rentals	7	29,517	-	-	29,524
Total revenues	7	422,796	670,700	-	1,093,503
<b>EXPENDITURES</b>					
Current:					
Public safety	-	427,402	-	-	427,402
Health and welfare	-	-	670,700	-	670,700
Principal	-	-	-	-	-
Interest	-	-	-	33,847	33,847
Total expenditures	-	427,402	670,700	33,847	1,131,949
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	7	(4,606)	-	(33,847)	(38,446)
<b>OTHER FINANCING SOURCES</b>					
Transfers in	-	-	-	33,847	33,847
<b>NET CHANGES IN FUND BALANCES</b>	7	(4,606)	-	-	(4,599)
<b>FUND BALANCES - BEGINNING</b>	1,001	634,958	-	-	635,959
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,008</u>	<u>\$ 630,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 631,360</u>

**BALANCE SHEET - Component Unit**

December 31, 2024

	<b><i>Downtown Development Authority</i></b>
<b>ASSETS</b>	
Cash	\$ 288,083
Total assets	<u>\$ 288,083</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	
Liabilities - payables	<u>\$ 3,986</u>
Deferred inflows of resources - property tax revenues levied for the subsequent year	<u>13,231</u>
Fund balance - unassigned	<u>270,866</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 288,083</u>
Reconciliation of the balance sheet to the statement of net position:	
Total fund balances - <i>component units</i>	\$ 270,866
Amounts reported for the <i>component units</i> in the statement of net position (page 13) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>22,081</u>
Net position of <i>component units</i>	<u>\$ 292,947</u>

*Charter Township of Comstock*

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**

**BALANCES - *Component Unit***

*Year ended December 31, 2024*

	<b><i>Downtown Development Authority</i></b>
<b>REVENUES</b>	
Property taxes	\$ 15,058
Intergovernmental	90,000
Interest	2,063
Other	<u>300</u>
Total revenues	<u>107,421</u>
<b>EXPENDITURES</b>	
Current - public works	84,074
Capital outlay	<u>2,171</u>
Total expenditures	<u>86,245</u>
<b>NET CHANGES IN FUND BALANCES</b>	21,176
<b>FUND BALANCES - BEGINNING</b>	<u>249,690</u>
<b>FUND BALANCES - ENDING</b>	<u><u>\$ 270,866</u></u>
Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:	
Net changes in fund balances - <i>component units</i>	\$ 21,176
Amounts reported for the <i>component units</i> in the statement of activities (page 14) are different because:	
Capital assets:	
Asset acquisitions	-
Depreciation provision	<u>(2,912)</u>
Changes in net position of <i>component units</i>	<u><u>\$ 18,264</u></u>



## **SINGLE AUDIT SCHEDULES AND REPORTS**



## Vredeveld Haefner LLC

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### **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

June 9, 2025

Members of the Board  
Charter Township of Comstock  
Kalamazoo County, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, of the Charter Township of Comstock, Kalamazoo County, Michigan, (the "Township") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 9, 2025.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Vredenburg Haefner LLC*



## Vredeveld Haefner LLC

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### **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

June 9, 2025

Members of the Board  
Charter Township of Comstock  
Kalamazoo County, Michigan

#### **Report on Compliance for Each Major Federal Program**

##### ***Opinion on Each Major Federal Program***

We have audited the Charter Township of Comstock, Kalamazoo County, Michigan's (the Township), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Township's major federal programs for the year ended December 31, 2024. The Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Charter Township of Comstock, Kalamazoo County, Michigan complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

##### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Township's compliance with the compliance requirements referred to above.

##### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Township's federal programs.

##### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

#### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Orederold Haefner LLC*

**CHARTER TOWNSHIP OF COMSTOCK**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Expenditures
United States Department of Homeland Security - FEMA				
Direct award				
Staffing Adequate Fire and Emergency Response	97.083	EMW-2021-FF-00839	\$ 32,525	\$ 32,525
Assistance to Firefighters Grant FY 21	97.044	EMW-2021-FG-02402	117,321	61,806
Assistance to Firefighters Grant FY 22	97.044	EMW-2022-FG-01858	641,020	283,884
Fire Prevention and Safety Grant FY 21	97.044	EMW-2021-FP-00542	36,610	11,069
United States Department of Treasury				
Passed thru Michigan Department of Treasury				
American Rescue Plan Act	21.027		1,638,753	<u>456,358</u>
Total expenditures of federal awards				<u>\$ 845,642</u>

See notes to schedule of expenditures of federal awards.

# **CHARTER TOWNSHIP OF COMSTOCK**

## ***NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

### ***FOR THE YEAR ENDED DECEMBER 31, 2024***

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1. The Schedule of Expenditures of Federal Awards is prepared in accordance with the modified accrual basis of accounting.
2. Revenues from federal sources per financial statements agrees to expenditures per the Schedule of Expenditures of Federal Awards.
3. The Authority did not elect to use the 10% de minimis cost rate as covered in Uniform Guidance section 2 CFR 200.414 indirect costs.

**CHARTER TOWNSHIP OF COMSTOCK**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	<u>  X  </u> no	
Significant deficiency(ies) identified?	_____ yes	<u>  X  </u> none reported	
Noncompliance material to financial statements noted?	_____ yes	<u>  X  </u> no	

**Federal Awards**

Internal control over major programs:			
Material weakness(es) identified?	_____ yes	<u>  X  </u> no	
Significant deficiency(ies) identified?	_____ yes	<u>  X  </u> none reported	
Type of auditors' report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance?	_____ yes	<u>  X  </u> no	
Identification of major programs:			

CFDA Number(s)

21.027

Name of Federal Program or Cluster

American Rescue Plan Act

Dollar threshold used to distinguish between Type A and B programs:	<u>  \$750,000  </u>
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Auditee qualified as low-risk auditee?	_____ yes	<u>  X  </u> no
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**SECTION II - FINANCIAL STATEMENT FINDINGS**

None noted

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted

**SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS**

None noted