

Township of Cannon

Kent County, Michigan

FINANCIAL STATEMENTS

Year ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Township of Cannon, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the Township of Cannon, Michigan (the Township), as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the Township, as of March 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining balance sheet and combining statement of revenues, expenditures, and changes in fund balances for the nonmajor governmental funds 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Securities and Exchange Commission Rule 15c2-12 Continuing Disclosure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based in the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in black ink that reads "Siegfried Crandall P.C." The signature is fluid and cursive, with "Siegfried" and "Crandall" connected by a flourish, and "P.C." in a smaller, separate section.

July 18, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis are intended as a narrative overview of the Township of Cannon, Michigan's operations over the fiscal year and its financial condition on March 31, 2025. Please read it in conjunction with the Township's financial statements.

FINANCIAL HIGHLIGHTS

- The Township's total net position increased by \$2,172,025 (10 percent) as a result of this year's operations.
- Of the \$24,840,020 total net position reported, \$10,773,969 (43 percent) is available to be used at the Board's discretion, 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 \$4,159,532, which represents 160 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 governmental services, like general government, public safety, and public works, were financed in the short-term, as well as what remains for future spending.
 - Proprietary funds statements offer short-term and long-term financial information about the activities the Township operates like a business. The Township's proprietary fund accounts for its wastewater system.
 - 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 2025 and 2024 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 and liabilities. 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) 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 of the Township are divided into two categories:

- *Governmental activities* - These activities include functions most commonly associated with government (e.g., general government, public safety, public works, etc.). Property taxes and intergovernmental revenues generally fund these services.
- *Business-type activity* - The Township charges fees to customers to help it cover the costs of certain services. The Township's wastewater system operations are reported here.

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 taxes and other revenues (like the fire and recreation millages).

The Township has three types of funds:

- *Governmental funds*. Most of the Township's basic services are included in its 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.
- *Proprietary funds*. Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds statements, like the government-wide statements, provide both long-term and short-term financial information.
- *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 \$24,840,020. However, \$8,956,901 of this total represents a net investment in capital assets and \$5,109,150 is restricted for various purposes. Consequently, unrestricted net position is \$10,773,969 or 43 percent of the total.

Condensed financial information
Net position

	Governmental activities		Business-type activity		Totals	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 11,327,494	\$ 10,105,328	\$ 5,321,181	\$ 4,907,908	\$ 16,648,675	\$ 15,013,236
Capital assets	7,213,468	7,449,293	6,746,399	6,544,889	13,959,867	13,994,182
Total assets	18,540,962	17,554,621	12,067,580	11,452,797	30,608,542	29,007,418
Current and other liabilities	272,980	673,353	516,803	253,357	789,783	926,710
Long-term debt	-	-	5,002,966	5,280,905	5,002,966	5,280,905
Total liabilities	272,980	673,353	5,519,769	5,534,262	5,792,749	6,207,615
Deferred inflows of resources	-	104,139	-	-	-	104,139
Net position:						
Net investment in capital assets	7,213,468	7,449,293	1,743,433	1,263,984	8,956,901	8,713,277
Restricted	4,830,427	3,936,408	278,319	274,395	5,108,746	4,210,803
Unrestricted	6,248,314	5,363,759	4,526,059	4,380,156	10,774,373	9,743,915
Total net position	\$ 18,292,209	\$ 16,749,460	\$ 6,547,811	\$ 5,918,535	\$ 24,840,020	\$ 22,667,995

Changes in net position

The Township's total revenues were \$8,235,191 in the current fiscal year compared to \$7,442,519 in the prior year. Property taxes account for 33 percent of the Township's revenues, while state shared revenue accounts for 20 percent of the total revenues. Approximately 27 percent of total revenues comes from charges for services, which are primarily user charges to finance the Township's sewer system.

The total cost of the Township's programs, covering a wide range of services, totaled \$6,063,166 in the current year compared to \$5,357,006 in the prior year. Public safety expenses represent 33 percent of the Township's total costs, while general government expenses accounted for 25 percent of the total, in the current year. Approximately 22 percent of the Township's costs relates to the provision of sewer services.

Condensed financial information
Changes in net position

	<i>Governmental activities</i>		<i>Business-type activity</i>		<i>Totals</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
Program revenues:						
Charges for services	\$ 555,810	\$ 562,044	\$ 1,688,139	\$ 1,627,285	\$ 2,243,949	\$ 2,189,329
Operating grants	347,100	63,425	-	-	347,100	63,425
Capital grants	211,368	442,076	31,000	19,864	242,368	461,940
General revenues:						
Property taxes	2,733,115	2,505,132	-	-	2,733,115	2,505,132
State shared revenue	1,608,784	1,618,566	-	-	1,608,784	1,618,566
Interest income	430,226	382,427	229,649	213,871	659,875	596,298
Franchise fees	-	7,829	-	-	-	7,829
Sale of future revenue	400,000	-	-	-	400,000	-
Total revenues	6,286,403	5,581,499	1,948,788	1,861,020	8,235,191	7,442,519
Expenses:						
General government	1,503,877	1,326,538	-	-	1,503,877	1,326,538
Public safety	2,021,206	1,791,306	-	-	2,021,206	1,791,306
Public works	716,917	431,260	-	-	716,917	431,260
Community and economic development	145,270	158,646	-	-	145,270	158,646
Recreation and culture	356,384	264,905	-	-	356,384	264,905
Sewer	-	-	1,319,512	1,384,351	1,319,512	1,384,351
Total expenses	4,743,654	3,972,655	1,319,512	1,384,351	6,063,166	5,357,006
Changes in net position	\$ 1,542,749	\$ 1,608,844	\$ 629,276	\$ 476,669	\$ 2,172,025	\$ 2,085,513
Net position, end of year	\$ 18,292,209	\$ 16,749,460	\$ 6,547,811	\$ 5,918,535	\$ 24,840,020	\$ 22,667,995

Governmental activities

Governmental activities increased the Township's net position by \$1,542,749 in the current year compared to an increase of \$1,608,844 in the prior year. The increase in net position was lower in the current year because revenues increased by \$704,904, while expenses increased by \$770,999.

The increase in revenues was primarily due to a \$400,000 sale of future revenues related to the sale of an easement on Township property that contains cell tower facilities, along with a \$227,983 increase in property taxes, as property values continue to rise. Expenses increased as costs rose in all functions. The largest increase related to public works where expenses rose by \$285,657 due to significant road maintenance costs in the current year. Public safety costs also rose, by \$229,900, as personnel costs continued to increase and the Township spent more on road patrols. General government costs were also higher primarily due to a \$94,000 increase in election costs, due to new requirements.

The total cost of governmental activities this year was \$4,743,654 compared to \$3,972,655 in the prior year. After subtracting the direct charges to those who directly benefited from the programs (\$555,810), operating grants (\$347,100), and capital grants (\$211,368), the "public benefit" portion covered by property taxes, state shared revenue, and other general revenues was \$3,629,376 in the current year compared to \$2,905,110 in the prior year.

Business-type activity

The Township's wastewater treatment activity, its sole business-type activity, increased the Township's net position by \$629,276 in the current year compared to a \$476,669 increase in the prior year. Net position increased in both years as rates are set to cover the full cost of operations. Total revenues increased by \$87,768, as charges for services increased by \$60,854, due to the planned annual increase in rates, and interest income increased by \$15,778, due to higher interest rates. Expenses decreased by \$64,839, or 5 percent, as repair and maintenance costs, paid to the North Kent Sewer Authority, were high in the prior year.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

Governmental funds

At March 31, 2025, the Township's governmental funds reported combined ending fund balances of \$11,102,968, an increase of \$1,802,334 in comparison with the prior year.

The General Fund is the primary operating fund of the Township. The fund balance of the General Fund increased this year by \$840,526 to \$4,526,700. Revenues and other financing sources, in the amount of \$3,032,738 and \$400,000, respectively, were more than sufficient to cover expenditures of \$2,592,212. The substantial increase in fund balance was primarily due to a one-time sale of future revenue, in the amount of \$400,000, related to the sale of an easement.

The fund balance of the Fire Fund, a special revenue fund, increased this year by \$508,487 to \$2,835,494 because revenues of \$1,667,811 (primarily property taxes) were sufficient to cover all public safety and capital outlay expenditures, in the amount of \$1,159,324, during the current year.

The fund balance of the Recreation Fund, a special revenue fund, increased this year by \$394,864 to \$1,555,504 because revenues of \$596,990 (primarily property taxes) were sufficient to cover recreation and culture services and capital outlay expenditures, in the amount of \$202,126, during the current year.

The fund balance of the ARPA Fund, a capital project fund, is \$-0- at year end. The fund recognized federal grant revenue, in the amount of \$404,379, to the extent it incurred expenditures. The fund was closed at the end of the fiscal year as all ARPA revenues had been earned.

The Capital Project Fund, a capital project fund, was established to set aside money for the costs of capital improvements. The fund balance of the Capital Project Fund increased this year by \$90,598 to \$2,062,712 as the fund recognized interest revenue of \$91,474 and incurred expenditures of \$876 during the current year.

Proprietary fund

The Sewer Fund experienced an increase in net position of \$629,276 for reasons explained under business-type activity above. Total net position amounts to \$6,547,811 at year end of which \$4,526,059 is unrestricted.

General Fund budgetary highlights

The Township amended the General Fund budget to account for changes in expectations which occurred over the course of the year. Budgeted revenues were increased by \$191,783, primarily related to an \$87,401 increase in property taxes, as tax revenues were higher than anticipated. Budgeted expenditures were increased by \$206,907, primarily due to a \$127,745 increase in general government expenditures. Capital outlay expenditures were reduced by \$223,760 to increase road maintenance expenditures by \$233,832.

Total actual revenues were \$36,026 less than budgeted, primarily because code inspection permits were \$42,405 less than expected. Total actual expenditures were \$216,605 less than the amounts appropriated, primarily because general government expenditures were \$155,763 less than planned, as every department was under budget.

These conditions, along with a \$670,000 positive variance related to other financing sources, resulted in an \$850,579 positive budget variance, with an \$840,526 increase in fund balance compared to a budgeted decrease of \$10,053.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

At March 31, 2025, the Township had invested \$13,959,867 (net of accumulated depreciation) in various capital assets, including land, land improvements, buildings, equipment, vehicles, and sewer infrastructure.

Major capital asset events during the current fiscal year included the following:

- Fire equipment was acquired at a cost of \$130,528
- Engineering work began on a new bike pathway with costs amounting to \$88,527
- New air conditioners were purchased for the Township Center and Museum at a total cost of \$29,394

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 debt outstanding in the amount of \$4,929,513, which represents a decrease of \$266,671, related to timely principal payments. No new debt was issued. All debt is backed by the full faith and credit of the Township.

More detailed information about the Township's long-term liabilities is presented in Note 7 of the notes of the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Township's 2026 fiscal year budget does not anticipate significant changes in the amounts or composition of its major revenue sources. The Township has budgeted expenditures for the upcoming year at amounts sufficient to support its ongoing programs and activities, while maintaining the current levels of its resources.

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:

Steve Grimm, Supervisor
Township of Cannon
6878 Belding Road, N.E.
Rockford, MI 49341

Phone: (616) 874-6966

BASIC FINANCIAL STATEMENTS

Township of Cannon

STATEMENT OF NET POSITION

March 31, 2025

	<i>Governmental activities</i>	<i>Business-type activity</i>	<i>Totals</i>
ASSETS			
Current assets:			
Cash	\$ 8,821,623	\$ 3,212,418	\$ 12,034,041
Investments	2,100,497	1,789,629	3,890,126
Receivables	346,675	38,771	385,446
Prepaid expenses	58,699	2,044	60,743
Total current assets	<u>11,327,494</u>	<u>5,042,862</u>	<u>16,370,356</u>
Noncurrent assets:			
Restricted cash	-	278,319	278,319
Capital assets not being depreciated	559,088	-	559,088
Capital assets, net of depreciation	6,654,380	6,746,399	13,400,779
Total noncurrent assets	<u>7,213,468</u>	<u>7,024,718</u>	<u>14,238,186</u>
Total assets	<u>18,540,962</u>	<u>12,067,580</u>	<u>30,608,542</u>
LIABILITIES			
Current liabilities:			
Payables	193,778	516,803	710,581
Escrows	30,748	-	30,748
Compensated absences	24,227	-	24,227
Contracts and bonds payable	-	305,229	305,229
Total current liabilities	<u>248,753</u>	<u>822,032</u>	<u>1,070,785</u>
Noncurrent liabilities:			
Contracts and bonds payable	-	4,697,737	4,697,737
Total liabilities	<u>248,753</u>	<u>5,519,769</u>	<u>5,768,522</u>
NET POSITION			
Net investment in capital assets	7,213,468	1,743,433	8,956,901
Restricted for:			
Public safety	3,006,488	-	3,006,488
Public works	122,558	-	122,558
Recreation and culture	1,555,504	-	1,555,504
Capital acquisitions	146,281	278,319	424,600
Unrestricted	<u>6,247,910</u>	<u>4,526,059</u>	<u>10,773,969</u>
Total net position	<u>\$ 18,292,209</u>	<u>\$ 6,547,811</u>	<u>\$ 24,840,020</u>

See notes to financial statements

Township of Cannon

STATEMENT OF ACTIVITIES

Year ended March 31, 2025

							<i>Net (expenses) revenues and changes in net position</i>	
	<i>Program revenues</i>							
	<i>Expenses</i>	<i>Charges for services</i>	<i>Operating grants and contributions</i>	<i>Capital grants and contributions</i>	<i>Governmental activities</i>	<i>Business-type activity</i>	<i>Totals</i>	
Functions/Programs								
Governmental activities:								
General government	\$ 1,503,877	\$ 100,281	\$ 1,502	\$ -	\$ (1,402,094)		\$ (1,402,094)	
Public safety	2,021,206	333,034	84,108	204,453	(1,399,611)		(1,399,611)	
Public works	716,917	111,545	257,819	-	(347,553)		(347,553)	
Community and economic development	145,270	10,950	-	-	(134,320)		(134,320)	
Recreation and culture	356,384	-	3,671	6,915	(345,798)		(345,798)	
Total governmental activities	4,743,654	555,810	347,100	211,368	(3,629,376)		(3,629,376)	
Business-type activity - sewer	1,319,512	1,688,139	-	31,000	-	\$ 399,627	399,627	
Totals	\$ 6,063,166	\$ 2,243,949	\$ 347,100	\$ 242,368	(3,629,376)	399,627	(3,229,749)	
General revenues:								
Property taxes				2,733,115	-		2,733,115	
State shared revenue				1,608,784	-		1,608,784	
Unrestricted interest income				430,226	229,649		659,875	
Sale of future revenue				400,000	-		400,000	
Total general revenues				5,172,125	229,649		5,401,774	
Changes in net position				1,542,749	629,276		2,172,025	
Net position - beginning				16,749,460	5,918,535		22,667,995	
Net position - ending				\$ 18,292,209	\$ 6,547,811		\$ 24,840,020	

See notes to financial statements

Township of Cannon

BALANCE SHEET - governmental funds

March 31, 2025

	<i>General</i>	<i>Fire</i>	<i>Recreation</i>	<i>ARPA</i>	<i>Capital Project</i>	<i>Nonmajor funds</i>	<i>Total governmental funds</i>
ASSETS							
Cash	\$ 3,716,438	\$ 2,431,705	\$ 488,213	\$ -	\$ 2,059,097	\$ 126,170	\$ 8,821,623
Investments	614,504	422,575	1,063,280	-	-	138	2,100,497
Receivables	277,385	56,465	7,717	-	3,615	1,493	346,675
Prepaid expenditures	49,893	8,402	404	-	-	-	58,699
Total assets	\$ 4,658,220	\$ 2,919,147	\$ 1,559,614	\$ -	\$ 2,062,712	\$ 127,801	\$ 11,327,494
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Payables	\$ 100,772	\$ 83,653	\$ 4,110	\$ -	\$ -	\$ 5,243	\$ 193,778
Escrows	30,748	-	-	-	-	-	30,748
Total liabilities	131,520	83,653	4,110	-	-	5,243	224,526
Fund balances:							
Nonspendable - prepaids	49,893	8,402	404	-	-	-	58,699
Restricted for:							
Public safety	317,275	2,680,811	-	-	-	-	2,998,086
Public works	-	-	-	-	-	122,558	122,558
Recreation and culture	-	-	1,555,100	-	-	-	1,555,100
Capital acquisitions	-	146,281	-	-	-	-	146,281
Assigned for capital acquisitions	-	-	-	-	2,062,712	-	2,062,712
Unassigned	4,159,532	-	-	-	-	-	4,159,532
Total fund balances	4,526,700	2,835,494	1,555,504	-	2,062,712	122,558	11,102,968
Total liabilities, deferred inflows of resources and fund balances	\$ 4,658,220	\$ 2,919,147	\$ 1,559,614	\$ -	\$ 2,062,712	\$ 127,801	\$ 11,327,494

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

Total fund balance - total governmental funds	\$ 11,102,968
Amounts reported for <i>governmental activities</i> in the statement of net position (page 12) are different because:	
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the funds.	7,213,468
Compensated absences are not due and payable in the current year and, therefore, are not reported in the funds.	(24,227)
Net position of governmental activities	\$ 18,292,209

Township of Cannon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCES - *governmental funds*

Year ended March 31, 2025

	<i>Special revenue</i>			<i>Capital projects</i>		<i>Nonmajor funds</i>	<i>Total governmental funds</i>
	<i>General</i>	<i>Fire</i>	<i>Recreation</i>	<i>ARPA</i>	<i>Capital Project</i>		
REVENUES							
Property taxes	\$ 768,524	\$ 1,432,212	\$ 532,379	\$ -	\$ -	\$ -	\$ 2,733,115
Special assessments	-	-	-	-	-	88,352	88,352
Licenses and permits	335,836	-	-	-	-	-	335,836
Federal grant	-	103,241	-	404,379	-	-	507,620
State grants	1,624,961	31,000	-	-	-	-	1,655,961
Charges for services	78,928	-	-	-	-	2,813	81,741
Interest and rentals	191,847	97,673	60,940	-	91,474	1,846	443,780
Other	32,642	3,685	3,671	-	-	-	39,998
Total revenues	3,032,738	1,667,811	596,990	404,379	91,474	93,011	5,886,403
EXPENDITURES							
Current:							
General government	1,328,961	-	-	-	-	-	1,328,961
Public safety	657,096	1,062,983	-	-	-	-	1,720,079
Public works	335,232	-	-	-	-	125,152	460,384
Community and economic development	145,270	-	-	-	-	-	145,270
Recreation and culture	23,977	-	183,303	-	-	-	207,280
Capital outlay	101,676	96,341	18,823	404,379	876	-	622,095
Total expenditures	2,592,212	1,159,324	202,126	404,379	876	125,152	4,484,069
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES							
	440,526	508,487	394,864	-	90,598	(32,141)	1,402,334
OTHER FINANCING SOURCES (USES)							
Sale of future revenue	400,000	-	-	-	-	-	400,000
NET CHANGES IN FUND BALANCES	840,526	508,487	394,864	-	90,598	(32,141)	1,802,334
FUND BALANCES - BEGINNING	3,686,174	2,327,007	1,160,640	-	1,972,114	154,699	9,300,634
FUND BALANCES - ENDING	\$ 4,526,700	\$ 2,835,494	\$ 1,555,504	\$ -	\$ 2,062,712	\$ 122,558	\$ 11,102,968

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	\$ 1,802,334
Amounts reported for <i>governmental activities</i> in the statement of activities (page 13) are different because:	
Capital assets:	
Assets acquired	255,364
Provision for depreciation	(491,189)
Changes in other assets/liabilities:	
Net decrease in prepaid expenses	(27,202)
Net decrease in compensated absences	3,442
Change in net position of <i>governmental activities</i>	\$ 1,542,749

Township of Cannon**STATEMENT OF NET POSITION - Proprietary Fund****March 31, 2025**

	<i>Sewer</i>
ASSETS	
Current assets:	
Cash	\$ 3,212,418
Investments	1,789,629
Receivables	38,771
Prepaid expenses	<u>2,044</u>
Total current assets	<u>5,042,862</u>
Noncurrent assets:	
Restricted cash	278,319
Capital assets, net of accumulated depreciation	<u>6,746,399</u>
Total noncurrent assets	<u>7,024,718</u>
Total assets	<u>12,067,580</u>
LIABILITIES	
Current liabilities:	
Payables	516,803
Contracts and bonds payable (due within one year)	<u>305,229</u>
Total current liabilities	822,032
Noncurrent liabilities - contracts and bonds payable	<u>4,697,737</u>
Total liabilities	<u>5,519,769</u>
NET POSITION	
Net investment in capital assets	1,743,433
Restricted for capital acquisitions	278,319
Unrestricted	<u>4,526,059</u>
Total net position	<u>\$ 6,547,811</u>

See notes to financial statements

Township of Cannon**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN****NET POSITION - *Proprietary Fund*****Year ended March 31, 2025**

	<i>Sewer</i>
OPERATING REVENUES	
Charges for services	\$ 1,673,832
Penalties	13,889
Other	<u>418</u>
	 <u>1,688,139</u>
OPERATING EXPENSES	
Personnel	21,607
Professional fees	57,221
Operations - NKSA	496,332
Maintenance - NKSA	330,825
Connection fee deficit - NKSA	78,006
Miscellaneous	8,908
Depreciation	<u>188,191</u>
	 <u>1,181,090</u>
OPERATING INCOME (LOSS)	 <u>507,049</u>
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	229,649
Interest expense	<u>(138,422)</u>
	 <u>91,227</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	 598,276
CAPITAL CONTRIBUTIONS	
Connection fees	<u>31,000</u>
CHANGE IN NET POSITION	 629,276
NET POSITION - BEGINNING	 <u>5,918,535</u>
NET POSITION - ENDING	 <u>\$ 6,547,811</u>

See notes to financial statements

Township of Cannon**STATEMENT OF CASH FLOWS - Proprietary Fund****Year ended March 31, 2025**

	<i><u>Sewer</u></i>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 1,708,717
Payments to vendors and suppliers	(1,070,637)
Payments to employees	<u>(12,116)</u>
Net cash provided by (used in) operating activities	<u>625,964</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions	31,000
Acquisition of capital assets	(35,695)
Principal payments on capital debt	(266,671)
Interest payments on capital debt	<u>(152,440)</u>
Net cash provided by (used in) capital and related financing activities	<u>(423,806)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net decrease in investments	873,034
Interest received	<u>229,649</u>
Net cash provided by (used in) investing activities	<u>1,102,683</u>
NET CHANGE IN CASH	1,304,841
CASH - BEGINNING (including restricted cash of \$274,395)	<u>2,185,896</u>
CASH - ENDING (including restricted cash of \$278,319)	<u>\$ 3,490,737</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ 507,049
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation expense	188,191
Change in assets and liabilities:	
Decrease in receivables	20,578
Increase in prepaid expenses	(2,044)
Decrease in payables	<u>(87,810)</u>
Net cash provided by (used in) operating activities	<u>\$ 625,964</u>
Noncash capital and related financing activities:	
Acquisition of capital assets	\$ (389,701)
Less increase in payables	<u>354,006</u>
Cash used	<u>\$ (35,695)</u>

See notes to financial statements

Township of Cannon

STATEMENT OF FIDUCIARY NET POSITION - *Custodial Fund*

March 31, 2025

	<i>Tax</i> <i>Collection</i>
ASSETS	
Cash	\$ -
LIABILITIES	
Due to other governments	- _____
NET POSITION	
Restricted for individuals and other governments	\$ - _____

See notes to financial statements

Township of Cannon

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - *Custodial Fund*

Year ended March 31, 2025

	<i>Tax Collection</i>
ADDITIONS	
Property taxes collected for other governments	<u>\$ 31,125,759</u>
DEDUCTIONS	
Property taxes distributed to other governments	<u>31,125,759</u>
NET CHANGE IN FIDUCIARY NET POSITION	-
NET POSITION - BEGINNING	-
NET POSITION - ENDING	<u>\$ -</u>

See notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Cannon, 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 only the Township (located in Kent County), as management has determined that there are no other entities for which the Township is financially accountable.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function 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. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as 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 property tax 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. All other revenue items are considered to be measurable and available 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 Fund, a special revenue fund, accounts for the use of property tax revenues that are restricted for the financing of the costs of fire protection within the Township.

The Recreation Fund, a special revenue fund, accounts for the use of property tax revenues that are restricted for the financing of recreation costs within the Township.

The ARPA Fund, a capital project fund, is used to account for the restricted resources provided by the American Rescue Plan Act. Revenues are derived from a federal grant.

The Capital Project Fund accounts for financial resources that are assigned for future capital outlay expenditures.

The Township reports the following major proprietary fund:

The Sewer Fund accounts for the activities of the Township's sewage collection system.

The Township also reports fiduciary funds, which account for assets held by the Township in a fiduciary capacity for other governments and individuals. The Township reports one fiduciary fund, the Tax Collection Fund, which is a custodial fund.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund relate to charges to customers for services. Operating expenses for the proprietary fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, liabilities, and equity:

Cash and investments - Cash consists of cash on hand, demand deposits, and highly-liquid, short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value.

Receivables - No allowance for uncollectible accounts has been recorded, as the Township considers all receivables to be fully collectible.

Prepays - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaids in the fund and government-wide financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, liabilities, and equity (continued):

Capital assets - Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g., non-motorized trails and the sewer system), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$5,000 (\$10,000 for land improvements and buildings; \$50,000 for infrastructure improvements) and an estimated useful life in excess of three years. 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 its infrastructure assets prospectively, beginning April 1, 2004.

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

Buildings and improvements	10 - 50 years
Land improvements	20 - 40 years
Equipment	3 - 20 years
Vehicles	20 years
Sewer systems	50 - 67 years

Net position - Net position represents the difference between assets and liabilities. 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.

Net position flow assumption - Sometimes, the Township will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary funds 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 nonspendable fund balance for amounts that cannot be spent because they are not in spendable form. Restricted fund balance is reported 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. 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 restricted fund balance first, followed by assigned fund balance, and, finally, unassigned fund balance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property tax revenue recognition - Property taxes are levied each December 1 (lien date) on the taxable valuation of property as of the preceding December 31. Property taxes are considered delinquent on March 1 of the following year, at which time interest and penalties are assessed. It is the Township's policy to recognize revenue from the tax levy in the current year when the proceeds are budgeted and made available for the financing of operations.

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, department, and line-item. 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.

Excess of expenditures over appropriations - The following schedule sets forth the reportable budget variances:

<i>Fund</i>	<i>Function</i>	<i>Activity</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance</i>
General	Capital outlay	Capital outlay	\$ 89,300	\$ 101,676	\$ 12,376
Recreation	Recreation and culture	Parks and recreation	128,659	183,303	54,644

NOTE 3 - CASH AND INVESTMENTS

Cash and investments, as of March 31, 2025, are classified in the accompanying financial statements as follows:

	<i>Governmental activities</i>	<i>Business-type activity</i>	<i>Fiduciary activities</i>	<i>Totals</i>
Cash:				
Deposits	\$ 8,821,323	\$ 3,212,418	\$ -	\$ 12,033,741
Cash on hand	300	-	-	300
	8,821,623	3,212,418	-	12,034,041
Total cash				
Restricted cash	-	278,319	-	278,319
Investments	2,100,497	1,789,629	-	3,890,126
	\$ 10,922,120	\$ 5,280,366	\$ -	\$ 16,202,486
Totals				

NOTE 3 - CASH AND INVESTMENTS (Continued)

Deposits - Deposits are maintained at various financial institutions in the name of the Township. Michigan Compiled Laws, Section 129.91 (Public Act 20 of 1943, as amended) 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 that have an office in Michigan. 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 March 31, 2025, \$10,910,185 of the Township's bank balances of \$12,410,185 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; e) mutual funds composed of otherwise legal investments; and f) investment pools organized under the local government investment pool act. The Township's investment policy does not address credit risk or interest rate risk for investments.

Investments in entities that calculate net asset value per share - The Township holds shares in investment pools where the fair value of the investment is measured on a recurring basis using net asset value per share of the investment pool as a practical expedient. At March 31, 2025, the fair value, unfunded commitments, and redemption rules of those investments is as follows:

	<i>Michigan</i> <u>CLASS Pool</u>	<i>Kent</i> <u>County Pool</u>	<i>Total</i>
Fair value at March 31, 2025	\$ 3,883,230	\$ 6,896	\$ 3,890,126
Unfunded commitments	none	none	
Redemption frequency	n/a	n/a	
Notice period	none	none	

The Michigan CLASS investment Pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better), collateralized bank deposits, repurchase agreements (collateralized at 102% by treasury agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. The Pool purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

The Kent County Investment Pool is a local government investment pool established under Michigan state statutes for participating Michigan municipalities. This Pool, which is a nonrisk categorized qualifying investment, is carried at fair value. The fair value of the Township's position in the Pool is the same as the value of its pool shares. The Pool operates like a money market fund, with each share valued at \$1, and is not rated (credit risk); it is not subject to regulatory oversight and is not registered with the SEC; the Pool issues a separate report, which is available at 300 Monroe Avenue, N.W., Grand Rapids, Michigan 49503-2221.

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 investment pools were measured at net asset value (or its equivalent) as a practical expedient and, accordingly, have not been classified in the fair value hierarchy.

NOTE 4 - RECEIVABLES

Receivables as of March 31, 2025, for the Township's individual major funds and nonmajor funds, in the aggregate, were as follows:

<i>Fund</i>	<i>Accounts</i>	<i>Inter-governmental</i>	<i>Property taxes</i>	<i>Special assessments</i>	<i>Interest</i>	<i>Totals</i>
Governmental activities:						
General	\$ 2,025	\$ 264,304	\$ 11,056	\$ -	\$ -	\$ 277,385
Fire	-	35,706	20,759	-	-	56,465
Recreation	-	-	7,717	-	-	7,717
Capital projects	-	-	-	-	3,615	3,615
Nonmajor	-	-	-	1,493	-	1,493
Total governmental activities	<u>\$ 2,025</u>	<u>\$ 300,010</u>	<u>\$ 39,532</u>	<u>\$ 1,493</u>	<u>\$ 3,615</u>	<u>\$ 346,675</u>
Proprietary - Sewer	<u>\$ 38,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,771</u>

All receivables are considered fully collectible and are due within one year.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2025, was as follows:

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Governmental activities:				
Capital assets not being depreciated - land				
Land	\$ 470,561	\$ -	\$ -	\$ 470,561
Construction in progress	<u>-</u>	<u>88,527</u>	<u>-</u>	<u>88,527</u>
Subtotal	<u>470,561</u>	<u>88,527</u>	<u>-</u>	<u>559,088</u>
Capital assets being depreciated:				
Buildings	3,464,472	78,870	-	3,543,342
Land improvements	5,384,608	-	-	5,384,608
Equipment	1,016,105	75,855	-	1,091,960
Vehicles	<u>1,945,213</u>	<u>12,112</u>	<u>-</u>	<u>1,957,325</u>
Subtotal	<u>11,810,398</u>	<u>166,837</u>	<u>-</u>	<u>11,977,235</u>
Less accumulated depreciation for:				
Buildings	(1,567,939)	(96,666)	-	(1,664,605)
Land improvements	(1,307,587)	(213,707)	-	(1,521,294)
Equipment	(740,254)	(74,950)	-	(815,204)
Vehicles	<u>(1,215,886)</u>	<u>(105,866)</u>	<u>-</u>	<u>(1,321,752)</u>
Subtotal	<u>(4,831,666)</u>	<u>(491,189)</u>	<u>-</u>	<u>(5,322,855)</u>
Total capital assets being depreciated, net	<u>6,978,732</u>	<u>(324,352)</u>	<u>-</u>	<u>6,654,380</u>
Governmental activities capital assets, net	<u>\$ 7,449,293</u>	<u>\$ (235,825)</u>	<u>\$ -</u>	<u>\$ 7,213,468</u>

Depreciation expense was charged to governmental activity functions of the Township as follows:

Governmental activities:	
General government	\$ 93,710
Public safety	178,131
Public works	540
Recreation and culture	<u>218,808</u>
Total governmental activities	<u>\$ 491,189</u>

NOTE 6 - CAPITAL ASSETS (Continued)

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Business-type activity:				
Capital assets being depreciated -				
sewer system	\$ 9,849,364	\$ 389,701	\$ -	\$ 10,239,065
Less accumulated depreciation for -				
sewer system	(3,304,475)	(188,191)	-	(3,492,666)
Business-type activity capital assets, net	<u>\$ 6,544,889</u>	<u>\$ 201,510</u>	<u>\$ -</u>	<u>\$ 6,746,399</u>

NOTE 7 - PAYABLES

Payables as of March 31, 2025, 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>Inter- governmental</i>	<i>Interest</i>	<i>Totals</i>
Governmental:					
General	\$ 50,675	\$ 21,367	\$ 28,730	\$ -	\$ 100,772
Fire	53,524	30,129	-	-	83,653
Recreation	2,640	1,470	-	-	4,110
Nonmajor	5,243	-	-	-	5,243
Total governmental	<u>\$ 112,082</u>	<u>\$ 52,966</u>	<u>\$ 28,730</u>	<u>\$ -</u>	<u>\$ 193,778</u>
Proprietary - Sewer	<u>\$ 383,094</u>	<u>\$ 637</u>	<u>\$ 77,259</u>	<u>\$ 55,813</u>	<u>\$ 516,803</u>

NOTE 8 - LONG-TERM LIABILITIES

At March 31, 2025, long-term liabilities were comprised of the following issues:

Governmental activities:

Accrued compensated absences	\$ <u>24,227</u>
------------------------------	------------------

Business-type activity:

Contracts and bonds payable:

2012 North Kent Sewer Authority debt service contract - payable in annual installments ranging from \$25,039 to \$41,440, plus interest payable semi-annually at 2.5; final payment due October 2032	\$ <u>301,173</u>
--	-------------------

2013 North Kent Sewer Authority debt service contract - payable in annual installments ranging from \$12,336 to \$17,621, plus interest payable semi-annually at 2.5; final payment due October 2034	163,340
--	---------

2016 Capital improvement bonds - payable in annual installments ranging between \$8,250 to \$558,250, plus interest payable semi-annually at 3%; final payment due May 2036	4,465,000
---	-----------

Premium - 2016 Capital improvement bonds	<u>73,453</u>
--	---------------

Total contracts and bonds payable	<u>\$ 5,002,966</u>
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Long-term liability activity for the year ended March 31, 2025, was as follows:

	<i>Beginning balance</i>	<i>Net change</i>	<i>Deductions</i>	<i>Ending balance</i>	<i>Amounts due within one year</i>
Governmental activities:					
Accrued compensated absences	<u>\$ 27,669</u>	<u>\$ (3,442)</u>	<u>\$ -</u>	<u>\$ 24,227</u>	<u>\$ 24,227</u>
Business-type activity:					
2012 NKSA contract	\$ 333,195	\$ -	\$ (32,022)	\$ 301,173	\$ 35,580
2013 NKSA contract	177,989	-	(14,649)	163,340	14,649
2016 CIP bonds	<u>4,685,000</u>	<u>-</u>	<u>(220,000)</u>	<u>4,465,000</u>	<u>255,000</u>
Total contracts and bonds	5,196,184	-	(266,671)	4,929,513	305,229
Premium - 2016 CIP bonds	<u>84,721</u>	<u>-</u>	<u>(11,268)</u>	<u>73,453</u>	<u>-</u>
Totals	<u>\$ 5,280,905</u>	<u>\$ -</u>	<u>\$ (277,939)</u>	<u>\$ 5,002,966</u>	<u>\$ 305,229</u>

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

NOTE 8 - LONG-TERM LIABILITIES (Continued)

At March 31, 2025, debt service requirements, excluding compensated absences, are as follows:

Year ended March 31:	Business-type activity	
	Principal	Interest
2026	\$ 305,229	\$ 144,746
2027	326,000	135,914
2028	346,000	126,466
2029	376,771	116,418
2030	420,329	105,455
2031 - 2035	2,605,184	321,398
2036	<u>550,000</u>	<u>16,500</u>
Totals	\$ 4,929,513	\$ 966,897

NOTE 9 - TAX REVENUE

The 2024 taxable valuation of the Township approximated \$1,028,391,000, on which ad valorem taxes levied consisted of 0.7351 mills for operating purposes, 1.3924 mills for fire protection, and 0.5176 mills for recreation, raising approximately \$756,000 for operating purposes, \$1,432,000 for fire protection, and \$532,000 for recreation. These amounts are recognized in the fund financial statements as property tax revenue.

NOTE 10 - CONSTRUCTION CODE ACT

A summary of construction code enforcement transactions for the year ended March 31, 2025, is as follows:

Cumulative excess revenues, beginning of year	<u>\$ 287,569</u>
Fiscal year 2025 activity:	
Revenues	329,349
Expenses	<u>299,643</u>
Excess of revenues over expenses	<u>29,706</u>
Cumulative excess revenues, end of year	<u>\$ 317,275</u>

NOTE 11 - DEFINED CONTRIBUTION PENSION PLAN

The Township and its employees contribute to the Cannon Township Governmental Non-ERISA Retirement Plan (the Plan), a defined contribution pension plan, which is administered by a third-party administrator. The Plan covers two classes of employees, as allowed under Internal Revenue Code Section 401(a). The first class of employees includes elected officials, the Building Inspector, Fire Chief, and all other full-time employees. The second class of employees includes paid on-call firefighters.

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. Employees are eligible to participate as described above. The Township contributes 12% of covered payroll to the first class of qualifying employees. The Township contributes 6.2% of covered payroll to the second class of qualifying employees, with an equal percentage contributed by all covered employees in the second class. Employees are permitted to make contributions to the Plan, up to applicable Internal Revenue Code limits. For the year ended March 31, 2025, the Township and eligible employees made contributions of \$135,232 and \$38,766, respectively. At March 31, 2025, the Township reported no accrued liability as part of the contributions to the plan.

The Township's contributions for each employee (and investment earnings allocated to the employee's account) are fully vested on the day the employee is eligible to participate in the plan, which occurs after six months of service. Any forfeitures shall be used to reduce the administrative expenses of the Plan or reduce the employer contribution for the plan year. 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 12 - JOINT VENTURE

North Kent Sewer Authority:

The Township is a participant in the North Kent Sewer Authority (the Authority). The Administrative Board of the Authority consists of members appointed by each participating unit. The Authority was formed for the purpose of acquiring and operating a sanitary sewer system.

The Township utilizes the Authority to transport sewage to the Authority's PARCC Side Cleanwater Plant for treatment and disposal. The Township has no equity interest in the Authority; therefore, financial information of the Authority has not been included in the Township's financial statements. Costs of operations and capital asset acquisitions of the Authority are supported by contributions from the participating municipalities based on their share of sewage flow through the system. During the year ended March 31, 2025, the Township incurred costs of \$905,164 that were provided by the Authority. Payables of the Sewer Fund include amounts due to the Authority for operating expenses (\$77,259).

A significant portion of the Township's debt, in the amount of \$464,513 represents contracts payable to the North Kent Sewer Authority that are backed by the full faith and credit of the Township (See Note 7).

The Township is unaware of any indication that the Authority is accumulating significant financial resources or is experiencing fiscal stress that may cause a benefit or burden on the Township in the near future. Complete financial statements for the Authority can be obtained from the Authority's Administrative Office at P.O. Box 561, Rockford, Michigan 49341-0561.

NOTE 13 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to general liability, property and casualty, and employee injuries (workers' compensation). The risks of loss arising from general liability, building contents, workers' compensation, and casualty are managed through purchased commercial insurance. Claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 14 - CONSTRUCTION COMMITMENT

The Township entered into a contract to make improvements to the Pinehurst Lift Station at a cost of \$521,750. Costs incurred during fiscal year 2025 amounted to \$366,374 leaving a commitment of \$155,376. These costs are being funded by available resources of the Sewer Fund.

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENT

The Governmental Accounting Standards Board (GASB) issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. This statement is effective for fiscal years ending June 30, 2026, and after. This statement establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; and budgetary comparison information.

REQUIRED SUPPLEMENTARY INFORMATION

Township of Cannon

BUDGETARY COMPARISON SCHEDULE - General Fund

Year ended March 31, 2025

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget</i> <i>positive (negative)</i>
REVENUES				
Property taxes:				
Operating levy	\$ 676,810	\$ 754,156	\$ 756,111	\$ 1,955
Other	4,162	14,217	12,413	(1,804)
	<u>680,972</u>	<u>768,373</u>	<u>768,524</u>	<u>151</u>
Licenses and permits:				
Code inspection permits	295,000	371,754	329,349	(42,405)
Other permits	10,400	6,170	6,487	317
	<u>305,400</u>	<u>377,924</u>	<u>335,836</u>	<u>(42,088)</u>
State grants:				
State shared revenue	1,641,059	1,600,000	1,608,784	8,784
Other	34,500	31,716	16,177	(15,539)
	<u>1,675,559</u>	<u>1,631,716</u>	<u>1,624,961</u>	<u>(6,755)</u>
Charges for services:				
Election fees	-	-	36,781	36,781
Tax collection fees	17,000	16,803	16,803	-
Cemetery charges	10,000	8,285	14,080	5,795
Planning and zoning fees	6,000	8,400	10,950	2,550
Other	200	88	314	226
	<u>33,200</u>	<u>33,576</u>	<u>78,928</u>	<u>45,352</u>
Interest and rentals:				
Interest	135,000	160,000	178,293	18,293
Rentals	800	45,303	13,554	(31,749)
	<u>135,800</u>	<u>205,303</u>	<u>191,847</u>	<u>(13,456)</u>
Other	46,050	51,872	32,642	(19,230)
	<u>2,876,981</u>	<u>3,068,764</u>	<u>3,032,738</u>	<u>(36,026)</u>

Township of Cannon

BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)

Year ended March 31, 2025

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget</i> <i>positive (negative)</i>
EXPENDITURES				
General government:				
Legislative - Township Board	\$ 38,888	\$ 38,500	\$ 37,761	\$ 739
Supervisor	138,203	185,025	104,700	80,325
Clerk	174,427	177,338	175,871	1,467
Information technology	95,000	115,300	80,525	34,775
Board of review	2,901	2,901	1,159	1,742
Treasurer	192,120	180,900	179,336	1,564
Assessor	122,185	124,300	123,860	440
Elections	131,990	176,010	175,680	330
Hall and grounds	87,631	78,650	75,729	2,921
Professional services	86,000	61,000	59,543	1,457
Other	287,634	344,800	314,797	30,003
 Total general government	 1,356,979	 1,484,724	 1,328,961	 155,763
Public safety:				
Law enforcement	310,000	365,000	357,453	7,547
Building inspections	278,954	339,463	299,643	39,820
 Total public safety	 588,954	 704,463	 657,096	 47,367
Public works:				
Road construction and maintenance	37,668	271,500	268,816	2,684
Cemetery	74,800	44,500	36,638	7,862
Community clean up	33,000	30,000	26,558	3,442
Public transportation	3,300	3,300	3,220	80
 Total public works	 148,768	 349,300	 335,232	 14,068
Community and economic development - planning and zoning				
	158,174	155,060	145,270	9,790

Township of Cannon

BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)

Year ended March 31, 2025

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
EXPENDITURES (Continued)				
Recreation and culture:				
Parks and recreation	\$ 21,000	\$ 8,200	\$ 7,220	\$ 980
Historical society	<u>14,975</u>	<u>17,770</u>	<u>16,757</u>	<u>1,013</u>
Total recreation and culture	<u>35,975</u>	<u>25,970</u>	<u>23,977</u>	<u>1,993</u>
Capital outlay	<u>313,060</u>	<u>89,300</u>	<u>101,676</u>	<u>(12,376)</u>
Total expenditures	<u>2,601,910</u>	<u>2,808,817</u>	<u>2,592,212</u>	<u>216,605</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>275,071</u>	<u>259,947</u>	<u>440,526</u>	<u>180,579</u>
OTHER FINANCING SOURCES (USES)				
Sale of future revenue	-	-	400,000	400,000
Transfers out	<u>(270,000)</u>	<u>(270,000)</u>	<u>-</u>	<u>270,000</u>
Total other financing sources (uses)	<u>(270,000)</u>	<u>(270,000)</u>	<u>400,000</u>	<u>670,000</u>
NET CHANGES IN FUND BALANCES	5,071	(10,053)	840,526	850,579
FUND BALANCES - BEGINNING	<u>3,686,174</u>	<u>3,686,174</u>	<u>3,686,174</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 3,691,245</u>	<u>\$ 3,676,121</u>	<u>\$ 4,526,700</u>	<u>\$ 850,579</u>

Township of Cannon

BUDGETARY COMPARISON SCHEDULE - Fire Fund

Year ended March 31, 2025

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
Property taxes	\$ 1,331,473	\$ 1,327,000	\$ 1,432,212	\$ 105,212
Federal grant	-	115,500	103,241	(12,259)
State grants	-	-	31,000	31,000
Interest	50,000	90,000	97,673	7,673
Other	50,000	15,300	3,685	(11,615)
Total revenues	<u>1,431,473</u>	<u>1,547,800</u>	<u>1,667,811</u>	<u>120,011</u>
EXPENDITURES				
Public safety	1,105,225	1,061,913	1,062,983	(1,070)
Capital outlay	<u>111,000</u>	<u>191,000</u>	<u>96,341</u>	<u>94,659</u>
Total expenditures	<u>1,216,225</u>	<u>1,252,913</u>	<u>1,159,324</u>	<u>93,589</u>
NET CHANGES IN FUND BALANCES	215,248	294,887	508,487	213,600
FUND BALANCES - BEGINNING	<u>2,327,007</u>	<u>2,327,007</u>	<u>2,327,007</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,542,255</u>	<u>\$ 2,621,894</u>	<u>\$ 2,835,494</u>	<u>\$ 213,600</u>

Township of Cannon

BUDGETARY COMPARISON SCHEDULE - *Recreation Fund*

Year ended March 31, 2025

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget</i> <i>positive (negative)</i>
REVENUES				
Property taxes	\$ 494,967	\$ 491,119	\$ 532,379	\$ 41,260
Interest	30,000	50,000	60,940	10,940
Other	-	1,000	3,671	2,671
Total revenues	<u>524,967</u>	<u>542,119</u>	<u>596,990</u>	<u>54,871</u>
EXPENDITURES				
Recreation and culture	66,605	128,659	183,303	(54,644)
Capital outlay	2,000	25,100	18,823	6,277
Total expenditures	<u>68,605</u>	<u>153,759</u>	<u>202,126</u>	<u>(48,367)</u>
NET CHANGES IN FUND BALANCES	456,362	388,360	394,864	6,504
FUND BALANCES - BEGINNING	<u>1,160,640</u>	<u>1,160,640</u>	<u>1,160,640</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,617,002</u>	<u>\$ 1,549,000</u>	<u>\$ 1,555,504</u>	<u>\$ 6,504</u>

SUPPLEMENTARY INFORMATION

Township of Cannon**COMBINING BALANCE SHEET - nonmajor governmental funds**

March 31, 2025

	<i>Special revenue funds</i>		
	<i>Street Lighting</i>	<i>Weed Control</i>	<i>Totals</i>
ASSETS			
Cash	\$ 68,875	\$ 57,295	\$ 126,170
Investments	27	111	138
Receivables	665	828	1,493
 Total assets	 \$ 69,567	 \$ 58,234	 \$ 127,801
LIABILITIES AND FUND BALANCES			
Liabilities - payables	\$ 5,243	\$ -	\$ 5,243
Fund balances - restricted for public works	64,324	58,234	122,558
 Total liabilities and fund balances	 \$ 69,567	 \$ 58,234	 \$ 127,801

Township of Cannon

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

Year ended March 31, 2025

	<i>Special revenue funds</i>		
	<i>Street Lighting</i>	<i>Weed Control</i>	<i>Totals</i>
REVENUES			
Special assessments	\$ 55,061	\$ 33,291	\$ 88,352
Charges for services	2,813	-	2,813
Interest	362	1,484	1,846
	<hr/>	<hr/>	<hr/>
Total revenues	58,236	34,775	93,011
EXPENDITURES			
Current - public works	62,619	62,533	125,152
NET CHANGES IN FUND BALANCES	(4,383)	(27,758)	(32,141)
FUND BALANCES - BEGINNING	68,707	85,992	154,699
FUND BALANCES - ENDING	<hr/>	<hr/>	<hr/>
	\$ 64,324	\$ 58,234	\$ 122,558

**SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 CONTINUING
DISCLOSURE (*UNAUDITED*)**

Township of Cannon
Total Taxable Value
Fiscal Years Ended March 31, 2021 Through 2025

<i>Assessed Value as of December 31</i>	<i>Year of State Equalization and Tax Levy</i>	<i>Township's Fiscal Year Ended March 31</i>	<i>Ad Valorem Taxable Value</i>	<i>Percent Change Over Prior Year</i>
2019	2020	2021	\$ 762,837,922	5.78%
2020	2021	2022	795,200,136	4.24%
2021	2022	2023	860,771,312	8.25%
2022	2023	2024	943,730,834	9.64%
2023	2024	2025	1,035,200,421	9.69%

Per Capita Total Taxable Value for the Fiscal Year Ended March 31, 2025 (1) \$71,994

(1) Based on the Township's 2020 census population of 14,379.

Source: Township of Cannon

Township of Cannon
Taxable Value by Use and Class
Fiscal Years Ended March 31, 2021 Through 2025

<i>Use</i>	<i>Fiscal Years Ended March 31</i>				
	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>
Residential	\$ 733,946,249	\$ 764,003,179	\$ 826,982,701	\$ 906,139,188	\$ 995,424,907
Commercial	14,109,282	15,129,985	16,225,580	16,251,659	17,841,612
Industrial	327,691	519,672	503,331	501,487	504,802
Utility	14,454,700	15,547,300	17,059,700	20,838,500	21,429,100
	\$ 762,837,922	\$ 795,200,136	\$ 860,771,312	\$ 943,730,834	\$1,035,200,421
<i>Class</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>
	\$ 744,284,122	\$ 774,896,336	\$ 838,937,012	\$ 917,812,434	\$1,008,134,521
Real Property	18,553,800	20,303,800	21,834,300	25,918,400	27,065,900
	\$ 762,837,922	\$ 795,200,136	\$ 860,771,312	\$ 943,730,834	\$1,035,200,421

Source: Township of Cannon

(UNAUDITED)

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Township of Cannon
State Equalized Valuation
Fiscal Years Ended March 31, 2021 Through 2025

<i>Assessed Value as of December 31</i>	<i>Year of State Equalization and Tax Levy</i>	<i>Township's Fiscal Year Ended March 31</i>		<i>Percent Change Over Prior Year</i>
		<i>Ad Valorem</i>	<i>SEV</i>	
2019	2020	2021	\$ 962,156,500	7.55%
2020	2021	2022	1,012,000,100	5.18%
2021	2022	2023	1,100,703,600	8.77%
2022	2023	2024	1,268,135,100	15.21%
2023	2024	2025	1,478,542,800	16.59%

Per Capita Total SEV for the Fiscal Year Ended March 31, 2025 (1)..... \$102,827

(1) Based on the Township's 2020 census population of 14,379.

Source: Township of Cannon

Township of Cannon
Total SEV by Use and Class
Fiscal Years Ended March 31, 2021 Through 2025

<i>Use</i>	<i>Fiscal Years Ended March 31</i>				
	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>
Residential	\$ 929,906,900	\$ 977,355,600	\$ 1,061,929,900	\$ 1,226,218,900	\$ 1,432,117,300
Commercial	17,141,800	18,190,600	20,591,800	19,990,000	23,817,800
Industrial	653,100	906,600	1,122,200	1,087,700	1,178,600
Utility	14,454,700	15,547,300	17,059,700	20,838,500	21,429,100
	<u>\$ 962,156,500</u>	<u>\$1,012,000,100</u>	<u>\$1,100,703,600</u>	<u>\$1,268,135,100</u>	<u>\$1,478,542,800</u>
<i>Class</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>
Real Property	\$ 943,611,100	\$ 991,696,300	\$ 1,078,869,300	\$ 1,242,216,700	\$ 1,451,476,900
Personal Property	18,545,400	20,303,800	21,834,300	25,918,400	27,065,900
	<u>\$ 962,156,500</u>	<u>\$1,012,000,100</u>	<u>\$1,100,703,600</u>	<u>\$1,268,135,100</u>	<u>\$1,478,542,800</u>

Source: Township of Cannon

Township of Cannon
Maximum Property Tax Rates
Fiscal Year Ended March 31, 2025

<i>Millage Classification</i>	<i>Millage Authorized</i>	<i>Applicable Millage Reduction Fraction (1)</i>	<i>Maximum Allowable Millage</i>
Operating	1.1000	0.9856	0.7351
Fire (2)	1.0000	0.9856	0.8996
Recreation (3)	0.5658	0.9856	0.5176
Fire (4)	0.5000	0.9856	0.4928

(1) Cumulative.

(2) The voted fire millage expires in December 2025.

(3) The voted recreation millage expires in December 2026.

(4) The voted fire millage expires in December 2031.

Source: Township of Cannon

Township of Cannon
Property Tax Rates
Fiscal Years Ended March 31, 2021 Through 2025

<i>Levy December 1</i>	<i>Fiscal Year Ended March 31</i>	<i>Operating</i>	<i>Fire (1)</i>	<i>Recreation (2)</i>	<i>Fire (3)</i>	<i>Totals</i>
2020	2021	0.7727	0.9455	0.5440	-	2.2622
2021	2022	0.7606	0.9307	0.5335	-	2.2248
2022	2023	0.7459	0.9128	0.5252	0.5000	2.1839
2023	2024	0.7086	0.9128	0.5252	0.5000	2.1466
2024	2025	0.7351	0.8996	0.5176	0.4928	2.1523

(1) The voted fire millage expires in December 2025.

(2) The voted recreation millage expires in December 2026.

(3) The voted fire millage expires in December 2031.

Source: Township of Cannon

Township of Cannon
Principal Residence Property Tax Rates by Governmental Unit
Fiscal Years Ended March 31, 2021 Through 2025

<i>Governmental Unit</i>	<i>Fiscal Years Ended March 31</i>				
	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>
Township of Cannon	2.2622	2.2248	2.1839	2.1466	2.1523
Kent County	6.2100	6.1521	6.0971	6.0971	6.0494
State of Michigan SET	6.0000	6.0000	6.0000	6.0000	6.0000
Rockford Public Schools	12.8921	12.8042	13.8964	8.3919	8.3745
Kent County Intermediate Schools	5.5684	5.5157	5.4447	5.4447	5.4020
Grand Rapids Community College	1.7472	1.7307	1.7085	1.7085	1.6951
Kent County District Library	1.2581	1.2484	1.2355	1.1000	1.1000
	<u>35.9380</u>	<u>35.6759</u>	<u>36.5661</u>	<u>30.8888</u>	<u>30.7733</u>

(UNAUDITED)

Township of Cannon
Non-Principal Residence Property Tax Rates by Governmental Unit
Fiscal Years Ended March 31, 2021 Through 2025

<i>Governmental Unit</i>	<i>Fiscal Years Ended March 31</i>				
	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>
Township of Cannon	2.2622	2.2248	2.1839	2.1466	2.1523
Kent County	6.2100	6.1521	6.0971	6.0971	6.0494
State of Michigan SET	6.0000	6.0000	6.0000	6.0000	6.0000
Rockford Public Schools	30.8921	30.8042	31.8964	26.3919	26.3745
Kent County Intermediate Schools	5.5684	5.5157	5.4447	5.4447	5.4020
Grand Rapids Community College	1.7472	1.7307	1.7085	1.7085	1.6951
Kent County District Library	<u>1.2581</u>	<u>1.2484</u>	<u>1.2355</u>	<u>1.1000</u>	<u>1.1000</u>
	<u>53.9380</u>	<u>53.6759</u>	<u>54.5661</u>	<u>48.8888</u>	<u>48.7733</u>

Township of Cannon
Property Tax Collections
Fiscal Years Ended March 31, 2021 Through 2025

<i>Levy December 1</i>	<i>Fiscal Year Ended March 31</i>	<i>Tax Levy (1)</i>	<i>Collections to March 1 Following Levy</i>	<i>Percent Collected</i>
2020	2021	\$ 1,719,038	\$ 1,695,322	98.62%
2021	2022	1,771,762	1,750,152	98.78%
2022	2023	2,308,176	2,276,180	98.61%
2023	2024	2,494,947	2,461,311	98.65%
2024	2025	2,721,180	2,681,648	98.55%

(1) Includes Township operating, fire, and recreation.

Source: Township of Cannon

Township of Cannon
Ten Largest Taxpayers
Fiscal Year Ended March 31, 2025

<i>Taxpayer</i>	<i>Principal Product or Service</i>	<i>Taxable Value</i>	<i>Percent of Total (1)</i>
Consumers Energy	Electric utility	\$ 11,075,800	1.07%
DTE Gas Company	Gas utility	8,230,500	0.80%
Grand View Real Estate Trust	Residential	1,779,765	0.17%
Poot Trust	Residential	1,397,700	0.14%
Herrington Excavating	Excavator	1,372,900	0.13%
Cannonsburg Real Estate LLC	Real estate development	1,117,400	0.11%
Maskil	Residential	1,016,198	0.10%
Michigan Electric Transmission	Electrical transmission lines	1,012,500	0.10%
Balk	Residential	983,704	0.10%
Dewey	Residential	<u>942,628</u>	<u>0.09%</u>
		<u><u>\$ 28,929,095</u></u>	<u><u>2.79%</u></u>

(1) Based on \$1,035,200,421, which is the Township of Cannon's Total Taxable Value for its fiscal year ended March 31, 2025.
Source: Township of Cannon

Township of Cannon
Legal Debt Margin
As of March 31, 2025

Debt Limit (1)	\$ 147,854,280
Debt Outstanding	\$ 4,929,513
Less: Exempt Debt	<u>464,513</u>
	<u>4,465,000</u>
Legal Debt Margin	<u><u>\$ 143,389,280</u></u>

(1) 10% of \$1,478,542,800, which is the Township's Total SEV for the fiscal year ended March 31, 2025.
Source: Township of Cannon

**Township of Cannon
Debt Statement
As of March 31, 2025**

<i>Cannon Township Direct Debt</i>	<i>Gross</i>	<i>Self-Supporting</i>	<i>Net</i>
North Kent Sewer Authority obligations:			
Dated August 19, 2015 (Limited Tax)	\$ 163,340	\$ 163,340	\$ -
Dated June 25, 2013 (Limited Tax)	<u>301,173</u>	<u>301,173</u>	<u>-</u>
Subtotal	464,513	464,513	-
Capital Improvements bonds:			
Dated March 8, 2016 (Limited Tax)	<u>4,465,000</u>	-	<u>4,465,000</u>
Totals	<u>\$ 4,929,513</u>	<u>\$ 464,513</u>	<u>\$ 4,465,000</u>

Per Capita Net Township of Cannon Direct Debt \$311
 Percent of Net Direct Debt to Total SEV 0.30%

<i>Overlapping Debt (3)</i>	<i>Township Share As Percent of Gross</i>		
	<i>Gross</i>	<i>As Percent of Gross</i>	<i>Net</i>
Kent County	\$ 88,380,000	2.57%	\$ 2,271,366
Grand Rapids Community College	18,675,000	2.78%	519,165
Forest Hills School District	116,070,000	0.12%	139,284
Rockford School District	176,965,000	35.64%	63,070,326
Lowell School District	<u>106,665,000</u>	1.91%	<u>2,037,302</u>
Total overlapping debt	<u>\$ 506,755,000</u>		<u>\$ 68,037,443</u>
Total Township Direct and overlapping debt	<u>\$ 511,684,513</u>		<u>\$ 72,502,443</u>

Per Capita Net Overlapping Debt (1) \$4,732
 Percent of Net Overlapping Debt to Total SEV (2) 4.60%

Per Capita Net Direct and Overlapping Debt (1) \$5,042
 Percent of Net Direct and Overlapping Debt to Total SEV (2) 4.90%

(1) Based on Township's 2020 census population of 14,379.
 (2) Based on \$1,478,542,800 which is Township of Cannon's total SEV for the fiscal year ending March 31, 2025.
 (3) Overlapping debt is the portion of another taxing unit's debt for which property taxpayers of Township of Cannon are liable, in addition to debt issued by Township of Cannon.

Source: Township of Cannon