
Charter Township of White Lake

Oakland County, Michigan

Financial Report
with Supplemental Information
December 31, 2020

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Independent Auditor's Report

To the Township Board of Trustees
Charter Township of White Lake

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of White Lake (the "Township") as of and for the ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Charter Township of White Lake's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of White Lake as of December 31, 2020 and the respective changes in its 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.

To the Township Board of Trustees
Charter Township of White Lake

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of White Lake's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, 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. Such 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 other supplemental information, as identified in the table of contents, is 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 May 27, 2021 on our consideration of Charter Township of White Lake's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 Charter Township of White Lake's 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 Charter Township of White Lake's internal control over financial reporting and compliance.



May 27, 2021

As management of the Charter Township of White Lake (the "Township"), we offer readers this narrative overview and analysis of the financial activities for the year ended December 31, 2020.

Using This Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell the reader how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$49,018,634 at the close of the most recent fiscal year.

Charter Township of White Lake

Management's Discussion and Analysis (Continued)

The Township's Net Position

The following tables show, in a condensed format, the current year's net position and changes in net position, compared to the prior year:

	Governmental Activities			
	2019	2020	Change	Percent Change
Assets				
Current and other assets	\$ 50,605,812	\$ 54,317,590	\$ 3,711,778	7.3
Capital assets	21,621,902	22,619,386	997,484	4.6
Total assets	72,227,714	76,936,976	4,709,262	6.5
Deferred Outflows of Resources	3,212,674	3,270,727	58,053	1.8
Liabilities				
Current liabilities	1,725,312	2,415,170	689,858	40.0
Noncurrent liabilities	26,729,585	25,655,818	(1,073,767)	(4.0)
Total liabilities	28,454,897	28,070,988	(383,909)	(1.3)
Deferred Inflows of Resources	14,669,460	15,342,955	673,495	4.6
Net Position				
Net investment in capital assets	20,425,656	21,736,450	1,310,794	6.4
Restricted	13,921,667	15,829,603	1,907,936	13.7
Unrestricted	(2,031,292)	(772,293)	1,258,999	(62.0)
Total net position	\$ 32,316,031	\$ 36,793,760	\$ 4,477,729	13.9

	Business-type Activities			
	2019	2020	Change	Percent Change
Assets				
Current and other assets	\$ 5,208,115	\$ 4,861,094	\$ (347,021)	(6.7)
Capital assets	7,994,940	8,442,297	447,357	5.6
Total assets	13,203,055	13,303,391	100,336	0.8
Deferred Outflows of Resources	34,011	58,549	24,538	72.1
Liabilities				
Current liabilities	75,717	36,233	(39,484)	(52.1)
Noncurrent liabilities	1,129,871	1,020,636	(109,235)	(9.7)
Total liabilities	1,205,588	1,056,869	(148,719)	(12.3)
Deferred Inflows of Resources	70,193	80,197	10,004	14.3
Net Position				
Net investment in capital assets	7,233,266	7,742,508	509,242	7.0
Restricted - Water operating ordinance	2,344,046	2,366,448	22,402	1.0
Unrestricted	4,728,019	2,115,918	(2,612,101)	(55.2)
Total net position	\$ 14,305,331	\$ 12,224,874	\$ (2,080,457)	(14.5)

The Township's governmental activities net position was \$36.8 million at the close of the year ended December 31, 2020, which was an increase from December 31, 2019 of approximately \$4.5 million. The increase was primarily due to building improvements made during the year.

The Township's business-type activity consists of the Water Fund. The change in net position from December 31, 2019 was an increase of approximately \$264,000, which was primarily due to payments made on long-term debt.

Charter Township of White Lake

Management's Discussion and Analysis (Continued)

The Township's Changes in Net Position

The following tables show, in a condensed format, changes in net position compared to the prior year:

	Governmental Activities			
	2019	2020	Change	Percent Change
Revenue				
Program revenue:				
Charges for services	\$ 5,228,202	\$ 5,162,021	\$ (66,181)	(1.3)
Operating grants	290,623	1,477,962	1,187,339	408.5
Capital grants	2,336,610	1,859,219	(477,391)	(20.4)
General revenue:				
Taxes	10,332,926	10,943,116	610,190	5.9
Intergovernmental	2,762,832	2,782,754	19,922	0.7
Investment earnings	596,206	365,846	(230,360)	(38.6)
Other revenue	1,169,580	1,373,888	204,308	17.5
Total revenue	22,716,979	23,964,806	1,247,827	5.5
Expenses				
General government	4,109,995	3,914,132	(195,863)	(4.8)
Public safety	9,218,734	9,390,787	172,053	1.9
Public works	4,499,287	4,495,207	(4,080)	(0.1)
Health and welfare	131,643	189,659	58,016	44.1
Community and economic development	445,601	396,800	(48,801)	(11.0)
Recreation and culture	315,005	558,472	243,467	77.3
Debt service	395,804	542,020	146,216	36.9
Total expenses	19,116,069	19,487,077	371,008	1.9
Change in Net Position	3,600,910	4,477,729	876,819	24.3
Net Position - Beginning of year	28,715,121	32,316,031	3,600,910	12.5
Net Position - End of year	\$ 32,316,031	\$ 36,793,760	\$ 4,477,729	13.9

	Business-type Activities			
	2019	2020	Change	Percent Change
Revenue				
Program revenue:				
Charges for services	\$ 1,011,025	\$ 1,221,882	\$ 210,857	20.9
Capital grants and collection fees	58,454	154,602	96,148	164.5
General revenue	75,550	49,174	(26,376)	(34.9)
Total revenue	1,145,029	1,425,658	280,629	24.5
Expenses - Program expenses	1,098,633	1,162,069	63,436	5.8
Change in Net Position	46,396	263,589	217,193	468.1
Net Position - Beginning of year	11,914,889	11,961,285	46,396	0.4
Net Position - End of year	\$ 11,961,285	\$ 12,224,874	\$ 263,589	2.2

Governmental activities revenue was approximately \$23,965,000 for the year ended December 31, 2020, an increase of approximately \$1,248,000 over 2019. Of this revenue, 46 percent was obtained through property taxes, 12 percent from state-shared revenue, and 22 percent from fees charged for services. Total governmental activities expenditures were approximately \$19,487,000, an increase of approximately \$371,000 over 2019. The primary causes of the increase was related to an increase in debt service costs due to principal payments on the library bond beginning in 2020.

Charter Township of White Lake

Management's Discussion and Analysis (Continued)

Business-type activities revenue was approximately \$1,426,000 for the year ended December 31, 2020. Charges for services represented 86 percent of total revenue. At December 31, 2020, the Township was providing water to 2,090 customers. The primary cause of increased revenue in 2020 was an increase in water usage by customers. Business-type activities expenditures were approximately \$1,162,000, an increase of approximately \$63,000 over 2019. The primary causes for the increase in expenditures was due to an increase in water chemicals and supplies purchased as water usage was up.

Financial Analysis of Individual Funds

The analysis of the Township's major funds begins on page 11, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Township as a whole. The township board creates funds to help manage money for specific purposes and to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2020 include the General Fund, the Fire Fund, the Police Fund, the Solid Waste Special Assessment Fund, and the General Sewer Fund.

The General Fund is the main operating fund of the Township. Total revenue and other financing sources for the year was approximately \$6,996,000. Of this revenue, state-shared revenue accounted for 50 percent, and property taxes accounted for 18 percent. Total expenditures and other financing uses for the year were approximately \$6,732,000. At December 31, 2020, the unassigned fund balance of \$1,737,779 represented 26 percent of the total General Fund expenditures and other financing uses for the year. The increase in fund balance is primarily due to the increase in property tax values.

The Fire Fund is used to account for fire services to township residents. Total revenue and other financing sources for the year were approximately \$4,076,000. Of this revenue, property taxes accounted for 82 percent. Total expenditures for the year were approximately \$3,091,000. The fund balance of \$6,599,419 is restricted for future fire operating costs, equipment acquisitions, and new personnel.

The Police Fund is used to account for police services to township residents. Total revenue and other financing sources for the year were approximately \$6,720,000. Of this revenue, property taxes accounted for 81 percent. Total expenditures for the year were approximately \$5,690,000. The fund balance of \$4,627,040 is restricted for future police operating costs.

The Solid Waste Special Assessment Fund is used to account for the solid waste of the Township. Total revenue for the year was approximately \$1,818,000 and was earned through special assessment charges. Total expenditures for the year were approximately \$1,816,000. The fund balance of \$169,213 is restricted for solid waste expenditures.

The General Sewer Fund is used to account for general sewer activities. Total revenue for the year was approximately \$2,142,000. Of this revenue, charges for sewer services accounted for 94 percent. Total expenditures for the year were approximately \$2,143,000. The fund balance of \$879,218 is restricted for future sewer operating costs.

Capital Assets and Debt Administration

At the end of 2020, the Township had \$31,061,683 invested in a broad range of capital assets (net of accumulated depreciation), including buildings, police and fire equipment, and water and sewer lines. In addition, the Township has invested significantly in roads and related infrastructure within the Township. Although these roads are the property of the Oakland County Road Commission (along with the responsibility of maintaining them), the Township has invested in their construction and maintenance.

The Township's total long-term indebtedness as of December 31, 2020 is \$9,994,320. Of this amount, \$8,810,893 represents governmental general obligation bonds; \$88,800 represents a loan from Oakland County, Michigan; \$655,000 represents a loan from the State of Michigan's Drinking Water Revolving Fund; \$291,720 represents special assessment bonds; \$135,702 represents accumulated compensated absences; and \$12,205 represents governmental capital leases.

Economic Factors and Next Year's Budgets and Rates

The Township's budget for 2020 is reflective of anticipated revenue and costs. The Township has taken into consideration changes in the economy for housing values and sales taxes and their impact on revenue. The Township has budgeted for continuing to aggressively fund the retirement pension and health insurance liabilities.

WOTA (West Oakland Transportation Authority) was successfully launched with partnerships solidified with Highland, Walled Lake, and Waterford.

COVID-19 presented the Township with challenges to keep up with almost daily changes in protocols and properly followed the COVID Preparedness Plan. During the early months, the Township did briefly close to the public; however, with employees' abilities to work from home, there was very limited interruption in services.

The Township submitted for and received multiple grants during 2020, which helped mitigate the costs incurred to protect our employees and citizens.

Public safety continued to provide the same level of service to the public as it did pre-COVID.

Overall, the Township weathered the storm with very little interruption to the public and, with grant funds, very little impact on the Township's strong financial position.

As we enter 2021 and with vaccines and reduction of cases, the Township does not currently foresee any continuing major impact from COVID-19. However, the township board remains vigilant and prepared to face the future.

Requests for Further Information

This financial report is intended to provide citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have any questions or concerns about this report or need additional information, contact the clerk's office at the Charter Township of White Lake, 7525 Highland Road, White Lake, MI 48383.

Charter Township of White Lake

Statement of Net Position

December 31, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 38,177,681	\$ 1,861,691	\$ 40,039,372
Receivables:			
Property taxes receivable	5,167,643	-	5,167,643
Special assessments receivable	1,887,833	194,220	2,082,053
Receivables from sales to customers on account	-	312,198	312,198
Accrued interest receivable	7,720	3,867	11,587
Other receivables	355,470	16,258	371,728
Due from other governments	549,629	-	549,629
Internal balances	(105,420)	105,420	-
Prepaid expenses and other assets	4,300	992	5,292
Library receivable	8,272,734	-	8,272,734
Restricted assets	-	2,366,448	2,366,448
Capital assets: (Note 3)			
Assets not subject to depreciation	4,533,437	324,596	4,858,033
Assets subject to depreciation - Net	18,085,949	8,117,701	26,203,650
Total assets	76,936,976	13,303,391	90,240,367
Deferred Outflows of Resources			
Deferred pension costs (Note 8)	2,334,837	22,626	2,357,463
Deferred OPEB costs (Note 9)	935,890	35,923	971,813
Total deferred outflows of resources	3,270,727	58,549	3,329,276
Liabilities			
Accounts payable	679,799	20,703	700,502
Due to other governmental units	38,491	-	38,491
Refundable deposits, bonds, etc.	1,171,579	-	1,171,579
Accrued liabilities and other	525,301	15,530	540,831
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 5)	27,140	-	27,140
Current portion of long-term debt (Note 5)	596,327	66,885	663,212
Due in more than one year:			
Compensated absences (Note 5)	108,562	-	108,562
Net pension liability (Note 8)	10,457,855	94,244	10,552,099
Net OPEB obligation (Note 9)	5,903,432	226,603	6,130,035
Long-term debt (Note 5)	8,562,502	632,904	9,195,406
Total liabilities	28,070,988	1,056,869	29,127,857
Deferred Inflows of Resources			
Property taxes and special assessments levied for the following year	13,201,455	-	13,201,455
Deferred pension cost reductions (Note 8)	146,348	3,613	149,961
Deferred OPEB cost reductions (Note 9)	1,995,152	76,584	2,071,736
Total deferred inflows of resources	15,342,955	80,197	15,423,152
Net Position			
Net investment in capital assets	21,736,450	7,742,508	29,478,958
Restricted:			
Debt service	816,408	-	816,408
Fire	6,599,419	-	6,599,419
Police	4,627,040	-	4,627,040
Parks and recreation	658,645	-	658,645
Drug law enforcement	120,564	-	120,564
Building activity	1,877,229	-	1,877,229
Solid waste	169,213	-	169,213
Sewer	879,218	-	879,218
Public access programming	81,867	-	81,867
Water operating ordinance	-	2,366,448	2,366,448
Unrestricted	(772,293)	2,115,918	1,343,625
Total net position	<u>\$ 36,793,760</u>	<u>\$ 12,224,874</u>	<u>\$ 49,018,634</u>

See notes to financial statements.

Charter Township of White Lake

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,914,132	\$ 397,083	\$ -	\$ -
Public safety	9,390,787	707,546	1,105,337	-
Public works	4,495,207	4,052,952	128,952	1,859,219
Health and welfare	189,659	-	243,673	-
Community and economic development	396,800	1,100	-	-
Recreation and culture	558,472	3,340	-	-
Interest on long-term debt	542,020	-	-	-
Total governmental activities	19,487,077	5,162,021	1,477,962	1,859,219
Business-type activities - Water	1,162,069	1,221,882	-	154,602
Total primary government	\$ 20,649,146	\$ 6,383,903	\$ 1,477,962	\$ 2,013,821

General revenue:

- Property taxes
- State-shared revenue
- Investment income
- Cable franchise fees
- Gain on sale of fixed assets
- Other miscellaneous income

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Statement of Activities

Year Ended December 31, 2020

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,517,049)	\$ -	\$ (3,517,049)
(7,577,904)	-	(7,577,904)
1,545,916	-	1,545,916
54,014	-	54,014
(395,700)	-	(395,700)
(555,132)	-	(555,132)
(542,020)	-	(542,020)
(10,987,875)	-	(10,987,875)
-	214,415	214,415
(10,987,875)	214,415	(10,773,460)
10,943,116	-	10,943,116
2,782,754	-	2,782,754
365,846	49,174	415,020
515,300	-	515,300
216,236	-	216,236
642,352	-	642,352
15,465,604	49,174	15,514,778
4,477,729	263,589	4,741,318
32,316,031	11,961,285	44,277,316
\$ 36,793,760	\$ 12,224,874	\$ 49,018,634

Charter Township of White Lake

Governmental Funds Balance Sheet

December 31, 2020

	Special Revenue Funds						Total Governmental Funds
	General Fund	Fire Fund	Police Fund	Solid Waste Special Assessment Fund	General Sewer Fund	Nonmajor Funds	
Assets							
Cash and investments	\$ 11,731,797	\$ 8,593,163	\$ 7,805,484	\$ 1,456,309	\$ 1,235,712	\$ 7,355,216	\$ 38,177,681
Receivables:							
Property taxes receivable	540,933	1,599,647	2,606,551	-	-	420,512	5,167,643
Special assessments receivable	-	-	-	749,238	-	1,138,595	1,887,833
Accrued interest receivable	-	-	-	-	-	7,720	7,720
Other receivables	218,403	35,775	100,290	-	-	1,002	355,470
Due from other governments	519,796	-	11,878	-	-	17,955	549,629
Due from other funds (Note 4)	163,225	-	-	-	45,738	130,824	339,787
Prepaid expenses and other assets	-	-	4,300	-	-	-	4,300
Total assets	\$ 13,174,154	\$ 10,228,585	\$ 10,528,503	\$ 2,205,547	\$ 1,281,450	\$ 9,071,824	\$ 46,490,063
Liabilities							
Accounts payable	\$ 159,795	\$ 52,912	\$ 109,622	\$ -	\$ 254,498	\$ 102,972	\$ 679,799
Due to other governmental units	38,491	-	-	-	-	-	38,491
Due to other funds (Note 4)	-	814	-	90,386	147,734	206,273	445,207
Refundable deposits, bonds, etc.	1,171,579	-	-	-	-	-	1,171,579
Accrued liabilities and other	211,709	93,909	118,689	-	-	7,517	431,824
Total liabilities	1,581,574	147,635	228,311	90,386	402,232	316,762	2,766,900
Deferred Inflows of Resources							
Unavailable special assessment revenue	-	-	-	-	-	1,079,217	1,079,217
Property taxes and special assessments levied for the following year	1,185,706	3,481,531	5,673,152	1,945,948	-	915,118	13,201,455
Other deferred inflows	18,270	-	-	-	-	-	18,270
Total deferred inflows of resources	1,203,976	3,481,531	5,673,152	1,945,948	-	1,994,335	14,298,942
Total liabilities and deferred inflows of resources	2,785,550	3,629,166	5,901,463	2,036,334	402,232	2,311,097	17,065,842
Fund Balances							
Nonspendable - Prepays	-	-	4,300	-	-	-	4,300
Restricted:							
Police	-	-	4,622,740	-	-	-	4,622,740
Fire	-	6,599,419	-	-	-	-	6,599,419
Debt service	-	-	-	-	-	563,065	563,065
Sewer	-	-	-	-	879,218	-	879,218
Solid waste	-	-	-	169,213	-	-	169,213
Drug law enforcement	-	-	-	-	-	120,564	120,564
Building activity	-	-	-	-	-	1,877,229	1,877,229
Parks and recreation	-	-	-	-	-	658,645	658,645
Public access programming	81,867	-	-	-	-	-	81,867
Assigned:							
Subsequent year's budget	268,958	-	-	-	-	-	268,958
Sewer debt service	-	-	-	-	-	80,151	80,151
Road improvements	2,500,000	-	-	-	-	-	2,500,000
Capital projects	5,000,000	-	-	-	-	3,461,073	8,461,073
OPEB contribution	800,000	-	-	-	-	-	800,000
Unassigned	1,737,779	-	-	-	-	-	1,737,779
Total fund balances	10,388,604	6,599,419	4,627,040	169,213	879,218	6,760,727	29,424,221
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,174,154	\$ 10,228,585	\$ 10,528,503	\$ 2,205,547	\$ 1,281,450	\$ 9,071,824	\$ 46,490,063

Charter Township of White Lake

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

December 31, 2020

Fund Balances Reported in Governmental Funds	\$ 29,424,221
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	22,619,386
Special assessments and grant revenue that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	1,097,487
Long-term receivables are not receivable in the current period and are not reported in the funds	8,272,734
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(9,158,829)
Accrued interest is not due and payable in the current period and is not reported in the funds	(93,477)
Compensated absences are not due and payable in the current period and are not reported in the funds	(135,702)
Net pension liability is not due and payable in the current period and is not reported in the funds	(10,457,855)
Net OPEB liability does not present a claim on current financial resources and is not reported as fund liabilities	(5,903,432)
Deferred outflows related to pensions are not recorded in the funds	2,334,837
Deferred outflows related to OPEB are not recorded in the funds	935,890
Deferred inflows related to pensions are not recorded in the funds	(146,348)
Deferred inflows related to OPEB are not recorded in the funds	(1,995,152)
Net Position of Governmental Activities	<u>\$ 36,793,760</u>

Charter Township of White Lake

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2020

	Special Revenue Funds						Total Governmental Funds
	General Fund	Fire Fund	Police Fund	Solid Waste Special Assessment Fund	General Sewer Fund	Nonmajor Funds	
Revenue							
Taxes	\$ 1,242,281	\$ 3,356,996	\$ 5,470,168	\$ -	\$ -	\$ 873,671	\$ 10,943,116
Special assessments	27,810	-	-	1,813,918	-	365,979	2,207,707
Intergovernmental:							
Federal grants	199,570	382,052	717,860	-	-	44,103	1,343,585
State-shared revenue and grants	3,529,431	-	3,323	-	128,952	-	3,661,706
Local grants and contributions - Operating grants	-	-	-	-	-	5,425	5,425
Charges for services	41,893	-	10,471	-	2,011,533	514,973	2,578,870
Fines and forfeitures	-	-	124,110	-	-	4,107	128,217
Licenses and permits:							
Cable franchise fees	515,300	-	-	-	-	-	515,300
Other licenses and permits	353,732	500	15,733	-	-	557,283	927,248
Interest and rentals	147,846	83,195	66,501	4,029	1,358	101,325	404,254
Other revenue	537,587	60,051	288,425	-	-	23,906	909,969
Total revenue	<u>6,595,450</u>	<u>3,882,794</u>	<u>6,696,591</u>	<u>1,817,947</u>	<u>2,141,843</u>	<u>2,490,772</u>	<u>23,625,397</u>
Expenditures							
Current:							
General government	3,869,362	385	875	-	-	3,145	3,873,767
Public safety	107,128	3,090,668	5,688,648	-	-	557,696	9,444,140
Public works	1,578,652	-	-	1,816,242	2,143,345	341,259	5,879,498
Health and welfare	184,961	-	-	-	-	-	184,961
Community and economic development	311,383	-	-	-	-	44,103	355,486
Recreation and culture	174,242	-	-	-	-	155,642	329,884
Debt service	6,636	-	-	-	-	849,819	856,455
Total expenditures	<u>6,232,364</u>	<u>3,091,053</u>	<u>5,689,523</u>	<u>1,816,242</u>	<u>2,143,345</u>	<u>1,951,664</u>	<u>20,924,191</u>
Excess of Revenue Over (Under) Expenditures	363,086	791,741	1,007,068	1,705	(1,502)	539,108	2,701,206
Other Financing Sources (Uses)							
Transfers in	400,000	-	-	-	-	500,000	900,000
Transfers out	(500,000)	-	-	-	-	(400,000)	(900,000)
Sale of capital assets	-	193,050	23,186	-	-	-	216,236
Total other financing (uses) sources	<u>(100,000)</u>	<u>193,050</u>	<u>23,186</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>216,236</u>
Net Change in Fund Balances	263,086	984,791	1,030,254	1,705	(1,502)	639,108	2,917,442
Fund Balances - Beginning of year	<u>10,125,518</u>	<u>5,614,628</u>	<u>3,596,786</u>	<u>167,508</u>	<u>880,720</u>	<u>6,121,619</u>	<u>26,506,779</u>
Fund Balances - End of year	<u><u>\$ 10,388,604</u></u>	<u><u>\$ 6,599,419</u></u>	<u><u>\$ 4,627,040</u></u>	<u><u>\$ 169,213</u></u>	<u><u>\$ 879,218</u></u>	<u><u>\$ 6,760,727</u></u>	<u><u>\$ 29,424,221</u></u>

Charter Township of White Lake

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

Year Ended December 31, 2020

Net Change in Fund Balances Reported in Governmental Funds	\$ 2,917,442
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	2,107,257
Depreciation expense	(1,109,773)
Revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end	(267,250)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	563,310
Change in accrued interest payable and other	1,677
Increases in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment	(11,629)
The change in the net pension liability is recorded when incurred in the statement of activities	(54,797)
The change in net other postemployment benefit obligations are not reported as fund liabilities	579,115
Change in deferred outflows related to pensions	(856,065)
Change in deferred outflows related to OPEB	914,118
Change in deferred inflows related to pensions	54,709
Change in deferred inflows related to OPEB	(360,385)
Change in Net Position of Governmental Activities	<u>\$ 4,477,729</u>

Charter Township of White Lake

Proprietary Fund Statement of Net Position

December 31, 2020

	Enterprise Fund - Water Fund
Assets	
Current assets:	
Cash and investments	\$ 1,861,691
Receivables:	
Special assessments receivable - Current portion	24,059
Receivables from sales to customers on account	312,198
Accrued interest receivable	3,867
Other receivables	16,258
Due from other funds (Note 4)	147,504
Prepaid expenses and other assets	992
Total current assets	<u>2,366,569</u>
Noncurrent assets:	
Restricted assets	2,366,448
Special assessment receivables - Greater than one year	170,161
Capital assets: (Note 3)	
Assets not subject to depreciation	324,596
Assets subject to depreciation - Net	8,117,701
Total noncurrent assets	<u>10,978,906</u>
Total assets	<u>13,345,475</u>
Deferred Outflows of Resources	
Deferred pension costs (Note 8)	22,626
Deferred OPEB costs (Note 9)	35,923
Total deferred outflows of resources	<u>58,549</u>
Liabilities	
Current liabilities:	
Accounts payable	20,703
Due to other funds (Note 4)	42,084
Accrued liabilities and other	15,530
Current portion of long-term debt (Note 5)	66,885
Total current liabilities	<u>145,202</u>
Noncurrent liabilities:	
Net pension liability (Note 8)	94,244
Net OPEB obligation (Note 9)	226,603
Long-term debt (Note 5)	632,904
Total noncurrent liabilities	<u>953,751</u>
Total liabilities	<u>1,098,953</u>
Deferred Inflows of Resources	
Deferred pension cost reductions (Note 8)	3,613
Deferred OPEB cost reductions	76,584
Total deferred inflows of resources	<u>80,197</u>
Net Position	
Net investment in capital assets	7,742,508
Restricted - Water operating ordinance	2,366,448
Unrestricted	2,115,918
Total net position	<u><u>\$ 12,224,874</u></u>

Charter Township of White Lake

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

Year Ended December 31, 2020

	Enterprise Fund - Water Fund
Operating Revenue	
Sale of water	\$ 1,206,968
Interest and penalty charges	10,639
Installation fees	4,275
	<hr/>
Total operating revenue	1,221,882
Operating Expenses	
Salaries and wages	153,168
Fringe benefits	179,562
Workers' compensation and general liability insurance	31,629
Other operating expenses	115,386
Utilities	86,831
Tools and supplies	107,927
Repairs and maintenance	89,971
Depreciation	379,516
	<hr/>
Total operating expenses	1,143,990
Operating Income	77,892
Nonoperating Revenue (Expense)	
Investment income	49,174
Interest expense	(18,079)
	<hr/>
Total nonoperating revenue	31,095
Income - Before capital contributions	108,987
Capital Contributions - Tap-in and recovery fees	154,602
	<hr/>
Change in Net Position	263,589
Net Position - Beginning of year	11,961,285
	<hr/>
Net Position - End of year	\$ 12,224,874

Charter Township of White Lake

Proprietary Fund Statement of Cash Flows

Year Ended December 31, 2020

	Enterprise Fund - Water Fund
Cash Flows from Operating Activities	
Receipts from customers	\$ 1,198,027
Receipts from interfund services and reimbursements	988
Payments to suppliers	(467,544)
Payments to employees and fringes	(398,912)
	<hr/>
Net cash and cash equivalents provided by operating activities	332,559
Cash Flows from Capital and Related Financing Activities	
Receipt of capital grants	6,721
Special assessment collections	28,252
Tap-in fees	147,881
Purchase of capital assets	(826,873)
Principal and interest paid on capital debt	(80,342)
	<hr/>
Net cash and cash equivalents used in capital and related financing activities	(724,361)
Cash Flows Provided by Investing Activities - Interest received on investments	<hr/> 49,731
Net Decrease in Cash and Cash Equivalents	(342,071)
Cash and Cash Equivalents - Beginning of year	<hr/> 4,570,210
Cash and Cash Equivalents - End of year	<u><u>\$ 4,228,139</u></u>
Classification of Cash and Cash Equivalents	
Cash and investments	\$ 1,861,691
Restricted cash	2,366,448
	<hr/>
Total cash and cash equivalents	<u><u>\$ 4,228,139</u></u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ 77,892
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation and amortization	379,516
Changes in assets and liabilities:	
Receivables	(23,855)
Due to and from other funds	988
Prepaid and other assets	(992)
Net pension or OPEB liability	(62,936)
Accounts payable	(40,511)
Accrued and other liabilities	2,457
	<hr/>
Total adjustments	254,667
	<hr/>
Net cash and cash equivalents provided by operating activities	<u><u>\$ 332,559</u></u>

Charter Township of White Lake

**Fiduciary Funds
Statement of Fiduciary Net Position**

December 31, 2020

	<u>Other Postemployment Benefits Fund</u>	<u>Custodial Funds</u>	<u>Total Fiduciary Funds</u>
Assets			
Cash and cash equivalents	\$ -	\$ 996,827	\$ 996,827
Interest in pooled investments (Note 2)	<u>5,528,766</u>	<u>-</u>	<u>5,528,766</u>
Total assets	5,528,766	996,827	6,525,593
Liabilities			
Due to other governmental units	-	5,151	5,151
Refundable deposits, bonds, etc.	-	19,548	19,548
Unremitted tax collections	<u>-</u>	<u>423,019</u>	<u>423,019</u>
Total liabilities	<u>-</u>	<u>447,718</u>	<u>447,718</u>
Net Position			
Restricted:			
Postemployment benefits other than pension (Note 2)	5,528,766	-	5,528,766
Individuals, organizations, and other governments	<u>-</u>	<u>549,109</u>	<u>549,109</u>
Total net position	<u><u>\$ 5,528,766</u></u>	<u><u>\$ 549,109</u></u>	<u><u>\$ 6,077,875</u></u>

Charter Township of White Lake

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2020

	Other Postemployment Benefits Fund	Custodial Funds	Total Fiduciary Funds
Additions			
Investment income	\$ 681,347	\$ -	\$ 681,347
Contributions	1,321,701	344,410	1,666,111
Property tax collections	-	33,708,447	33,708,447
Total additions	2,003,048	34,052,857	36,055,905
Deductions			
Benefit payments	531,701	-	531,701
Administrative expenses	8,133	15,755	23,888
Repairs and maintenance	-	370,485	370,485
Tax payments to other governments	-	33,708,447	33,708,447
Total deductions	539,834	34,094,687	34,634,521
Net Increase (Decrease) in Fiduciary Net Position	1,463,214	(41,830)	1,421,384
Net Position - Beginning of year	4,065,552	590,939	4,656,491
Net Position - End of year	\$ 5,528,766	\$ 549,109	\$ 6,077,875

December 31, 2020

Note 1 - Significant Accounting Policies

Reporting Entity

The Charter Township of White Lake (the "Township") is governed by an elected seven-member board of trustees. The accompanying financial statements present the Township and its blended component unit, an entity for which the Township is considered to be financially accountable. Blended component units are, in substance, part of the Township's operations, even though they are separate legal entities. Thus, blended component units are appropriately presented as funds of the Township. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Township.

Blended Component Unit

The Township Building Authority is governed by a board appointed by the Township's governing body. Although it is legally separate from the Township, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the Township's public buildings.

Discretely Presented Component Unit

Other Postemployment Benefits Fund

For the Other Postemployment Benefits Fund, management of the OPEB plan is vested in the pension board, which consists of seven members - three elected by plan members, three appointed by the Township, and the township treasurer, who serves as an ex officio member. Although it is legally separate from the Township, it is reported as a fiduciary component unit because the Township appoints a voting majority to the pension board and the plan imposes a financial burden on the Township.

Jointly Governed Organization

In January 2020, the Township entered into a joint venture with the Charter Township of Highland and the Charter Township of Waterford to create the Western Oakland Transportation Authority (WOTA). The purpose of WOTA is to provide defined and beneficial transportation services to eligible persons in the service area. WOTA is governed by a three-member board with one member appointed by the respective underlying legislative body of each participating municipality for four year terms. The board of WOTA is required to prepare, approve and submit an annual budget to the governing body of each municipality by July 1 of each fiscal year.

During the year ended December 31, 2020, the Township's contribution to WOTA was \$185,000.

All parties have contributed to the cost of WOTA and share in its ownership on a percentage basis. The majority of WOTA's capital assets were purchased with federal and state funds, so any income from the sale of these assets would revert to those agencies.

The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future.

Note 1 - Significant Accounting Policies (Continued)

Accounting and Reporting Principles

The Township follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the Township:

Fund Accounting

The Township accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the Township to show the particular expenditures for which specific revenue is used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The Township reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Fire Fund is used by the Township to account for the assets and operation of the fire department that are financed primarily by dedicated property taxes.
- The Police Fund is used by the Township to account for the assets and operation of the police department that are financed primarily by dedicated property taxes.
- The Solid Waste Special Assessment Fund is a special revenue fund used to account for the collection of special assessments and the payment for the disposal of the Township's solid waste.
- The General Sewer Fund is a special revenue fund used to account for the assets and operation of the sewer system.

Proprietary Funds

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

- The Water Fund accounts for the operation, maintenance, and distribution of the water system.

Fiduciary Funds

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

- The Other Postemployment Benefits Fund accumulates resources for future retiree health care payments to retirees.
- The Tax Collection Fund collects taxes on behalf of all the taxing authorities (state, county, school district, township, and the various smaller authorities) and remits the taxes to each authority.
- Various escrow funds for township lakes receive contributions for the maintenance of these lakes.

Note 1 - Significant Accounting Policies (Continued)

Interfund Activity

During the course of operations, the Township has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the Township has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

Note 1 - Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between the Township's water function and various other functions. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

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

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments

Investments are reported at fair value or estimated fair value. Pooled investment income from the General Fund is generally allocated to each fund using a weighted average.

Receivables and Payables

In general, outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances. All trade and property tax receivables are considered fully collectible by the Township. No provision has been made in the financial statements for noncollection.

Library Receivable

During 2018, the Township issued debt on behalf of the White Lake Township Library (the "Library") to construct a new library facility. The Township is collecting a debt millage on behalf of the Library, which will be used to pay the debt principal and interest payments as they come due. Since the building is an asset of the Library, the Township will record a receivable from the Library until the debt is paid off. Payments on the Library debt began on March 1, 2020 and are due annually through March 1, 2038.

Restricted Assets

Certain township ordinances require amounts to be set aside for debt service principal and interest, operations and maintenance, and improvements and replacement of the water system. These amounts, which consist of cash and investments, have been classified as restricted assets.

Note 1 - Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, drains, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

	<u>Depreciable Life - Years</u>
Water system	50
Sewer system	50
Machinery and equipment	5-20
Buildings and improvements	5-20
Furniture and equipment	5-20
Vehicles	5-12

Long-term Obligations

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

The Township reports deferred outflows of resources related to the defined benefit pension plan and the OPEB plan. The deferred outflows of resources related to pension and OPEB are reported in the government-wide financial statements and the Water Fund. Details of the deferred outflows of resources related to pension and OPEB can be found in Notes 8 and 9.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

Note 1 - Significant Accounting Policies (Continued)

The Township reports deferred inflows related to property taxes levied for the following year. The governmental funds also report unavailable revenue from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. There are deferred inflows of resources related to the defined benefit pension plan and the OPEB plan. The deferred inflows of resources related to pension are reported in the government-wide financial statements and the Water Fund. Details of the deferred inflows of resources related to pension and OPEB can be found in Notes 8 and 9.

Net Position

Net position of the Township is classified in three components. Net investment in capital assets - net of related debt consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted net position is further classified as expendable and nonexpendable. Expendable restricted net position has been limited for use by donors and as held in trust for debt service and self-insured professional liability. Nonexpendable restricted net position has been restricted by donors to be maintained in perpetuity. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. In the fund financial statements, governmental funds report the following components of fund balance:

- *Nonspendable* - Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- *Restricted* - Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose
- *Committed* - Amounts that have been formally set aside by the township board of trustees for use for specific purposes. Commitments are made and can be rescinded only via resolution of the board of trustees.

December 31, 2020

Note 1 - Significant Accounting Policies (Continued)

- *Assigned* - Intent to spend resources on specific purposes expressed by the township board as a whole or the supervisor, treasurer, and clerk, who are authorized by resolution approved by the township board to make assignments
- *Unassigned* - Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes 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, committed, or assigned to those purposes.

Property Tax Revenue

Property taxes are levied on each December 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed. Unpaid property taxes become a lien on the property on March 1 of the second year following the year of the levy.

The Township's 2020 property tax revenue was levied and collectible on December 1, 2019 and is recognized as revenue in the year ended December 31, 2020 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2019 taxable valuation of the Township totaled \$1.2 billion, on which taxes levied consisted of 0.9459 mills for operating purposes, 4.6026 mills for police services, 2.8247 mills for fire service, 0.4431 mills for library debt, and 0.2963 mills for parks and recreation. This resulted in \$1.1 million for operating, \$5.5 million for police services, \$3.4 million for fire service, \$0.5 million for library debt, and \$0.4 million for parks and recreation. These amounts are recognized in the respective General Fund and special revenue fund financial statements as property tax revenue.

A provision has been recorded for potential refunds related to disputed taxable values and potential chargebacks from Oakland County, Michigan.

Pension

The Township offers a defined benefit pension plan to its employees through the Municipal Employees' Retirement System of Michigan (MERS). The Township records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Township's pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General, Police, Fire, and Water funds will be used to liquidate the net pension liability, based on whichever fund an employee or retiree is assigned and to which fund the employee's pension costs are charged.

Note 1 - Significant Accounting Policies (Continued)

Other Postemployment Benefit Costs

The Township offers retiree health care benefits to retirees. The Township records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Township's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The obligation is liquidated from the General, Police, Fire, and Water funds.

Compensated Absences (Sick Leave)

It is the Township's policy to permit police employees to accumulate earned but unused sick pay benefits. Upon meeting all requirements for full retirement, an employee will be entitled to 50 percent with a 100-day cap (maximum payment of 50 days) of his or her sick day bank. Upon favorable separation, with a minimum of 10 years of service, an employee is entitled to a 30 percent payout with a 100-day cap (maximum payment of 30 days). A liability for these amounts is reported in governmental funds only when they have matured or come due for payment - generally when an individual's employment has terminated as of year end. Compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water Fund is charges to customers for sales and services. The Water Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

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

December 31, 2020

Note 1 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Township's financial statements for the year ended December 31, 2020 but were extended to December 31, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement are effective for the Township's financial statements for the December 31, 2020 fiscal year but were extended to December 31, 2021 with the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The Township does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

Note 2 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

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

Note 2 - Deposits and Investments (Continued)

The Township has designated three banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all of the allowable vehicles mentioned above, except repurchase agreements.

The Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$9,176,900 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Township believes that, due to the dollar amounts of cash deposits and the limits of Federal Deposit Insurance Corporation (FDIC) insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity.

At year end, the Township had the following investments:

Investment	Fair Value	Weighted-average Maturity (Days)
Primary Government		
Oakland County Local Government Investment Pool	\$ 16,936,563	333
Investment	Carrying Value	Weighted-average Maturity (Years)
Fiduciary Funds		
MERS Total Market Portfolio	\$ 5,528,766	N/A

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary Government			
Oakland County Local Government Investment Pool	\$ 16,936,563	N/A	N/A

December 31, 2020

Note 2 - Deposits and Investments (Continued)

Investment	Carrying Value	Rating	Rating Organization
Fiduciary Funds			
MERS Total Market Portfolio	\$ 5,528,766	N/A	N/A

Fair Value Measurements

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Township’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Township has a fair value measurement in the Oakland County Local Government Investment Pool (LGIP) as of December 31, 2020. The Township's investment in the Oakland County LGIP (\$16,936,563) and the MERS Total Market Portfolio (\$5,528,766) are measured at net asset value (NAV).

The valuation method for investments measured at net asset value per share (or its equivalent) is presented in the table below.

Investments in Entities That Calculate Net Asset Value per Share

The Township holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At December 31, 2020, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Oakland County Local Government Investment Pool	\$ 16,936,563	\$ -	None	N/A
MERS Total Market Portfolio	5,528,766	-	None	N/A

The Oakland County LGIP is not registered with the Securities and Exchange Commission (SEC) and does not issue a separate report. The pool does not meet the requirements under GASB Statement No. 79 to report its value for financial reporting purposes at amortized costs. Accordingly, the investment is reported at fair value. The fair value of the position in the pool is not the same as the value of the pool shares because the pool redeems shares at \$1 per share regardless of current fair value.

The Oakland County LGIP invests assets in a manner that will seek the highest investment return consistent with the preservation of principal and meet the daily liquidity needs of participants.

The MERS Total Market Portfolio is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. The Municipal Employees' Retirement System (MERS) manages the asset allocation and monitors the underlying investment managers of the MERS Total Market Portfolio.

December 31, 2020

Note 3 - Capital Assets

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

Governmental Activities

	Balance January 1, 2020	Reclassifications	Additions	Disposals	Balance December 31, 2020
Capital assets not being depreciated:					
Land	\$ 4,462,300	\$ -	\$ -	\$ -	\$ 4,462,300
Construction in progress	230,576	(230,576)	71,137	-	71,137
Subtotal	4,692,876	(230,576)	71,137	-	4,533,437
Capital assets being depreciated:					
Sewer system	16,182,557	-	253,546	-	16,436,103
Buildings and improvements	6,490,685	230,576	1,559,769	(91,121)	8,189,909
Vehicles	4,798,741	-	178,480	(836,560)	4,140,661
Furniture and equipment	1,879,753	-	44,325	(63,209)	1,860,869
Subtotal	29,351,736	230,576	2,036,120	(990,890)	30,627,542
Accumulated depreciation:					
Sewer system	4,881,432	-	331,167	-	5,212,599
Buildings and improvements	3,194,864	-	274,348	(91,121)	3,378,091
Vehicles	3,108,464	-	378,461	(836,560)	2,650,365
Furniture and equipment	1,237,950	-	125,797	(63,209)	1,300,538
Subtotal	12,422,710	-	1,109,773	(990,890)	12,541,593
Net capital assets being depreciated	16,929,026	230,576	926,347	-	18,085,949
Net governmental activities capital assets	<u>\$ 21,621,902</u>	<u>\$ -</u>	<u>\$ 997,484</u>	<u>\$ -</u>	<u>\$ 22,619,386</u>

Business-type Activities

	Balance January 1, 2020	Additions	Disposals and Adjustments	Balance December 31, 2020
Capital assets not being depreciated:				
Land	\$ 253,080	\$ -	\$ -	\$ 253,080
Construction in progress	92,873	55,615	(76,972)	71,516
Subtotal	345,953	55,615	(76,972)	324,596
Capital assets being depreciated:				
Water system	15,106,036	848,230	(86,958)	15,867,308
Machinery and equipment	504,935	-	-	504,935
Subtotal	15,610,971	848,230	(86,958)	16,372,243
Accumulated depreciation:				
Water system	7,811,231	316,852	(86,958)	8,041,125
Machinery and equipment	150,753	62,664	-	213,417
Subtotal	7,961,984	379,516	(86,958)	8,254,542
Net capital assets being depreciated	7,648,987	468,714	-	8,117,701
Net business-type activities capital assets	<u>\$ 7,994,940</u>	<u>\$ 524,329</u>	<u>\$ (76,972)</u>	<u>\$ 8,442,297</u>

December 31, 2020

Note 3 - Capital Assets (Continued)

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

Governmental activities:		
General government	\$	109,380
Public safety		484,399
Public works		426,455
Economic development		17,247
Health and welfare		4,698
Recreation and culture		67,594
		<u>1,109,773</u>
Total governmental activities	\$	<u>1,109,773</u>
Business-type activities - Water	\$	<u>379,516</u>

Note 4 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water Fund	\$ 42,084
	Solid Waste Special Assessment Fund	90,386
	Fire Fund	814
	General Sewer Fund	230
	Nonmajor governmental funds	<u>29,711</u>
	Total General Fund	163,225
General Sewer Fund	Nonmajor governmental funds	45,738
Nonmajor governmental funds	Nonmajor governmental funds	130,824
Water Fund	General Sewer Fund	<u>147,504</u>
	Total	<u>\$ 487,291</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. In addition, several funds do not have separate bank accounts, and, therefore, the General Fund holds its respective cash and investments.

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	\$ 500,000
Nonmajor governmental funds	General Fund	400,000

The transfer from the General Fund to the Improvement Revolving Fund occurred to set funds aside for future township projects. The transfer from the Sewer Debt Fund the General Fund occurred in order to repay the General Fund for amounts transferred in previous years.

December 31, 2020

Note 5 - Long-term Debt

Long-term debt activity for the year ended December 31, 2020 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Direct borrowings and direct placements:							
Oakland County Revolving Fund:							
Amount of issue - \$148,000							
Maturing through 2025	5.00%	\$14,800	\$ 103,600	\$ -	\$ (14,800)	\$ 88,800	\$ 14,800
General obligation bonds - 2002 Pontiac Lake Sanitary System:							
Amount of issue - \$4,121,112							
Maturing through 2022	2.50%	\$205,000-\$270,000	790,000	-	(255,000)	535,000	265,000
Capital leases - 2019 Copiers:							
Amount of issue - \$17,600							
Maturing through 2022	8.18%	\$5,395-\$6,351	17,600	-	(5,395)	12,205	5,854
Total direct borrowings and direct placements principal outstanding			911,200	-	(275,195)	636,005	285,654
Other debt:							
2016 Special Assessment Bonds:							
Amount of issue - \$390,907							
Maturing through 2026	3.00%	\$29,645-\$43,500	285,046	-	(38,115)	246,931	38,115
2018 Library Building Construction Bond:							
Amount of issue - \$8,600,000							
Maturing through 2038	3.00%-3.50%	\$250,000-\$675,000	8,600,000	-	(250,000)	8,350,000	275,000
Discount on bonds payable			(76,326)	-	2,219	(74,107)	(2,442)
Total other debt principal outstanding			8,808,720	-	(285,896)	8,522,824	310,673
Total direct borrowings and other debt principal outstanding			9,719,920	-	(561,091)	9,158,829	596,327
Accumulated compensated absences			124,060	20,056	(8,414)	135,702	27,140
Total governmental activities long-term debt			<u>\$ 9,843,980</u>	<u>\$ 20,056</u>	<u>\$ (569,505)</u>	<u>\$ 9,294,531</u>	<u>\$ 623,467</u>

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Direct borrowings and direct placements -							
Drinking Water Revolving Fund:							
Amount of issue - \$1,152,000							
Maturing through 2030	2.50%	\$55,000-\$75,000	\$ 710,000	\$ -	\$ (55,000)	\$ 655,000	\$ 60,000
Other debt - 2016 Special Assessment - Bonds:							
Amount of issue - \$70,812							
Maturing through 2026	3.00%	\$6,885-\$8,082	51,674	-	(6,885)	44,789	6,885
Total business-type activities long-term debt			<u>\$ 761,674</u>	<u>\$ -</u>	<u>\$ (61,885)</u>	<u>\$ 699,789</u>	<u>\$ 66,885</u>

Note 5 - Long-term Debt (Continued)

General Obligation Bonds and Contracts

The Township issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligations have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. Township contractual agreements and installment purchase agreements are also general obligations of the Township.

Special Assessment Bonds

Special assessment debt provide for capital improvements that benefit specific properties and will be repaid from amounts levied against those properties benefited from the construction. As additional security, the Township has pledged either its limited or full faith and credit for the payment of the principal and interest thereon.

Debt Service Requirements to Maturity

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

Years Ending December 31	Governmental Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2021	\$ 285,654	\$ 11,611	\$ 310,673	\$ 267,439	\$ 875,377
2022	291,151	4,280	310,674	258,427	864,532
2023	14,800	474	339,687	248,998	603,959
2024	14,800	328	339,687	238,939	593,754
2025	14,800	182	438,800	227,168	680,950
2026-2030	14,800	-	2,719,674	1,078,617	3,813,091
Thereafter	-	-	4,063,629	520,501	4,584,130
Total	\$ 636,005	\$ 16,875	\$ 8,522,824	\$ 2,840,089	\$ 12,015,793

Years Ending December 31	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2021	\$ 60,000	\$ 15,626	\$ 6,885	\$ 1,048	\$ 83,559
2022	60,000	14,125	6,885	910	81,920
2023	60,000	12,625	7,650	765	81,040
2024	65,000	11,063	7,650	574	84,287
2025	65,000	9,438	7,650	344	82,432
2026-2030	345,000	22,188	8,069	115	375,372
Thereafter	-	-	-	-	-
Total	\$ 655,000	\$ 85,065	\$ 44,789	\$ 3,756	\$ 788,610

Assets Pledged as Collateral

Direct Borrowings and Direct Placements

The Township's outstanding capital lease debt from direct borrowings related to governmental activities of \$12,205 is secured with collateral of the township copiers.

Note 6 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for medical benefits provided to employees, participates in the Michigan Municipal League risk pool for claims relating to workers' compensation, and participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to property loss, torts, and errors and omissions. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

Note 7 - Defined Contribution Pension Plan

The Township provides pension benefits to all paid on-call fire fighters through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from six months after the date of employment. As established by the township board, contributions are calculated on employee base salary at a rate of 10 percent. The employee is also allowed to make voluntary after-tax contributions through payroll withholding in amounts ranging from 1 to 10 percent of base wages. The plan is administered by John Hancock Retirement Plan Services.

The Township's total payroll during the current year was \$6,888,341. The current year contribution was calculated based on covered payroll of \$74,325, resulting in an employer contribution of \$7,432 and employee contributions of \$697.

Note 8 - Pension Plan

Plan Description

The Township participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS or MERS of Michigan) that covers all employees of the Township. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmichigan.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

The MERS plan covers all union and nonunion employees segregated by the groups as outlined below.

Retirement benefits for general employees (hired on or before September 1, 2011) are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Note 8 - Pension Plan (Continued)

Retirement benefits for general employees (hired after September 1, 2011) are calculated as 1.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for police employees (hired on or before September 1, 2011) are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for police patrol employees (hired after September 1, 2011) are calculated as 2.25 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for fire employees (hired on or before September 1, 2011) are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 55 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for fire employees (hired after September 1, 2011) are calculated as 2.25 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 55 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for public safety employees are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service. Vesting period is 8 years. Employees are eligible for nonduty disability benefits after 8 years of service and for duty-related disability benefits, upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for command employees are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

December 31, 2020

Note 8 - Pension Plan (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	December 31, 2019
Inactive plan members or beneficiaries currently receiving benefits	52
Inactive plan members entitled to but not yet receiving benefits	12
Active plan members	83
	147
Total employees covered by the plan	147

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For general employees (hired on or before September 1, 2011), the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 7.40 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current flat rate is \$13,281 per month.

For general employees (hired after September 1, 2011), the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 5.00 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 3.99 percent of annual covered payroll.

For police employees (hired on or before September 1, 2011), the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 6.25 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current flat rate is \$18,378 per month.

For police patrol employees (hired after September 1, 2011), the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 6.25 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 5.50 percent of annual covered payroll.

For fire employees (hired on or before September 1, 2011), the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 5.00 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current flat rate is \$11,468 per month.

For fire employees (hired after September 1, 2011), the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 5.00 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 5.79 percent of annual covered payroll.

December 31, 2020

Note 8 - Pension Plan (Continued)

For public safety employees, the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 9.60 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 47.33 percent of annual covered payroll.

For command employees, the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 6.25 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 25.93 percent of annual covered payroll.

Net Pension Liability

The net pension liability reported at December 31, 2020 was determined using a measure of the total pension liability and the pension net position as of the December 31, 2019 measurement date. The December 31, 2019 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2018	\$ 32,797,265	\$ 22,287,358	\$ 10,509,907
Changes for the year:			
Service cost	660,190	-	660,190
Interest	2,578,764	-	2,578,764
Differences between expected and actual experience	35,833	-	35,833
Changes in assumptions	1,070,637	-	1,070,637
Contributions - Employer	-	982,303	(982,303)
Contributions - Employee	-	358,604	(358,604)
Net investment income	-	3,014,284	(3,014,284)
Benefit payments, including refunds	(1,785,640)	(1,785,640)	-
Administrative expenses	-	(51,959)	51,959
Net changes	2,559,784	2,517,592	42,192
Balance at December 31, 2019	<u>\$ 35,357,049</u>	<u>\$ 24,804,950</u>	<u>\$ 10,552,099</u>

The plan's fiduciary net position represents 70.2 percent of the total pension liability.

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

For the year ended December 31, 2020, the Township recognized pension expense of \$1,931,705.

December 31, 2020

Note 8 - Pension Plan (Continued)

At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 110,735	\$ (149,961)
Changes in assumptions	1,071,491	-
Net difference between projected and actual earnings on pension plan investments	96,916	-
Employer contributions to the plan subsequent to the measurement date	1,078,321	-
Total	\$ 2,357,463	\$ (149,961)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$1,078,321), which will impact the net pension liability, rather than pension expense.

Years Ending December 31	Amount
2021	\$ 379,270
2022	269,971
2023	508,879
2024	(28,939)
Total	\$ 1,129,181

Actuarial Assumptions

The total pension liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return (net of investment expenses)	7.60%

Mortality rates were based on a 50 percent male and 50 percent female blend of the following tables:

- The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent
- The RP-2014 Employee Mortality Tables
- The RP-2014 Juvenile Mortality Tables

For disabled retirees, the mortality rates were based on the 50 percent male - 50 percent female blend of the RP-2014 Disabled Retiree Mortality Tables.

Discount Rate

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

December 31, 2020

Note 8 - Pension Plan (Continued)

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2019, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	6.15 %
Global fixed income	20.00	1.26
Private investments	20.00	6.56

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Township, calculated using the discount rate of 7.60 percent, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.60%)	Current Discount Rate (7.60%)	1 Percentage Point Increase (8.60%)
Net pension liability of the Township	\$ 14,836,880	\$ 10,552,099	\$ 6,963,063

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Assumption Changes

In the fiscal year ended December 31, 2020 (December 31, 2019 valuation), there were assumption changes that resulted in an increase in the calculated total pension liability. The assumptions changed during the year related to the investment rate of return.

Note 9 - Other Postemployment Benefit Plan

Plan Description

The Township provides retiree health benefits to employees who meet eligibility requirements. This is a single-employer plan administered by the Township.

December 31, 2020

Note 9 - Other Postemployment Benefit Plan (Continued)

Employees become eligible at the earlier of the following requirements:

For Michigan Association of Public Employees (MAPE) and nonunion, there are no retiree health benefits for employees hired on or after October 1, 2008. For MAPE employees hired prior to October 1, 2008, employees must have attained the age of 50 with 25 years of service or the age of 60 with 10 years of service.

For house elected officials, supervisor, treasurer, and clerk, all employees are eligible at the earlier of age 50 with 25 years of service or the age of 60 with 8 years of service.

For police patrol and police command, there are no retiree health benefits for employees hired on or after January 1, 2010. For police patrol and command employees hired prior to January 1, 2010, employees must have attained the age of 50 with 25 years of service or the age of 60 with 10 years of service.

For fire, there are no retiree health benefits for employees hired on or after January 1, 2010. For fire employees hired prior to January 1, 2010, employees must have attained the age of 55 with 25 years of service or the age of 60 with 10 years of service.

The financial statements of the OPEB plan are included in these financial statements as an Other Postemployment Benefits Fund (a fiduciary fund).

Benefits Provided

The Township provides medical/RX and vision benefits for retirees. All pre-65 health plans are fully insured and experience rated with a self-insured WRAP premium included to buy down the deductible. Post-65 health plans are fully insured through Blue Cross Blue Shield (BCBS).

For house elected officials, supervisor, treasurer, and clerk employees, as well as general employees, MAPE employees, and other full-time nonunion employees hired prior to October 1, 2008, the Township pays the full cost of employee only coverage for medical/RX and vision benefits. For house elected officials, supervisor, treasurer, and clerk employees, spousal coverage is paid by the Township. For all others (general, MAPE, and nonunion), spousal and family coverage may be purchased at the retiree's own expense.

For police and fire employees hired prior to January 1, 2010, the Township pays the full cost of employee and spouse coverage for medical/RX and vision benefits. Police and fire employees hired on/after January 1, 2010 are not allowed to continue health coverage with the Township. Family coverage may be purchased at the retiree's own expense.

For employees hired on or after the cutoff dates listed above, the employer contributes 3.50 percent of employee base pay for police and fire employees and \$100 monthly for all other employees into a Health Care Savings Program (HCSP) account while actively employed. Police and fire employees also contribute a mandatory 3.00 percent of employee base pay into the account. As such, these employees are excluded from the calculation of the annual required contribution and net other postemployment benefit (OPEB) obligation described below.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	Township OPEB Plan
Date of member count	December 31, 2020
Inactive plan members or beneficiaries currently receiving benefits	43
Active plan members	41
	<hr/>
Total plan members	84
	<hr/> <hr/>

December 31, 2020

Note 9 - Other Postemployment Benefit Plan (Continued)

Contributions

Retiree health care costs are paid by the Township on a "pay-as-you-go" basis. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment. Additional prefunding is at the Township's discretion. For the fiscal year ended December 31, 2020, the Township made payments for postemployment health benefit premiums of \$531,701. The Township also began to prefund the postemployment retiree health care liability in 2015, with payments totaling \$790,000 during the fiscal year ended December 31, 2020. Employees are not required to contribute to the plan.

Net OPEB Liability

The Township has chosen to use the December 31 measurement date as its measurement date for the net OPEB liability. The December 31, 2020 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2020 measurement date. The December 31, 2020 total OPEB liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at December 31, 2019	\$ 10,809,447	\$ 4,065,552	\$ 6,743,895
Changes for the year:			
Service cost	150,951	-	150,951
Interest	829,212	-	829,212
Differences between expected and actual experience	(894,858)	-	(894,858)
Changes in assumptions	1,295,750	-	1,295,750
Contributions - Employer	-	1,321,701	(1,321,701)
Net investment income	-	681,347	(681,347)
Benefit payments, including refunds	(531,701)	(531,701)	-
Administrative expenses	-	(8,133)	8,133
Net changes	849,354	1,463,214	(613,860)
Balance at December 31, 2020	\$ 11,658,801	\$ 5,528,766	\$ 6,130,035

The plan's fiduciary net position represents 47.4 percent of the total OPEB liability.

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

For the year ended December 31, 2020, the Township recognized OPEB expense of \$129,740.

December 31, 2020

Note 9 - Other Postemployment Benefit Plan (Continued)

At December 31, 2020, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (1,350,912)
Changes in assumptions	971,813	(454,015)
Net difference between projected and actual earnings on OPEB plan investments	-	(266,809)
Total	<u>\$ 971,813</u>	<u>\$ (2,071,736)</u>

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

Years Ending December 31	Amount
2021	\$ (513,179)
2022	(513,179)
2023	(6,371)
2024	(67,194)
Total	<u>\$ (1,099,923)</u>

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 3.00 percent; an investment rate of return (net of investment expenses) of 7.75 percent; a health care cost trend rate of 8.00 percent for 2020, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2027 and later years; and the SOA Pub-2010 Headcount Weighted Mortality Table fully generational using Scale MP-2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

December 31, 2020

Note 9 - Other Postemployment Benefit Plan (Continued)

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the December 31, 2020 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	6.15 %
Global fixed income	20.00	1.26
Private investments	20.00	6.56

Rates of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 13.35 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Township, calculated using the discount rate of 7.75 percent, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.75%)	Current Discount Rate (7.75%)	1 Percentage Point Increase (8.75%)
Net OPEB liability of the township OPEB plan	\$ 7,618,803	\$ 6,130,035	\$ 4,898,182

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

The following presents the net OPEB liability of the Township, calculated using the health care cost trend rate of 8.00 percent, as well as what the Township's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (7.00%)	Current Health Care Cost Trend Rate (8.00%)	1 Percentage Point Increase (9.00%)
Net OPEB liability of the township OPEB plan	\$ 4,847,182	\$ 6,130,035	\$ 7,681,010

December 31, 2020

Note 9 - Other Postemployment Benefit Plan (Continued)

OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is not available in a separately issued financial report. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Assumption Changes

- The mortality tables used was updated from the SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 to the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020.
- The health care trend rates have been updated to an initial rate of 8.00 percent decreasing by 0.50 percent annually to an ultimate rate of 4.50 percent.

Note 10 - Defined Contribution OPEB Plan

The Township offers a defined contribution OPEB plan as an alternative to the defined benefit OPEB plan upon closing of that plan in various years (see Note 9). The Township's board of trustees has authority over the plan provisions and contribution requirements and the plan is administered by Municipal Employees' Retirement System of Michigan.

All employees are eligible to participate in this plan, if not participating in the defined benefit plan. There is no required retirement age. The vesting period is 10 years for general, union, and nonunion employees and seven years for police and fire employees. Once fully vested and upon separation of employment, funds become available for reimbursement of eligible medical expenses incurred by the employee, spouse, and legal dependents. In the event of the employee's death, if there is no spouse or legal dependents, or in the event of the death of the employee's spouse or legal dependents, a named beneficiary may use the funds for reimbursement of their medical expenses.

All forfeited funds revert to the Township. If an employee returns to employment at the Township within two years of termination, the forfeited funds are reinstated.

The Township's contributions for the year ended December 31, 2020 were \$77,052.

Note 11 - Tax Abatements

In 2016, the Township entered into an agreement for a seven-year tax abatement with a development company. In turn, the development company will redevelop, mitigate ground fuel contamination, and bring in water and sewer utilities to 6.25 acres of property located within the Township.

For the fiscal year ended December 31, 2020, the Township's property tax revenue was reduced by \$8,670 under this program. The estimated amount of abated property taxes for the seven-year period is \$127,399.

Note 12 - Subsequent Events

On May 27, 2021, the American Rescue Plan Act was approved, and the Township is estimated to receive almost \$3,100,000 under the plan. The Township will have until 2024 to spend the funds on allowable expenditures.

Required Supplemental Information

Charter Township of White Lake

Required Supplemental Information Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Tax collections	\$ 1,155,685	\$ 1,155,685	\$ 1,178,694	\$ 23,009
Other license and permits	2,300	2,300	1,817	(483)
Transportation	75,934	75,934	3,661	(72,273)
Planning and development revenue	18,100	18,100	23,320	5,220
State-shared revenue and grants	3,250,000	3,268,968	3,680,330	411,362
Fees for service	718,275	718,275	864,554	146,279
Ordinance fees	-	-	730	730
Rents	18,000	18,000	15,901	(2,099)
Miscellaneous	104,290	1,019,290	826,443	(192,847)
Total revenue	5,342,584	6,276,552	6,595,450	318,898
Expenditures				
Township board	140,886	142,736	114,642	28,094
Supervisor	334,458	356,438	278,272	78,166
Elections	149,740	234,790	210,382	24,408
Accounting department	206,005	218,525	213,833	4,692
Assessing	375,522	428,232	359,796	68,436
Legal fees	142,500	152,500	104,138	48,362
Clerk	445,543	479,693	454,580	25,113
Board of review	2,425	2,425	1,907	518
Postage and mailing	38,750	50,750	44,391	6,359
Office supplies	30,000	40,000	43,117	(3,117)
Treasurer	454,591	456,691	440,808	15,883
Township hall and grounds	747,819	1,380,444	870,204	510,240
Cemetery	53,500	68,500	55,811	12,689
Other township properties	28,910	102,560	89,595	12,965
Health and welfare	12,000	12,000	9,373	2,627
Unallocated miscellaneous	15,000	15,000	18,468	(3,468)
Planning and community development	392,705	398,055	311,383	86,672
Ordinance	112,755	117,505	107,128	10,377
Highway and streets	1,599,000	1,613,100	1,578,652	34,448
Storm and sewer	-	-	-	-
Transportation services	185,000	185,115	184,961	154
Senior/Community center	226,992	229,542	174,242	55,300
Long-term sick pay/retiree health care	390,000	390,000	355,344	34,656

Charter Township of White Lake

Required Supplemental Information Budgetary Comparison Schedule – General Fund (Continued)

	Year Ended December 31, 2020			
	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Payroll services	29,000	29,000	22,660	6,340
Other general services	<u>16,450</u>	<u>317,390</u>	<u>188,677</u>	<u>128,713</u>
Total expenditures	<u>6,129,551</u>	<u>7,420,991</u>	<u>6,232,364</u>	<u>1,188,627</u>
Excess of Revenue (Under) Over Expenditures	(786,967)	(1,144,439)	363,086	1,507,525
Other Financing Sources (Uses)				
Transfers in	-	-	400,000	400,000
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Total other financing (uses) sources	<u>(500,000)</u>	<u>(500,000)</u>	<u>(100,000)</u>	<u>400,000</u>
Net Change in Fund Balance	(1,286,967)	(1,644,439)	263,086	1,907,525
Fund Balance - Beginning of year	<u>10,125,518</u>	<u>10,125,518</u>	<u>10,125,518</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 8,838,551</u>	<u>\$ 8,481,079</u>	<u>\$ 10,388,604</u>	<u>\$ 1,907,525</u>

Charter Township of White Lake

Required Supplemental Information Budgetary Comparison Schedule – Major Special Revenue Funds Fire Fund

	Year Ended December 31, 2020			
	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Fire revenue	\$ 3,371,488	\$ 3,576,014	\$ 3,882,794	\$ 306,780
Expenditures				
Salaries	1,735,763	1,866,063	1,811,225	54,838
Payroll-related benefits	1,006,730	1,011,410	914,145	97,265
Other	476,850	488,850	309,985	178,865
Acquisitions	300,000	300,000	55,698	244,302
Total expenditures	<u>3,519,343</u>	<u>3,666,323</u>	<u>3,091,053</u>	<u>575,270</u>
Excess of Revenue (Under) Over Expenditures	(147,855)	(90,309)	791,741	(882,050)
Other Financing Sources - Sale of capital assets	<u>-</u>	<u>-</u>	193,050	(193,050)
Net Change in Fund Balance	(147,855)	(90,309)	984,791	1,075,100
Fund Balance - Beginning of year	<u>5,614,628</u>	<u>5,614,628</u>	<u>5,614,628</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 5,466,773</u>	<u>\$ 5,524,319</u>	<u>\$ 6,599,419</u>	<u>\$ 1,075,100</u>

Charter Township of White Lake

Required Supplemental Information Budgetary Comparison Schedule – Major Special Revenue Funds Police Fund

Year Ended December 31, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Police revenue	\$ 5,662,725	\$ 6,023,571	\$ 6,696,591	\$ 673,020
Expenditures				
Civil service	3,000	3,000	875	2,125
Salaries	2,950,455	3,067,955	2,966,024	101,931
Payroll and related benefits	2,118,190	2,146,790	2,056,690	90,100
Other	770,850	796,850	660,221	136,629
Crossing guards	17,368	17,368	5,713	11,655
Total expenditures	<u>5,859,863</u>	<u>6,031,963</u>	<u>5,689,523</u>	<u>342,440</u>
Excess of Revenue (Under) Over Expenditures	(197,138)	(8,392)	1,007,068	(1,015,460)
Other Financing Sources - Sale of capital assets	12,000	12,000	23,186	(11,186)
Net Change in Fund Balance	(185,138)	3,608	1,030,254	1,026,646
Fund Balance - Beginning of year	<u>3,596,786</u>	<u>3,596,786</u>	<u>3,596,786</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 3,411,648</u>	<u>\$ 3,600,394</u>	<u>\$ 4,627,040</u>	<u>\$ 1,026,646</u>

Charter Township of White Lake

Required Supplemental Information Budgetary Comparison Schedule – Major Special Revenue Funds Solid Waste Special Assessment Fund

Year Ended December 31, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Special assessments	\$ 1,814,770	\$ 1,814,770	\$ 1,817,947	\$ 3,177
Expenditures	<u>1,814,770</u>	<u>1,820,270</u>	<u>1,816,242</u>	<u>4,028</u>
Net Change in Fund Balance	-	(5,500)	1,705	7,205
Fund Balance - Beginning of year	<u>167,508</u>	<u>167,508</u>	<u>167,508</u>	-
Fund Balance - End of year	<u>\$ 167,508</u>	<u>\$ 162,008</u>	<u>\$ 169,213</u>	<u>\$ 7,205</u>

Charter Township of White Lake

Required Supplemental Information Budgetary Comparison Schedule – Major Special Revenue Funds General Sewer Fund

Year Ended December 31, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - General Sewer	\$ 1,935,700	\$ 1,935,700	\$ 2,141,843	\$ 206,143
Expenditures	<u>2,305,000</u>	<u>2,305,000</u>	<u>2,143,345</u>	<u>161,655</u>
Net Change in Fund Balance	(369,300)	(369,300)	(1,502)	367,798
Fund Balance - Beginning of year	<u>880,720</u>	<u>880,720</u>	<u>880,720</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 511,420</u>	<u>\$ 511,420</u>	<u>\$ 879,218</u>	<u>\$ 367,798</u>

Charter Township of White Lake

Required Supplemental Information Schedule of Changes in the Township Net Pension Liability and Related Ratios

	Last Six Fiscal Years					
	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 660,190	\$ 649,224	\$ 649,488	\$ 622,992	\$ 625,618	\$ 622,772
Interest	2,578,764	2,479,156	2,353,583	2,241,783	2,069,874	1,948,262
Differences between expected and actual experience	35,833	(196,008)	110,815	(97,070)	159,965	-
Changes in assumptions	1,070,637	-	-	-	1,289,886	-
Benefit payments, including refunds	(1,785,640)	(1,599,886)	(1,488,304)	(1,278,592)	(1,143,667)	(1,053,062)
Net Change in Total Pension Liability	2,559,784	1,332,486	1,625,582	1,489,113	3,001,676	1,517,972
Total Pension Liability - Beginning of year	32,797,265	31,464,779	29,839,197	28,350,084	25,348,408	23,830,436
Total Pension Liability - End of year	\$ 35,357,049	\$ 32,797,265	\$ 31,464,779	\$ 29,839,197	\$ 28,350,084	\$ 25,348,408
Plan Fiduciary Net Position						
Contributions - Employer	\$ 982,303	\$ 974,673	\$ 860,906	\$ 683,655	\$ 642,013	\$ 553,152
Contributions - Member	358,604	353,693	337,653	330,788	328,248	325,529
Net investment income (loss)	3,014,284	(923,220)	2,786,317	2,185,266	(298,752)	1,185,448
Administrative expenses	(51,959)	(45,634)	(44,098)	(43,120)	(43,312)	(43,598)
Benefit payments, including refunds	(1,785,640)	(1,599,886)	(1,488,304)	(1,278,592)	(1,143,667)	(1,053,062)
Other	-	-	-	(1,456)	(76)	-
Net Change in Plan Fiduciary Net Position	2,517,592	(1,240,374)	2,452,474	1,876,541	(515,546)	967,469
Plan Fiduciary Net Position - Beginning of year	22,287,358	23,527,732	21,075,258	19,198,717	19,714,263	18,746,794
Plan Fiduciary Net Position - End of year	\$ 24,804,950	\$ 22,287,358	\$ 23,527,732	\$ 21,075,258	\$ 19,198,717	\$ 19,714,263
Township's Net Pension Liability - Ending	\$ 10,552,099	\$ 10,509,907	\$ 7,937,047	\$ 8,763,939	\$ 9,151,367	\$ 5,634,145
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	70.16 %	67.95 %	74.77 %	70.63 %	67.72 %	77.77 %
Covered Payroll	\$ 5,554,756	\$ 5,401,007	\$ 5,383,432	\$ 5,020,601	\$ 5,022,859	\$ 4,960,341
Township's Net Pension Liability as a Percentage of Covered Payroll	189.97 %	194.59 %	147.43 %	174.56 %	182.19 %	113.58 %

This schedule is intended to show information for 10 years. Additional years' information will be reported as it becomes available.

Charter Township of White Lake

Required Supplemental Information Schedule of Pension Contributions

Last Ten Fiscal Years Years Ended December 31

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 1,044,240	\$ 933,300	\$ 896,775	\$ 764,069	\$ 682,587	\$ 641,982	\$ 553,152	\$ 562,907	\$ 581,430	\$ 511,038
Contributions in relation to the actuarially determined contribution	1,078,321	982,303	974,673	859,452	683,655	642,013	553,152	562,907	581,430	511,038
Contribution Excess	\$ 34,081	\$ 49,003	\$ 77,898	\$ 95,383	\$ 1,068	\$ 31	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 5,554,756	\$ 5,401,007	\$ 5,383,432	\$ 5,020,601	\$ 5,022,859	\$ 4,960,341	\$ 5,255,785	\$ 4,974,704	\$ 5,197,037	\$ 5,204,989
Contributions as a Percentage of Covered Payroll	19.41 %	18.19 %	18.11 %	17.12 %	13.61 %	12.94 %	10.52 %	11.32 %	11.19 %	9.82 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported. Contributions for the Township's fiscal year ended December 31, 2020 were determined based on the actuarial valuation as of December 31, 2018. The most recent valuation is as of December 31, 2019.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	20 years
Asset valuation method	10-year smoothed market
Inflation	2.50 percent
Salary increase	3.75 percent
Investment rate of return	8.00 percent
Retirement age	Experience-based table of rates is specific to the type of eligibility condition
Mortality	Mortality rates were based on a 50 percent male and 50 percent female blend of the following tables: <ol style="list-style-type: none"> 1. The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent 2. The RP-2014 Employee Mortality Tables 3. The RP-2014 Juvenile Mortality Tables
Other information	None

Charter Township of White Lake

Required Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios

	Last Three Fiscal Years		
	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 150,951	\$ 194,334	\$ 181,621
Interest	829,212	873,215	836,560
Differences between expected and actual experience	(894,858)	(1,359,536)	-
Changes in assumptions	1,295,750	(908,029)	-
Benefit payments, including refunds	(531,701)	(532,397)	(482,939)
Net Change in Total OPEB Liability	849,354	(1,732,413)	535,242
Total OPEB Liability - Beginning of year	10,809,447	12,541,860	12,006,618
Total OPEB Liability - End of year	<u>\$ 11,658,801</u>	<u>\$ 10,809,447</u>	<u>\$ 12,541,860</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,321,701	\$ 1,297,397	\$ 1,260,439
Net investment income (loss)	681,347	447,964	(118,947)
Administrative expenses	(8,133)	(6,353)	(6,508)
Benefit payments, including refunds	(531,701)	(532,397)	(482,939)
Net Change in Plan Fiduciary Net Position	1,463,214	1,206,611	652,045
Plan Fiduciary Net Position - Beginning of year	4,065,552	2,858,941	2,206,896
Plan Fiduciary Net Position - End of year	<u>\$ 5,528,766</u>	<u>\$ 4,065,552</u>	<u>\$ 2,858,941</u>
Net OPEB Liability - Ending	<u>\$ 6,130,035</u>	<u>\$ 6,743,895</u>	<u>\$ 9,682,919</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	47.42 %	37.61 %	22.80 %
Covered-employee Payroll	\$ 3,677,862	\$ 3,570,740	\$ 3,557,735
Net OPEB Liability as a Percentage of Covered-employee Payroll	166.67 %	188.87 %	272.17 %

This schedule is intended to show information for 10 years. Additional years' information will be reported as it becomes available.

Charter Township of White Lake

Required Supplemental Information Schedule of OPEB Contributions

Last Ten Fiscal Years Years Ended December 31

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 759,070	\$ 996,598	\$ 984,059	\$ 827,842	\$ 827,842	\$ 827,842	\$ 1,630,254	\$ 1,630,254	\$ 1,630,254	\$ 1,013,358
Contributions in relation to the actuarially determined contribution	1,321,701	1,297,397	1,260,439	1,172,456	1,096,978	718,110	350,313	291,388	259,709	203,018
Contribution Excess (Deficiency)	\$ 562,631	\$ 300,799	\$ 276,380	\$ 344,614	\$ 269,136	\$ (109,732)	\$ (1,279,941)	\$ (1,338,866)	\$ (1,370,545)	\$ (810,340)
Covered-employee Payroll	\$ 3,677,862	\$ 3,570,740	\$ 3,557,735	\$ 4,589,912	\$ 4,589,912	\$ 4,589,912	\$ 4,862,179	\$ 4,862,179	\$ 4,862,179	\$ 5,586,073
Contributions as a Percentage of Covered-employee Payroll	35.94 %	36.33 %	35.43 %	25.54 %	23.90 %	15.65 %	7.20 %	5.99 %	5.34 %	3.63 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, one to two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	28 years
Asset valuation method	Fair market value
Inflation	2.50 percent
Health care cost trend rates	8.00 percent
Salary increase	3.00 percent
Investment rate of return	7.75 percent
Mortality	SOA Pub-2010 Headcount Weighted Mortality Table fully generational using Scale MP-2020
Other information	None

Charter Township of White Lake

Required Supplemental Information Schedule of OPEB Investment Returns

	Last Three Fiscal Years		
	Years Ended December 31		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return - Net of investment expense	13.35 %	13.52 %	(3.62)%

This schedule is intended to show information for 10 years. Additional years' information will be reported as it becomes available.

December 31, 2020

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except for operating transfers and the issuance of debt, which have been included as revenue and expenditures, rather than as other financing sources (uses), and proceeds from the sale of capital assets and accruals for potential property tax liabilities that are budgeted as revenue and expenditures for the General Fund and all special revenue funds. The annual budget is prepared by the township supervisor; subsequent amendments are approved by the township board. During the year, the budget was amended in a legally permissible manner.

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

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered. A comparison of actual results of operations to the General Fund and major special revenue fund budgets as adopted by the township board is included in the required supplemental information.

During the year, the Township incurred expenditures that were in excess of the amounts budgeted, as follows:

	<u>Budget</u>		<u>Actual</u>		<u>Variance</u>
General Fund - Office supplies	\$ 40,000	\$	43,117	\$	(3,117)
General Fund - Unallocated miscellaneous	15,000		18,468		(3,468)

Pension Information

Changes in Assumptions

In the fiscal year ended December 31, 2020, there were assumption changes that resulted in an increase in the calculated total pension liability. The assumptions changed during the year related to the investment rate of return and discount rate being updated from 8.00 to 7.60 percent, and the salary growth rate being updated from 3.75 to 3.00 percent.

In the fiscal year ended December 31, 2016 (December 31, 2015 valuation), there were assumption changes that resulted in an increase in the calculated total pension liability. The assumptions changed during the year related to the investment rate of return, discount rate, and mortality tables.

OPEB Information

Changes in Assumptions

In the fiscal year ended December 31, 2020, there were assumption changes that resulted in an increase in calculated total OPEB liability. The assumptions changed during the year related to the mortality table being updated to the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020. In addition, the health care trend rates have been updated to an initial rate of 8.00 percent decreasing by 0.50 percent annually to an ultimate rate of 4.50 percent.

In the fiscal year ended December 31, 2019, the payroll growth assumption was updated from 4.00 to 3.00 percent based on actual township experience. The impact of this change was a slight increase in liabilities. In addition, the funding discount rate assumption has been updated from 7.00 to 7.75 percent based on the MERS total rate of return information for the Total Market Portfolio.

Other Supplemental Information

Charter Township of White Lake

	Special Revenue Funds			
	Drug Forfeiture Fund	Building Fund	Parks and Recreation Fund	Community Development Block Grant Fund
Assets				
Cash and investments	\$ 120,564	\$ 1,892,452	\$ 866,687	\$ -
Receivables:				
Property taxes receivable	-	-	167,787	-
Special assessments receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Other receivables	-	558	444	-
Due from other governments	-	-	-	17,955
Due from other funds	-	-	-	-
Total assets	\$ 120,564	\$ 1,893,010	\$ 1,034,918	\$ 17,955
Liabilities				
Accounts payable	\$ -	\$ 8,294	\$ 10,239	\$ -
Due to other funds	-	-	882	17,955
Accrued liabilities and other	-	7,487	30	-
Total liabilities	-	15,781	11,151	17,955
Deferred Inflows of Resources				
Unavailable special assessment revenue	-	-	-	-
Property taxes and special assessments levied for the following year	-	-	365,122	-
Total deferred inflows of resources	-	-	365,122	-
Total liabilities and deferred inflows of resources	-	15,781	376,273	17,955
Fund Balances				
Restricted:				
Debt service	-	-	-	-
Drug law enforcement	120,564	-	-	-
Building activity	-	1,877,229	-	-
Parks and recreation	-	-	658,645	-
Assigned:				
Sewer debt service	-	-	-	-
Capital projects	-	-	-	-
Total fund balances	120,564	1,877,229	658,645	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 120,564	\$ 1,893,010	\$ 1,034,918	\$ 17,955

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2020

Debt Service Funds			Capital Project Funds				
Sewer Debt Fund	SAD Sewer Debt Fund	Library Debt Fund	Improvement Revolving Fund	Public Act 188 Fund	Library Construction Fund	Total	
\$ 148,695	\$ 647,800	\$ 310,131	\$ 3,064,389	\$ 304,398	\$ 100	\$ 7,355,216	
-	-	252,725	-	-	-	420,512	
-	278,852	-	-	859,743	-	1,138,595	
-	7,720	-	-	-	-	7,720	
-	-	-	-	-	-	1,002	
-	-	-	-	-	-	17,955	
-	-	-	-	130,824	-	130,824	
\$ 148,695	\$ 934,372	\$ 562,856	\$ 3,064,389	\$ 1,294,965	\$ 100	\$ 9,071,824	
\$ 68,544	\$ -	\$ -	\$ -	\$ 15,895	\$ -	\$ 102,972	
-	130,824	-	90	56,522	-	206,273	
-	-	-	-	-	-	7,517	
68,544	130,824	-	90	72,417	-	316,762	
-	253,343	-	-	825,874	-	1,079,217	
-	-	549,996	-	-	-	915,118	
-	253,343	549,996	-	825,874	-	1,994,335	
68,544	384,167	549,996	90	898,291	-	2,311,097	
-	550,205	12,860	-	-	-	563,065	
-	-	-	-	-	-	120,564	
-	-	-	-	-	-	1,877,229	
-	-	-	-	-	-	658,645	
80,151	-	-	-	-	-	80,151	
-	-	-	3,064,299	396,674	100	3,461,073	
80,151	550,205	12,860	3,064,299	396,674	100	6,760,727	
\$ 148,695	\$ 934,372	\$ 562,856	\$ 3,064,389	\$ 1,294,965	\$ 100	\$ 9,071,824	

Charter Township of White Lake

	Special Revenue Funds			
	Drug Forfeiture Fund	Building Fund	Parks and Recreation Fund	Community Development Block Grant Fund
Revenue				
Taxes	\$ -	\$ -	\$ 352,095	\$ -
Special assessments	-	-	-	-
Intergovernmental	5,425	-	-	44,103
Charges for services	-	18,946	3,340	-
Fines and forfeitures	4,107	-	-	-
Licenses and permits	-	557,283	-	-
Interest and rentals	142	21,214	6,867	-
Other revenue	-	20,960	2,946	-
Total revenue	9,674	618,403	365,248	44,103
Expenditures				
Current services:				
General government	-	-	-	-
Public safety	32,996	524,700	-	-
Public works	-	-	-	-
Community and economic development	-	-	-	44,103
Recreation and culture	-	-	155,642	-
Debt service	-	-	-	-
Total expenditures	32,996	524,700	155,642	44,103
Excess of Revenue (Under) Over Expenditures	(23,322)	93,703	209,606	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing (uses) sources	-	-	-	-
Net Change in Fund Balances	(23,322)	93,703	209,606	-
Fund Balances - Beginning of year	143,886	1,783,526	449,039	-
Fund Balances - End of year	\$ 120,564	\$ 1,877,229	\$ 658,645	\$ -

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

Year Ended December 31, 2020

Debt Service Funds			Capital Project Funds			Total
Sewer Debt Fund	SAD Sewer Debt Fund	Library Debt Fund	Improvement Revolving Fund	Public Act 188 Fund	Library Construction Fund	
\$ -	\$ -	\$ 521,576	\$ -	\$ -	\$ -	\$ 873,671
-	92,105	-	-	273,874	-	365,979
-	-	-	-	-	-	49,528
450,083	31,932	-	10,672	-	-	514,973
-	-	-	-	-	-	4,107
-	-	-	-	-	-	557,283
82	18,478	377	28,962	25,203	-	101,325
-	-	-	-	-	-	23,906
450,165	142,515	521,953	39,634	299,077	-	2,490,772
-	-	-	3,145	-	-	3,145
-	-	-	-	-	-	557,696
-	-	-	65,536	275,723	-	341,259
-	-	-	-	-	-	44,103
-	-	-	-	-	-	155,642
-	316,241	521,013	-	12,565	-	849,819
-	316,241	521,013	68,681	288,288	-	1,951,664
450,165	(173,726)	940	(29,047)	10,789	-	539,108
-	-	-	500,000	-	-	500,000
(400,000)	-	-	-	-	-	(400,000)
(400,000)	-	-	500,000	-	-	100,000
50,165	(173,726)	940	470,953	10,789	-	639,108
29,986	723,931	11,920	2,593,346	385,885	100	6,121,619
\$ 80,151	\$ 550,205	\$ 12,860	\$ 3,064,299	\$ 396,674	\$ 100	\$ 6,760,727

Charter Township of White Lake

**Other Supplemental Information
Combining Statement of Fiduciary Net Position
Custodial Funds**

December 31, 2020

	Custodial Funds		
	Trust and Agency Fund	Tax Collection Fund	Total
Assets - Cash and investments	\$ 568,166	\$ 428,661	\$ 996,827
Liabilities			
Due to other governmental units	5,151	-	5,151
Refundable deposits, bonds, etc.	13,906	5,642	19,548
Unremitted tax collections	-	423,019	423,019
Total liabilities	19,057	428,661	447,718
Net Position			
Restricted:			
Individuals, organizations, and other governments	549,109	-	549,109
Total net position	<u>\$ 549,109</u>	<u>\$ -</u>	<u>\$ 549,109</u>

Charter Township of White Lake

**Other Supplemental Information
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds**

Year Ended December 31, 2020

	Custodial Funds		
	Trust and Agency Fund	Tax Collection Fund	Total
Additions			
Contributions	\$ 344,410	\$ -	\$ 344,410
Property tax collections	-	33,708,447	33,708,447
Total additions	344,410	33,708,447	34,052,857
Deductions			
Administrative expenses	15,755	-	15,755
Repairs and maintenance	370,485	-	370,485
Tax payments to other governments	-	33,708,447	33,708,447
Total deductions	386,240	33,708,447	34,094,687
Net Decrease in Fiduciary Net Position	(41,830)	-	(41,830)
Net Position - Beginning of year	590,939	-	590,939
Net Position - End of year	\$ 549,109	\$ -	\$ 549,109