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# Charter Township of White Lake

Oakland County, Michigan

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**Financial Report**  
**with Supplementary Information**  
**December 31, 2023**

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## Independent Auditor's Report

To the Board of Trustees  
Charter Township of White Lake

### **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, 2023 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, 2023 and the respective changes in its financial position and, where applicable, its 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). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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.

To the Board of Trustees  
Charter Township of White Lake

In performing an audit in accordance with GAAS, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Supplementary 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 supplementary 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.



May 30, 2024

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, 2023.

### ***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 \$63,816,419 at the close of the most recent fiscal year.

### ***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			
	2022	2023	Change	Percent Change
<b>Assets</b>				
Current and other assets	\$ 61,238,534	\$ 64,525,164	\$ 3,286,630	5.4
Capital assets	11,201,517	12,019,038	817,521	7.3
Total assets	72,440,051	76,544,202	4,104,151	5.7
<b>Deferred Outflows of Resources</b>	6,883,975	7,643,735	759,760	11.0
<b>Liabilities</b>				
Current liabilities	2,298,878	3,639,912	1,341,034	58.3
Noncurrent liabilities	25,758,022	27,819,292	2,061,270	8.0
Total liabilities	28,056,900	31,459,204	3,402,304	12.1
<b>Deferred Inflows of Resources</b>	18,987,775	17,694,929	(1,292,846)	(6.8)
<b>Net Position</b>				
Net investment in capital assets	10,312,317	11,212,496	900,179	8.7
Restricted	16,401,037	17,592,541	1,191,504	7.3
Unrestricted	5,565,997	6,228,767	662,770	11.9
Total net position	<b>\$ 32,279,351</b>	<b>\$ 35,033,804</b>	<b>\$ 2,754,453</b>	8.5

## Charter Township of White Lake

### Management's Discussion and Analysis (Continued)

	Business-type Activities			
	2022	2023	Change	Percent Change
<b>Assets</b>				
Current and other assets	\$ 10,134,904	\$ 10,559,745	\$ 424,841	4.2
Capital assets	23,491,843	26,734,775	3,242,932	13.8
Total assets	33,626,747	37,294,520	3,667,773	10.9
<b>Deferred Outflows of Resources</b>	74,427	52,947	(21,480)	(28.9)
<b>Liabilities</b>				
Current liabilities	1,370,422	482,587	(887,835)	(64.8)
Noncurrent liabilities	4,405,509	8,048,287	3,642,778	82.7
Total liabilities	5,775,931	8,530,874	2,754,943	47.7
<b>Deferred Inflows of Resources</b>	31,157	33,978	2,821	9.1
<b>Net Position</b>				
Net investment in capital assets	19,285,948	18,831,230	(454,718)	(2.4)
Restricted - Water operating ordinance	2,832,568	2,862,728	30,160	1.1
Unrestricted	5,775,570	7,088,657	1,313,087	22.7
Total net position	<u>\$ 27,894,086</u>	<u>\$ 28,782,615</u>	<u>\$ 888,529</u>	3.2

The Township's governmental activities net position was approximately \$35.0 million at the close of the year ended December 31, 2023, which was an increase from December 31, 2022 of approximately \$2.8 million. The increase was primarily due to an increase in taxes and investment earnings.

The Township's business-type activities consist of the Water and Sewer funds. The change in net position from December 31, 2022 to December 31, 2023 was an increase of approximately \$900 thousand, which was primarily due to an increase in charges for services.

# Charter Township of White Lake

## Management's Discussion and Analysis (Continued)

### The Township's Changes in Net Position

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

	Governmental Activities			
	2022	2023	Change	Percent Change
<b>Revenue</b>				
Program revenue:				
Charges for services	\$ 3,149,973	\$ 3,408,339	\$ 258,366	8.2
Operating grants	2,326,412	140,317	(2,186,095)	(94.0)
Capital grants	446,650	485,366	38,716	8.7
General revenue:				
Taxes	11,725,926	12,808,770	1,082,844	9.2
Intergovernmental	3,625,301	3,509,914	(115,387)	(3.2)
Investment earnings	376,451	1,116,754	740,303	196.7
Other revenue	1,221,504	1,162,380	(59,124)	(4.8)
Total revenue	22,872,217	22,631,840	(240,377)	(1.1)
<b>Expenses</b>				
General government	4,267,958	3,828,849	(439,109)	(10.3)
Public safety	9,949,516	11,351,299	1,401,783	14.1
Public works	2,981,573	3,708,119	726,546	24.4
Health and welfare	239,864	4,698	(235,166)	(98.0)
Community and economic development	422,088	549,115	127,027	30.1
Recreation and culture	554,482	349,048	(205,434)	(37.0)
Debt service	555,884	568,342	12,458	2.2
Total expenses	18,971,365	20,359,470	1,388,105	7.3
<b>Transfers</b>	-	482,083	482,083	-
<b>Change in Net Position</b>	3,900,852	2,754,453	(1,146,399)	(29.4)
<b>Net Position</b> - Beginning of year, as previously reported	27,447,570	32,279,351	4,831,781	17.6
<b>Cumulative Effect of Change in Reporting</b>	930,929	-	930,929	100.0
<b>Net Position</b> - Beginning of year	28,378,499	32,279,351	3,900,852	13.7
<b>Net Position</b> - End of year	<u>\$ 32,279,351</u>	<u>\$ 35,033,804</u>	<u>\$ 2,754,453</u>	8.5

	Business-type Activities			
	2022	2023	Change	Percent Change
<b>Revenue</b>				
Program revenue:				
Charges for services	\$ 4,070,559	\$ 4,391,740	\$ 321,181	7.9
Capital grants and collection fees	3,340,512	1,624,507	(1,716,005)	(51.4)
General revenue	53,236	219,727	166,491	312.7
Total revenue	7,464,307	6,235,974	(1,228,333)	(16.5)
<b>Expenses</b> - Program expenses	4,292,018	4,865,362	573,344	13.4
<b>Transfers</b>	-	(482,083)	(482,083)	-
<b>Change in Net Position</b>	3,172,289	888,529	(2,283,760)	(72.0)
<b>Net Position</b> - Beginning of year	24,721,797	27,894,086	3,172,289	12.8
<b>Net Position</b> - End of year	<u>\$ 27,894,086</u>	<u>\$ 28,782,615</u>	<u>\$ 888,529</u>	3.2

## Charter Township of White Lake

### Management's Discussion and Analysis (Continued)

Governmental activities revenue was approximately \$22,632,000 for the year ended December 31, 2023, a decrease of approximately \$240,000 from 2022. Of this revenue, 57 percent was obtained through property taxes, 16 percent from state-shared revenue and other grants, and 15 percent from fees charged for services. Total governmental activities expenditures were approximately \$20,360,000, an increase of approximately \$1,388,000 from 2022. The primary causes of the increase were related to an increase in public safety and public works expenditures.

Business-type activities revenue was approximately \$6,236,000 for the year ended December 31, 2023. Charges for services represented 70 percent of total revenue. At December 31, 2023, the Township was providing water to 2,090 customers. Business-type activities expenses were approximately \$4,865,000, an increase of approximately \$573,000 from 2022. The primary cause of increased revenue and expenses in 2023 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 2023 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 \$6,648,000. Of this revenue, state-shared revenue accounted for 53 percent, and property taxes accounted for 21 percent. Total expenditures and other financing uses for the year were approximately \$5,622,000. At December 31, 2023, the unassigned fund balance of approximately \$1,573,000 represented 28 percent of the total General Fund expenditures and other financing uses for the year.

The Fire Fund is used to account for fire services to township residents. Total revenue and other financing sources for the year were approximately \$4,331,000. Of this revenue, property taxes accounted for 93 percent. Total expenditures and other financing uses for the year were approximately \$4,503,000. The fund balance of \$6,401,139 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 7,191,000. Of this revenue, property taxes accounted for 90 percent. Total expenditures and other financing uses for the year were approximately \$7,009,000. The fund balance of \$5,190,389 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 \$2,104,000 and was earned through special assessment charges. Total expenditures for the year were approximately \$2,091,000. The fund balance of \$196,833 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 \$2,790,000. Of this revenue, transfers in accounted for 91 percent. Total expenditures and other financing uses for the year were approximately \$1,159,000. The fund balance of \$12,664,817 is assigned for future capital projects.

#### ***Capital Assets and Debt Administration***

At the end of 2023, the Township had \$38,753,813 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.



## Charter Township of White Lake

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### Management's Discussion and Analysis (Continued)

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The Township's total long-term indebtedness as of December 31, 2023 is \$16,286,826. Of this amount, \$7,433,437 represents governmental general obligation bonds; \$44,400 represents a loan from Oakland County, Michigan; \$7,751,825 represents loans from the State of Michigan's Drinking Water Revolving Fund; \$886,720 represents special assessment bonds; \$27,142 represents a capital lease; and \$143,302 represents accumulated compensated absences.

#### ***Economic Factors and Next Year's Budgets and Rates***

The Township's budget for 2024 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, as well as the effect of rising inflation on costs. 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 Act (ARPA) funds and has spent \$2,172,440 to date on eligible governmental expenditures. The Township has committed the remaining ARPA grant funds to the Elizabeth Lake Road construction.

As the Township enters 2024, it is committed to provide for the community the best services possible in these economically challenging times by being ready to act quickly and responsibly.

#### ***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, 2023

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 40,567,142	\$ 4,477,344	\$ 45,044,486
Receivables:			
Property taxes receivable	11,631,602	-	11,631,602
Special assessments receivable	3,456,905	186,219	3,643,124
Receivables from sales to customers on account	-	287,216	287,216
Accrued interest receivable	-	1,448	1,448
Other receivables	415,785	22,347	438,132
Due from other governments	609,897	392,197	1,002,094
Internal balances	(6,006)	6,006	-
Prepaid expenses and other assets	176,079	-	176,079
Library receivable	7,402,433	-	7,402,433
Restricted assets	-	2,862,728	2,862,728
Other receivables - Greater than one year	-	2,324,240	2,324,240
Land held for resale	271,327	-	271,327
Capital assets: (Note 3)			
Assets not subject to depreciation	6,100,515	5,676,137	11,776,652
Assets subject to depreciation - Net	5,918,523	21,058,638	26,977,161
<b>Total assets</b>	<b>76,544,202</b>	<b>37,294,520</b>	<b>113,838,722</b>
<b>Deferred Outflows of Resources</b>			
Deferred pension costs (Note 8)	6,564,449	33,638	6,598,087
Deferred OPEB costs (Note 9)	1,079,286	19,309	1,098,595
<b>Total deferred outflows of resources</b>	<b>7,643,735</b>	<b>52,947</b>	<b>7,696,682</b>
<b>Liabilities</b>			
Accounts payable	619,731	424,602	1,044,333
Due to other governmental units	18,969	-	18,969
Refundable deposits, bonds, etc.	1,424,312	-	1,424,312
Accrued liabilities and other	441,580	57,985	499,565
Unearned revenue	1,135,320	-	1,135,320
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 5)	28,660	-	28,660
Current portion of long-term debt (Note 5)	414,753	470,000	884,753
Due in more than one year:			
Compensated absences (Note 5)	114,642	-	114,642
Net pension liability (Note 8)	16,579,698	93,637	16,673,335
Net OPEB liability (Note 9)	2,856,313	51,105	2,907,418
Long-term debt (Note 5)	7,825,226	7,433,545	15,258,771
<b>Total liabilities</b>	<b>31,459,204</b>	<b>8,530,874</b>	<b>39,990,078</b>
<b>Deferred Inflows of Resources</b>			
Property taxes and special assessments levied for the following year	15,795,894	-	15,795,894
Deferred OPEB cost reductions (Note 9)	1,899,035	33,978	1,933,013
<b>Total deferred inflows of resources</b>	<b>17,694,929</b>	<b>33,978</b>	<b>17,728,907</b>
<b>Net Position</b>			
Net investment in capital assets	11,212,496	18,831,230	30,043,726
Restricted:			
Debt service	895,892	-	895,892
Fire	6,694,136	-	6,694,136
Police	5,462,404	-	5,462,404
Parks and recreation	1,457,076	-	1,457,076
Drug law enforcement	135,089	-	135,089
Building activity	2,301,042	-	2,301,042
Solid waste	196,833	-	196,833
Water	230,097	-	230,097
Public access programming	79,560	-	79,560
Opioid settlement	140,412	-	140,412
Water operating ordinance	-	2,862,728	2,862,728
Unrestricted	6,228,767	7,088,657	13,317,424
<b>Total net position</b>	<b>\$ 35,033,804</b>	<b>\$ 28,782,615</b>	<b>\$ 63,816,419</b>

# Charter Township of White Lake

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 3,828,849	\$ 283,129	\$ -	\$ -
Public safety	11,351,299	886,092	84,573	-
Public works	3,708,119	2,228,668	-	485,366
Health and welfare	4,698	-	55,744	-
Community and economic development	549,115	3,575	-	-
Recreation and culture	349,048	6,875	-	-
Interest on long-term debt	568,342	-	-	-
Total governmental activities	20,359,470	3,408,339	140,317	485,366
Business-type activities:				
Water Fund	1,433,392	1,510,153	-	882,013
Sewer Fund	3,431,970	2,881,587	-	742,494
Total business-type activities	4,865,362	4,391,740	-	1,624,507
Total primary government	<b>\$ 25,224,832</b>	<b>\$ 7,800,079</b>	<b>\$ 140,317</b>	<b>\$ 2,109,873</b>
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Gain on sale of fixed assets				
Other miscellaneous income				
Total general revenue				
Transfers				
<b>Change in Net Position</b>				
<b>Net Position</b> - Beginning of year				
<b>Net Position</b> - End of year				

## Statement of Activities

Year Ended December 31, 2023

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,545,720)	\$ -	\$ (3,545,720)
(10,380,634)	-	(10,380,634)
(994,085)	-	(994,085)
51,046	-	51,046
(545,540)	-	(545,540)
(342,173)	-	(342,173)
(568,342)	-	(568,342)
(16,325,448)	-	(16,325,448)
-	958,774	958,774
-	192,111	192,111
-	1,150,885	1,150,885
(16,325,448)	1,150,885	(15,174,563)
12,808,770	-	12,808,770
3,509,914	-	3,509,914
1,116,754	203,727	1,320,481
489,363	-	489,363
107,444	16,000	123,444
565,573	-	565,573
18,597,818	219,727	18,817,545
482,083	(482,083)	-
2,754,453	888,529	3,642,982
32,279,351	27,894,086	60,173,437
<b>\$ 35,033,804</b>	<b>\$ 28,782,615</b>	<b>\$ 63,816,419</b>

# Charter Township of White Lake

## Governmental Funds Balance Sheet

December 31, 2023

	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		
<b>Assets</b>							
Cash and investments	\$ 9,010,217	\$ 7,197,129	\$ 6,476,262	\$ 638,150	\$ 12,868,997	\$ 4,376,387	\$ 40,567,142
Receivables:							
Property taxes receivable	1,166,098	3,689,508	5,956,541	-	-	819,455	11,631,602
Special assessments receivable	-	-	-	1,824,034	-	1,632,871	3,456,905
Other receivables	283,686	40,626	86,350	-	-	5,123	415,785
Due from other governments	577,044	-	10,529	-	-	22,324	609,897
Due from other funds (Note 4)	242,532	-	-	-	-	-	242,532
Prepaid expenses and other assets	176,079	-	-	-	-	-	176,079
Land held for resale	271,327	-	-	-	-	-	271,327
<b>Total assets</b>	<b>\$ 11,726,983</b>	<b>\$ 10,927,263</b>	<b>\$ 12,529,682</b>	<b>\$ 2,462,184</b>	<b>\$ 12,868,997</b>	<b>\$ 6,856,160</b>	<b>\$ 57,371,269</b>
<b>Liabilities</b>							
Accounts payable	\$ 155,106	\$ 99,906	\$ 133,853	\$ -	\$ 204,180	\$ 26,686	\$ 619,731
Due to other governmental units	18,969	-	-	-	-	-	18,969
Due to other funds (Note 4)	52,959	-	-	99,965	-	95,614	248,538
Refundable deposits, bonds, etc.	1,424,312	-	-	-	-	-	1,424,312
Accrued liabilities and other	91,672	103,753	154,245	-	-	8,110	357,780
Unearned revenue	1,122,722	-	12,598	-	-	-	1,135,320
<b>Total liabilities</b>	<b>2,865,740</b>	<b>203,659</b>	<b>300,696</b>	<b>99,965</b>	<b>204,180</b>	<b>130,410</b>	<b>3,804,650</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	115,143	-	60,150	-	-	1,419,811	1,595,104
Property taxes and special assessments levied for the following year	1,369,578	4,322,465	6,978,447	2,165,386	-	960,018	15,795,894
<b>Total deferred inflows of resources</b>	<b>1,484,721</b>	<b>4,322,465</b>	<b>7,038,597</b>	<b>2,165,386</b>	<b>-</b>	<b>2,379,829</b>	<b>17,390,998</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>4,350,461</b>	<b>4,526,124</b>	<b>7,339,293</b>	<b>2,265,351</b>	<b>204,180</b>	<b>2,510,239</b>	<b>21,195,648</b>
<b>Fund Balances</b>							
<b>Nonspendable:</b>							
Prepays	176,079	-	-	-	-	-	176,079
Land held for resale	271,327	-	-	-	-	-	271,327
<b>Restricted:</b>							
Police	-	-	5,190,389	-	211,865	-	5,402,254
Fire	-	6,401,139	-	-	292,997	-	6,694,136
Debt service	-	-	-	-	-	334,577	334,577
Sewer	-	-	-	-	230,097	-	230,097
Solid waste	-	-	-	196,833	-	-	196,833
Drug law enforcement	-	-	-	-	-	135,089	135,089
Building activity	-	-	-	-	470,079	1,830,963	2,301,042
Parks and recreation	-	-	-	-	-	1,457,076	1,457,076
Public access programming	79,560	-	-	-	-	-	79,560
Opioid settlement	25,269	-	-	-	-	-	25,269
Water	-	-	-	-	230,097	-	230,097
<b>Assigned:</b>							
Subsequent year's budget	116,411	-	-	-	-	-	116,411
Road improvements	2,500,000	-	-	-	-	-	2,500,000
Capital projects	2,500,000	-	-	-	11,229,682	588,216	14,317,898
OPEB contribution	135,000	-	-	-	-	-	135,000
<b>Unassigned</b>	<b>1,572,876</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,572,876</b>
<b>Total fund balances</b>	<b>7,376,522</b>	<b>6,401,139</b>	<b>5,190,389</b>	<b>196,833</b>	<b>12,664,817</b>	<b>4,345,921</b>	<b>36,175,621</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 11,726,983</b>	<b>\$ 10,927,263</b>	<b>\$ 12,529,682</b>	<b>\$ 2,462,184</b>	<b>\$ 12,868,997</b>	<b>\$ 6,856,160</b>	<b>\$ 57,371,269</b>

# Charter Township of White Lake

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

December 31, 2023

<b>Fund Balances Reported in Governmental Funds</b>	\$ 36,175,621
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	12,019,038
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	1,595,104
Long-term receivables are not receivable in the current period and are not reported in the funds	7,402,433
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(8,239,979)
Accrued interest is not due and payable in the current period and is not reported in the funds	(83,800)
Compensated absences are not due and payable in the current period and are not reported in the funds	(143,302)
Net pension liability is not due and payable in the current period and is not reported in the funds	(16,579,698)
Net OPEB liability does not present a claim on current financial resources and is not reported as fund liabilities	(2,856,313)
Deferred outflows related to pensions are not recorded in the funds	6,564,449
Deferred outflows related to OPEB are not recorded in the funds	1,079,286
Deferred inflows related to OPEB are not recorded in the funds	(1,899,035)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 35,033,804</u></b>

# Charter Township of White Lake

## Governmental Funds

### Statement of Revenue, Expenditures, and Changes in Fund Balances

**Year Ended December 31, 2023**

	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	
<b>Revenue</b>							
Taxes	\$ 1,384,968	\$ 4,010,236	\$ 6,474,501	\$ -	\$ -	\$ 939,065	\$ 12,808,770
Special assessments	54,868	-	-	2,094,652	-	291,810	2,441,330
Intergovernmental:							
Federal grants	5,429	13,850	55,459	-	-	50,315	125,053
State-shared revenue and grants	3,545,446	-	16,967	-	-	-	3,562,413
Local grants and contributions -							
Operating grants	-	-	-	-	-	15,264	15,264
Charges for services	89,049	6,931	23,428	-	-	34,905	154,313
Fines and forfeitures	-	-	187,139	-	-	69,301	256,440
Licenses and permits:							
Cable franchise fees	489,363	-	-	-	-	-	489,363
Other licenses and permits	222,232	2,398	18,043	-	-	600,538	843,211
Interest and rentals	266,412	241,256	225,412	9,536	240,399	153,487	1,136,502
Other revenue	487,435	55,965	153,051	-	-	51,048	747,499
Total revenue	6,545,202	4,330,636	7,154,000	2,104,188	240,399	2,205,733	22,580,158
<b>Expenditures</b>							
Current:							
General government	4,020,380	-	-	-	-	-	4,020,380
Public safety	162,646	4,003,313	6,509,467	-	-	715,664	11,391,090
Public works	163,134	-	-	2,091,148	1,140,718	379,628	3,774,628
Community and economic development	449,670	-	-	-	-	50,315	499,985
Recreation and culture	270,369	-	-	-	-	169,776	440,145
Debt service	5,351	-	-	-	-	674,402	679,753
Total expenditures	5,071,550	4,003,313	6,509,467	2,091,148	1,140,718	1,989,785	20,805,981
<b>Excess of Revenue Over (Under) Expenditures</b>	1,473,652	327,323	644,533	13,040	(900,319)	215,948	1,774,177
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	-	-	-	2,549,966	-	2,549,966
Transfers out	(549,966)	(500,000)	(500,000)	-	(17,917)	(500,000)	(2,067,883)
New debt issued	32,470	-	-	-	-	-	32,470
Sale of capital assets	70,804	-	36,640	-	-	-	107,444
Insurance recoveries	-	-	-	-	-	2,945	2,945
Total other financing (uses) sources	(446,692)	(500,000)	(463,360)	-	2,532,049	(497,055)	624,942
<b>Net Change in Fund Balances</b>	1,026,960	(172,677)	181,173	13,040	1,631,730	(281,107)	2,399,119
<b>Fund Balances - Beginning of year</b>	6,349,562	6,573,816	5,009,216	183,793	11,033,087	4,627,028	33,776,502
<b>Fund Balances - End of year</b>	\$ 7,376,522	\$ 6,401,139	\$ 5,190,389	\$ 196,833	\$ 12,664,817	\$ 4,345,921	\$ 36,175,621

# 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, 2023**

<b>Net Change in Fund Balance Reported in Governmental Funds</b>	<b>\$ 2,399,119</b>
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	1,718,444
Depreciation expense	(900,923)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(302,885)
Bond proceeds provide current financial resources to governmental funds, but increase long-term liabilities in the statement of net position	32,470
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	347,524
Interest expense is recognized in the government-wide statements as it accrues	3,273
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	(42,874)
The change in the net pension liability is recorded when incurred in the statement of activities	(5,574,980)
The change in net other postemployment benefit obligations are not reported as fund liabilities	3,176,590
Change in deferred outflows related to pensions	1,725,348
Change in deferred outflows related to OPEB	(965,588)
Change in deferred inflows related to pensions	2,291,002
Change in deferred inflows related to OPEB	(1,152,067)
<b>Change in Net Position of Governmental Activities</b>	<b><u><u>\$ 2,754,453</u></u></b>



# Charter Township of White Lake

## Proprietary Funds Statement of Net Position

December 31, 2023

	Sewer Fund	Water Fund	Total Enterprise Funds
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 2,069,244	\$ 2,408,100	\$ 4,477,344
Receivables:			
Special assessments receivable - Current portion	107,059	33,967	141,026
Receivables from sales to customers on account	-	287,216	287,216
Accrued interest receivable	-	1,448	1,448
Other receivables	2,289	20,058	22,347
Due from other governments	-	392,197	392,197
Due from other funds (Note 4)	58,819	225,661	284,480
Total current assets	2,237,411	3,368,647	5,606,058
Noncurrent assets:			
Restricted assets	-	2,862,728	2,862,728
Special assessments receivable - Greater than one year	-	45,193	45,193
Other receivables - Greater than one year (Note 11)	-	2,324,240	2,324,240
Capital assets: (Note 3)			
Assets not subject to depreciation	67,250	5,608,887	5,676,137
Assets subject to depreciation - Net	10,992,065	10,066,573	21,058,638
Total noncurrent assets	11,059,315	20,907,621	31,966,936
Total assets	13,296,726	24,276,268	37,572,994
<b>Deferred Outflows of Resources</b>			
Deferred pension costs (Note 8)	13,837	19,801	33,638
Deferred OPEB costs (Note 9)	-	19,309	19,309
Total deferred outflows of resources	13,837	39,110	52,947
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	10,132	414,470	424,602
Due to other funds (Note 4)	202,054	76,420	278,474
Accrued liabilities and other	953	57,032	57,985
Current portion of long-term debt (Note 5)	42,350	427,650	470,000
Total current liabilities	255,489	975,572	1,231,061
Noncurrent liabilities:			
Net pension liability (Note 8)	47,469	46,168	93,637
Net OPEB liability (Note 9)	-	51,105	51,105
Long-term debt (Note 5)	86,001	7,347,544	7,433,545
Total noncurrent liabilities	133,470	7,444,817	7,578,287
Total liabilities	388,959	8,420,389	8,809,348
<b>Deferred Inflows of Resources - Deferred OPEB cost reductions (Note 9)</b>			
	-	33,978	33,978
<b>Net Position</b>			
Net investment in capital assets	10,930,964	7,900,266	18,831,230
Restricted - Water operating ordinance	-	2,862,728	2,862,728
Unrestricted	1,990,640	5,098,017	7,088,657
Total net position	<b>\$ 12,921,604</b>	<b>\$ 15,861,011</b>	<b>\$ 28,782,615</b>

# Charter Township of White Lake

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

**Year Ended December 31, 2023**

	Sewer Fund	Water Fund	Total Enterprise Funds
<b>Operating Revenue</b>			
Sale of water	\$ -	\$ 1,492,060	\$ 1,492,060
Sewage disposal charges	2,879,050	-	2,879,050
Interest and penalty charges	-	12,618	12,618
Installation fees	-	5,475	5,475
Other operating revenue	2,537	-	2,537
Total operating revenue	2,881,587	1,510,153	4,391,740
<b>Operating Expenses</b>			
Salaries and wages	-	152,491	152,491
Fringe benefits	-	205,818	205,818
Workers' compensation and general liability insurance	-	36,572	36,572
Sewer operating expenses	3,026,934	-	3,026,934
Other operating expenses	-	103,548	103,548
Utilities	-	97,500	97,500
Tools and supplies	-	196,767	196,767
Repairs and maintenance	27,161	111,654	138,815
Depreciation	373,852	429,223	803,075
Total operating expenses	3,427,947	1,333,573	4,761,520
<b>Operating (Loss) Income</b>	(546,360)	176,580	(369,780)
<b>Nonoperating Revenue (Expense)</b>			
Investment income	64,982	138,745	203,727
Interest expense	(4,023)	(99,819)	(103,842)
Gain on sale of assets	-	16,000	16,000
Total nonoperating revenue	60,959	54,926	115,885
<b>(Loss) Income - Before capital contributions</b>	(485,401)	231,506	(253,895)
<b>Capital Contributions</b>			
Capital grants	-	5,410	5,410
Benefit fees	687,697	203,760	891,457
Other capital contributions	54,797	672,843	727,640
Total capital contributions	742,494	882,013	1,624,507
<b>Transfers In</b>	-	17,917	17,917
<b>Transfers Out</b>	(250,000)	(250,000)	(500,000)
<b>Change in Net Position</b>	7,093	881,436	888,529
<b>Net Position - Beginning of year</b>	12,914,511	14,979,575	27,894,086
<b>Net Position - End of year</b>	<u>\$ 12,921,604</u>	<u>\$ 15,861,011</u>	<u>\$ 28,782,615</u>

# Charter Township of White Lake

## Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2023

	Sewer Fund	Water Fund	Total Enterprise Funds
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 2,881,587	\$ 1,476,282	\$ 4,357,869
(Payments to) receipts from other funds	(114,372)	97,111	(17,261)
Payments to suppliers	(3,116,068)	(537,695)	(3,653,763)
Payments to employees and fringes	-	(393,803)	(393,803)
Other payments	(2,289)	(392,197)	(394,486)
Net cash and cash equivalents (used in) provided by operating activities	(351,142)	249,698	(101,444)
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers from other funds	54,797	17,917	72,714
Transfers to other funds	(250,000)	(250,000)	(500,000)
Net cash and cash equivalents used in noncapital financing activities	(195,203)	(232,083)	(427,286)
<b>Cash Flows from Capital and Related Financing Activities</b>			
Issuance of bonds	-	4,152,650	4,152,650
Receipt of capital grants	-	959,099	959,099
Special assessment collections	44,571	26,483	71,054
Tap-in fees	687,697	203,760	891,457
Proceeds from sale of capital assets	-	16,000	16,000
Purchase of capital assets	(92,599)	(4,791,790)	(4,884,389)
Principal and interest paid on capital debt	(46,585)	(503,160)	(549,745)
Net cash and cash equivalents provided by capital and related financing activities	593,084	63,042	656,126
<b>Cash Flows Provided by Investing Activities - Interest received on investments</b>	64,982	139,186	204,168
<b>Net Increase in Cash and Cash Equivalents</b>	111,721	219,843	331,564
<b>Cash and Cash Equivalents - Beginning of year</b>	1,957,523	5,050,985	7,008,508
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 2,069,244</b>	<b>\$ 5,270,828</b>	<b>\$ 7,340,072</b>
<b>Classification of Cash and Cash Equivalents</b>			
Cash and investments	\$ 2,069,244	\$ 2,408,100	\$ 4,477,344
Restricted cash	-	2,862,728	2,862,728
Total cash and cash equivalents	<b>\$ 2,069,244</b>	<b>\$ 5,270,828</b>	<b>\$ 7,340,072</b>

**Charter Township of White Lake**

**Proprietary Funds  
Statement of Cash Flows (Continued)**

**Year Ended December 31, 2023**

	Sewer Fund	Water Fund	Total Enterprise Funds
<b>Reconciliation of Operating (Loss) Income to Net Cash and Cash Equivalents from Operating Activities</b>			
Operating (loss) income	\$ (546,360)	\$ 176,580	\$ (369,780)
Adjustments to reconcile operating (loss) income to net cash and cash equivalents from operating activities:			
Depreciation	373,852	429,223	803,075
Changes in assets and liabilities:			
Receivables	(2,289)	(426,068)	(428,357)
Due to and from other funds	(114,372)	97,111	(17,261)
Net pension or OPEB liability	(1,285)	(29,328)	(30,613)
Accounts payable	(60,688)	-	(60,688)
Accrued and other liabilities	-	2,180	2,180
	195,218	73,118	268,336
Total adjustments			
Net cash and cash equivalents (used in) provided by operating activities	<b>\$ (351,142)</b>	<b>\$ 249,698</b>	<b>\$ (101,444)</b>

**Charter Township of White Lake**

**Fiduciary Funds  
Statement of Fiduciary Net Position**

**December 31, 2023**

	Other Postemployment Benefits Fund	Custodial Funds	Total Fiduciary Funds
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 1,084,715	\$ 1,084,715
Interest in pooled investments (Note 2)	8,696,501	-	8,696,501
Receivables	-	5,251,411	5,251,411
Total assets	8,696,501	6,336,126	15,032,627
<b>Liabilities</b>			
Due to other governmental units	-	2,240	2,240
Refundable deposits, bonds, etc.	-	20,994	20,994
Unremitted tax collections	-	429,590	429,590
Total liabilities	-	452,824	452,824
<b>Deferred Inflows of Resources</b> - Property taxes levied for the following year	-	5,251,411	5,251,411
<b>Net Position</b>			
Restricted:			
Postemployment benefits other than pension (Note 2)	8,696,501	-	8,696,501
Individuals, organizations, and other governments	-	631,891	631,891
Total net position	<u>\$ 8,696,501</u>	<u>\$ 631,891</u>	<u>\$ 9,328,392</u>

**Charter Township of White Lake**

**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**

**Year Ended December 31, 2023**

	Other Postemployment Benefits Fund	Custodial Funds	Total Fiduciary Funds
<b>Additions</b>			
Investment income	\$ 877,544	\$ -	\$ 877,544
Contributions	1,311,473	511,847	1,823,320
Property tax collections for other governments	-	39,984,351	39,984,351
Total additions	2,189,017	40,496,198	42,685,215
<b>Deductions</b>			
Benefit payments	656,473	-	656,473
Administrative expenses	15,801	14,654	30,455
Repairs and maintenance	-	396,313	396,313
Tax payments to other governments	-	39,984,351	39,984,351
Total deductions	672,274	40,395,318	41,067,592
<b>Net Increase in Fiduciary Net Position</b>	1,516,743	100,880	1,617,623
<b>Net Position - Beginning of year</b>	7,179,758	531,011	7,710,769
<b>Net Position - End of year</b>	<b>\$ 8,696,501</b>	<b>\$ 631,891</b>	<b>\$ 9,328,392</b>

**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 Other Postemployment Benefits (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.

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 bond 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 OPEB plan. The deferred inflows of resources related to OPEB are reported in the government-wide financial statements and the Water and Sewer funds. Details of the deferred inflows of resources related to 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.

**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 2023 property tax revenue was levied and collectible on December 1, 2022 and is recognized as revenue in the year ended December 31, 2023 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2022 taxable valuation of the Township totaled 1.4 billion, on which taxes levied consisted of 0.9039 mills for operating purposes, 4.6871 mills for police services, 2.9032 mills for fire service, 0.3954 mills for library debt, and 0.2845 mills for parks and recreation. This resulted in \$1.2 million for operating, \$6.5 million for police services, \$4.0 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 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.



**Note 1 - Significant Accounting Policies (Continued)**

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.

In December 2023, the Government Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the primary government or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2025.

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

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

***Custodial Credit Risk of Bank Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had bank deposits of \$21,091,274 (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.

December 31, 2023

**Note 2 - Deposits and Investments (Continued)**

**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)
<b>Primary Government</b>		
Oakland County Local Government Investment Pool	\$ 11,600,991	268
Investment	Carrying Value	Weighted- average Maturity (Years)
<b>Fiduciary Funds</b>		
MERS Total Market Portfolio	\$ 8,696,501	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
<b>Primary Government</b>			
Oakland County Local Government Investment Pool	\$ 11,600,991	N/A	N/A
Investment	Carrying Value	Rating	Rating Organization
<b>Fiduciary Funds</b>			
MERS Total Market Portfolio	\$ 8,696,501	N/A	N/A

**Fair Value Measurements**

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



December 31, 2023

**Note 2 - Deposits and Investments (Continued)**

The Township has a fair value measurement in the Oakland County Local Government Investment Pool (LGIP) as of December 31, 2023. The Township's investment in the Oakland County LGIP (\$11,600,991) and the MERS Total Market Portfolio (\$8,696,501) 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, 2023, 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	\$ 11,600,991	\$ -	None	N/A
MERS Total Market Portfolio	8,696,501	-	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, 2023**

**Note 3 - Capital Assets**

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

**Governmental Activities**

	Balance January 1, 2023	Additions	Disposals and Adjustments	Balance December 31, 2023
Capital assets not being depreciated:				
Land	\$ 4,737,591	\$ -	\$ -	\$ 4,737,591
Construction in progress	-	1,362,924	-	1,362,924
Subtotal	4,737,591	1,362,924	-	6,100,515
Capital assets being depreciated:				
Buildings and improvements	8,363,456	79,693	-	8,443,149
Vehicles	4,094,370	214,223	(171,526)	4,137,067
Furniture and equipment	2,105,531	61,604	(7,275)	2,159,860
Subtotal	14,563,357	355,520	(178,801)	14,740,076
Accumulated depreciation:				
Buildings and improvements	4,034,439	326,329	-	4,360,768
Vehicles	2,541,090	432,737	(171,526)	2,802,301
Furniture and equipment	1,523,902	141,857	(7,275)	1,658,484
Subtotal	8,099,431	900,923	(178,801)	8,821,553
Net capital assets being depreciated	6,463,926	(545,403)	-	5,918,523
Net governmental activities capital assets	<u>\$ 11,201,517</u>	<u>\$ 817,521</u>	<u>\$ -</u>	<u>\$ 12,019,038</u>

December 31, 2023

**Note 3 - Capital Assets (Continued)**

***Business-type Activities***

	Balance January 1, 2023	Additions	Disposals and Adjustments	Balance December 31, 2023
Capital assets not being depreciated:				
Land	\$ 253,080	\$ -	\$ -	\$ 253,080
Construction in progress	4,448,726	3,051,055	(2,076,724)	5,423,057
Subtotal	4,701,806	3,051,055	(2,076,724)	5,676,137
Capital assets being depreciated:				
Water system	15,846,818	2,980,316	-	18,827,134
Machinery and equipment	618,054	66,011	(41,621)	642,444
Sewer system	17,277,311	25,348	-	17,302,659
Subtotal	33,742,183	3,071,675	(41,621)	36,772,237
Accumulated depreciation:				
Water system	8,673,633	333,591	-	9,007,224
Machinery and equipment	341,770	95,632	(41,622)	395,780
Sewer system	5,936,743	373,852	-	6,310,595
Subtotal	14,952,146	803,075	(41,622)	15,713,599
Net capital assets being depreciated	18,790,037	2,268,600	1	21,058,638
Net business-type activities capital assets	<u>\$ 23,491,843</u>	<u>\$ 5,319,655</u>	<u>\$ (2,076,723)</u>	<u>\$ 26,734,775</u>

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

Governmental activities:	
General government	\$ 163,185
Public safety	517,168
Public works	146,565
Economic development	9,721
Health and welfare	4,698
Recreation and culture	59,586
Total governmental activities	<u>\$ 900,923</u>
Business-type activities:	
Water	\$ 429,223
Sewer	373,852
Total business-type activities	<u>\$ 803,075</u>

**December 31, 2023**

**Note 3 - Capital Assets (Continued)**

**Construction Commitments**

At December 31, 2023, the Township had outstanding commitments through construction contracts of approximately \$2,337,745 related to the Clean Water State Revolving Fund and other capital improvements. The amount spent to date on those contracts is \$0.

**Note 4 - Interfund Receivables, Payables, and Transfers**

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water Fund	\$ 72,398
	Solid Waste Special Assessment Fund	99,965
	Sewer Fund	29,352
	Nonmajor governmental funds	40,817
	Total General Fund	242,532
Water Fund	Sewer Fund	172,702
	General Fund	52,959
	Total Water Fund	225,661
Sewer Fund	Water Fund	4,022
	Nonmajor governmental funds	54,797
	Total Sewer Fund	58,819
	Total	<u>\$ 527,012</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	\$ 549,966
Fire Fund	Improvement Revolving Fund	500,000
Police Fund	Improvement Revolving Fund	500,000
Improvement Revolving Fund	Water Fund	17,917
Nonmajor governmental fund	Improvement Revolving Fund	500,000
Sewer Fund	Improvement Revolving Fund	250,000
Water Fund	Improvement Revolving Fund	250,000
	Total	<u>\$ 2,567,883</u>

The transfers from the various funds to the Improvement Revolving Fund occurred to allocate and set funds aside for construction on the Civic Center.

December 31, 2023

**Note 5 - Long-term Debt**

Long-term debt activity for the year ended December 31, 2023 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	\$ 59,200	\$ -	\$ (14,800)	\$ 44,400	\$ 14,800
Financing for 2023 Copiers:							
Amount of issue - \$32,470							
Maturing through 2027	8.00%	\$7,616 - \$8,933	-	27,142	-	27,142	7,616
Total direct borrowings and direct placements principal outstanding			59,200	27,142	(14,800)	71,542	22,416
Other debt:							
2018 Library Building Construction Bond:							
Amount of issue - \$8,600,000	3.00%-	\$250,000-					
Maturing through 2038	3.50%	\$675,000	7,800,000	-	(300,000)	7,500,000	300,000
Discount on bonds payable			(69,227)	-	2,664	(66,563)	(2,663)
2021 Special Assessment Bonds:							
Amount of issue - \$900,000	1.05%-	\$70,000-					
Maturing through 2031	2.60%	\$95,000	830,000	-	(95,000)	735,000	95,000
Total other debt principal outstanding			8,560,773	-	(392,336)	8,168,437	392,337
Total direct borrowings and other debt principal outstanding			8,619,973	27,142	(407,136)	8,239,979	414,753
Accumulated compensated absences			100,428	44,721	(1,847)	143,302	28,660
Total governmental activities long-term debt			<u>\$ 8,720,401</u>	<u>\$ 71,863</u>	<u>\$ (408,983)</u>	<u>\$ 8,383,281</u>	<u>\$ 443,413</u>

December 31, 2023

**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	\$ 535,000	\$ -	\$ (60,000)	\$ 475,000	\$ 65,000
Amount of issue - \$8,280,000		\$345,000 -					
Maturing through 2042	1.875%	\$395,000	3,469,175	4,152,650	(345,000)	7,276,825	355,000
Total direct borrowings and direct placements principal outstanding			4,004,175	4,152,650	(405,000)	7,751,825	420,000
Other debt:							
2016 Special Assessment Bonds:							
Amount of issue - \$70,812		\$6,885 -					
Maturing through 2026	3.00%	\$8,082	31,019	-	(7,650)	23,369	7,650
2016 Special Assessment Bonds:							
Amount of issue - \$390,907		\$29,645 -					
Maturing through 2026	3.00%	\$43,657	170,701	-	(42,350)	128,351	42,350
Total other debt principal outstanding			201,720	-	(50,000)	151,720	50,000
Total business-type activities long-term debt			<u>\$ 4,205,895</u>	<u>\$ 4,152,650</u>	<u>\$ (455,000)</u>	<u>\$ 7,903,545</u>	<u>\$ 470,000</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.

**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	
2024	\$ 22,416	\$ 9,651	\$ 392,337	\$ 242,581	\$ 666,985
2025	23,048	8,265	491,450	231,354	754,117
2026	23,733	6,671	516,228	218,148	764,780
2027	2,345	5,292	511,228	204,498	723,363
2028	-	4,361	536,006	190,370	730,737
Thereafter	-	6,818	5,721,188	1,001,905	6,729,911
<b>Total</b>	<b>\$ 71,542</b>	<b>\$ 41,058</b>	<b>\$ 8,168,437</b>	<b>\$ 2,088,856</b>	<b>\$ 10,369,893</b>

  

Years Ending December 31	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
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
2028	450,000	4,500	-	-	454,500
Thereafter	5,591,825	3,688	-	-	5,595,513
<b>Total</b>	<b>\$ 7,751,825</b>	<b>\$ 42,690</b>	<b>\$ 151,720</b>	<b>\$ 6,750</b>	<b>\$ 7,952,985</b>

***Assets Pledged as Collateral***

**Direct Borrowings and Direct Placements**

The Township’s outstanding debt from direct borrowings related to governmental activities of \$27,142 is secured with collateral of the township copiers.

***Drinking Water Revolving Fund***

The Township was approved for a Drinking Water Revolving Fund loan for road water mains in December 2009, in the amount of approximately \$1.2 million. At December 31, 2023, there was approximately \$475,000 outstanding on the loan.

The Township was approved for a Drinking Water Revolving Fund loan for water filtration on August 9, 2021 in the amount of approximately \$8.3 million. At December 31, 2023, there was approximately \$7.3 million outstanding on the loan.

***Library Building Construction Bond***

The Township issued bonds in the amount of \$8,600,000 in 2018 for the purpose of paying the costs of acquiring, construction, furnishing, and equipping public library facilities and acquiring and improving the site thereof. The Township Library is a related party to the Township. The full faith and credit of the Township have been pledged to the prompt payment of the principal of and interest on the bonds, and the Township levied the library debt millage for the payment of such principal and interest.

**Note 6 - Risk Management**

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

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

**Note 7 - Defined Contribution Pension Plan**

The Township provides pension benefits to all paid on-call 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 \$7,935,913. The current year contribution was calculated based on covered payroll of \$31,394, resulting in an employer contribution of \$3,139 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 supplementary information of this defined benefit plan. This report can be obtained at [www.mersofmichigan.com](http://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.



**Note 8 - Pension Plan (Continued)**

Retirement benefits for general employees (hired after September 1, 2011) are calculated as 1.50 percent of the employee's final 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 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.

**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, 2022
Inactive plan members or beneficiaries currently receiving benefits	68
Inactive plan members entitled to but not yet receiving benefits	15
Active plan members	93
Total employees covered by the plan	176

**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 \$12,996 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 4.42 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 \$22,207 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 8.29 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 \$19,511 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 9.70 percent of annual covered payroll.

**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 57.95 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 38.02 percent of annual covered payroll.

**Net Pension Liability**

The net pension liability reported at December 31, 2023 was determined using a measure of the total pension liability and the pension net position as of the December 31, 2022 measurement date. The December 31, 2022 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
<b>Balance at December 31, 2021</b>	\$ 42,581,443	\$ 31,493,795	\$ 11,087,648
Changes for the year:			
Service cost	895,534	-	895,534
Interest	3,036,321	-	3,036,321
Changes in benefits	16,557	-	16,557
Differences between expected and actual experience	146,583	-	146,583
Contributions - Employer	-	1,650,719	(1,650,719)
Contributions - Employee	-	384,731	(384,731)
Net investment loss	-	(3,468,383)	3,468,383
Benefit payments, including refunds	(2,297,854)	(2,297,854)	-
Administrative expenses	-	(57,759)	57,759
Net changes	1,797,141	(3,788,546)	5,585,687
<b>Balance at December 31, 2022</b>	<u>\$ 44,378,584</u>	<u>\$ 27,705,249</u>	<u>\$ 16,673,335</u>

The plan's fiduciary net position represents 62.4 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, 2023, the Township recognized pension expense of \$3,265,413.

**Note 8 - Pension Plan (Continued)**

At December 31, 2023, 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	\$ 451,111	\$ -
Changes in assumptions	1,755,759	-
Net difference between projected and actual earnings on pension plan investments	2,679,673	-
Employer contributions to the plan subsequent to the measurement date	1,711,544	-
Total	<u>\$ 6,598,087</u>	<u>\$ -</u>

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 (\$1,711,544), which will impact the net pension liability, rather than pension expense.

Years Ending December 31	Amount
2024	\$ 1,231,264
2025	1,260,203
2026	1,247,060
2027	1,148,016
Total	<u>\$ 4,886,543</u>

**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.

**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, 2022, 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	\$ 22,196,891	\$ 16,673,335	\$ 12,093,865

**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.

**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, 2023
Inactive plan members or beneficiaries currently receiving benefits	52
Active plan members	27
Total plan members	<u>79</u>

**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, 2023, the Township made payments for postemployment health benefit premiums of \$656,473. The Township also began to prefund the postemployment retiree health care liability in 2015, with payments totaling \$655,000 during the fiscal year ended December 31, 2023. 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, 2023 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, 2023 measurement date. The December 31, 2023 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2022 that has used procedures to roll information forward to the measurement 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
<b>Balance at December 31, 2022</b>	\$ 13,329,345	\$ 7,179,758	\$ 6,149,587
Changes for the year:			
Service cost	140,568	-	140,568
Interest	920,306	-	920,306
Differences between expected and actual experience	(2,653,666)	-	(2,653,666)
Changes in assumptions	523,839	-	523,839
Contributions - Employer	-	1,311,473	(1,311,473)
Net investment income	-	877,544	(877,544)
Benefit payments, including refunds	(656,473)	(656,473)	-
Administrative expenses	-	(15,801)	15,801
<b>Net changes</b>	<b>(1,725,426)</b>	<b>1,516,743</b>	<b>(3,242,169)</b>
<b>Balance at December 31, 2023</b>	<b>\$ 11,603,919</b>	<b>\$ 8,696,501</b>	<b>\$ 2,907,418</b>

The plan's fiduciary net position represents 74.9 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, 2023, the Township recognized OPEB expense of \$226,730.



**Note 9 - Other Postemployment Benefit Plan (Continued)**

At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (1,933,013)
Changes in assumptions	823,318	-
Net difference between projected and actual earnings on OPEB plan investments	275,277	-
Total	\$ 1,098,595	\$ (1,933,013)

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
2024	\$ (354,137)
2025	(597,133)
2026	187,369
2027	(70,517)
Total	\$ (834,418)

**Actuarial Assumptions**

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 3.25 percent; an investment rate of return (net of investment expenses) of 7.00 percent; a health care cost trend rate of 8.00 percent for 2023, 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, 2023 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, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 11.64 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	\$ 4,336,097	\$ 2,907,418	\$ 1,720,591

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

The following presents the net OPEB liability of the Township, calculated using the health care cost trend rate of 8.0 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 (7.00%)	Current Health Care Cost Trend Rate (8.00%)	1 Percentage Point Increase (9.00%)
Net OPEB liability of the township OPEB plan	\$ 1,529,182	\$ 2,907,418	\$ 4,578,694

**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 health care cost trend rates have been updated to an initial rate of 8.00 percent decreasing to an ultimate rate of 4.50 percent.
- The salary increase assumption increased from 3.0 percent in December 31, 2022 to 3.25 percent in December 31, 2023.

**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, 2023 were \$131,573.

**Note 11 - 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, 2023, the Township has a receivable from HVS in the Water Fund for its portion of the project. The amount of the receivable at December 31, 2023 is \$2,324,240.

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## Required Supplementary Information

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# Charter Township of White Lake

## Required Supplemental Information Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Tax collections	\$ 1,291,781	\$ 1,291,781	\$ 1,318,930	\$ 27,149
Other license and permits	1,800	1,800	3,048	1,248
Transportation	22,300	22,300	21,569	(731)
Planning and development revenue	24,500	24,500	41,677	17,177
State-shared revenue and grants	2,600,000	2,600,000	3,511,792	911,792
Fees for service	777,546	777,546	830,985	53,439
Ordinance fees	-	-	9,625	9,625
Rents	15,000	15,000	19,748	4,748
Miscellaneous	973,100	973,100	787,828	(185,272)
Total revenue	5,706,027	5,706,027	6,545,202	839,175
<b>Expenditures</b>				
Township board	154,500	159,900	128,437	31,463
Supervisor	458,367	521,262	477,691	43,571
Elections	80,725	80,725	23,689	57,036
Accounting department	224,735	273,335	277,147	(3,812)
Assessing	524,029	526,729	461,694	65,035
Legal fees	90,000	115,000	93,216	21,784
Clerk	494,635	520,565	514,087	6,478
Board of review	3,500	3,500	1,050	2,450
Postage and mailing	32,000	32,000	25,735	6,265
Office supplies	40,000	40,000	37,903	2,097
Treasurer	533,080	551,635	518,265	33,370
Township hall and grounds	1,398,103	1,446,903	870,223	576,680
Cemetery	69,100	69,100	39,047	30,053
Other township properties	69,960	77,160	49,113	28,047
Health and welfare	11,000	11,000	9,142	1,858
Unallocated miscellaneous	15,000	20,000	23,210	(3,210)
Planning and community development	409,555	473,725	449,670	24,055
Ordinance	133,705	181,205	162,646	18,559
Highway and streets	221,200	221,200	163,134	58,066
Storm and sewer	-	-	-	-
Transportation services	220,000	-	-	-
Senior/Community center	239,185	301,085	270,369	30,716
Long-term sick pay/retiree health care	235,000	235,000	223,518	11,482

## Charter Township of White Lake

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

Year Ended December 31, 2023

Payroll services	25,000	25,000	15,083	9,917
Other general services	307,500	307,500	237,481	70,019
Total expenditures	<u>5,989,879</u>	<u>6,193,529</u>	<u>5,071,550</u>	<u>1,121,979</u>
<b>Excess of Revenue (Under) Over Expenditures</b>	(283,852)	(487,502)	1,473,652	1,961,154
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	(135,000)	(550,000)	(549,966)	34
Sale of capital assets	-	-	70,804	
New debt issued	-	-	32,470	32,470
Total other financing (uses) sources	<u>(135,000)</u>	<u>(550,000)</u>	<u>(446,692)</u>	<u>103,308</u>
<b>Net Change in Fund Balance</b>	(418,852)	(1,037,502)	1,026,960	2,064,462
<b>Fund Balance - Beginning of year</b>	<u>6,349,562</u>	<u>6,349,562</u>	<u>6,349,562</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u><b>\$ 5,930,710</b></u>	<u><b>\$ 5,312,060</b></u>	<u><b>\$ 7,376,522</b></u>	<u><b>\$ 2,064,462</b></u>

# Charter Township of White Lake

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

**Year Ended December 31, 2023**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue - Fire revenue</b>	\$ 3,911,672	\$ 3,911,672	\$ 4,330,636	\$ 418,964
<b>Expenditures</b>				
Salaries	2,091,820	2,091,820	2,081,449	10,371
Payroll-related benefits	1,397,470	1,426,470	1,353,749	72,721
Other	595,650	578,150	471,058	107,092
Acquisitions	25,000	115,000	97,057	17,943
Total expenditures	<u>4,109,940</u>	<u>4,211,440</u>	<u>4,003,313</u>	<u>208,127</u>
<b>Excess of Revenue (Under) Over Expenditures</b>	(198,268)	(299,768)	327,323	(627,091)
<b>Other Financing Sources - Transfers out</b>	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(198,268)	(799,768)	(172,677)	627,091
<b>Fund Balance - Beginning of year</b>	<u>6,573,816</u>	<u>6,573,816</u>	<u>6,573,816</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u><b>\$ 6,375,548</b></u>	<u><b>\$ 5,774,048</b></u>	<u><b>\$ 6,401,139</b></u>	<u><b>\$ 627,091</b></u>

## Charter Township of White Lake

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

**Year Ended December 31, 2023**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue - Police revenue</b>	\$ 6,651,821	\$ 6,651,821	\$ 7,154,000	\$ 502,179
<b>Expenditures</b>				
Civil service	3,000	3,000	-	3,000
Salaries	3,377,635	3,377,635	3,209,413	168,222
Payroll and related benefits	2,614,160	2,614,160	2,442,374	171,786
Other	923,400	923,400	839,140	84,260
Crossing guards	20,700	20,700	18,540	2,160
Total expenditures	<u>6,938,895</u>	<u>6,938,895</u>	<u>6,509,467</u>	<u>429,428</u>
<b>Excess of Revenue (Under) Over Expenditures</b>	(287,074)	(287,074)	644,533	(931,607)
<b>Other Financing Sources</b>				
Transfers out	-	(500,000)	(500,000)	-
Sale of capital assets	20,000	20,000	36,640	(16,640)
Total other financing (uses) sources	<u>20,000</u>	<u>(480,000)</u>	<u>(463,360)</u>	<u>16,640</u>
<b>Net Change in Fund Balance</b>	(287,074)	(287,074)	181,173	468,247
<b>Fund Balance - Beginning of year</b>	<u>5,009,216</u>	<u>5,009,216</u>	<u>5,009,216</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u><u>\$ 4,722,142</u></u>	<u><u>\$ 4,722,142</u></u>	<u><u>\$ 5,190,389</u></u>	<u><u>\$ 468,247</u></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, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Special assessments	\$ 2,273,172	\$ 2,273,172	\$ 2,094,652	\$ (178,520)
Interest income	400	400	9,536	9,136
Total revenue	2,273,572	2,273,572	2,104,188	(169,384)
<b>Expenditures</b>	2,273,572	2,273,572	2,091,148	182,424
<b>Net Change in Fund Balance</b>	-	-	13,040	182,424
<b>Fund Balance - Beginning of year</b>	183,793	183,793	183,793	-
<b>Fund Balance - End of year</b>	<u>\$ 183,793</u>	<u>\$ 183,793</u>	<u>\$ 196,833</u>	<u>\$ 13,040</u>



# Charter Township of White Lake

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

	Last Nine Plan Years								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service cost	\$ 895,534	\$ 796,154	\$ 707,910	\$ 660,190	\$ 649,224	\$ 649,488	\$ 622,992	\$ 625,618	\$ 622,772
Interest	3,036,321	2,894,470	2,646,104	2,578,764	2,479,156	2,353,583	2,241,783	2,069,874	1,948,262
Changes in benefit terms	16,557	-	-	-	-	-	-	-	-
Differences between expected and actual experience	146,583	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	(2,297,854)	(1,915,673)	(1,787,705)	(1,785,640)	(1,599,886)	(1,488,304)	(1,278,592)	(1,143,667)	(1,053,062)
<b>Net Change in Total Pension Liability</b>	<b>1,797,141</b>	<b>3,936,559</b>	<b>3,287,835</b>	<b>2,559,784</b>	<b>1,332,486</b>	<b>1,625,582</b>	<b>1,489,113</b>	<b>3,001,676</b>	<b>1,517,972</b>
<b>Total Pension Liability - Beginning of year</b>	<b>42,581,443</b>	<b>38,644,884</b>	<b>35,357,049</b>	<b>32,797,265</b>	<b>31,464,779</b>	<b>29,839,197</b>	<b>28,350,084</b>	<b>25,348,408</b>	<b>23,830,436</b>
<b>Total Pension Liability - End of year</b>	<b>\$ 44,378,584</b>	<b>\$ 42,581,443</b>	<b>\$ 38,644,884</b>	<b>\$ 35,357,049</b>	<b>\$ 32,797,265</b>	<b>\$ 31,464,779</b>	<b>\$ 29,839,197</b>	<b>\$ 28,350,084</b>	<b>\$ 25,348,408</b>
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 1,650,719	\$ 1,324,322	\$ 1,078,321	\$ 982,303	\$ 974,673	\$ 860,906	\$ 683,655	\$ 642,013	\$ 553,152
Contributions - Member	384,731	403,665	372,926	358,604	353,693	337,653	330,788	328,248	325,529
Net investment (loss) income	(3,468,383)	3,781,359	3,526,308	3,014,284	(923,220)	2,786,317	2,185,266	(298,752)	1,185,448
Administrative expenses	(57,761)	(44,722)	(49,956)	(51,959)	(45,634)	(44,098)	(43,120)	(43,312)	(43,598)
Benefit payments, including refunds	(2,297,852)	(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)	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(3,788,546)</b>	<b>3,548,951</b>	<b>3,139,894</b>	<b>2,517,592</b>	<b>(1,240,374)</b>	<b>2,452,474</b>	<b>1,876,541</b>	<b>(515,546)</b>	<b>967,469</b>
<b>Plan Fiduciary Net Position - Beginning of year</b>	<b>31,493,795</b>	<b>27,944,844</b>	<b>24,804,950</b>	<b>22,287,358</b>	<b>23,527,732</b>	<b>21,075,258</b>	<b>19,198,717</b>	<b>19,714,263</b>	<b>18,746,794</b>
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 27,705,249</b>	<b>\$ 31,493,795</b>	<b>\$ 27,944,844</b>	<b>\$ 24,804,950</b>	<b>\$ 22,287,358</b>	<b>\$ 23,527,732</b>	<b>\$ 21,075,258</b>	<b>\$ 19,198,717</b>	<b>\$ 19,714,263</b>
<b>Township's Net Pension Liability - Ending</b>	<b>\$ 16,673,335</b>	<b>\$ 11,087,648</b>	<b>\$ 10,700,040</b>	<b>\$ 10,552,099</b>	<b>\$ 10,509,907</b>	<b>\$ 7,937,047</b>	<b>\$ 8,763,939</b>	<b>\$ 9,151,367</b>	<b>\$ 5,634,145</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	62.43 %	73.96 %	72.31 %	70.16 %	67.95 %	74.77 %	70.63 %	67.72 %	77.77 %
<b>Covered Payroll</b>	\$ 6,362,218	\$ 6,042,970	\$ 6,029,662	\$ 5,554,756	\$ 5,401,007	\$ 5,383,432	\$ 5,020,601	\$ 5,022,859	\$ 4,960,341
<b>Township's Net Pension Liability as a Percentage of Covered Payroll</b>	262.07 %	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 Supplementary Information Schedule of Pension Contributions

#### Last Ten Fiscal Years Years Ended December 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,571,064	\$ 1,514,460	\$ 1,243,452	\$ 1,044,240	\$ 933,300	\$ 896,775	\$ 764,069	\$ 682,587	\$ 641,982	\$ 553,152
Contributions in relation to the actuarially determined contribution	1,711,544	1,650,720	1,324,322	1,078,321	982,303	974,673	859,452	683,655	642,013	553,152
<b>Contribution Excess</b>	<b>\$ 140,480</b>	<b>\$ 136,260</b>	<b>\$ 80,870</b>	<b>\$ 34,081</b>	<b>\$ 49,003</b>	<b>\$ 77,898</b>	<b>\$ 95,383</b>	<b>\$ 1,068</b>	<b>\$ 31</b>	<b>\$ -</b>
<b>Covered Payroll</b>	<b>\$ 6,889,690</b>	<b>\$ 6,405,878</b>	<b>\$ 6,446,620</b>	<b>\$ 5,554,756</b>	<b>\$ 5,401,007</b>	<b>\$ 5,383,432</b>	<b>\$ 5,020,601</b>	<b>\$ 5,022,859</b>	<b>\$ 4,960,341</b>	<b>\$ 5,255,785</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>24.84 %</b>	<b>25.77 %</b>	<b>20.54 %</b>	<b>19.41 %</b>	<b>18.19 %</b>	<b>18.11 %</b>	<b>17.12 %</b>	<b>13.61 %</b>	<b>12.94 %</b>	<b>10.52 %</b>

#### 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, 2023 were determined based on the actuarial valuation as of December 31, 2021. The most recent valuation is as of December 31, 2022.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	19 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 Supplementary Information Schedule of Changes in the Net OPEB Liability and Related Ratios

	<b>Last Six Fiscal Years</b>					
	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service cost	\$ 140,568	\$ 134,498	\$ 124,923	\$ 150,951	\$ 194,334	\$ 181,621
Interest	920,306	872,262	893,464	829,212	873,215	836,560
Differences between expected and actual experience	(2,653,666)	(491,707)	(629,688)	(894,858)	(1,359,536)	-
Changes in assumptions	523,839	1,422,277	534,657	1,295,750	(908,029)	-
Benefit payments, including refunds	(656,473)	(670,123)	(520,019)	(531,701)	(532,397)	(482,939)
<b>Net Change in Total OPEB Liability</b>	(1,725,426)	1,267,207	403,337	849,354	(1,732,413)	535,242
<b>Total OPEB Liability - Beginning of year</b>	13,329,345	12,062,138	11,658,801	10,809,447	12,541,860	12,006,618
<b>Total OPEB Liability - End of year</b>	<b>\$ 11,603,919</b>	<b>\$ 13,329,345</b>	<b>\$ 12,062,138</b>	<b>\$ 11,658,801</b>	<b>\$ 10,809,447</b>	<b>\$ 12,541,860</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 1,311,473	\$ 1,460,123	\$ 1,310,019	\$ 1,321,701	\$ 1,297,397	\$ 1,260,439
Net investment income (loss)	877,544	(736,186)	831,431	681,347	447,964	(118,947)
Administrative expenses	(15,801)	(12,487)	(11,766)	(8,133)	(6,353)	(6,508)
Benefit payments, including refunds	(656,473)	(670,123)	(520,019)	(531,701)	(532,397)	(482,939)
<b>Net Change in Plan Fiduciary Net Position</b>	1,516,743	41,327	1,609,665	1,463,214	1,206,611	652,045
<b>Plan Fiduciary Net Position - Beginning of year</b>	7,179,758	7,138,431	5,528,766	4,065,552	2,858,941	2,206,896
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 8,696,501</b>	<b>\$ 7,179,758</b>	<b>\$ 7,138,431</b>	<b>\$ 5,528,766</b>	<b>\$ 4,065,552</b>	<b>\$ 2,858,941</b>
<b>Net OPEB Liability - Ending</b>	<b>\$ 2,907,418</b>	<b>\$ 6,149,587</b>	<b>\$ 4,923,707</b>	<b>\$ 6,130,035</b>	<b>\$ 6,743,895</b>	<b>\$ 9,682,919</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	74.94 %	53.86 %	59.18 %	47.42 %	37.61 %	22.80 %
<b>Covered-employee Payroll</b>	\$ 2,767,417	\$ 2,898,062	\$ 3,788,198	\$ 3,677,862	\$ 3,570,740	\$ 3,557,735
<b>Net OPEB Liability as a Percentage of Covered-employee Payroll</b>	105.06 %	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 Supplementary Information Schedule of OPEB Contributions

### Last Ten Fiscal Years Years Ended December 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 723,499	\$ 670,123	\$ 682,731	\$ 759,070	\$ 996,598	\$ 984,059	\$ 827,842	\$ 827,842	\$ 827,842	\$ 1,630,254
Contributions in relation to the actuarially determined contribution	1,311,473	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
<b>Contribution Excess (Deficiency)</b>	<b>\$ 587,974</b>	<b>\$ 790,000</b>	<b>\$ 627,288</b>	<b>\$ 562,631</b>	<b>\$ 300,799</b>	<b>\$ 276,380</b>	<b>\$ 344,614</b>	<b>\$ 269,136</b>	<b>\$ (109,732)</b>	<b>\$ (1,279,941)</b>
<b>Covered-employee Payroll</b>	\$ 2,767,417	\$ 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
<b>Contributions as a Percentage of Covered-employee Payroll</b>	47.39 %	50.38 %	34.58 %	35.94 %	36.33 %	35.43 %	25.54 %	23.90 %	15.65 %	7.20 %

#### 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, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	25 years
Asset valuation method	Fair market value
Inflation	2.50 percent
Health care cost trend rates	7.5 percent for 2021 decreasing 0.5 percent annually to an ultimate rate of 4.0 percent
Salary increase	3 percent
Investment rate of return	7.75 percent
Mortality	Pub-2010 using Scale MP-2019 generational mortality improvement
Other information	None

## Charter Township of White Lake

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### Required Supplementary Information Schedule of OPEB Investment Returns

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	Last Six Fiscal Years					
	Years Ended December 31					
	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return - Net of investment expense	11.64 %	(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.

# Charter Township of White Lake

## Notes to Required Supplementary Information

December 31, 2023

### ***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 supplementary information.

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

	Budget		Actual		Variance
General Fund - Accounting department	\$ 273,335	\$	277,147	\$	(3,812)
General Fund - Unallocated miscellaneous	20,000		23,210		(3,210)

### ***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, 2023, there were assumption changes that resulted in an increase in calculated total OPEB liability. The assumptions changed during the year related to the health care trend rates being updated to an initial rate of 8.00 percent for pre-65 decreasing by 0.25 percent annually to an ultimate rate of 4.50 percent and 5.50 percent for post-65 decreasing by 0.25 percent annually to an ultimate rate of 4.50 percent. Further, the salary increase assumption increased from 3.0 percent to 3.25 percent.

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.

**December 31, 2023**

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.

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.

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## Other Supplementary Information

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# Charter Township of White Lake

	Special Revenue Funds			
	Drug Forfeiture Fund	Building Fund	Parks and Recreation Fund	Community Development Block Grant Fund
<b>Assets</b>				
Cash and investments	\$ 135,089	\$ 1,847,969	\$ 1,530,911	\$ -
Receivables:				
Property taxes receivable	-	-	361,563	-
Special assessments receivable	-	-	-	-
Other receivables	-	2,178	2,945	-
Due from other governments	-	-	-	22,324
Total assets	<u>\$ 135,089</u>	<u>\$ 1,850,147</u>	<u>\$ 1,895,419</u>	<u>\$ 22,324</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 11,104	\$ 5,529	\$ -
Due to other funds	-	-	9,203	22,324
Accrued liabilities and other	-	8,080	30	-
Total liabilities	-	19,184	14,762	22,324
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	-	-
Property taxes and special assessments levied for the following year	-	-	423,581	-
Total deferred inflows of resources	-	-	423,581	-
Total liabilities and deferred inflows of resources	-	19,184	438,343	22,324
<b>Fund Balances</b>				
Restricted:				
Debt service	-	-	-	-
Drug law enforcement	135,089	-	-	-
Building activity	-	1,830,963	-	-
Parks and recreation	-	-	1,457,076	-
Assigned - Capital projects	-	-	-	-
Total fund balances	<u>135,089</u>	<u>1,830,963</u>	<u>1,457,076</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 135,089</u>	<u>\$ 1,850,147</u>	<u>\$ 1,895,419</u>	<u>\$ 22,324</u>

Other Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds

December 31, 2023

Debt Service Funds		Capital Project Funds			
Special Assessment Debt Service Fund	Library Debt Fund	Public Act 188 Fund	Construction Fund	Total	
\$ 228,873	\$ 108,628	\$ 524,817	\$ 100	\$	4,376,387
-	457,892	-	-	-	819,455
636,936	-	995,935	-	-	1,632,871
-	-	-	-	-	5,123
-	-	-	-	-	22,324
<b>\$ 865,809</b>	<b>\$ 566,520</b>	<b>\$ 1,520,752</b>	<b>\$ 100</b>	<b>\$</b>	<b>6,856,160</b>
\$ -	\$ -	\$ 10,053	\$ -	\$	26,686
-	-	64,087	-	-	95,614
-	-	-	-	-	8,110
-	-	74,140	-	-	130,410
561,315	-	858,496	-	-	1,419,811
-	536,437	-	-	-	960,018
561,315	536,437	858,496	-	-	2,379,829
561,315	536,437	932,636	-	-	2,510,239
304,494	30,083	-	-	-	334,577
-	-	-	-	-	135,089
-	-	-	-	-	1,830,963
-	-	-	-	-	1,457,076
-	-	588,116	100	-	588,216
304,494	30,083	588,116	100	-	4,345,921
<b>\$ 865,809</b>	<b>\$ 566,520</b>	<b>\$ 1,520,752</b>	<b>\$ 100</b>	<b>\$</b>	<b>6,856,160</b>

## Charter Township of White Lake

	Special Revenue Funds			
	Drug Forfeiture Fund	Building Fund	Parks and Recreation Fund	Community Development Block Grant Fund
<b>Revenue</b>				
Taxes	\$ -	\$ -	\$ 392,936	\$ -
Special assessments	-	-	-	-
Intergovernmental	15,264	-	-	50,315
Charges for services	-	28,030	6,875	-
Fines and forfeitures	69,301	-	-	-
Licenses and permits	-	600,538	-	-
Interest and rentals	53	59,744	19,616	-
Other revenue	-	41,925	9,123	-
<b>Total revenue</b>	<b>84,618</b>	<b>730,237</b>	<b>428,550</b>	<b>50,315</b>
<b>Expenditures</b>				
Current services:				
Public safety	61,675	653,989	-	-
Public works	-	-	-	-
Community and economic development	-	-	-	50,315
Recreation and culture	-	-	169,776	-
Debt service	-	1,784	-	-
<b>Total expenditures</b>	<b>61,675</b>	<b>655,773</b>	<b>169,776</b>	<b>50,315</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>22,943</b>	<b>74,464</b>	<b>258,774</b>	<b>-</b>
<b>Other Financing (Uses) Sources</b>				
Transfers out	-	(500,000)	-	-
Insurance recoveries	-	-	2,945	-
<b>Total other financing (uses) sources</b>	<b>-</b>	<b>(500,000)</b>	<b>2,945</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>22,943</b>	<b>(425,536)</b>	<b>261,719</b>	<b>-</b>
<b>Fund Balances - Beginning of year</b>	<b>112,146</b>	<b>2,256,499</b>	<b>1,195,357</b>	<b>-</b>
<b>Fund Balances - End of year</b>	<b>\$ 135,089</b>	<b>\$ 1,830,963</b>	<b>\$ 1,457,076</b>	<b>\$ -</b>

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

**Year Ended December 31, 2023**

Debt Service Funds		Capital Project Funds			
Special Assessment Debt Service Fund	Library Debt Fund	Public Act 188 Fund	Construction Fund	Total	
\$ -	\$ 546,129	\$ -	\$ -	\$ 939,065	
99,682	-	192,128	-	291,810	
-	-	-	-	65,579	
-	-	-	-	34,905	
-	-	-	-	69,301	
-	-	-	-	600,538	
27,516	1,984	44,574	-	153,487	
-	-	-	-	51,048	
127,198	548,113	236,702	-	2,205,733	
-	-	-	-	715,664	
-	-	379,628	-	379,628	
-	-	-	-	50,315	
-	-	-	-	169,776	
110,898	546,261	15,459	-	674,402	
110,898	546,261	395,087	-	1,989,785	
16,300	1,852	(158,385)	-	215,948	
-	-	-	-	(500,000)	
-	-	-	-	2,945	
-	-	-	-	(497,055)	
16,300	1,852	(158,385)	-	(281,107)	
288,194	28,231	746,501	100	4,627,028	
<b>\$ 304,494</b>	<b>\$ 30,083</b>	<b>\$ 588,116</b>	<b>\$ 100</b>	<b>\$ 4,345,921</b>	

## Charter Township of White Lake

### Other Supplementary Information Combining Statement of Fiduciary Net Position Custodial Funds

**December 31, 2023**

	Custodial Funds		
	Trust and Agency Fund	Tax Collection Fund	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 651,673	\$ 433,042	\$ 1,084,715
Receivables - Property taxes	-	5,251,411	5,251,411
Total assets	651,673	5,684,453	6,336,126
<b>Liabilities</b>			
Due to other governmental units	2,240	-	2,240
Refundable deposits, bonds, etc.	17,542	3,452	20,994
Unremitted tax collections	-	429,590	429,590
Total liabilities	19,782	433,042	452,824
<b>Deferred Inflows of Resources</b> - Property taxes levied for the following year	-	5,251,411	5,251,411
Total liabilities and deferred inflows of resources	19,782	5,684,453	5,704,235
<b>Net Position</b> - Restricted - Individuals, organizations, and other governments	<u>\$ 631,891</u>	<u>\$ -</u>	<u>\$ 631,891</u>

**Charter Township of White Lake**

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

**Year Ended December 31, 2023**

	Custodial Funds		
	Trust and Agency Fund	Tax Collection Fund	Total
<b>Additions</b>			
Contributions	\$ 511,847	\$ -	\$ 511,847
Property tax collections for other governments	-	39,984,351	39,984,351
Total additions	511,847	39,984,351	40,496,198
<b>Deductions</b>			
Administrative expenses	14,654	-	14,654
Repairs and maintenance	396,313	-	396,313
Tax payments to other governments	-	39,984,351	39,984,351
Total deductions	410,967	39,984,351	40,395,318
<b>Net Increase in Fiduciary Net Position</b>	100,880	-	100,880
<b>Net Position - Beginning of year</b>	531,011	-	531,011
<b>Net Position - End of year</b>	<b>\$ 631,891</b>	<b>\$ -</b>	<b>\$ 631,891</b>