
Charter Township of White Lake

Oakland County, Michigan

Financial Report
with Supplemental Information
December 31, 2022

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Independent Auditor's Report

To the Board of Trustees
Charter Township of White Lake

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of White Lake (the "Township") as of and for the year ended December 31, 2022 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.

In our opinion, the accompanying 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, 2022 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.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 11 to the financial statements, the 2022 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Trustees
Charter Township of White Lake

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required 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 is the responsibility of management and, 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.

To the Board of Trustees
Charter Township of White Lake

Other Supplemental 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information 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 30, 2023 on our consideration of the 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 the 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 the Charter Township of White Lake's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Plante & Moran, PLLC". The signature is written in a cursive, flowing style.

May 30, 2023

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, 2022.

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 \$60,173,437 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			
	2021*	2022**	Change	Percent Change
Assets				
Current and other assets	\$ 56,913,001	\$ 61,238,534	\$ 4,325,533	7.6
Capital assets	11,070,020	11,201,517	131,497	1.2
Total assets	67,983,021	72,440,051	4,457,030	6.6
Deferred Outflows of Resources	4,350,525	6,883,975	2,533,450	58.2
Liabilities				
Current liabilities	3,677,780	3,421,600	(256,180)	(7.0)
Noncurrent liabilities	24,495,627	25,758,022	1,262,395	5.2
Total liabilities	28,173,407	29,179,622	1,006,215	3.6
Deferred Inflows of Resources	16,712,569	17,865,053	1,152,484	6.9
Net Position				
Net investment in capital assets	10,090,207	10,312,317	222,110	2.2
Restricted	16,332,963	16,401,037	68,074	0.4
Unrestricted	1,024,400	5,565,997	4,541,597	443.3
Total net position	\$ 27,447,570	\$ 32,279,351	\$ 4,831,781	17.6

	Business-type Activities			
	2021*	2022**	Change	Percent Change
Assets				
Current and other assets	\$ 7,389,609	\$ 10,134,904	\$ 2,745,295	37.2
Capital assets	19,734,405	23,491,843	3,757,438	19.0
Total assets	27,124,014	33,626,747	6,502,733	24.0
Deferred Outflows of Resources	56,151	74,427	18,276	32.5
Liabilities				
Current liabilities	127,697	1,370,422	1,242,725	973.2
Noncurrent liabilities	1,335,416	4,405,509	3,070,093	229.9
Total liabilities	1,463,113	5,775,931	4,312,818	294.8
Deferred Inflows of Resources	64,326	31,157	(33,169)	(51.6)
Net Position				
Net investment in capital assets	18,622,685	19,285,948	663,263	3.6
Restricted - Water operating ordinance	2,664,652	2,832,568	167,916	6.3
Unrestricted	4,365,389	5,775,570	1,410,181	32.3
Total net position	\$ 25,652,726	\$ 27,894,086	\$ 2,241,360	8.7

*The Township began reporting sewer activity as a business-type activity beginning on January 1, 2021. Fiscal year 2021 beginning net position and 2021 activity reflect this change in reporting.

**The governmental activities, business-type activities, and Sewer Fund were restated as of January 1, 2022 to move special assessment activity from the Sewer Fund to the Public Act 188 Fund (see Note 11).

Charter Township of White Lake

Management's Discussion and Analysis (Continued)

The Township's governmental activities net position was approximately \$32.3 million at the close of the year ended December 31, 2022, which was an increase from December 31, 2021 of approximately \$3.9 million. The increase was primarily due to an increase in operating grants.

The Township's business-type activities consist of the Water and Sewer funds. The change in net position from December 31, 2021 to December 31, 2022 was an increase of approximately \$3.2 million, which was primarily due to an increase in capital grants.

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			
	2021*	2022**	Change	Percent Change
Revenue				
Program revenue:				
Charges for services	\$ 3,396,008	\$ 3,149,973	\$ (246,035)	(7.2)
Operating grants	261,790	2,326,412	2,064,622	788.7
Capital grants	1,745,535	446,650	(1,298,885)	(74.4)
General revenue:				
Taxes	11,307,511	11,725,926	418,415	3.7
Intergovernmental	3,291,065	3,625,301	334,236	10.2
Investment earnings	169,198	375,350	206,152	121.8
Other revenue	1,199,450	1,221,504	22,054	1.8
Total revenue	21,370,557	22,871,116	1,500,559	7.0
Expenses				
General government	3,594,659	4,267,958	673,299	18.7
Public safety	9,511,535	9,949,516	437,981	4.6
Public works	3,744,813	2,980,472	(764,341)	(20.4)
Health and welfare	204,461	239,864	35,403	17.3
Community and economic development	414,085	422,088	8,003	1.9
Recreation and culture	387,338	554,482	167,144	43.2
Debt service	555,809	555,884	75	-
Total expenses	18,412,700	18,970,264	557,564	3.0
Transfers	391,594	-	(391,594)	(100.0)
Change in Net Position	3,349,451	3,900,852	551,401	16.5
Net Position - Beginning of year, as previously reported	36,793,760	27,447,570	(9,346,190)	(25.4)
Cumulative Effect of Change in Reporting	(12,695,641)	930,929	13,626,570	(107.3)
Net Position - Beginning of year, as restated	24,098,119	28,378,499	4,280,380	17.8
Net Position - End of year	<u>\$ 27,447,570</u>	<u>\$ 32,279,351</u>	<u>\$ 4,831,781</u>	17.6

Charter Township of White Lake

Management's Discussion and Analysis (Continued)

	Business-type Activities			
	2021*	2022**	Change	Percent Change
Revenue				
Program revenue:				
Charges for services	\$ 4,046,941	\$ 4,070,559	\$ 23,618	0.6
Capital grants and collection fees	1,045,368	3,340,512	2,295,144	219.6
General revenue	40,821	53,236	12,415	30.4
Total revenue	5,133,130	7,464,307	2,331,177	45.4
Expenses - Program expenses	4,009,324	4,292,018	282,694	7.1
Transfers	(391,594)	-	391,594	(100.0)
Change in Net Position	732,212	3,172,289	2,440,077	333.2
Net Position - Beginning of year, as previously reported	12,224,874	25,652,726	13,427,852	109.8
Cumulative Effect of Change in Reporting	12,695,640	(930,929)	(13,626,569)	(107.3)
Net Position - Beginning of year, as restated	24,920,514	24,721,797	(198,717)	(0.8)
Net Position - End of year	<u>\$ 25,652,726</u>	<u>\$ 27,894,086</u>	<u>\$ 2,241,360</u>	8.7

*The Township began reporting sewer activity as a business-type activity beginning on January 1, 2021. Fiscal year 2021 beginning net position and 2021 activity reflect this change in reporting (see Note 11).

**The governmental activities, business-type activities, and Sewer Fund were restated as of January 1, 2022 to move special assessment activity from the Sewer Fund to the Public Act 188 Fund (see Note 11).

Governmental activities revenue was approximately \$22,871,000 for the year ended December 31, 2022, an increase of approximately \$1,501,000 from 2021. Of this revenue, 51 percent was obtained through property taxes, 16 percent from state-shared revenue, and 14 percent from fees charged for services. Total governmental activities expenditures were approximately \$18,970,000, an increase of approximately \$558,000 from 2021. The primary causes of the increase were related to an increase in elections, assessing, buildings and grounds, and fire expenditures.

Business-type activities revenue was approximately \$7,464,000 for the year ended December 31, 2022. Charges for services represented 55 percent of total revenue. At December 31, 2022, the Township was providing water to 2,090 customers. Business-type activities expenditures were approximately \$4,292,000, an increase of approximately \$283,000 from 2021. The primary cause of increased revenue and expenses in 2022 was due to an increase in sewer operating revenue and expenses.

Financial Analysis of Individual Funds

The analysis of the Township's major funds begins on page 12, 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 2022 include the General Fund, the Fire Fund, the Police Fund, the Solid Waste Special Assessment Fund, and the Improvement Revolving Fund.

The General Fund is the main operating fund of the Township. Total revenue and other financing sources for the year were approximately \$8,630,000. Of this revenue, state-shared revenue accounted for 42 percent, federal grants accounted for 26 percent, and property taxes accounted for 17 percent. Total expenditures and other financing uses for the year were approximately \$8,937,000. At December 31, 2022, the unassigned fund balance of \$1,673,457 represented 19 percent of the total General Fund expenditures and other financing uses for the year.

Charter Township of White Lake

Management's Discussion and Analysis (Continued)

The Fire Fund is used to account for fire services to township residents. Total revenue and other financing sources for the year were approximately \$3,747,000. Of this revenue, property taxes accounted for 95 percent. Total expenditures for the year were approximately \$4,133,000. The fund balance of \$6,573,816 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 6,347,000. Of this revenue, property taxes accounted for 91 percent. Total expenditures for the year were approximately \$6,203,000. The fund balance of \$5,009,216 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 \$2,018,000 and was earned through special assessment charges. Total expenditures for the year were approximately \$2,008,000. The fund balance of \$183,793 is restricted for solid waste expenditures.

The Improvement Revolving Fund is used to account for future capital projects of the Township. Total revenue and other financing sources for the year were approximately \$3,364,000. Of this revenue, transfers in accounted for 98 percent. Total expenditures for the year were approximately \$173,000. The fund balance of \$11,033,087 is assigned for future capital projects.

Capital Assets and Debt Administration

At the end of 2022, the Township had \$34,693,360 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, 2022 is \$12,926,296. Of this amount, \$7,730,773 represents governmental general obligation bonds; \$59,200 represents a loan from Oakland County, Michigan; \$4,004,175 represents loans from the State of Michigan's Drinking Water Revolving Fund; \$1,031,720 represents special assessment bonds; and \$100,428 represents accumulated compensated absences.

Economic Factors and Next Year's Budgets and Rates

The Township's budget for 2023 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.

The Township has received \$3,295,162 in American Rescue Plan funds and has spent \$2,172,440 to date on eligible governmental expenditures. The Township is in the process of planning for which projects the remaining money will be used on.

As we enter 2023 with vaccines and a reduction of COVID-19 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, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 38,175,596	\$ 4,175,940	\$ 42,351,536
Receivables:			
Property taxes receivable	10,381,749	-	10,381,749
Special assessments receivable	3,410,138	257,273	3,667,411
Receivables from sales to customers on account	-	253,345	253,345
Accrued interest receivable	-	1,889	1,889
Other receivables	418,887	583,372	1,002,259
Due from other governments	604,681	-	604,681
Internal balances	11,255	(11,255)	-
Prepaid expenses and other assets	258,138	-	258,138
Library receivable	7,706,763	-	7,706,763
Restricted assets	-	2,832,568	2,832,568
Other receivables - Greater than one year	-	2,041,772	2,041,772
Land held for resale	271,327	-	271,327
Capital assets: (Note 3)			
Assets not subject to depreciation	4,737,591	4,701,806	9,439,397
Assets subject to depreciation - Net	6,463,926	18,790,037	25,253,963
Total assets	72,440,051	33,626,747	106,066,798
Deferred Outflows of Resources			
Deferred pension costs (Note 8)	4,839,101	34,878	4,873,979
Deferred OPEB costs (Note 9)	2,044,874	39,549	2,084,423
Total deferred outflows of resources	6,883,975	74,427	6,958,402
Liabilities			
Accounts payable	417,173	1,323,672	1,740,845
Due to other governmental units	19,524	-	19,524
Refundable deposits, bonds, etc.	1,467,638	-	1,467,638
Accrued liabilities and other	394,543	46,750	441,293
Unearned revenue	1,122,722	-	1,122,722
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 5)	20,086	-	20,086
Current portion of long-term debt (Note 5)	407,137	455,000	862,137
Due in more than one year:			
Compensated absences (Note 5)	80,342	-	80,342
Net pension liability (Note 8)	11,004,718	82,930	11,087,648
Net OPEB liability (Note 9)	6,032,903	116,684	6,149,587
Long-term debt (Note 5)	8,212,836	3,750,895	11,963,731
Total liabilities	29,179,622	5,775,931	34,955,553
Deferred Inflows of Resources			
Property taxes and special assessments levied for the following year	14,827,083	-	14,827,083
Deferred pension cost reductions (Note 8)	2,291,002	16,710	2,307,712
Deferred OPEB cost reductions (Note 9)	746,968	14,447	761,415
Total deferred inflows of resources	17,865,053	31,157	17,896,210
Net Position			
Net investment in capital assets	10,312,317	19,285,948	29,598,265
Restricted:			
Debt service	977,422	-	977,422
Fire	6,573,816	-	6,573,816
Police	5,009,216	-	5,009,216
Parks and recreation	1,195,357	-	1,195,357
Drug law enforcement	112,146	-	112,146
Building activity	2,256,499	-	2,256,499
Solid waste	183,793	-	183,793
Public access programming	72,575	-	72,575
Opioid settlement	20,213	-	20,213
Water operating ordinance	-	2,832,568	2,832,568
Unrestricted	5,565,997	5,775,570	11,341,567
Total net position	\$ 32,279,351	\$ 27,894,086	\$ 60,173,437

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	\$ 4,267,958	\$ 88,604	\$ 2,206,170	\$ -
Public safety	9,949,516	896,203	71,425	-
Public works	2,980,472	2,154,631	-	446,630
Health and welfare	239,864	-	48,817	-
Community and economic development	422,088	3,370	-	-
Recreation and culture	554,482	7,165	-	20
Interest on long-term debt	555,884	-	-	-
Total governmental activities	18,970,264	3,149,973	2,326,412	446,650
Business-type activities:				
Water Fund	1,255,064	1,491,442	-	2,170,624
Sewer Fund	3,036,954	2,579,117	-	1,169,888
Total business-type activities	4,292,018	4,070,559	-	3,340,512
Total primary government	\$ 23,262,282	\$ 7,220,532	\$ 2,326,412	\$ 3,787,162
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, as restated (Note 11)				
Net Position - End of year				

Statement of Activities

Year Ended December 31, 2022

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,973,184)	\$ -	\$ (1,973,184)
(8,981,888)	-	(8,981,888)
(379,211)	-	(379,211)
(191,047)	-	(191,047)
(418,718)	-	(418,718)
(547,297)	-	(547,297)
(555,884)	-	(555,884)
(13,047,229)	-	(13,047,229)
-	2,407,002	2,407,002
-	712,051	712,051
-	3,119,053	3,119,053
(13,047,229)	3,119,053	(9,928,176)
11,725,926	-	11,725,926
3,625,301	-	3,625,301
375,350	53,236	428,586
509,070	-	509,070
136,591	-	136,591
575,843	-	575,843
16,948,081	53,236	17,001,317
3,900,852	3,172,289	7,073,141
28,378,499	24,721,797	53,100,296
\$ 32,279,351	\$ 27,894,086	\$ 60,173,437

Charter Township of White Lake

Governmental Funds Balance Sheet

December 31, 2022

	Special Revenue Funds				Capital Project Fund	Nonmajor Funds	Total Governmental Funds
	General Fund	Fire Fund	Police Fund	Solid Waste Special Assessment Fund	Improvement Revolving Fund		
Assets							
Cash and investments	\$ 8,112,335	\$ 7,433,507	\$ 6,369,092	\$ 681,643	\$ 11,052,433	\$ 4,526,586	\$ 38,175,596
Receivables:							
Property taxes receivable	1,037,960	3,280,076	5,295,524	-	-	768,189	10,381,749
Special assessments receivable	-	-	-	1,690,525	-	1,719,613	3,410,138
Other receivables	281,404	41,227	91,831	-	-	4,425	418,887
Due from other governments	588,180	-	11,814	-	-	4,687	604,681
Due from other funds (Note 4)	170,121	-	-	-	-	120,208	290,329
Prepaid expenses and other assets	258,138	-	-	-	-	-	258,138
Land held for resale	271,327	-	-	-	-	-	271,327
Total assets	\$ 10,719,465	\$ 10,754,810	\$ 11,768,261	\$ 2,372,168	\$ 11,052,433	\$ 7,143,708	\$ 53,810,845
Liabilities							
Accounts payable	\$ 154,708	\$ 72,948	\$ 131,890	\$ -	\$ 19,346	\$ 38,281	\$ 417,173
Due to other governmental units	19,524	-	-	-	-	-	19,524
Due to other funds (Note 4)	166,170	-	-	96,326	-	16,578	279,074
Refundable deposits, bonds, etc.	1,467,638	-	-	-	-	-	1,467,638
Accrued liabilities and other	74,285	87,564	136,248	-	-	9,373	307,470
Unearned revenue	1,122,722	-	-	-	-	-	1,122,722
Total liabilities	3,005,047	160,512	268,138	96,326	19,346	64,232	3,613,601
Deferred Inflows of Resources							
Unavailable revenue	82,777	-	-	-	-	1,510,882	1,593,659
Property taxes and special assessments levied for the following year	1,282,079	4,020,482	6,490,907	2,092,049	-	941,566	14,827,083
Total deferred inflows of resources	1,364,856	4,020,482	6,490,907	2,092,049	-	2,452,448	16,420,742
Total liabilities and deferred inflows of resources	4,369,903	4,180,994	6,759,045	2,188,375	19,346	2,516,680	20,034,343
Fund Balances							
Nonspendable:							
Prepays	258,138	-	-	-	-	-	258,138
Land held for resale	271,327	-	-	-	-	-	271,327
Restricted:							
Police	-	-	5,009,216	-	-	-	5,009,216
Fire	-	6,573,816	-	-	-	-	6,573,816
Debt service	-	-	-	-	-	316,425	316,425
Solid waste	-	-	-	183,793	-	-	183,793
Drug law enforcement	-	-	-	-	-	112,146	112,146
Building activity	-	-	-	-	-	2,256,499	2,256,499
Parks and recreation	-	-	-	-	-	1,195,357	1,195,357
Public access programming	72,575	-	-	-	-	-	72,575
Opioid settlement	20,213	-	-	-	-	-	20,213
Assigned:							
Subsequent year's budget	418,852	-	-	-	-	-	418,852
Road improvements	2,500,000	-	-	-	-	-	2,500,000
Capital projects	1,000,000	-	-	-	11,033,087	746,601	12,779,688
OPEB contribution	135,000	-	-	-	-	-	135,000
Unassigned	1,673,457	-	-	-	-	-	1,673,457
Total fund balances	6,349,562	6,573,816	5,009,216	183,793	11,033,087	4,627,028	33,776,502
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,719,465	\$ 10,754,810	\$ 11,768,261	\$ 2,372,168	\$ 11,052,433	\$ 7,143,708	\$ 53,810,845

Charter Township of White Lake

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

December 31, 2022

Fund Balances Reported in Governmental Funds	\$ 33,776,502
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	11,201,517
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	1,593,659
Long-term receivables are not receivable in the current period and are not reported in the funds	7,706,763
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(8,619,973)
Accrued interest is not due and payable in the current period and is not reported in the funds	(87,073)
Compensated absences are not due and payable in the current period and are not reported in the funds	(100,428)
Net pension liability is not due and payable in the current period and is not reported in the funds	(11,004,718)
Net OPEB liability does not present a claim on current financial resources and is not reported as fund liabilities	(6,032,903)
Deferred outflows related to pensions are not recorded in the funds	4,839,101
Deferred outflows related to OPEB are not recorded in the funds	2,044,874
Deferred inflows related to pensions are not recorded in the funds	(2,291,002)
Deferred inflows related to OPEB are not recorded in the funds	(746,968)
Net Position of Governmental Activities	<u>\$ 32,279,351</u>

Charter Township of White Lake

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2022

	Special Revenue Funds				Capital Project Fund		Total Governmental Funds
	General Fund	Fire Fund	Police Fund	Solid Waste Special Assessment Fund	Improvement Revolving Fund	Nonmajor Funds	
Revenue							
Taxes	\$ 1,454,367	\$ 3,560,962	\$ 5,802,891	\$ -	\$ -	\$ 907,758	\$ 11,725,978
Special assessments	17,651	-	-	2,018,233	-	436,905	2,472,789
Intergovernmental:							
Federal grants	2,200,664	-	56,426	-	-	39,560	2,296,650
State-shared revenue and grants	3,627,175	-	12,889	-	-	20	3,640,084
Local grants and contributions -							
Operating grants	-	-	-	-	-	14,999	14,999
Charges for services	74,210	3,813	11,101	-	-	31,941	121,065
Fines and forfeitures	-	-	156,732	-	-	54,099	210,831
Licenses and permits:							
Cable franchise fees	509,070	-	-	-	-	-	509,070
Other licenses and permits	28,580	1,665	19,431	-	-	655,316	704,992
Interest and rentals	93,731	65,792	54,915	-	60,232	117,352	392,022
Other revenue	616,564	45,383	174,209	-	-	35,300	871,456
Total revenue	8,622,012	3,677,615	6,288,594	2,018,233	60,232	2,293,250	22,959,936
Expenditures							
Current:							
General government	4,422,583	-	118	-	-	-	4,422,701
Public safety	123,308	4,132,803	6,202,441	-	-	682,360	11,140,912
Public works	224,380	-	-	2,008,270	173,444	484,627	2,890,721
Health and welfare	235,166	-	-	-	-	-	235,166
Community and economic development	380,836	-	-	-	-	39,560	420,396
Recreation and culture	240,506	-	-	-	-	179,658	420,164
Debt service	6,083	-	-	-	-	638,171	644,254
Total expenditures	5,632,862	4,132,803	6,202,559	2,008,270	173,444	2,024,376	20,174,314
Excess of Revenue Over (Under) Expenditures	2,989,150	(455,188)	86,035	9,963	(113,212)	268,874	2,785,622
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	3,304,148	-	3,304,148
Transfers out	(3,304,148)	-	-	-	-	-	(3,304,148)
Sale of capital assets	8,358	69,750	58,483	-	-	-	136,591
Insurance recoveries	-	-	-	-	-	2,555	2,555
Total other financing (uses) sources	(3,295,790)	69,750	58,483	-	3,304,148	2,555	139,146
Net Change in Fund Balances	(306,640)	(385,438)	144,518	9,963	3,190,936	271,429	2,924,768
Fund Balances - Beginning of year, as restated (Note 11)	6,656,202	6,959,254	4,864,698	173,830	7,842,151	4,355,599	30,851,734
Fund Balances - End of year	\$ 6,349,562	\$ 6,573,816	\$ 5,009,216	\$ 183,793	\$ 11,033,087	\$ 4,627,028	\$ 33,776,502

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, 2022

Net Change in Fund Balances Reported in Governmental Funds	\$ 2,924,768
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	1,042,583
Depreciation expense	(911,086)
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	(273,475)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	74,563
Change in accrued interest payable and other	9,706
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	12,001
The change in the net pension liability is recorded when incurred in the statement of activities	(395,288)
The change in net other postemployment benefit obligations are not reported as fund liabilities	(1,242,282)
Change in deferred outflows related to pensions	1,465,743
Change in deferred outflows related to OPEB	1,067,707
Change in deferred inflows related to pensions	(1,026,988)
Change in deferred inflows related to OPEB	1,152,900
Change in Net Position of Governmental Activities	<u>\$ 3,900,852</u>

Charter Township of White Lake

Proprietary Funds Statement of Net Position

December 31, 2022

	Sewer Fund	Water Fund	Total Enterprise Funds
Assets			
Current assets:			
Cash and investments	\$ 1,957,523	\$ 2,218,417	\$ 4,175,940
Receivables:			
Special assessments receivable - Current portion	151,630	23,231	174,861
Receivables from sales to customers on account	-	253,345	253,345
Accrued interest receivable	-	1,889	1,889
Other receivables	-	583,372	583,372
Due from other funds (Note 4)	785	302,831	303,616
Total current assets	2,109,938	3,383,085	5,493,023
Noncurrent assets:			
Restricted assets	-	2,832,568	2,832,568
Special assessments receivable - Greater than one year	-	82,412	82,412
Other receivables - Greater than one year (Note 12)	-	2,041,772	2,041,772
Capital assets: (Note 3)			
Assets not subject to depreciation	-	4,701,806	4,701,806
Assets subject to depreciation - Net	11,340,568	7,449,469	18,790,037
Total noncurrent assets	11,340,568	17,108,027	28,448,595
Total assets	13,450,506	20,491,112	33,941,618
Deferred Outflows of Resources			
Deferred pension costs (Note 8)	15,562	19,316	34,878
Deferred OPEB costs (Note 9)	-	39,549	39,549
Total deferred outflows of resources	15,562	58,865	74,427
Liabilities			
Current liabilities:			
Accounts payable	70,820	1,252,852	1,323,672
Due to other funds (Note 4)	258,392	56,479	314,871
Accrued liabilities and other	1,165	45,585	46,750
Current portion of long-term debt (Note 5)	42,350	412,650	455,000
Total current liabilities	372,727	1,767,566	2,140,293
Noncurrent liabilities:			
Net pension liability (Note 8)	44,174	38,756	82,930
Net OPEB liability (Note 9)	-	116,684	116,684
Long-term debt (Note 5)	128,351	3,622,544	3,750,895
Total noncurrent liabilities	172,525	3,777,984	3,950,509
Total liabilities	545,252	5,545,550	6,090,802
Deferred Inflows of Resources			
Deferred pension cost reductions (Note 8)	6,305	10,405	16,710
Deferred OPEB cost reductions (Note 9)	-	14,447	14,447
Total deferred inflows of resources	6,305	24,852	31,157
Net Position			
Net investment in capital assets	11,169,867	8,116,081	19,285,948
Restricted - Water operating ordinance	-	2,832,568	2,832,568
Unrestricted	1,744,644	4,030,926	5,775,570
Total net position	<u>\$ 12,914,511</u>	<u>\$ 14,979,575</u>	<u>\$ 27,894,086</u>

Charter Township of White Lake

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

Year Ended December 31, 2022

	Sewer Fund	Water Fund	Total Enterprise Funds
Operating Revenue			
Sale of water	\$ -	\$ 1,472,665	\$ 1,472,665
Sewage disposal charges	2,579,117	-	2,579,117
Interest and penalty charges	-	13,677	13,677
Installation fees	-	5,100	5,100
Total operating revenue	2,579,117	1,491,442	4,070,559
Operating Expenses			
Salaries and wages	-	144,748	144,748
Fringe benefits	-	118,870	118,870
Workers' compensation and general liability insurance	-	37,345	37,345
Sewer operating expenses	2,642,577	-	2,642,577
Other operating expenses	-	139,300	139,300
Utilities	-	91,098	91,098
Tools and supplies	-	177,353	177,353
Repairs and maintenance	20,217	100,351	120,568
Depreciation	367,623	399,638	767,261
Total operating expenses	3,030,417	1,208,703	4,239,120
Operating (Loss) Income	(451,300)	282,739	(168,561)
Nonoperating Revenue (Expense)			
Investment income	14,032	39,204	53,236
Interest expense	(6,537)	(46,361)	(52,898)
Total nonoperating revenue (expense)	7,495	(7,157)	338
(Loss) Income - Before capital contributions	(443,805)	275,582	(168,223)
Capital Contributions			
Capital grants	-	13,392	13,392
Benefit fees	800,781	115,460	916,241
Other capital contributions	369,107	2,041,772	2,410,879
Total capital contributions	1,169,888	2,170,624	3,340,512
Change in Net Position	726,083	2,446,206	3,172,289
Net Position - Beginning of year, as restated (Note 11)	12,188,428	12,533,369	24,721,797
Net Position - End of year	<u>\$ 12,914,511</u>	<u>\$ 14,979,575</u>	<u>\$ 27,894,086</u>

Charter Township of White Lake

Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2022

	Sewer Fund	Water Fund	Total Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 2,562,825	\$ 1,580,623	\$ 4,143,448
Payments to other funds	(123,078)	(145,110)	(268,188)
Payments to suppliers	(2,619,674)	(204,986)	(2,824,660)
Payments to employees and fringes	-	(353,736)	(353,736)
Other receipts	131,429	-	131,429
Net cash and cash equivalents (used in) provided by operating activities	(48,498)	876,791	828,293
Cash Flows from Capital and Related Financing Activities			
Issuance of bonds	-	3,469,175	3,469,175
Receipt of capital grants	-	26,126	26,126
Special assessment collections	201,323	26,129	227,452
Tap-in fees	800,781	115,460	916,241
Purchase of capital assets	(362,097)	(3,879,657)	(4,241,754)
Principal and interest paid on capital debt	(316,530)	(86,183)	(402,713)
Net cash and cash equivalents provided by (used in) capital and related financing activities	323,477	(328,950)	(5,473)
Cash Flows Provided by Investing Activities - Interest received on investments	16,202	39,588	55,790
Net Increase in Cash and Cash Equivalents	291,181	587,429	878,610
Cash and Cash Equivalents - Beginning of year	1,666,342	4,463,556	6,129,898
Cash and Cash Equivalents - End of year	<u>\$ 1,957,523</u>	<u>\$ 5,050,985</u>	<u>\$ 7,008,508</u>
Classification of Cash and Cash Equivalents			
Cash and investments	\$ 1,957,523	\$ 2,218,417	\$ 4,175,940
Restricted cash	-	2,832,568	2,832,568
Total cash and cash equivalents	<u>\$ 1,957,523</u>	<u>\$ 5,050,985</u>	<u>\$ 7,008,508</u>
Reconciliation of Operating (Loss) Income to Net Cash and Cash Equivalents from Operating Activities			
Operating (loss) income	\$ (451,300)	\$ 282,739	\$ (168,561)
Adjustments to reconcile operating (loss) income to net cash and cash equivalents from operating activities:			
Depreciation	367,623	399,638	767,261
Changes in assets and liabilities:			
Receivables	131,429	89,181	220,610
Due to and from other funds	(123,078)	(145,110)	(268,188)
Prepaid and other assets	-	1,475	1,475
Net pension or OPEB liability	15,321	(90,806)	(75,485)
Accounts payable	11,507	333,964	345,471
Accrued and other liabilities	-	5,710	5,710
Total adjustments	402,802	594,052	996,854
Net cash and cash equivalents (used in) provided by operating activities	<u>\$ (48,498)</u>	<u>\$ 876,791</u>	<u>\$ 828,293</u>
Significant Noncash Transactions	\$ 369,107	\$ -	\$ 369,107

Noncash transactions relate to sewer capital assets that were paid for by the Public Act 188 Fund with unrestricted dollars and donated to the Sewer Fund for \$369,107.

Charter Township of White Lake

**Fiduciary Funds
Statement of Fiduciary Net Position**

December 31, 2022

	Other Postemployment Benefits Fund	Custodial Funds	Total Fiduciary Funds
Assets			
Cash and cash equivalents	\$ -	\$ 1,010,177	\$ 1,010,177
Interest in pooled investments (Note 2)	7,179,758	-	7,179,758
Receivables	-	4,911,455	4,911,455
Total assets	7,179,758	5,921,632	13,101,390
Liabilities			
Due to other governmental units	-	1,093	1,093
Refundable deposits, bonds, etc.	-	25,721	25,721
Unremitted tax collections	-	452,352	452,352
Total liabilities	-	479,166	479,166
Deferred Inflows of Resources - Property taxes levied for the following year	-	4,911,455	4,911,455
Net Position			
Restricted:			
Postemployment benefits other than pension (Note 2)	7,179,758	-	7,179,758
Individuals, organizations, and other governments	-	531,011	531,011
Total net position	\$ 7,179,758	\$ 531,011	\$ 7,710,769

Charter Township of White Lake

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2022

	Other Postemployment Benefits Fund	Custodial Funds	Total Fiduciary Funds
Additions			
Investment loss	\$ (736,187)	\$ -	\$ (736,187)
Contributions	1,460,123	351,990	1,812,113
Property tax collections for other governments	-	35,159,828	35,159,828
Total additions	723,936	35,511,818	36,235,754
Deductions			
Benefit payments	670,123	-	670,123
Administrative expenses	12,486	13,879	26,365
Repairs and maintenance	-	396,097	396,097
Tax payments to other governments	-	35,159,828	35,159,828
Total deductions	682,609	35,569,804	36,252,413
Net Increase (Decrease) in Fiduciary Net Position	41,327	(57,986)	(16,659)
Net Position - Beginning of year	7,138,431	588,997	7,727,428
Net Position - End of year	\$ 7,179,758	\$ 531,011	\$ 7,710,769

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.

Fiduciary Component Unit

Other Postemployment Benefits Fund

The Charter Township of White Lake's OPEB plan is governed by the Township's board. Although it is legally separate from the Township, it is reported as a fiduciary component unit because the Township administers the plan 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, 2022, the Township's contribution to WOTA was \$234,763.

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 Improvement Revolving Fund is a capital projects fund used to account for township capital improvement projects.

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 funds as a major enterprise funds:

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

Unearned Revenue

Unearned revenue consists of grant proceeds, which are not considered earned until they have been spent on eligible expenditures.

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 and Sewer funds. 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 and Sewer funds. 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 funds financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund 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, 2022

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 2022 property tax revenue was levied and collectible on December 1, 2021 and is recognized as revenue in the year ended December 31, 2022 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2021 taxable valuation of the Township totaled 1.3 billion, on which taxes levied consisted of 0.9161 mills for operating purposes, 4.4813 mills for police services, 2.7500 mills for fire service, 0.4126 mills for library debt, and 0.2884 mills for parks and recreation. This resulted in \$1.2 million for operating, \$5.8 million for police services, \$3.6 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 and Sewer funds is charges to customers for sales and services. The Water and Sewer funds also recognize 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.

Upcoming Accounting Pronouncements

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments; deferred inflows of resources; and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2023.

December 31, 2022

Note 1 - Significant Accounting Policies (Continued)

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2023.

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

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2024.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2024.

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.

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.

December 31, 2022

Note 2 - Deposits and Investments (Continued)

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 bank deposits of \$8,792,414 (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	\$ 21,300,665	464
Investment	Carrying Value	Weighted-average Maturity (Years)
Fiduciary Funds		
MERS Total Market Portfolio	\$ 7,179,758	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	\$ 21,300,665	N/A	N/A
Investment	Carrying Value	Rating	Rating Organization
Fiduciary Funds			
MERS Total Market Portfolio	\$ 7,179,758	N/A	N/A

Note 2 - Deposits and Investments (Continued)

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, and 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.

The Township has a fair value measurement in the Oakland County Local Government Investment Pool (LGIP) as of December 31, 2022. The Township’s investment in the Oakland County LGIP (\$21,300,665) and the MERS Total Market Portfolio (\$7,179,758) 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, 2022, 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	\$ 21,300,665	\$ -	None	N/A
MERS Total Market Portfolio	7,179,758	-	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 manages the asset allocation and monitors the underlying investment managers of the MERS Total Market Portfolio.

December 31, 2022

Note 3 - Capital Assets

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

Governmental Activities

	Balance January 1, 2022	Additions	Disposals and Adjustments	Balance December 31, 2022
Capital assets not being depreciated:				
Land	\$ 4,737,591	\$ -	\$ -	\$ 4,737,591
Construction in progress	145,180	-	(145,180)	-
Subtotal	4,882,771	-	(145,180)	4,737,591
Capital assets being depreciated:				
Buildings and improvements	8,254,235	115,421	(6,200)	8,363,456
Vehicles	4,005,097	867,001	(777,728)	4,094,370
Furniture and equipment	1,907,329	205,341	(7,139)	2,105,531
Subtotal	14,166,661	1,187,763	(791,067)	14,563,357
Accumulated depreciation:				
Buildings and improvements	3,706,009	334,630	(6,200)	4,034,439
Vehicles	2,887,529	431,289	(777,728)	2,541,090
Furniture and equipment	1,385,874	145,167	(7,139)	1,523,902
Subtotal	7,979,412	911,086	(791,067)	8,099,431
Net capital assets being depreciated	6,187,249	276,677	-	6,463,926
Net governmental activities capital assets	<u>\$ 11,070,020</u>	<u>\$ 276,677</u>	<u>\$ (145,180)</u>	<u>\$ 11,201,517</u>

Business-type Activities

	Balance January 1, 2022	Additions	Disposals and Adjustments	Balance December 31, 2022
Capital assets not being depreciated:				
Land	\$ 253,080	\$ -	\$ -	\$ 253,080
Construction in progress	332,006	4,162,599	(45,879)	4,448,726
Subtotal	585,086	4,162,599	(45,879)	4,701,806
Capital assets being depreciated:				
Water system	15,846,818	-	-	15,846,818
Machinery and equipment	636,569	-	(18,515)	618,054
Sewer system	16,869,332	407,979	-	17,277,311
Subtotal	33,352,719	407,979	(18,515)	33,742,183
Accumulated depreciation:				
Water system	8,349,951	323,682	-	8,673,633
Machinery and equipment	284,329	75,956	(18,515)	341,770
Sewer system	5,569,120	367,623	-	5,936,743
Subtotal	14,203,400	767,261	(18,515)	14,952,146
Net capital assets being depreciated	19,149,319	(359,282)	-	18,790,037
Net business-type activities capital assets	<u>\$ 19,734,405</u>	<u>\$ 3,803,317</u>	<u>\$ (45,879)</u>	<u>\$ 23,491,843</u>

December 31, 2022

Note 3 - Capital Assets (Continued)

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

Governmental activities:		
General government		\$ 147,549
Public safety		546,633
Public works		143,382
Economic development		2,685
Health and welfare		4,698
Recreation and culture		66,139
		<u>911,086</u>
Total governmental activities		<u>\$ 911,086</u>
Business-type activities		
Water		\$ 399,638
Sewer		367,623
		<u>767,261</u>
Total business-type activities		<u>\$ 767,261</u>

Construction Commitments

At December 31, 2022, the Township had outstanding commitments through construction contracts of approximately \$3,430,973 related to the Drinking Water State Revolving Fund and other capital improvements. The amount spent to date on those contracts is \$3,866,435.

Note 4 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water Fund	\$ 55,694
	Solid Waste Special Assessment Fund	96,326
	Sewer Fund	1,523
	Nonmajor governmental funds	16,578
	Total General Fund	<u>170,121</u>
Nonmajor governmental funds	Sewer Fund	120,208
Water Fund	Sewer Fund	136,661
	General Fund	166,170
	Total Water Fund	<u>302,831</u>
Sewer Fund	Water Fund	785
	Total	<u>\$ 593,945</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	Improvement Revolving Fund	\$ 3,304,148

December 31, 2022

Note 4 - Interfund Receivables, Payables, and Transfers (Continued)

The transfers from the General Fund to the Improvement Revolving Fund occurred to set funds aside for future township projects.

Note 5 - Long-term Debt

Long-term debt activity for the year ended December 31, 2022 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	\$ 74,000	\$ -	\$ (14,800)	\$ 59,200	\$ 14,800
Capital leases - 2019 Copiers:							
Amount of issue - \$17,600		\$5,395-					
Maturing through 2022	8.18%	\$6,351	5,813	-	(5,813)	-	-
Total direct borrowings and direct placements principal outstanding			79,813	-	(20,613)	59,200	14,800
Other debt:							
2018 Library Building Construction Bond:							
Amount of issue - \$8,600,000	3.00% -	\$250,000 -					
Maturing through 2038	3.50%	\$675,000	8,075,000	-	(275,000)	7,800,000	300,000
Discount on bonds payable			(71,666)	-	2,439	(69,227)	(2,663)
2021 Special Assessment Bonds:							
Amount of issue - \$900,000	1.05% -	\$70,000 -					
Maturing through 2031	2.60%	\$90,000	900,000	-	(70,000)	830,000	95,000
Total other debt principal outstanding			8,903,334	-	(342,561)	8,560,773	392,337
Total direct borrowings and other debt principal outstanding			8,983,147	-	(363,174)	8,619,973	407,137
Accumulated compensated absences			112,429	12,572	(24,573)	100,428	20,086
Total governmental activities long-term debt			<u>\$ 9,095,576</u>	<u>\$ 12,572</u>	<u>\$ (387,747)</u>	<u>\$ 8,720,401</u>	<u>\$ 427,223</u>

December 31, 2022

Note 5 - Long-term Debt (Continued)

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		\$55,000 -					
Maturing through 2030	2.50%	\$75,000	\$ 595,000	\$ -	\$ (60,000)	\$ 535,000	\$ 60,000
Amount of issue - \$8,280,000		\$345,000 -					
Maturing through 2042	1.875%	\$395,000	-	3,469,175	-	3,469,175	345,000
General obligation bonds - 2002							
Pontiac Lake Sanitary System:							
Amount of issue - \$4,121,112		\$205,000 -					
Maturing through 2022	2.50%	\$270,000	270,000	-	(270,000)	-	-
Total direct borrowings and direct placements principal outstanding			865,000	3,469,175	(330,000)	4,004,175	405,000
Other debt:							
2016 Special Assessment Bonds:							
Amount of issue - \$70,812		\$6,885-					
Maturing through 2026	3.00%	\$8,082	37,904	-	(6,885)	31,019	7,650
2016 Special Assessment Bonds:							
Amount of issue - \$390,907		\$29,645-					
Maturing through 2026	3.00%	\$43,657	208,816	-	(38,115)	170,701	42,350
Total other debt principal outstanding			246,720	-	(45,000)	201,720	50,000
Total business-type activities long-term debt			<u>\$ 1,111,720</u>	<u>\$ 3,469,175</u>	<u>\$ (375,000)</u>	<u>\$ 4,205,895</u>	<u>\$ 455,000</u>

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 provides 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.

December 31, 2022

Note 5 - Long-term Debt (Continued)

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	
2023	\$ 14,800	\$ 8,447	\$ 392,337	\$ 252,189	\$ 667,773
2024	14,800	7,755	392,337	242,581	657,473
2025	14,800	7,001	491,450	231,354	744,605
2026	14,800	6,092	516,228	218,148	755,268
2027	-	5,261	511,228	204,498	720,987
Thereafter	-	11,178	6,257,193	1,192,274	7,460,645
Total	\$ 59,200	\$ 45,734	\$ 8,560,773	\$ 2,341,044	\$ 11,006,751

Years Ending December 31	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2023	\$ 405,000	\$ 12,625	\$ 50,000	\$ 5,000	\$ 472,625
2024	420,000	11,063	50,000	3,750	484,813
2025	425,000	9,438	50,000	2,250	486,688
2026	430,000	7,813	51,720	750	490,283
2027	435,000	6,188	-	-	441,188
Thereafter	1,889,175	8,188	-	-	1,897,363
Total	\$ 4,004,175	\$ 55,315	\$ 201,720	\$ 11,750	\$ 4,272,960

Assets Pledged as Collateral

Direct Borrowings and Direct Placements

The Township’s outstanding capital lease debt from direct borrowings related to governmental activities of \$5,813 is secured with collateral of the township copiers.

Drinking Water Revolving Fund

The Township was approved for a Drinking Water Revolving Fund loan on August 9, 2021 in the amount of approximately \$8.3 million. At December 31, 2022, there was approximately \$4 million drawn on the loan.

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.

Note 6 - Risk Management (Continued)

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 firefighters 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 \$7,441,695. The current year contribution was calculated based on covered payroll of \$24,710, resulting in an employer contribution of \$2,471 and employee contributions of \$0.

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 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 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 3-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. The 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 general employees (hired after September 1, 2011) are calculated as 1.50 percent of the employee's final 3-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. The 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 police employees (hired on or before September 1, 2011) are calculated as 2.50 percent of the employee's final 3-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. The 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 3-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. The 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 3-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. The 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 3-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. The 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 3-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. The 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 3-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. The 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, 2022

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, 2021
Inactive plan members or beneficiaries currently receiving benefits	61
Inactive plan members entitled to but not yet receiving benefits	12
Active plan members	88
	161
Total employees covered by the plan	161

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 \$15,323 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 4.33 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 \$23,168 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 7.34 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 \$19,167 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 8.41 percent of annual covered payroll.

December 31, 2022

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 68.07 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 34.40 percent of annual covered payroll.

Net Pension Liability

The net pension liability reported at December 31, 2022 was determined using a measure of the total pension liability and the pension net position as of the December 31, 2021 measurement date. The December 31, 2021 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, 2020	\$ 38,644,884	\$ 27,944,844	\$ 10,700,040
Changes for the year:			
Service cost	796,154	-	796,154
Interest	2,894,470	-	2,894,470
Differences between expected and actual experience	508,707	-	508,707
Changes in assumptions	1,652,901	-	1,652,901
Contributions - Employer	-	1,324,322	(1,324,322)
Contributions - Employee	-	403,665	(403,665)
Net investment income	-	3,781,359	(3,781,359)
Benefit payments, including refunds	(1,915,673)	(1,915,673)	-
Administrative expenses	-	(44,722)	44,722
Net changes	3,936,559	3,548,951	387,608
Balance at December 31, 2021	<u>\$ 42,581,443</u>	<u>\$ 31,493,795</u>	<u>\$ 11,087,648</u>

The plan's fiduciary net position represents 74.0 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, 2022, the Township recognized pension expense of \$1,598,879.

December 31, 2022

Note 8 - Pension Plan (Continued)

At December 31, 2022, 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	\$ 647,849	\$ (39,202)
Changes in assumptions	2,575,410	-
Net difference between projected and actual earnings on pension plan investments	-	(2,268,510)
Employer contributions to the plan subsequent to the measurement date	1,650,720	-
Total	\$ 4,873,979	\$ (2,307,712)

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 (\$1,650,720), which will impact the net pension liability, rather than pension expense.

Years Ending December 31	Amount
2023	\$ 621,067
2024	83,249
2025	112,187
2026	99,044
Total	\$ 915,547

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)	7.25%

Mortality rates were based on a blend of the following tables:

1. The Pub-2010 Juvenile Mortality Tables
2. The PubG-2010 Employee Mortality Tables
3. The PubG-2010 Healthy Retiree Tables

For disabled retirees, the mortality rates were based on a blend of the Pub-2010 Juvenile Mortality Tables and the PubNS-2010 Disabled Retiree Tables.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 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.

December 31, 2022

Note 8 - Pension Plan (Continued)

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.

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, 2021, 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 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

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 7.25 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 (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension liability of the Township	\$ 16,462,412	\$ 11,087,648	\$ 6,629,998

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, 2022 (December 31, 2021 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 being updated.

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.

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 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:

Date of member count	December 31, 2022
Inactive plan members or beneficiaries currently receiving benefits	48
Active plan members	30
Total plan members	<u>78</u>

December 31, 2022

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, 2022, the Township made payments for postemployment health benefit premiums of \$670,123. 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, 2022. 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, 2022 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, 2022 measurement date. The December 31, 2022 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, 2021	\$ 12,062,138	\$ 7,138,431	\$ 4,923,707
Changes for the year:			
Service cost	134,498	-	134,498
Interest	872,262	-	872,262
Differences between expected and actual experience	(491,707)	-	(491,707)
Changes in assumptions	1,422,277	-	1,422,277
Contributions - Employer	-	1,460,123	(1,460,123)
Net investment loss	-	(736,186)	736,186
Benefit payments, including refunds	(670,123)	(670,123)	-
Administrative expenses	-	(12,487)	12,487
Net changes	1,267,207	41,327	1,225,880
Balance at December 31, 2022	\$ 13,329,345	\$ 7,179,758	\$ 6,149,587

The plan's fiduciary net position represents 53.9 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, 2022, the Township recognized OPEB expense of \$414,660.

December 31, 2022

Note 9 - Other Postemployment Benefit Plan (Continued)

At December 31, 2022, 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	\$ -	\$ (761,415)
Changes in assumptions	1,450,341	-
Net difference between projected and actual earnings on OPEB plan investments	634,082	-
Total	\$ 2,084,423	\$ (761,415)

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
2023	\$ 455,470
2024	426,324
2025	183,328
2026	257,886
Total	\$ 1,323,008

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 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 7.00 percent; a health care cost trend rate of 7.00 percent for 2022, decreasing to an ultimate rate of 4.50 percent; and the SOA Pub-2010 Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 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.

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, 2022 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 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

Rates of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was (10.42) 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 7.0 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 (6.00%)	Current Discount Rate (7.00%)	1 Percentage Point Increase (8.00%)
Net OPEB liability of the township OPEB plan	\$ 7,830,457	\$ 6,149,587	\$ 4,758,833

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 7.0 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 (6.00%)	Current Health Care Cost Trend Rate (7.00%)	1 Percentage Point Increase (8.00%)
Net OPEB liability of the township OPEB plan	\$ 4,678,642	\$ 6,149,587	\$ 7,937,208

December 31, 2022

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 discount rate decreased from 7.35 percent as of December 31, 2021 to 7.00 percent as of December 31, 2022.
- The health care cost trend rates have been updated to an initial rate of 7.00 percent decreasing to an ultimate rate of 4.50 percent.
- The mortality improvement scale applied to all mortality tables has been updated from MP-2020 to MP-2021.

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 the 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 7 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, 2022 were \$183,229.

December 31, 2022

Note 11 - Prior Period Adjustment

The accompanying financial statements for 2022 have been restated to move special assessment activity from the Sewer Fund to the Public Act 188 Fund as of January 1, 2022. As a result, activity previously reported in business-type activities are now reported in governmental activities. The following net position/fund balances amounts were restated as of January 1, 2022:

	Governmental Activities	Public Act 188 Fund	Business-type Activities	Sewer Fund
Net position/Fund balances - Beginning of year, as previously reported	\$ 27,447,570	\$ 648,774	\$ 25,652,726	\$ 13,119,357
Adjustment	930,929	230,107	(930,929)	(930,929)
Net position/Fund balances - Beginning of year, as restated	<u>\$ 28,378,499</u>	<u>\$ 878,881</u>	<u>\$ 24,721,797</u>	<u>\$ 12,188,428</u>

Note 12 - Other Receivables

During fiscal year 2022, the Township entered into an agreement with Huron Valley Schools (HVS) in which the Township would construct water infrastructure to extend water services to HVS. As a part of this agreement, HVS has agreed to repay the Township over a period of time, which is to be determined, the amount of the cost of the infrastructure. As of December 31, 2022, the Township has recorded a receivable from HVS in the Water Fund for the portion of the project that was completed as of year end. The receivable is being shown as noncurrent, as repayment will not begin until after the project is final. The amount of the receivable at December 31, 2022 is \$2,041,772.

Required Supplemental Information

Charter Township of White Lake

Required Supplemental Information Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Tax collections	\$ 1,223,225	\$ 1,221,725	\$ 1,389,100	\$ 167,375
Other license and permits	1,700	1,700	3,367	1,667
Transportation	21,500	36,263	32,652	(3,611)
Planning and development revenue	21,500	21,500	44,502	23,002
State-shared revenue and grants	2,500,000	2,599,000	5,770,069	3,171,069
Fees for service	752,176	752,176	801,776	49,600
Ordinance fees	-	-	1,795	1,795
Rents	12,500	12,500	16,672	4,172
Miscellaneous	946,127	946,127	562,079	(384,048)
Total revenue	5,478,728	5,590,991	8,622,012	3,031,021
Expenditures				
Township board	141,330	149,630	129,249	20,381
Supervisor	448,920	471,345	426,649	44,696
Elections	132,040	276,640	267,911	8,729
Accounting department	224,805	264,470	264,774	(304)
Assessing	495,525	604,705	518,785	85,920
Legal fees	110,000	108,500	85,168	23,332
Clerk	518,102	538,242	529,168	9,074
Board of review	3,150	3,150	1,818	1,332
Postage and mailing	27,800	27,800	24,076	3,724
Office supplies	40,000	40,000	41,801	(1,801)
Treasurer	511,480	534,655	513,408	21,247
Township hall and grounds	1,345,485	1,416,160	768,524	647,636
Cemetery	63,100	63,100	51,828	11,272
Other township properties	68,960	361,960	69,341	292,619
Health and welfare	12,000	12,000	8,451	3,549
Unallocated miscellaneous	15,000	15,000	12,469	2,531
Planning and community development	389,816	403,991	380,836	23,155
Ordinance	138,905	144,660	123,308	21,352
Highway and streets	216,000	278,500	224,380	54,120
Storm and sewer	-	-	-	-
Transportation services	185,000	235,313	235,166	147
Senior/Community center	248,890	255,490	240,506	14,984
Long-term sick pay/retiree health care	370,000	370,000	369,626	374
Payroll services	25,000	25,000	19,069	5,931

See notes to required supplemental information.

Charter Township of White Lake

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

Year Ended December 31, 2022

Other general services	<u>306,950</u>	<u>336,950</u>	<u>326,551</u>	<u>10,399</u>
Total expenditures	<u>6,038,258</u>	<u>6,937,261</u>	<u>5,632,862</u>	<u>1,304,399</u>
Excess of Revenue (Under) Over Expenditures	(559,530)	(1,346,270)	2,989,150	4,335,420
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	(3,304,148)	(3,304,148)	-
Sale of capital assets	-	-	8,358	8,358
Total other financing (uses) sources	-	(3,304,148)	(3,295,790)	8,358
Net Change in Fund Balance	(559,530)	(4,650,418)	(306,640)	4,343,778
Fund Balance - Beginning of year	<u>6,656,202</u>	<u>6,656,202</u>	<u>6,656,202</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 6,096,672</u>	<u>\$ 2,005,784</u>	<u>\$ 6,349,562</u>	<u>\$ 4,343,778</u>

Charter Township of White Lake

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

Year Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Fire revenue	\$ 3,568,981	\$ 3,568,981	\$ 3,677,615	\$ 108,634
Expenditures				
Salaries	1,929,875	2,048,335	1,771,239	277,096
Payroll-related benefits	1,247,375	1,298,375	1,164,813	133,562
Other	432,350	457,575	445,126	12,449
Acquisitions	570,000	757,000	751,625	5,375
Total expenditures	<u>4,179,600</u>	<u>4,561,285</u>	<u>4,132,803</u>	<u>428,482</u>
Excess of Revenue (Under) Over Expenditures	(610,619)	(992,304)	(455,188)	(537,116)
Other Financing Sources - Sale of capital assets	<u>-</u>	<u>-</u>	<u>69,750</u>	<u>(69,750)</u>
Net Change in Fund Balance	(610,619)	(992,304)	(385,438)	606,866
Fund Balance - Beginning of year	<u>6,959,254</u>	<u>6,959,254</u>	<u>6,959,254</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 6,348,635</u>	<u>\$ 5,966,950</u>	<u>\$ 6,573,816</u>	<u>\$ 606,866</u>

Charter Township of White Lake

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

Year Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Police revenue	\$ 5,968,308	\$ 5,968,308	\$ 6,288,594	\$ 320,286
Expenditures				
Civil service	3,000	3,000	118	2,882
Salaries	3,163,520	3,333,280	3,059,250	274,030
Payroll and related benefits	2,503,910	2,546,810	2,321,572	225,238
Other	874,100	878,350	803,591	74,759
Crossing guards	19,550	19,550	18,028	1,522
Total expenditures	<u>6,564,080</u>	<u>6,780,990</u>	<u>6,202,559</u>	<u>578,431</u>
Excess of Revenue (Under) Over Expenditures	(595,772)	(812,682)	86,035	(898,717)
Other Financing Sources - Sale of capital assets	<u>20,000</u>	<u>20,000</u>	<u>58,483</u>	<u>(38,483)</u>
Net Change in Fund Balance	(575,772)	(792,682)	144,518	937,200
Fund Balance - Beginning of year	<u>4,864,698</u>	<u>4,864,698</u>	<u>4,864,698</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 4,288,926</u>	<u>\$ 4,072,016</u>	<u>\$ 5,009,216</u>	<u>\$ 937,200</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, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Special assessments	\$ 2,007,102	\$ 2,007,102	\$ 2,018,233	\$ 11,131
Expenditures	<u>2,007,102</u>	<u>2,010,102</u>	<u>2,008,270</u>	<u>1,832</u>
Net Change in Fund Balance	-	(3,000)	9,963	12,963
Fund Balance - Beginning of year	<u>173,830</u>	<u>173,830</u>	<u>173,830</u>	-
Fund Balance - End of year	<u><u>\$ 173,830</u></u>	<u><u>\$ 170,830</u></u>	<u><u>\$ 183,793</u></u>	<u><u>\$ 12,963</u></u>

Charter Township of White Lake

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

	Last Eight Plan Years							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 796,154	\$ 707,910	\$ 660,190	\$ 649,224	\$ 649,488	\$ 622,992	\$ 625,618	\$ 622,772
Interest	2,894,470	2,646,104	2,578,764	2,479,156	2,353,583	2,241,783	2,069,874	1,948,262
Differences between expected and actual experience	508,707	346,801	35,833	(196,008)	110,815	(97,070)	159,965	-
Changes in assumptions	1,652,901	1,374,725	1,070,637	-	-	-	1,289,886	-
Benefit payments, including refunds	(1,915,673)	(1,787,705)	(1,785,640)	(1,599,886)	(1,488,304)	(1,278,592)	(1,143,667)	(1,053,062)
Net Change in Total Pension Liability	3,936,559	3,287,835	2,559,784	1,332,486	1,625,582	1,489,113	3,001,676	1,517,972
Total Pension Liability - Beginning of year	38,644,884	35,357,049	32,797,265	31,464,779	29,839,197	28,350,084	25,348,408	23,830,436
Total Pension Liability - End of year	\$ 42,581,443	\$ 38,644,884	\$ 35,357,049	\$ 32,797,265	\$ 31,464,779	\$ 29,839,197	\$ 28,350,084	\$ 25,348,408
Plan Fiduciary Net Position								
Contributions - Employer	\$ 1,324,322	\$ 1,078,321	\$ 982,303	\$ 974,673	\$ 860,906	\$ 683,655	\$ 642,013	\$ 553,152
Contributions - Member	403,665	372,926	358,604	353,693	337,653	330,788	328,248	325,529
Net investment income (loss)	3,781,359	3,526,308	3,014,284	(923,220)	2,786,317	2,185,266	(298,752)	1,185,448
Administrative expenses	(44,722)	(49,956)	(51,959)	(45,634)	(44,098)	(43,120)	(43,312)	(43,598)
Benefit payments, including refunds	(1,915,673)	(1,787,705)	(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	3,548,951	3,139,894	2,517,592	(1,240,374)	2,452,474	1,876,541	(515,546)	967,469
Plan Fiduciary Net Position - Beginning of year	27,944,844	24,804,950	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	\$ 31,493,795	\$ 27,944,844	\$ 24,804,950	\$ 22,287,358	\$ 23,527,732	\$ 21,075,258	\$ 19,198,717	\$ 19,714,263
Township's Net Pension Liability - Ending	\$ 11,087,648	\$ 10,700,040	\$ 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	73.96 %	72.31 %	70.16 %	67.95 %	74.77 %	70.63 %	67.72 %	77.77 %
Covered Payroll	\$ 6,042,970	\$ 6,029,662	\$ 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	183.48 %	177.46 %	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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,514,460	\$ 1,243,452	\$ 1,044,240	\$ 933,300	\$ 896,775	\$ 764,069	\$ 682,587	\$ 641,982	\$ 553,152	\$ 562,907
Contributions in relation to the actuarially determined contribution	1,650,720	1,324,322	1,078,321	982,303	974,673	859,452	683,655	642,013	553,152	562,907
Contribution Excess	\$ 136,260	\$ 80,870	\$ 34,081	\$ 49,003	\$ 77,898	\$ 95,383	\$ 1,068	\$ 31	\$ -	\$ -
Covered Payroll	\$ 6,405,878	\$ 6,446,620	\$ 5,554,756	\$ 5,401,007	\$ 5,383,432	\$ 5,020,601	\$ 5,022,859	\$ 4,960,341	\$ 5,255,785	\$ 4,974,704
Contributions as a Percentage of Covered Payroll	25.77 %	20.54 %	19.41 %	18.19 %	18.11 %	17.12 %	13.61 %	12.94 %	10.52 %	11.32 %

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, 2022 were determined based on the actuarial valuation as of December 31, 2020. The most recent valuation is as of December 31, 2021.

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 percent
Investment rate of return	7.35 percent
Retirement age	Experience-based table of rates is specific to the type of eligibility condition
Mortality	Pub-2010 tables of a 50 percent male and 50 percent female blend
Other information	None

Charter Township of White Lake

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

	Last Five Fiscal Years				
	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 134,498	\$ 124,923	\$ 150,951	\$ 194,334	\$ 181,621
Interest	872,262	893,464	829,212	873,215	836,560
Differences between expected and actual experience	(491,707)	(629,688)	(894,858)	(1,359,536)	-
Changes in assumptions	1,422,277	534,657	1,295,750	(908,029)	-
Benefit payments, including refunds	(670,123)	(520,019)	(531,701)	(532,397)	(482,939)
Net Change in Total OPEB Liability	1,267,207	403,337	849,354	(1,732,413)	535,242
Total OPEB Liability - Beginning of year	12,062,138	11,658,801	10,809,447	12,541,860	12,006,618
Total OPEB Liability - End of year	<u>\$ 13,329,345</u>	<u>\$ 12,062,138</u>	<u>\$ 11,658,801</u>	<u>\$ 10,809,447</u>	<u>\$ 12,541,860</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 1,460,123	\$ 1,310,019	\$ 1,321,701	\$ 1,297,397	\$ 1,260,439
Net investment (loss) income	(736,186)	831,431	681,347	447,964	(118,947)
Administrative expenses	(12,487)	(11,766)	(8,133)	(6,353)	(6,508)
Benefit payments, including refunds	(670,123)	(520,019)	(531,701)	(532,397)	(482,939)
Net Change in Plan Fiduciary Net Position	41,327	1,609,665	1,463,214	1,206,611	652,045
Plan Fiduciary Net Position - Beginning of year	7,138,431	5,528,766	4,065,552	2,858,941	2,206,896
Plan Fiduciary Net Position - End of year	<u>\$ 7,179,758</u>	<u>\$ 7,138,431</u>	<u>\$ 5,528,766</u>	<u>\$ 4,065,552</u>	<u>\$ 2,858,941</u>
Net OPEB Liability - Ending	<u>\$ 6,149,587</u>	<u>\$ 4,923,707</u>	<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	53.86 %	59.18 %	47.42 %	37.61 %	22.80 %
Covered-employee Payroll	\$ 2,898,062	\$ 3,788,198	\$ 3,677,862	\$ 3,570,740	\$ 3,557,735
Net OPEB Liability as a Percentage of Covered-employee Payroll	212.20 %	129.97 %	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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 670,123	\$ 682,731	\$ 759,070	\$ 996,598	\$ 984,059	\$ 827,842	\$ 827,842	\$ 827,842	\$ 1,630,254	\$ 1,630,254
Contributions in relation to the actuarially determined contribution	1,460,123	1,310,019	1,321,701	1,297,397	1,260,439	1,172,456	1,096,978	718,110	350,313	291,388
Contribution Excess (Deficiency)	\$ 790,000	\$ 627,288	\$ 562,631	\$ 300,799	\$ 276,380	\$ 344,614	\$ 269,136	\$ (109,732)	\$ (1,279,941)	\$ (1,338,866)
Covered-employee Payroll	\$ 2,898,062	\$ 3,788,198	\$ 3,677,862	\$ 3,570,740	\$ 3,557,735	\$ 4,589,912	\$ 4,589,912	\$ 4,589,912	\$ 4,862,179	\$ 4,862,179
Contributions as a Percentage of Covered-employee Payroll	50.38 %	34.58 %	35.94 %	36.33 %	35.43 %	25.54 %	23.90 %	15.65 %	7.20 %	5.99 %

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 contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	26 years
Asset valuation method	Fair market value
Inflation	2.50 percent
Health care cost trend rates	8 percent for 2020 decreasing 0.5 percent annually to an ultimate rate of 4.5
Salary increase	3 percent
Investment rate of return	7.75 percent
Mortality	Pub-2010 using Scale MP-2018 generational mortality improvement
Other information	None

Charter Township of White Lake

Required Supplemental Information Schedule of OPEB Investment Returns

Last Five Fiscal Years Years Ended December 31

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return - Net of investment expense	(10.42)%	14.09 %	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.

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 - Accounting department	\$ 264,470	\$	264,774	\$	(304)
General Fund - Office supplies	40,000		41,801		(1,801)

Pension Information

Changes in Assumptions

In the fiscal year ended December 31, 2022, 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.

In the fiscal year ended December 31, 2021, there were assumption changes that resulted in an increase in the calculated total pension liability. The assumptions changed during the year related to the mortality tables.

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 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, 2022, 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 MP-2021. In addition the discount rate assumption has been updated from 7.35 percent to 7.00 percent. In addition, the health care trend rates have been updated to an initial rate of 7.00 percent for pre-65 and 6.25 percent for post-65 decreasing by 0.50 percent annually to an ultimate rate of 4.50 percent.

In the fiscal year ended December 31, 2021, there were assumption changes that resulted in an increase in calculated total OPEB liability. The assumptions changed during the year related to the discount rate decreasing from 7.75 percent to 7.35 percent. In addition, the health care trend rates have been updated to an initial rate of 7.50 percent decreasing by 0.50 percent annually to an ultimate rate of 4.00 percent.

December 31, 2022

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 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	\$ 112,146	\$ 2,272,462	\$ 1,307,060	\$ -
Receivables:				
Property taxes receivable	-	-	321,452	-
Special assessments receivable	-	-	-	-
Other receivables	-	1,870	2,555	-
Due from other governments	-	-	-	4,687
Due from other funds	-	-	-	-
Total assets	<u>\$ 112,146</u>	<u>\$ 2,274,332</u>	<u>\$ 1,631,067</u>	<u>\$ 4,687</u>
Liabilities				
Accounts payable	\$ -	\$ 8,490	\$ 29,791	\$ -
Due to other funds	-	-	11,891	4,687
Accrued liabilities and other	-	9,343	30	-
Total liabilities	-	17,833	41,712	4,687
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Property taxes and special assessments levied for the following year	-	-	393,998	-
Total deferred inflows of resources	-	-	393,998	-
Total liabilities and deferred inflows of resources	-	17,833	435,710	4,687
Fund Balances				
Restricted:				
Debt service	-	-	-	-
Drug law enforcement	112,146	-	-	-
Building activity	-	2,256,499	-	-
Parks and recreation	-	-	1,195,357	-
Assigned - Capital projects	-	-	-	-
Total fund balances	<u>112,146</u>	<u>2,256,499</u>	<u>1,195,357</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 112,146</u>	<u>\$ 2,274,332</u>	<u>\$ 1,631,067</u>	<u>\$ 4,687</u>

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2022

Debt Service Funds		Capital Project Funds			
Special Assessment Debt Service Fund	Library Debt Fund	Public Act 188 Fund	Construction Fund	Total	
\$ 207,394	\$ 129,062	\$ 498,362	\$ 100	\$	4,526,586
-	446,737	-	-	-	768,189
741,797	-	977,816	-	-	1,719,613
-	-	-	-	-	4,425
-	-	-	-	-	4,687
-	-	120,208	-	-	120,208
\$ 949,191	\$ 575,799	\$ 1,596,386	\$ 100	\$	7,143,708
\$ -	\$ -	\$ -	\$ -	\$	38,281
-	-	-	-	-	16,578
-	-	-	-	-	9,373
-	-	-	-	-	64,232
660,997	-	849,885	-	-	1,510,882
-	547,568	-	-	-	941,566
660,997	547,568	849,885	-	-	2,452,448
660,997	547,568	849,885	-	-	2,516,680
288,194	28,231	-	-	-	316,425
-	-	-	-	-	112,146
-	-	-	-	-	2,256,499
-	-	-	-	-	1,195,357
-	-	746,501	100	-	746,601
288,194	28,231	746,501	100	-	4,627,028
\$ 949,191	\$ 575,799	\$ 1,596,386	\$ 100	\$	7,143,708

Charter Township of White Lake

	Special Revenue Funds			
	Drug Forfeiture Fund	Building Fund	Parks and Recreation Fund	Community Development Block Grant Fund
Revenue				
Taxes	\$ -	\$ -	\$ 373,452	\$ -
Special assessments	-	-	-	-
Intergovernmental	14,999	-	20	39,560
Charges for services	-	24,828	7,113	-
Fines and forfeitures	54,099	-	-	-
Licenses and permits	-	655,316	-	-
Interest and rentals	51	18,810	7,537	-
Other revenue	-	27,070	8,230	-
Total revenue	69,149	726,024	396,352	39,560
Expenditures				
Current services:				
Public safety	59,735	622,625	-	-
Public works	-	-	-	-
Community and economic development	-	-	-	39,560
Recreation and culture	-	-	179,658	-
Debt service	-	-	-	-
Total expenditures	59,735	622,625	179,658	39,560
Excess of Revenue Over Expenditures	9,414	103,399	216,694	-
Other Financing Sources (Uses)				
Insurance recoveries	-	-	2,555	-
Total other financing sources (uses)	-	-	2,555	-
Net Change in Fund Balances	9,414	103,399	219,249	-
Fund Balances - Beginning of year, as restated (Note 11)	102,732	2,153,100	976,108	-
Fund Balances - End of year	\$ 112,146	\$ 2,256,499	\$ 1,195,357	\$ -

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

Year Ended December 31, 2022

Debt Service Funds		Capital Project Funds			
Special Assessment Debt Service Fund	Library Debt Fund	Public Act 188 Fund	Construction Fund	Total	
\$ -	\$ 534,306	\$ -	\$ -	\$ 907,758	
132,867	-	304,038	-	436,905	
-	-	-	-	54,579	
-	-	-	-	31,941	
-	-	-	-	54,099	
-	-	-	-	655,316	
26,423	598	63,933	-	117,352	
-	-	-	-	35,300	
159,290	534,904	367,971	-	2,293,250	
-	-	-	-	682,360	
-	-	484,627	-	484,627	
-	-	-	-	39,560	
-	-	-	-	179,658	
92,558	529,889	15,724	-	638,171	
92,558	529,889	500,351	-	2,024,376	
66,732	5,015	(132,380)	-	268,874	
-	-	-	-	2,555	
-	-	-	-	2,555	
66,732	5,015	(132,380)	-	271,429	
221,462	23,216	878,881	100	4,355,599	
\$ 288,194	\$ 28,231	\$ 746,501	\$ 100	\$ 4,627,028	

Charter Township of White Lake

Other Supplemental Information
Combining Statement of Fiduciary Net Position
Custodial Funds

December 31, 2022

	Custodial Funds		
	Trust and Agency Fund	Tax Collection Fund	Total
Assets			
Cash and cash equivalents	\$ 554,373	\$ 455,804	\$ 1,010,177
Receivables - Property taxes	-	4,911,455	4,911,455
Total assets	554,373	5,367,259	5,921,632
Liabilities			
Due to other governmental units	1,093	-	1,093
Refundable deposits, bonds, etc.	22,269	3,452	25,721
Unremitted tax collections	-	452,352	452,352
Total liabilities	23,362	455,804	479,166
Deferred Inflows of Resources - Property taxes levied for the following year	-	4,911,455	4,911,455
Total liabilities and deferred inflows of resources	23,362	5,367,259	5,390,621
Net Position - Restricted - Individuals, organizations, and other governments	<u>\$ 531,011</u>	<u>\$ -</u>	<u>\$ 531,011</u>

Charter Township of White Lake

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

Year Ended December 31, 2022

	Custodial Funds		
	Trust and Agency Fund	Tax Collection Fund	Total
Additions			
Contributions	\$ 351,990	\$ -	\$ 351,990
Property tax collections for other governments	-	35,159,828	35,159,828
Total additions	351,990	35,159,828	35,511,818
Deductions			
Administrative expenses	13,879	-	13,879
Repairs and maintenance	396,097	-	396,097
Tax payments to other governments	-	35,159,828	35,159,828
Total deductions	409,976	35,159,828	35,569,804
Net Decrease in Fiduciary Net Position	(57,986)	-	(57,986)
Net Position - Beginning of year	588,997	-	588,997
Net Position - End of year	<u>\$ 531,011</u>	<u>\$ -</u>	<u>\$ 531,011</u>