

2021

A Legacy of Leading

“A solid **legacy** plants the seeds from which **consistency** and **expectations** sprout”

CHARTER TOWNSHIP *of* NORTHVILLE



BOARD OF TRUSTEES

Scott Frush, Cynthia Jankowski,
Roger Lundberg, Mark J. Abbo, Chris Roosen,
Mindy Herrmann, Jason Rhines

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended December 31, 2021
Charter Township of Northville, Michigan

Charter Township of Northville, Michigan

Annual Comprehensive Financial Report with Supplemental Information Fiscal Year Ended December 31, 2021

Board of Trustees

Mark J. Abbo, Supervisor
Roger Lundberg, Clerk
Jason Rhines, Treasurer
Scott Frush, Trustee
Mindy Herrmann, Trustee
Cynthia Jankowski, Trustee
Christopher Roosen, Trustee

Township Manager

Todd Mutchler

Prepared by:

Township's Finance and Budget Department

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BOARD OF TRUSTEES

Mark J. Abbo, *Supervisor*

Roger Lundberg, *Clerk*

Jason Rhines, *Treasurer*

Scott Frush, *Trustee*

Mindy Herrmann, *Trustee*

Cynthia Jankowski, *Trustee*

Christopher Roosen, *Trustee*

April 25, 2022

Honorable Supervisor, Mark J. Abbo

Members of the Board of Trustees

Citizens of the Charter Township of Northville, Michigan

We are pleased to submit the Annual Comprehensive Financial Report of the Charter Township of Northville for the fiscal year ended December 31, 2021. This report is prepared for the purpose of disclosing the Township's financial condition to its residents, elected officials and other interested parties. The financial statements contain all disclosures necessary to enable the reader to gain an understanding of the Township's financial activities. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Township. We believe the data presented is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Township, and that all disclosures necessary to enable the reader to gain the maximum understanding of the Township's financial affairs have been included.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

All local units of government within the State of Michigan must comply with the Uniform Budgeting and Accounting Act, PA 2 of 1968, as amended, which requires an annual audit of the financial records and transactions of the Township by independent certified public accountants. The primary purpose of the auditing requirements of this act is to maintain the confidence of all interested parties in the integrity of the record keeping and financial reporting of local units of government.

Profile of the Government

The Charter Township of Northville, incorporated in 1829, is strategically located in the northwestern portion of Wayne County. Located just 15 miles east of Ann Arbor and 30 miles west of downtown Detroit, the Township serves over 28,000 residents and encompasses an area of approximately 16.5 square miles. Northville Township is considered a choice community to live. A dynamic, growing community, Northville Township, offers an abundance of rolling, wooded acreage, which provides a unique natural backdrop for residential and commercial land development. Northville Township is well connected to highway, rail, and air transportation routes offering outstanding accessibility.

The Township of Northville is governed by a Board of Trustees which is composed of seven members who are elected for four year terms. The Board is composed of a Supervisor, a Clerk, a Treasurer and four trustees under the Trustee-Manager form of government. Policy-making and legislative authority are vested in the Board of Trustees which is presided over by the Supervisor, who is the chief executive of the Township.

The Township provides a full range of municipal services including police and fire protection; parks, recreational and cultural activities; building inspection; code enforcement and planning and development. The Township is a member of the Western Township Utilities Authority (WTUA), which provides sewage disposal services to the residents of Canton, Northville and Plymouth Townships.

The Township of Northville prepares budgets in accordance with the Uniform Budgeting and Accounting Act, PA 2 of 1968, as amended. Under the direction of the Township Manager, the Finance and Budget Director prepares an initial projection of revenue for the next fiscal year. Spending priorities are then established based upon the Township's financial policies and mandated requirements. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. The level of budgetary control (that is the level at which expenditures cannot exceed the appropriated amount) is established by function and category.

Factors affecting financial condition

In 2021, Standard & Poor's Rating Service raised Northville Township's long-term general obligation bond rating to a "AAA" citing the stability of the Township's financial outlook. This rating places Northville Township in an elite group throughout the state. S&P assigns AAA ratings to communities that have a very strong capacity to meet their financial commitments.

The strong rating demonstrates the Township Board's continued commitment and wisdom in overseeing township government and reflects the continuing cooperation between our Directors and the Board of Trustees. S&P officials listed several reasons for the upgrade, including strong management with good financial policies and practices. These policies serve as a guide in the decision making process and were established to ensure:

- Reserves aren't used to fund recurring expenditures therefore prohibiting unsustainable uses of fund balance.
- Strategic long-term policy decisions are properly identified.
- Capital improvement projects are carefully planned and funded.

The agency credits Northville Township for its transparency in financial reporting, updating the three-year financial forecast and capital improvement plan annually. S&P's upgraded rating also reflects the Township's strong budgetary performance and strong liquidity.

The AAA bond rating confirms the Township's ability to effectively manage financial resources, making it an attractive destination for both new business and residential development.

The AAA rating is also a sign of financial stability with good management systems in place and a strong set of fiscal policies established by the Board. Standard & Poor's notes that Northville Township has an extremely strong market value per capita as well as a moderate overall debt burden. The 2020 Census reports Northville Township's population at 31,758, which represents an 11% increase from the 2010 Census population of 28,497.

Long-term financial planning and major initiatives

One of the largest sources of revenue for the Township remains property taxes. To maintain existing services levels within the Township, in 2020 Northville Township residents approved both a millage renewal and a 0.4623 mill increase dedicated specifically for public safety, 0.0324 mills for shared services, and 0.0053 dedicated to general operating services. This approval reflects the public's confidence in the continued commitment to provide quality and dependable services by the dedicated staff of this Township.

A feasibility study was completed for the current public safety headquarters for the purpose of determining whether it was economically and operationally feasible to renovate the existing structure or build a new structure. A committee was formed to monitor this project and is expecting to make a recommendation to the Board in 2022.

The Township follows a capital renewal and replacement program that budgets for known cyclic repair and replacement requirements that extend the life and retain usable condition of facilities and systems. By planning ahead and systematically saving for future capital needs, the Township can help mitigate the financial impact of major, nonrecurring expenditures on future budgets.

In 2021, the Township issued \$12 million in bonds at an interest rate of 2.49%. The proceeds of the bond issuance will be used towards the demolition of the existing psychiatric hospital buildings along seven mile, within the brownfield redevelopment authority.

Managing the Township's Long-Term Legacy Costs

The fundamental financial objective of the Township is to effectively manage and fund the long-term costs for both its defined benefit pension and retiree health care plan. To ensure sustainability, the target funded ratio for public pensions based on a recent Government Finance Officers Association industry best practice recommends that public officials and associated trustees should, at a minimum, adopt a funding policy with a target funded ratio of 100% or more (full funding).

During 2021, the Township contributed \$1,298,530 in excess of the required pension minimum contributions into its defined benefit pension plan administered by MERS. The additional contributions support the financial objective of the Township to strive for 100% funding of its pension obligations.

Relevant Financial Policies

Included in the 2021 Annual Budget and Financial Plan are the financial policies which set forth the basic framework for the overall fiscal management of the Township. Operating independently of changing economic circumstances and conditions, these policies help the decision making process of the Township Board and administration.

The Township's fund balance policy was established to be at least at the Government Finance Officers Association (GFOA) minimum recommended level of 16.7% to cover extraordinary events and contingencies for budgeted expenditures.

The **Northville Township Water & Sewer Fund Fiscal Policy** was adopted by the Board of Trustees and establishes recommended reserve levels and continues the Board's vision to set in writing the framework for the overall fiscal management of the Township to ensure the highest standards of financial stewardship are followed. A written and adopted Reserve Fund Policy provides for and facilitates attainment of program and financial goals relative to the prudent accumulation and management of designated reserves and reserve funds. It is the intent of the Reserve Fund Policy to set target levels for reserves that are consistent with the Township's overall financial framework.

Internal Controls

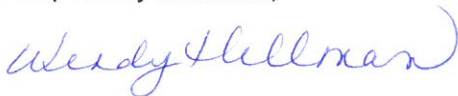
In developing and evaluating the Township's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Township's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Awards and Acknowledgements

The GFOA awarded a Certificate of Excellence in Financial Reporting to Northville Township for its comprehensive annual financial report for the fiscal year ended December 31, 2020. This represents the ninth consecutive year the Township has received this prestigious award.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The preparation of this Annual Comprehensive Financial Report was made possible by the dedicated service of many individuals. We wish to express our sincere appreciation to each of them. Special thanks to the independent auditing firm of Plante & Moran, LLC and to Township Supervisor, Mark J. Abbo, the entire Board of Trustees as well as Township Manager, Todd Mutchler for their leadership and support in matters pertaining to the financial affairs of the Township.

Respectfully submitted,



Wendy Hillman, CPA
Finance and Budget Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Charter Township of Northville
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

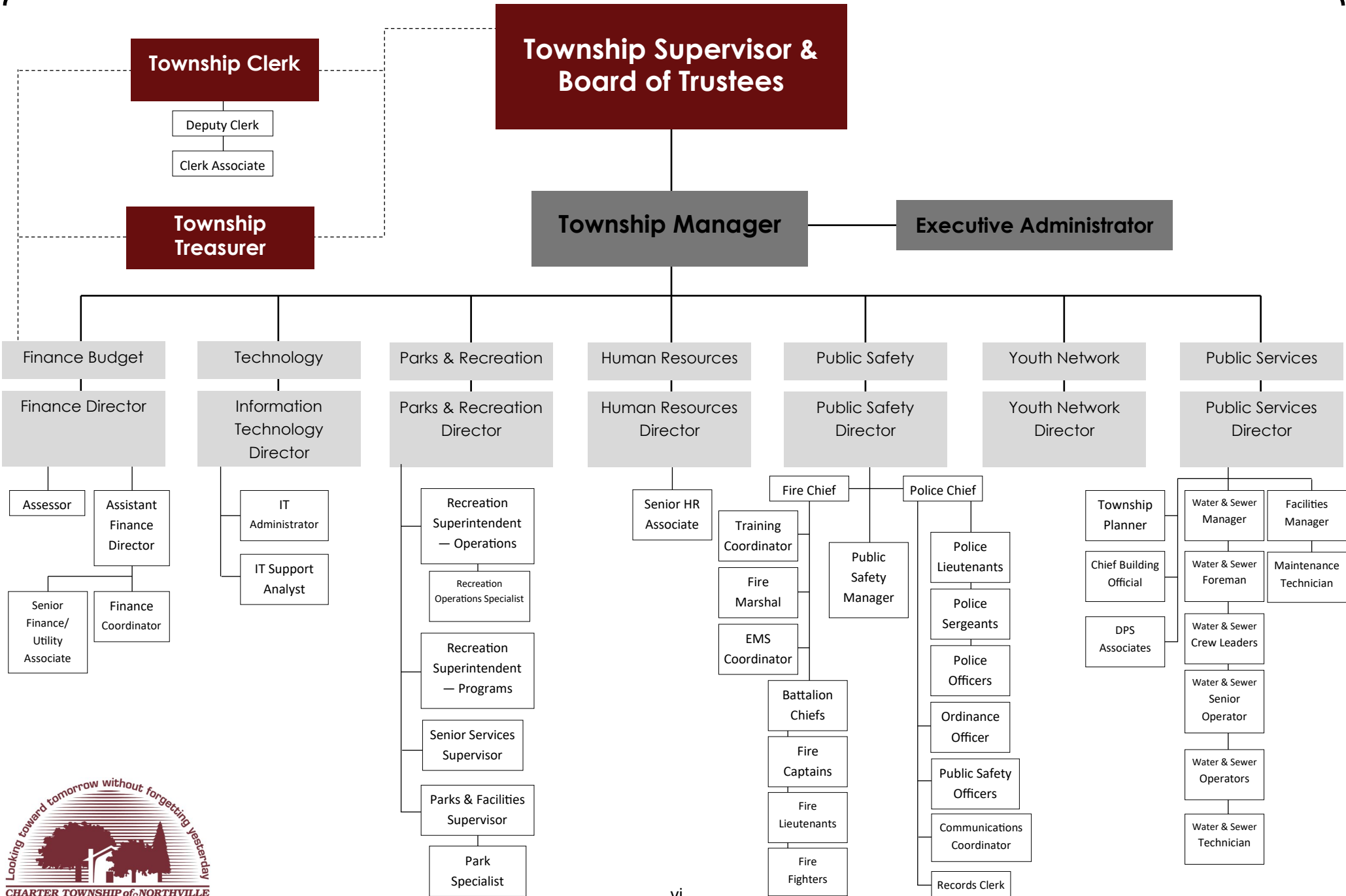
December 31, 2020

Christopher P. Morill

Executive Director/CEO

Charter Township of Northville | Organizational Chart

CITIZENS OF NORTHVILLE TOWNSHIP



Township of Northville, Michigan

List of Principal Officials

December 31, 2021

Title	Name
Township Supervisor	Mark J. Abbo
Township Clerk	Roger Lundberg
Township Treasurer	Jason Rhines
Township Trustee	Scott Frush
Township Trustee	Cynthia Jankowski
Township Trustee	Mindy Herrmann
Township Trustee	Christopher Roosen
Township Manager/Public Safety Director	Todd L. Mutchler
Finance and Budget Director	Wendy Hillman
Public Services Director	Bob Belair
Human Resources Director	Glenn Caldwell
Parks & Recreation Director	Mark Gasche
Information Technology Director	Shaun Nicoloff
Youth Network Director	Amy Prevo
Deputy Director of Fire Services / Fire Chief	Brent Siegel
Deputy Director of Police Services / Police Chief	Scott Hilden

Northville Township, Michigan
Fund Organization Chart

Governmental Funds

<u>General Fund</u>	<u>Capital Project Funds</u>
	Capital Improvement Fund Tree Fund
<u>Debt Service Funds</u>	<u>Special Revenue Funds</u>
Edenderry Paving SAD 2012 Refunding Debt Seven Mile Road Property Purchase	Public Safety Shared Services Youth Network

Proprietary Fund - Enterprise Funds

Water and Sewer

Fiduciary Funds

<u>Custodial Funds</u>	<u>Pension and Other Employee Benefit Trust Fund</u>
Tax Collection Fund Agency	Retiree Health Care Trust Fund

Component Unit

Economic Development Corporation	Brownfield Redevelopment Authority
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Independent Auditor's Report

To the Board of Trustees
Charter Township of Northville

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Northville (the "Township") as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Charter Township of Northville'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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Northville as of December 31, 2021 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Northville

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 Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, major fund budgetary comparison schedules for the General Fund and the major special revenue fund, schedule of changes in the township net pension liability and related ratios, schedule of township pension contributions, schedule of changes in the township net OPEB liability and related ratios, schedule of township OPEB contributions, schedule of OPEB investment returns, and notes to required supplemental information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Charter Township of Northville's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory section and statistical section schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

To the Board of Trustees
Charter Township of Northville

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

Plante & Moran, PLLC

April 25, 2022

Township of Northville, Michigan

Management's Discussion and Analysis

The Township of Northville's discussion and analysis is a narrative overview of the Township's financial activities for the fiscal year ended December 31, 2021. The information presented here should be read in conjunction with our letter of transmittal, the financial statements, and notes to the financial statements that follow.

Financial Highlights

- * In 2021, the Brownfield Redevelopment Authority successfully issued \$12,000,000 in bonds for the demolition of the psychiatric hospital on Seven Mile Road. The debt service will be paid with tax increment revenue from the Seven Mile Brownfield. Demolition is expected to begin in summer 2022.
- * Total assets and deferred outflows of the Township exceeded liabilities and deferred inflows at December 31, 2021 by \$201,235,416.
- * The Township's total combined net position for both governmental and business-type activities increased during the year by \$13,887,791. This increase was driven by:
 - The contribution of \$2.0 million in capital and connection fees paid by developers into the Water and Sewer Fund. In addition, developers contributed almost \$540,000 in contributed water and sewer assets constructed by developers.
 - State-shared revenue was higher than anticipated with a total amount received of \$3,032,338. In addition, the Township will receive additional state-shared revenue in the amount of \$400,772 due to adjustments made by the state in 2022 based on 2020 census data. This additional allocation has been deferred at December 31, 2021 and will be recognized as revenue in 2022.
 - Both the General Fund and the Public Safety Fund received increased tax increment revenue from the Brownfield Redevelopment Authority for the reimbursement of expenditures incurred on the seven mile psychiatric hospital.
 - Due to increased development in 2021, the Township had an increase in permit fees of over \$400,000.
- * As of December 31, 2021, the Township's governmental funds reported combined ending fund balances of \$39,546,977. Fund balance of the General Fund totaled \$15,605,103 at December 31, 2021, which represents an increase of \$2,779,787 in comparison with the prior year. This increase was driven by \$1,621,548 received in permit fee revenue, including building, mechanical, electrical, and plumbing; \$3,032,338 received in state-shared revenue; and \$441,688 in payments received from the Brownfield Redevelopment Authority.
- * **The Township's total direct and other debt obligations were reduced by \$2,655,187** from the prior year. Total governmental and business-type debt at December 31, 2021 was \$16,966,305 (including unamortized bond premium). The total debt of the component unit at December 31, 2021 was \$12,541,404. Moody's Investor Service has established guidelines for a municipalities debt burden as measured by the ratio of total tax supported debt to the actual value of taxable property of the jurisdiction. In general, a government's total tax supported debt burden should remain below 4% of its total taxable value. The Township's percent of direct and other debt as of December 31, 2021 was well below this ratio at 0.72% of the Township's total 2020 taxable value.

Township of Northville, Michigan

Management's Discussion and Analysis

Overview of the Financial Statements

This discussion and analysis provides an introduction and overview to the Township's basic financial statements. This information will assist users in interpreting the basic statements. We will also provide other financial discussion and analysis of certain plans, projects, and trends necessary for understanding the full context of the financial condition of the Township.

Basic Financial Statements – The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The financial section of this report also contains required supplementary information, in addition to the basic financial statements.

Government-wide Financial Statements – Government-wide financial statements provide readers with a broad overview of the Township's finances in a manner similar to a private sector business, distinguishing functions of Northville Township that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as "business-type activities").

The statement of net position presents information on all of the Township's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business and presents a longer-term view of the Township's finances. Over time, increases or decreases in net position can serve as one indicator of the financial position of the Township. Other indicators include changes in the property tax base and general economic conditions within the Township.

The statement of activities presents information showing how the Township's net position changed during the year. This statement separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program). This shows the extent each program relies on taxes for funding. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Items such as special assessments and earned but unused employee leave time will be included in the statement of activities as revenue and expense, even though the cash flows associated with these items will be recognized in future fiscal periods.

In accordance with GASB No. 14, *The Financial Reporting Entity*, as amended by GASB No. 39, *Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statements No. 14*, the Township has identified certain entities as component units in the government-wide financial statements. By virtue of its authority to exercise influence over their operations, the Township has included the financial statements of both the Economic Development Corporation and the Northville Township Brownfield Redevelopment Authority, which are discretely presented component units within the government-wide financial statements.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township of Northville, Michigan, like other state and local governments, establishes funds for compliance with finance-related legal requirements. All of the funds of the Township fall into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental funds account for most, if not all, of a government's tax-supported functions. Proprietary funds account for a government's business-type activities; all or part of the costs of activities are supported by fees and charges that are paid by those who benefit from the activities. Fiduciary funds account for resources that are held by the government as a trustee or agent for parties outside of the government.

Township of Northville, Michigan

Management's Discussion and Analysis

Governmental Funds – The Township of Northville maintains nine individual governmental funds. The governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances present separate columns of financial data for the General Fund, Public Safety and the Capital Projects Fund. These funds are considered major funds as of December 31, 2021. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located in the other supplementary information section of this report.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year; this information is useful in evaluating a government's near-term financing requirements in comparison to near-term resources available.

Because the measurement focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The government-wide statements give readers a better understanding of the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide reconciliation to the governmental activities column in the government-wide statements, facilitating this comparison.

The Township adopts an annual appropriated budget for its General Fund and Special Revenue Funds. A budgetary comparison statement has been provided for each major fund within the required supplementary information. Budgetary comparisons for other nonmajor Special Revenue Funds are presented within the other supplementary section of the report.

Proprietary Funds – The Township maintains one type of proprietary fund used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses enterprise funds to account for its water and sewer activities. Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail, since both apply the accrual basis of accounting.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided and are an integral part of the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also contains certain required supplementary information concerning budgetary comparisons of the General and all major funds. The combining statements in connection with nonmajor governmental funds and the component units are presented immediately following the required supplementary information.

Township of Northville, Michigan Management's Discussion and Analysis

Government-wide Financial Analysis

Statement of Net Position – As noted earlier, changes in net position may serve as a useful indicator of a government's financial position. The Township's total assets and deferred outflows exceeded its liabilities and deferred inflows by \$201,235,416 (net position) at the close of December 31, 2021. The following table shows, in a condensed format, the Township's net position as of December 31, 2021 and 2020:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 69,183,609	\$ 60,562,834	\$ 63,025,478	\$ 58,721,449	\$ 132,209,087	\$ 119,284,283
Capital assets	61,669,593	62,410,206	47,560,086	48,142,950	109,229,679	110,553,156
Total assets	130,853,202	122,973,040	110,585,564	106,864,399	241,438,766	229,837,439
Deferred Outflows of Resources						
	11,452,482	8,137,692	1,220,773	1,122,540	12,673,255	9,260,232
Liabilities						
Current liabilities	4,704,833	2,750,554	1,590,090	1,365,202	6,294,923	4,115,756
Noncurrent liabilities :						
Due within one year	3,449,059	2,950,365	593,208	556,770	4,042,267	3,507,135
Due in more than one year	15,036,958	18,617,811	3,370,949	4,139,814	18,407,907	22,757,625
Total liabilities	23,190,850	24,318,730	5,554,247	6,061,786	28,745,097	30,380,516
Deferred Inflow of Resources						
	23,802,844	21,264,745	328,664	104,785	24,131,508	21,369,530
Net Position						
Net investment in capital assets	48,240,367	46,851,756	44,174,684	44,290,283	92,415,051	91,142,039
Restricted	16,548,604	13,224,232	-	-	16,548,604	13,224,232
Unrestricted	30,523,019	25,451,269	61,748,742	57,530,085	92,271,761	82,981,354
Total net position	\$ 95,311,990	\$ 85,527,257	\$ 105,923,426	\$ 101,820,368	\$ 201,235,416	\$ 187,347,625

Over 45% of the Township's net position reflects its investment in capital assets. The portion of restricted net position represents resources that are subject to external restrictions on how they may be used. Unrestricted net position related specifically to governmental activities of \$30,523,019 represents the amount that may be used to meet the Township's ongoing obligations, without legal restrictions.

Township of Northville, Michigan

Management's Discussion and Analysis

Changes in Net Position – In total, governmental activities increased the Township's net position by \$9,784,733. The Township recognized an increase in charges for service due to increased permit fees. The Township experienced increased development in 2021 which increased the building permit revenue over \$400,000 compared to 2020. State-shared revenue, originally estimated to be significantly decreased due to the impact of COVID-19, was higher than budgeted and higher when compared to 2020. The Township recognized \$3,032,338 in state shared revenue in 2021. Other income increased due to additional tax increment capture reimbursement to both the general and public safety funds.

The impact of the CARES monies received in 2020 led to a perceived decrease in both revenue and expenditures in 2021. Over \$1.5 million in Township CARES money was used in 2020 to pay public safety payroll costs. This did not re-occur in 2021.

Business-type activities increased net position in total by \$4,103,058. The majority of this increase is mostly a result of \$2,477,013 in capital contributions and donated water and sewer assets constructed by developers. This is an increase due to higher than anticipated development within the Township compared to 2020.

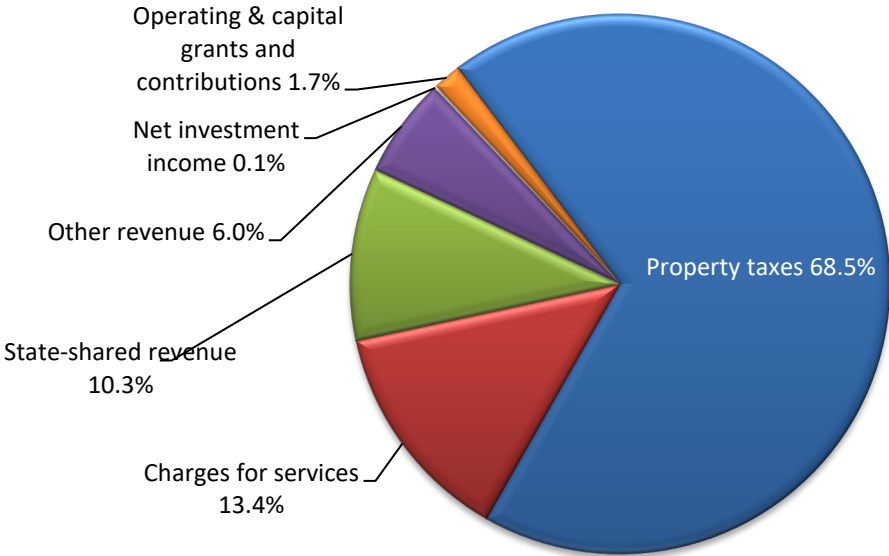
Key elements in the Township's change in net position are shown in the following table:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
Program revenue:						
Charges for services	\$ 3,971,076	\$ 3,660,980	\$ 15,259,102	\$ 16,698,964	\$ 19,230,178	\$ 20,359,944
Operating grants and contributions	508,520	1,890,453	-	-	508,520	1,890,453
Capital grants and contributions	-	227,102	2,477,013	1,647,021	2,477,013	1,874,123
General revenue:						
Property taxes	20,377,918	20,370,481	-	-	20,377,918	20,370,481
State-shared revenue	3,047,338	2,626,793	-	-	3,047,338	2,626,793
Net investment income	21,326	161,328	(16,483)	274,267	4,843	435,595
Other miscellaneous income	1,804,806	923,611	-	-	1,804,806	923,611
Gain on sale of capital assets	-	-	2,500	-	2,500	-
Total revenue	29,730,984	29,860,748	17,722,132	18,620,252	47,453,116	48,481,000
Expenses						
General government	3,626,493	3,636,956	-	-	3,626,493	3,636,956
Public safety:						
Police and fire	13,867,355	15,169,219	-	-	13,867,355	15,169,219
Building department	450,454	505,532	-	-	450,454	505,532
Community and economic development	228,459	228,294	-	-	228,459	228,294
Recreation and culture	1,229,765	1,116,097	-	-	1,229,765	1,116,097
Interest on long-term debt	543,725	639,431	-	-	543,725	639,431
Water and sewer	-	-	13,619,074	13,510,540	13,619,074	13,510,540
Total expenses	19,946,251	21,295,529	13,619,074	13,510,540	33,565,325	34,806,069
Change in Net Position	9,784,733	8,565,219	4,103,058	5,109,712	13,887,791	13,674,931
Net Position - Beginning of year	85,527,257	76,962,038	101,820,368	96,710,656	187,347,625	173,672,694
Net Position - End of year	\$ 95,311,990	\$ 85,527,257	\$ 105,923,426	\$ 101,820,368	\$ 201,235,416	\$ 187,347,625

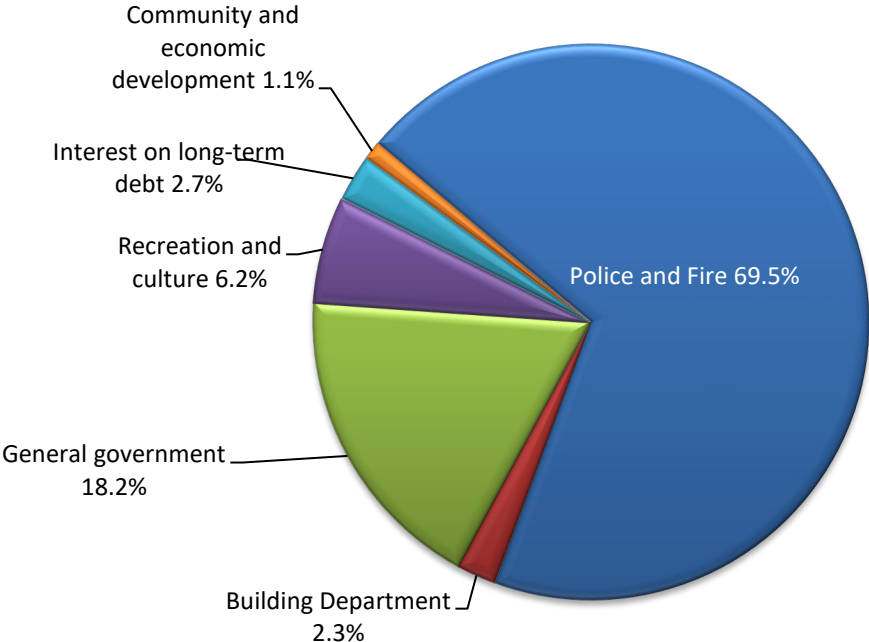
Governmental Activities – Program revenue, which includes user fees and charges and restricted operating and capital grants and contributions, represents 15% of total governmental revenue sources. Program revenues reduce the net cost of the governmental functions to be financed from the Township's general revenues, which are comprised primarily of property taxes and state revenue sharing.

Township of Northville, Michigan
Management's Discussion and Analysis

Revenue by Source - Governmental Activities



Expenses by Activity - Governmental Activities

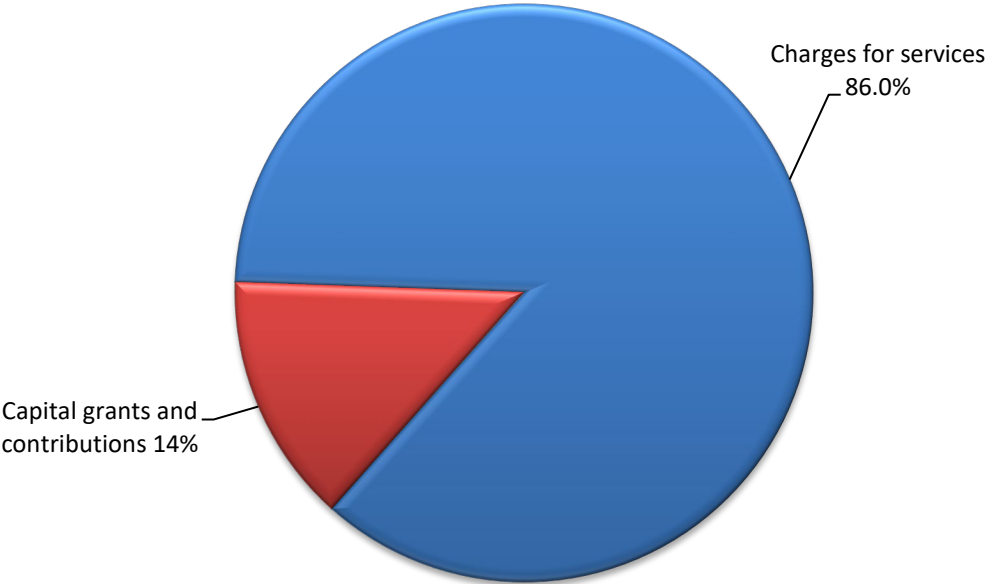


Township of Northville, Michigan Management's Discussion and Analysis

Business-type Activities – Business-type activities realized an increase in net position of \$4,103,058. This is a result of the following:

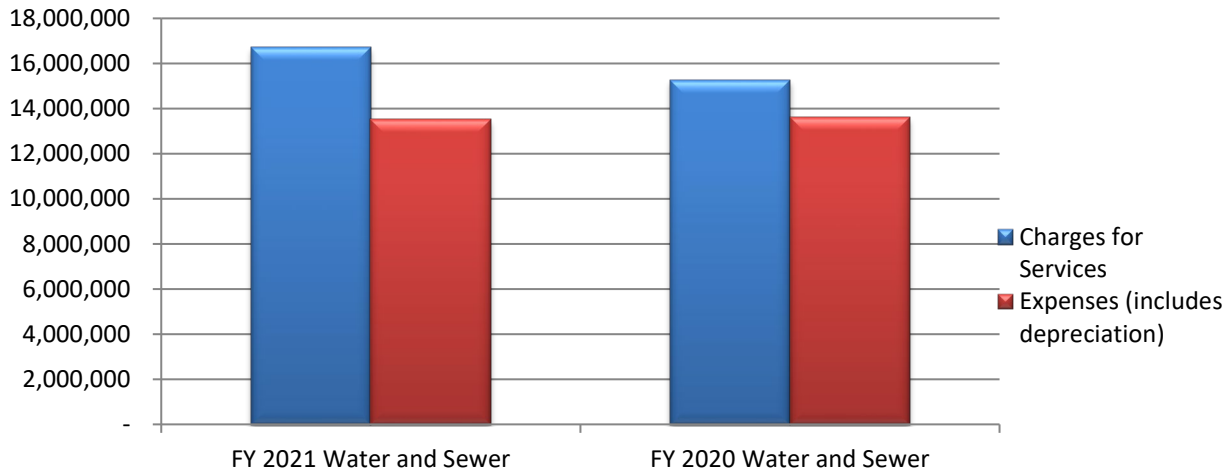
- The contribution of \$2 million in capital and connection fees paid by developers into the Water and Sewer Fund. In addition, developers contributed over \$500,000 in contributed water and sewer assets constructed by developers.
- The Township is a partial owner of WTUA, in conjunction with Plymouth and Canton Townships. The WTUA system is comprised of a number of gravity interceptors, lift stations, pump stations, force mains and equalization basins. General flows are intercepted from the local township sanitary sewer systems using a combination of newly constructed and older sanitary sewer interceptors. Any debt issued in conjunction with these sanitary systems is passed through WTUA, to each community based on their proportionate share of the system. As of December 31, 2021, the Township's share of WTUA debt service costs decreased by approximately \$52,000 from the prior year. The equity in WTUA increased by \$1.9 million.

Revenue by Source - Business-type Activities



Township of Northville, Michigan
Management's Discussion and Analysis

Expenses and Program Revenue - Business-type Activities



Financial Analysis of the Township's Funds

Governmental Funds – The Township has nine governmental funds, categorized into three fund types. Each fund type has a unique purpose. The governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances present separate columns of financial data for the General Fund, Public Safety and the Capital Projects Fund. These funds are considered major funds based on criteria as set forth by the Governmental Accounting Standards Board.

As of December 31, 2021, the governmental funds of the Township reported a combined fund balance of \$39,546,977, an increase of \$6,813,750 in comparison to the prior year.

Reserves and balances.

As of December 31, 2021, fund balance of the General Fund totaled over \$15.6 million and is not restricted as to use, with the exception of the construction code surplus in the amount of \$461,670. The Township's unassigned fund balance has increased by over \$13 million in the General Fund since 2009. The Township set aside these funds to pay for expenditures which could result from unforeseen emergencies and to weather the next economic downturn. These "rainy day funds" provide a buffer to withstand periodic deficits without endangering the Township's fiscal health over the long run.

Within the General Fund, the majority of this increase is attributable to an increase in state shared revenue of \$425,000 as well as an increase in building permit revenue due to increased development within the Township. The Township recognized over \$1.2 million in building permit revenue compared to just over \$800,000 in 2020. In addition, the Township's general fund was reimbursed an increased amount of tax increment revenue in 2021 due to higher taxable value on the properties within the brownfield redevelopment authority. In 2021, those funds received reimbursement of over \$900,000 versus \$400,000 received in 2020. The tax increment revenue is reimbursement for costs incurred by the general fund on the seven mile psychiatric hospital demolition.

As of December 31, 2021, the fund balance of the Public Safety Fund totaled over \$10.6 million. Fund balance is restricted for use on public safety operations and capital. Fund balance increased \$1,358,867 over 2020. Increases in fund balance are budgeted in an effort to build the capital reserve needed to replace capital as well as to maintain a fund balance operating minimum of 20% of operating expenses.

As of December 31, 2021, the fund balance of the Capital Projects Fund totaled over \$7 million. Fund balance is unrestricted for use however has been assigned for the purposes of funding township infrastructure and capital projects. This funds are currently assigned towards facility replacement,

Township of Northville, Michigan Management's Discussion and Analysis

pathways, municipal services complex, and seven mile and five mile redevelopment. These projects are primarily funded with budgeted transfers in from the general fund.

Proprietary Funds – For the year ended December 31, 2021, the Water and Sewer Fund reported operating income of \$1,755,968. Total cash reserves increased by \$672,572 largely the result of the cash flows from capital and related financing activities. The reserve fund is primarily funded with connection fees and reduced by capital projects.

The **Northville Township Water & Sewer Fund Fiscal Policy** adopted by the Board of Trustees and establishes recommended reserve levels and continues the Board's vision to set in writing the framework for the overall fiscal management of the Township. Working capital reserves will be closely monitored to ensure that recurring revenues, including user rates, are adequate to fund recurring operating expenses

General Fund Budgetary Highlights

The Township recognized favorable budget results for the fiscal year ended December 31, 2021. In total, revenues of the General Fund came in **over amended budget estimates for the year by \$931,242 or 13%**. During 2021, the budget was amended to account for the increase in state-shared revenue and building permit revenue. Even with this budget amendment, the actual results exceeded budget in both of these funding sources by \$610,596. The budget was not amended, however, for the increase in tax increment revenue reimbursement received from the brownfield redevelopment authority. This higher than anticipated revenue was almost \$441,688 over budget.

The Township's General Fund expenditures as of December 31, 2021 were **under amended budget in total by \$324,255 or 5.8%**. During the year, the Township did not incur expenditures that were in excess of the amounts budgeted. The Legislative activity amended its budget in anticipated of higher legal costs due to tax tribunals and a pending landfill lawsuit against. The actual costs, however, came in over \$100,000 under budget.

Capital Asset and Debt Administration

Capital Assets – The Township's investment in capital assets, including construction in progress, for its governmental and business-type activities as of December 31, 2021 totals \$109,229,679 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, and construction in progress.

Capital Assets – The following table is a comparison of the summary information for the fiscal years ended December 30, 2021 and 2020:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 49,154,814	\$ 49,163,914	\$ -	\$ -	\$ 49,154,814	\$ 49,163,914
Intangible assets	10,800	-	-	-	10,800	-
Bike paths	644,110	750,945	-	-	644,110	750,945
Buildings and improvements	9,217,283	9,351,015	7	19,637	9,217,290	9,370,652
Vehicles and equipment	1,089,269	1,441,374	269,790	288,277	1,359,059	1,729,651
Furniture and equipment	1,290,211	1,556,231	-	-	1,290,211	1,556,231
Computer equipment	100,882	113,930	-	-	100,882	113,930
Infrastructure	-	-	47,055,327	47,380,777	47,055,327	47,380,777
Construction in progress	162,224	32,797	234,962	454,259	397,186	487,056
Total	\$ 61,669,593	\$ 62,410,206	\$ 47,560,086	\$ 48,142,950	\$ 109,229,679	\$ 110,553,156

Additional information on the Township's capital assets can be found in Note 7 of this report.

Township of Northville, Michigan Management's Discussion and Analysis

Long-term Debt – The following table is a comparison of the summary information for the fiscal years ended December 30, 2021 and 2020:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 13,334,326	\$ 15,458,651	\$ 2,570,174	\$ 2,986,037	\$ 15,904,500	\$ 18,444,688
Special assessment bonds	135,000	180,000	-	-	135,000	180,000
State revolving loan fund	-	-	926,805	996,805	926,805	996,805
Total bonds payable	13,469,326	15,638,651	3,496,979	3,982,842	16,966,305	19,621,493
Estimated self-insurance claims	60	3,050	-	-	60	3,050
Accumulated compensated absences	2,307,461	2,338,410	206,266	266,100	2,513,727	2,604,510
Total	\$ 15,776,847	\$ 17,980,111	\$ 3,703,245	\$ 4,248,942	\$ 19,480,092	\$ 22,229,053

Additional information on the Township's long-term debt can be found in Note 9 of this report.

Economic Factors and Next Year's Budget and Rates

Having the vision to set the framework for the overall fiscal management of the Township and the courage to stay on course

For 2022, Northville Township's financial plan includes:

An overall budget of \$43.2 million consisting of:

- Water & Sewer Fund operations totaling \$14.5 million.
- General Government expenditures totaling \$28.7 million.
- The 2021 total millage rate which funds the 2022 Budget was reduced to 8.6118 mills – **a reduction of 0.0114 mills from the 2020 millage rate**
- 2022 General Government revenue totaling \$29.5 million are estimated to increase overall by 12% from the 2021 budgeted revenue.
- No water or sewer rate increases are proposed for 2022.

Township of Northville, Michigan

Management's Discussion and Analysis

Constitutional Tax Limitations - Headlee Amendment Reduction to 2021 Authorized Millage Rates

- The Headlee Amendment of the State Constitution can also reduce the amount of operating millages allowed by Township Law. This amendment limits the growth in property tax revenue from existing property to the rate of inflation. It accomplishes this by reducing millage rates proportionally by the amount that market changes exceed the State's inflation rate multiplier.
- One of the largest sources of revenue for the Township remains property taxes. To maintain existing services levels within the Township, in 2020 Northville Township residents approved both a millage renewal and a 0.4623 mill increase dedicated specifically for public safety, 0.0324 mills for shared services, and 0.0053 dedicated to general operating services. This approval reflects the public's confidence in the continued commitment to provide quality and dependable services by the dedicated staff of this Township. The 2020 levies funded the operations of the 2021 budget.

Factors affecting financial condition

During 2018, the Township Board approved amendments to the Defined Benefit Pension Plan administered by MERS for Police, Fire and AFSME Water & Sewer employees to freeze the existing cost-of-living benefit rider and bridge the benefit multiplier from 2.5 percent to 2.55 percent for active participants.

This pension reform eliminated approximately \$6.4 million of unfunded pension liability, which was first reported for the fiscal year ended December 31, 2019. To accelerate to a 100% funding ratio, the Township contributed an additional \$1.3 million to MERS during 2021 in addition to the required minimum pension contributions.

Northville Township residents continue to see their property values rising. Northville Township's total state equalized value, which represents half of a property's market value has grown 16.8 percent since 2008. Michigan's property taxes however do not respond to market gains in property values because of constitutional tax limitations placed on property tax growth. After declining nearly 14% between 2007 and 2013, it has taken over a decade for taxable values in Northville Township to return to 2008 levels.

Requests for Information

This financial report is designed to provide a general overview of the Township of Northville, Michigan's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the finance department, Township of Northville, 44405 Six Mile Road, Northville, MI 48168. You may also visit our website at www.twp.northville.mi.us or contact the Finance and Budget Office directly at 248-348-5810.

Charter Township of Northville

Statement of Net Position

December 31, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 47,949,276	\$ 15,175,704	\$ 63,124,980	\$ 185,991
Receivables:				
Taxes	15,425,803	-	15,425,803	991,483
Customer receivables	-	2,415,731	2,415,731	-
Accrued interest receivable	133	6,467	6,600	-
Due from other governmental units	962,366	-	962,366	-
Special assessments (Note 6)	108,662	28,012	136,674	-
Other	299,731	-	299,731	-
Prepaid items	334,740	93,438	428,178	-
Restricted cash (Note 5)	-	17,172,678	17,172,678	11,807,820
Investment in joint ventures (Note 14)	4,102,898	28,133,448	32,236,346	-
Capital assets: (Note 7)				
Assets not subject to depreciation	49,317,038	234,962	49,552,000	869,587
Assets subject to depreciation - Net	12,352,555	47,325,124	59,677,679	-
Total assets	130,853,202	110,585,564	241,438,766	13,854,881
Deferred Outflows of Resources				
Deferred charge on refunding	40,100	111,577	151,677	-
Deferred outflows related to pension (Note 11)	8,482,622	868,177	9,350,799	-
Deferred outflows related to OPEB (Note 13)	2,929,760	241,019	3,170,779	-
Total deferred outflows of resources	11,452,482	1,220,773	12,673,255	-
Liabilities				
Accounts payable	753,162	1,524,976	2,278,138	4,000
Due to other governmental units	-	-	-	96,727
Accrued liabilities and other:				
Accrued salaries and wages	357,924	44,487	402,411	-
Accrued interest payable	138,439	20,627	159,066	46,270
Accrued other liabilities	2,500	-	2,500	21,167
Unearned revenue	1,820,593	-	1,820,593	-
Bonds and deposits	1,632,215	-	1,632,215	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences	1,298,999	123,208	1,422,207	-
Provision for claims	60	-	60	-
Current portion of long-term debt	2,150,000	470,000	2,620,000	140,000
Due in more than one year:				
Compensated absences	1,008,462	83,058	1,091,520	-
Net pension liability (Note 11)	1,894,282	193,876	2,088,158	-
Net OPEB liability (Note 13)	814,888	67,036	881,924	-
Long-term debt (Note 9)	11,319,326	3,026,979	14,346,305	12,401,404
Total liabilities	23,190,850	5,554,247	28,745,097	12,709,568
Deferred Inflows of Resources				
Property taxes levied for the following year	20,382,515	-	20,382,515	991,483
Deferred pension cost reductions (Note 11)	2,354,801	241,009	2,595,810	-
Deferred OPEB cost reductions (Note 13)	1,065,528	87,655	1,153,183	-
Total deferred inflows of resources	23,802,844	328,664	24,131,508	991,483

Charter Township of Northville

Statement of Net Position (Continued)

December 31, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net Position				
Net investment in capital assets	\$ 48,240,367	\$ 44,174,684	\$ 92,415,051	\$ 136,003
Restricted:				
Drug forfeiture	645,842	-	645,842	-
Police and fire operations	10,034,367	-	10,034,367	-
Debt service	3,834,577	-	3,834,577	-
Youth assistance	219,919	-	219,919	-
Shared service	1,232,264	-	1,232,264	-
Metro act funds	119,965	-	119,965	-
Construction code fees	461,670	-	461,670	-
Unrestricted	30,523,019	61,748,742	92,271,761	17,827
	\$ 95,311,990	\$ 105,923,426	\$ 201,235,416	\$ 153,830
Total net position				

Charter Township of Northville

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary government:				
Governmental activities:				
General government	\$ 3,626,493	\$ 591,430	\$ 29,741	\$ -
Public safety:				
Police and fire	13,867,355	1,021,044	209,289	-
Building department	450,454	1,621,548	-	-
Community and economic development	228,459	104,278	-	-
Recreation and culture	1,229,765	632,776	269,490	-
Interest on long-term debt	543,725	-	-	-
Total governmental activities	19,946,251	3,971,076	508,520	-
Business-type activities - Water and Sewer Fund	13,619,074	15,259,102	-	2,477,013
Total primary government	\$ 33,565,325	\$ 19,230,178	\$ 508,520	\$ 2,477,013
Component units - Brownfield Redevelopment Authority Fund	\$ 2,644,275	\$ -	\$ 5,024	\$ -
General revenue:				
Property taxes				
Unrestricted state-shared revenue				
Gain on sale of capital assets				
Net investment income (loss)				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year				
Net Position - End of year				

Statement of Activities

Year Ended December 31, 2021

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (3,005,322)	\$ -	\$ (3,005,322)	\$ -
(12,637,022)	-	(12,637,022)	-
1,171,094	-	1,171,094	-
(124,181)	-	(124,181)	-
(327,499)	-	(327,499)	-
(543,725)	-	(543,725)	-
(15,466,655)	-	(15,466,655)	-
-	4,117,041	4,117,041	-
(15,466,655)	4,117,041	(11,349,614)	-
-	-	-	(2,639,251)
20,377,918	-	20,377,918	2,257,745
3,047,338	-	3,047,338	-
-	2,500	2,500	-
21,326	(16,483)	4,843	232
1,804,806	-	1,804,806	-
25,251,388	(13,983)	25,237,405	2,257,977
9,784,733	4,103,058	13,887,791	(381,274)
85,527,257	101,820,368	187,347,625	535,104
\$ 95,311,990	\$ 105,923,426	\$ 201,235,416	\$ 153,830

Charter Township of Northville

Governmental Funds Balance Sheet

December 31, 2021

	General Fund	Public Safety Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments (Note 3)	\$ 16,914,593	\$ 14,852,039	\$ 9,051,653	\$ 7,130,991	\$ 47,949,276
Receivables:					
Taxes	1,373,868	11,503,115	-	2,548,820	15,425,803
Special assessments	15,304	-	37,096	56,262	108,662
Accrued interest receivable	26	26	-	81	133
Other	226,483	62,881	7,444	2,923	299,731
Due from other governmental units	925,172	26,768	-	10,426	962,366
Prepaid items	75,146	259,577	-	17	334,740
	<u>\$ 19,530,592</u>	<u>\$ 26,704,406</u>	<u>\$ 9,096,193</u>	<u>\$ 9,749,520</u>	<u>\$ 65,080,711</u>
Total assets					
Liabilities					
Accounts payable	\$ 82,299	\$ 467,821	\$ 125,092	\$ 77,950	\$ 753,162
Accrued liabilities and other	75,170	282,812	-	2,442	360,424
Unearned revenue	1,535,593	-	250,000	35,000	1,820,593
Bonds and deposits	-	-	1,632,215	-	1,632,215
Compensated absences	-	53,317	-	-	53,317
	<u>1,693,062</u>	<u>803,950</u>	<u>2,007,307</u>	<u>115,392</u>	<u>4,619,711</u>
Total liabilities					
Deferred Inflows of Resources (Note 6)	2,232,427	15,220,247	44,541	3,416,808	20,914,023
	<u>3,925,489</u>	<u>16,024,197</u>	<u>2,051,848</u>	<u>3,532,200</u>	<u>25,533,734</u>
Total liabilities and deferred inflows of resources					
Fund Balances (Note 17)					
Nonspendable	75,146	259,577	-	17	334,740
Restricted	461,670	10,420,632	119,965	5,230,481	16,232,748
Assigned	6,000,000	-	6,924,380	986,822	13,911,202
Unassigned	9,068,287	-	-	-	9,068,287
	<u>15,605,103</u>	<u>10,680,209</u>	<u>7,044,345</u>	<u>6,217,320</u>	<u>39,546,977</u>
Total fund balances					
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,530,592</u>	<u>\$ 26,704,406</u>	<u>\$ 9,096,193</u>	<u>\$ 9,749,520</u>	<u>\$ 65,080,711</u>

Charter Township of Northville

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

December 31, 2021

Fund Balances Reported in Governmental Funds	\$ 39,546,977
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	61,669,593
Investments in joint ventures are not financial resources and are not reported in the funds	4,102,898
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	108,662
Bonds payable are not due and payable in the current period and are not reported in the funds	(13,469,326)
Accrued interest is not due and payable in the current period and is not reported in the funds	(138,439)
The excess deposit into the escrow account in connection with the bond refunding is deferred and recognized as a deferred outflow of resources	40,100
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(2,254,144)
Estimated self-insurance claims	(60)
Net pension and OPEB liabilities and related deferred outflows and inflows	5,282,883
Grants and other miscellaneous funds deferred and recognized as a deferred inflow of resources	422,846
Net Position of Governmental Activities	<u>\$ 95,311,990</u>

Charter Township of Northville

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2021

	General Fund	Public Safety Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Property taxes	\$ 2,177,189	\$ 13,817,786	\$ -	\$ 4,382,943	\$ 20,377,918
Building department	1,621,548	-	-	-	1,621,548
Intergovernmental:					
Federal sources	2,044	383,265	-	-	385,309
State sources	3,038,338	75,065	27,697	144,000	3,285,100
Fines and forfeitures	-	4,550	-	-	4,550
Net investment income	2,816	12,289	2,213	4,008	21,326
Licensing and enforcement	-	885,665	-	-	885,665
Other revenue	1,234,007	712,172	598,412	502,669	3,047,260
Total revenue	8,075,942	15,890,792	628,322	5,033,620	29,628,676
Expenditures					
Current services:					
General government:					
Legislative	1,341,330	-	-	-	1,341,330
Facility operations	490,798	-	-	-	490,798
Information technology and communications	407,624	-	-	-	407,624
Treasurer	894,429	-	-	-	894,429
Clerk	413,145	-	-	-	413,145
Public safety:					
Police and fire	4,055	14,584,204	-	-	14,588,259
Building department	450,454	-	-	-	450,454
Community and economic development - Zoning	174,170	-	-	-	174,170
Recreation and culture	-	-	-	1,554,391	1,554,391
Capital outlay	-	-	155,902	-	155,902
Debt service	-	-	-	2,697,444	2,697,444
Total expenditures	4,176,005	14,584,204	155,902	4,251,835	23,167,946
Excess of Revenue Over Expenditures	3,899,937	1,306,588	472,420	781,785	6,460,730
Other Financing Sources (Uses)					
Transfers in (Note 8)	-	-	330,000	790,150	1,120,150
Transfers out (Note 8)	(1,120,150)	-	-	-	(1,120,150)
Proceeds from sale of capital assets	-	52,279	300,741	-	353,020
Total other financing (uses) sources	(1,120,150)	52,279	630,741	790,150	353,020
Net Change in Fund Balances	2,779,787	1,358,867	1,103,161	1,571,935	6,813,750
Fund Balances - Beginning of year	12,825,316	9,321,342	5,941,184	4,645,385	32,733,227
Fund Balances - End of year	\$ 15,605,103	\$ 10,680,209	\$ 7,044,345	\$ 6,217,320	\$ 39,546,977

Charter Township of Northville

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

Year Ended December 31, 2021

Net Change in Fund Balances Reported in Governmental Funds	\$ 6,813,750
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:	
Net book value of assets disposed	(53,827)
Depreciation expense	(1,776,049)
Capital outlay	1,089,263
Special assessment revenue is recorded in the statement of activities when the assessment is set; it is not reported in the funds until collected or collectible within 60 days of year end	(19,323)
Grants and other miscellaneous funds received after period of availability are recognized as revenue in the statement of activities	121,633
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	2,085,000
Change in accrued interest payable and amortization of premiums	68,719
Change in compensated absences and self-insurance liability	40,391
Equity interest in the Northville Parks and Recreation Commission is not reported in the governmental funds	308,390
Net prepayments of pension and retiree health care obligations relate to expenditures in the funds and are not reported in the statement of activities	<u>1,106,786</u>
Change in Net Position of Governmental Activities	<u><u>\$ 9,784,733</u></u>

Charter Township of Northville

Proprietary Fund Statement of Net Position

December 31, 2021

	Water and Sewer Fund
Assets	
Current assets:	
Cash and investments (Note 3)	\$ 15,175,704
Receivables:	
Special assessments receivable	28,012
Customer receivables	2,415,731
Accrued interest receivable	6,467
Prepaid items	93,438
Total current assets	17,719,352
Noncurrent assets:	
Cash segregated for capital reserves (Note 5)	17,172,678
Investment in joint ventures (Note 14)	28,133,448
Capital assets - Net (Note 7)	47,560,086
Total noncurrent assets	92,866,212
Total assets	110,585,564
Deferred Outflows of Resources	
Deferred charge on refunding	111,577
Deferred outflows related to pension (Note 11)	868,177
Deferred outflows related to OPEB (Note 13)	241,019
Total deferred outflows of resources	1,220,773
Liabilities	
Current liabilities:	
Accounts payable	1,524,976
Accrued liabilities and other	65,114
Compensated absences	123,208
Current portion of long-term debt (Note 9)	470,000
Total current liabilities	2,183,298
Noncurrent liabilities:	
Compensated absences	83,058
Net pension liability (Note 11)	193,876
Net OPEB liability (Note 13)	67,036
Long-term debt (Note 9)	3,026,979
Total noncurrent liabilities	3,370,949
Total liabilities	5,554,247
Deferred Inflows of Resources	
Deferred pension cost reductions (Note 11)	241,009
Deferred OPEB cost reductions (Note 13)	87,655
Total deferred inflows of resources	328,664
Net Position	
Net investment in capital assets	44,174,684
Unrestricted	61,748,742
Total net position	<u><u>\$ 105,923,426</u></u>

Charter Township of Northville

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

Year Ended December 31, 2021

	<u>Water and Sewer Fund</u>
Operating Revenue	
Sale of water and sewer services	\$ 15,219,319
Other	39,783
	<u>15,259,102</u>
Total operating revenue	15,259,102
Operating Expenses	
Cost of water	5,825,443
Cost of sewage treatment	2,866,475
Personnel services	1,762,930
System maintenance and operations	556,149
General and administrative	654,351
Depreciation	1,837,786
	<u>13,503,134</u>
Total operating expenses	13,503,134
Operating Income	1,755,968
Nonoperating (Expense) Revenue	
Net investment loss	(16,483)
Interest expense	(115,940)
Gain on sale of assets	2,500
	<u>(129,923)</u>
Total nonoperating expense	(129,923)
Income - Before capital contributions	1,626,045
Capital Contributions	
Collection of connection fees	1,934,535
Lines constructed by developers	542,478
	<u>2,477,013</u>
Total capital contributions	2,477,013
Change in Net Position	4,103,058
Net Position - Beginning of year	<u>101,820,368</u>
Net Position - End of year	<u><u>\$ 105,923,426</u></u>

Charter Township of Northville

Proprietary Fund Statement of Cash Flows

Year Ended December 31, 2021

	Water and Sewer Fund
Cash Flows from Operating Activities	
Receipts from customers	\$ 15,298,043
Payments to suppliers	(12,036,879)
Payments to employees	(1,294,647)
Other	36,338
	<u>2,002,855</u>
Net cash provided by operating activities	2,002,855
Cash Flows from Capital and Related Financing Activities	
Special assessment collections	3,870
Collection of connection fees	1,934,535
Proceeds from sale of capital assets	2,500
Purchase of capital assets	(712,444)
Principal and interest paid on capital debt	(604,291)
	<u>624,170</u>
Net cash provided by capital and related financing activities	624,170
Cash Flows Used in Investing Activities - Net purchases of investment securities	<u>(14,312)</u>
Net Increase in Cash	2,612,713
Cash - Beginning of year	<u>29,735,669</u>
Cash - End of year	<u><u>\$ 32,348,382</u></u>
Classification of Cash	
Cash and investments	\$ 15,175,704
Cash segregated for capital reserves	17,172,678
	<u><u>\$ 32,348,382</u></u>
Total cash	
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ 1,755,968
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	1,837,786
Changes in assets and liabilities:	
Receivables	38,941
Prepaid and other assets	(1,806,079)
Accrued and other liabilities	(84,147)
Accounts payable	224,048
Other	36,338
	<u>2,002,855</u>
Net cash provided by operating activities	<u><u>\$ 2,002,855</u></u>
Significant Noncash Transactions - Donated water and sewer lines	\$ 542,478

Charter Township of Northville

**Fiduciary Funds
Statement of Fiduciary Net Position**

December 31, 2021

	Retiree Health Care Trust Fund	Custodial Fund Current Tax Fund
Assets		
Cash and cash equivalents	\$ 612,877	\$ 7,164,442
Investments:		
Certificates of deposit	299,827	-
U.S. government securities	99,747	-
Equities	5,704,069	-
Corporate bonds	568,043	-
Municipal bonds - Federal taxable	302,546	-
Mutual funds	3,573,448	-
Receivables	4,321	14,985,125
Total assets	11,164,878	22,149,567
Liabilities		
Accounts payable	1,179	-
Tax collections distributable	-	7,164,442
Total liabilities	1,179	7,164,442
Deferred Inflows of Resources - Property taxes levied for the following year	-	14,985,125
Net Position - Restricted -		
Postemployment benefits other than pension	\$ 11,163,699	\$ -

Charter Township of Northville

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2021

	Retiree Health Care Trust Fund	Custodial Fund Current Tax Fund
Additions		
Investment income:		
Interest and dividends	\$ 166,501	\$ -
Net increase in fair value of investments	1,234,994	-
Net investment income	1,401,495	-
Contributions - Employer contributions	450,190	-
Property tax collections	-	71,035,013
Total additions	1,851,685	71,035,013
Deductions		
Benefit payments	582,697	-
Administrative expenses	70,392	-
Tax distributions to other governments	-	71,035,013
Total deductions	653,089	71,035,013
Net Increase in Fiduciary Net Position	1,198,596	-
Net Position - Beginning of year	9,965,103	-
Net Position - End of year	\$ 11,163,699	\$ -

Charter Township of Northville

Component Units Statement of Net Position

December 31, 2021

	Brownfield Redevelopment Authority Fund	Economic Development Corporation	Total
Assets			
Cash and investments	\$ 184,888	\$ 1,103	\$ 185,991
Receivables - Taxes	991,483	-	991,483
Restricted cash	11,807,820	-	11,807,820
Capital assets - Net	869,587	-	869,587
Total assets	13,853,778	1,103	13,854,881
Liabilities			
Accounts payable	4,000	-	4,000
Due to other governmental units	96,727	-	96,727
Accrued liabilities and other	67,437	-	67,437
Noncurrent liabilities	12,541,404	-	12,541,404
Total liabilities	12,709,568	-	12,709,568
Deferred Inflows of Resources (Note 6)	991,483	-	991,483
Net Position			
Net investment in capital assets	136,003	-	136,003
Unrestricted	16,724	1,103	17,827
Total net position	\$ 152,727	\$ 1,103	\$ 153,830

Charter Township of Northville

Component Units Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Operating Grants and Contributions	Brownfield Redevelopment Authority Fund	Economic Development Corporation	Total
Brownfield Redevelopment Authority Fund	\$ 2,644,275	\$ 5,024	\$ (2,639,251)	\$ -	\$ (2,639,251)
Economic Development Corporation	-	-	-	-	-
Total component units	<u>\$ 2,644,275</u>	<u>\$ 5,024</u>	(2,639,251)	-	(2,639,251)
General revenue:					
Property taxes			2,257,745	-	2,257,745
Interest on investments			232	-	232
Total general revenue			<u>2,257,977</u>	<u>-</u>	<u>2,257,977</u>
Change in Net Position			(381,274)	-	(381,274)
Net Position - Beginning of year			534,001	1,103	535,104
Net Position - End of year			<u>\$ 152,727</u>	<u>\$ 1,103</u>	<u>\$ 153,830</u>

December 31, 2021

Note 1 - Significant Accounting Policies

Accounting and Reporting Principles

The Charter Township of Northville (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:

Reporting Entity

The Township is governed by an elected seven-member board of trustees. The accompanying financial statements present the Township and its component units, entities 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 Units

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

Discretely Presented Component Units

The Economic Development Corporation (EDC) is reported within the component unit column in the financial statements. It is reported in a separate column to emphasize that it is separate from the Township. The EDC was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the Township so as to provide needed services and facilities of such enterprises to the residents of the Township. The EDC's governing body, which consists of nine individuals, is selected by the Township's board of trustees. The EDC is included within the Township's financial statements because the Township is able to impose its will on the organization. The EDC does not separately issue financial statements.

The Charter Township of Northville Brownfield Redevelopment Authority was created under the provisions of Act 381, Public Acts of 1996 of the State of Michigan and is governed by a seven-member board that is appointed by the Township's board of trustees. The Charter Township of Northville Brownfield Redevelopment Authority is legally separate from the Township. The purpose of the Charter Township of Northville Brownfield Redevelopment Authority is to use tax increment revenue to promote revitalization of environmentally distressed areas within the boundaries of the Township. The Charter Township of Northville Brownfield Redevelopment Authority is included within the Township's financial statements because the Township is able to impose its will on the organization. The Charter Township of Northville Brownfield Redevelopment Authority does not separately issue financial statements.

Fiduciary Component Unit

The Retiree Health Care Trust Fund is governed by the township board. Although the Retiree Health Care Trust Fund is legally separate from the Township, it is reported as a fiduciary component unit because the township board serves as the plan's board and the plan imposes a financial burden on the Township.

Jointly Governed Organization

Jointly governed organizations are discussed in Note 14.

Note 1 - Significant Accounting Policies (Continued)

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.

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.

As a general rule, 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 and sewer 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.

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to debt service, compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, franchise fees, licenses, state-shared revenue (which is unrestricted), and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be available only when cash is received by the Township. Receivables have been recorded for these, along with a deferred inflow.

December 31, 2021

Note 1 - Significant Accounting Policies (Continued)

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:

- General Fund - The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.
- Public Safety Fund - The Public Safety Fund, a special revenue fund, is used to account for the operations of strictly police and fire. This fund receives its revenue pursuant to a voter-approved millage.
- Capital Projects Fund - The Capital Projects Fund accounts for the acquisition and construction of assets in the Township.

Proprietary Funds

Proprietary funds include enterprise funds, which provide goods or services to users in exchange for charges or fees. The Township reports the following major proprietary fund:

- Water and Sewer Fund - The Water and Sewer Fund accounts for the activities of the water distribution system and sewage collection system.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the Township's programs. The Township reports the following fiduciary fund types:

- Tax Collection Fund - The Tax Collection Fund collects taxes on behalf of all the taxing authorities (State, county, school district, and various others) and remits the taxes to each authority.
- Retiree Health Care Trust Fund - The Retiree Health Care Trust Fund accumulates resources to pay retiree health care payments.

Specific Balances and Transactions

Cash and Investments

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 are stated at fair value.

Prepaid Items

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. These prepaid items are accounted for using the consumption method.

December 31, 2021

Note 1 - Significant Accounting Policies (Continued)

Inventories are valued at cost, on a first-in, first-out basis. Inventories are recorded as expenditures when purchased.

Due from Other Governmental Units

Due from other governmental units includes a receivable for state-shared revenue.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., bike paths 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>Capital Asset Class</u>	<u>Depreciable Life - Years</u>
Bike paths and similar items	15
Water and sewer lines	50-75
Buildings and improvements	25-30
Equipment	5-15
Vehicles	5
Office equipment and furniture	3-5

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 lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as other financing sources, as well as bond premiums and discounts. The 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 assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The Township reports deferred outflows of resources for deferred charge on bond refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Note 1 - Significant Accounting Policies (Continued)

The deferred outflows of resources related to the defined benefit pension and OPEB plans are reported in the government-wide financial statements and the Water and Sewer Fund. The deferred outflows of resources result from the following transactions: contributions to the defined benefit pension plan subsequent to the plan's year end through the Township's fiscal year end, changes in actuarial assumptions, the difference between expected and actual experience, and the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings.

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 assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The Township has the following type of items that qualify for reporting in this category: unavailable revenue, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from special assessments, miscellaneous revenue, and grant revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Property taxes received in advance of the period levied are reported as deferred inflows of resources in the government-wide statement of net position and governmental funds balance sheet.

The other item, deferred inflows related to pension and other postemployment benefit plans, represents the variance between the plans' actual investment earnings compared to the plans' assumed investment earnings, as well as differences between expected and actual experience, and is reported in the government-wide statement of net position and the Water and Sewer Fund statement of net position.

Net Position

Net position of the Township is classified in three components. Net investment in capital assets 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. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

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

December 31, 2021

Note 1 - Significant Accounting Policies (Continued)

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. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The board of trustees is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Township has, by resolution, authorized the finance director to assign fund balance. The board of trustees may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Included in the 2021 annual budget and financial plan are the financial policies that set forth the basic framework for the overall fiscal management of the Township. Operating independently of changing economic circumstances and conditions, these policies help the decision-making process of the Township's board and administration.

The Township's fund balance was established to be at least at the Government Finance Officers Association (GFOA) minimum recommended level of 16.7 percent to cover extraordinary events and contingencies for budgeted expenditures and projects.

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.

The Township's 2020 property tax revenue was levied and collectible on December 31, 2020 and is recognized as revenue in the year ended December 31, 2021 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2020 taxable valuation of the Township totaled \$2.3 billion, net of brownfield captured taxable value. Taxes were levied as follows:

Purpose	Millage Rate	Revenue
General operating	0.7648 \$	1,804,050
Public safety special voted mills	5.9847	13,806,743
Shared services special voted mills	0.7250	1,672,556
Debt service special voted mills	1.1487	2,706,992
Total		<u>\$ 19,990,341</u>

Note 1 - Significant Accounting Policies (Continued)

Pension

The Township offers a defined benefit pension plan to its employees. 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 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.

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 Retiree Health Care Trust Fund 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.

Compensated Absences (Vacation and Sick Leave)

It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end; generally, the funds that report each employee's compensation are used to liquidate the obligation.

Proprietary Funds Operating Classification

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

Use of Estimates

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

December 31, 2021

Note 1 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

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

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and were originally effective for the Township's financial statements for the December 31, 2021 fiscal year but were extended to December 31, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees

The Township oversees building construction in accordance with the State's Construction Code Act, including inspection of building construction and renovation, to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Shortfall at January 1, 2021		\$	(340,426)
Current year permit revenue			1,621,548
Related expenses:			
Direct costs	\$	450,454	
Estimated indirect costs		368,998	819,452
			<u>802,096</u>
Current year excess			
Cumulative surplus at December 31, 2021		\$	<u><u>461,670</u></u>

December 31, 2021

Note 3 - Deposits and Investments

The following is a reconciliation of deposit and investment balances at December 31, 2021:

	Governmental and Business- type	Fiduciary Funds	Component Units
Cash and cash equivalents	\$ 39,293,781	\$ 7,777,319	\$ 993,579
Investments	41,003,877	10,547,680	11,000,232
Total deposits and investments	<u>\$ 80,297,658</u>	<u>\$ 18,324,999</u>	<u>\$ 11,993,811</u>

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 Township has designated eight banks for the deposit of its funds. The investment policy adopted by the board of trustees in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs but not the remainder of state statutory authority, as listed above.

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 \$34,287,522 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Township believes that, due to the dollar amounts of cash deposits and the limits of Federal Deposit Insurance Corporation (FDIC) insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk

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

At year end, the Township had the following investments and maturities:

Primary Government	Carrying Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
U.S. government agency securities	\$ 12,191,333	\$ 7,999,920	\$ 4,191,413	-	-

December 31, 2021

Note 3 - Deposits and Investments (Continued)

Fiduciary Funds	Carrying Value	Less Than 1 Year	1-5 Years	6-10 Years	No Maturity
Retiree Health Care Trust Fund	\$ 10,547,680	\$ 203,489	\$ 1,066,674	-	\$ 9,277,517

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 Township had investments in three governmental investment funds that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. These funds are fully liquid for withdrawal at any time, and the price per unit does not fluctuate with interest earned according to the amount and duration of the investment.

At December 31, 2021, the Township's fiduciary funds had the following investments:

Investment	Carrying Value	Rating	Rating Organization
Fiduciary Funds			
Municipal bonds	\$ 98,886	AAA	S&P
U.S. government agency bonds	99,747	AA+	S&P
Municipal bonds	203,660	AA	S&P
Corporate bonds	318,292	A	S&P
Corporate bonds	196,725	A-	S&P
Corporate bonds	53,026	BBB+	S&P
Not subject to credit risk	9,577,344	N/A	N/A
Total	<u>\$ 10,547,680</u>		

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities to be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following table presents information about the Township's assets measured at fair value on a recurring basis at December 31, 2021 and the valuation techniques used by the Township to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Township has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

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, 2021

Note 4 - Fair Value Measurements (Continued)

The Township has the following recurring fair value measurements as of December 31, 2021:

- U.S. agency bonds of \$12,191,333 are valued using a matrix pricing model (Level 2 inputs).

The table below shows the fair values for the fiduciary fund as of December 31, 2021:

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2021
Retiree Health Care Trust Fund				
U.S. agency securities	\$ -	\$ 99,747	\$ -	\$ 99,747
Negotiable certificates of deposit	-	299,827	-	299,827
Corporate bonds	-	568,043	-	568,043
Municipal bonds - Federal taxable	-	302,546	-	302,546
Equities	5,704,069	-	-	5,704,069
Mutual funds	-	3,573,448	-	3,573,448
Total assets	\$ 5,704,069	\$ 4,843,611	\$ -	\$ 10,547,680

Equity securities classified as Level 1 are valued using prices quoted in active markets for those securities.

The fair value of certain U.S. agency securities, negotiable certificates of deposit, corporate bonds, municipal bonds, and mutual funds at December 31, 2021 were determined primarily based on Level 2 inputs using a pricing matrix.

Investments in Entities that Calculate Net Asset Value per Share

The Township holds shares or interests in investment companies at year end where the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment company.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Investments Held at December 31, 2021			
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
MI CLASS	\$ 32,947,913	\$ -	None	None
Comerica Investment Pool	3,414,031	-	None	None
Total	\$ 36,361,944	\$ -		

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated A1 or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

December 31, 2021

Note 4 - Fair Value Measurements (Continued)

The Comerica Investment Pool is not registered with the Securities and Exchange Commission (SEC) and does not issue a separate report. The fair value in the pool is not the same as the value of the pool shares since the pool does not meet the requirements under GASB Statement No. 79 to report its value for financial reporting purposes at amortized cost.

Note 5 - Restricted Assets

Segregated assets at December 31, 2021 consist of bank deposits and investments. For business-type activities, these assets are segregated by board resolution for replacement of plant, major repairs, acquisition of capacity, and facility expansion. Component unit restricted assets consist of unspent bond proceeds. The restricted assets are as follows:

	Business-type Activities	Component Units
Cash segregated for capital reserve	\$ 17,172,678	\$ -
Unspent bond proceeds	-	11,807,820
Total	<u>\$ 17,172,678</u>	<u>\$ 11,807,820</u>

Note 6 - Deferred Inflows of Resources

Governmental funds report deferred inflows of resources in connection with receivables that are not collectible soon enough after the end of the year (60 days) that they are considered to be available to liquidate liabilities of the current period. In addition, property taxes that have been levied on December 1 to support the following year's budget are deferred and recognized in the following year (in both the government-wide and fund-based statements). At December 31, 2021, the various components of deferred inflows of resources were as follows:

	Governmental Funds			Component Units
	Unavailable	Levied for the Next Year	Total	Levied for the Next Year
Property taxes	\$ -	\$ 20,382,515	\$ 20,382,515	\$ 991,483
Special assessments	108,662	-	108,662	-
Miscellaneous revenue	411,090	-	411,090	-
Grant revenue	11,756	-	11,756	-
Total	<u>\$ 531,508</u>	<u>\$ 20,382,515</u>	<u>\$ 20,914,023</u>	<u>\$ 991,483</u>

December 31, 2021

Note 7 - Capital Assets

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

Governmental Activities

	Balance January 1, 2021	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2021
Capital assets not being depreciated:					
Land	\$ 49,163,914	\$ -	\$ -	\$ (9,100)	\$ 49,154,814
Construction in progress	32,797	(32,797)	162,224	-	162,224
Subtotal	49,196,711	(32,797)	162,224	(9,100)	49,317,038
Capital assets being depreciated:					
Intangible assets	-	-	12,000	-	12,000
Bike paths	2,194,505	-	-	-	2,194,505
Buildings and improvements	18,816,505	32,797	495,968	(34,474)	19,310,796
Vehicles	4,327,241	-	269,169	(350,241)	4,246,169
Furniture and equipment	3,726,592	-	115,783	(125,072)	3,717,303
Computer equipment	287,334	-	34,119	(33,007)	288,446
Subtotal	29,352,177	32,797	927,039	(542,794)	29,769,219
Accumulated depreciation:					
Intangible assets	-	-	1,200	-	1,200
Bike paths	1,443,560	-	106,835	-	1,550,395
Buildings and improvements	9,465,490	-	649,170	(21,147)	10,093,513
Vehicles	2,885,867	-	589,874	(318,841)	3,156,900
Furniture and equipment	2,170,361	-	381,803	(125,072)	2,427,092
Computer equipment	173,404	-	47,167	(33,007)	187,564
Subtotal	16,138,682	-	1,776,049	(498,067)	17,416,664
Net capital assets being depreciated	13,213,495	32,797	(849,010)	(44,727)	12,352,555
Net governmental activities capital assets	\$ 62,410,206	\$ -	\$ (686,786)	\$ (53,827)	\$ 61,669,593

December 31, 2021

Note 7 - Capital Assets (Continued)

Business-type Activities

	Balance January 1, 2021	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2021
Capital assets not being depreciated - Construction in progress	\$ 454,259	\$ (485,922)	\$ 266,625	\$ -	\$ 234,962
Capital assets being depreciated:					
Water and sewer systems	84,186,577	485,922	906,725	-	85,579,224
Buildings and improvements	1,549,787	-	-	-	1,549,787
Equipment	884,406	-	352,030	(20,215)	1,216,221
Subtotal	86,620,770	485,922	1,258,755	(20,215)	88,345,232
Accumulated depreciation:					
Water and sewer systems	36,805,800	-	1,718,097	-	38,523,897
Buildings and improvements	1,530,150	-	19,630	-	1,549,780
Equipment	596,129	-	100,059	250,243	946,431
Subtotal	38,932,079	-	1,837,786	250,243	41,020,108
Net capital assets being depreciated	47,688,691	485,922	(579,031)	(270,458)	47,325,124
Net business-type activities capital assets	<u>\$ 48,142,950</u>	<u>\$ -</u>	<u>\$ (312,406)</u>	<u>\$ (270,458)</u>	<u>\$ 47,560,086</u>

Capital asset activity for the Charter Township of Northville Brownfield Redevelopment Authority for the year ended December 31, 2021 was as follows:

Component Unit

	Balance January 1, 2021	Additions	Disposals and Adjustments	Balance December 31, 2021
Capital assets not being depreciated - Land	\$ 500,181	\$ 371,797	\$ (2,391)	\$ 869,587

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

Governmental activities:	
General government	\$ 426,513
Public safety	1,251,349
Economic development	92,884
Recreation and culture	5,303
Total governmental activities	<u>\$ 1,776,049</u>
Business-type activities - Water and sewer	<u>\$ 1,837,786</u>

December 31, 2021

Note 7 - Capital Assets (Continued)

Construction Commitments

The Township has active construction projects at year end. As of December 31, 2021, the Township's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment	Total
Demolition of buildings on the former State of Michigan Psychiatric Hospital	\$ 131,407	\$ 115,143	\$ 246,550
Public safety repavement project	-	24,740	24,740
Park pathway improvements	30,816	141,298	172,114
Other capital projects	4,879	10,121	15,000
Total	<u>\$ 167,102</u>	<u>\$ 291,302</u>	<u>\$ 458,404</u>

Note 8 - Interfund Receivables, Payables, and Transfers

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Capital Projects Fund	\$ 330,000
	Nonmajor governmental funds	790,150
	Total	<u>\$ 1,120,150</u>

The transfers from the General Fund to the Capital Projects Fund represent the use of unrestricted resources to finance capital improvements.

The transfers from the General Fund to other nonmajor governmental funds represent the use of unrestricted resources to finance debt service.

Note 9 - Long-term Debt

Long-term debt activity for the year ended December 31, 2021 can be summarized as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable - Other debt:					
General obligations	\$ 15,290,000	\$ -	\$ (2,040,000)	\$ 13,250,000	\$ 2,105,000
Special assessment bonds	180,000	-	(45,000)	135,000	45,000
Issuance premium	168,651	-	(84,325)	84,326	-
Total bonds payable	15,638,651	-	(2,169,325)	13,469,326	2,150,000
Estimated self-insurance claims	3,050	12,634	(15,624)	60	60
Accumulated compensated absences	2,338,410	1,214,732	(1,245,681)	2,307,461	1,298,999
Total governmental activities	<u>\$ 17,980,111</u>	<u>\$ 1,227,366</u>	<u>\$ (3,430,630)</u>	<u>\$ 15,776,847</u>	<u>\$ 3,449,059</u>

December 31, 2021

Note 9 - Long-term Debt (Continued)

Business-type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable - Other debt:					
Direct borrowings and direct placements - State revolving loan - EPA loan	\$ 996,805	\$ -	\$ (70,000)	\$ 926,805	\$ 75,000
Other debt:					
General obligation	2,875,000	-	(400,000)	2,475,000	395,000
Issuance premium	111,036	-	(15,862)	95,174	-
Total bonds payable	3,982,841	-	(485,862)	3,496,979	470,000
Accumulated compensated absences	266,100	63,374	(123,208)	206,266	123,208
Total business-type activities	<u>\$ 4,248,941</u>	<u>\$ 63,374</u>	<u>\$ (609,070)</u>	<u>\$ 3,703,245</u>	<u>\$ 593,208</u>

Component Units

The Charter Township of Northville Brownfield Redevelopment Authority received an EPA Loan in 2020 and began drawing down on this loan for a total \$10,250 in 2020 and an additional \$395,311 in 2021. The loan is not payable for five years and does not incur interest. Therefore, the outstanding balance of the loan at December 31, 2021 is \$405,561 with no amount due within one year.

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable - Other debt:					
Direct borrowings and direct placements - EPA loan	\$ 10,250	\$ 395,311	\$ -	\$ 405,561	\$ -
Other debt:	-	12,000,000	-	12,000,000	140,000
Issuance premium	-	135,843	-	135,843	-
Total bonds payable	<u>\$ 10,250</u>	<u>\$ 12,531,154</u>	<u>\$ -</u>	<u>\$ 12,541,404</u>	<u>\$ 140,000</u>

General Obligation Bonds

The Township issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligations have been issued for both governmental and business-type activities and component units. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. Special assessment bonds provide for capital improvements that benefit specific properties and will be repaid from amounts levied against these properties benefiting from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the Township is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a reassessment of the Township) are received.

December 31, 2021

Note 9 - Long-term Debt (Continued)

Description	Amount
Governmental Activities	
General obligations:	
2009 Unlimited Tax General Obligation Bonds Series B: Amount of issue - \$18,145,000 Maturing through 2029 Interest rate 6.066% - 6.478%	\$ 11,270,000
2012 Refunding Limited Tax General Obligation Bonds: Amount of issue - \$9,115,000 Maturing through 2023 Interest rate 2.00% - 4.00%	<u>1,980,000</u>
Total general obligations	13,250,000
Special assessment bonds -	
2009 Special Assessment Limited Tax Bonds: Amount of issue - \$625,000 Maturing through 2024 Interest rate 3.10% - 5.00%	<u>135,000</u>
Total governmental activities	<u><u>\$ 13,385,000</u></u>
Business-type Activities	
General obligations:	
Drinking Water Revolving Fund Project #7299-01: Amount of issue - \$1,664,907 Maturing through 2032 Interest rate 2.50%	\$ 926,805
2009 General Obligation Bonds: Amount of issue - \$1,125,000 Maturing through 2024 Interest rate 3.25% - 4.50%	350,000
2015 Refunding Limited Tax General Obligation Bonds: Amount of issue - \$3,565,000 Maturing through 2027 Interest rate 2.00% - 3.50%	<u>2,125,000</u>
Total business-type activities	<u><u>\$ 3,401,805</u></u>
Component Units	
General obligations -	
Tax Increment Bonds, Series 2021: Amount of issue - \$12,000,000 Maturing through 2043 Interest rate: 2.00% - 4.00% (True interest cost of 2.49%)	<u><u>\$ 12,000,000</u></u>

December 31, 2021

Note 9 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Total interest expense for the year was approximately \$706,000. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending December 31	Governmental Activities			Business-type Activities				
	Other Debt		Total	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal*	Interest (Net of Interest Subsidy)		Principal	Interest	Principal*	Interest	
2022	\$ 2,150,000	\$ 510,920	\$ 2,660,920	\$ 75,000	\$ 23,170	\$ 395,000	\$ 77,600	\$ 570,770
2023	2,310,000	422,065	2,732,065	75,000	21,295	420,000	64,450	580,745
2024	1,345,000	347,609	1,692,609	75,000	19,420	515,000	48,675	658,095
2025	1,370,000	290,328	1,660,328	80,000	17,545	385,000	31,425	513,970
2026	1,470,000	230,536	1,700,536	80,000	15,545	380,000	19,475	495,020
2027-2031	4,740,000	302,960	5,042,960	445,000	46,101	380,000	6,650	877,751
2032-2036	-	-	-	96,805	2,420	-	-	99,225
2037-2041	-	-	-	-	-	-	-	-
2042-2043	-	-	-	-	-	-	-	-
Total	\$ 13,385,000	\$ 2,104,418	\$ 15,489,418	\$ 926,805	\$ 145,496	\$ 2,475,000	\$ 248,275	\$ 3,795,576

Years Ending December 31	Component Unit Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal*	Interest	
2022	\$ -	\$ -	\$ 140,000	\$ 237,849	\$ 377,849
2023	-	-	155,000	288,293	443,293
2024	-	-	165,000	282,668	447,668
2025	405,641	-	180,000	276,668	862,309
2026	-	-	195,000	270,068	465,068
2027-2031	-	-	2,395,000	1,215,538	3,610,538
2032-2036	-	-	4,550,000	792,863	5,342,863
2037-2041	-	-	2,870,000	377,166	3,247,166
2042-2043	-	-	1,350,000	37,373	1,387,373
Total	\$ 405,641	\$ -	\$ 12,000,000	\$ 3,778,486	\$ 16,184,127

*Principal balance excludes the issuance premiums of \$84,326, \$95,174, and \$135,843 for governmental activities, business-type activities, and component units, respectively.

Repayment of Refunding Bonds

The Water and Sewer Fund has committed to repay a portion of the 2012 Refunding bonds issued to construct the municipal building. The outstanding amount of principal and interest to be paid by the Water and Sewer Fund at December 31, 2021 is \$164,880.

Defeased Debt

In prior years, the Township defeased certain bonds by placing the proceeds in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bond are not included in the financial statements. At December 31, 2021, \$3,300,000 of bonds outstanding is considered to be defeased.

December 31, 2021

Note 9 - Long-term Debt (Continued)

Special Assessment Bonds

The Township has pledged substantially all revenue from the Edenderry Hills Special Assessment District to repay the above special assessment bonds. Proceeds from the bonds provided financing for the Edenderry Hills Special Assessment District (SAD). The bonds are payable solely from the revenue of the SAD. The remaining principal and interest to be paid on the bonds total \$144,619. During the current year, net revenue of the SAD was \$23,055. In 2021, the Township paid \$45,000 and \$7,481 toward principal and interest, respectively.

Build America Bonds

The 2009 General Obligation Unlimited Tax bonds are Build America Bonds and have an interest subsidy component. For the year ended December 31, 2021, the interest subsidy was \$248,571.

Note 10 - 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 employee medical benefits. The Township has purchased insurance through the Michigan Municipal League Workers' Compensation Fund for workers' compensation claims and participates in the Michigan Municipal Risk Management Authority for claims relating to property loss, torts, errors and omissions, and medical benefits paid related to settlements, if any.

The Michigan Municipal League Workers' Compensation Fund 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.

The Michigan Municipal Risk Management Authority (the "Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that it uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the Township.

The Township estimates the liability for general liability claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	2021	2020
Estimated liability - Beginning of year	\$ 3,050	\$ 26,800
Estimated incurred claims, including changes in estimates	12,634	16,580
Claim payments	(15,624)	(40,330)
Estimated liability - End of year	\$ 60	\$ 3,050

Note 11 - Pension Plan

Plan Description

The Township participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS), which covers all eligible 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 that includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmichigan.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Note 11 - Pension Plan (Continued)

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 eligible full-time union and nonunion employees. Retirement benefits for police/fire employees are calculated at 2.55 percent of the employee's 3-year average salary times the employee's years of service. Normal retirement is 60 with early retirement with 25 years of service (unreduced) or 55 with 15 years of service (reduced). 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. A nonduty death benefit is payable after 10 years of service. A duty death benefit is payable upon hire equal to a minimum of 25 percent of the employee's final average compensation. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest. Participants who retire on or after January 1, 2019 received a 2.5 percent cost of living adjustment calculated on the benefit accrued as of December 31, 2018 using a frozen final average compensation. Benefits accrued for service after January 1, 2019 will have no cost of living adjustment.

Retirement benefits for AFSCME DPS employees are calculated at 2.55 percent of the employee's 5-year average salary times the employee's years of service. Normal retirement is 60 with early retirement at 50 with 25 years of service (unreduced) or 55 with 15 years of service (reduced). 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. A nonduty death benefit is payable after 10 years of service. A duty death benefit is payable upon hire equal to a minimum of 25 percent of the employee's final average compensation. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest. Participants who retire on or after January 1, 2019 received a 2.5 percent cost of living adjustment calculated on the benefit accrued as of December 31, 2018 using a frozen final average compensation. Benefits accrued for service after January 1, 2019 will have no cost of living adjustment.

Retirement benefits for nonunion employees are calculated at 2.50 percent of the employee's 5-year average salary times the employee's years of service. Normal retirement is 60 with early retirement with 20 years of service (unreduced) or 55 with 15 years of service (reduced). 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. A nonduty death benefit is payable after 10 years of service. A duty death benefit is payable upon hire equal to a minimum of 25 percent of the employee's final average compensation. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest. Benefit terms do not provide for an annual cost of living adjustment to retirees.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the Township's board of trustees, generally after negotiations of these terms with the affected unions. Police and fire employees' benefit terms may be subject to binding arbitration in certain circumstances.

December 31, 2021

Note 11 - Pension Plan (Continued)

Employees Covered by Benefit Terms

At the December 31, 2020 measurement date, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	50
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	<u>102</u>
Total employees covered by the plan	<u><u>160</u></u>

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 the year ended December 31, 2021, the average active employee contribution rate was 3.0 percent of annual pay for all eligible full-time union and nonunion employees, and the Township’s annual required contribution was \$1,532,313. Actual contributions made during the year ended December 31, 2021 were \$2,830,843.

Net Pension Liability

The net pension liability reported at December 31, 2021 was determined using a measure of the total pension liability and the pension net position as of December 31, 2020. The December 31, 2020 total pension liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 51,977,528	\$ 47,941,820	\$ 4,035,708
Changes for the year:			
Service cost	1,141,964	-	1,141,964
Interest	3,904,813	-	3,904,813
Differences between expected and actual experience	1,368,047	-	1,368,047
Changes in assumptions	1,933,208	-	1,933,208
Contributions - Employer	-	2,727,267	(2,727,267)
Contributions - Employee	-	697,510	(697,510)
Net investment gain	-	6,968,376	(6,968,376)
Benefit payments, including refunds	(2,338,792)	(2,338,792)	-
Administrative expenses	-	(97,571)	97,571
Net changes	<u>6,009,240</u>	<u>7,956,790</u>	<u>(1,947,550)</u>
Balance at December 31, 2020	<u>\$ 57,986,768</u>	<u>\$ 55,898,610</u>	<u>\$ 2,088,158</u>

Included in the net pension liability is \$1,894,282 related to governmental activities and \$193,876 related to business-type activities. The General Fund, Public Safety Fund, or the Water and Sewer Fund, based on the fund to which an employee is assigned and to which the employee’s pension costs are charged, will be the fund to liquidate the net pension liability.

December 31, 2021

Note 11 - Pension Plan (Continued)

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

For the year ended December 31, 2021, the Township recognized pension expense of \$1,918,156, of which \$1,740,064 is related to governmental activities and \$178,092 is related to business-type activities. At December 31, 2021, 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	\$ 3,180,429	\$ (147,819)
Changes in assumptions	3,339,527	-
Net difference between projected and actual earnings on pension plan investments	-	(2,447,991)
Employer contributions to the plan subsequent to the measurement date	2,830,843	-
Total	\$ 9,350,799	\$ (2,595,810)

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

Years Ending December 31	Amount
2022	\$ 1,333,151
2023	1,212,656
2024	164,587
2025	663,543
2026	550,209
Total	\$ 3,924,146

These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date of \$2,830,843, which will impact the net pension liability in fiscal year 2022, rather than pension expense.

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using an inflation assumption of 2.50 percent, assumed salary increases (including inflation) of 3.00 percent, and an investment rate of return (net of pension plan investment expenses, including inflation) of 7.60 percent. These assumptions were applied to all periods included in the measurement.

Mortality rates were based on the Pub-2010 Mortality Tables. The mortality assumptions include a margin for future mortality improvements using scale MP-2019 applied fully generationally from the Pub-2010 base year of 2010.

Discount Rate

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

December 31, 2021

Note 11 - Pension Plan (Continued)

Projected Cash Flows

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, 2020, 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 %	5.25 %
Global fixed income	20.00	1.25
Private investments	20.00	7.25

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

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

	1 Percentage Point Decrease (6.60%)	Current Discount Rate (7.60%)	1 Percentage Point Increase (8.60%)
Net pension liability (asset) of the Township	\$ 10,107,526	\$ 2,088,158	\$ (4,509,622)

Pension Plan Fiduciary Net Position

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

Assumption Changes

Beginning with the 2020 valuation, changes to the demographic assumptions were made as a result of an experience study being performed for the period from 2013 through 2018. The most notable change was that the mortality tables were updated to the Pub-2010 mortality tables. The valuation adopted new final average compensation load assumptions.

December 31, 2021

Note 12 - Retirement Plans

The Township provides pension benefits to all of its full-time employees not enrolled in the defined benefit plan through a defined contribution plan administered by Allerus Financial. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the board of trustees, the Township contributes between 7 and 15 percent of employees’ base earnings, and voluntary employee contributions are allowed. In accordance with these requirements, the Township contributed \$43,322 during the current year.

Note 13 - Other Postemployment Benefit Plan

Plan Description

The Township provides health benefits to certain full-time employees upon retirement in accordance with labor contracts. This is a single-employer defined benefit plan administered by the Township. Administrative costs are paid by the plan.

Benefits Provided

Full-time employees who have completed 25 years of service (15 years if management) can retire and receive benefits under this plan. There is effectively a minimum retirement age of 50 years for water and sewer employees. The Township includes pre-Medicare retirees and their dependents in its insured health care plan and requires a contribution by the participant for 10 percent of annual premiums. The Township does not provide retiree health benefits beyond age 65, but it does provide \$100 per month for each retiree (and covered spouse, if any).

Employees Covered by Benefit Terms

At December 31, 2021, the date of the most recent actuarial valuation, the following members were covered by the benefit terms:

Active employees	106
Retirees and covered spouses	<u>88</u>
Total plan members	<u><u>194</u></u>

Contributions

The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a pay-as-you-go basis). However, as shown below, the Township has made contributions to advance fund these benefits, as determined by the township board through annual budget resolutions. For the year ended December 31, 2021, contributions for postemployment health care benefits totaled \$450,190.

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, 2021 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability as of that date.

December 31, 2021

Note 13 - Other Postemployment Benefit Plan (Continued)

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB (Asset) Liability
Balance at January 1, 2021	\$ 9,268,317	\$ 9,965,103	\$ (696,786)
Changes for the year:			
Service cost	209,756	-	209,756
Interest	635,729	-	635,729
Changes in benefits	(44,991)	-	(44,991)
Differences between expected and actual experience	846,710	-	846,710
Changes in assumptions	1,712,799	-	1,712,799
Contributions - Employer	-	450,190	(450,190)
Net investment income	-	1,331,103	(1,331,103)
Benefit payments, including refunds	(582,697)	(582,697)	-
Net changes	2,777,306	1,198,596	1,578,710
Balance at December 31, 2021	<u>\$ 12,045,623</u>	<u>\$ 11,163,699</u>	<u>\$ 881,924</u>

The plan's fiduciary net position represents 92.68 percent of the total OPEB liability.

Included in the net OPEB liability is \$814,888 related to governmental activities and \$67,036 related to business-type activities. The General Fund, Public Safety Fund, or the Water and Sewer Fund, based on the fund to which an employee is assigned and to which the employee's OPEB costs are charged, will be the fund to liquidate the net OPEB liability.

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

For the year ended December 31, 2021, the Township recognized OPEB expense of \$246,190, of which \$227,477 is related to governmental activities and \$18,713 is related to business-type activities.

At December 31, 2021, 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	\$ 1,473,449	\$ -
Changes in assumptions	1,697,330	-
Net difference between projected and actual earnings on OPEB plan investments	-	(1,153,183)
Total	<u>\$ 3,170,779</u>	<u>\$ (1,153,183)</u>

December 31, 2021

Note 13 - Other Postemployment Benefit Plan (Continued)

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
2022	\$ 138,616
2023	(225)
2024	190,996
2025	324,008
2026	451,645
Thereafter	<u>912,556</u>
Total	<u>\$ 2,017,596</u>

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 3.00 percent; an investment rate of return (net of investment expenses) of 7.00 percent; and a health care cost trend rate of 7.50 percent for 2021, decreasing 0.25 percent per year to an ultimate rate of 4.50 percent after 12 years. These assumptions were applied to all periods included in the measurement.

The Township's net OPEB liability was measured as of December 31, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

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.

December 31, 2021

Note 13 - 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, 2021 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 table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash or cash equivalents	2.00 %	- %
Investment-grade U.S. bonds	20.00	0.80
Emerging markets bonds	5.00	3.70
High-yield U.S. bonds	5.00	3.60
U.S. large-cap stocks	39.00	5.20
U.S. mid-cap stocks	5.00	5.80
Developed markets stock U.S.	2.00	5.00
Emerging markets stocks	18.00	7.50
Listed real estate	2.00	4.90
Listed infrastructure	2.00	5.00

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 7.00 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 Northville Township Retiree Health Care Plan	\$ 3,123,055	\$ 881,924	\$ 575,454

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

The following presents the net OPEB liability of the Township, calculated using the health care cost trend rate of 7.50 percent, as well as what the Township's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.50%)	Current Health Care Cost Trend Rate (7.50%)	1 Percentage Point Increase (8.50%)
Net OPEB liability of the Northville Township Retiree Health Care Plan	\$ 483,066	\$ 881,924	\$ 3,274,585

December 31, 2021

Note 13 - Other Postemployment Benefit Plan (Continued)

OPEB Plan 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 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.

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 13.72 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Assumption Changes

The assumed salary increase was decreased from 3.75 percent to 3.00 percent. The immediate medical trend rate was decreased from 8.25 percent to 7.50 percent and the mortality improvement scale was updated from Scale MP-2019 to Scale MP-2021.

Note 14 - Joint Ventures

Western Township Utilities Authority

The Township is a member of the Western Township Utilities Authority (WTUA), which provides sewage disposal services to the residents of Canton, Northville, and Plymouth townships. The participating communities provide annual funding for its operations. During the current year, the Township paid WTUA \$4,726,392 for operations, debt, and capital. The Township's equity interest is recorded within the Water and Sewer Fund. The Township is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements for WTUA can be obtained from the administrative offices at 40905 Joy Road, Canton, MI 48187.

Northville Parks and Recreation Commission

The Township also participates in the Northville Parks and Recreation Commission (the "Recreation Commission") as a joint venture with the City of Northville, Michigan. The Recreation Commission has been subsidized to the extent that expenditures exceed operating revenue. The Township's equity interest is recorded within the governmental activities column in the statement of net position. The participating communities provide annual funding for its operations. During the current year, the Township contributed \$1,011,230 for the Recreation Commission's operations. The Township is unaware of any circumstances that would cause an additional financial benefit or burden to the Township in the near future. Complete financial statements for the Recreation Commission can be obtained from the administrative office at 44405 Six Mile Road, Northville, MI 48168.

MITC Redevelopment Authority

An intergovernmental agreement between the Charter Township of Northville Brownfield Redevelopment Authority and the Plymouth Township Brownfield Redevelopment Authority creating the MITC Redevelopment Authority (MITC stands for Michigan International Technology Center) became effective on January 4, 2019, pursuant to the provisions of the Urban Cooperation Act of 1967, Act 7 of the Public Acts of Michigan, as amended, MCL 125.501 to 125.512.

December 31, 2021

Note 14 - Joint Ventures (Continued)

The MITC Redevelopment Authority, a separate legal entity and public body corporate, was created to jointly exercise the brownfield economic development powers shared by the Charter Township of Northville Brownfield Redevelopment Authority and the Plymouth Township Brownfield Redevelopment Authority within the geographic boundaries of the Five Mile Corridor development zone. Various sites along the Five Mile Corridor are known to be contaminated, and other areas require infrastructure installation and improvement, which qualify as eligible project properties under the Brownfield Redevelopment Financing Act, PA 381 of 1996.

The MITC Redevelopment Authority shall be governed by the MITC Redevelopment Authority Board, which shall be a five-member board. The MITC Redevelopment Authority Board shall consist of the following members:

- One member appointed by the board of the Charter Township of Northville Brownfield Redevelopment Authority
- One member appointed by the board of the Plymouth Township Brownfield Redevelopment Authority
- One member appointed by the Northville Township supervisor and the Plymouth Township supervisor
- The Northville Township supervisor
- The Plymouth Township supervisor

The MITC Redevelopment Authority may borrow money and issue bonds or notes in its name pursuant to Act 381 for local public improvements or for economic development purposes provided that the MITC Redevelopment Authority shall not borrow money or issue bonds or notes for a sum that, together with the total outstanding bonded indebtedness of the MITC Redevelopment Authority, exceeds 2 mills of the taxable value of the taxable property within the townships, as determined under Section 27a of The General Property Tax Act, 1893 PA 206, 211.27a, unless otherwise authorized by Act 7.

The combined authority will create one or more brownfield plans for the purpose of capturing tax increment revenue to finance eligible costs of the MITC Redevelopment Authority. The obligations of the Authority to fund such improvements are to be repaid from captured tax increment revenue, which relies on anticipated economic growth along the Five Mile Corridor. The future collection of tax increment revenue is dependent on several factors, including the timing of when properties along Five Mile will be sold and developed. Both Plymouth and Northville townships have retained the consulting services of G.D. Roberts Company, LLC to assist with the marketing of properties for sale within each respective community. In addition to providing consulting services to Northville Township, G.D. Roberts Company, LLC provides land planning and private real estate development consulting services for developers that have purchased properties located within the geographic boundaries of the Five Mile Corridor development zone.

During 2019, the Charter Township of Northville transferred land with a value of \$422,722 to the Charter Township of Northville Brownfield Redevelopment Authority for future MITC development purposes.

On March 19, 2020, Northville Township entered into a Property Transfer and Loan Repayment Agreement effective September 20, 2019 between the Township and the Township's Brownfield Redevelopment Authority (BRDA). In the agreement, the Township agrees to transfer certain property to the BRDA and the BRDA agreed to obtain a loan from The Michigan Land Bank for the purpose of conducting certain defined response activities. The loan is secured by tax increment revenue attributable to the land. Upon sale of the land, the proceeds shall be paid to the satisfy the loan. If the proceeds are insufficient to pay off the loan, the Township is required to pay the BRDA sufficient amounts so the BRDA may satisfy the loan. If there are excess proceeds from the sale, the excess may be used for additional environmental response activities by the BRDA, or, if none, the remaining proceeds shall be paid to the Township.

December 31, 2021

Note 14 - Joint Ventures (Continued)

The following table displays the Township's equity interest in joint ventures recorded on the financial statements:

	Governmental Activities	Business-type Activities	Total
Western Township Utilities Authority	\$ -	\$ 28,133,448	\$ 28,133,448
Northville Parks and Recreation Commission	4,102,898	-	4,102,898
Total	<u>\$ 4,102,898</u>	<u>\$ 28,133,448</u>	<u>\$ 32,236,346</u>

Note 15 - Tax Abatements

The Township uses the Industrial Facilities Tax exemption (PA 198 of 1974) to enter into agreements with local businesses to construct new industrial facilities or rehabilitate historical facilities. Under the program, the Township grants reductions of 50 percent of the property tax bill for new property (or it can freeze taxable values for rehabilitation purposes) for up to 12 years. For the fiscal year ended December 31, 2021, the Township abated \$53,706 of taxes under this program. There are no significant abatements made by other governments that reduce the Township's tax revenue.

In addition, the Charter Township of Northville Brownfield Redevelopment Authority was created under the provisions of Act 381, Public Acts of 1996 of the State of Michigan and is governed by a seven-member board that is appointed by the Township's board of trustees. The purpose of the Charter Township of Northville Brownfield Redevelopment Authority is to use tax increment revenue to promote revitalization of environmentally distressed areas within the boundaries of the Township. For the fiscal year ended December 31, 2021, the Township captured \$2,257,745 of tax increment revenue (approximately \$364,000 from township levies) under this program for both payment to the developer and the Township for the redevelopment of the former Northville Psychiatric Hospital property and the former Scott Correctional Facility.

Note 16 - Commitments from Component Units

The Five Mile Property Brownfield Plan was amended in 2017 to create a local site remediation revolving fund to provide resources to facilitate the redevelopment of brownfield properties within the Township. The Brownfield Redevelopment Authority has committed to repay the Township \$5 million from future tax increment revenue captured by the Northville Township Brownfield Redevelopment Authority Revolving Fund to assist with the Seven Mile Property demolition and cleanup costs, beginning with the summer 2020 capture. As of December 31, 2021, the Township has been paid \$1,454,736. The future collection of tax increment revenue is dependent upon several factors, including development, increases in property valuation, and general economic conditions. It is not known when or if such amounts due from the revolving fund will be repaid. Because collectibility cannot be reasonably estimated or assured due to the uncertainties discussed above and the extended period of the expected payments, the Township has not recorded the outstanding balances due from component units.

December 31, 2021

Note 17 - Fund Balance Constraints

The detail of the various components of fund balance is as follows:

	General Fund	Public Safety Fund	Capital Projects Fund	Nonmajor Funds	Total
Nonspendable - Prepaids	\$ 75,146	\$ 259,577	\$ -	\$ 17	\$ 334,740
Restricted:					
Drug forfeiture	-	645,842	-	-	645,842
Police and fire operations	-	9,774,790	-	-	9,774,790
Debt service	-	-	-	3,778,315	3,778,315
Youth assistance	-	-	-	219,902	219,902
Parks, recreation, and senior services	-	-	-	1,232,264	1,232,264
Construction code fees	461,670	-	-	-	461,670
Metro Act funds	-	-	119,965	-	119,965
Total restricted	461,670	10,420,632	119,965	5,230,481	16,232,748
Assigned:					
Debt service	-	-	-	488,932	488,932
Tree plantings and replacement	-	-	-	497,890	497,890
Local road improvement program	-	-	1,000,000	-	1,000,000
Other capital projects	3,000,000	-	524,380	-	3,524,380
Facility replacement reserve	-	-	1,400,000	-	1,400,000
Seven Mile demolition project	-	-	500,000	-	500,000
Municipal services building	3,000,000	-	2,000,000	-	5,000,000
Five Mile Corridor project	-	-	500,000	-	500,000
Pathways	-	-	500,000	-	500,000
Gun range	-	-	500,000	-	500,000
Total assigned	6,000,000	-	6,924,380	986,822	13,911,202
Unassigned	9,068,287	-	-	-	9,068,287
Total fund balance	<u>\$ 15,605,103</u>	<u>\$ 10,680,209</u>	<u>\$ 7,044,345</u>	<u>\$ 6,217,320</u>	<u>\$ 39,546,977</u>

Required Supplemental Information

Charter Township of Northville

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended December 31, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 2,514,910	\$ 2,514,910	\$ 2,177,189	\$ (337,721)
Intergovernmental:				
Federal sources	-	-	2,044	2,044
State sources	1,734,190	2,734,190	3,038,338	304,148
Building department	610,100	1,315,100	1,621,548	306,448
Net investment income	-	-	2,816	2,816
Other revenue	546,500	580,500	1,234,007	653,507
Total revenue	5,405,700	7,144,700	8,075,942	931,242
Expenditures				
Current services:				
General government:				
Legislative	1,302,520	1,455,520	1,341,330	114,190
Facility operations	505,220	505,220	490,798	14,422
Information technology and communications	487,920	487,920	407,624	80,296
Treasurer	937,880	937,880	894,429	43,451
Clerk	351,460	431,460	413,145	18,315
Public safety	501,100	501,100	454,509	46,591
Community and Economic Development	181,160	181,160	174,170	6,990
Transfers out	1,120,150	1,120,150	1,120,150	-
Total expenditures	5,387,410	5,620,410	5,296,155	324,255
Net Change in Fund Balance	18,290	1,524,290	2,779,787	1,255,497
Fund Balance - Beginning of year	12,825,316	12,825,316	12,825,316	-
Fund Balance - End of year	\$ 12,843,606	\$ 14,349,606	\$ 15,605,103	\$ 1,255,497

Charter Township of Northville

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Public Safety Fund

Year Ended December 31, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 13,686,000	\$ 13,686,000	\$ 13,817,786	\$ 131,786
Intergovernmental:				
Federal sources	-	240,000	383,265	143,265
State sources	40,000	40,000	75,065	35,065
Licensing and enforcement	952,880	952,880	885,665	(67,215)
Fines and forfeitures	2,550	2,550	4,550	2,000
Net investment income	-	-	12,289	12,289
Other revenue	209,840	209,840	712,172	502,332
Total revenue	14,891,270	15,131,270	15,890,792	759,522
Expenditures - Public safety	14,875,250	15,184,250	14,584,204	600,046
Excess of Revenue Over (Under)				
Expenditures	16,020	(52,980)	1,306,588	1,359,568
Other Financing Sources - Proceeds from sale of capital assets	-	-	52,279	52,279
Net Change in Fund Balance	16,020	(52,980)	1,358,867	1,411,847
Fund Balance - Beginning of year	9,321,342	9,321,342	9,321,342	-
Fund Balance - End of year	\$ 9,337,362	\$ 9,268,362	\$ 10,680,209	\$ 1,411,847

Charter Township of Northville

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

	Last Seven Plan Fiscal Years (Built Prospectively from 2014)*						
	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 1,141,964	\$ 1,156,144	\$ 1,209,059	\$ 1,167,519	\$ 1,097,887	\$ 1,084,463	\$ 1,032,663
Interest	3,904,813	3,538,514	3,828,046	3,573,602	3,304,957	2,934,666	2,721,296
Changes in benefit terms	-	-	(6,427,647)	-	-	(23,197)	-
Differences between expected and actual experience	1,368,047	2,468,759	(295,636)	191,721	550,696	1,085,292	-
Changes in assumptions	1,933,208	2,155,927	-	-	-	2,038,650	-
Benefit payments, including refunds	(2,338,792)	(1,990,334)	(1,822,691)	(1,723,468)	(1,537,124)	(1,235,557)	(1,151,510)
Net Change in Total Pension Liability	6,009,240	7,329,010	(3,508,869)	3,209,374	3,416,416	5,884,317	2,602,449
Total Pension Liability - Beginning of year	51,977,528	44,648,518	48,157,387	44,948,013	41,531,597	35,647,280	33,044,831
Total Pension Liability - End of year	\$ 57,986,768	\$ 51,977,528	\$ 44,648,518	\$ 48,157,387	\$ 44,948,013	\$ 41,531,597	\$ 35,647,280
Plan Fiduciary Net Position							
Contributions - Employer	\$ 2,727,267	\$ 901,674	\$ 9,806,034	\$ 2,452,391	\$ 2,631,259	\$ 2,517,489	\$ 2,959,247
Contributions - Member	697,510	983,421	247,738	445,107	231,113	201,851	134,582
Net investment income (loss)	6,968,376	5,767,487	(1,650,952)	4,124,310	3,059,182	(394,527)	1,424,260
Administrative expenses	(97,571)	(99,323)	(72,426)	(65,096)	(60,333)	(56,750)	(52,913)
Benefit payments, including refunds	(2,338,792)	(1,990,334)	(1,822,691)	(1,723,468)	(1,537,124)	(1,235,557)	(1,151,510)
Net Change in Plan Fiduciary Net Position	7,956,790	5,562,925	6,507,703	5,233,244	4,324,097	1,032,506	3,313,666
Plan Fiduciary Net Position - Beginning of year	47,941,820	42,378,895	35,871,192	30,637,948	26,313,851	25,281,345	21,967,679
Plan Fiduciary Net Position - End of year	\$ 55,898,610	\$ 47,941,820	\$ 42,378,895	\$ 35,871,192	\$ 30,637,948	\$ 26,313,851	\$ 25,281,345
Township's Net Pension Liability - Ending	\$ 2,088,158	\$ 4,035,708	\$ 2,269,623	\$ 12,286,195	\$ 14,310,065	\$ 15,217,746	\$ 10,365,935
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.40 %	92.24 %	94.92 %	74.49 %	68.16 %	63.36 %	70.92 %
Covered Payroll	\$ 9,138,203	\$ 8,921,421	\$ 8,217,324	\$ 8,007,361	\$ 7,534,853	\$ 7,639,502	\$ 7,271,632
Township's Net Pension Liability as a Percentage of Covered Payroll	22.85 %	45.24 %	27.62 %	153.44 %	189.92 %	199.20 %	142.55 %

*Additional information will be displayed as it becomes available.

Charter Township of Northville

Required Supplemental Information Schedule of Pension Contributions

Last Ten Fiscal Years Years Ended December 31

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 1,532,313	\$ 926,775	\$ 901,674	\$ 1,999,234	\$ 2,086,065	\$ 1,778,342	\$ 1,819,343	\$ 1,653,870	\$ 1,482,852	\$ 1,388,954
Contributions in relation to the actuarially determined contribution	2,830,843	2,727,267	901,674	9,806,034	2,452,391	2,631,259	2,517,489	2,959,247	1,400,362	1,337,281
Contribution Excess (Deficiency)	\$ 1,298,530	\$ 1,800,492	\$ -	\$ 7,806,800	\$ 366,326	\$ 852,917	\$ 698,146	\$ 1,305,377	\$ (82,490)	\$ (51,673)
Covered Payroll	\$ 9,845,240	\$ 9,138,203	\$ 8,921,421	\$ 8,217,324	\$ 8,007,361	\$ 7,534,853	\$ 7,639,502	\$ 7,271,632	\$ 6,978,674	\$ 6,712,188
Contributions as a Percentage of Covered Payroll	28.75 %	28.77 %	10.97 %	114.73 %	30.59 %	34.92 %	32.95 %	40.70 %	20.07 %	19.92 %

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.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	15 years
Asset valuation method	5-year smoothed
Inflation	2.50 percent
Salary increase	3.00 percent
Investment rate of return	7.60 percent
Retirement age	Varies depending on plan adoption
Mortality	50 percent female/50 percent male RP-2014 Mortality Table
Other information	None

Charter Township of Northville

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

	Last Four Fiscal Years (Built Prospectively from 2018)*			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 209,756	\$ 199,655	\$ 173,441	\$ 167,172
Interest	635,729	610,951	503,288	493,165
Changes in benefit terms	(44,991)	-	131,851	-
Differences between expected and actual experience	846,710	-	1,099,302	-
Changes in assumptions	1,712,799	98,827	162,757	-
Benefit payments, including refunds	<u>(582,697)</u>	<u>(538,308)</u>	<u>(553,134)</u>	<u>(484,554)</u>
Net Change in Total OPEB Liability	2,777,306	371,125	1,517,505	175,783
Total OPEB Liability - Beginning of year	<u>9,268,317</u>	<u>8,897,192</u>	<u>7,379,687</u>	<u>7,203,904</u>
Total OPEB Liability - End of year	<u>\$ 12,045,623</u>	<u>\$ 9,268,317</u>	<u>\$ 8,897,192</u>	<u>\$ 7,379,687</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 450,190	\$ 457,060	\$ 1,228,740	\$ 428,130
Net investment income (loss)	1,331,103	1,276,131	1,445,209	(211,938)
Benefit payments, including refunds	<u>(582,697)</u>	<u>(538,308)</u>	<u>(553,134)</u>	<u>(484,554)</u>
Net Change in Plan Fiduciary Net Position	1,198,596	1,194,883	2,120,815	(268,362)
Plan Fiduciary Net Position - Beginning of year	<u>9,965,103</u>	<u>8,770,220</u>	<u>6,649,405</u>	<u>6,917,767</u>
Plan Fiduciary Net Position - End of year	<u>\$ 11,163,699</u>	<u>\$ 9,965,103</u>	<u>\$ 8,770,220</u>	<u>\$ 6,649,405</u>
Net OPEB Liability (Asset) - Ending	<u>\$ 881,924</u>	<u>\$ (696,786)</u>	<u>\$ 126,972</u>	<u>\$ 730,282</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	92.68 %	107.52 %	98.57 %	90.10 %
Covered Payroll	\$ 8,513,890	\$ 8,473,900	\$ 8,969,831	\$ 8,645,620
Net OPEB Liability as a Percentage of Covered Payroll	10.36 %	(8.22)%	1.42 %	8.45 %

*Additional information will be displayed as it becomes available.

Charter Township of Northville

Required Supplemental Information Schedule of OPEB Contributions

Last Ten Fiscal Years Years Ended December 31

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 226,377	\$ 218,628	\$ 205,380	\$ 198,891	\$ 231,376	\$ 221,412	\$ 446,989	\$ 437,318	\$ 428,063	\$ 179,096
Contributions in relation to the actuarially determined contribution	450,190	457,060	1,228,740	428,130	432,750	432,590	446,989	437,318	428,063	179,455
Contribution Excess	\$ 223,813	\$ 238,432	\$ 1,023,360	\$ 229,239	\$ 201,374	\$ 211,178	\$ -	\$ -	\$ -	\$ 359
Covered Payroll	\$ 8,513,890	\$ 8,473,900	\$ 8,969,831	\$ 8,645,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	5.29 %	5.39 %	13.70 %	4.95 %	- %	- %	- %	- %	- %	- %

Note: Prior to 2018, the annual required contribution was not based on a percentage of pay, but rather was a flat rate. Therefore, covered payroll amount for periods prior to 2018 are not shown.

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 as a percentage of payroll |
| Amortization method | Level dollar |
| Remaining amortization period | 20 years |
| Asset valuation method | Fair value |
| Inflation | 2.50 percent |
| Health care cost trend rates | 4.50 percent |
| Investment rate of return | 7.00 percent |
| Mortality | 50 percent female/50 percent male RP-2014 Mortality Table |
| Other information | None |

Charter Township of Northville

**Required Supplemental Information
Schedule of OPEB Investment Returns**

**Last Five Fiscal Years
Years Ended December 31**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return - Net of investment expense	13.72 %	14.84 %	21.94 %	(3.13)%	16.93 %

Charter Township of Northville

Notes to Required Supplemental Information

December 31, 2021

Budgetary Information

The annual budget is prepared by the Township's supervisor and adopted by the Township's board; subsequent amendments are approved by the Township's board. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. During the current year, the budget was amended in a legally permissible manner.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America for the General Fund and all special revenue funds, with the exception that transfers have been included in the revenue or expenditures categories, rather than as other financing sources (uses).

The Township follows procedures outlined below in establishing the budget reflected in the financial statements. The budget process begins in August via an email distribution to various township departments. In September, the budget is available for public viewing, and public hearings take place with the board of trustees. In October, the final operating budget is adopted.

The budget has been adopted on an activity basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. Comparison of actual results of operations to the budgets of the General Fund and major special revenue funds, as adopted by the Township's board, is included in the required supplemental information of the basic financial statements.

A reconciliation of the budgetary comparison schedules to the fund-based statement of revenue, expenditures, and changes in fund balance is as follows:

Charter Township of Northville - General Fund	Total Revenue	Total Expenditures
Amounts per operating statement	\$ 8,075,942	\$ 4,176,005
Interfund transfers budgeted as revenue and expenditures	-	1,120,150
Amounts per budget statement	<u>\$ 8,075,942</u>	<u>\$ 5,296,155</u>

Pension Information

Benefit Changes

There were changes of benefit terms related to cost of living adjustments increases in the December 31, 2018 valuation.

Changes in Assumptions

In 2015, mortality tables were updated to the most recent tables.

In the December 31, 2019 valuation, there were changes of the economic assumptions lowering the investment rate of return assumption from 8.00 to 7.60 percent and lowering the assumed rate of wage inflation from 3.75 to 3.00 percent.

Beginning with the 2020 valuation, changes to the demographic assumptions were made as a result of an experience study being performed for the period from 2013 through 2018. The most notable change was that the mortality tables were updated to the Pub-2010 mortality tables. The valuation adopted new final average compensation load assumptions.

OPEB Information

Benefit Changes

In the December 31, 2021 valuation, benefit terms were changed to recognize Act 88 and purchased service toward retirement eligibility and to correct eligibility for duty-related disability and death benefits to reflect no minimum age or service requirement.

December 31, 2021

Changes in Assumptions

In the December 31, 2021 valuation, the assumed salary increase was decreased from 3.75 percent to 3.00 percent. The immediate medical trend rate was decreased from 8.25 percent to 7.50 percent, and the mortality improvement scale was updated from Scale MP-2019 to Scale MP-2021.

Other Supplemental Information

Charter Township of Northville

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2021

	Special Revenue Funds		Debt Service Funds			Capital Project Fund	Total
	Youth Assistance Fund	Shared Services Fund	Edenderry Paving SAD Fund	2012 Refunding Debt Fund	Seven Mile Road Property Purchase Fund	Tree Fund	
Assets							
Cash and investments	\$ 222,392	\$ 1,774,388	\$ 53,037	\$ 488,932	\$ 4,094,359	\$ 497,883	\$ 7,130,991
Receivables:							
Property taxes	-	1,351,355	-	-	1,197,465	-	2,548,820
Special assessments	-	-	56,262	-	-	-	56,262
Accrued interest receivable	-	25	-	-	49	7	81
Other	2,923	-	-	-	-	-	2,923
Due from other governmental units	-	4,034	-	-	6,392	-	10,426
Prepaid items	17	-	-	-	-	-	17
Total assets	\$ 225,332	\$ 3,129,802	\$ 109,299	\$ 488,932	\$ 5,298,265	\$ 497,890	\$ 9,749,520
Liabilities							
Accounts payable	\$ 48	\$ 75,902	\$ -	\$ -	\$ 2,000	\$ -	\$ 77,950
Accrued liabilities and other	2,442	-	-	-	-	-	2,442
Unearned revenue	-	35,000	-	-	-	-	35,000
Total liabilities	2,490	110,902	-	-	2,000	-	115,392
Deferred Inflows of Resources							
Unavailable revenue	-	-	56,262	-	-	-	56,262
Property taxes levied for the following year	-	1,786,636	-	-	1,570,987	-	3,357,623
Other deferred inflows	2,923	-	-	-	-	-	2,923
Total deferred inflows of resources	2,923	1,786,636	56,262	-	1,570,987	-	3,416,808
Total liabilities and deferred inflows of resources	5,413	1,897,538	56,262	-	1,572,987	-	3,532,200
Fund Balances							
Nonspendable	17	-	-	-	-	-	17
Restricted:							
Debt service	-	-	53,037	-	3,725,278	-	3,778,315
Youth assistance	219,902	-	-	-	-	-	219,902
Parks, recreation, and senior services	-	1,232,264	-	-	-	-	1,232,264
Assigned:							
Debt service	-	-	-	488,932	-	-	488,932
Tree plantings and replacement	-	-	-	-	-	497,890	497,890
Total fund balances	219,919	1,232,264	53,037	488,932	3,725,278	497,890	6,217,320
Total liabilities, deferred inflows of resources, and fund balances	\$ 225,332	\$ 3,129,802	\$ 109,299	\$ 488,932	\$ 5,298,265	\$ 497,890	\$ 9,749,520

Charter Township of Northville

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

Year Ended December 31, 2021

	Special Revenue Funds		Debt Service Funds			Capital Project Fund	Total
	Youth Assistance Fund	Shared Services Fund	Edenderry Paving SAD Fund	2012 Refunding Debt Fund	Seven Mile Road Property Purchase Fund	Tree Fund	
Revenue							
Property taxes	\$ -	\$ 1,673,894	\$ -	\$ -	\$ 2,709,049	\$ -	\$ 4,382,943
Intergovernmental	-	135,000	-	-	9,000	-	144,000
Net investment income	-	95	3,704	-	182	27	4,008
Other revenue	135,490	5,688	19,351	263,390	-	78,750	502,669
Total revenue	135,490	1,814,677	23,055	263,390	2,718,231	78,777	5,033,620
Expenditures							
Recreation and culture	122,872	1,428,880	-	-	-	2,639	1,554,391
Debt service	-	-	53,232	1,053,550	1,590,662	-	2,697,444
Total expenditures	122,872	1,428,880	53,232	1,053,550	1,590,662	2,639	4,251,835
Excess of Revenue Over (Under) Expenditures	12,618	385,797	(30,177)	(790,160)	1,127,569	76,138	781,785
Other Financing Sources - Transfers in	-	-	-	790,150	-	-	790,150
Net Change in Fund Balances	12,618	385,797	(30,177)	(10)	1,127,569	76,138	1,571,935
Fund Balances - Beginning of year	207,301	846,467	83,214	488,942	2,597,709	421,752	4,645,385
Fund Balances - End of year	\$ 219,919	\$ 1,232,264	\$ 53,037	\$ 488,932	\$ 3,725,278	\$ 497,890	\$ 6,217,320

Charter Township of Northville

Other Supplemental Information
Budgetary Comparison Schedule - Nonmajor Governmental Funds
Youth Assistance

Year Ended December 31, 2021

	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - Other revenue	\$ 125,540	\$ 135,490	\$ 9,950
Expenditures - Recreation and culture	136,970	122,872	14,098
Net Change in Fund Balance	(11,430)	12,618	24,048
Fund Balance - Beginning of year	207,301	207,301	-
Fund Balance - End of year	<u><u>\$ 195,871</u></u>	<u><u>\$ 219,919</u></u>	<u><u>\$ 24,048</u></u>

Charter Township of Northville

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Shared Services

Year Ended December 31, 2021

	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue			
Property taxes	\$ 1,658,000	\$ 1,673,894	\$ 15,894
Intergovernmental	-	135,000	135,000
Net investment income	-	95	95
Other revenue	4,300	5,688	1,388
Total revenue	1,662,300	1,814,677	152,377
Expenditures - Recreation and culture	1,599,250	1,428,880	170,370
Excess of Revenue Over Expenditures	63,050	385,797	322,747
Other Financing Uses - Transfers out	(150,000)	-	150,000
Net Change in Fund Balance	(86,950)	385,797	472,747
Fund Balance - Beginning of year	846,467	846,467	-
Fund Balance - End of year	<u>\$ 759,517</u>	<u>\$ 1,232,264</u>	<u>\$ 472,747</u>

Charter Township of Northville

Other Supplemental Information
Balance Sheet
Economic Development Corporation

December 31, 2021

	Economic Development Corporation
Assets - Cash and investments	\$ 1,103
Total assets	<u><u>\$ 1,103</u></u>
Liabilities	\$ -
Fund Balance - Unassigned	<u>1,103</u>
Total liabilities and fund balance	<u><u>\$ 1,103</u></u>

Charter Township of Northville

Other Supplemental Information
Statement of Revenue, Expenditures, and Changes in Fund Balance
Economic Development Corporation

Year Ended December 31, 2021

	Economic Development Corporation
Expenditures	<u>\$ -</u>
Net Change in Fund Balance	-
Fund Balance - Beginning of year	<u>1,103</u>
Fund Balance - End of year	<u><u>\$ 1,103</u></u>

Charter Township of Northville

Other Supplemental Information
Statement of Net Position/Governmental Fund Balance Sheet
Brownfield Redevelopment Authority

December 31, 2021

	Brownfield Redevelopment Authority	Adjustments	Statement of Net Position
Assets			
Cash and investments	\$ 184,888	\$ -	\$ 184,888
Receivables - Taxes	991,483	-	991,483
Restricted cash	11,807,820	-	11,807,820
Capital assets - Net	-	869,587	869,587
Total assets	\$ 12,984,191	869,587	13,853,778
Liabilities			
Accounts payable	\$ 4,000	-	4,000
Due to other governmental units	96,727	-	96,727
Accrued liabilities and other	21,167	46,270	67,437
Noncurrent liabilities:			
Due within one year - Current portion of long-term debt	-	140,000	140,000
Due in more than one year - Long-term debt	-	12,401,404	12,401,404
Total liabilities	121,894	12,587,674	12,709,568
Deferred Inflows of Resources - Property taxes levied for the following year	991,483	-	991,483
Total liabilities and deferred inflows of resources	1,113,377	12,587,674	13,701,051
Fund Balances			
Restricted	11,803,820	(11,803,820)	-
Unassigned	66,994	(66,994)	-
Total fund balances	11,870,814	(11,870,814)	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,984,191		
Net Position			
Net investment in capital assets		136,003	136,003
Unrestricted		16,724	16,724
Total net position		\$ 152,727	\$ 152,727

Charter Township of Northville

Other Supplemental Information
Statement of Revenue, Expenditures, and Changes in Fund Balance/Statement
of Activities
Brownfield Redevelopment Authority

Year Ended December 31, 2021

	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenue			
Property taxes	\$ 2,257,745	\$ -	\$ 2,257,745
Intergovernmental - Federal sources	5,024	-	5,024
Net investment income	232	-	232
Total revenue	2,263,001	-	2,263,001
Expenditures - Current services	2,967,411	(323,136)	2,644,275
Excess of Expenditures Over Revenue	(704,410)	323,136	(381,274)
Other Financing Sources			
New debt issued	12,395,311	(12,395,311)	-
Debt premium	135,843	(135,843)	-
Total other financing sources	12,531,154	(12,531,154)	-
Net Change in Fund Balance/Net Position	11,826,744	(12,208,018)	(381,274)
Fund Balance/Net Position - Beginning of year	44,070	489,931	534,001
Fund Balance/Net Position - End of year	\$ 11,870,814	\$ (11,718,087)	\$ 152,727

Statistical Section

Statistical Section

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health

The statistical section is organized into the following main categories:

- Financial trends
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.
- Revenue capacity
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.
- Debt capacity
These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.
- Demographic and economic information
These schedules help the reader understand the environment within which the government's financial activities take place.
- Operating information
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Charter Township of Northville

	As of December 31,			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities:				
Net investment in capital assets	\$ 23,055,264	\$ 24,441,185	\$ 25,741,191	\$ 27,791,289
Restricted	8,666,302	7,352,257	5,641,118	6,891,613
Unrestricted	<u>9,927,066</u>	<u>11,144,529</u>	<u>14,770,526</u>	<u>8,041,009</u>
Total net position	<u>\$ 41,648,632</u>	<u>\$ 42,937,971</u>	<u>\$ 46,152,835</u>	<u>\$ 42,723,911</u>
Business Type Activities:				
Net investment in capital assets	\$ 46,350,805	\$ 46,098,141	\$ 46,582,470	\$ 46,295,825
Restricted	-	-	-	-
Unrestricted	<u>35,809,582</u>	<u>34,320,753</u>	<u>33,951,924</u>	<u>34,966,807</u>
Total net position	<u>\$ 82,160,387</u>	<u>\$ 80,418,894</u>	<u>\$ 80,534,394</u>	<u>\$ 81,262,632</u>
Primary government in total:				
Net investment in capital assets	\$ 69,406,069	\$ 70,539,326	\$ 72,323,661	\$ 74,087,114
Restricted	8,666,302	7,352,257	5,641,118	6,891,613
Unrestricted	<u>45,736,648</u>	<u>45,465,282</u>	<u>48,722,450</u>	<u>43,007,816</u>
Total net position	<u>\$ 123,809,019</u>	<u>\$ 123,356,865</u>	<u>\$ 126,687,229</u>	<u>\$ 123,986,543</u>

Source: Township's annual financial statements

Net Position by Component

Last Ten Fiscal Years

December 31, 2021

(Unaudited)

As of December 31,					
2016	2017	2018	2019	2020	2021
\$ 29,110,146	\$ 31,414,490	\$ 42,377,681	\$ 45,059,020	\$ 46,851,756	\$ 48,240,367
8,653,806	10,377,739	8,895,456	10,810,720	13,224,232	16,548,604
15,362,234	18,638,232	12,991,218	21,092,298	25,451,269	30,523,019
<u>\$ 53,126,186</u>	<u>\$ 60,430,461</u>	<u>\$ 64,264,355</u>	<u>\$ 76,962,038</u>	<u>\$ 85,527,257</u>	<u>\$ 95,311,990</u>
\$ 45,593,094	\$ 45,915,955	\$ 45,321,290	\$ 44,738,092	\$ 44,290,283	\$ 44,174,684
-	-	-	-	-	-
36,897,950	40,634,504	45,824,024	51,972,564	57,530,085	61,748,742
<u>\$ 82,491,044</u>	<u>\$ 86,550,459</u>	<u>\$ 91,145,314</u>	<u>\$ 96,710,656</u>	<u>\$ 101,820,368</u>	<u>\$ 105,923,426</u>
\$ 74,703,240	\$ 77,330,445	\$ 87,698,971	\$ 89,797,112	\$ 91,142,039	\$ 92,415,051
8,653,806	10,377,739	8,895,456	10,810,720	13,224,232	16,548,604
52,260,184	59,272,736	58,815,242	73,064,862	82,981,354	92,271,761
<u>\$ 135,617,230</u>	<u>\$ 146,980,920</u>	<u>\$ 155,409,669</u>	<u>\$ 173,672,694</u>	<u>\$ 187,347,625</u>	<u>\$ 201,235,416</u>

Charter Township of Northville

	As of December 31,			
	2012	2013	2014	2015
Expenses:				
General government	\$ 3,493,755	\$ 2,653,730	\$ 2,854,999	\$ 3,433,997
Public safety:				
Police and fire	10,734,926	11,108,991	11,157,575	11,073,853
Building department	491,918	558,867	574,795	642,982
Community & economic development	195,707	186,797	186,394	217,583
Recreation and culture	1,989,540	1,833,427	1,436,843	1,587,317
Interest on long-term debt	1,485,959	1,182,782	1,118,780	1,061,054
Total governmental activities	<u>18,391,805</u>	<u>17,524,594</u>	<u>17,329,386</u>	<u>18,016,786</u>
Program revenues:				
Charges for services				
General government	870,261	980,963	836,203	867,597
Public safety:				
Police and fire	475,819	1,321,420	1,191,650	1,234,197
Building department	1,062,979	1,181,220	1,051,596	1,135,386
Community & economic development	34,171	254,269	148,868	114,522
Recreation and culture	140,731	142,802	135,413	63,298
Total charges for services	2,583,961	3,880,674	3,363,730	3,415,000
Operating grants and contributions	352,870	620,958	696,401	569,297
Capital grants and contributions	2,061,160	17,451	244,931	245,651
Total program revenue	<u>4,997,991</u>	<u>4,519,083</u>	<u>4,305,062</u>	<u>4,229,948</u>
Net (expense) revenue	<u>(13,393,814)</u>	<u>(13,005,511)</u>	<u>(13,024,324)</u>	<u>(13,786,838)</u>
General revenues:				
Property taxes	12,135,482	12,104,998	12,941,502	16,222,225
State-shared revenues	2,077,884	2,118,456	2,214,975	2,219,929
Unrestricted investment earnings/(loss)	86,826	(36,777)	124,336	79,256
Gain or loss on sales of assets	2,646	53,659	64,617	7,197
Miscellaneous	348,327	54,514	893,758	532,555
Total general revenues	14,651,165	14,294,850	16,239,188	19,061,162
Transfers	-	-	-	-
Change in net position	<u>\$ 1,257,351</u>	<u>\$ 1,289,339</u>	<u>\$ 3,214,864</u>	<u>\$ 5,274,324</u>

Source: Township's annual financial statements

Changes in Governmental Net Position

Last Ten Fiscal Years

December 31, 2021

(Unaudited)

As of December 31,					
2016	2017	2018	2019	2020	2021
\$ 3,709,606	\$ 3,421,527	\$ 3,051,711	\$ 2,279,440	\$ 3,636,956	\$ 3,626,493
11,957,837	12,199,157	13,369,529	9,601,064	15,169,219	13,867,355
558,062	554,962	599,594	631,644	505,532	450,454
3,654,250	311,904	702,317	608,377	228,294	228,459
1,499,753	1,663,267	1,164,707	1,577,654	1,099,097	1,229,765
999,369	1,042,526	838,687	727,041	639,431	543,725
<u>22,378,877</u>	<u>19,193,343</u>	<u>19,726,545</u>	<u>15,425,220</u>	<u>21,278,529</u>	<u>19,946,251</u>
957,220	1,114,059	585,042	583,131	619,893	591,430
1,304,376	1,261,022	1,157,736	1,132,800	1,086,007	1,021,044
999,861	1,414,821	1,654,299	1,440,917	1,133,441	1,621,548
138,014	278,375	266,761	116,405	63,068	104,278
442,547	407,794	287,226	1,104,090	758,571	632,776
<u>3,842,018</u>	<u>4,476,071</u>	<u>3,951,064</u>	<u>4,377,343</u>	<u>3,660,980</u>	<u>3,971,076</u>
421,855	716,885	297,130	572,470	1,890,453	508,520
155,762	105,687	304,249	120,906	227,102	-
<u>4,419,635</u>	<u>5,298,643</u>	<u>4,552,443</u>	<u>5,070,719</u>	<u>5,778,535</u>	<u>4,479,596</u>
<u>(17,959,242)</u>	<u>(13,894,700)</u>	<u>(15,174,102)</u>	<u>(10,354,501)</u>	<u>(15,499,994)</u>	<u>(15,466,655)</u>
16,713,080	17,027,702	18,305,872	19,199,346	20,370,481	20,377,918
2,281,802	2,470,135	2,527,787	2,633,619	2,626,793	3,047,338
87,050	189,036	702,837	82,630	-	21,326
8,514,323	1,018,264	250,977	747,423	161,328	-
765,262	493,838	877,815	389,166	906,611	1,804,806
<u>28,361,517</u>	<u>21,198,975</u>	<u>22,665,288</u>	<u>23,052,184</u>	<u>24,065,213</u>	<u>25,251,388</u>
-	-	-	-	-	-
<u>\$ 10,402,275</u>	<u>\$ 7,304,275</u>	<u>\$ 7,491,186</u>	<u>\$ 12,697,683</u>	<u>\$ 8,565,219</u>	<u>\$ 9,784,733</u>

Charter Township of Northville

	As of December 31,			
	2012	2013	2014	2015
Operating Revenue				
Water and sewer	\$ 12,289,757	\$ 10,548,452	\$ 10,371,892	\$ 13,289,726
Solid waste	1,221,220	1,220,996	1,231,692	1,240,316
Total operating revenue	13,510,977	11,769,448	11,603,584	14,530,042
Operating Expenses				
Water and sewer	13,998,826	14,695,035	13,909,882	14,780,896
Solid waste	1,273,154	934,679	1,133,997	1,145,022
Total operating expenses	15,271,980	15,629,714	15,043,879	15,925,918
Operating Income (Loss)	(1,761,003)	(3,860,266)	(3,440,295)	(1,395,876)
Nonoperating Revenue (Expenses)				
Investment income	149,249	(831,373)	985,622	406,748
Interest expense	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-
Income (Loss) - Before contributions and other items	(1,611,754)	(4,691,639)	(2,454,673)	(989,128)
Operating grants and contributions	320,675	-	-	-
Capital grants and contributions	2,742,609	2,950,146	2,570,173	2,571,952
Total capital contributions	3,063,284	2,950,146	2,570,173	2,571,952
Transfers to other funds	(313,296)	-	-	-
Change in Net Position, business type	1,138,234	(1,741,493)	115,500	1,582,824
Primary government in total:				
Primary government revenue	\$ 36,372,666	\$ 32,702,154	\$ 35,703,629	\$ 40,799,852
Primary government expense	33,977,081	33,154,308	32,373,265	33,942,704
Total Primary government Change in Net Position	\$ 2,395,585	\$ (452,154)	\$ 3,330,364	\$ 6,857,148

Source: Township's annual financial statements

Changes in Business Type Net Position

Last Ten Fiscal Years

December 31, 2021

(Unaudited)

As of December 31,						
2016	2017	2018	2019	2020	2021	
\$ 14,986,362	\$ 15,858,043	\$ 15,354,365	\$ 14,802,478	\$ 16,698,964	\$ 15,259,102	
205,373	-	-	-	-	-	
15,191,735	15,858,043	15,354,365	14,802,478	16,698,964	15,259,102	
15,949,475	15,623,629	14,098,164	12,783,088	13,510,540	13,619,074	
269,639	93,448	523,999	-	-	-	
16,219,114	15,717,077	14,622,163	12,783,088	13,510,540	13,619,074	
(1,027,379)	140,966	732,202	2,019,390	3,188,424	1,640,028	
288,425	120,968	264,425	550,181	274,267	(16,483)	
-	-	-	-	-	-	
(738,954)	261,934	996,627	2,569,571	3,462,691	1,626,045	2,500
-	-	-	-	-	-	
1,967,366	3,797,481	4,093,237	2,995,771	1,647,021	2,477,013	
1,967,366	3,797,481	4,093,237	2,995,771	1,647,021	2,477,013	
-	-	-	-	-	-	
1,228,412	4,059,415	5,089,864	5,565,342	5,109,712	4,103,058	
\$ 50,228,678	\$ 46,274,110	\$ 46,929,758	\$ 46,471,333	\$ 48,464,000	\$ 47,453,116	
38,597,991	34,910,420	34,348,708	28,208,308	34,789,069	33,565,325	
\$ 11,630,687	\$ 11,363,690	\$ 12,581,050	\$ 18,263,025	\$ 13,674,931	\$ 13,887,791	

Charter Township of Northville

	As of December 31,			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund:				
Nonspendable:				
Prepays	\$ 47,588	\$ 39,012	\$ 24,955	\$ 28,931
Long-term receivable	1,159,884	960,111	816,853	673,595
Restricted	5,000	5,125	6,225	6,225
Assigned	-	-	-	-
Unassigned	4,429,642	5,752,961	7,036,145	8,458,234
Total general fund	<u>5,642,114</u>	<u>6,757,209</u>	<u>7,884,178</u>	<u>9,166,985</u>
All other governmental funds:				
Nonspendable:				
Prepays	17,697	-	81,243	108,660
Restricted:				
Parks, recreation, and cultural services	1,439,625	1,097,614	811,017	841,876
Debt service	1,360,894	1,207,110	431,690	390,854
Youth assistance	145,555	123,696	104,265	105,420
Drug forfeiture	1,590,962	1,455,089	1,339,507	1,249,549
Police and fire operations	3,533,774	2,862,861	2,356,783	3,758,701
Special operations	-	54,433	26,833	20,864
Conrad charitable trust	-	33,115	41,601	23,177
Metro act funds	-	-	-	-
Road improvements	-	-	-	-
Committed - Tree plantings & replacement	-	-	-	-
Assigned	437,084	551,014	1,508,423	1,650,392
Unassigned	-	-	-	-
Total all other governmental funds	<u>8,525,591</u>	<u>7,384,932</u>	<u>6,701,362</u>	<u>8,149,493</u>
Total of all governmental funds	<u>\$ 14,167,705</u>	<u>\$ 14,142,141</u>	<u>\$ 14,585,540</u>	<u>\$ 17,316,478</u>

Source: Township's annual financial statements

Fund Balances, Governmental Funds

Last Ten Fiscal Years

December 31, 2021

(Unaudited)

As of December 31,						
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	
\$ 24,980	\$ 5,373	\$ 95,944	\$ 90,917	\$ 104,648	\$ 75,146	
530,338	387,080	243,822	128,822	13,822	-	
-	-	-	-	-	461,670	
-	-	-	-	2,551,401	6,000,000	
<u>10,080,957</u>	<u>7,487,236</u>	<u>6,297,996</u>	<u>10,307,506</u>	<u>10,155,445</u>	<u>9,068,287</u>	
<u>10,636,275</u>	<u>7,879,689</u>	<u>6,637,762</u>	<u>10,527,245</u>	<u>12,825,316</u>	<u>15,605,103</u>	
95,178	18,616	327,873	327,573	348,874	259,594	
925,335	945,533	1,059,775	776,166	846,467	1,232,264	
486,429	679,406	1,090,585	1,725,103	2,680,923	3,778,315	
115,634	115,461	163,938	185,365	207,301	219,902	
1,312,353	1,423,510	1,075,318	820,682	603,139	645,842	
5,502,085	6,762,381	4,894,777	6,794,805	8,369,329	9,774,790	
15,806	-	-	-	-	-	
2,678	-	-	-	-	-	
-	137,317	149,108	77,403	92,586	119,965	
-	295,515	-	-	-	-	
321,574	363,807	-	-	-	-	
7,271,314	13,146,674	6,389,221	5,852,532	6,759,292	7,911,202	
-	-	-	-	-	-	
<u>16,048,386</u>	<u>23,888,220</u>	<u>15,150,595</u>	<u>16,559,629</u>	<u>19,907,911</u>	<u>23,941,874</u>	
\$ 26,684,661	\$ 31,767,909	\$ 21,788,357	\$ 27,086,874	\$ 32,733,227	\$ 39,546,977	

Charter Township of Northville

	As of December 31,			
	2012	2013	2014	2015
Revenue				
Property taxes	\$ 12,135,482	\$ 12,104,998	\$ 12,941,502	\$ 16,222,255
Licenses, permits, and charges for services	1,062,979	1,361,730	1,282,307	2,007,797
Federal grants	2,211,091	474,722	462,664	463,088
State sources	2,157,804	2,147,098	2,261,359	2,427,018
Fines and forfeitures	196,471	272,560	-	153,631
Interest income	86,826	(36,777)	124,336	79,256
Other revenue	2,139,410	2,351,948	3,179,280	1,982,262
Total revenue	19,990,063	18,676,279	20,251,448	23,335,307
Expenditures				
Current:				
Legislative	1,615,843	1,275,674	2,314,508	1,954,709
Facility operations	-	-	-	-
Information technology and communications				
Clerk	438,753	354,551	386,344	333,552
Treasurer	984,656	987,325	952,924	976,064
Police department	6,400,651	6,225,928	6,563,346	6,764,212
Fire department	4,259,831	4,299,760	4,750,283	4,747,836
Building department	482,455	548,026	526,861	640,655
Planning and zoning	165,172	173,747	186,394	217,583
Shared services	1,543,347	1,311,042	1,292,417	1,570,054
Community development programs	30,535	13,050	-	-
Other	-	-	-	-
Capital outlay	539,304	491,075	184,218	315,106
Debt service principal	-	-	-	1,980,000
Debt service interest	3,295,616	3,096,000	3,067,108	1,120,881
Total expenditures	19,756,163	18,776,178	20,224,403	20,620,652
Excess of Revenue Over Expenditures	233,900	(99,899)	27,045	2,714,655
Other Financing Sources (Uses)				
Payment to refunded bond escrow agent	(9,826,007)	-	-	-
Debt premium	843,254	-	-	-
Proceeds from issuance of debt	9,115,000	-	-	-
Proceeds from sale of assets	471	74,335	416,354	16,283
Transfers in	2,438,016	2,868,292	1,642,100	1,386,120
Transfers out	(2,124,720)	(2,868,292)	(1,642,100)	(1,386,120)
Total other financing sources (uses)	446,014	74,335	416,354	16,283
Net change in fund balances	679,914	(25,564)	443,399	2,730,938
Fund Balances - Beginning of year	13,487,791	14,167,705	14,142,141	14,585,540
Fund Balances - End of year	\$ 14,167,705	\$ 14,142,141	\$ 14,585,540	\$ 17,316,478
Debt service as a percentage of noncapital expenditures	17.38%	17.10%	15.66%	15.88%

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

December 31, 2021

(Unaudited)

As of December 31,						
2016	2017	2018	2019	2020	2021	
\$ 16,713,080	\$ 17,027,702	\$ 18,305,872	\$ 19,199,346	\$ 20,370,481	\$ 20,377,918	
1,953,377	2,405,813	2,641,913	2,397,131	2,087,771	2,507,213	
202,086	182,654	189,345	3,663	1,544,952	385,309	
2,507,912	2,978,795	2,721,729	3,190,442	2,817,330	3,285,100	
198,438	103,452	5,319	6,072	7,202	4,550	
87,050	189,036	702,837	747,423	161,328	21,326	
2,678,437	2,609,987	2,487,276	2,540,070	2,605,726	3,047,260	
<u>24,340,380</u>	<u>25,497,439</u>	<u>27,054,291</u>	<u>28,084,147</u>	<u>29,594,790</u>	<u>29,628,676</u>	
1,694,273	1,876,128	6,243,930	1,224,962	1,313,370	1,341,330	
280,128	358,201	390,477	366,433	489,264	490,798	
391,470	303,449	385,141	409,459	538,524	413,145	
881,256	918,012	938,565	945,327	986,506	894,429	
7,054,934	6,935,315	9,390,100	7,856,763	9,246,599	8,857,081	
4,621,109	5,073,888	6,373,614	5,041,169	6,021,364	5,731,178	
530,185	554,962	599,594	631,644	505,532	450,454	
235,544	311,904	630,261	179,223	168,788	174,170	
1,267,373	1,298,691	1,308,482	1,831,460	1,421,227	1,554,391	
-	-	-	-	-	-	
3,434,905	-	-	-	-	-	
74,517	698,601	8,156,799	1,302,011	190,122	155,902	
1,980,000	2,120,000	2,185,000	2,275,000	2,385,000	2,085,000	
1,056,128	983,304	896,389	804,809	708,091	612,444	
<u>23,501,822</u>	<u>21,432,455</u>	<u>37,498,352</u>	<u>22,868,260</u>	<u>23,974,387</u>	<u>23,167,946</u>	
838,558	4,064,984	(10,444,061)	5,215,887	5,620,403	6,460,730	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
8,529,625	1,018,264	464,509	82,630	25,950	353,020	
1,228,190	6,261,990	1,039,260	2,260,510	1,410,890	1,120,150	
(1,228,190)	(6,261,990)	(1,039,260)	(2,260,510)	(1,410,890)	(1,120,150)	
<u>8,529,625</u>	<u>1,018,264</u>	<u>464,509</u>	<u>82,630</u>	<u>25,950</u>	<u>353,020</u>	
9,368,183	5,083,248	(9,979,552)	5,298,517	5,646,353	6,813,750	
17,316,478	26,684,661	31,767,909	21,788,357	27,086,874	32,733,227	
<u>\$ 26,684,661</u>	<u>\$ 31,767,909</u>	<u>\$ 21,788,357</u>	<u>\$ 27,086,874</u>	<u>\$ 32,733,227</u>	<u>\$ 39,546,977</u>	
13.14%	15.35%	11.41%	15.06%	13.58%	12.22%	

Charter Township of Northville

Taxable Value by Property Type

Real Property

Tax Year	Fiscal year	Residential	Commercial	Industrial	Developmental
2011	2012	1,424,964,550	180,692,481	39,321,526	1,523,677
2012	2013	1,481,357,931	174,471,840	37,602,545	1,496,813
2013	2014	1,530,830,084	159,848,207	34,106,264	1,532,735
2014	2015	1,588,937,304	166,723,196	34,596,194	-
2015	2016	1,649,321,507	172,157,844	33,462,273	-
2016	2017	1,689,242,557	176,600,072	32,142,847	-
2017	2018	1,748,352,259	186,713,022	30,863,501	-
2018	2019	1,827,580,514	197,511,924	31,676,272	-
2019	2020	1,925,406,222	215,350,463	36,955,322	-
2020	2021	2,003,225,626	222,073,760	42,064,743	-

Source: Assessor's records

Taxable Value and Estimated Actual Value of Taxable Property

December 31, 2021
(Unaudited)

Taxable Value by Property Type

Personal Property	Total Taxable Value	Tax Rate (Mills)	State Equalized Value (SEV)	Taxable Value as a Percent of SEV
63,512,823	1,710,015,057	7.1574	1,764,076,740	96.94%
61,675,518	1,756,604,647	7.1074	1,836,113,250	95.67%
63,449,640	1,789,766,930	7.1074	1,867,281,729	95.85%
61,449,200	1,851,705,894	8.6564	2,014,863,081	91.90%
65,791,900	1,920,733,524	8.6564	2,200,717,244	87.28%
62,248,490	1,960,233,966	8.6564	2,320,473,362	84.48%
61,765,300	2,027,694,082	8.6564	2,452,109,475	82.69%
63,039,395	2,119,808,105	8.6564	2,515,166,900	84.28%
72,518,020	2,250,230,027	8.6564	2,660,103,904	84.59%
73,905,750	2,341,269,879	8.6232	2,751,543,350	85.09%

Charter Township of Northville

Northville Township

Tax Year	Fiscal Year	Operating	Operating*	Public Safety*	Shared Services*	Debt Service	Total
2011	2012	0.6824	0.1176	5.0000	0.4574	0.9000	7.1574
2012	2013	0.6824	0.1176	5.0000	0.4574	0.8500	7.1074
2013	2014	0.6824	0.1176	5.0000	0.4574	0.8500	7.1074
2014	2015	0.6816	0.1176	6.2500	0.7574	0.8498	8.6564
2015	2016	0.6804	0.1174	6.2386	0.7560	0.8640	8.6564
2016	2017	0.6750	0.1164	6.1899	0.7501	0.9250	8.6564
2017	2018	0.6702	0.1155	6.1465	0.7448	0.9794	8.6564
2018	2019	0.6642	0.1144	6.0917	0.7381	1.0480	8.6564
2019	2020	0.6554	0.1128	6.0112	0.7283	1.1487	8.6564
2020	2021	0.6525	0.1123	5.9847	0.7250	1.1487	8.6232

Note: All rates are expressed in dollars per \$1,000 of taxable value

Source: Township Treasury Department records

* Voted millages

Direct and Overlapping Property Tax Rates

**December 31, 2021
(Unaudited)**

Overlapping Government

Northville Schools

Overlapping Government										Total All	Total All
Northville Schools										Jurisdictions	Jurisdictions
Homestead	Non-Homestead	Northville District Library	Wayne County	Wayne County RESA	Schoolcraft College	Zoo Authority	DIA Authority	Huron Clinton Metro Authority	State Education	Homestead	Non-Homestead
5.5000	23.5000	1.3935	7.8220	3.4643	1.7967	0.1000	-	0.2146	6.0000	33.4485	51.4485
5.3000	23.3000	1.4223	7.8220	3.4643	1.7967	0.1000	0.2000	0.2146	6.0000	33.4273	51.4273
5.3000	23.3000	1.3913	7.8220	3.4643	1.7967	0.1000	0.2000	0.2146	6.0000	33.3963	51.3963
4.8678	22.8678	1.2856	7.8220	3.4643	1.7967	0.1000	0.2000	0.2146	6.0000	34.4074	52.4074
4.7937	22.7937	1.1530	8.7981	3.4643	1.7967	0.1000	0.2000	0.2146	6.0000	35.1768	53.1768
4.6248	22.6248	1.1431	7.8220	5.4643	1.7880	0.1000	0.2000	0.2146	6.0000	36.0132	54.0132
4.6140	22.6140	1.1337	7.8220	5.4643	1.7766	0.1000	0.2000	0.2140	6.0000	35.9810	53.9810
4.6041	22.6041	1.1224	7.8220	5.4643	1.7662	0.1000	0.2000	0.2129	6.0000	35.9483	53.9483
4.5919	22.5919	1.1077	7.8220	5.4643	2.2516	0.1000	0.2000	0.2117	6.0000	36.4056	54.4056
4.5853	22.5853	1.1015	7.8220	5.4643	2.2877	0.1000	0.2000	0.2104	6.0000	36.3944	54.3944

Principal Property Tax Payers

Current and Nine Years Ago
December 31, 2021
(Unaudited)

	2020	Percentage	2011	Percentage	2011
Taxpayer	Taxable Value	of Total	Taxable Value	of Total	Rank
1 Park Place Apts Property Owner LLC	25,111,182	1.07%	19,587,802	1.15%	1
2 Consumers Energy	23,855,412	1.02%	16,053,600	0.94%	2
3 DTE Electric Company	18,600,346	0.79%	14,797,761	0.87%	3
4 BMSH I Cedarbrook Northville MI LLC	16,054,400	0.69%			
5 REIS-MOB 1 LLC	12,792,039	0.55%			
6 Northville Woods Acquisition LLC	10,670,800	0.46%			
7 Kings Mill Cooperative	9,168,200	0.39%	8,644,057	0.51%	5
8 M/I Homes of Michigan	8,875,075	0.38%			
9 ZF North America	8,100,858	0.35%			
10 IRPF Northville Park Place LLC	7,759,600	0.33%			
ZF Technologies LTD, LLC	-	-	9,171,500	0.54%	4
Hayes-Lemmerz International LLC	-	-	7,415,659	0.43%	6
Meijer Inc	-	-	7,302,854	0.43%	7
Innsbrook LLC	-	-	6,461,800	0.38%	8
Huntington Management	-	-	5,592,544	0.33%	9
ZF Technologies, LLC	-	-	5,066,700	0.30%	10
Total	\$ 140,987,912	6.02%	\$ 100,094,277	5.85%	
Source: Assessor's records					
Total taxable value for each year	\$ 2,341,269,879		\$ 1,710,015,057		

Property Tax Levies and Collections

**Last Ten Fiscal Years
December 31, 2021
(Unaudited)**

Tax Year	Fiscal Year	Total Tax Levy	Collections to March 1 of Following Year	Percent of Levy Collected	Delinquent Collections	Total Tax Collections	Percent of Total Collections to Tax Levy
2011	2012	12,269,725	11,850,278	96.58%	235,814	12,086,092	98.50%
2012	2013	12,503,503	12,169,947	97.33%	327,879	12,497,826	99.95%
2013	2014	12,823,837	12,491,792	97.41%	332,045	12,812,270	99.91%
2014	2015	16,117,438	15,704,034	97.44%	389,749	16,093,783	99.85%
2015	2016	16,746,774	16,380,003	97.81%	360,679	16,740,682	99.96%
2016	2017	17,085,412	16,726,624	97.90%	354,696	17,081,320	99.98%
2017	2018	17,663,803	17,341,661	98.18%	312,924	17,654,585	99.95%
2018	2019	18,489,608	18,049,213	97.62%	430,623	18,479,836	99.95%
2019	2020	19,611,562	19,223,236	98.02%	374,317	19,597,554	99.93%
2020	2021	20,331,642	19,904,417	97.90%	418,308	20,322,726	99.96%

Note: Tax levy and collection information does not include special assessments.

Source: Township Treasury Department records

Charter Township of Northville

	As of December 31,			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities:				
General obligation bonds (1)	\$ 32,468,254	\$ 30,558,929	\$ 28,624,603	\$ 26,600,278
Installment purchase agreements	-	-	-	-
Special assessment bonds	525,000	485,000	445,000	405,000
Total	32,993,254	31,043,929	29,069,603	27,005,278
Business Type Activities:				
General obligation bonds	1,075,000	1,050,000	1,000,000	925,000
General obligation capital improvement bonds (1)	4,400,000	4,200,000	4,000,000	3,955,348
State Revolving Loan Fund	48,291	1,451,805	1,391,805	1,331,805
Total	5,523,291	6,701,805	6,391,805	6,212,153
Total debt of the government	\$ 38,516,545	\$ 37,745,734	\$ 35,461,408	\$ 33,217,431
Total taxable value	\$ 1,710,015,057	\$ 1,756,604,647	\$ 1,789,766,930	\$ 1,851,705,894
Ratio of total debt to taxable value	2.25%	2.15%	1.98%	1.79%
Total Population	29,514	30,255	30,490	30,010
Total debt per capita	\$ 1,305	\$ 1,248	\$ 1,163	\$ 1,107

* Population estimate information obtained from the Southeast Michigan Council of Governments: www.semco.org

(1) Presented net of original discounts and premiums

Note: Personal income information is not available

Source: Township's annual financial statements

Ratios of Outstanding Debt

Last Ten Fiscal Years

December 31, 2021

(Unaudited)

As of December 31,					
2016	2017	2018	2019	2020	2021
\$ 24,580,952	\$ 22,421,627	\$ 20,197,302	\$ 17,882,976	\$ 15,458,651	\$ 13,334,326
-	-	-	-	-	-
<u>360,000</u>	<u>315,000</u>	<u>270,000</u>	<u>225,000</u>	<u>180,000</u>	<u>135,000</u>
24,940,952	22,736,627	20,467,302	18,107,976	15,638,651	13,469,326
850,000	750,000	650,000	550,000	450,000	350,000
3,739,486	3,508,624	3,182,762	2,856,899	2,536,037	2,220,174
<u>1,266,805</u>	<u>1,201,805</u>	<u>1,136,805</u>	<u>1,066,805</u>	<u>996,805</u>	<u>926,805</u>
5,856,291	5,460,429	4,969,567	4,473,704	3,982,842	3,496,979
<u>\$ 30,797,243</u>	<u>\$ 28,197,056</u>	<u>\$ 25,436,869</u>	<u>\$ 22,581,680</u>	<u>\$ 19,621,493</u>	<u>\$ 16,966,305</u>
\$ 1,920,733,524	\$ 1,960,233,966	\$ 2,027,694,082	\$ 2,119,808,105	\$ 2,250,230,027	\$ 2,341,269,879
1.60%	1.44%	1.25%	1.07%	0.87%	0.72%
30,202	30,750	31,453	32,164	31,758	31,845
\$ 1,020	\$ 917	\$ 809	\$ 702	\$ 618	\$ 533

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
December 31, 2021
(Unaudited)

Fiscal Year	Tax - Limited	Tax Supported Bonds (UTGO)	Less Amounts	Total	Taxable Value	Debt as a	Population (2)	Debt per
	General Obligation Bonds (LTGO)		Available in Debt Service Fund (1)			Percentage of Taxable Value		Capita
2012	13,768,254	19,775,000	1,400,200	32,143,054	1,710,015,057	1.88%	29,514	1,089
2013	12,653,929	18,955,000	1,207,110	30,401,819	1,756,604,647	1.73%	30,255	1,005
2014	11,479,603	18,955,000	1,210,183	29,224,420	1,789,766,930	1.63%	30,490	958
2015	14,220,626	17,260,000	1,168,636	30,311,990	1,851,705,894	1.64%	30,010	1,010
2016	12,790,438	16,380,000	1,264,214	27,906,224	1,920,733,524	1.45%	30,202	924
2017	11,255,251	15,425,000	1,457,189	25,223,062	1,960,233,966	1.29%	30,750	820
2018	9,555,064	14,475,000	1,090,585	22,939,479	2,027,694,082	1.13%	31,453	729
2019	7,839,875	13,450,000	1,725,104	19,564,771	2,119,808,105	0.92%	32,164	608
2020	6,089,688	12,355,000	2,680,923	15,763,765	2,250,230,027	0.70%	31,758	496
2021	4,634,500	11,270,000	3,778,315	12,126,185	2,341,269,879	0.52%	31,845	381

Note: Details regarding the Township's outstanding debt can be found in the notes to the financial statements and the schedule of indebtedness.

(1) This is the amount assigned and restricted for debt service principal payments

(2) Population estimate information obtained from the Southeast Michigan Council of Governments: www.semcog.org

Source: Township's Treasury records

Direct and Overlapping Governmental Activities Debt

**December 31, 2021
(Unaudited)**

Governmental unit	Debt outstanding	Estimated Percent Applicable (1)	Estimated Share of Overlapping Debt
Northville School District	\$ 96,495,000	64.97	\$ 62,692,802
Plymouth-Canton District	257,165,000	2.78	7,149,187
Wayne County	203,433,180	5.35	10,883,675
Schoolcraft Community College	45,270,000	15.06	<u>\$ 6,817,662</u>
Total overlapping debt			\$ 87,543,326
Direct Township debt (not including debt related to business-type activities)			<u>13,469,326</u>
Total direct and overlapping debt			<u><u>\$ 101,012,652</u></u>

(1) Percent obtained from Municipal Advisory Council of Michigan

Source: Various taxing authorities

Charter Township of Northville

	As of December 31,			
	2012	2013	2014	2015
Calculation of debt limit:				
State equalized valuation (2)	\$ 1,764,076,740	\$ 1,836,113,250	\$ 1,867,281,729	\$ 2,014,863,081
Assessed value equivalent of Act 198 exemptions (1)	<u>13,197,500</u>	<u>15,458,000</u>	<u>13,549,646</u>	<u>12,924,500</u>
Debt limit (10% of SEV)	177,727,424	185,157,125	188,083,138	202,778,758
Calculation of debt subject to limit:				
Total debt	38,516,545	37,745,734	35,461,408	33,217,431
Less special assessment bonds	<u>525,000</u>	<u>485,000</u>	<u>445,000</u>	<u>405,000</u>
Net debt subject to limit	37,991,545	37,260,734	35,016,408	32,812,431
Legal debt margin	139,735,879	147,896,391	153,066,730	169,966,327
Net debt subject to limit as % of debt limit	21.38%	20.12%	18.62%	16.18%

(1) Assessed value changes in prior years as a result of Michigan tax tribunal case

(2) Debt limit is calculated based on prior tax year SEV

Source: Township's Treasury Department records

Act 279, Public Acts of Michigan, 1909, as amended, provides that the net indebtedness of the City shall not exceed 10% of all assessed real and personal property in the Township plus assessed value equivalent of Act 198 specific tax levies.

Bonds which are not included in the computation of legal debt margin according to said Act 279 are:

- (a) Special assessment bonds
- (b) Mortgage bonds
- (c) Michigan Transportation Fund bonds and notes
- (d) Revenue bonds
- (e) Bonds issued, or contract or assessment obligations incurred, to comply with an order of the former water resources commission, the department of environmental quality, or a court of competent jurisdiction
- (f) Bonds issued, or contract or assessment obligations incurred, for water supply, sewerage, drainage, or refuse disposal projects necessary to protect the public health by abating pollution
- (g) Bonds issued, or contract or assessment obligations incurred, for the construction, improvement, or replacement of a combined sewer overflow abatement facility
- (h) Bonds issued to pay premiums or establish self-insurance contracts in accordance with Act 34, Public Acts of Michigan, 2001, as amended

Legal Debt Margin

December 31, 2021
(Unaudited)

As of December 31,					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 2,200,717,244	\$ 2,320,473,362	\$ 2,452,109,475	\$ 2,515,166,900	\$ 2,660,103,904	\$ 2,751,543,350
<u>13,526,985</u>	<u>12,896,200</u>	<u>12,133,700</u>	<u>11,346,800</u>	<u>12,734,400</u>	<u>7,927,045</u>
221,424,423	233,336,956	246,424,318	252,651,370	267,283,830	275,947,040
30,797,243	28,197,056	25,436,869	22,581,680	19,621,493	16,966,305
<u>360,000</u>	<u>315,000</u>	<u>270,000</u>	<u>225,000</u>	<u>180,000</u>	<u>135,000</u>
30,437,243	27,882,056	25,166,869	22,356,680	19,441,493	16,831,305
190,987,180	205,454,900	221,257,449	230,294,690	247,842,337	259,115,734
13.75%	11.95%	10.21%	8.85%	7.27%	6.10%

Charter Township of Northville

Pledged-Revenue Coverage

December 31, 2021

(Unaudited)

Fiscal year	Special assessment bonds				
	Special assessment collections	Debt service		Coverage	
Principal		Interest			
2012	\$ 58,171	\$ 40,000	\$ 23,748	0.09%	
2013	127,396	40,000	21,648	0.21%	
2014	171,463	40,000	20,778	0.28%	
2015	112,847	40,000	19,488	0.19%	
2016	96,274	45,000	17,996	0.15%	
2017	61,869	45,000	16,275	0.10%	
2018	53,103	45,000	13,613	0.09%	
2019	59,175	45,000	11,588	0.10%	
2020	50,298	45,000	9,563	0.09%	
2021	28,347	45,000	7,481	0.05%	

Source: Township's annual financial statements

Charter Township of Northville

Demographic and Economic Statistics

December 31, 2021

(Unaudited)

Fiscal year	Population	Personal income (in thousands)	Per Capita Personal Income	Unemployment rate
2012	29,514	*	*	2.25
2013	30,255	*	*	1.80
2014	30,490	*	*	1.50
2015	30,010	*	*	1.80
2016	30,202	*	*	1.60
2017	30,750	*	*	1.40
2018	31,453	*	*	1.30
2019	32,164	*	*	1.30
2020	31,758	*	*	3.80
2021	31,845	*	*	1.50

* Data as of December 31st not available.

Sources: Southeast Michigan Council of Governments
Michigan Department of Labor and Economic Growth
U.S. Bureau of the Census
U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Principal Employers

December 31, 2021

(Unaudited)

<u>Employer</u>	<u>2021 Employees</u>	<u>2012 Employees</u>
1 ZF Group North American	450	300
2 Aisin World Corporation of America	350	-
3 Bed Bath & Beyond	300	-
4 Home Depot	300	-
5 Meijer	300	750*
6 Northville Health Center	300	-
7 Belanger Inc	150	-
8 Hawthorn Center	150	-
9 Jack Doheny Co	150	-
10 Kroger	150	-
11 Meadowbrook Country Club	150	-
12 Mitsubishi Electric Automotive	150	-
14 NTH Consultants LTD	125	-
15 Northville High School	120	-
16 PF Chang's	120	-
17 Kohl's	115	135
18 Granite City Food & Brewery	115	-
19 Hayes Lemmerz International	-	175

* Includes part-time and seasonal

Source: Reference Solutions

Charter Township of Northville

Full-Time Equivalent Government Employees

Last Ten Fiscal Years

December 31, 2021

(Unaudited)

Function/ program:	As of December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Manager's Office	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Treasurer's Office	7.0	7.0	5.0	5.0	5.0	5.0	5.0	3.5	4.0	3.0
Human resources	1.0	1.0	1.0	1.0	-	-	-	1.0	2.0	2.0
Information technology	1.0	1.0	1.0	1.0	1.0	2.5	2.5	2.0	2.0	2.0
Community Relations	-	-	-	-	-	-	-	1.0	-	-
Clerk's Office	4.0	4.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Facility operations	-	-	-	-	2.0	2.0	2.0	2.0	2.0	2.0
Police department	43.5	43.5	43.0	43.0	43.0	43.0	43.0	49.0	48.0	47.0
Fire department	28.0	32.0	32.0	32.0	32.0	32.0	32.0	31.0	31.0	31.0
Building department *	4.5	4.5	5.5	5.5	5.5	4.5	4.5	4.5	2.5	2.0
Department of Public Services	16.0	16.0	16.0	16.0	13.0	13.0	13.0	14.0	14.0	14.0
Planning department *	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.0
Youth assistance	1.0	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5	0.5
Total	108.5	112.5	109.0	109.0	108.0	108.0	108.0	114.0	111.5	110.5

* Planning and Building each share one full-time employee.

Police department includes dispatch.

Source: Township's human resources records

Charter Township of Northville

Function/ Program	As of December 31,			
	2012	2013	2014	2015
Clerk's				
Election data	2-28-12 PP			
Registered voters	21,665			
Voters at polls	3,117			
Absentee ballots	2,676			
Percent voting	27.00%			
Election data		5-7-13 Sch.		5-5-15 Sch.
Registered voters		1,987		20,857
Voters at polls		45		3,506
Absentee ballots		269		3,806
Percent voting		16.00%		35.06%
Election data	9-5-12 Spec.		8-5-14 Prim	
Registered voters	22,119		22,499	
Voters at polls	578		3,915	
Absentee ballots	2,022		3,277	
Percent voting	12.00%		31.97%	
Election data	11-6-12 Gen		11-4-14 Gen	11-3-15 Gen
Registered voters	22,560		22,584	20,684
Voters at polls	10,427		7,457	1,125
Absentee ballots	6,993		5,000	3,289
Percent voting	83.00%		59.83%	21.34%

Operating Indicators

Last Ten Fiscal Years

December 31, 2021

(Unaudited)

As of December 31,

2016	2017	2018	2019	2020	2021
(no elections were held in 2019)					
3-8-16 PP				3-10-20 PP	
22,154				24,118	
6,517				5,184	
3,905				5,051	
48.20%				42.44%	
	11-7-17 Sch.				5-4-21 Sch.
	20,402				25,231
	2,502				840
	3,057				3,736
	27.25%				20.05%
8-2-16 Prim		8-7-18 Prim		8-4-20 Prim	
20,990		20,895		24,545	
1,464		4,691		2,466	
3,537		4,426		8,284	
23.83%		43.63%		43.80%	
11-8-16 Gen		11-6-18 Gen		11-3-20 Gen	
23,124		21,321		25,713	
10,454		9,560		9,762	
7,345		7,028		15,951	
76.97%		77.80%		81.62%	

Charter Township of Northville

Function/Program	2012	2013	2014	2015
General Government				
Building Permits Issued	-	2,495	2,317	2,400
Number of Building Inspections	-	6,713	5,725	6,440
New Residential Building Permits	-	85	57	44
Public Services				
Solid Waste				
Solid Waste Collected and Disposed (Tons)	-	6,319	7,019	7,043
Single Stream Recycling (Tons)	-	1,777	1,959	1,955
Yard Waste (Tons)	-	3,107	3,179	3,334
Wastewater				
Sewer Line Cleaned (miles)	-	22	30	27
Sewer Structures Inspected	-	290	357	769
Sewer Structures Repaired	-	7	14	33
Water				
Number of Meter Readings	-	49,578	50,097	50,582
Water Meters Installed	-	100	594	36
Fire Hydrants Inspected and Tested	-	921	351	1,762
Police				
Crime data				
Part A crimes	776	822	852	930
Part B crimes	233	264	249	249
Traffic crashes involving fatalities	3	-	-	-
Traffic crashes involving injuries	87	92	83	74
Property damage crashes	461	394	486	389
Parking violations	61	96	94	831
Moving traffic violations	4,563	4,289	3,843	5,969
Adult arrests	817	679	672	645
Juvenile arrests	47	28	48	48
OUIL arrests	80	101	65	67
False alarms	1,273	1,315	1,427	1,346
Fire				
Total fire calls	2,334	2,600	2,779	3,081
Fire incidents	46	53	50	44
Service incidents	524	557	594	656
Fire inspections conducted	-	97	121	246

Operating Indicators

Last Ten Fiscal Years
December 31, 2021
(Unaudited)(Continued)

2016	2017	2018	2019	2020	2021
2,442	2,908	3,384	2,987	2,899	3,704
5,636	6,413	8,448	7,865	6,198	6,963
61	90	162	78	77	94
7,709	7,623	7,745	7,641	8,770	9,251
1,702	1,860	1,988	1,985	1,817	1,458
3,296	3,120	2,247	2,352	2,450	1,749
33	18	33	20	7	26
1,402	395	957	301	122	544
5	46	-	16	8	21
51,128	51,217	51,088	51,254	50,537	51,163
40	72	98	107	69	93
1,781	823	1,857	154	1,983	1,998
935	883	822	712	607	671
313	610	494	356	212	162
-	-	-	-	2	-
120	106	96	116	78	98
459	500	443	453	274	291
187	125	62	55	20	15
4,035	3,377	3,261	2,937	612	709
840	889	684	661	340	317
37	54	19	6	32	25
77	49	62	50	27	34
1,710	1,390	1,341	1,211	777	1,023
3,200	3,414	3,311	3,301	3,138	3,121
46	40	49	34	55	49
607	661	702	708	663	760
213	450	393	331	199	200

Charter Township of Northville

Function/ program	As of December 31,			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Water and Sewer				
Customers:				
Residential	7,332	7,430	7,483	7,512
Commercial	1,059	1,061	1,069	1,076
Water (in thousand gallons):				
Purchased from Detroit	1,305,133	1,078,321	931,731	996,543
Sold to residents	1,223,513	1,006,256	868,217	936,387
Rates				
Fixed rate monthly water charge (*)	\$ -	\$ -	\$ 7.36	\$ 15.62
Fixed rate monthly sewer charge (*)	-	-	2.78	12.45
Water rate per 1,000 gallons	4.94	5.19	5.19	5.19
Sewer rate per 1,000 gallons	4.59	4.82	4.82	4.82
Flat rate sewer (Bi-monthly rate)	\$ 114.75	\$ 120.49	\$ 120.49	\$ 120.49

(*) In 2014, the Township adopted a fixed rate structure for both water and sewer fees. Rates assume a 1" meter size.

Capital Asset Statistics

Last Ten Fiscal Years

December 31, 2021

(Unaudited)

As of December 31,					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
7,550	7,620	7,708	7,805	7,872	7,952
1,078	1,080	1,090	1,100	1,102	1,102
1,099,909	1,113,338	1,047,049	971,294	1,143,555	1,008,597
1,050,340	1,042,223	972,772	922,057	1,073,131	942,866
\$ 17.97	\$ 17.97	\$ 17.97	\$ 17.97	\$ 17.97	\$ 17.97
12.45	12.45	12.45	12.45	12.45	12.45
5.55	6.53	6.53	6.53	6.53	6.53
5.09	4.75	5.09	5.09	5.09	5.09
\$ 120.49	\$ 120.49	\$ 120.49	\$ 120.49	\$ 120.49	\$ 120.49

A Legacy of Leading

CHARTER TOWNSHIP *of* NORTHVILLE



Having the courage to
make responsible decisions
for our community
and future generations

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended December 31, 2021
Charter Township of Northville, Michigan