

# **Charter Township of Waterford, Michigan**

## **Annual Comprehensive Financial Report**



**For the Fiscal Year Ended  
December 31, 2023**

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# Charter Township of Waterford

Oakland County, Michigan

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**Annual Comprehensive Financial Report  
with Supplementary Information  
For the Fiscal Year Ended  
December 31, 2023**

**Prepared by the Accounting Department**

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Waterford, Michigan 48329-3773  
[www.waterfordmi.gov](http://www.waterfordmi.gov)

June 24, 2024

To the Board of Trustees and Citizens  
Charter Township of Waterford  
Oakland County, Michigan

In accordance with accounting principles generally accepted in the United States, the administration is submitting the Annual Comprehensive Financial Report (Annual Report) for the fiscal year ended December 31, 2023. This report has been prepared in conformance with the principles and standards for financial reporting as set forth by the Governmental Accounting Standards Board (GASB) and complies with the requirements of GASB Statement Number 34. It discusses the financial results for the year, provides information on budgetary performance, and includes information on the financial condition of Waterford Township. This report was prepared by and is the responsibility of the Township's management.

This transmittal letter provides information regarding the economy and the governing structure of Waterford Township. An overview of the Township's financial activities for the fiscal year is discussed in detail in the Management's Discussion and Analysis (MD&A) portion of the financial section of the Annual Report, which should be read in conjunction with this letter.

## **GOVERNMENT PROFILE**

Waterford Township is a charter township organized and regulated by Act 359 of 1947. Policy-making and legislative authority are vested in a seven member board. The executive function is distributed between the Township Supervisor, Clerk and Treasurer; all of whom are full time, elected officials that also sit on the Board. The remaining four members are elected at large in partisan elections and are part-time legislators. The Board is responsible for passing ordinances, determining policy, and adopting the budget.

This report covers all funds of Waterford Township. The Township provides a full range of services, including, but not limited to, police, fire, library, recreational, water and sewer.

## **ECONOMIC CONDITION AND OUTLOOK**

The Charter Township of Waterford was established as a Charter Township in 1961 by a vote of the electorate. The Township is located in Oakland County, immediately to the west of the City of Pontiac. The Township has an area of 35.3 square miles and is traversed from east to west by M-59 (Highland Road) and from Southeast to Northwest by US-24 (Dixie Highway).

The Township is the geographic center of Oakland County. It is the 5<sup>th</sup> most populated township in Michigan. A portion of the Oakland County Government campus is located in Waterford. The Oakland Intermediate School District is also headquartered in Waterford. Oakland County International Airport (OCIA) is located in the northwest portion of the Township. The airport is a designated general aviation reliever airport serving individuals, businesses and industries in Oakland County, the State of Michigan and the nation. OCIA is ranked as the nation's twelfth busiest general aviation airport with an average of approximately 142,000 takeoffs and landings annually. More than 150 corporations base aircraft at OCIA, many with several aircraft. Over 650 aircraft are based at the airport, and their value is in excess of \$500 million. The Canadian National (formerly the Grand Trunk) Railroad traverses the Township from Southeast to Northwest. The railroad provides shipping access to several Township businesses.

According to the SEMCOG 2045 Regional Development Forecast, the major industry sectors within Waterford Township are retail trade; information and financial activities; leisure and hospitality; administrative, support & waste services; healthcare services; education services; and public administration. The industry sectors with the highest percentage increase in this forecast are professional and technical services & corporate headquarters and healthcare services. Community leaders within the region and within the Township will aggressively pursue opportunities to increase employment options over the next five to ten years. Further, the Township has an area wide sewer system which is connected to the Great Lakes Water/Sewer Authority (GLWA) system for treatment. The municipal water system is owned by Waterford and is operated by the Township's Department of Public Works. The Township's water and sewer system can support the economic growth of the community.

Although Waterford is primarily a residential community, several major businesses are located in the Township. Rite Aid Drug Store's regional distribution center, serving six states, operates a quarter million square foot warehouse complex. Safety Technology International is a family owned company that is a worldwide supplier of products for the fire and safety industry. DMF Bait is the nation's largest packaged fishing bait wholesaler. Other industries within the Township include metal fabricating, screw machine productions, and manufacturers of motor parts, electronic components, industrial computers, and precision measuring instruments. Retail boat sales have a large presence in the Township because of the numerous lakes. Numerous automotive related plants are located within minutes of the Township.

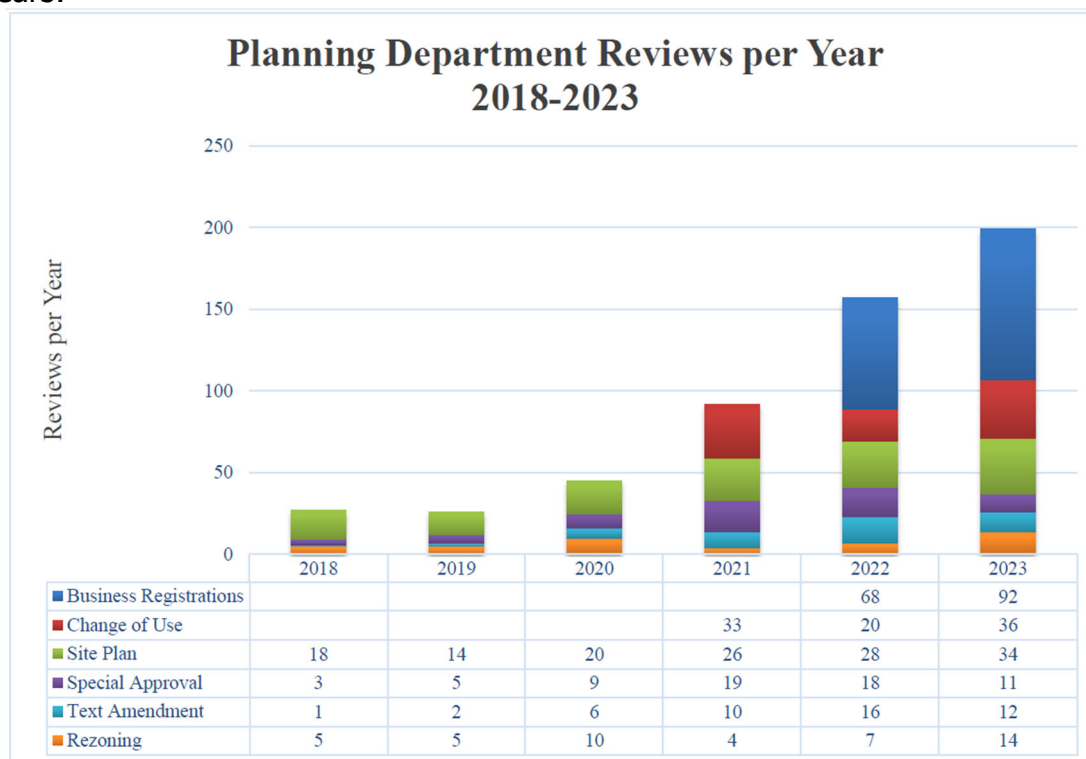
## ECONOMIC CONDITION AND OUTLOOK (continued)

In 2023 Dayton Freight Lines, Inc., a leading provider of regional less-than-truckload (LTL) transportation services, relocated their Detroit Service Center and doubled its size with a brand-new facility here in Waterford Township. This state-of-the-art building is conveniently located to service metro Detroit by using both the Telegraph Road and the Dixie Highway corridors. Built on 29-acres of formally toxic land, the new service center increased its capacity with 132 dock doors and an attached shop. Additional features include a snow scraper, secured parking, an irrigation system and enclosed fueling.

### Commercial Development

During 2023 year, the Development Services Department set an all time record in reviewing 92 business registrations in a single year. Of these 92 registrations, 70 were opened during the 2023 year and the remainder by early 2024. This is one new business per 1,000 residents within the Township. This substantial number of business registrations provides an indication of increased economic activity in the community. There has also been a steady increase in major construction approvals year after year within the Township. All of these have been attributed to the Township's push to be more business friendly as it works to become certified by the Michigan Economic Development Corporation as a Redevelopment Ready Community.

The following table demonstrates commercial activity within the Township over the past six years:





## Residential Development

Since the start of 2023, residential development rates have rebounded from three years of record lows which is generally attributed to inflation and economic changes from the global COVID-19 pandemic. From 2020-2022 we found that less homes were being built but more building permits were been pulled for what could be considered “luxury” expansions to existing home such as pools, decks, and building additions. For these years it appears that residents were staying in their homes and focusing on renovations rather than constructing new houses. However, in 2023 we have found that others are looking to join in on the fun and take advantage of all that Waterford has to offer. In addition to more businesses being established within the Township in one single year, more homes have been built in 2023 than ever before. The most rational conclusion one can extrapolate from this data is that people simply want to be here in Waterford Township. In addition the Township has had more permits pulled in a single year than for the period 2017-2022 combined. The most common permits pulled are electrical permits, mechanical permits, and plumbing permits (1,257, 977, and 699 respectively). Additionally existing homes are selling quickly, and the price of available homes have been increasing. The recent COVID-19 pandemic caused major interest in housing opportunities near, and on, plentiful outdoor recreational amenities. The Township is working on fostering these amenities and leveraging the economic potentials of the Township’s outdoor recreation assets.

The following table demonstrates building permit activity within the Township over the past 13 years:

### Building Permits Issued

| Calendar Year | New Single Family Homes | New Condominium Units | New Commercial | Total Permits |
|---------------|-------------------------|-----------------------|----------------|---------------|
| 2023          | 105                     | 0                     | 5              | 3728          |
| 2022          | 45                      | 0                     | 12             | 605           |
| 2021          | 41                      | 0                     | 7              | 505           |
| 2020          | 55                      | 0                     | 1              | 1018          |
| 2019          | 78                      | 0                     | 8              | 581           |
| 2018          | 81                      | 0                     | 10             | 616           |
| 2017          | 80                      | 0                     | 5              | 582           |
| 2016          | 69                      | 0                     | 4              | 470           |
| 2015          | 72                      | 0                     | 5              | 511           |
| 2014          | 52                      | 0                     | 4              | 442           |
| 2013          | 31                      | 0                     | 3              | 408           |
| 2012          | 16                      | 0                     | 3              | 389           |
| 2011          | 7                       | 0                     | 1              | 326           |

## **Area Demographics**

Oakland County is located in the southeast portion of Michigan's Lower Peninsula. The County has an area of 910 square miles, which includes 30 cities, 10 villages and 21 townships. Within the county are 5 rivers, 423 inland lakes, numerous small streams and rolling landscapes – all of which make the area attractive to homeowners and builders. Waterford is the largest Township in Oakland County.

Oakland County private sector employment outperformed the nation, the state and major labor market areas in the state in the last decade. However, both Oakland County and Waterford Township were impacted by the trying economic environment of the nation and the State during the recession. Recovery was slow and the recent COVID-19 pandemic took a toll on the local economy. With that being said, there are signs of sustainable employment in the local economy as the monthly unemployment rate for Oakland County improved from year to year with 2.7 per cent reported in April 2022, down to 1.7 per cent reported in April 2023.

Oakland County has been AAA Bond Rated since the mid-1990s and is considered a leader in economic development in the State of Michigan. Oakland County has consistently scored near the top of 35 U.S. counties of similar size based on leading economic indicators as compiled and studied by Donald Grimes and George Fulton from the University of Michigan.

Based on the results of the 2020 Census, the economic recession has continued to impact Waterford Township. While the County's population has increased 6 percent, Waterford Township experienced a 1.59 percent population decrease between 2010 and 2020. This is consistent with Waterford's population decrease of 2 percent from the 2000 to 2010 period. The County's population remained virtually unchanged between 2000 and 2010, increasing only 0.68 percent. This was the second decade-to-decade population decrease that Waterford has experienced since the 1900 to 1910 period, when Waterford's population decreased 1.3 percent.

## **FINANCIAL INFORMATION**

### **Internal and Budgetary Control**

Township administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Township are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, rather than absolute assurance, that these objectives are met because the cost of a control should not exceed the benefits derived. The primary financial management control instrument of the Township is the annual budget. The annual budget

## **Internal and Budgetary Control (continued)**

is presented at a Board of Trustees meeting and is adopted in December each year by the Board in accordance with the State of Michigan Uniform Budgeting Act, P.A. 621 of 1978, for use and implementation for the subsequent year. The Township's fiscal year is January through December. The budget document is available on the Township's Website. There are various analytical sheets at the beginning of the budget document that outline how resources are derived and how they are allocated.

Budget preparation begins in the summer of each year. Department and financial staff assess potential revenues and expenses and submit a request to the Township Supervisor. The Township Supervisor, the Budget Director and the Assistant Budget Director review all departmental requests and prepare a final recommended budget for submission to the Township Board. There are multiple internal and public meetings with various stakeholders and the public to convey information and garner input for the Township's Annual Budget. The Board approves appropriations on a departmental basis, which becomes the legal level of control. An encumbrance system works alongside a purchase order system and a Procurement Policy to ensure that this control is honored. Throughout the fiscal year when amendments to the budget are necessary, they are brought to the Township Board for approval. Amounts appropriated, but not spent by the end of the fiscal year, are re-appropriated by the Board for the subsequent fiscal year.

All internal control evaluations occur within the above framework. The Township Board believes that its internal control structure adequately safeguards assets and provides reasonable assurance of the proper recording of financial information for both internal and external reporting purposes and that the financial statements are free of any material misstatements.

## **Long Term Financial Planning**

Waterford uses a multi-year forecasting tool to assist with the long term financial planning process. The Township monitors financial trends and stays in contact with state, county and regional authorities to project major revenue categories including property taxes, state shared revenue, contracts for service and economic development related fees.

There was a dramatic decline in property values due to the economic recession that affected values through 2013. For 2023, property values rose quicker than in the recent past due to inflation and the shortage of available housing. However, the Headlee Amendment continues to dampen property tax revenue increases for the Township.

## **Long Term Financial Planning (continued)**

Federal Government allocations from the CARES ACT helped insulate the Township and offset the full impact of the public health emergency. The Township Board is currently completing the process of executing its \$9.2 million allocation of Federal ARPA Act Funding with addressing staffing and deferred maintenance projects throughout the Township.

The Library millage and a Fire millage were renewed by the voters in August of 2022. A modest Parks and Recreation Millage request was passed by voters in August of 2014. This millage will be up for renewal in 2024. This dedicated millage helped shore up and sustain non state mandated recreation services that are provided by the Township's Parks and Recreation Department. The Police Department has a millage up for renewal in 2024 as well. Millage renewals are important for Waterford's public safety departments in order to provide essential services. A Police and Fire Special Assessment in 2018 was also vital to help maintain these essential services and to help offset the large decreases in property taxes brought about by the 2008 housing devaluation and built-in slow recovery rate of the Headlee Amendment. The Police and Fire SAD also has a portion of this revenue stream that is dedicated for emergency vehicles. Therefore, the public safety fleet is able to recover its operational standing. As of the writing of this document the Township is working with Oakland Community College to obtain a portion of the Highland Lakes Campus including several buildings to provide an updated and more adequate Community Center for the whole community to enjoy. This project will likely culminate in a Bond Proposal question put to the voters in November of 2024.

Both of Waterford's pension systems, General Employees and Police and Fire, are closed to new hires. New hires participate in 401-K style defined contribution plans. These changes were made to help the Township curtail some of its long-term obligations and develop a more predictable financial model. Additionally, the Township has closed its employer sponsored retiree health care system to all employees. In its place new employees have a defined contribution retiree health care plan. The Township has a Retiree Health Care Trust for its defined benefit plan. As of 12-31-2023 the trust has met the State's required minimum standard of being 40% funded but this will remain a challenge for the Township in both the short and near term future. In 2021, the Township Board instituted two major reforms in this area. These measures involved plan design changes for existing retirees and exempting some former employees from this benefit. These measures removed \$40 million in liability from the township's books and has helped increase the funding level dramatically. The Township gained over 13.25% in its funded position in 2023. The Townships 2023 year-end funded level was 46.01%. This was an extremely positive change and allowed the Township to exceed the State minimum funding guideline for the first time in its history. The plan design changes were not easy and involved concessions and education of retirees but allowed the Township to take a major step forward in this legacy cost area. Additional contributions and market

## **Long Term Financial Planning (continued)**

based earnings have helped the Retiree Health Trust's position in the last few years, but more effort and tough choices remain in this area. The Township will be paying close attention to health and pension related expenses. The goal in this area is sustainability so work from many fronts is important. Changes in the federal health care policy have had an impact on Township budgets. The Township began implementing Michigan P.A. 152 in August 2012. This Act relates to health care costs. The Township implemented the most fiscally conservative option under P.A. 152. The estimated savings were \$1.2 million annually once this option was fully implemented for all employee groups. In 2013, the Township made changes to its retiree health care plan. This change was estimated to save the Township \$350,000 in the first year of implementation. Subsequently, the Township changed its retiree prescription plan which saved an estimated \$400,000 over previous plan offerings. Volatility in the stock market can also impact, either in a positive or negative manner, the Township's funding for the defined benefit pension plans and the retiree health trust fund. The defined contribution plans for new employees are more closely aligned with private-sector benefit offerings and are expected to help the Township with its long-range planning.

Waterford Township's bond rating was upgraded in the spring of 2014 from A+/Stable to AA/Stable by Standard and Poor's (S&P) Rating Service. A bond rating to a municipality is like a FICO credit score for an individual. A high bond rating is an indication of favorable finances and positive financial management choices that have been made. A better bond rating is desirable if a municipality decides to issue public debt because a lower interest rate can be obtained. The Township carries no structured bond debt on the governmental side. Bond debt resides on the Water-Sewer/Enterprise Fund side of the fiscal house. Waterford makes an effort, when possible, to pay cash for vehicles, capital projects and regional shared water-sewer projects to avoid interest payments. In the coming years several major 'downstream' multi-million dollar projects from the Township's regional partners in sewer conveyance and treatment will put a strain on the Township's Enterprise (Water-Sewer) Fund. The fund is in strong shape, but the Board and the community will need to continue supporting deferred maintenance projects in a local and regional capacity.

## **Major Initiatives**

In August of 2018, Waterford Township voters passed a Special Assessment District (SAD) for Public Safety for up to 2.95 mills. This type of special assessment is authorized by Michigan law through Public Act 33 of 1951. The assessment is dedicated to police and fire for equipment, maintenance, personnel and operations and is instrumental in helping the Township provide public safety in the years to come.

## **Major Initiatives (continued)**

In late 2017, the State of Michigan enacted Public Act 202 titled, Protecting Local Government Retirement and Benefits Act. The act sets standards of fundability for pension and retiree health care systems. Both of the Waterford pension systems exceed the state standards, but the retiree health care system did not meet the threshold. Therefore, the Township Board was tasked with developing and submitting a Corrective Action Plan (CAP) to the State of Michigan.

For 2023 the Township has surpassed the minimum for the Retiree Health Care Fund! At the end of 2023 Waterford was ahead of schedule on its corrective action plan for its retiree health care plan. The Township Board, employees, unions, and the community will need to continue working together to collectively resolve this financial challenge. In short, more work is needed but great strides have been made within the last several years in this area.

## **Relevant Financial Policies**

The accounting policies of the Township conform to Generally Accepted Accounting Principles (GAAP) in the United States of America as applicable to government units. Further significant policies are discussed in detail under Note 1 of the Basic Financial Statements section of the financial statements. There are no policies that have had a significant or unusual impact on the current period's financial statements. The Township continues to work closely with its auditors and actuaries and strives to adhere to all applicable accounting principles.

## **Cash Management**

The Township's nationally certified Investment Policy adopted on April 28, 2008 includes the legal requirements for municipalities covered under Michigan Public Act 20 of 1943, as amended. It is the policy of the Charter Township of Waterford to invest public funds in a conservative manner which will ensure the preservation of capital while providing the best investment return with maximum security, meeting the daily cash flow demands of the Township. Investments are placed with institutions that are approved yearly by the Township Board and deemed to provide minimal risk to the Township's assets. Our investment portfolio currently consists of money market funds, certificates of deposit, CDARS, U.S. Treasury and other obligations of the U.S. and authorized local government pooled funds, in compliance with the Township's investment policy and Public Act 20, as amended.

## **Risk Management**

The Charter Township of Waterford is a member of the Michigan Municipal Risk Management Authority (MMRMA). MMRMA is a self-insured association with a membership of approximately 330 Michigan local governmental units. It provides risk management, claims administration, legal defense, and reinsurance services for its members. Waterford has liability coverage of up to \$15,000,000 per occurrence and the self-insured retention is \$100,000 per occurrence. The Township is actively involved in risk control through supervisory and employee training, facilities inspections, and utilization of the MMRMA Risk Control Staff.

Waterford Township is also self-insured for workers' compensation coverage. The Township has retained the services of Comprehensive Risk Services (CRS) as a third-party administrator to monitor and pay workers' compensation claims on its behalf. The Township, in cooperation with CRS, aggressively manages claims and works to reduce on-the-job injuries through safety training, inspections and an employee safety committee. The Township is self-insured for the first \$400,000 per occurrence in claims for Worker's Compensation events and has insurance coverage for events that exceed the \$400,000 threshold. Substantial savings are realized by being self-insured but requires the Township to have adequate reserves in the event that loss events occur.

## **Component Units**

Included in the financial statements are three discretely presented component units: Economic Development Corporation (EDC), Brownfield Redevelopment Fund, and Waterford Youth Assistance Corporation. Although considered separate legal entities, the component units are part of the Township's operations and are financially accountable to the Township and the Township Board has the ability to impose its will on each entity.

## **Independent Audit**

As required by State of Michigan law, the Charter Township of Waterford accounts and financial statements have been independently audited by the accounting firm Plante & Moran, PLLC. The goal of the audit is to obtain a reasonable assurance that the financial statements contained within are free of material misstatement and accurately reflect the financial position of the Township. The auditor's report is presented as the first component of the financial section of this report.

In addition, Plante & Moran conducted the federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. This report is issued separately. While the independent auditor has expressed an unmodified opinion of the financial statements contained in this report, management takes sole responsibility for the contents of the Annual Comprehensive Financial Report. To the best of its knowledge, staff believes the Annual Report information is accurate in all material respects.

## **AWARDS AND RECOGNITIONS**

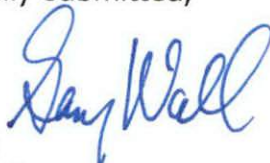
The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Charter Township of Waterford for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. This was the nineteenth consecutive year that the Township has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report 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.

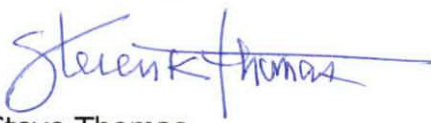
## **ACKNOWLEDGEMENTS**

This Annual Comprehensive Financial Report reflects the work and commitment of the staff members of the Supervisor's Office, the Clerk's Office, the Treasurer's Office and the Office of Fiscal & Human Resources. This document could not have been accomplished without their efforts and each contributor deserves sincere appreciation. Management would also like to express its appreciation to Plante & Moran, the Township's independent auditors, who assisted and contributed to the preparation of this Annual Report.

Respectfully submitted,

  
Gary Wall  
Township Supervisor

  
Kim Markee  
Township Clerk

  
Steve Thomas  
Township Treasurer





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

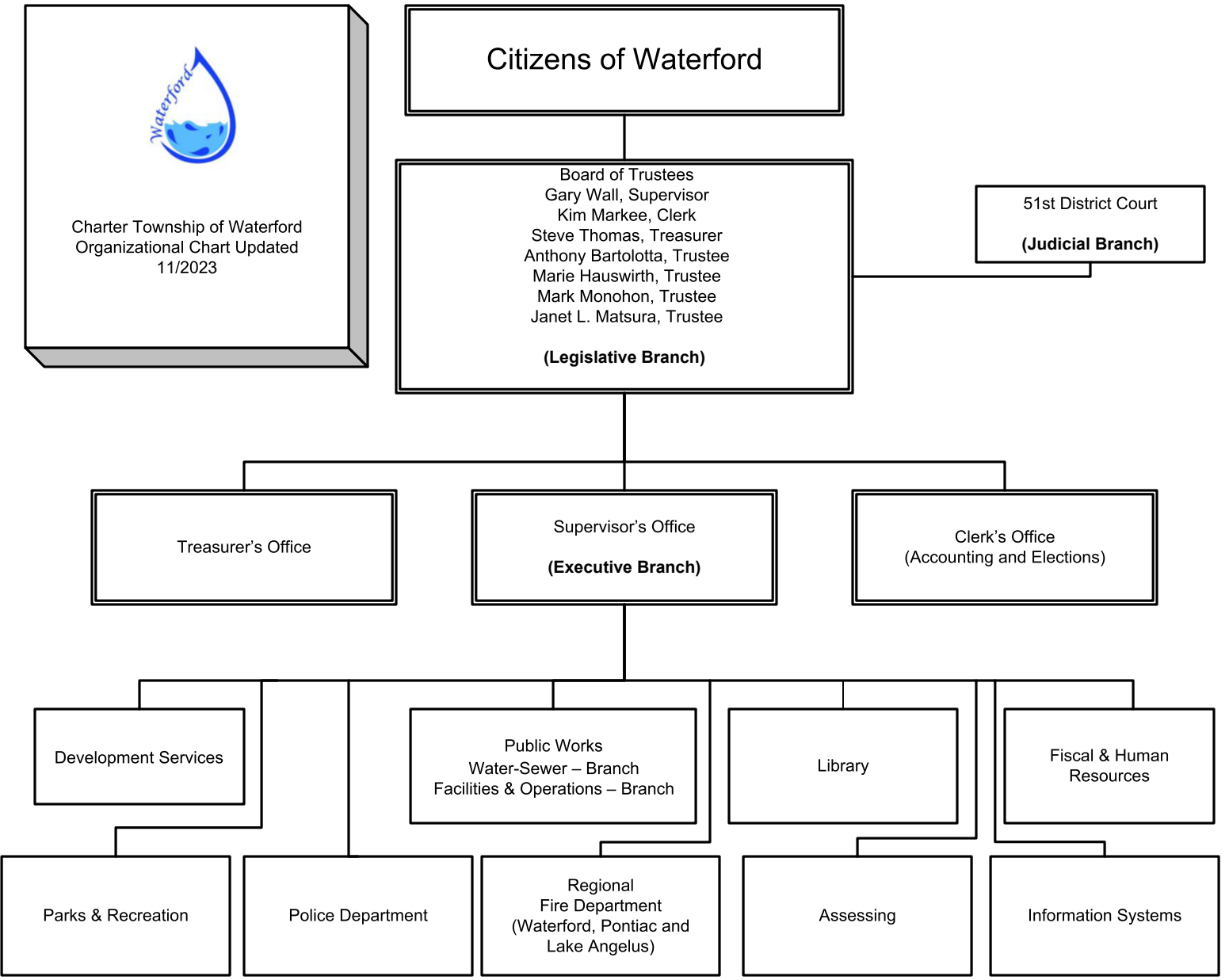
**Charter Township of Waterford  
Michigan**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2022

*Christopher P. Morill*

Executive Director/CEO



**Charter Township of Waterford**  
**List of Principal Officials**  
**Year Ended December 31, 2023**

**Supervisor's Office**

Supervisor

Gary Wall

**Clerk's Office**

Clerk

Kim Markee

Deputy Clerk

Kari Vlaeminck

Accounting Manager

Barbara Miller

**Treasurer's Office**

Treasurer

Steven Thomas

Deputy Treasurer

Ann Brzezinski

**Assessing**

Chief Assessor

Paula Moore

Deputy Assessor

Tyler Longmeyer

**Development Services**

Superintendent of Planning and Zoning

Jeffrey Polkowski

Superintendent of Building

Dave Hills

Community Development Grant Coordinator

Scott Alef

**Fire**

Chief

Matthew Covey

Deputy Chief

Carl Wallace

**Fiscal and Human Resources**

Human Resources Director

Mark Simlar

Budget Director

Derek Diederich

Assistant Budget Director

Barbara Miller

**Information Systems**

Director

Jared Black

Assistant Director

Frank Fisher

**Library**

Director

Joan Rogers

**Parks and Recreation**

Director

Alison Swanson

**Police**

Chief

Deputy Chief

Emergency Management Coordinator

Scott Underwood

Jack Sutherland

Brendan Brosnan

**Public Works**

Director

Administrative Superintendent

Engineering Superintendent

Water and Sewer – Facilities and  
Operations Superintendents

Justin Westlake

Derek Diederich

Frank Fisher

Scott McGrady and

Derek VanDam

**Charter Township of Waterford  
Labor Agreements  
Year Ended December 31, 2023**

| <u>Bargaining Unit</u>   | <u>Expiration<br/>Date</u> | <u>Number of<br/>Employees</u> |
|--|----------------------------|--------------------------------|
| <b>Michigan Association of Police</b> - Represents police officers and crime scene investigators   | 12/31/2025                 | 46                             |
| <b>Command Officers Association of Michigan</b> - Represents police sergeants and lieutenants  | 12/31/2025                 | 13                             |
| <b>International Association of Firefighters</b> - Represents all firefighting personnel   | 12/31/2025                 | 108                            |
| <b>Michigan Association of Police</b> - Represents dispatchers   | 12/31/2025                 | 10                             |
| <b>Teamsters State, County, and Municipal Workers</b> - Represents clerical, public works employees, building inspectors, and ordinance officers | 12/31/2025                 | 104                            |

**Charter Township of Waterford**  
**Fund Organization Chart**

| <u>Fund Name</u>                   | <u>Fund Number</u> |
|------------------------------------|--------------------|
| <b>General Fund</b>                |                    |
| General                            | 101                |
| Cemetery Care                      | 209                |
| Workers' Compensation              | 215                |
| <b>Special Revenue Funds</b>       |                    |
| Fire                               | 206                |
| Police                             | 207                |
| Police Restricted Use              | 208                |
| Police and Fire Special Assessment | 210                |
| Cable Commission                   | 250                |
| Community Development Block Grant  | 260-263            |
| Michigan Indigent Defense          | 267                |
| Library                            | 270                |
| Library Donations                  | 271                |
| Parks & Recreation                 | 280                |
| Grant Fund                         | 282                |
| Opioid Settlement Fund             | 284                |
| Nature Center                      | 718                |
| Weed Control and L.I.B.            | 844-851            |
| <b>Capital Projects Funds</b>      |                    |
| Improvement Revolving              | 246                |
| Capital Projects                   | 330                |
| <b>Enterprise Funds</b>            |                    |
| Water and Sewer                    | 590                |
| <b>Internal Service Funds</b>      |                    |
| Motor Pool                         | 360                |
| <b>Trust and Agency Funds</b>      |                    |
| Tax Collection                     | 703                |
| District Court - Activity Fund     | 710                |
| Regular Employee Pension           | 731                |
| Police and Fire Pension            | 732                |
| Retiree Health Fund                | 733                |
| Other Agency                       | 701-751            |

## **Independent Auditor's Report**

To the Board of Trustees  
Charter Township of Waterford

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of the Charter Township of Waterford (the "Township") as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Charter Township of Waterford's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of the Township as of December 31, 2023 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Trustees  
Charter Township of Waterford

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

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

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

#### ***Required Supplementary Information***

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

#### ***Other Supplementary Information***

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

#### ***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections 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 Waterford

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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2024 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

June 24, 2024

### ***Financial Highlights***

The following represent the most significant financial highlights for the year ended December 31, 2023:

- Total 2023 General Fund revenue was \$5,327,627 above 2022 revenue. The majority of the current year increase was attributable to the allocation by the township board of some of its ARPA (American Rescue Plan Act) revenue. While \$3,852,000 of these funds is reflected in the Charter Township of Waterford's (the "Township") General Fund, the board has given direction to use these resources on deferred maintenance and capital improvements in the months and years to come. The speed at which this can be accomplished is a function of the capacity of staff and availability of contractors and vendors to perform the given projects. The other part of the increase is attributable to an uptick in state-shared revenue and property taxes. Property taxes continued to be the largest source of revenue. Property taxes were 32.80 percent of all General Fund revenue. Going forward, property tax revenue is expected to produce modest increases due to the limitations of the Headlee Amendment, which limits taxable property values to increases at 5 percent or the rate of inflation, whichever is smaller.
- State-shared revenue and grants, despite dramatic cuts over the past 15 to 20 years, remain an important source of the Charter Township of Waterford's revenue. During the Township's 2023 fiscal year, state revenue sources decreased by \$242,216 compared to 2022. State revenue sharing was only \$485,898 above the amount received in 2001. The reader should note that these numbers are not adjusted for inflation and that time has eroded the magnitude of this revenue source. In real terms, when adjusting for inflation, the amount received in 2023 would be over \$5.5 million lower than 2001. The State has continued to divest itself from local governments when looking at long-term trends.
- Revenue from district court fees and fines increased by \$75,138 in 2023 compared to 2022. This was \$387,222 lower than 2010 without adjusting for inflation.
- General Fund expenditures and operating transfers out for fiscal year 2023 were more than 2022, increasing by \$1,656,416. The General Fund's largest expenditures are transfers to public safety. In 2023, the General Fund transferred \$6,371,535 to public safety (police and fire).
- The unassigned General Fund fund balance at year end was \$17,139,912. During fiscal year 2023, the unassigned General Fund fund balance increased by \$4,486,186. It should be noted that \$3,852,000 of the increase was attributable to an American Rescue Plan Act allocation by the board. While these funds currently appear in the General Fund at year end, they have been allocated to deferred maintenance and capital projects. The December 31, 2023 unassigned fund balance for the General Fund was 77.8 percent of total 2023 General Fund expenses, including transfers. Again, keep in mind the ARPA allocation, which is a one-time federal grant, is skewing the impact on our metrics due to its size for this year. When adjusting out the ARPA allocation, the same percentage would be 53.30 percent. Our bare minimum fund balance target is 15 percent, though bond agencies and many analysts prefer 20 to 30 percent or higher as a sign of a financially healthy municipality; this cash position should be tempered with a community's longer-range outlook, debt ratio and unfunded long-term liabilities, and deferred maintenance challenges. All of these concepts play a role in the Township's financial overview and planning.
- The Police Fund fund balance increased by \$399,664 in fiscal year 2023. It should be noted that the Police Fund now participates in the 330 Capital Project Allocation Fund and had a transfer to it of \$933,000 in 2023. This is a planning tool used for future capital project expenses. The Police Fund fund balance at December 31, 2023 is \$4,318,513 or 26.76 percent of annual expenses and transfers out.

## Charter Township of Waterford

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

- The Fire Fund fund balance increased by \$375,484 in fiscal year 2023. In 2009, the fire department began EMS patient transport and invested in additional staffing and equipment. In subsequent years, the department was able to recover some of the investment via fees charged for transport services. In February 2012, the fire department began providing fire suppression services for the City of Pontiac, Michigan and, therefore, became a regional fire department. The new revenue helped offset some of the losses in property tax revenue. The fire department continues to look to grant opportunities to augment its service levels. In 2016, the Waterford Fire Department was awarded \$8.6 million over a 24-month period to hire 39 additional firefighters. This was made possible by a federal Staffing for Adequate Fire and Emergency Response Grant. The Township's financial staff conducted an in-house study that permitted prefunding of separation costs, which helped protect the Township's future financial interests, an important aspect of the grant as a whole. The Fire Fund fund balance at December 31, 2023 was \$5,080,666 or 22.43 percent of annual expenses and transfers out.

#### ***Using This Annual Report***

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

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

#### ***The Township's Net Position***

|                                       | Governmental Activities |                      | Business-type Activities |                       | Total                 |                       |
|---------------------------------------|-------------------------|----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|                                       | 2023                    | 2022                 | 2023                     | 2022                  | 2023                  | 2022                  |
| <b>Assets</b>                         |                         |                      |                          |                       |                       |                       |
| Current and other assets              | \$ 106,280,437          | \$ 96,783,852        | \$ 39,606,459            | \$ 40,569,460         | \$ 145,886,896        | \$ 137,353,312        |
| Capital assets                        | 54,872,997              | 53,667,473           | 106,592,844              | 105,302,014           | 161,465,841           | 158,969,487           |
| Total assets                          | 161,153,434             | 150,451,325          | 146,199,303              | 145,871,474           | 307,352,737           | 296,322,799           |
| <b>Deferred Outflows of Resources</b> | 8,391,460               | 17,695,888           | 1,059,222                | 3,027,544             | 9,450,682             | 20,723,432            |
| <b>Liabilities</b>                    |                         |                      |                          |                       |                       |                       |
| Current liabilities                   | 7,408,560               | 12,662,022           | 2,842,252                | 3,070,132             | 10,250,812            | 15,732,154            |
| Noncurrent liabilities                | 69,635,070              | 93,785,889           | 33,660,940               | 40,127,359            | 103,296,010           | 133,913,248           |
| Total liabilities                     | 77,043,630              | 106,447,911          | 36,503,192               | 43,197,491            | 113,546,822           | 149,645,402           |
| <b>Deferred Inflows of Resources</b>  | 47,834,773              | 42,617,929           | 3,623,144                | 3,335,765             | 51,457,917            | 45,953,694            |
| <b>Net Position</b>                   |                         |                      |                          |                       |                       |                       |
| Net investment in capital assets      | 54,872,997              | 53,667,473           | 81,093,262               | 80,075,882            | 135,966,259           | 133,743,355           |
| Restricted                            | 6,810,763               | 5,202,192            | 2,324,205                | 312,153               | 9,134,968             | 5,514,345             |
| Unrestricted                          | (17,017,269)            | (39,788,292)         | 23,714,722               | 21,977,727            | 6,697,453             | (17,810,565)          |
| Total net position                    | <u>\$ 44,666,491</u>    | <u>\$ 19,081,373</u> | <u>\$ 107,132,189</u>    | <u>\$ 102,365,762</u> | <u>\$ 151,798,680</u> | <u>\$ 121,447,135</u> |

## Charter Township of Waterford

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

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There was a significant decrease in net position in 2018 and beyond due to an accounting standard change known as GASB 75 that requires recording other postemployment benefit (OPEB) funding levels. In the Township's case, this benefit is primarily retiree health care. While the Township has traditionally paid for this benefit expense on a pay-as-you-go basis, the value of the funding level and measurement of the future promise, as determined by actuaries, are now required to be included in the Township's financial statements. The Township's combined net position increased in 2023. The governmental activities net position increased by \$25,585,118 from the prior year. This positive change was largely driven by changes made in the Township's retiree health care plans, unspent ARPA funds that have been allocated to capital projects, and a modest increase in fund balance position.

In 2018, the Township paid off the 20-year bond for the 1998-1999 construction of the police and fire buildings. In 2021, the Township paid off its final debt payment for the 2003 water and sewer system rehabilitation projects and the 2005 capital improvement debt. A final payoff of an interfund loan was made during 2022, leaving the governmental side with no outstanding loans or bonds. The governmental activities have no structured bond debt obligations at the end of 2023. This underscores the low level of construction debt utilized by the Township within the governmental funds category.

The following table shows the Township's major revenue and expenses as a whole for both the governmental and business-type activities. The bottom of the table shows the changes in net position during the current year in comparison to the prior year.

Total revenue for governmental activities for 2023 increased by \$8,181,593 from the 2022 fiscal year. The primary reasons for this change was the charge for services category, along with a modest increase in property taxes, operating grants and an uptick in investment earnings.

Governmental expenses increased by \$27,033,627 when comparing 2022 to 2023. This was primarily due to how the Township's pension and other postemployment liabilities changed from year to year. These unfunded liabilities come from the two pension systems and from the retiree health care system. In 2022 and 2023, the OPEB liability decreased significantly while the assets increased for that trust fund. In 2022, there was an interfund loan that was paid off from the General Fund to the Township's Water Sewer Fund. Paying off the interfund loan left the governmental side of the house with no bonds payable or interfund loans. This good news gives the Township some latitude should the decision be made in the future to address larger deferred maintenance items under the Township's purview.

In the business-type activities (Water and Sewer Fund), revenue increased by \$781,673 in 2023. This was due to an allocation by the township board to the Water and Sewer Fund from its ARPA federal grant. The change can be seen in the Capital Grant category. The Water and Sewer Fund also paid \$9,574,076 in 2023 for sewer disposal services to the Water Resource Commissioner's Office (WRC). In the future, the Water and Sewer Fund has more proportional debt coming from the Clinton-Oakland Sewer System and the Oakland-Macomb Inceptor District related to deferred maintenance and would like to be able to prepay some of the related upcoming debt. This would help ratepayers save on long-term interest charges. In some cases, the debt requests from the third-party service providers is too large, and the repayment would fall upon the Township's sewer customers.

## Charter Township of Waterford

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

#### The Township's Changes in Net Position

|   | Governmental Activities |                      | Business-type Activities |                       | Total                 |                       |
|---|-------------------------|----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|   | 2023                    | 2022                 | 2023                     | 2022                  | 2023                  | 2022                  |
| <b>Revenue</b>                                    |                         |                      |                          |                       |                       |                       |
| Program revenue:                                  |                         |                      |                          |                       |                       |                       |
| Charges for services                              | \$ 16,279,205           | \$ 15,015,425        | \$ 26,268,787            | \$ 27,294,851         | \$ 42,547,992         | \$ 42,310,276         |
| Operating grants                                  | 6,908,054               | 2,596,509            | -                        | -                     | 6,908,054             | 2,596,509             |
| Capital grants                                    | -                       | 3,604                | 1,959,935                | 744,296               | 1,959,935             | 747,900               |
| General revenue:                                  |                         |                      |                          |                       |                       |                       |
| Property taxes                                    | 33,489,976              | 31,598,326           | -                        | -                     | 33,489,976            | 31,598,326            |
| Intergovernmental                                 | 8,184,277               | 8,325,179            | -                        | -                     | 8,184,277             | 8,325,179             |
| Investment earnings                               | 1,249,495               | 395,000              | 739,880                  | 172,776               | 1,989,375             | 567,776               |
| Other revenue                                     | 1,836,198               | 1,831,569            | 24,994                   | -                     | 1,861,192             | 1,831,569             |
| Total revenue                                     | 67,947,205              | 59,765,612           | 28,993,596               | 28,211,923            | 96,940,801            | 87,977,535            |
| <b>Expenses</b>                                   |                         |                      |                          |                       |                       |                       |
| General government                                | 690,844                 | (6,821,859)          | -                        | -                     | 690,844               | (6,821,859)           |
| District court                                    | 2,450,951               | 626,694              | -                        | -                     | 2,450,951             | 626,694               |
| Public safety:                                    |                         |                      |                          |                       |                       |                       |
| Police  | 11,498,526              | 1,316,351            | -                        | -                     | 11,498,526            | 1,316,351             |
| Fire  | 19,033,579              | 12,825,847           | -                        | -                     | 19,033,579            | 12,825,847            |
| Building inspection                               | 1,538,685               | 1,550,658            | -                        | -                     | 1,538,685             | 1,550,658             |
| Public works                                      | 1,013,886               | 815,804              | -                        | -                     | 1,013,886             | 815,804               |
| Community and economic development                | 1,851,045               | 1,791,348            | -                        | -                     | 1,851,045             | 1,791,348             |
| Recreation and culture                            | 4,284,571               | 3,223,617            | -                        | -                     | 4,284,571             | 3,223,617             |
| Water and sewer                                   | -                       | -                    | 24,227,169               | 19,136,303            | 24,227,169            | 19,136,303            |
| Total expenses                                    | 42,362,087              | 15,328,460           | 24,227,169               | 19,136,303            | 66,589,256            | 34,464,763            |
| <b>Change in Net Position</b>                     | 25,585,118              | 44,437,152           | 4,766,427                | 9,075,620             | 30,351,545            | 53,512,772            |
| <b>Net Position (Deficit) - Beginning of year</b> | 19,081,373              | (25,355,779)         | 102,365,762              | 93,290,142            | 121,447,135           | 67,934,363            |
| <b>Net Position - End of year</b>                 | <b>\$ 44,666,491</b>    | <b>\$ 19,081,373</b> | <b>\$ 107,132,189</b>    | <b>\$ 102,365,762</b> | <b>\$ 151,798,680</b> | <b>\$ 121,447,135</b> |

#### Financial Analysis of Individual Funds

An analysis of the Township's major funds begins with the balance sheet presentation following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Township as a whole. The township board created funds to help manage money for specific purposes, as well as to show accountability for certain activities, such as special property tax millages. The Township's major governmental funds for 2023 include the General Fund, the Police Fund, the Fire Fund, and the Police and the Fire Special Assessment District Fund. The Township's major business-type fund consists of the Water and Sewer Fund.

#### General Fund

The General Fund pays for most of the Township's governmental services. The two largest services funded by the General Fund are the Police Fund and Fire Fund. The General Fund transferred \$5,735,680 to the Police Fund and \$635,855 to the Fire Fund in 2023.

Other major activities in the General Fund include the 51st District Court and all general government administrative and central services operations. Some of these activities rely on fees for services to help offset costs, and some do not generate any significant service-related revenue. Many of these activities rely heavily on property taxes and state-shared revenue to subsidize their operations. Most of these services are mandated, such as tax collections, assessing, elections, and the court.

## **Charter Township of Waterford**

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

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The Township's General Fund year-end fund balance is \$23,147,907, of which \$17,139,912 is unassigned. The total of \$23,147,907 represents 97.76 percent of 2023's annual expenditures, including net transfers to other funds. Due to an accounting rule change, the Workers' Compensation Fund and the Cemetery Care Fund were moved into the General Fund in 2011. When adjusting for the Budget Stabilization Fund amount of \$3,775,811, the Workers' Compensation Fund amount of \$1,068,904, the Cemetery Care Fund amount of \$1,027,515, and the one-time ARPA federal grant allocation (recorded in unassigned) of \$3,852,000, the unassigned General Fund fund balance at year end represented 56.12 percent of its annual expenditures, including transfers. This second type of measurement is one that township planners believe is a more realistic representation of the General Fund's available balance. The Workers' Compensation Fund and Cemetery Care Fund are set aside for specific purposes. This also excludes \$3,775,811 in the Budget Stabilization Fund, which was created in 2013. These funds were committed by the township board for future unforeseen events. A minimum unassigned fund balance to annual expenditures ratio of 20 to 30 percent is recommended by bond rating agencies and by the Township's financial consultants. It should also be stated that cash position and liquidity are only two pieces of a municipality's financial health. The reader must also keep in mind liabilities and obligations, both of the funded and unfunded variety.

#### **Police Fund**

The Police Fund covers the operation of the Township's police department. Major revenue includes \$5,735,680 from the Township's General Fund and an additional \$7,223,315 in dedicated millage revenue for 2023, a modest overall increase from 2022. Most recently, the police department received \$2,657,563 from the Police and Fire Special Assessment District in 2023. The department receives a small amount of revenue from fees, grants, and interest on investments. Overall, for fiscal year 2023, the Police Fund fund balance increased by \$399,664. It should be noted that, in 2023, the township board authorized a \$933,000 allocation to the police department's Capital Project Fund, a move that will make future capital projects more feasible.

#### **Fire Fund**

The Fire Fund covers the operations of fire prevention, suppression, and emergency medical services. In 2023, the department received \$635,855 from the General Fund and approximately \$6.5 million from dedicated millages. In February 2012, the Charter Township of Waterford began a contract with the City of Pontiac, Michigan (the "City") to offer fire protection service for the City. The contract was for 10 years and started at \$6.2 million per year. The contract was extended for 1 year in 2021, for 2 years in 2022, and for 2 years in 2023. Discussions with the City regarding future arrangements are ongoing. Most recently, the fire department received \$4,051,663 from the Police and Fire Special Assessment District in 2023. The Fire Fund fund balance increased by \$375,484 in 2023. It should be noted that, in 2023, the township board authorized a \$1,751,000 allocation to the fire department's Capital Project Fund. The Fire Fund fund balance is at 22.43 percent of annual expenditures plus transfers out.

#### **Water and Sewer Fund**

The Water and Sewer Fund continues to maintain a reasonable amount of working capital. Revenue is derived from user fees and fees that are adjusted periodically to cover expenses; the fund is relatively secure. Unlike the governmental activities of the Township, the Water and Sewer Fund does not rely on tax dollars and state aid for its financial well-being, although the fund does look for grants and low-interest loan programs to augment system capital improvements. Water rates remain reasonable compared to surrounding communities. The Township is almost unique in southeastern Michigan in that it has its own water system, so it does not rely on any other agencies for support.



## Charter Township of Waterford

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

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Sewer increases imposed by Oakland County, Michigan and the regional authority are routinely passed on to customers. The Township belongs to the Clinton-Oakland Sewer System. Rates have recently been adjusted to cover debt payments associated with these capital improvements and to address some Waterford capital improvements. The Township, like other suburban customers along with Oakland County, Michigan, routinely monitors the pending changes at the Great Lakes Water Authority. In 2019, the fund prepaid almost \$907,815 in Oakland-Macomb Interceptor (OMI) allocated expense. This move saved ratepayers an estimated \$38,041 in interest over the life of the proposed amortization schedules. In 2020, the Water and Sewer Fund prepaid \$2 million of its apportioned \$6.397 million. This saved an estimated \$515,000 in interest over the life of the debt issuance. In 2021, the Water and Sewer Fund paid off early a 2003 debt issuance that was combined with a General Fund issuance, which saved ratepayers an estimated \$30,750 in interest. In 2023, the Water and Sewer Fund prepaid \$1.1 million of OMI debt and saved ratepayers an estimated \$561,764 in interest charges over the life of the loan. Deferred maintenance from OMI, the regional authority, and some internal assets will remain a challenge for the fund going forward, as capital projects in this area routinely are measured in the multimillion dollar range.

Increasing costs from regulations, higher standards being placed on the system by both the federal and state governments, and the need to repair and maintain an aging system require the Township to continually monitor revenue and expenditures to ensure revenue remains at an adequate level to support the required expenditures of the systems.

Reductions in staffing through attrition and early retirement incentives have reduced labor costs. In 2023, the Water and Sewer Fund was staffed at 44 positions compared to 52 in 2010. Increased technology and automation upgrades and labor contract changes, which encourage attendance and productivity, have allowed the water and sewer division to reduce staff while maintaining service and safety goals. The Department of Public Works (DPW) continues to look for grants and low-interest loans to fund capital improvements. The DPW was awarded a Drinking Water Revolving Fund (DWRF) loan in 2013 for \$9.4 million. This program included a low-interest loan, as well as an estimated \$4 million principal loan forgiveness via a green project reserve from the United States Environmental Protection Agency (EPA). This great news meant savings of almost 40 percent to the Waterford water rate paying customer. In 2015, the Water and Sewer Fund paid off nearly \$2.7 million of its Oakland-Macomb Interceptor debt and saved nearly \$870,000 in long-term interest, which was more good news for Waterford sewer customers. A similar move was conducted in 2017 when \$1.5 million was partially prepaid on an Oakland County Water Resources Commissioner (WRC) debt. This was estimated to save \$378,000 in interest over the life of the loan. When possible, township planners make efforts to avoid undue interest costs while keeping in mind a healthy capital reserve goal. The Water and Sewer Fund was awarded a SAW (Storm, Asset, and Wastewater) Grant for nearly \$1 million. The Township was required to pay only 10 percent of this grant award. The project is now complete, and the report will be used as a guide to allocate resources for future capital improvements. Sewer rates were recently adjusted in the third quarter of 2023, which will help aid in addressing deferred maintenance related to the Township's sewer assets. Water rates were adjusted in 2023 to begin a water main and other asset replacement/rehabilitation program, as well as facilitate water treatment plant media replacement in the coming years. This will help keep the quality and integrity of the water system a high priority. Periodic rate studies and adjustments are conducted to make sure the fund can address deferred maintenance and other ongoing operational challenges going forward.

#### **General Fund Budgetary Highlights**

Township officials continue to budget conservatively. Declining property values in the past put a strain on the Township's primary revenue source, property taxes. State, county, and regional analysis indicates that property values will modestly increase in 2024 and 2025. The Headlee Amendment will hamper property tax revenue increases going forward. The Headlee Amendment limits increases in taxable value at the rate of inflation or 5 percent, whichever is lower. When the Headlee Amendment was crafted, a sustained devaluation in the housing market, like the one experienced from 2008 to 2014, had never occurred. It remains uncertain, at best, if the Headlee Amendment will be modified by the State of Michigan. Slow recovery of lost property tax revenue seems likely in the short run.

## Charter Township of Waterford

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

Building activity in the Township is focused primarily on redevelopment, allowing limited growth in taxable values. For 2023, construction activity rebounded from the COVID-19 pandemic impacts. Looking forward, construction activity is recovering and expected to increase somewhat. When adjusting for fire employees hired for Pontiac fire service, the Township is at early 1980s employment levels for 2023. Any new positions or changes to service levels in the short to intermediate range would likely need to come by way of a new revenue question put before the voters. To that end, in May 2018, a Police and Fire Special Assessment District (SAD) was placed before the Waterford voters for a maximum of 2.95 mills with a length of 12 years. The voters passed this ballot question. This revenue component accounted for \$6,745,490 for 2023. This initiative helped add and maintain services and staff for the police and fire departments and fund public safety vehicle and equipment replacements and will continue to do so.

Within these governmental funds, the General Fund is the most significant to understanding the Township's financial activities. In addition, the Water and Sewer Fund is a significant enterprise activity for the Township.

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

There was an increase in governmental capital assets of \$1,205,524 net of depreciation. Disposal of assets, disposal of excess equipment, and capital asset acquisition occurred throughout 2023 as well. Detailed information on the Township's capital assets can be found in Note 4.

In business-type activities, the Township saw a net increase of \$1,290,830 in capital assets. There were new assets in this group as well. The overall numbers in this category reflect the Township's continued investment in its 350 miles of water and sewer mains, as well as numerous water and sewer pump stations, but also underscore the need for continued investment in a large enterprise fund with many assets.

The Township did not issue any construction or vehicle debt for governmental activities in 2023. The Township has been purchasing vehicles via cash for police, fire, parks and recreation, water and sewer, and facilities and operations in recent years. The Township paid off its LED installment lighting obligation in 2018. This both reduced debt on the books and saved on long-term interest. The Township continues to have no structured bond debt in the governmental portion on its operations.

In 2023, there was a decrease of \$2,255,879 of debt in the business-type (water and sewer) category. The reader should keep in mind that the Township has been notified that its share of downstream debt in the coming years related to the Clinton-Oakland Sewer System and the Oakland-Macomb Interceptor District will be several million dollars related to multiple projects. The Township relies on these agencies for sewer conveyance, treatment, and disposal. The downstream deferred maintenance is large, and the Township's share as a member community is significant as well. When possible, planners attempt to prepay at least some of these debt issuances, which will save ratepayers long-term interest. When looking at the \$2,843,551 of debt that is due within one year in Note 6, it could be stated that this portion alone amounts to approximately 10 percent of the Water and Sewer Fund's resources each year.

The Township has no general government debt as of the end of 2022. The debt associated with the 1998 construction of the police and fire headquarters buildings was paid off in 2018. The 0.65 mills associated with the debt retirement of the two public safety buildings reduced the tax burden of the township taxpayers. The Township currently maintains no building and construction-related debt in its governmental funds. The reader should keep in mind that the Township owns and operates many structures, and some are nearing the end of their useful lives. In the future, deferred maintenance will need to be confronted to maintain a high level of service to the community.

Detailed information on the Township's debt can be found in the statistical section of this report, in the debt capacity schedule, in the direct and overlapping debt schedule, and in Note 6.



#### ***Economic Factors***

There are several economic factors that challenge the Township. The collapse of the housing market starting in 2008 through 2014 resulted in dramatic declines in taxable values, which directly affected the Township's property tax collections. These reductions in funding affected staffing and services. The housing market also impacts the demand for new construction, which resulted in a loss of building inspection and licensing fees for those years. In 2016, 2017, 2018, 2019, 2021, 2022, and 2023, building activity saw an uptick. For 2020, the COVID-19 pandemic caused a temporary decline in this area, but the local economy seems to be showing signs of resiliency. Unemployment is expected to improve, which is a positive. Sales tax, which is the source of state revenue sharing, has traditionally been the Township's second-largest source of revenue. The Township saw small upticks in revenue sharing from the State in the last couple of years; however, in this category, the Township remains at decade low levels of support from the State.

Since the beginning of the COVID-19 pandemic, the local economy has seen some improvement, with unemployment declining and housing prices starting to steadily increase. The changes brought about by the COVID-19 pandemic seem to be temporary in nature. Both sales and income taxes are increasing and should bolster state revenue. How the State of Michigan elects to distribute any new revenue remains to be seen. Property assessments are recovering from the pandemic. However, sales studies are based on prior year sales, which results in a lag for increases or decreases to values. The Headlee Amendment limits increases in property tax revenue to 5 percent or the rate of inflation, whichever is lower. In practical terms, the Township will see modest property tax revenue increases in the short and intermediate term. The reader/taxpayer can see this in practical terms on his or her respective tax statements when looking at the assessed value and comparing it to an often much smaller taxable value. It is the taxable value that is used to derive property tax bills.

The Township's defined benefit programs (pensions and retiree health care) are completely closed to new entrants. The pension systems have a strong funded position, and, for 2023, the closed retiree health trust was above the state minimum level of 40 percent designated by Public Act 202 of 2017 for the first time ever. The Retiree Health Care Trust finished 2023 at a 46 percent funded level. The Township was required to develop a corrective action plan (CAP) and continues to address this legacy cost component. In 2021, the township board initiated two major retiree health care reforms. Combined, these two significant measures removed \$40 million in unfunded liabilities from the books in 2021 and 2022. The year 2023 saw an additional \$6,762,443 in reduced liabilities in this category as well. In the short run, this also helped cash flow in this category, which can be deposited into the retiree health care trust with the goal of leveraging compound interest to help the Township reach its funded goal. The board will need to address the funded position of the retiree health care trust in the coming years, but 2022 and 2023 saw very strong steps forward in this area.

The Township received \$9.3 million in American Rescue Plan Act funding due to measures taken by the United States federal government to offset the effects of the pandemic. The Township allocated these one-time funds to deferred maintenance and capital projects and is working with its engineers, planners, and financial staff to complete these capital projects.

State funding priorities continue to shift funding away from local governments in order to maintain state services. The State of Michigan has deferred maintenance in its own capital asset categories, most notably the public road system. The Township received \$485,898 more from the State of Michigan in revenue sharing in 2023 than it did in 2001, without adjusting for inflation. When adjusting for inflation, there would be a cumulative reduction estimated to be slightly over \$5 million. The overall trend of the State divesting itself in local government through the years continues.

#### ***Legacy Benefits and Reforms***

Public Act 202 of 2017, titled Protecting Local Government Retirement Benefits Act, had standards and requirements that the Township needed to address. Pensions are required to be 60 percent funded, and the Township's two closed systems meet and exceed that standard. The retiree health care fund needs to be 40 percent funded, and the Township's plan has met that standard for the first time in 2023 at a 46 percent year-end mark. Initially, the Township was required to submit a corrective action plan for its retiree health care trust and has been diligently working in this area with the goal of improving its position. The Township was notified in May 2019 that its CAP was approved. While this was good news and reflects a lot of hard work from staff, board members, and consultants, the CAP shows that the Township will have to continue addressing this large issue. Many changes have already been implemented: closing pension systems and replacing them with 401(k) plans for new hires, closing the employer-sponsored retiree health care benefit to all employee groups, reforming health care for current employees to conform with PA 152 of 2011, adjusting programs of current retirees, and attempting to put more into the Township's health trust to garner market-based earnings. Department consolidations, excess property sales, and staff reductions have also taken place in the past. Much has been done, but more is needed, and a combined team effort from all stakeholders will be required. In 2021, the township board instituted two major reforms in the retiree health care space. These reforms removed \$40 million in unfunded liability off the books over 2021 and 2022 and freed up cash flow to be invested into the trust to help the Township meet its funding goal. In 2023, another \$6.7 million in liabilities was removed from the books. The Township has made significant strides in recent years with respect to its retiree health care fund. The hard work by many stakeholders made this possible.

#### ***Bond Rating***

Bond ratings to municipalities are like credit scores to individuals. The ratings help determine the interest rate on any debt issued by the Township, as well as offer a third-party view of financial stewardship. In March 2014, the Township had its bond rating upgraded by Standard & Poor's (S&P) from A+ to AA. This constituted two moves in a positive direction. Township officials believe the rating agency liked the fact that the Township created its first Budget Stabilization Fund in 2013 and has made subsequent deposits with onetime revenue. S&P also liked the fact that the Township is converting its defined benefit (DB) pension retirement offerings to new employees to defined contribution (DC), 401(a) plans. S&P also appreciated that the Township's management utilizes a financial forecasting tool. S&P liked that the Township has created a retiree health care trust but noted that it is severely underfunded and views this as an intermediate and long-term issue that will have to be overcome. Subsequent to 2014, the Township has made great strides in its funded level for the retiree health care fund. In 2014, the fund was 9.62 percent funded; at the end of 2023, the same funded position was 46.06 percent. Since then, the Township's short-term liquidity has improved, and its retiree health care trust has undergone some major reforms that reduced the unfunded liability and embraced its need to fully address this legacy cost issue.

#### ***Requests for Further Information***

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, please contact the office of fiscal and human resources at (248) 674-6252. This financial report, the Township's budgets, pension actuarial reports, and other financial information are available on the Township's website at [www.waterfordmi.gov](http://www.waterfordmi.gov) under the fiscal and human resources department. The Township posts its budgets, financial statements, citizen dashboard, and pension actuarial studies on its website for viewing by all interested parties.

# Charter Township of Waterford

## Statement of Net Position

December 31, 2023

|  | Primary Government         |                             |                | Component<br>Units |
|--|----------------------------|-----------------------------|----------------|--------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total          |                    |
| <b>Assets</b>                                |                            |                             |                |                    |
| Cash and investments (Note 3)                | \$ 84,792,556              | \$ 25,029,056               | \$ 109,821,612 | \$ 346,362         |
| Receivables:                                 |                            |                             |                |                    |
| Property taxes receivable                    | 15,190,622                 | -                           | 15,190,622     | 7,341              |
| Special assessments receivable               | 184,713                    | 115,459                     | 300,172        | -                  |
| Customer receivables                         | -                          | 9,615,631                   | 9,615,631      | -                  |
| Accrued interest receivable                  | 12,500                     | 156,548                     | 169,048        | -                  |
| Leases receivable                            | 1,522,768                  | 2,365,560                   | 3,888,328      | -                  |
| Due from other governments                   | 1,531,508                  | -                           | 1,531,508      | -                  |
| Rehabilitation loan receivable               | 1,090,817                  | -                           | 1,090,817      | -                  |
| Other receivables                            | 301,071                    | -                           | 301,071        | -                  |
| Inventory                                    | 92,168                     | -                           | 92,168         | -                  |
| Prepaid items                                | 673,006                    | -                           | 673,006        | -                  |
| Restricted assets                            | -                          | 1,927,586                   | 1,927,586      | -                  |
| Net pension asset (Note 7)                   | 888,708                    | 396,619                     | 1,285,327      | -                  |
| Capital assets: (Note 4)                     |                            |                             |                |                    |
| Assets not subject to depreciation           | 26,808,222                 | 14,113,160                  | 40,921,382     | -                  |
| Assets subject to depreciation - Net         | 28,064,775                 | 92,479,684                  | 120,544,459    | -                  |
| Total assets                                 | 161,153,434                | 146,199,303                 | 307,352,737    | 353,703            |
| <b>Deferred Outflows of Resources</b>        |                            |                             |                |                    |
| Deferred pension costs (Note 7)              | 4,548,796                  | 509,042                     | 5,057,838      | -                  |
| Deferred OPEB costs (Note 8)                 | 3,842,664                  | 550,180                     | 4,392,844      | -                  |
| Total deferred outflows of<br>resources      | 8,391,460                  | 1,059,222                   | 9,450,682      | -                  |
| <b>Liabilities</b>                           |                            |                             |                |                    |
| Accounts payable                             | 871,042                    | 2,064,827                   | 2,935,869      | 62                 |
| Refundable deposits, bonds, etc.             | 1,581,894                  | -                           | 1,581,894      | -                  |
| Accrued liabilities and other                | 1,313,664                  | 335,170                     | 1,648,834      | -                  |
| Unearned revenue                             | 3,641,960                  | 442,255                     | 4,084,215      | -                  |
| Noncurrent liabilities:                      |                            |                             |                |                    |
| Due within one year: (Note 6)                |                            |                             |                |                    |
| Compensated absences                         | 3,211,528                  | 444,500                     | 3,656,028      | -                  |
| Provision for claims                         | 456,815                    | 43,903                      | 500,718        | -                  |
| Current portion of long-term debt            | -                          | 2,355,148                   | 2,355,148      | -                  |
| Due in more than one year: (Note 6)          |                            |                             |                |                    |
| Provision for claims                         | 364,208                    | -                           | 364,208        | -                  |
| Long-term debt                               | -                          | 23,144,434                  | 23,144,434     | -                  |
| Net pension liability (Note 7)               | 12,011,768                 | -                           | 12,011,768     | -                  |
| Net OPEB liability (Note 8)                  | 53,590,751                 | 7,672,955                   | 61,263,706     | -                  |
| Total liabilities                            | 77,043,630                 | 36,503,192                  | 113,546,822    | 62                 |
| <b>Deferred Inflows of Resources</b>         |                            |                             |                |                    |
| Property taxes levied for the following year | 36,795,031                 | -                           | 36,795,031     | 27,453             |
| Deferred OPEB cost reductions (Note 8)       | 9,604,490                  | 1,375,140                   | 10,979,630     | -                  |
| Deferred inflows from leases                 | 1,435,252                  | 2,248,004                   | 3,683,256      | -                  |
| Total deferred inflows of resources          | 47,834,773                 | 3,623,144                   | 51,457,917     | 27,453             |

## Charter Township of Waterford

### Statement of Net Position (Continued)

December 31, 2023

|                                  | Primary Government          |                              |                              | Component<br>Units       |
|----------------------------------|-----------------------------|------------------------------|------------------------------|--------------------------|
|                                  | Governmental<br>Activities  | Business-type<br>Activities  | Total                        |                          |
| <b>Net Position</b>              |                             |                              |                              |                          |
| Net investment in capital assets | \$ 54,872,997               | \$ 81,093,262                | \$ 135,966,259               | \$ -                     |
| Restricted:                      |                             |                              |                              |                          |
| Police                           | 1,361,611                   | -                            | 1,361,611                    | -                        |
| Police and fire                  | 136,101                     | -                            | 136,101                      | -                        |
| Community development            | 1,543,532                   | -                            | 1,543,532                    | -                        |
| Library                          | 2,032,978                   | -                            | 2,032,978                    | -                        |
| Nature center                    | 585,679                     | -                            | 585,679                      | -                        |
| Capital projects                 | -                           | 1,927,586                    | 1,927,586                    | -                        |
| Indigent defense                 | 167,791                     | -                            | 167,791                      | -                        |
| Opioid settlement                | 94,363                      | -                            | 94,363                       | -                        |
| Pension asset                    | 888,708                     | 396,619                      | 1,285,327                    | -                        |
| Unrestricted                     | (17,017,269)                | 23,714,722                   | 6,697,453                    | 326,188                  |
| Total net position               | <u><u>\$ 44,666,491</u></u> | <u><u>\$ 107,132,189</u></u> | <u><u>\$ 151,798,680</u></u> | <u><u>\$ 326,188</u></u> |

## Charter Township of Waterford

|  |                      | Program Revenue      |                     |                     |
|--|----------------------|----------------------|---------------------|---------------------|
|  |                      | Charges for          | Operating           | Capital Grants      |
|  | Expenses             | Services             | Grants and          | and                 |
|  |                      |                      | Contributions       | Contributions       |
| <b>Functions/Programs</b>                    |                      |                      |                     |                     |
| Primary government:                          |                      |                      |                     |                     |
| Governmental activities:                     |                      |                      |                     |                     |
| General government                           | \$ 690,844           | \$ 920,117           | \$ 3,888,809        | \$ -                |
| District court                               | 2,450,951            | 1,000,594            | 409,007             | -                   |
| Public safety:                               |                      |                      |                     |                     |
| Police                                       | 11,498,526           | 147,773              | 1,182,220           | -                   |
| Fire   | 19,033,579           | 11,580,306           | 4,390               | -                   |
| Building inspection                          | 1,538,685            | 1,400,857            | -                   | -                   |
| Public works                                 | 1,013,886            | 144,209              | 24,401              | -                   |
| Community and economic development           | 1,851,045            | 484,012              | 1,050,431           | -                   |
| Recreation and culture                       | 4,284,571            | 601,337              | 348,796             | -                   |
| Total governmental activities                | 42,362,087           | 16,279,205           | 6,908,054           | -                   |
| Business-type activities - Enterprise fund - |                      |                      |                     |                     |
| Water and Sewer Fund                         | 24,227,169           | 26,268,787           | -                   | 1,959,935           |
| Total primary government                     | <b>\$ 66,589,256</b> | <b>\$ 42,547,992</b> | <b>\$ 6,908,054</b> | <b>\$ 1,959,935</b> |
| Component units:                             |                      |                      |                     |                     |
| Waterford Youth Assistance Corporation       | \$ 28,204            | \$ 3,136             | \$ 41,721           | \$ -                |
| Brownfield Redevelopment Authority           | 4,969                | -                    | -                   | -                   |
| Total component units                        | <b>\$ 33,173</b>     | <b>\$ 3,136</b>      | <b>\$ 41,721</b>    | <b>\$ -</b>         |
| General revenue:                             |                      |                      |                     |                     |
| Property taxes                               |                      |                      |                     |                     |
| Unrestricted state-shared revenue            |                      |                      |                     |                     |
| Unrestricted investment income               |                      |                      |                     |                     |
| Unrestricted cable franchise fees            |                      |                      |                     |                     |
| Gain on sale of capital assets               |                      |                      |                     |                     |
| Other miscellaneous income                   |                      |                      |                     |                     |
| Total general revenue                        |                      |                      |                     |                     |
| <b>Change in Net Position</b>                |                      |                      |                     |                     |
| <b>Net Position - Beginning of year</b>      |                      |                      |                     |                     |
| <b>Net Position - End of year</b>            |                      |                      |                     |                     |

## Statement of Activities

Year Ended December 31, 2023

| Primary Government         |                             |                       |                    |
|----------------------------|-----------------------------|-----------------------|--------------------|
| Governmental<br>Activities | Business-type<br>Activities | Total                 | Component<br>Units |
| \$ 4,118,082               | \$ -                        | \$ 4,118,082          | \$ -               |
| (1,041,350)                | -                           | (1,041,350)           | -                  |
| (10,168,533)               | -                           | (10,168,533)          | -                  |
| (7,448,883)                | -                           | (7,448,883)           | -                  |
| (137,828)                  | -                           | (137,828)             | -                  |
| (845,276)                  | -                           | (845,276)             | -                  |
| (316,602)                  | -                           | (316,602)             | -                  |
| (3,334,438)                | -                           | (3,334,438)           | -                  |
| (19,174,828)               | -                           | (19,174,828)          | -                  |
| -                          | 4,001,553                   | 4,001,553             | -                  |
| (19,174,828)               | 4,001,553                   | (15,173,275)          | -                  |
| -                          | -                           | -                     | 16,653             |
| -                          | -                           | -                     | (4,969)            |
| -                          | -                           | -                     | 11,684             |
| 33,489,976                 | -                           | 33,489,976            | 27,268             |
| 8,184,277                  | -                           | 8,184,277             | -                  |
| 1,249,495                  | 739,880                     | 1,989,375             | 4,895              |
| 1,015,197                  | -                           | 1,015,197             | -                  |
| 7,075                      | 24,994                      | 32,069                | -                  |
| 813,926                    | -                           | 813,926               | -                  |
| 44,759,946                 | 764,874                     | 45,524,820            | 32,163             |
| 25,585,118                 | 4,766,427                   | 30,351,545            | 43,847             |
| 19,081,373                 | 102,365,762                 | 121,447,135           | 282,341            |
| <b>\$ 44,666,491</b>       | <b>\$ 107,132,189</b>       | <b>\$ 151,798,680</b> | <b>\$ 326,188</b>  |

# Charter Township of Waterford

## Governmental Funds Balance Sheet

December 31, 2023

|  | General Fund         | Police Fund          | Fire Fund            | Police and Fire<br>Special<br>Assessment<br>District Fund | Nonmajor Funds       | Total<br>Governmental<br>Funds |
|--|----------------------|----------------------|----------------------|---|----------------------|--------------------------------|
| <b>Assets</b>  |                      |                      |                      |   |                      |                                |
| Cash and investments   | \$ 29,690,395        | \$ 9,259,220         | \$ 9,689,895         | \$ 4,587,821  | \$ 31,349,525        | \$ 84,576,856                  |
| Receivables:   |                      |                      |                      |   |                      |                                |
| Property taxes receivable  | 4,255,511            | 3,277,895            | 2,928,944            | 3,003,829   | 1,724,443            | 15,190,622                     |
| Special assessments receivable   | 180,273              | -                    | -                    | -   | 4,440                | 184,713                        |
| Accrued interest receivable  | 12,500               | -                    | -                    | -   | -                    | 12,500                         |
| Leases receivable  | 1,522,768            | -                    | -                    | -   | -                    | 1,522,768                      |
| Due from other governments   | 1,371,580            | 28,225               | 25,220               | -   | 106,483              | 1,531,508                      |
| Rehabilitation loan receivable   | -                    | -                    | -                    | -   | 1,090,817            | 1,090,817                      |
| Other receivables  | 301,071              | -                    | -                    | -   | -                    | 301,071                        |
| Prepaid items  | 135,765              | -                    | -                    | -   | 537,241              | 673,006                        |
| <b>Total assets</b>  | <b>\$ 37,469,863</b> | <b>\$ 12,565,340</b> | <b>\$ 12,644,059</b> | <b>\$ 7,591,650</b>                                       | <b>\$ 34,812,949</b> | <b>\$ 105,083,861</b>          |
| <b>Liabilities</b>   |                      |                      |                      |   |                      |                                |
| Accounts payable   | \$ 329,126           | \$ 120,593           | \$ 174,192           | \$ -  | \$ 233,568           | \$ 857,479                     |
| Refundable deposits, bonds, etc.   | 1,473,573            | 1,960                | -                    | -   | 106,361              | 1,581,894                      |
| Accrued liabilities and other  | 338,821              | 333,276              | 427,600              | 2,652   | 211,315              | 1,313,664                      |
| Unearned revenue   | -                    | -                    | -                    | -   | 3,641,960            | 3,641,960                      |
| <b>Total liabilities</b>   | <b>2,141,520</b>     | <b>455,829</b>       | <b>601,792</b>       | <b>2,652</b>  | <b>4,193,204</b>     | <b>7,394,997</b>               |
| <b>Deferred Inflows of Resources</b>                                       |                      |                      |                      |   |                      |                                |
| Unavailable revenue  | 254,358              | -                    | -                    | -   | 1,098,958            | 1,353,316                      |
| Property taxes levied for the following year                               | 10,490,826           | 7,790,998            | 6,961,601            | 7,452,897   | 4,098,709            | 36,795,031                     |
| Deferred inflows from leases   | 1,435,252            | -                    | -                    | -   | -                    | 1,435,252                      |
| <b>Total deferred inflows of resources</b>                                 | <b>12,180,436</b>    | <b>7,790,998</b>     | <b>6,961,601</b>     | <b>7,452,897</b>  | <b>5,197,667</b>     | <b>39,583,599</b>              |
| <b>Total liabilities and deferred inflows of resources</b>                 | <b>14,321,956</b>    | <b>8,246,827</b>     | <b>7,563,393</b>     | <b>7,455,549</b>  | <b>9,390,871</b>     | <b>46,978,596</b>              |
| <b>Fund Balances</b>   |                      |                      |                      |   |                      |                                |
| Nonspendable - Prepaids  | 135,765              | -                    | -                    | -   | 537,241              | 673,006                        |
| Restricted:  |                      |                      |                      |   |                      |                                |
| Police   | -                    | -                    | -                    | -   | 1,361,611            | 1,361,611                      |
| Police and fire  | -                    | -                    | -                    | 136,101   | -                    | 136,101                        |
| Community development  | -                    | -                    | -                    | -   | 452,715              | 452,715                        |
| Library  | -                    | -                    | -                    | -   | 2,032,978            | 2,032,978                      |
| Nature center  | -                    | -                    | -                    | -   | 585,679              | 585,679                        |
| Opioid settlement  | -                    | -                    | -                    | -   | 94,363               | 94,363                         |
| Michigan indigent defense  | -                    | -                    | -                    | -   | 167,791              | 167,791                        |
| Committed:   |                      |                      |                      |   |                      |                                |
| Cemetery care  | 1,027,515            | -                    | -                    | -   | -                    | 1,027,515                      |
| Workers' compensation  | 1,068,904            | -                    | -                    | -   | -                    | 1,068,904                      |
| Budget stabilization   | 3,775,811            | -                    | -                    | -   | -                    | 3,775,811                      |
| Capital projects - Police  | -                    | -                    | -                    | -   | 3,021,127            | 3,021,127                      |
| Capital projects - General   | -                    | -                    | -                    | -   | 3,460,836            | 3,460,836                      |
| Capital projects - Fire  | -                    | -                    | -                    | -   | 4,505,450            | 4,505,450                      |
| Capital projects - Parks and recreation                                    | -                    | -                    | -                    | -   | 350,185              | 350,185                        |
| Assigned:  |                      |                      |                      |   |                      |                                |
| Fiscal recovery  | -                    | -                    | -                    | -   | 173,645              | 173,645                        |
| Cable-related projects   | -                    | -                    | -                    | -   | 824,837              | 824,837                        |
| Police   | -                    | 4,318,513            | -                    | -   | -                    | 4,318,513                      |
| Fire   | -                    | -                    | 5,080,666            | -   | -                    | 5,080,666                      |
| Community development  | -                    | -                    | -                    | -   | 200,000              | 200,000                        |
| Capital projects - Improvement revolving fund                              | -                    | -                    | -                    | -   | 5,568,812            | 5,568,812                      |
| Parks and recreation   | -                    | -                    | -                    | -   | 2,084,808            | 2,084,808                      |
| Unassigned   | 17,139,912           | -                    | -                    | -   | -                    | 17,139,912                     |
| <b>Total fund balances</b>   | <b>23,147,907</b>    | <b>4,318,513</b>     | <b>5,080,666</b>     | <b>136,101</b>  | <b>25,422,078</b>    | <b>58,105,265</b>              |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 37,469,863</b> | <b>\$ 12,565,340</b> | <b>\$ 12,644,059</b> | <b>\$ 7,591,650</b>                                       | <b>\$ 34,812,949</b> | <b>\$ 105,083,861</b>          |

## Charter Township of Waterford

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

December 31, 2023

|  |                                    |
|--|------------------------------------|
| <b>Fund Balances Reported in Governmental Funds</b>  | <b>\$ 58,105,265</b>               |
| 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   | 54,623,956                         |
| Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds         | 1,353,316                          |
| 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  | (3,211,528)                        |
| Pension benefits and related deferrals   | (6,574,264)                        |
| Retiree health care benefits and related deferrals   | (59,352,577)                       |
| Other long-term liabilities, such as claims and judgments, do not present a claim on current financial resources and are not reported as fund liabilities                                | (821,023)                          |
| Internal service funds are included as part of governmental activities   | 543,346                            |
| <b>Net Position of Governmental Activities</b>   | <b><u><u>\$ 44,666,491</u></u></b> |



# Charter Township of Waterford

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

Year Ended December 31, 2023

|  | General Fund         | Police Fund         | Fire Fund           | Police and Fire<br>Special<br>Assessment<br>District Fund | Nonmajor<br>Funds    | Total<br>Governmental<br>Funds |
|--|----------------------|---------------------|---------------------|---|----------------------|--------------------------------|
| <b>Revenue</b>                                     |                      |                     |                     |   |                      |                                |
| Property taxes                                     | \$ 9,277,436         | \$ 7,223,315        | \$ 6,454,195        | \$ 6,745,490  | \$ 3,800,968         | \$ 33,501,404                  |
| Special assessments                                | -                    | -                   | -                   | -   | 7,864                | 7,864                          |
| Intergovernmental:                                 |                      |                     |                     |   |                      |                                |
| Federal grants                                     | 3,883,775            | 161,497             | 4,390               | -   | 2,175,851            | 6,225,513                      |
| State sources                                      | 8,359,734            | 29,157              | 26,053              | -   | 302,786              | 8,717,730                      |
| Charges for services                               | 1,416,694            | 60,011              | 11,547,952          | -   | 711,433              | 13,736,090                     |
| Fines and forfeitures                              | 1,342,390            | 87,762              | -                   | -   | 112,653              | 1,542,805                      |
| Licenses and permits                               | 1,447,298            | 42,381              | -                   | -   | 48,921               | 1,538,600                      |
| Investment income                                  | 947,303              | 146,335             | 167,848             | 18,614  | 470,357              | 1,750,457                      |
| Other revenue:                                     |                      |                     |                     |   |                      |                                |
| Local contributions                                | -                    | -                   | -                   | -   | 36,113               | 36,113                         |
| Other miscellaneous income                         | 115,559              | 385,586             | 101,210             | -   | 206,321              | 808,676                        |
| Cable franchise fees                               | 903,525              | -                   | -                   | -   | 111,672              | 1,015,197                      |
| Refunds and reimbursements                         | 593,399              | -                   | 32,354              | -   | -                    | 625,753                        |
| Total revenue                                      | 28,287,113           | 8,136,044           | 18,334,002          | 6,764,104   | 7,984,939            | 69,506,202                     |
| <b>Expenditures</b>                                |                      |                     |                     |   |                      |                                |
| Current services:                                  |                      |                     |                     |   |                      |                                |
| General government                                 | 7,034,097            | -                   | -                   | -   | 515,842              | 7,549,939                      |
| District court                                     | 2,977,080            | -                   | -                   | -   | -                    | 2,977,080                      |
| Public safety:                                     |                      |                     |                     |   |                      |                                |
| Police   | 44,196               | 14,744,285          | -                   | -   | 97,215               | 14,885,696                     |
| Fire   | -                    | -                   | 20,363,043          | -   | -                    | 20,363,043                     |
| Building inspection                                | 1,430,945            | -                   | -                   | -   | -                    | 1,430,945                      |
| Public works                                       | -                    | -                   | -                   | -   | 240,994              | 240,994                        |
| Community and economic development                 | 1,615,318            | -                   | -                   | -   | 497,101              | 2,112,419                      |
| Recreation and culture                             | -                    | -                   | -                   | -   | 4,336,833            | 4,336,833                      |
| Capital outlay                                     | 405,286              | 460,940             | 533,493             | -   | 3,057,683            | 4,457,402                      |
| Total expenditures                                 | 13,506,922           | 15,205,225          | 20,896,536          | -   | 8,745,668            | 58,354,351                     |
| <b>Excess of Revenue Over (Under) Expenditures</b> | 14,780,191           | (7,069,181)         | (2,562,534)         | 6,764,104   | (760,729)            | 11,151,851                     |
| <b>Other Financing Sources (Uses)</b>              |                      |                     |                     |   |                      |                                |
| Transfers in (Note 5)                              | -                    | 8,393,243           | 4,687,518           | -   | 6,504,469            | 19,585,230                     |
| Transfers out (Note 5)                             | (10,172,004)         | (933,000)           | (1,751,000)         | (6,709,226)   | (20,000)             | (19,585,230)                   |
| Sale of capital assets                             | 3,651                | 8,602               | 1,500               | -   | -                    | 13,753                         |
| Total other financing (uses) sources               | (10,168,353)         | 7,468,845           | 2,938,018           | (6,709,226)   | 6,484,469            | 13,753                         |
| <b>Net Change in Fund Balances</b>                 | 4,611,838            | 399,664             | 375,484             | 54,878  | 5,723,740            | 11,165,604                     |
| <b>Fund Balances - Beginning of year</b>           | 18,536,069           | 3,918,849           | 4,705,182           | 81,223  | 19,698,338           | 46,939,661                     |
| <b>Fund Balances - End of year</b>                 | <u>\$ 23,147,907</u> | <u>\$ 4,318,513</u> | <u>\$ 5,080,666</u> | <u>\$ 136,101</u>   | <u>\$ 25,422,078</u> | <u>\$ 58,105,265</u>           |

## Charter Township of Waterford

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

Year Ended December 31, 2023

|   |                             |
|---|-----------------------------|
| <b>Net Change in Fund Balances Reported in Governmental Funds</b>   | <b>\$ 11,165,604</b>        |
| Amounts reported for governmental activities in the statement of activities are different because:  |                             |
| Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:  |                             |
| Capital outlay  | 4,089,168                   |
| Depreciation expense  | (2,789,045)                 |
| Net book value of assets disposed of  | (51,029)                    |
| Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available  | (115,952)                   |
| Changes to some employee costs (pension, OPEB, pension and OPEB related deferrals, and compensated absences) do not require the use of current financial resources and, therefore, are not reported in the governmental funds | 13,385,967                  |
| Changes to claims and similar costs that do not use current financial resources are not reported in the governmental funds  | (89,516)                    |
| Internal service funds are included as part of governmental activities  | (10,079)                    |
| <b>Change in Net Position of Governmental Activities</b>  | <b><u>\$ 25,585,118</u></b> |

# Charter Township of Waterford

## Proprietary Funds Statement of Net Position

December 31, 2023

|  | Enterprise Fund         | Governmental<br>Activities                    |
|--|-------------------------|---|
|  | Water and Sewer<br>Fund | Internal Service<br>Fund - Motor Pool<br>Fund |
| <b>Assets</b>  |                         |   |
| Current assets:                                      |                         |   |
| Cash and investments (Note 3)                        | \$ 25,029,056           | \$ 215,700                                    |
| Receivables:   |                         |   |
| Special assessments receivable - Due within one year | 115,459                 | -   |
| Customer receivables                                 | 9,615,631               | -   |
| Accrued interest receivable                          | 156,548                 | -   |
| Leases receivable                                    | 72,762                  | -   |
| Inventory  | -                       | 92,168  |
| Total current assets                                 | 34,989,456              | 307,868                                       |
| Noncurrent assets:                                   |                         |   |
| Restricted assets                                    | 1,927,586               | -   |
| Net pension asset                                    | 396,619                 | -   |
| Leases receivable                                    | 2,292,798               | -   |
| Capital assets: (Note 4)                             |                         |   |
| Assets not subject to depreciation                   | 14,113,160              | -   |
| Assets subject to depreciation - Net                 | 92,479,684              | 249,041                                       |
| Total noncurrent assets                              | 111,209,847             | 249,041                                       |
| Total assets   | 146,199,303             | 556,909                                       |
| <b>Deferred Outflows of Resources</b>                |                         |   |
| Deferred pension costs (Note 7)                      | 509,042                 | -   |
| Deferred OPEB costs (Note 8)                         | 550,180                 | -   |
| Total deferred outflows of resources                 | 1,059,222               | -   |
| <b>Liabilities</b>                                   |                         |   |
| Current liabilities:                                 |                         |   |
| Accounts payable                                     | 2,064,827               | 13,563  |
| Accrued liabilities and other                        | 335,170                 | -   |
| Unearned revenue                                     | 442,255                 | -   |
| Compensated absences                                 | 444,500                 | -   |
| Provision for claims                                 | 43,903                  | -   |
| Current portion of long-term debt (Note 6)           | 2,355,148               | -   |
| Total current liabilities                            | 5,685,803               | 13,563  |
| Noncurrent liabilities:                              |                         |   |
| Net OPEB liability (Note 8)                          | 7,672,955               | -   |
| Long-term debt (Note 6)                              | 23,144,434              | -   |
| Total noncurrent liabilities                         | 30,817,389              | -   |
| Total liabilities                                    | 36,503,192              | 13,563  |
| <b>Deferred Inflows of Resources</b>                 |                         |   |
| Deferred OPEB cost reductions (Note 8)               | 1,375,140               | -   |
| Deferred inflows from leases                         | 2,248,004               | -   |
| Total deferred inflows of resources                  | 3,623,144               | -   |

## Charter Township of Waterford

### Proprietary Funds Statement of Net Position (Continued)

December 31, 2023

|                                  | Enterprise Fund         | Governmental<br>Activities                    |
|----------------------------------|-------------------------|---|
|                                  | Water and Sewer<br>Fund | Internal Service<br>Fund - Motor Pool<br>Fund |
| <b>Net Position</b>              |                         |   |
| Net investment in capital assets | \$ 81,093,262           | \$ 249,041                                    |
| Restricted:                      |                         |   |
| Capital projects                 | 1,927,586               | -   |
| Pension                          | 396,619                 | -   |
| Unrestricted                     | 23,714,722              | 294,305                                       |
| Total net position               | <b>\$ 107,132,189</b>   | <b>\$ 543,346</b>                             |

## Charter Township of Waterford

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

Year Ended December 31, 2023

|   | Enterprise Fund         | Governmental<br>Activities                    |
|---|-------------------------|---|
|   | Water and<br>Sewer Fund | Internal Service<br>Fund - Motor<br>Pool Fund |
| <b>Operating Revenue</b>                            |                         |   |
| Sale of water                                       | \$ 7,354,164            | \$ -  |
| Sewage disposal charges                             | 18,498,493              | -   |
| Other sales to customers                            | 79,464                  | -   |
| Charges for services                                | 336,666                 | -   |
| Total operating revenue                             | 26,268,787              | -   |
| <b>Operating Expenses</b>                           |                         |   |
| Cost of water                                       | 2,355,836               | -   |
| Cost of sewage treatment                            | 10,078,102              | -   |
| Other operating and maintenance costs               | 2,052,228               | -   |
| Billing and administrative costs                    | 3,109,725               | -   |
| Depreciation  | 6,019,092               | 6,011   |
| Total operating expenses                            | 23,614,983              | 6,011   |
| <b>Operating Income (Loss)</b>                      | 2,653,804               | (6,011)                                       |
| <b>Nonoperating Revenue (Expense)</b>               |                         |   |
| Investment income                                   | 739,880                 | 2,610   |
| Interest expense                                    | (612,186)               | -   |
| Gain (loss) on sale of assets                       | 24,994                  | (6,678)                                       |
| Total nonoperating revenue (expense)                | 152,688                 | (4,068)                                       |
| <b>Income (Loss) - Before capital contributions</b> | 2,806,492               | (10,079)                                      |
| <b>Capital Contributions</b>                        |                         |   |
| Capital grants                                      | 760,084                 | -   |
| Benefit fees  | 444,346                 | -   |
| Lines donated by developers                         | 755,505                 | -   |
| Total capital contributions                         | 1,959,935               | -   |
| <b>Change in Net Position</b>                       | 4,766,427               | (10,079)                                      |
| <b>Net Position - Beginning of year</b>             | 102,365,762             | 553,425                                       |
| <b>Net Position - End of year</b>                   | <b>\$ 107,132,189</b>   | <b>\$ 543,346</b>                             |

## Charter Township of Waterford

### Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2023

|   | Enterprise Fund         | Governmental<br>Activities                    |
|---|-------------------------|---|
|   | Water and<br>Sewer Fund | Internal Service<br>Fund - Motor<br>Pool Fund |
| <b>Cash Flows from Operating Activities</b>   |                         |   |
| Receipts from customers   | \$ 26,591,678           | \$ -  |
| Payments to suppliers   | (13,501,558)            | (7,190)                                       |
| Payments to employees and fringes   | (5,765,583)             | -   |
| Net cash and cash equivalents provided by (used in)<br>operating activities                     | 7,324,537               | (7,190)                                       |
| <b>Cash Flows from Capital and Related Financing Activities</b>                                 |                         |   |
| Receipt of capital grants   | 11,139                  | -   |
| Special assessment collections  | 22,945                  | -   |
| Benefit fees  | 444,346                 | -   |
| Proceeds from sale of capital assets  | 24,994                  | 30,882  |
| Purchase of capital assets  | (5,591,435)             | -   |
| Principal and interest paid on capital debt   | (2,949,772)             | -   |
| Net cash and cash equivalents (used in) provided by capital<br>and related financing activities | (8,037,783)             | 30,882  |
| <b>Cash Flows from Investing Activities</b>   |                         |   |
| Interest received on investments  | 630,167                 | 2,610   |
| Purchases of investment securities  | (791,953)               | -   |
| Net cash and cash equivalents (used in) provided by investing<br>activities                     | (161,786)               | 2,610   |
| <b>Net (Decrease) Increase in Cash and Cash Equivalents</b>                                     | (875,032)               | 26,302  |
| <b>Cash and Cash Equivalents - Beginning of year</b>  | 15,844,737              | 189,398                                       |
| <b>Cash and Cash Equivalents - End of year</b>  | <b>\$ 14,969,705</b>    | <b>\$ 215,700</b>                             |
| <b>Classification of Cash and Cash Equivalents</b>  |                         |   |
| Cash and investments  | \$ 25,029,056           | \$ 215,700                                    |
| Less amounts classified as investments  | (10,059,351)            | -   |
| <b>Total cash and cash equivalents</b>  | <b>\$ 14,969,705</b>    | <b>\$ 215,700</b>                             |

## Charter Township of Waterford

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

Year Ended December 31, 2023

|   | Enterprise Fund            | Governmental<br>Activities                    |
|---|----------------------------|---|
|   | Water and<br>Sewer Fund    | Internal Service<br>Fund - Motor<br>Pool Fund |
| <b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</b>  |                            |   |
| Operating income (loss)   | \$ 2,653,804               | \$ (6,011)                                    |
| Adjustments to reconcile operating income (loss) to net cash from operating activities: |                            |   |
| Depreciation  | 6,019,092                  | 6,011   |
| Changes in assets and liabilities:  |                            |   |
| Receivables   | 322,891                    | -   |
| Inventories   | -                          | (13,501)                                      |
| Accrued and other liabilities   | (184,290)                  | -   |
| Accounts payable  | 717,137                    | 6,311   |
| Estimated claims liability  | (7,690)                    | -   |
| Net pension and OPEB liabilities and related deferrals                                  | (2,196,407)                | -   |
| Total adjustments   | 4,670,733                  | (1,179)                                       |
| Net cash and cash equivalents provided by (used in) operating activities                | <u><u>\$ 7,324,537</u></u> | <u><u>\$ (7,190)</u></u>                      |

**Noncash Investing, Capital, and Financing Activities** - During the year ended December 31, 2023, the Water and Sewer Fund received approximately \$756,000 of lines donated by developers. In addition, restricted assets held at the County were reduced by approximately \$950,000 in order to fund the construction of capital assets.

## Charter Township of Waterford

### Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2023

|   | Pension and<br>Other<br>Postemployment<br>Benefits Funds | Custodial Funds          |
|---|--|--------------------------|
| <b>Assets</b>   |  |                          |
| Cash and cash equivalents   | \$ 9,420,695   | \$ 7,205,580             |
| Investments:  |  |                          |
| Fixed-income funds  | 22,629,828   | -                        |
| Publicly traded partnerships  | 33,908,906   | -                        |
| Stocks  | 108,615,311  | -                        |
| Mutual funds  | 43,327,462   | -                        |
| Real estate investment trusts   | 6,757,581  | -                        |
| Pension manager short-term funds  | 7,345,555  | -                        |
| Securities lending short-term collateral bank investment pool - Mutual funds                                | 1,603,517  | -                        |
| Receivables:  |  |                          |
| Property taxes receivable   | -  | 4,337,607                |
| Special assessments receivable  | -  | 125,750                  |
| Accrued interest receivable   | 144,504  | -                        |
| Prepaid items   | 1,048,032  | -                        |
| Total assets  | 234,801,391  | 11,668,937               |
| <b>Liabilities</b>  |  |                          |
| Accounts payable  | -  | 6,243                    |
| Due to other governmental units   | -  | 6,417,600                |
| Accrued liabilities and other   | -  | 163,339                  |
| Obligations under securities lending agreements   | 1,603,517  | -                        |
| Total liabilities   | 1,603,517  | 6,587,182                |
| <b>Deferred Inflows of Resources</b> - Property taxes and special assessments levied for the following year | -  | 4,629,209                |
| Total liabilities and deferred inflows of resources   | 1,603,517  | 11,216,391               |
| <b>Net Position</b>   |  |                          |
| Restricted:   |  |                          |
| Pension   | 180,884,151  | -                        |
| Postemployment benefits other than pension  | 52,313,723   | -                        |
| Individuals, organizations, and other governments   | -  | 452,546                  |
| Total net position  | <u><u>\$ 233,197,874</u></u>                             | <u><u>\$ 452,546</u></u> |



## Charter Township of Waterford

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

Year Ended December 31, 2023

|  | Pension and<br>Other<br>Postemployment<br>Benefits Funds | Custodial Funds   |
|--|--|-------------------|
| <b>Additions</b>   |  |                   |
| Investment income:                                       |  |                   |
| Interest and dividends                                   | \$ 5,935,525   | \$ -              |
| Net increase in fair value of investments                | 24,628,593   | -                 |
| Investment costs   | (955,177)  | -                 |
| Net investment income                                    | 29,608,941   | -                 |
| Contributions:   |  |                   |
| Employer contributions                                   | 17,324,525   | -                 |
| Employee contributions                                   | 279,236  | -                 |
| Total contributions                                      | 17,603,761   | -                 |
| Property tax collections for other governments           | -  | 75,898,312        |
| Special assessments                                      | -  | 282,164           |
| District court receipts                                  | -  | 697,168           |
| Total additions  | 47,212,702   | 76,877,644        |
| <b>Deductions</b>  |  |                   |
| Benefit payments   | 21,042,935   | -                 |
| Administrative expenses                                  | 155,819  | -                 |
| Tax distributions to other governments                   | -  | 75,898,312        |
| Weed control   | -  | 293,715           |
| District court disbursements                             | -  | 697,168           |
| Total deductions   | 21,198,754   | 76,889,195        |
| <b>Net Increase (Decrease) in Fiduciary Net Position</b> | 26,013,948   | (11,551)          |
| <b>Net Position - Beginning of year</b>                  | 207,183,926  | 464,097           |
| <b>Net Position - End of year</b>                        | <b>\$ 233,197,874</b>                                    | <b>\$ 452,546</b> |

## Charter Township of Waterford

### Component Units Statement of Net Position

December 31, 2023

|   | Economic<br>Development<br>Corporation | Waterford<br>Youth<br>Assistance<br>Corporation | Brownfield<br>Redevelopment<br>Authority | Total             |
|---|--|---|--|-------------------|
| <b>Assets</b>   |  |   |  |                   |
| Cash and investments  | \$ 148,689                             | \$ 101,132                                      | \$ 96,541                                | \$ 346,362        |
| Receivables - Property taxes  | -                                      | -   | 7,341                                    | 7,341             |
| Total assets  | 148,689                                | 101,132   | 103,882                                  | 353,703           |
| <b>Liabilities - Accounts payable</b>   | -                                      | 62  | -  | 62                |
| <b>Deferred Inflows of Resources - Property taxes levied for the following year</b> | -                                      | -   | 27,453                                   | 27,453            |
| <b>Net Position - Unrestricted</b>  | <b>\$ 148,689</b>                      | <b>\$ 101,070</b>                               | <b>\$ 76,429</b>                         | <b>\$ 326,188</b> |

## Charter Township of Waterford

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|   | Program Revenue         |                        |                                    |                                  |
|---|-------------------------|------------------------|------------------------------------|----------------------------------|
|   | Expenses                | Charges for Services   | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Functions/Programs</b>               |                         |                        |                                    |                                  |
| Economic Development Corporation        | \$ -                    | \$ -                   | \$ -                               | \$ -                             |
| Waterford Youth Assistance Corporation  | 28,204                  | 3,136                  | 41,721                             | -                                |
| Brownfield Redevelopment Authority      | 4,969                   | -                      | -                                  | -                                |
| Total component units                   | <u><u>\$ 33,173</u></u> | <u><u>\$ 3,136</u></u> | <u><u>\$ 41,721</u></u>            | <u><u>\$ -</u></u>               |
| General revenue:                        |                         |                        |                                    |                                  |
| Property taxes                          |                         |                        |                                    |                                  |
| Unrestricted investment income          |                         |                        |                                    |                                  |
| Total general revenue                   |                         |                        |                                    |                                  |
| <b>Change in Net Position</b>           |                         |                        |                                    |                                  |
| <b>Net Position</b> - Beginning of year |                         |                        |                                    |                                  |
| <b>Net Position</b> - End of year       |                         |                        |                                    |                                  |

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Component Units  
Statement of Activities

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Year Ended December 31, 2023

| Net Revenue (Expense) and Changes in Net Position |   |  |                   |
|---|---|--|-------------------|
| Economic<br>Development<br>Corporation            | Waterford<br>Youth<br>Assistance<br>Corporation | Brownfield<br>Redevelopment<br>Authority | Total             |
| \$ -  | \$ -  | \$ -                                     | \$ -              |
| -   | 16,653  | -  | 16,653            |
| -   | -   | (4,969)                                  | (4,969)           |
| -   | 16,653  | (4,969)                                  | 11,684            |
| -   | -   | 27,268                                   | 27,268            |
| 2,321   | 1,328   | 1,246                                    | 4,895             |
| 2,321   | 1,328   | 28,514                                   | 32,163            |
| 2,321   | 17,981  | 23,545                                   | 43,847            |
| 146,368   | 83,089  | 52,884                                   | 282,341           |
| <b>\$ 148,689</b>                                 | <b>\$ 101,070</b>                               | <b>\$ 76,429</b>                         | <b>\$ 326,188</b> |

December 31, 2023

### Note 1 - Significant Accounting Policies

#### ***Reporting Entity***

The Charter Township of Waterford (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. The blended component unit is, in substance, part of the Township's operations, even though it is a separate legal entity. Thus, the blended component unit is appropriately presented as part 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 (see discussion below for description).

#### **Fiduciary Component Units**

The Charter Township of Waterford's Police and Fire Retirement System, the Charter Township of Waterford's General Employees' Retirement System, and Other Postemployment Benefit Trust Fund have been blended into the Township's financial statements. These systems are governed by a five-member pension board that includes the township treasurer, two elected individuals chosen by the township board, and two members of the retirement systems who are elected by members of the retirement systems. The systems are reported as if they were part of the primary government because of the fiduciary responsibility that the Township retains relative to the operations of each system. The operations of the Police and Fire Retirement System, the General Employees' Retirement System, and Other Postemployment Benefit Trust Funds are reported as pension and other postemployment benefit trust funds.

#### **Blended Component Unit**

The 51st District Court is governed by a chief judge. Although it is legally separate from the Township, the 51st District Court is reported as if it were part of the primary government because its sole purpose is to perform court-related activities on behalf of the Township.

#### **Discretely Presented Component Units**

The following component units are reported within the component units column in the financial statements. They are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Township. The component units do not issue separate financial statements.

#### ***Waterford Youth Assistance Corporation***

The Waterford Youth Assistance Corporation was created to mobilize community interest and forces toward youth and family adjustment and to aid in the prevention of juvenile delinquency and neglect. The Waterford Youth Assistance Corporation's governing body is appointed by the township board. The Township also has the ability to impose its will on the component unit.

#### ***Economic Development Corporation***

The Economic Development Corporation 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 Economic Development Corporation's governing body, which consists of 11 individuals, is selected by the supervisor and approved by the township board. The Township also has the ability to impose its will on the component unit.

**December 31, 2023**

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

*Brownfield Redevelopment Authority*

The Brownfield Redevelopment Authority was created, pursuant to Public Act 381 of 1996, to promote revitalization of an environmentally distressed area within the Township. The Brownfield Redevelopment Authority is funded primarily by property tax revenue captures. The Brownfield Redevelopment Authority is governed by the Economic Development Corporation's governing body. The Township also has the ability to impose its will on the component unit.

***Accounting and Reporting Principles***

The Charter Township of Waterford 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:

***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. 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 and other items not properly included among program revenue are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Township's water and sewer function and various other functions of the Township. 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 are reported as separate columns in the fund financial statements.

***Basis of Accounting***

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

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

**December 31, 2023**

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

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

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

***Fund Accounting***

The Township accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures for which specific revenue was 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. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The Township reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Police Fund accounts for the operations of the law enforcement activities of the Township. Funding is provided primarily through a local property tax levy and through transfers in from the General Fund.
- The Fire Fund accounts for the operations of the fire department of the Township. Funding is provided primarily through a local property tax levy and through transfers in from the General Fund.
- The Police and Fire Special Assessment District Fund accounts for the operations of the police and the fire department of the Township. Funding is provided primarily through a special assessment in accordance with Public Act 33 of 1951.

**Proprietary Funds**

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

- The Water and Sewer Fund provides water to customers and disposes of sanitary sewage in exchange for quarterly user charges.

The Township's internal service fund is used to account for the financing of goods and services provided by one department to other departments of the Township on a cost-reimbursement basis. The Township utilizes an internal service fund to account for motor pool activities.

**December 31, 2023**

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

**Fiduciary Funds**

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

- The pension and other postemployment benefits funds account for the activities of the employee benefit plans that accumulate resources for pension and other postemployment benefit payments to qualified employees.
- The custodial funds record tax collections for other units of government (the county, community college, school district, etc.), the district court, and weed control activity on behalf of lake improvement boards.

**Interfund Activity**

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

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

**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.

**Inventories and Prepaid Items**

Inventories are valued at cost on a first-in, first-out basis. Inventories are recorded as expenditures when consumed rather than when purchased. 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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Restricted Assets**

The Township has \$1,927,586 on deposit at the county that is being held for certain projects of the Water and Sewer Fund.



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

**Capital Assets**

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, 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 for personal property; \$10,000 for infrastructure; \$50,000 for buildings and improvements; \$75,000 for intangible assets; and no threshold for land, land improvements, telecommunications equipment, and library books with 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:

| Capital Asset Class                                    | Depreciable Life -<br>Years |
|--|-----------------------------|
| Buildings and improvements                             | 10-40                       |
| Infrastructure   | 20-40                       |
| Lines and laterals                                     | 75                          |
| Machinery and office equipment,<br>vehicles, and other | 3-15                        |

**Unearned Revenue**

Unearned revenue represents money received that does not yet meet the criteria for revenue recognition. As of December 31, 2023, the balance of unearned revenue in the Grant Fund and Water and Sewer Fund relates to American Rescue Plan Act cash received in advance of eligibility criteria being met. Unearned amounts are reported as liabilities.

**Long-term Obligations**

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

For the governmental activities, claims and judgments, net pension liability, and net other postemployment benefit liability are generally liquidated by the General, Police, Fire, and Library funds related to employee salaries and fringes. Additionally, for the business-type activities, compensated absences, net pension liability, and net other postemployment benefit liability are generally liquidated by the Water and Sewer Fund for employee salaries and fringes.

**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 a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Township reports deferred outflows of resources related to the defined benefit pension plans and other postemployment benefit plan. The deferred outflows of resources related to the defined benefit pension plans and other postemployment benefit plan are reported in the government-wide financial statements and the Water and Sewer Fund (see Notes 7 and 8 for details).

**December 31, 2023**

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

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 a future period and will not be recognized as an inflow of resources (revenue) until that time. Property taxes levied for the following year and deferred inflows related to leases qualify for reporting in this category. The governmental funds also report unavailable revenue from grants and other sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Township also reports deferred inflows of resources related to the other postemployment benefit plan. The deferred inflows of resources related to the other postemployment benefit plan are reported in the government-wide financial statements and the Water and Sewer Fund (see Note 8 for details).

**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 Township's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**Fund Balance Flow Assumptions**

The Township will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the 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.

**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 Township's highest level of decision-making authority. The Township's 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.

**December 31, 2023**

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

Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as committed. The Township's board of trustees has, by resolution, authorized the budget director and assistant budget director to assign fund balance. The board 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.

The Township's board of trustees has adopted, by ordinance, a Budget Stabilization Fund under Michigan's Public Act 30 of 1978, as amended. The board of trustees may, with a two-thirds vote, set aside General Fund surplus, up to a maximum of 20 percent of the most recent General Fund budget (or average of the five most recent budgets, if less). An appropriation from the Budget Stabilization Fund, which also requires a two-thirds vote of the board of trustees, may only occur to correct a budget shortfall or in the case of a natural disaster. The balance at December 31, 2023 of the stabilization amount, which is reported in the General Fund, is \$3,775,811.

**Property Tax Revenue**

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. These taxes are due on February 14, with a final collection date of February 28 before they are added to the county tax rolls.

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

The 2022 taxable valuation of the Township totaled \$2.6 billion on which ad valorem taxes levied consisted of 3.5451 mills for operating purposes, 2.7758 mills for police, 2.4803 mills for the fire department, 1.0000 mills for the library, 0.4603 mills for parks and recreation, and 2.7000 mills for police and fire special assessment. This resulted in property tax revenue of \$9.23 million for operating, \$7.23 million for police, \$6.46 million for the fire department, \$2.60 million for the library, \$1.20 million for parks and recreation, and \$6.75 million for police and fire special assessment. These amounts are recognized in the respective General Fund and special revenue fund financial statements as tax revenue.

**Pension**

The Township offers defined benefit pension plans to its employees. The Township records a net pension liability or asset 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/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Charter Township of Waterford's Police and Fire Retirement System and the Charter Township of Waterford's General Employees' Retirement System and additions to/deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the pension plans. 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.

**December 31, 2023**

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

**Other Postemployment Benefits**

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 plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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 sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. All other accrued compensated absences are reported in the government-wide financial statements; generally, the funds that report each employee's compensation (the General Fund, Police Fund, Fire Fund, and Water and Sewer Fund, primarily) are used to liquidate obligations.

**Proprietary Funds Operating Classification**

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water and Sewer Fund and internal service funds is 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. Operating expenses for enterprise funds and internal service 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.

**Leases**

The Township is a lessor for noncancelable leases of cell phone towers. The Township recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the Township initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Township determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The Township uses the estimated borrowing rate as the discount rate for leases.

December 31, 2023

Note 1 - Significant Accounting Policies (Continued)

- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Township monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Upcoming Accounting Pronouncements

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

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

In April 2024, the Government Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which provides updated guidance impacting management's discussion and analysis; the proprietary fund statement of revenue, expenses, and changes in fund net position; major component unit information; and budgetary comparison information. The provisions of this new statement are effective for the Township's financial statements for the year ending December 31, 2026.

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:

|   |    |           |             |
|---|----|-----------|-------------|
| Cumulative shortfall at January 1, 2023 |    | \$        | (6,276,792) |
| Current year permit revenue             |    |           | 1,447,298   |
| Related expenses:                       |    |           |             |
| Direct costs                            | \$ | 1,033,457 |             |
| Estimated indirect costs                |    | -         | 1,033,457   |
|   |    |           | <hr/>       |
| Current year surplus                    |    |           | 413,841     |
|   |    |           | <hr/>       |
| Cumulative shortfall December 31, 2023  |    | \$        | (5,862,951) |
|   |    |           | <hr/>       |

Noncompliance with Legal or Contractual Provisions

The Grant Fund budget included a budgeted deficit, which is a violation of Michigan law.

# Notes to Financial Statements

December 31, 2023

## Note 3 - Deposits and Investments

Deposits and investments are reported in the financial statements as follows:

|                      | Governmental<br>Activities | Business-type<br>Activities | Total          | Fiduciary      | Total Primary<br>Government<br>and Fiduciary<br>Funds | Component<br>Units |
|----------------------|----------------------------|-----------------------------|----------------|----------------|---|--------------------|
| Cash and investments | \$ 84,792,556              | \$ 25,029,056               | \$ 109,821,612 | \$ 240,814,435 | \$ 350,636,047  | \$ 346,362         |

These amounts are classified into the following deposits and investment categories:

|                                      | Primary<br>Government and<br>Fiduciary Funds | Component<br>Units |
|--------------------------------------|--|--------------------|
| Deposits with financial institutions | \$ 66,912,745                                | \$ 346,362         |
| Investments:                         |  |                    |
| Equity securities and mutual funds   | 153,546,290                                  | -                  |
| Debt securities or funds             | 25,236,251                                   | -                  |
| Short-term funds                     | 56,928,719                                   | -                  |
| Real estate and other                | 48,012,042                                   | -                  |
| Total                                | <u>\$ 350,636,047</u>                        | <u>\$ 346,362</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's pension trust funds and the retiree health care fund are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Township has designated 10 banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and certificates of deposit (CDs) but not the remainder of state statutory authority, as listed above. The Township's deposits and investment policies are in accordance with statutory authority. 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 and its component units had bank deposits of \$58,292,058 (certificates of deposit and checking and savings accounts). Of that amount, \$1,766,500 was covered by federal depository insurance, and the remainder was uninsured and uncollateralized. The Township believes that, due to the dollar amounts of cash deposits and the limits of Federal Deposit Insurance Corporation (FDIC) insurance, it is impractical to insure all deposits.



December 31, 2023

**Note 3 - Deposits and Investments (Continued)**

**Interest Rate Risk**

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

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

| Government-wide Activities | Fair Value           | Less Than<br>1 Year  | 1-5 Years           | 6-10 Years  | More Than<br>10 Years |
|----------------------------|----------------------|----------------------|---------------------|-------------|-----------------------|
| Agency securities          | \$ 2,606,423         | \$ -                 | \$ 2,606,423        | \$ -        | \$ -                  |
| Fixed-income pool          | 56,928,719           | 56,928,719           | -                   | -           | -                     |
| Total                      | <u>\$ 59,535,142</u> | <u>\$ 56,928,719</u> | <u>\$ 2,606,423</u> | <u>\$ -</u> | <u>\$ -</u>           |

| Fiduciary Activities | Fair Value          | Less Than<br>1 Year | 1-5 Years           | 6-10 Years          | More Than<br>10 Years |
|----------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| Agency securities    | \$ 1,584,349        | \$ -                | \$ 424,584          | \$ 803,093          | \$ 356,672            |
| Bonds                | 4,853,241           | 122,113             | 2,893,484           | 1,601,408           | 236,236               |
| Total                | <u>\$ 6,437,590</u> | <u>\$ 122,113</u>   | <u>\$ 3,318,068</u> | <u>\$ 2,404,501</u> | <u>\$ 592,908</u>     |

**Credit Risk**

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

| Investment                | Fair Value           | Rating    | Rating<br>Organization |
|---------------------------|----------------------|-----------|------------------------|
| <b>Primary Government</b> |                      |           |                        |
| Agency securities         | \$ 2,606,426         | Aaa       | Moody's                |
| Fixed-income pool         | 56,928,719           | Not rated |                        |
| Total                     | <u>\$ 59,535,145</u> |           |                        |

| Investment             | Fair Value          | Rating | Rating<br>Organization |
|------------------------|---------------------|--------|------------------------|
| <b>Fiduciary Funds</b> |                     |        |                        |
| Bonds                  | \$ 382,928          | A-     | S&P                    |
| Bonds                  | 114,176             | A+     | S&P                    |
| Bonds                  | 131,005             | AA-    | S&P                    |
| Bonds                  | 230,735             | BB+    | S&P                    |
| Bonds                  | 1,553,923           | BBB    | S&P                    |
| Bonds                  | 1,564,206           | BBB-   | S&P                    |
| Bonds                  | 647,398             | BBB+   | S&P                    |
| Bonds                  | 228,870             | BB     | S&P                    |
| Agency securities      | 1,584,349           | Aaa    | Moody's                |
| Total                  | <u>\$ 6,437,590</u> |        |                        |

**December 31, 2023****Note 3 - Deposits and Investments (Continued)*****Concentration of Credit Risk***

The Township places no limit on the amount it may invest in any one issuer. More than 47 percent of the primary government's cash and investments are in the Oakland County Local Government Investment Pool (the "LGIP"). The LGIP is not registered with the Securities and Exchange Commission (SEC) and does not issue a separate report. The fair value of the position in the pool is not the same as the value of the pool shares since the pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized cost.

***Securities Lending***

As permitted by some state statutes and under the provisions of a securities lending authorization agreement, the Township's Police and Fire Retirement System and General Employees' Retirement System (the "Retirement Systems") lend securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The Retirement Systems' custodial bank manages the securities lending program and receives cash, government securities, or irrevocable bank letters of credit as collateral. Borrowers are required to deliver collateral for each loan equal to no less than 102 percent of the fair value of the loaned securities. During the year ended December 31, 2023, only United States currency and governmental securities were received as collateral.

The Retirement Systems did not impose any restrictions during the fiscal year on the amount of loans made on its behalf by the custodial bank. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or custodial bank.

The Retirement Systems and the borrower maintain the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in an investment pool. The average duration of such investment pool as of December 31, 2023 did not generally match the duration of the investments made with cash collateral. On December 31, 2023, the Retirement Systems had no credit risk exposure to borrowers. The collateral held and the fair value of the underlying securities on loan for the Retirement Systems as of December 31, 2023 were \$1,603,517 and \$1,559,729, respectively, for the General Employees' Retirement System. A portion of the cash collateral received on each loan was invested, together with the cash collateral of other lenders, in a pool. The remaining collateral was invested in assets held by each system. The remaining investments held in the pool and the other investments of collateral consist of a floating-rate note and mutual funds not rated by Standard & Poor's (S&P). The Police and Fire Retirement System did not invest in securities lending as of December 31, 2023.

***Fair Value Measurements***

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

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



# Notes to Financial Statements

December 31, 2023

## Note 3 - Deposits and Investments (Continued)

The Township has the following recurring fair value measurements as of December 31, 2023:

|   | Assets Measured at Carrying Value on a Recurring Basis                     |  |  |                                    |
|---|--|--|--|------------------------------------|
|   | Quoted Prices in<br>Active Markets<br>for Identical<br>Assets<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Balance at<br>December 31,<br>2023 |
| Fixed-income funds                                | \$ 15,836,957  | \$ 6,792,871   | \$ -   | \$ 22,629,828                      |
| Stocks  | 108,615,311  | -  | -  | 108,615,311                        |
| Mutual funds                                      | 41,591,808   | -  | -  | 41,591,808                         |
| Agency securities                                 | -  | 2,606,423  | -  | 2,606,423                          |
| Total investments by fair<br>value level          | <u>\$ 166,044,076</u>  | <u>\$ 9,399,294</u>                                    | <u>\$ -</u>  | <u>175,443,370</u>                 |
| Investments measured at net asset<br>value (NAV): |  |  |  |                                    |
| Mutual funds                                      |  |  |  | 1,735,654                          |
| Publicly traded partnerships                      |  |  |  | 33,908,906                         |
| Real estate investment trusts                     |  |  |  | 6,757,581                          |
| Fixed-income pool                                 |  |  |  | <u>56,928,719</u>                  |
| Total investments<br>measured at NAV              |  |  |  | <u>99,330,860</u>                  |
| Total investments<br>measured at fair value       |  |  |  | <u>\$ 274,774,230</u>              |

Certain fixed-income funds, mutual funds, and stocks classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of certain fixed-income funds and agency securities at December 31, 2023 was determined primarily based on Level 2 inputs. The Township estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

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

### Investments in Entities that Calculate Net Asset Value per Share

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

At December 31, 2023, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

|                               | Fair Value           | Unfunded<br>Commitments | Redemption<br>Frequency, if<br>Eligible | Redemption<br>Notice Period |
|-------------------------------|----------------------|-------------------------|---|-----------------------------|
| Mutual funds                  | \$ 1,735,654         | \$ -                    | No restrictions                         | None                        |
| Publicly traded partnerships  | 33,908,906           | -                       | Monthly                                 | 30-60 days                  |
| Real estate investment trusts | 6,757,581            | -                       | No restrictions                         | None                        |
| Fixed-income pool             | <u>56,928,719</u>    | <u>-</u>                | <u>No restrictions</u>                  | <u>None</u>                 |
| Total                         | <u>\$ 99,330,860</u> | <u>\$ -</u>             |   |                             |

# Notes to Financial Statements

December 31, 2023

## Note 3 - Deposits and Investments (Continued)

The mutual funds class includes investments in mutual funds that invest in stocks within the U.S. equity market, bonds of governments, government-related entities and agencies, and corporations primarily in the U.S. The publicly traded partnerships class includes investments in stocks within the foreign equity markets and funds that invest in large core global infrastructure assets. The real estate investment trusts class includes funds that invest in commercial U.S. real estate properties. The fixed-income pool class includes investment in a local government investment pool that invests assets in a manner that seeks the highest investment return consistent with preservation of capital while meeting the daily liquidity needs of participants. The fair values of the investments in these classes have been estimated using net asset value per share of the investments.

## Note 4 - Capital Assets

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

### Governmental Activities

|   | Balance<br>January 1, 2023 | Reclassifications | Additions    | Disposals and<br>Adjustments | Balance<br>December 31,<br>2023 |
|---|----------------------------|-------------------|--------------|------------------------------|---------------------------------|
| Capital assets not being<br>depreciated:                  |                            |                   |              |                              |                                 |
| Land  | \$ 26,582,060              | \$ -              | \$ -         | \$ -                         | \$ 26,582,060                   |
| Construction in progress                                  | -                          | -                 | 226,162      | -                            | 226,162                         |
| Subtotal  | 26,582,060                 | -                 | 226,162      | -                            | 26,808,222                      |
| Capital assets being depreciated:                         |                            |                   |              |                              |                                 |
| Infrastructure  | 17,180,688                 | -                 | 568,557      | -                            | 17,749,245                      |
| Buildings and improvements                                | 32,375,855                 | -                 | 1,116,893    | -                            | 33,492,748                      |
| Machinery and office<br>equipment, vehicles, and<br>other | 29,693,904                 | -                 | 2,177,556    | (1,520,234)                  | 30,351,226                      |
| Subtotal  | 79,250,447                 | -                 | 3,863,006    | (1,520,234)                  | 81,593,219                      |
| Accumulated depreciation:                                 |                            |                   |              |                              |                                 |
| Infrastructure  | 13,063,021                 | -                 | 216,720      | -                            | 13,279,741                      |
| Buildings and improvements                                | 17,327,432                 | -                 | 707,715      | -                            | 18,035,147                      |
| Machinery and office<br>equipment, vehicles, and<br>other | 21,774,581                 | -                 | 1,870,621    | (1,431,646)                  | 22,213,556                      |
| Subtotal  | 52,165,034                 | -                 | 2,795,056    | (1,431,646)                  | 53,528,444                      |
| Net capital assets being<br>depreciated                   | 27,085,413                 | -                 | 1,067,950    | (88,588)                     | 28,064,775                      |
| Net governmental activities<br>capital assets             | \$ 53,667,473              | \$ -              | \$ 1,294,112 | \$ (88,588)                  | \$ 54,872,997                   |

# Notes to Financial Statements

December 31, 2023

## Note 4 - Capital Assets (Continued)

### Business-type Activities

|   | Balance<br>January 1, 2023 | Reclassifications | Additions           | Disposals and<br>Adjustments | Balance<br>December 31,<br>2023 |
|---|----------------------------|-------------------|---------------------|------------------------------|---------------------------------|
| Capital assets not being depreciated:               |                            |                   |                     |                              |                                 |
| Land  | \$ 3,267,097               | \$ -              | \$ -                | \$ -                         | \$ 3,267,097                    |
| Construction in progress                            | 8,840,982                  | (160,465)         | 2,165,546           | -                            | 10,846,063                      |
| Subtotal  | 12,108,079                 | (160,465)         | 2,165,546           | -                            | 14,113,160                      |
| Capital assets being depreciated:                   |                            |                   |                     |                              |                                 |
| Lines and laterals                                  | 133,162,521                | 160,465           | 4,193,283           | (301,021)                    | 137,215,248                     |
| Buildings and improvements                          | 25,414,462                 | -                 | 18,625              | -                            | 25,433,087                      |
| Machinery and office equipment, vehicles, and other | 8,365,502                  | -                 | 932,468             | (402,542)                    | 8,895,428                       |
| Oakland-Macomb Interceptor joint assets             | 28,031,107                 | -                 | -                   | -                            | 28,031,107                      |
| Subtotal  | 194,973,592                | 160,465           | 5,144,376           | (703,563)                    | 199,574,870                     |
| Accumulated depreciation:                           |                            |                   |                     |                              |                                 |
| Lines and laterals                                  | 74,281,676                 | -                 | 3,694,124           | (301,021)                    | 77,674,779                      |
| Buildings and improvements                          | 15,395,798                 | -                 | 546,133             | -                            | 15,941,931                      |
| Machinery and office equipment, vehicles, and other | 4,619,518                  | -                 | 657,591             | (402,542)                    | 4,874,567                       |
| Oakland-Macomb Interceptor joint assets             | 7,482,665                  | -                 | 1,121,244           | -                            | 8,603,909                       |
| Subtotal  | 101,779,657                | -                 | 6,019,092           | (703,563)                    | 107,095,186                     |
| Net capital assets being depreciated                | 93,193,935                 | 160,465           | (874,716)           | -                            | 92,479,684                      |
| Net business-type activities capital assets         | <u>\$ 105,302,014</u>      | <u>\$ -</u>       | <u>\$ 1,290,830</u> | <u>\$ -</u>                  | <u>\$ 106,592,844</u>           |

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

|  |                     |
|--|---------------------|
| Governmental activities:                   |                     |
| General government                         | \$ 619,061          |
| District court                             | 73,719              |
| Public safety                              | 1,650,191           |
| Community and economic development         | 39,241              |
| Recreation and culture                     | 412,844             |
| Total governmental activities              | <u>\$ 2,795,056</u> |
| Business-type activities - Water and sewer | <u>\$ 6,019,092</u> |

# Notes to Financial Statements

December 31, 2023

## Note 5 - Interfund 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                                | Fire Fund   | \$ 635,855    |
|   | Police Fund                                       | 5,735,680     |
|   | Other nonmajor governmental funds                 | 3,800,469     |
|   | Total General Fund                                | 10,172,004    |
| Fire Fund                                   | Other nonmajor governmental funds                 | 1,751,000     |
| Police Fund                                 | Other nonmajor governmental funds                 | 933,000       |
| Police and Fire Special Assessment District | Fire Fund   | 4,051,663     |
|   | Police Fund                                       | 2,657,563     |
|   | Total Police and Fire Special Assessment District | 6,709,226     |
| Other nonmajor governmental funds           | Other nonmajor governmental funds                 | 20,000        |
|   | Total   | \$ 19,585,230 |

The transfers from the General Fund to the Fire, Police, and certain nonmajor governmental funds (Library and Michigan Indigent Defense funds) represent the use of unrestricted resources to finance operations in accordance with budgetary authorizations. The transfers from the General Fund to the other nonmajor governmental funds represent transfers to the Improvement Revolving Fund and Parks and Recreation Fund to cover repairs and improvements to the Township's infrastructure and buildings. The transfers from the General Fund, Fire Fund, Police Fund, and Parks and Recreation Fund (other nonmajor governmental fund) to the Capital Project Allocation Fund (other nonmajor governmental fund) represent prefunding for future identified capital project needs of each fund. The transfers from the Police and Fire Special Assessment District to the Fire Fund and Police Fund represent the transfer of special assessment proceeds to the funds in which they will be spent.

## Note 6 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. County contractual agreements and installment purchase agreements are also general obligations of the government. The Township does not have any general obligation bonds or installment purchase agreements currently outstanding. Long-term debt activity for the year ended December 31, 2023 can be summarized as follows:

### Governmental Activities

|  | Beginning Balance | Additions    | Reductions     | Ending Balance | Due within One Year |
|--|-------------------|--------------|----------------|----------------|---------------------|
| Compensated absences                                 | \$ 2,489,488      | \$ 5,493,235 | \$ (4,771,195) | \$ 3,211,528   | \$ 3,211,528        |
| Estimated liability for workers' compensation claims | 488,991           | 277,597      | (191,390)      | 575,198        | 210,990             |
| Estimated liability for general liability claims     | 242,516           | 116,968      | (113,659)      | 245,825        | 245,825             |
| Total governmental activities long-term debt         | \$ 3,220,995      | \$ 5,887,800 | \$ (5,076,244) | \$ 4,032,551   | \$ 3,668,343        |

December 31, 2023

**Note 6 - Long-term Debt (Continued)**

***Business-type Activities***

|  | Interest Rate<br>Ranges | Principal<br>Maturity<br>Ranges | Beginning<br>Balance | Additions | Reductions   | Ending<br>Balance | Due within<br>One Year |
|--|-------------------------|---------------------------------|----------------------|-----------|--------------|-------------------|------------------------|
| Bonds and contracts payable:             |                         |                                 |                      |           |              |                   |                        |
| Direct borrowings and direct placements: |                         |                                 |                      |           |              |                   |                        |
| Drinking Water Relief Fund:              |                         |                                 |                      |           |              |                   |                        |
| Series 2013A                             |                         |                                 |                      |           |              |                   |                        |
| Amount of issue - \$6,994,654            |                         | \$330,000-                      |                      |           |              |                   |                        |
| Maturing through 2033                    | 2.00%                   | \$394,225                       | \$ 3,939,225         | \$ -      | \$ (325,000) | \$ 3,614,225      | \$ 330,000             |
| Sewer Relief Fund:                       |                         |                                 |                      |           |              |                   |                        |
| Series 2013B                             |                         |                                 |                      |           |              |                   |                        |
| Amount of issue - \$4,130,000            |                         | \$200,000-                      |                      |           |              |                   |                        |
| Maturing through 2035                    | 2.00%                   | \$246,324                       | 2,851,324            | -         | (195,000)    | 2,656,324         | 200,000                |
| Sewer Relief Fund:                       |                         |                                 |                      |           |              |                   |                        |
| Series 2007-B                            |                         |                                 |                      |           |              |                   |                        |
| Amount of issue - \$3,745,000            |                         | \$187,393-                      |                      |           |              |                   |                        |
| Maturing through 2027                    | 1.63%                   | \$200,000                       | 962,393              | -         | (190,000)    | 772,393           | 190,000                |
| Drinking Water Relief Fund:              |                         |                                 |                      |           |              |                   |                        |
| Series 2007-C                            |                         |                                 |                      |           |              |                   |                        |
| Amount of issue - \$8,905,000            |                         | \$495,000-                      |                      |           |              |                   |                        |
| Maturing through 2028                    | 2.13%                   | \$538,831                       | 3,063,831            | -         | (485,000)    | 2,578,831         | 495,000                |
| Oakland-Macomb Sewer Interceptor:        |                         |                                 |                      |           |              |                   |                        |
| Series 2010A                             |                         |                                 |                      |           |              |                   |                        |
| Amount of issue - \$5,653,540            |                         | \$185,086-                      |                      |           |              |                   |                        |
| Maturing through 2030                    | 2.50%                   | \$220,084                       | 1,797,690            | -         | (180,372)    | 1,617,318         | 185,089                |
| Oakland-Macomb Sewer Interceptor:        |                         |                                 |                      |           |              |                   |                        |
| Series 2011                              |                         |                                 |                      |           |              |                   |                        |
| Amount of issue - \$4,219,251            |                         | \$211,541-                      |                      |           |              |                   |                        |
| Maturing through 2033                    | 2.50%                   | \$263,611                       | 2,574,861            | -         | (206,583)    | 2,368,278         | 211,541                |
| Oakland-Macomb Sewer Interceptor:        |                         |                                 |                      |           |              |                   |                        |
| Series 2013A                             |                         |                                 |                      |           |              |                   |                        |
| Amount of issue - \$9,206,996            |                         | \$453,000-                      |                      |           |              |                   |                        |
| Maturing through 2034                    | 2.00%                   | \$551,904                       | 5,954,690            | -         | (443,813)    | 5,510,877         | 453,000                |
| Oakland County Clinton River WRRF:       |                         |                                 |                      |           |              |                   |                        |
| Series 2017                              |                         |                                 |                      |           |              |                   |                        |
| Amount of issue - \$3,006,307            |                         | \$133,013-                      |                      |           |              |                   |                        |
| Maturing through 2038                    | 2.00%                   | \$179,390                       | 2,483,594            | -         | (129,449)    | 2,354,145         | 133,013                |
| Oakland-Macomb Sewer Interceptor:        |                         |                                 |                      |           |              |                   |                        |
| Series 2010B 2019 Refunded               |                         |                                 |                      |           |              |                   |                        |
| Amount of issue - \$607,082              |                         | \$53,843-                       |                      |           |              |                   |                        |
| Maturing through 2030                    | 2.50%                   | \$67,304                        | 473,147              | -         | (51,151)     | 421,996           | 53,843                 |

December 31, 2023

**Note 6 - Long-term Debt (Continued)**

|   | Interest Rate<br>Ranges | Principal<br>Maturity<br>Ranges | Beginning<br>Balance | Additions         | Reductions            | Ending<br>Balance    | Due within<br>One Year |
|---|-------------------------|---------------------------------|----------------------|-------------------|-----------------------|----------------------|------------------------|
| Oakland-Macomb Sewer<br>Interceptor:<br>Series 2020A<br>Amount of issue -<br>\$3,863,844<br>Maturing through 2040 | 2.00%-5.00%             | \$103,662-<br>\$271,141         | \$ 3,703,792         | \$ -              | \$ (98,597)           | \$ 3,605,195         | \$ 103,662             |
| Total direct<br>borrowings and<br>direct placements<br>principal<br>outstanding                                   |                         |                                 | 27,804,547           | -                 | (2,304,965)           | 25,499,582           | 2,355,148              |
| Compensated absences  |                         |                                 | 387,724              | 869,635           | (812,859)             | 444,500              | 444,500                |
| Estimated liability for general<br>liability claims   |                         |                                 | 51,593               | 12,609            | (20,299)              | 43,903               | 43,903                 |
| Total business-type<br>activities long-term<br>debt   |                         |                                 | <u>\$ 28,243,864</u> | <u>\$ 882,244</u> | <u>\$ (3,138,123)</u> | <u>\$ 25,987,985</u> | <u>\$ 2,843,551</u>    |

**Revenue Bonds**

The Township has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the Drinking Water Relief Fund and Sewer Relief Fund bonds listed above. Proceeds from the bonds provided financing for improvements to the water and sewer system. The bonds are payable solely from the net revenue of the water and sewer system. The remaining principal and interest to be paid on the bonds are \$10,532,716. During the current year, net revenue of the system was \$8,672,896, compared to annual debt requirements of \$1,404,453.

**Other Long-term Liabilities**

For the governmental activities, claims and judgments, compensated absences, net pension liability, and net other postemployment benefit liability are generally liquidated by the General, Police, Fire, and Library funds related to employee salaries and fringes. Additionally, for the business-type activities, claims and judgments, compensated absences, net pension liability, and net other postemployment benefit liability are generally liquidated by the Water and Sewer Fund for employee salaries and fringes.

During 2009, the counties of Macomb and Oakland, Michigan jointly established the Oakland-Macomb Interceptor Drain Drainage District (OMID), an intercounty drainage district, under Chapter 21 of the Drain Code. The OMID was created to acquire, operate, and maintain the Oakland-Macomb Interceptor (OMI); title to the OMI was transferred from the City of Detroit, Michigan to the OMID as part of a settlement agreement with the City of Detroit, Michigan reached in May 2009. The OMID apportioned the responsibility to pay the debt required to finance this project to the participating cities, townships, and villages located in the two counties. No additional debt is expected to be incurred for active projects.

In 2017, the Township received notice from Oakland County Water Resources Commissioner that the Clinton River Water Resource Recovery Drainage District is planning to construct a Biosolids Handling and Septage Receiving Facility. The total estimated cost of the project is \$40 million. The Township's estimated share is approximately \$4.7 million. Each of the participating communities was given the option to prepay the assessment or pay the assessment through a debt issue over 20 years. The Township elected to prepay \$1.5 million of the assessment and issue debt for the remainder. Total debt incurred to date is approximately \$3.0 million.

December 31, 2023

**Note 6 - Long-term Debt (Continued)**

***Debt Service Requirements to Maturity***

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

| Years Ending<br>December 31 | Business-type Activities                   |              |               |
|-----------------------------|--|--------------|---------------|
|                             | Direct Borrowings and Direct<br>Placements |              |               |
|                             | Principal                                  | Interest     | Total         |
| 2024                        | \$ 2,355,148                               | \$ 575,039   | \$ 2,930,187  |
| 2025                        | 2,403,947                                  | 522,042      | 2,925,989     |
| 2026                        | 2,519,179                                  | 466,443      | 2,985,622     |
| 2027                        | 2,560,283                                  | 407,970      | 2,968,253     |
| 2028                        | 2,436,323                                  | 348,238      | 2,784,561     |
| 2029-2033                   | 9,535,602                                  | 1,013,737    | 10,549,339    |
| 2034-2038                   | 3,151,883                                  | 206,599      | 3,358,482     |
| 2039-2041                   | 537,217                                    | 10,795       | 548,012       |
| Total                       | \$ 25,499,582                              | \$ 3,550,863 | \$ 29,050,445 |

**Note 7 - Pension Plans**

***Plan Description***

**Police and Fire Retirement System**

The Police and Fire Pension Board administers the Police and Fire Retirement System - a single-employer defined benefit pension plan that provides pensions for all permanent full-time police employees hired prior to November 1, 2014 and all permanent full-time fire employees hired prior to January 1, 2012. Benefit terms have been established by contractual agreements between the Township and the various employee union representation; amendments are subject to the same process. Management of the plan is vested in the pension board, which consists of five members - two members elected by plan members, two citizens appointed by the township board, and the township treasurer.

**General Employees' Retirement System**

The General Employees' Pension Board administers the General Employees' Retirement System - a single-employer defined benefit pension plan that provides pensions for all permanent full-time township employees hired before certain dates in 2005 and 2006, depending on their employee group. Benefit terms have been established by contractual agreements between the Township and the various employee union representation; amendments are subject to the same process. Management of the plan is vested in the pension board, which consists of five members - two members elected by plan members, two citizens appointed by the Township, and the township treasurer.

The financial statements of each pension system are included in these financial statements as a pension fund (a fiduciary fund).

***Benefits Provided***

The pension plans provide retirement, disability, and death benefits. Benefit terms are established by township ordinances and negotiations with the Township's collective bargaining units and may be amended through negotiations with the Township's collective bargaining units. The plans are closed to new hires.

December 31, 2023

Note 7 - Pension Plans (Continued)

Employees Covered by Benefit Terms

At January 1, 2023, the date of the most recent actuarial valuation, the following members were covered by the benefit terms:

|   | Police and Fire<br>Retirement<br>System | General<br>Employees'<br>Retirement<br>System |
|---|---|---|
| Inactive plan members or beneficiaries currently receiving benefits | 180                                     | 192   |
| Inactive plan members entitled to but not yet receiving benefits    | -                                       | 22  |
| Active plan members   | 46                                      | 46  |
| Total employees covered by the plan                                 | 226                                     | 260   |

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, the pension board retains an independent actuary to determine the annual contribution. 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. Contribution requirements of plan members are established and may be amended by township ordinances and negotiations with the Township's collective bargaining units. For the year ended December 31, 2023, the active member contribution rate was 5.0 percent of annual pay for both plans. The Township's contribution rate was 42.0 and 21.2 percent of annual payroll for the Police and Fire Retirement System and the General Employees' Retirement System, respectively.

Net Pension Liability (Asset)

The Township chooses a date for each pension plan to measure its net pension liability. This is based on the measurement date of each pension plan, which may be based on a comprehensive valuation as of that date or based on an earlier valuation that has used procedures to roll the information forward to the measurement date.

|  | Police and Fire<br>Retirement System | General Employees'<br>Retirement System |
|--|--------------------------------------|---|
| Measurement date used for the Township's net pension liability | December 31, 2023                    | December 31, 2023                       |
| Based on a comprehensive actuarial valuation as of             | January 1, 2023                      | January 1, 2023                         |



December 31, 2023

**Note 7 - Pension Plans (Continued)**

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

**Police and Fire Retirement System**

| Changes in Net Pension Liability                   | Increase (Decrease)     |                       |                       |
|--|-------------------------|-----------------------|-----------------------|
|  | Total Pension Liability | Plan Net Position     | Net Pension Liability |
| <b>Balance at January 1, 2023</b>                  | \$ 118,827,877          | \$ 102,931,431        | \$ 15,896,446         |
| Changes for the year:                              |                         |                       |                       |
| Service cost                                       | 1,123,526               | -                     | 1,123,526             |
| Interest   | 7,802,896               | -                     | 7,802,896             |
| Differences between expected and actual experience | 1,692,760               | -                     | 1,692,760             |
| Contributions - Employer                           | -                       | 2,317,855             | (2,317,855)           |
| Contributions - Employee                           | -                       | 244,303               | (244,303)             |
| Net investment income                              | -                       | 12,003,119            | (12,003,119)          |
| Benefit payments, including refunds                | (8,705,779)             | (8,705,779)           | -                     |
| Administrative expenses                            | -                       | (61,417)              | 61,417                |
| Net changes  | 1,913,403               | 5,798,081             | (3,884,678)           |
| <b>Balance at December 31, 2023</b>                | <u>\$ 120,741,280</u>   | <u>\$ 108,729,512</u> | <u>\$ 12,011,768</u>  |

The plan's fiduciary net position represents 90.1 percent of the total pension liability.

**General Employees' Retirement System**

| Changes in Net Pension Liability (Asset)           | Increase (Decrease)     |                      |                               |
|--|-------------------------|----------------------|-------------------------------|
|  | Total Pension Liability | Plan Net Position    | Net Pension Liability (Asset) |
| <b>Balance at January 1, 2023</b>                  | \$ 70,464,566           | \$ 64,773,687        | \$ 5,690,879                  |
| Changes for the year:                              |                         |                      |                               |
| Service cost                                       | 496,896                 | -                    | 496,896                       |
| Interest   | 4,466,041               | -                    | 4,466,041                     |
| Differences between expected and actual experience | (51,856)                | -                    | (51,856)                      |
| Contributions - Employer                           | -                       | 657,020              | (657,020)                     |
| Contributions - Employee                           | -                       | 3,605                | (3,605)                       |
| Net investment income                              | -                       | 11,297,794           | (11,297,794)                  |
| Benefit payments, including refunds                | (4,506,335)             | (4,506,335)          | -                             |
| Administrative expenses                            | -                       | (71,132)             | 71,132                        |
| Net changes  | 404,746                 | 7,380,952            | (6,976,206)                   |
| <b>Balance at December 31, 2023</b>                | <u>\$ 70,869,312</u>    | <u>\$ 72,154,639</u> | <u>\$ (1,285,327)</u>         |

The plan's fiduciary net position represents 101.8 percent of the total pension liability.

December 31, 2023

**Note 7 - Pension Plans (Continued)**

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

For the year ended December 31, 2023, the Township recognized aggregate pension expense of \$470,144 from all plans.

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

|  | Police and Fire Retirement System |                               | General Employees' Retirement System |                               |
|--|-----------------------------------|-------------------------------|--------------------------------------|-------------------------------|
|  | Deferred Outflows of Resources    | Deferred Inflows of Resources | Deferred Outflows of Resources       | Deferred Inflows of Resources |
| Net difference between projected and actual earnings on pension plan investments | \$ 3,408,183                      | \$ -                          | \$ 1,649,655                         | \$ -                          |

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 | Police and Fire | General Employees' | Total        |
|--------------------------|-----------------|--------------------|--------------|
| 2024                     | \$ (45,709)     | \$ (300,396)       | \$ (346,105) |
| 2025                     | 1,180,350       | 1,053,081          | 2,233,431    |
| 2026                     | 3,326,478       | 2,339,933          | 5,666,411    |
| 2027                     | (1,052,936)     | (1,442,963)        | (2,495,899)  |
| Total                    | \$ 3,408,183    | \$ 1,649,655       | \$ 5,057,838 |

***Actuarial Assumptions***

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

|  | Police and Fire Retirement System                                   | General Employees' Retirement System                                |
|--|---|---|
| Inflation  | 2.5%  | 2.5%  |
| Salary increases (including inflation)                 | 5.0%  | 4.0%  |
| Investment rate of return (net of investment expenses) | 6.75%   | 6.50%   |
| Mortality rates  | PubS-2010 with generational mortality improvements based on MP-2021 | PubG-2010 with generational mortality improvements based on MP-2021 |

The actuarial assumptions used in the January 1, 2023 actuarial valuation date valuation were based on the results of actuarial experience studies for the period from 2013 to 2017.

**Note 7 - Pension Plans (Continued)**

***Discount Rate***

As shown below, the discount rate used to measure the total pension liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the pension plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees.

The long-term expected rate of return on pension 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 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.

|   | <u>Police and Fire<br/>Retirement System</u> | <u>General Employees'<br/>Retirement System</u> |
|---|--|---|
| Assumed investment rate of return   | 6.75   | 6.50  |
| Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits? | Yes  | Yes   |
| Discount rate used to measure total pension liability   | 6.75   | 6.50  |

***Investment Rate of Return***

Best estimates of geometric real rates of return as of the December 31, 2023 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

**Police and Fire Retirement System**

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-term<br/>Expected Real<br/>Rate of Return</u> |
|--------------------|--------------------------|---|
| Equities           | 77.00 %                  | 5.10 %  |
| Domestic bonds     | 18.00                    | 2.97  |
| Real estate        | 2.00                     | 3.81  |
| Alternatives       | 3.00                     | 7.69  |

**General Employees' Retirement System**

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-term<br/>Expected Real<br/>Rate of Return</u> |
|--------------------|--------------------------|---|
| Equities           | 49.00 %                  | 5.10 %  |
| Domestic equities  | 35.00                    | 2.97  |
| Real estate        | 10.00                    | 3.79  |
| Private equity     | 6.00                     | 7.67  |

December 31, 2023

**Note 7 - Pension Plans (Continued)**

***Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate***

The following presents the net pension liability (asset) of the Township, calculated using the discount rate of 6.5 percent for the General Employees' Retirement System and 6.75 percent for the Police and Fire Retirement System, 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<br>Point Decrease | Current<br>Discount Rate | 1 Percentage<br>Point Increase |
|---|--------------------------------|--------------------------|--------------------------------|
| Net pension liability of the Police and Fire Retirement System            | \$ 24,663,469                  | \$ 12,011,768            | \$ 1,371,118                   |
| Net pension liability (asset) of the General Employees' Retirement System | 6,016,973                      | (1,285,327)              | (5,690,879)                    |
| Total   | <u>\$ 30,680,442</u>           | <u>\$ 10,726,441</u>     | <u>\$ (4,319,761)</u>          |

***Investment Policy***

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

***Rate of Return***

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.02 and 17.97 percent for the Police and Fire Retirement System and the General Employees' Retirement System, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

***Pension Plan Reserves***

In accordance with plan documents, the following reserves are required to be set aside within the pension plan:

The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee and credits interest annually at a rate earned by the retirement system for that fiscal year. For any employees who terminate before vesting in the pension plan, their balances are returned to them; for those who stay until retirement, the balances are transferred into the retiree reserve.

The employer reserve account is used to account for the residual net position balance in the pension plan after funding the above two reserves.

December 31, 2023

**Note 7 - Pension Plans (Continued)**

The balances of the reserve accounts at December 31, 2023 are as follows:

**Police and Fire Retirement System**

|                  | Required<br>Reserve  | Amount<br>Funded      |
|------------------|----------------------|-----------------------|
| Retiree reserve  | \$ 79,920,697        | \$ 79,920,697         |
| Employee reserve | 4,227,649            | 4,227,649             |
| Employer reserve | -                    | 24,581,166            |
| Total            | <u>\$ 84,148,346</u> | <u>\$ 108,729,512</u> |

**General Employees' Retirement System**

|                  | Required<br>Reserve  | Amount<br>Funded     |
|------------------|----------------------|----------------------|
| Retiree reserve  | \$ 43,782,419        | \$ 43,782,419        |
| Employee reserve | 104,322              | 104,322              |
| Employer reserve | -                    | 28,267,898           |
| Total            | <u>\$ 43,886,741</u> | <u>\$ 72,154,639</u> |

**Deferred Retirement Option Program (DROP)**

**Police and Fire Retirement System**

All plan members (except police officer union and police supervisors) may participate in the DROP after attaining the minimum requirements for a normal service retirement. A monthly amount equal to the amount that would have been paid had the member retired and current member contributions accumulate in the DROP account. The account is credited with the system's prior calendar year's fair value rate of return (but no greater than 4 percent interest) each year. Additions cease at the earlier of 5 years of DROP participation or separation from services, although interest on the DROP account will continue to accrue during such time. Management DROP participants may continue in covered employment after 5 years of participation but do not accumulate additional service credit or make member contributions. DROP service for management participants is included for purposes of eligibility for the escalator. Fire DROP participants may continue in covered employment after 5 years of participation or until their 33rd year of service but do not accumulate additional service credit. Upon actual retirement, the member may receive the DROP account balance in the form of a lump sum or as an additional annuity. Member contributions during the DROP period are not included in the computation of the annuity withdrawal reduction. Upon exit from the DROP, the original monthly amount established upon entry in the DROP continues in addition to any other benefits or adjustments. There were seven DROP members at December 31, 2023.

December 31, 2023

Note 7 - Pension Plans (Continued)

General Employees' Retirement System

All employees in the dispatch union are eligible to participate in the DROP. There are currently three members in this group. Effective January 1, 2008, any member of the Waterford Township Dispatchers Association hired on or before June 30, 2006 may participate in the DROP after attaining the minimum requirements for a normal service retirement. A monthly amount equal to the amount that would have been paid had the member retired and current member contributions accumulate in the DROP account. The account is credited with the system's prior calendar year's fair rate of return (but no greater than 4 percent interest) each year. Additions cease at the earlier of 5 years of DROP participation or separation from service, although interest on the DROP account will continue to accrue during such time. Participants may continue in covered employment after 5 years of participation or until their 33rd year of service but do not accumulate additional service credit. Upon actual retirement, the member may receive the DROP account balance in the form of a lump sum or as an additional annuity. Member contributions continue during the DROP period. Upon exit from the DROP, the original monthly amount established upon entry in the DROP continues in addition to any other benefits or adjustments. Member contributions made during the DROP period are added to the DROP account. There was one DROP members at December 31, 2023.

Note 8 - Other Postemployment Benefit Plan

Plan Description

The Township administers the Waterford Township Retiree Health Plan, a single-employer defined benefit plan. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the plan through employer contributions. The Township includes pre-Medicare retirees and their dependents in its insured health care plan, with no contribution required by the participant. The Township purchases Medicare supplemental insurance for retirees eligible for Medicare. Management of the plan is vested with the General Employees' Retirement System Board.

The financial statements of the OPEB plan are included in these financial statements as an other employee benefit fund (a fiduciary fund).

Benefits Provided

The Township provides retiree health care benefits to all eligible full-time employees upon retirement or to individuals receiving system disability pensions in accordance with various labor contracts. Benefits are provided through the Township's health insurance program, and the full cost of benefits is covered by the plan. The plan is closed to all new hires, except for police personnel.

Employees Covered by Benefit Terms

At January 1, 2022, the date of the most recent actuarial valuation, the following members were covered by the benefit terms:

|   |                   |
|---|-------------------|
| Inactive plan members or beneficiaries currently receiving benefits | 319               |
| Inactive plan members entitled to but not yet receiving benefits    | 4                 |
| Active plan members   | <u>153</u>        |
| Total plan members  | <u><u>476</u></u> |

December 31, 2023

**Note 8 - Other Postemployment Benefit Plan (Continued)**

**Contributions**

It is the Township's policy to pay retiree health care costs as they become due (on a pay-as-you-go basis) and to make discretionary contributions to the retiree health care fund on an annual basis. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment. In the current year, the Township paid postemployment health care premiums of \$7,830,821, plus it contributed \$6,518,829 into a prefunded retiree health care fund, which is reported in these financial statements as an other postemployment benefit trust fund type.

**Net OPEB Liability**

The Township has chosen to use the December 31 measurement date as its measurement date for the net OPEB liability. The December 31, 2023 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2023 measurement date. The December 31, 2023 total OPEB liability was determined by an actuarial valuation performed as of January 1, 2022, which used update procedures to roll forward the estimated liability to December 31, 2023.

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

| Changes in Net OPEB Liability                      | Increase (Decrease)   |                      |                      |
|--|-----------------------|----------------------|----------------------|
|  | Total OPEB Liability  | Plan Net Position    | Net OPEB Liability   |
| <b>Balance at January 1, 2023</b>                  | \$ 120,339,872        | \$ 39,478,808        | \$ 80,861,064        |
| Changes for the year:                              |                       |                      |                      |
| Service cost                                       | 1,749,782             | -                    | 1,749,782            |
| Interest   | 7,685,332             | -                    | 7,685,332            |
| Differences between expected and actual experience | (10,884,118)          | -                    | (10,884,118)         |
| Changes in assumptions                             | 2,517,382             | -                    | 2,517,382            |
| Contributions - Employer                           | -                     | 14,349,650           | (14,349,650)         |
| Contributions - Employee                           | -                     | 31,328               | (31,328)             |
| Net investment income                              | -                     | 6,308,028            | (6,308,028)          |
| Benefit payments, including refunds                | (7,830,821)           | (7,830,821)          | -                    |
| Administrative expenses                            | -                     | (23,270)             | 23,270               |
| Net changes  | (6,762,443)           | 12,834,915           | (19,597,358)         |
| <b>Balance at December 31, 2023</b>                | <u>\$ 113,577,429</u> | <u>\$ 52,313,723</u> | <u>\$ 61,263,706</u> |

The plan's fiduciary net position represents 46.1 percent of the total OPEB liability.

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

For the year ended December 31, 2023, the Township recognized OPEB expense of \$549,968.

December 31, 2023

**Note 8 - Other Postemployment Benefit Plan (Continued)**

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

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience                             | \$ 840,305                           | \$ 10,979,630                       |
| Changes in assumptions  | 2,433,646                            | -                                   |
| Net difference between projected and actual earnings on OPEB plan investments | 1,118,893                            | -                                   |
| Total   | <u>\$ 4,392,844</u>                  | <u>\$ 10,979,630</u>                |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense):

| Years Ending<br>December 31 | Amount                |
|-----------------------------|-----------------------|
| 2024                        | \$ (5,582,157)        |
| 2025                        | (1,473,882)           |
| 2026                        | 1,175,209             |
| 2027                        | (705,956)             |
| Total                       | <u>\$ (6,586,786)</u> |

**Actuarial Assumptions**

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using a wage inflation assumption of 3.5 percent; assumed salary increases (including inflation) of 3.50 to 11.42 percent; an investment rate of return (net of investment expenses) of 6.5 percent; a health care cost trend rate of 8.0 percent for 2024, decreasing to an ultimate rate of 4.5 percent for 2031 and later years; and the Pub-2010 Mortality Tables fully generational using scale MP-2021. These assumptions were applied to all periods included in the measurement.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be the sum of all premiums/benefits due plus the normal cost contributions on behalf of the new police officers, and the police members will contribute 1 percent of pay to the trust.

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, 2023

**Note 8 - 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 geometric real rates of return as of the December 31, 2023 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed below, are summarized in the following table:

| Asset Class                              | Long-term<br>Expected Real<br>Rate of Return |
|--|--|
| U.S. large cap                           | 6.23 %                                       |
| U.S. small/mid cap                       | 6.44   |
| Private debt                             | 1.44   |
| International developed equity           | 3.00   |
| Emerging market equity                   | 4.92   |
| Public real estate investment trust fund | 3.02   |
| Hedge funds - Diversified                | 1.12   |
| Fixed income                             | 0.85   |

***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 6.5 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<br>Point Decrease<br>(5.5%) | Current<br>Discount Rate<br>(6.5%) | 1 Percentage<br>Point Increase<br>(7.5%) |
|--------------------|--|------------------------------------|--|
| Net OPEB liability | \$ 72,969,206                            | \$ 61,263,706                      | \$ 51,364,409                            |

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

The following presents the net OPEB liability of the Township, calculated using the health care cost trend rate of 8.0 percent for 2024, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2031 and later years, 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<br>Point Decrease<br>(7.0%)<br>Decreasing<br>to 3.5%) | Current Health<br>Care Cost<br>Trend Rate<br>(8.0%)<br>Decreasing<br>to 4.5%) | 1 Percentage<br>Point Increase<br>(9.0%)<br>Decreasing<br>to 5.5%) |
|--------------------|--|---|--|
| Net OPEB liability | \$ 52,110,687  | \$ 61,263,706   | \$ 72,202,327  |

***Assumption Changes***

The health care cost trend rate was set to 8.0 percent for 2024, decreasing by 0.5 percent per year down to 4.5 percent in year 2031 and later years. In the January 1, 2022 valuation the health care cost trend rate was 7.5 percent for 2023, decreasing by 0.5 percent per year down to 4.5 percent for 2029 and later years.

December 31, 2023

**Note 8 - Other Postemployment Benefit Plan (Continued)**

***Investment Policy***

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB board by a majority vote of its members. It is the policy of the OPEB board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the OPEB board's adopted asset allocation policy as of December 31, 2023:

| Asset Class                              | Target Allocation |
|--|-------------------|
| U.S. large cap                           | 35.00 %           |
| U.S. small/mid cap                       | 20.00             |
| Private debt                             | 5.00              |
| International developed equity           | 10.00             |
| International emerging market equity     | 5.00              |
| Public real estate investment trust fund | 5.00              |
| Hedge funds - Diversified                | 5.00              |
| Fixed income                             | 15.00             |
| Total                                    | 100.00 %          |

***Rate of Return***

For the year ended December 31, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 14.81 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# Notes to Financial Statements

December 31, 2023

## Note 9 - Pension and Other Postemployment Benefit Trust Funds

The following are financial statements for the individual pension plans and postemployment health care plan:

|   | Police and Fire<br>Retirement<br>System | General<br>Employees'<br>Retirement<br>System | Other<br>Postemployment<br>Benefits |
|---|---|---|-------------------------------------|
| <b>Statement of Net Position</b>  |   |   |                                     |
| Cash and cash equivalents   | \$ 54,969                               | \$ 13,356                                     | \$ 9,352,370                        |
| Fixed-income funds  | -                                       | 15,836,957                                    | 6,792,871                           |
| Publicly traded partnerships  | 28,084,817                              | 4,108,651                                     | 1,715,438                           |
| Stocks  | 35,428,983                              | 38,877,788                                    | 34,308,540                          |
| Mutual funds  | 34,863,181                              | 8,464,281                                     | -                                   |
| Real estate investment funds  | 4,076,310                               | 2,681,271                                     | -                                   |
| Pension manager short-term funds  | 5,563,019                               | 1,782,536                                     | -                                   |
| Securities lending short-term collateral bank<br>investment pool - Mutual funds | -                                       | 1,603,517                                     | -                                   |
| Accrued interest receivable   | -                                       | -   | 144,504                             |
| Prepaid items   | 658,233                                 | 389,799                                       | -                                   |
| Obligations under securities lending agreements                                 | -                                       | (1,603,517)                                   | -                                   |
| Net position  | <u>\$ 108,729,512</u>                   | <u>\$ 72,154,639</u>                          | <u>\$ 52,313,723</u>                |
| <b>Statement of Changes in Net Position</b>                                     |   |   |                                     |
| Interest and dividends  | \$ 2,071,842                            | \$ 1,252,623                                  | \$ 2,611,060                        |
| Net increase in fair value of investments                                       | 10,358,215                              | 10,372,210                                    | 3,898,168                           |
| Investment costs  | (426,938)                               | (327,039)                                     | (201,200)                           |
| Employer contributions  | 2,317,855                               | 657,020                                       | 14,349,650                          |
| Employee contributions  | 244,303                                 | 3,605   | 31,328                              |
| Benefit payments  | (8,705,779)                             | (4,506,335)                                   | (7,830,821)                         |
| Administrative expenses   | (61,417)                                | (71,132)                                      | (23,270)                            |
| Net change in net position  | <u>\$ 5,798,081</u>                     | <u>\$ 7,380,952</u>                           | <u>\$ 12,834,915</u>                |

## Note 10 - Defined Contribution Pension Plan

The Township provides pension benefits to full-time employees hired after various dates, depending on the employee group, through Waterford Township Defined Contribution plan administered by ICMA. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. As established by various collective bargaining agreements, the Township contributes a certain percentage of employees' gross earnings and employee contributions. Employer contribution rates and vesting schedules vary based on employee group. In accordance with these agreements, the Township contributed \$2,520,300 during the current year.

## Note 11 - 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 participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to general and auto liability, auto physical damage, and property loss claims. The Township is self-insured for workers' compensation claims.

December 31, 2023

## Note 11 - Risk Management (Continued)

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 is a defendant in certain lawsuits and claims that have resulted from the ordinary course of its activities. The ultimate effect on the financial statements of the resolution of these matters, in the opinion of management, is not expected to be material considering available insurance coverage, legal defenses, and reserves.

The Township estimates the liability for general liability and workers' compensation that have been incurred through the end of the fiscal year, including claims that have been reported, as well as those that have not yet been reported. Generally, the funds that report each employee's compensation (the General Fund, Police Fund, Fire Fund, and Water and Sewer Fund, primarily) are used to liquidate the obligations for workers' compensation. The obligation for general claims will be primarily liquidated by the General Fund and the Water and Sewer Fund. Changes in the estimated liability for the past two fiscal years were as follows:

|   | General Liability |                   | Workers' Compensation |                   |
|---|-------------------|-------------------|-----------------------|-------------------|
|   | 2023              | 2022              | 2023                  | 2022              |
| Estimated liability - Beginning of year                   | \$ 294,109        | \$ 196,634        | \$ 488,991            | \$ 613,777        |
| Estimated claims incurred, including changes in estimates | 129,577           | 176,011           | 277,597               | 168,044           |
| Claim payments  | (133,958)         | (78,536)          | (191,390)             | (292,830)         |
| Estimated liability - End of year                         | <u>\$ 289,728</u> | <u>\$ 294,109</u> | <u>\$ 575,198</u>     | <u>\$ 488,991</u> |

## Note 12 - Conduit Debt Obligations

In October 2016, the Economic Development Corporation (EDC) secured financing for an unrelated entity in the amount of \$34,935,000. Typically, these borrowings are repayable only from the borrower's repayment of loans, undisbursed proceeds, and related interest earnings, and the Township has no obligation for this debt. Therefore, the conduit debt obligations are not recorded as liabilities of the Township. The total outstanding bonds as of December 31, 2023 were \$32,270,000.

## Note 13 - Leases

The Township leases cell tower space to various third parties. Payments are generally fixed annually, with certain variable payments not included in the measurement of the lease receivable required based on whether the cell phone tower space is subleased.

During the year ended December 31, 2023, the Township recognized the following related to its lessor agreements:

|                                       |            |
|---------------------------------------|------------|
| Lease revenue                         | \$ 167,855 |
| Interest income related to its leases | 156,624    |

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## Required Supplementary Information

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# Charter Township of Waterford

## Required Supplementary Information Budgetary Comparison Schedule General Fund

Year Ended December 31, 2023

|  | Original Budget      | Amended Budget       | Actual               | Variance with Amended Budget |
|--|----------------------|----------------------|----------------------|------------------------------|
| <b>Revenue</b>                             |                      |                      |                      |                              |
| Property taxes                             | \$ 9,302,569         | \$ 9,302,569         | \$ 9,277,436         | \$ (25,133)                  |
| Intergovernmental                          | 7,775,524            | 8,210,080            | 12,243,509           | 4,033,429                    |
| Charges for services                       | 1,343,586            | 1,343,586            | 1,411,294            | 67,708                       |
| Fines and forfeitures                      | 1,170,800            | 1,195,800            | 1,342,390            | 146,590                      |
| Licenses and permits                       | 647,300              | 1,237,300            | 1,447,298            | 209,998                      |
| Investment income                          | 605,499              | 788,000              | 931,542              | 143,542                      |
| Other revenue:                             |                      |                      |                      |                              |
| Other miscellaneous income                 | 65,373               | 106,576              | 115,559              | 8,983                        |
| Cable franchise fees                       | 894,892              | 894,892              | 903,525              | 8,633                        |
| Refunds and reimbursements                 | 152,500              | 629,000              | 593,399              | (35,601)                     |
| Total revenue                              | 21,958,043           | 23,707,803           | 28,265,952           | 4,558,149                    |
| <b>Expenditures</b>                        |                      |                      |                      |                              |
| Current services:                          |                      |                      |                      |                              |
| General government:                        |                      |                      |                      |                              |
| Township board                             | 60,324               | 60,996               | 59,076               | 1,920                        |
| Supervisor and assessing                   | 1,187,510            | 1,293,161            | 1,267,821            | 25,340                       |
| Elections                                  | 189,474              | 169,474              | 85,300               | 84,174                       |
| Personnel                                  | 290,338              | 311,755              | 290,414              | 21,341                       |
| Information service                        | 574,459              | 674,649              | 648,554              | 26,095                       |
| Treasurer                                  | 952,969              | 1,062,329            | 1,046,792            | 15,537                       |
| General service                            | 2,031,788            | 2,016,788            | 1,795,388            | 221,400                      |
| Clerk                                      | 979,796              | 1,080,390            | 1,041,838            | 38,552                       |
| Retiree benefits                           | 928,003              | 792,850              | 798,914              | (6,064)                      |
| Facilities and operations                  | 108,555              | 108,555              | -                    | 108,555                      |
| District court                             | 2,921,907            | 3,117,821            | 2,977,080            | 140,741                      |
| Public safety:                             |                      |                      |                      |                              |
| Police                                     | 64,590               | 64,590               | 44,196               | 20,394                       |
| Building inspection                        | 1,538,448            | 1,530,248            | 1,430,945            | 99,303                       |
| Planning department                        | 1,861,710            | 1,660,200            | 1,615,318            | 44,882                       |
| Capital outlay                             | 469,725              | 511,011              | 405,286              | 105,725                      |
| Total expenditures                         | 14,159,596           | 14,454,817           | 13,506,922           | 947,895                      |
| <b>Excess of Revenue Over Expenditures</b> | 7,798,447            | 9,252,986            | 14,759,030           | 5,506,044                    |
| <b>Other Financing (Uses) Sources</b>      |                      |                      |                      |                              |
| Transfers out                              | (8,030,747)          | (10,474,277)         | (10,309,504)         | 164,773                      |
| Sale of capital assets                     | 5,000                | 5,000                | 3,651                | (1,349)                      |
| Total other financing uses                 | (8,025,747)          | (10,469,277)         | (10,305,853)         | 163,424                      |
| <b>Net Change in Fund Balance</b>          | (227,300)            | (1,216,291)          | 4,453,177            | 5,669,468                    |
| <b>Fund Balance - Beginning of year</b>    | 16,598,311           | 16,598,311           | 16,598,311           | -                            |
| <b>Fund Balance - End of year</b>          | <u>\$ 16,371,011</u> | <u>\$ 15,382,020</u> | <u>\$ 21,051,488</u> | <u>\$ 5,669,468</u>          |

## Charter Township of Waterford

### Required Supplementary Information Budgetary Comparison Schedule - Major Special Revenue Funds Police Fund

Year Ended December 31, 2023

|  | Original Budget     | Amended Budget      | Actual              | Variance with Amended Budget |
|--|---------------------|---------------------|---------------------|------------------------------|
| <b>Revenue</b>                             |                     |                     |                     |                              |
| Property taxes                             | \$ 7,159,490        | \$ 7,164,490        | \$ 7,223,315        | \$ 58,825                    |
| Intergovernmental                          | 37,050              | 37,050              | 190,654             | 153,604                      |
| Charges for services                       | 37,500              | 37,500              | 60,011              | 22,511                       |
| Fines and forfeitures                      | 62,970              | 62,970              | 87,762              | 24,792                       |
| Licenses and permits                       | 34,500              | 34,500              | 42,381              | 7,881                        |
| Investment income                          | 66,966              | 132,509             | 146,335             | 13,826                       |
| Other revenue                              | 380,500             | 380,500             | 385,586             | 5,086                        |
| Total revenue                              | 7,778,976           | 7,849,519           | 8,136,044           | 286,525                      |
| <b>Expenditures</b>                        |                     |                     |                     |                              |
| Current services - Public safety           | 15,584,392          | 15,176,898          | 14,744,285          | 432,613                      |
| Capital outlay                             | 461,462             | 516,736             | 460,940             | 55,796                       |
| Total expenditures                         | 16,045,854          | 15,693,634          | 15,205,225          | 488,409                      |
| <b>Excess of Expenditures Over Revenue</b> | (8,266,878)         | (7,844,115)         | (7,069,181)         | 774,934                      |
| <b>Other Financing Sources (Uses)</b>      |                     |                     |                     |                              |
| Transfers in                               | 8,393,243           | 8,393,243           | 8,393,243           | -                            |
| Transfers out                              | (133,000)           | (933,000)           | (933,000)           | -                            |
| Sale of capital assets                     | 8,500               | 8,500               | 8,602               | 102                          |
| Total other financing sources              | 8,268,743           | 7,468,743           | 7,468,845           | 102                          |
| <b>Net Change in Fund Balance</b>          | 1,865               | (375,372)           | 399,664             | 775,036                      |
| <b>Fund Balance - Beginning of year</b>    | 3,918,849           | 3,918,849           | 3,918,849           | -                            |
| <b>Fund Balance - End of year</b>          | <u>\$ 3,920,714</u> | <u>\$ 3,543,477</u> | <u>\$ 4,318,513</u> | <u>\$ 775,036</u>            |

## Charter Township of Waterford

### Required Supplementary Information Budgetary Comparison Schedule - Major Special Revenue Funds (Continued) Fire Fund

Year Ended December 31, 2023

|  | Original Budget     | Amended Budget      | Actual              | Variance with Amended Budget |
|--|---------------------|---------------------|---------------------|------------------------------|
| <b>Revenue</b>                             |                     |                     |                     |                              |
| Property taxes                             | \$ 6,395,447        | \$ 6,395,447        | \$ 6,454,195        | \$ 58,748                    |
| Intergovernmental                          | 24,755              | 24,755              | 30,443              | 5,688                        |
| Charges for services                       | 11,034,773          | 11,573,475          | 11,547,952          | (25,523)                     |
| Investment income                          | 65,201              | 156,000             | 167,848             | 11,848                       |
| Other revenue                              | 80,645              | 250,450             | 133,564             | (116,886)                    |
| Total revenue                              | 17,600,821          | 18,400,127          | 18,334,002          | (66,125)                     |
| <b>Expenditures</b>                        |                     |                     |                     |                              |
| Current services - Public safety           | 20,776,387          | 21,065,468          | 20,363,043          | 702,425                      |
| Capital outlay                             | 1,259,100           | 656,486             | 533,493             | 122,993                      |
| Total expenditures                         | 22,035,487          | 21,721,954          | 20,896,536          | 825,418                      |
| <b>Excess of Expenditures Over Revenue</b> | (4,434,666)         | (3,321,827)         | (2,562,534)         | 759,293                      |
| <b>Other Financing Sources (Uses)</b>      |                     |                     |                     |                              |
| Transfers in                               | 4,687,518           | 4,687,518           | 4,687,518           | -                            |
| Transfers out                              | (260,000)           | (1,751,000)         | (1,751,000)         | -                            |
| Sale of capital assets                     | 9,125               | 9,125               | 1,500               | (7,625)                      |
| Total other financing sources              | 4,436,643           | 2,945,643           | 2,938,018           | (7,625)                      |
| <b>Net Change in Fund Balance</b>          | 1,977               | (376,184)           | 375,484             | 751,668                      |
| <b>Fund Balance - Beginning of year</b>    | 4,705,182           | 4,705,182           | 4,705,182           | -                            |
| <b>Fund Balance - End of year</b>          | <u>\$ 4,707,159</u> | <u>\$ 4,328,998</u> | <u>\$ 5,080,666</u> | <u>\$ 751,668</u>            |



## Charter Township of Waterford

### Required Supplementary Information Budgetary Comparison Schedule - Major Special Revenue Funds (Continued) Police and Fire Special Assessment District Fund

Year Ended December 31, 2023

|   | Original Budget  | Amended Budget   | Actual            | Variance with Amended Budget |
|---|------------------|------------------|-------------------|------------------------------|
| <b>Revenue</b>                              |                  |                  |                   |                              |
| Property taxes                              | \$ 6,705,674     | \$ 6,705,674     | \$ 6,745,490      | \$ 39,816                    |
| Investment income                           | 13,776           | 13,776           | 18,614            | 4,838                        |
| Total revenue                               | 6,719,450        | 6,719,450        | 6,764,104         | 44,654                       |
| <b>Expenditures</b>                         | -                | -                | -                 | -                            |
| <b>Excess of Revenue Over Expenditures</b>  | 6,719,450        | 6,719,450        | 6,764,104         | 44,654                       |
| <b>Other Financing Uses</b> - Transfers out | (6,731,860)      | (6,709,226)      | (6,709,226)       | -                            |
| <b>Net Change in Fund Balance</b>           | (12,410)         | 10,224           | 54,878            | 44,654                       |
| <b>Fund Balance</b> - Beginning of year     | 81,223           | 81,223           | 81,223            | -                            |
| <b>Fund Balance</b> - End of year           | <u>\$ 68,813</u> | <u>\$ 91,447</u> | <u>\$ 136,101</u> | <u>\$ 44,654</u>             |

## Charter Township of Waterford

### Required Supplementary Information Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios Police and Fire Retirement System

|  | Last Ten Fiscal Years |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2023                  | 2022                  | 2021                  | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  | 2014                  |
| <b>Total Pension Liability</b>   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Service cost   | \$ 1,123,526          | \$ 1,446,453          | \$ 1,461,771          | \$ 1,395,081          | \$ 1,428,332          | \$ 1,533,744          | \$ 1,506,484          | \$ 1,582,620          | \$ 1,616,532          | \$ 1,738,314          |
| Interest   | 7,802,896             | 7,771,289             | 7,643,588             | 7,472,390             | 7,400,869             | 7,374,206             | 7,267,038             | 7,240,552             | 7,100,713             | 6,949,918             |
| Differences between expected and actual experience                                 | 1,692,760             | (1,302,899)           | (2,887,021)           | 725,271               | 315,196               | (579,972)             | 216,738               | (1,095,732)           | 397,609               | -                     |
| Changes in assumptions   | -                     | 1,611,270             | 4,065,331             | -                     | -                     | 3,908,249             | -                     | -                     | -                     | -                     |
| Benefit payments, including refunds  | (8,705,779)           | (8,763,979)           | (7,989,006)           | (7,652,406)           | (8,483,981)           | (7,289,656)           | (7,656,114)           | (6,966,018)           | (7,234,304)           | (5,711,969)           |
| <b>Net Change in Total Pension Liability</b>                                       | 1,913,403             | 762,134               | 2,294,663             | 1,940,336             | 660,416               | 4,946,571             | 1,334,146             | 761,422               | 1,880,550             | 2,976,263             |
| <b>Total Pension Liability - Beginning of year</b>                                 | 118,827,877           | 118,065,743           | 115,771,080           | 113,830,744           | 113,170,328           | 108,223,757           | 106,889,611           | 106,128,189           | 104,247,639           | 101,271,376           |
| <b>Total Pension Liability - End of year</b>                                       | <b>\$ 120,741,280</b> | <b>\$ 118,827,877</b> | <b>\$ 118,065,743</b> | <b>\$ 115,771,080</b> | <b>\$ 113,830,744</b> | <b>\$ 113,170,328</b> | <b>\$ 108,223,757</b> | <b>\$ 106,889,611</b> | <b>\$ 106,128,189</b> | <b>\$ 104,247,639</b> |
| <b>Plan Fiduciary Net Position</b>   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Contributions - Employer   | \$ 2,317,855          | \$ 2,898,154          | \$ 3,051,813          | \$ 3,328,794          | \$ 3,046,883          | \$ 2,851,743          | \$ 2,946,541          | \$ 3,188,351          | \$ 3,263,241          | \$ 3,386,289          |
| Contributions - Member   | 244,303               | 318,173               | 303,661               | 375,095               | 338,105               | 359,818               | 381,439               | 367,992               | 395,861               | 446,148               |
| Net investment income (loss)   | 12,003,119            | (13,826,369)          | 17,937,349            | 12,767,216            | 18,104,776            | (5,483,678)           | 13,507,853            | 9,778,003             | (1,162,337)           | 5,093,530             |
| Administrative expenses  | (61,417)              | (68,211)              | (25,979)              | (43,891)              | (43,298)              | (561,214)             | (458,499)             | (452,779)             | (522,512)             | (560,067)             |
| Benefit payments, including refunds  | (8,705,779)           | (8,763,979)           | (7,989,006)           | (7,652,406)           | (8,483,981)           | (7,289,655)           | (7,656,114)           | (6,966,017)           | (7,234,304)           | (5,711,969)           |
| <b>Net Change in Plan Fiduciary Net Position</b>                                   | 5,798,081             | (19,442,232)          | 13,277,838            | 8,774,808             | 12,962,485            | (10,122,986)          | 8,721,220             | 5,915,550             | (5,260,051)           | 2,653,931             |
| <b>Plan Fiduciary Net Position - Beginning of year</b>                             | 102,931,431           | 122,373,663           | 109,095,825           | 100,321,017           | 87,358,532            | 97,481,518            | 88,760,298            | 82,844,748            | 88,104,799            | 85,450,868            |
| <b>Plan Fiduciary Net Position - End of year</b>                                   | <b>\$ 108,729,512</b> | <b>\$ 102,931,431</b> | <b>\$ 122,373,663</b> | <b>\$ 109,095,825</b> | <b>\$ 100,321,017</b> | <b>\$ 87,358,532</b>  | <b>\$ 97,481,518</b>  | <b>\$ 88,760,298</b>  | <b>\$ 82,844,748</b>  | <b>\$ 88,104,799</b>  |
| <b>Township's Net Pension Liability (Asset) - Ending</b>                           | <b>\$ 12,011,768</b>  | <b>\$ 15,896,446</b>  | <b>\$ (4,307,920)</b> | <b>\$ 6,675,255</b>   | <b>\$ 13,509,727</b>  | <b>\$ 25,811,796</b>  | <b>\$ 10,742,239</b>  | <b>\$ 18,129,313</b>  | <b>\$ 23,283,441</b>  | <b>\$ 16,142,840</b>  |
| <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>      | 90.05 %               | 86.62 %               | 103.65 %              | 94.23 %               | 88.13 %               | 77.19 %               | 90.07 %               | 83.04 %               | 78.06 %               | 84.51 %               |
| <b>Covered Payroll</b>   | \$ 4,985,928          | \$ 5,521,826          | \$ 5,786,009          | \$ 5,956,794          | \$ 6,075,423          | \$ 6,426,594          | \$ 6,344,741          | \$ 6,651,574          | \$ 6,794,855          | \$ 7,273,279          |
| <b>Township's Net Pension Liability (Asset) as a Percentage of Covered Payroll</b> | 240.91 %              | 287.88 %              | (74.45)%              | 112.06 %              | 222.37 %              | 401.64 %              | 169.31 %              | 272.56 %              | 342.66 %              | 221.95 %              |

## Charter Township of Waterford

### Required Supplementary Information Schedule of Changes in the Net Pension (Asset) Liability and Related Ratios General Employees' Retirement System

#### Last Ten Fiscal Years

|  | 2023                  | 2022                 | 2021                   | 2020                  | 2019                 | 2018                 | 2017                  | 2016                 | 2015                 | 2014                 |
|--|-----------------------|----------------------|------------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>   |                       |                      |                        |                       |                      |                      |                       |                      |                      |                      |
| Service cost   | \$ 496,896            | \$ 521,939           | \$ 472,473             | \$ 525,397            | \$ 589,506           | \$ 700,386           | \$ 783,877            | \$ 820,172           | \$ 900,676           | \$ 983,329           |
| Interest   | 4,466,041             | 4,484,342            | 4,433,206              | 4,375,858             | 4,348,409            | 4,330,278            | 4,390,174             | 4,341,582            | 4,322,215            | 4,209,174            |
| Differences between expected and actual experience                                 | (51,856)              | 315,392              | (1,084,000)            | 165,836               | (185,854)            | (118,483)            | (2,236,843)           | (625,074)            | (1,163,975)          | -                    |
| Changes in assumptions   | -                     | 1,509,285            | 1,396,443              | -                     | -                    | 1,693,457            | -                     | -                    | -                    | -                    |
| Benefit payments, including refunds  | (4,506,335)           | (4,558,305)          | (4,461,727)            | (4,392,813)           | (4,233,878)          | (3,746,991)          | (3,755,287)           | (3,893,369)          | (3,590,647)          | (3,481,965)          |
| <b>Net Change in Total Pension Liability</b>                                       | 404,746               | 2,272,653            | 756,395                | 674,278               | 518,183              | 2,858,647            | (818,079)             | 643,311              | 468,269              | 1,710,538            |
| <b>Total Pension Liability - Beginning of year</b>                                 | 70,464,566            | 68,191,913           | 67,435,518             | 66,761,240            | 66,243,057           | 63,384,410           | 64,202,489            | 63,559,178           | 63,090,909           | 61,380,371           |
| <b>Total Pension Liability - End of year</b>                                       | <b>\$ 70,869,312</b>  | <b>\$ 70,464,566</b> | <b>\$ 68,191,913</b>   | <b>\$ 67,435,518</b>  | <b>\$ 66,761,240</b> | <b>\$ 66,243,057</b> | <b>\$ 63,384,410</b>  | <b>\$ 64,202,489</b> | <b>\$ 63,559,178</b> | <b>\$ 63,090,909</b> |
| <b>Plan Fiduciary Net Position</b>   |                       |                      |                        |                       |                      |                      |                       |                      |                      |                      |
| Contributions - Employer   | \$ 657,020            | \$ 606,783           | \$ 858,317             | \$ 984,672            | \$ 761,758           | \$ 674,987           | \$ 989,146            | \$ 1,249,587         | \$ 1,555,154         | \$ 1,729,217         |
| Contributions - Member   | 3,605                 | 3,771                | 5,120                  | 6,333                 | 8,742                | 11,627               | 11,489                | 14,822               | 17,565               | 17,609               |
| Net investment income (loss)   | 11,297,794            | (13,495,149)         | 11,347,109             | 11,166,107            | 11,155,915           | (2,814,131)          | 9,243,114             | 2,688,872            | 721,215              | 3,720,145            |
| Administrative expenses  | (71,132)              | (86,901)             | (54,851)               | (43,905)              | (49,297)             | (416,490)            | (383,813)             | (368,089)            | (401,114)            | (406,264)            |
| Benefit payments, including refunds  | (4,506,335)           | (4,558,305)          | (4,461,727)            | (4,392,813)           | (4,233,878)          | (3,746,991)          | (3,755,287)           | (3,893,369)          | (3,590,647)          | (3,481,965)          |
| <b>Net Change in Plan Fiduciary Net Position</b>                                   | 7,380,952             | (17,529,801)         | 7,693,968              | 7,720,394             | 7,643,240            | (6,290,998)          | 6,104,649             | (308,177)            | (1,697,827)          | 1,578,742            |
| <b>Plan Fiduciary Net Position - Beginning of year</b>                             | 64,773,687            | 82,303,488           | 74,609,520             | 66,889,126            | 59,245,886           | 65,536,884           | 59,432,235            | 59,740,412           | 61,438,239           | 59,859,497           |
| <b>Plan Fiduciary Net Position - End of year</b>                                   | <b>\$ 72,154,639</b>  | <b>\$ 64,773,687</b> | <b>\$ 82,303,488</b>   | <b>\$ 74,609,520</b>  | <b>\$ 66,889,126</b> | <b>\$ 59,245,886</b> | <b>\$ 65,536,884</b>  | <b>\$ 59,432,235</b> | <b>\$ 59,740,412</b> | <b>\$ 61,438,239</b> |
| <b>Township's Net Pension (Asset) Liability - Ending</b>                           | <b>\$ (1,285,327)</b> | <b>\$ 5,690,879</b>  | <b>\$ (14,111,575)</b> | <b>\$ (7,174,002)</b> | <b>\$ (127,886)</b>  | <b>\$ 6,997,171</b>  | <b>\$ (2,152,474)</b> | <b>\$ 4,770,254</b>  | <b>\$ 3,818,766</b>  | <b>\$ 1,652,670</b>  |
| <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>      | 101.81 %              | 91.92 %              | 120.69 %               | 110.64 %              | 100.19 %             | 89.44 %              | 103.40 %              | 92.57 %              | 93.99 %              | 97.38 %              |
| <b>Covered Payroll</b>   | \$ 3,040,215          | \$ 3,104,297         | \$ 3,523,615           | \$ 3,474,846          | \$ 3,787,197         | \$ 3,911,445         | \$ 4,463,488          | \$ 4,525,599         | \$ 4,948,841         | \$ 5,664,337         |
| <b>Township's Net Pension (Asset) Liability as a Percentage of Covered Payroll</b> | (42.28)%              | 183.32 %             | (400.49)%              | (206.46)%             | (3.38)%              | 178.89 %             | (48.22)%              | 105.41 %             | 77.16 %              | 29.18 %              |

## Charter Township of Waterford

### Required Supplementary Information Schedule of Pension Contributions Police and Fire Retirement System

**Last Ten Fiscal Years  
Years Ended December 31**

|  | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                | 2014                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution                                  | \$ 2,317,855        | \$ 2,898,154        | \$ 3,051,813        | \$ 3,328,794        | \$ 3,046,883        | \$ 2,851,743        | \$ 2,946,541        | \$ 3,188,351        | \$ 3,263,241        | \$ 3,386,289        |
| Contributions in relation to the actuarially determined contribution | 2,317,855           | 2,898,154           | 3,051,813           | 3,328,794           | 3,046,883           | 2,851,743           | 2,946,541           | 3,188,351           | 3,263,241           | 3,386,289           |
| <b>Contribution Deficiency</b>                                       | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>Covered Payroll</b>   | <b>\$ 4,985,928</b> | <b>\$ 5,521,826</b> | <b>\$ 5,786,009</b> | <b>\$ 5,956,794</b> | <b>\$ 6,075,423</b> | <b>\$ 6,426,594</b> | <b>\$ 6,344,741</b> | <b>\$ 6,651,574</b> | <b>\$ 6,794,855</b> | <b>\$ 7,273,279</b> |
| <b>Contributions as a Percentage of Covered Payroll</b>              | <b>46.49 %</b>      | <b>52.49 %</b>      | <b>52.74 %</b>      | <b>55.88 %</b>      | <b>50.15 %</b>      | <b>44.37 %</b>      | <b>46.44 %</b>      | <b>47.93 %</b>      | <b>48.03 %</b>      | <b>46.56 %</b>      |

#### Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date                      Actuarially determined contribution rates are calculated as of January 1, which is 12 months prior to beginning of the fiscal year in which the contributions are reported. Specifically, the fiscal year 2023 contribution was determined from the January 1, 2022 actuarial valuation.

Methods and assumptions used to determine contribution rates:

|                               |  |
|-------------------------------|--|
| Actuarial cost method         | Entry age normal   |
| Amortization method           | Level dollar, closed   |
| Remaining amortization period | 13 years   |
| Asset valuation method        | 4-year smoothed fair value 20 percent corridor                                     |
| Inflation                     | 3.5 percent wage inflation, 2.5 percent price inflation                            |
| Salary increase               | 3.5 to 7.9 percent, including inflation  |
| Investment rate of return     | 6.75 percent   |
| Retirement age                | Experience-based table of rates that are specific to type of eligibility condition |
| Mortality                     | PubS-2010 Mortality with generation improvements based on the scale MP-2021        |

## Charter Township of Waterford

### Required Supplementary Information Schedule of Pension Contributions General Employees' Retirement System

**Last Ten Fiscal Years  
Years Ended December 31**

|  | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                | 2014                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution                                  | \$ 657,020          | \$ 606,783          | \$ 858,317          | \$ 984,672          | \$ 761,758          | \$ 674,987          | \$ 989,146          | \$ 1,249,587        | \$ 1,555,154        | \$ 1,729,217        |
| Contributions in relation to the actuarially determined contribution | 657,020             | 606,783             | 858,317             | 984,672             | 761,758             | 674,987             | 989,146             | 1,249,587           | 1,555,154           | 1,729,217           |
| <b>Contribution Deficiency</b>                                       | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>Covered Payroll</b>   | <b>\$ 3,040,215</b> | <b>\$ 3,104,297</b> | <b>\$ 3,523,615</b> | <b>\$ 3,474,846</b> | <b>\$ 3,787,197</b> | <b>\$ 3,911,445</b> | <b>\$ 4,463,488</b> | <b>\$ 4,525,599</b> | <b>\$ 4,948,841</b> | <b>\$ 5,664,337</b> |
| <b>Contributions as a Percentage of Covered Payroll</b>              | <b>21.61 %</b>      | <b>19.55 %</b>      | <b>24.36 %</b>      | <b>28.34 %</b>      | <b>20.11 %</b>      | <b>17.26 %</b>      | <b>22.16 %</b>      | <b>27.61 %</b>      | <b>31.42 %</b>      | <b>30.53 %</b>      |

#### Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date                      Actuarially determined contribution rates are calculated as of January 1, which is 12 months prior to beginning of the fiscal year in which the contributions are reported. Specifically, the fiscal year 2023 contribution was determined from the January 1, 2022 actuarial valuation.

Methods and assumptions used to determine contribution rates:

|                               |  |
|-------------------------------|--|
| Actuarial cost method         | Entry age normal   |
| Amortization method           | Level dollar, closed   |
| Remaining amortization period | 11 years   |
| Asset valuation method        | 4-year smoothed fair value 25 percent corridor                                     |
| Inflation                     | 3.5 percent wage inflation, 2.5 percent price inflation                            |
| Salary increase               | 3.5 to 6.7 percent, including inflation  |
| Investment rate of return     | 6.50 percent   |
| Retirement age                | Experience-based table of rates that are specific to type of eligibility condition |
| Mortality                     | PubG-2010 Mortality with generation improvements based on the scale MP-2021        |

## Charter Township of Waterford

### Required Supplementary Information Schedule of Pension Investment Returns

|   | Last Ten Fiscal Years<br>Years Ended December 31 |          |         |         |         |         |         |        |         |        |
|---|--|----------|---------|---------|---------|---------|---------|--------|---------|--------|
|   | 2023   | 2022     | 2021    | 2020    | 2019    | 2018    | 2017    | 2016   | 2015    | 2014   |
| Annual money-weighted rate<br>of return - Net of<br>investment related<br>expenses: |  |          |         |         |         |         |         |        |         |        |
| Police and Fire<br>Retirement System  | 12.02 %  | (11.95)% | 17.27 % | 14.06 % | 20.83 % | (5.56)% | 15.54 % | 7.10 % | (1.50)% | 6.10 % |
| General Employees'<br>Retirement System   | 17.97 %  | (16.84)% | 15.58 % | 17.77 % | 19.08 % | (3.74)% | 15.99 % | 4.70 % | 1.30 %  | 6.30 % |

## Charter Township of Waterford

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

|   | Last Seven Fiscal Years* |                       |                       |                       |                       |                       |                       |
|---|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2023                     | 2022                  | 2021                  | 2020                  | 2019                  | 2018                  | 2017                  |
| <b>Total OPEB Liability</b>   |                          |                       |                       |                       |                       |                       |                       |
| Service cost  | \$ 1,749,782             | \$ 2,450,355          | \$ 2,484,746          | \$ 2,241,557          | \$ 2,272,870          | \$ 2,740,489          | \$ 2,720,492          |
| Interest  | 7,685,332                | 9,690,948             | 10,355,415            | 9,943,261             | 10,798,395            | 10,348,900            | 9,903,055             |
| Changes in benefit terms  | -                        | (37,348,045)          | -                     | -                     | -                     | -                     | -                     |
| Differences between expected and actual experience                          | (10,884,118)             | 1,680,610             | (14,894,207)          | -                     | (22,661,591)          | -                     | -                     |
| Changes in assumptions  | 2,517,382                | 1,510,782             | -                     | -                     | 2,858,591             | -                     | -                     |
| Benefit payments, including refunds   | (7,830,821)              | (8,433,321)           | (7,849,727)           | (6,689,934)           | (6,127,114)           | (5,753,465)           | (5,795,277)           |
| <b>Net Change in Total OPEB Liability</b>                                   | (6,762,443)              | (30,448,671)          | (9,903,773)           | 5,494,884             | (12,858,849)          | 7,335,924             | 6,828,270             |
| <b>Total OPEB Liability - Beginning of year</b>                             | 120,339,872              | 150,788,543           | 160,692,316           | 155,197,432           | 168,056,281           | 160,720,357           | 153,892,087           |
| <b>Total OPEB Liability - End of year</b>                                   | <b>\$ 113,577,429</b>    | <b>\$ 120,339,872</b> | <b>\$ 150,788,543</b> | <b>\$ 160,692,316</b> | <b>\$ 155,197,432</b> | <b>\$ 168,056,281</b> | <b>\$ 160,720,357</b> |
| <b>Plan Fiduciary Net Position</b>  |                          |                       |                       |                       |                       |                       |                       |
| Contributions - Employer  | \$ 14,349,650            | \$ 13,377,751         | \$ 12,849,688         | \$ 11,561,752         | \$ 10,583,514         | \$ 7,011,665          | \$ 6,646,677          |
| Contributions - Active and inactive plan members not yet receiving benefits | 31,328                   | 38,627                | 45,990                | 53,019                | 53,342                | 54,245                | 54,831                |
| Net investment income (loss)  | 6,308,028                | (6,574,004)           | 5,442,761             | 3,523,484             | 3,641,920             | (934,859)             | 1,431,730             |
| Administrative expenses   | (23,270)                 | (10,475)              | (5,665)               | (4,098)               | (56,734)              | (49,049)              | (30,839)              |
| Benefit payments, including refunds   | (7,830,821)              | (8,433,321)           | (7,849,727)           | (6,689,934)           | (6,127,114)           | (5,753,465)           | (5,795,277)           |
| <b>Net Change in Plan Fiduciary Net Position</b>                            | 12,834,915               | (1,601,422)           | 10,483,047            | 8,444,223             | 8,094,928             | 328,537               | 2,307,122             |
| <b>Plan Fiduciary Net Position - Beginning of year</b>                      | 39,478,808               | 41,080,230            | 30,597,183            | 22,152,960            | 14,058,032            | 13,729,495            | 11,422,373            |
| <b>Plan Fiduciary Net Position - End of year</b>                            | <b>\$ 52,313,723</b>     | <b>\$ 39,478,808</b>  | <b>\$ 41,080,230</b>  | <b>\$ 30,597,183</b>  | <b>\$ 22,152,960</b>  | <b>\$ 14,058,032</b>  | <b>\$ 13,729,495</b>  |
| <b>Net OPEB Liability - Ending</b>  | <b>\$ 61,263,706</b>     | <b>\$ 80,861,064</b>  | <b>\$ 109,708,313</b> | <b>\$ 130,095,133</b> | <b>\$ 133,044,472</b> | <b>\$ 153,998,249</b> | <b>\$ 146,990,862</b> |
| <b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>  | 46.06 %                  | 32.81 %               | 27.24 %               | 19.04 %               | 14.27 %               | 8.37 %                | 8.54 %                |
| <b>Covered-employee Payroll</b>   | \$ 11,551,113            | \$ 11,160,496         | \$ 13,600,556         | \$ 13,359,906         | \$ 13,359,906         | \$ 14,194,380         | \$ -                  |
| <b>Net OPEB Liability as a Percentage of Covered-employee Payroll</b>       | 530.37 %                 | 724.53 %              | 806.65 %              | 973.77 %              | 995.85 %              | 1,084.92 %            | - %                   |

\*GASB Statement No. 74 was implemented for the fiscal year ended December 31, 2017. Data will be added each of the succeeding years until 10 years of such information is available.

Required Supplementary Information  
Schedule of OPEB Contributions

Last Ten Fiscal Years  
Years Ended December 31

|  | 2023                | 2022                | 2021              | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  | 2014                  |
|--|---------------------|---------------------|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Actuarially determined contribution                                  | \$ 8,492,627        | \$ 11,010,823       | \$ 12,538,544     | \$ 12,775,978         | \$ 12,810,250         | \$ 13,698,860         | \$ 13,688,352         | \$ 11,999,428         | \$ 12,015,032         | \$ 10,824,674         |
| Contributions in relation to the actuarially determined contribution | 14,349,650          | 13,377,751          | 12,849,512        | 11,561,752            | 10,583,514            | 7,011,665             | 6,646,677             | 6,542,562             | 5,618,905             | 5,493,180             |
| <b>Contribution Excess (Deficiency)</b>                              | <b>\$ 5,857,023</b> | <b>\$ 2,366,928</b> | <b>\$ 310,968</b> | <b>\$ (1,214,226)</b> | <b>\$ (2,226,736)</b> | <b>\$ (6,687,195)</b> | <b>\$ (7,041,675)</b> | <b>\$ (5,456,866)</b> | <b>\$ (6,396,127)</b> | <b>\$ (5,331,494)</b> |
| <b>Covered-employee Payroll</b>                                      | \$ 11,551,113       | \$ 11,160,496       | \$ 13,600,556     | \$ 13,359,906         | \$ 13,359,906         | \$ 14,194,380         | \$ -                  | \$ -                  | \$ -                  | \$ -                  |
| <b>Contributions as a Percentage of Covered-employee Payroll</b>     | 124.23 %            | 119.87 %            | 94.48 %           | 86.54 %               | 79.22 %               | - %                   | - %                   | - %                   | - %                   | - %                   |

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 of even numbered years for the one to two subsequent calendar years.

Methods and assumptions used to determine contribution rates:

|                               |  |
|-------------------------------|--|
| Actuarial cost method         | Entry age normal   |
| Amortization method           | Level percent of payroll for police members; level dollar for general and fire members         |
| Remaining amortization period | 25 years, closed   |
| Asset valuation method        | Fair value   |
| Inflation                     | 3.50 percent   |
| Health care cost trend rates  | Trend starting at 7.5 percent in 2023, grading to 4.50 percent in 2029                         |
| Salary increase               | 3.50 to 6.71 percent for general members and 3.65 to 11.42 percent for police and fire members |
| Investment rate of return     | 6.50 percent, net of OPEB plan expenses  |
| Retirement age                | Experience-based table of rates that are specific to the type of eligibility condition         |
| Mortality                     | Pub-2010 Tables with general scale MP-2021   |



## Charter Township of Waterford

### Required Supplementary Information Schedule of OPEB Investment Returns

|  | <b>Last Seven Fiscal Years*</b><br><b>Years Ended December 31</b> |             |             |             |             |             |             |
|--|---|-------------|-------------|-------------|-------------|-------------|-------------|
|  | <u>2023</u>   | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Annual money-weighted rate of<br>return - Net of investment<br>expense | 14.81 %   | (15.23)%    | 16.65 %     | 14.89 %     | 23.80 %     | (6.20)%     | 11.70 %     |

\*GASB Statement No. 74 was implemented for the fiscal year ended December 31, 2017. Data will be added each of the succeeding years until 10 years of such information is available.

## Charter Township of Waterford

### Notes to Required Supplementary Information

December 31, 2023

#### ***Budgetary Information***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, the Debt Service Fund, the Improvement Revolving Fund, and all special revenue funds, except that operating transfers and debt proceeds have been included in the revenue and expenditures categories, rather than as other financing sources (uses). All annual appropriations lapse at fiscal year end; encumbrances are not included as expenditures. During the year, the budget was amended in a legally permissible manner.

The Township follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. On or before September 1, the office of fiscal and human services director and the township supervisor prepare a proposed operating budget for the fiscal year commencing on January 1 and submit it to the board. The budget must be adopted through a passage of a budget resolution no later than November 1.
2. Public hearings are conducted to obtain citizen comments.
3. The legislative budget is adopted by fund on a departmental basis. Line item detail is provided as a general guideline. Throughout the year, the board receives requests to amend the activity budget. Examples of activities include township board, elections, and treasurer. All amendments must be approved by a vote of the township board. Changes in line items within an activity may be made with the approval of the director of fiscal and human resources.

A reconciliation of the General Fund budgetary comparison schedule to the fund-based statement of revenue, expenditures, and changes in fund balances is as follows:

|  | Total<br>Revenue     | Total<br>Expenditures | Total Other<br>Financing Uses | Fund Balance         |
|--|----------------------|-----------------------|-------------------------------|----------------------|
| General Fund amounts per operating statement | \$ 28,287,113        | \$ 13,506,922         | \$ (10,168,353)               | \$ 23,147,907        |
| Cemetery Care Fund                           | (19,031)             | -                     | (125,000)                     | (1,027,515)          |
| Workers' Compensation Fund                   | (2,130)              | -                     | (12,500)                      | (1,068,904)          |
| Amounts per budget statement                 | <u>\$ 28,265,952</u> | <u>\$ 13,506,922</u>  | <u>\$ (10,305,853)</u>        | <u>\$ 21,051,488</u> |

#### ***Excess of Expenditures Over Appropriations in Budgeted Funds***

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

|   | Budget     | Actual     | Variance   |
|---|------------|------------|------------|
| General Fund - Retiree benefits   | \$ 792,850 | \$ 798,914 | \$ (6,064) |
| Community Development Block Grant Fund - Community and economic development | 466,150    | 497,101    | (30,951)   |

#### ***Pension Information***

##### **Changes in Assumptions**

In 2018, both pension plans reduced the assumed investment rate of return to 6.75 percent, reduced the inflation assumption to 2.5 percent, and updated the mortality table to the RP-2014 Mortality Table.

In 2021, both pension plans updated mortality tables to the Pub-2010 Mortality Tables.

In 2022, both pension plans updated the mortality improvement scale and assumed salary increases. The General Employees' Retirement System reduced the assumed investment rate of return from 6.75 percent to 6.50 percent.

December 31, 2023

#### ***OPEB Information***

##### **Changes in Assumptions**

In 2019, the mortality table was updated from the RP-2000 Combined Healthy Mortality Table to the RP-2014 Combined Healthy Mortality Table.

In 2021, the mortality table was updated from the RP-2014 Combined Healthy Mortality Table to the Pub-2010 Combined Healthy Mortality Table.

In 2022, the mortality improvement scale was updated from MP-2020 to MP-2021.

In 2023, the health care cost trend rate was set to 8.0 percent for 2024, decreasing by 0.5 percent per year down to 4.5 percent in year 2031 and later years. In the January 1, 2022 valuation, the health care cost trend rate was 7.5 percent for 2023, decreasing by 0.5 percent per year down to 4.5 percent for 2029 and later years.

##### **Changes in Benefits**

Effective January 1, 2022, all eligible retirees are provided health care benefits at the same level provided to active employees. Retirees eligible for Medicare are required to choose between two Medicare advantage plans.

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## Other Supplementary Information

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#### ***Special Revenue Funds***

These funds are used to account for specific revenue sources, which are legally restricted to expenditures for specific functions or activities. Restrictions may be imposed by state statute, the state constitution, township board resolution or action, or the electorate through the approval of special dedicated millages.

#### **Community Development Block Grant Fund**

Entitlements received under the federally funded Community Development Block Grant Program are accounted for in this fund. These funds are used to provide approved block grant projects and programs.

#### **Library Fund**

This fund accounts for specific property taxes and related revenue used to stock books and operate programs in the various township libraries.

#### **Library Donations Fund**

This fund accounts for donations received from the public. These funds are used as needed for children's programs, library furniture, and improvements to the facility.

#### **Police Restricted Use Fund**

This fund is used to account for moneys seized in arrests for illegal drug activities and from various grants issued to the police department. Functions and activities include drug enforcement and education, departmental training, and expenses associated with the grants received.

#### **Nature Center Fund**

This fund was established in 2005 to account for grant moneys used for the maintenance and operation of the Drayton Plains Nature Center.

#### **Cable Commission Fund**

This fund was created to account for the cable-related activities of the Township. The Township receives PEG and franchise fees from cable providers.

#### **Parks and Recreation Fund**

This fund accounts for the operations of the parks and recreation activities of the Township. Funding is provided primarily through a local property tax levy.

#### **Michigan Indigent Defense Fund**

This fund was established in 2018 to account for state grant revenue and local share contributions that are used to provide indigent defense, as required by the Michigan Indigent Defense Commission and Public Act 93 of 2013.

#### **Grant Fund**

The Grant Fund is used to account for moneys received and spent related to the American Rescue Plan Act.

#### **Opioid Settlement Fund**

The Opioid Settlement Fund is used to account for moneys received and spent related to various opioid settlements that the Township is a party to.

#### ***Capital Project Funds***

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. Revenue sources include General Fund transfers, grants from other units of government, private contributions, and bond proceeds.

#### **Improvement Revolving Fund**

This fund provides accounting and budgeting for resources designated for township building and equipment improvements and land acquisition. Funding is provided from the General Fund and the sale of capital assets.

#### **Capital Project Allocation Fund**

This fund accounts for the prefunding for future identified capital project needs. Funding is provided from the General Fund, Fire Fund, and Parks and Recreation Fund.

## Charter Township of Waterford

|  | Special Revenue Funds             |                     |                   |                       |                   |                   |                      |
|--|-----------------------------------|---------------------|-------------------|-----------------------|-------------------|-------------------|----------------------|
|  | Community Development Block Grant | Library             | Library Donations | Police Restricted Use | Nature Center     | Cable Commission  | Parks and Recreation |
| <b>Assets</b>  |                                   |                     |                   |                       |                   |                   |                      |
| Cash and investments   | \$ 573,171                        | \$ 3,498,714        | \$ 209,107        | \$ 1,448,551          | \$ 585,679        | \$ 828,372        | \$ 2,944,313         |
| Receivables:   |                                   |                     |                   |                       |                   |                   |                      |
| Property taxes receivable  | -                                 | 1,180,883           | -                 | -                     | -                 | -                 | 543,560              |
| Special assessments receivable   | -                                 | -                   | -                 | -                     | -                 | -                 | -                    |
| Due from other governments   | 91,635                            | 10,168              | -                 | -                     | -                 | -                 | 4,680                |
| Rehabilitation loan receivable   | 1,090,817                         | -                   | -                 | -                     | -                 | -                 | -                    |
| Prepaid items  | -                                 | -                   | -                 | -                     | -                 | -                 | -                    |
| <b>Total assets</b>  | <b>\$ 1,755,623</b>               | <b>\$ 4,689,765</b> | <b>\$ 209,107</b> | <b>\$ 1,448,551</b>   | <b>\$ 585,679</b> | <b>\$ 828,372</b> | <b>\$ 3,492,553</b>  |
| <b>Liabilities</b>   |                                   |                     |                   |                       |                   |                   |                      |
| Accounts payable   | \$ 12,091                         | \$ 39,143           | \$ -              | \$ 86,940             | \$ -              | \$ 486            | \$ 47,253            |
| Refundable deposits, bonds, etc.   | -                                 | -                   | -                 | -                     | -                 | -                 | 11,374               |
| Accrued liabilities and other  | -                                 | 19,993              | -                 | -                     | -                 | 3,049             | 57,167               |
| Unearned revenue   | -                                 | -                   | -                 | -                     | -                 | -                 | -                    |
| <b>Total liabilities</b>   | <b>12,091</b>                     | <b>59,136</b>       | <b>-</b>          | <b>86,940</b>         | <b>-</b>          | <b>3,535</b>      | <b>115,794</b>       |
| <b>Deferred Inflows of Resources</b>                                       |                                   |                     |                   |                       |                   |                   |                      |
| Unavailable revenue  | 1,090,817                         | -                   | -                 | -                     | -                 | -                 | -                    |
| Property taxes levied for the following year                               | -                                 | 2,806,758           | -                 | -                     | -                 | -                 | 1,291,951            |
| <b>Total deferred inflows of resources</b>                                 | <b>1,090,817</b>                  | <b>2,806,758</b>    | <b>-</b>          | <b>-</b>              | <b>-</b>          | <b>-</b>          | <b>1,291,951</b>     |
| <b>Total liabilities and deferred inflows of resources</b>                 | <b>1,102,908</b>                  | <b>2,865,894</b>    | <b>-</b>          | <b>86,940</b>         | <b>-</b>          | <b>3,535</b>      | <b>1,407,745</b>     |
| <b>Fund Balances</b>   |                                   |                     |                   |                       |                   |                   |                      |
| Nonspendable - Prepaids  | -                                 | -                   | -                 | -                     | -                 | -                 | -                    |
| Restricted:  |                                   |                     |                   |                       |                   |                   |                      |
| Police   | -                                 | -                   | -                 | 1,361,611             | -                 | -                 | -                    |
| Community development  | 452,715                           | -                   | -                 | -                     | -                 | -                 | -                    |
| Library  | -                                 | 1,823,871           | 209,107           | -                     | -                 | -                 | -                    |
| Nature center  | -                                 | -                   | -                 | -                     | 585,679           | -                 | -                    |
| Opioid settlement  | -                                 | -                   | -                 | -                     | -                 | -                 | -                    |
| Michigan indigent defense  | -                                 | -                   | -                 | -                     | -                 | -                 | -                    |
| Committed:   |                                   |                     |                   |                       |                   |                   |                      |
| Capital projects - Police  | -                                 | -                   | -                 | -                     | -                 | -                 | -                    |
| Capital projects - General   | -                                 | -                   | -                 | -                     | -                 | -                 | -                    |
| Capital projects - Fire  | -                                 | -                   | -                 | -                     | -                 | -                 | -                    |
| Capital projects - Parks and recreation                                    | -                                 | -                   | -                 | -                     | -                 | -                 | -                    |
| Assigned:  |                                   |                     |                   |                       |                   |                   |                      |
| Fiscal recovery  | -                                 | -                   | -                 | -                     | -                 | -                 | -                    |
| Cable-related projects   | -                                 | -                   | -                 | -                     | -                 | 824,837           | -                    |
| Community development  | 200,000                           | -                   | -                 | -                     | -                 | -                 | -                    |
| Capital projects - Improvement revolving fund                              | -                                 | -                   | -                 | -                     | -                 | -                 | -                    |
| Parks and recreation   | -                                 | -                   | -                 | -                     | -                 | -                 | 2,084,808            |
| <b>Total fund balances</b>   | <b>652,715</b>                    | <b>1,823,871</b>    | <b>209,107</b>    | <b>1,361,611</b>      | <b>585,679</b>    | <b>824,837</b>    | <b>2,084,808</b>     |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 1,755,623</b>               | <b>\$ 4,689,765</b> | <b>\$ 209,107</b> | <b>\$ 1,448,551</b>   | <b>\$ 585,679</b> | <b>\$ 828,372</b> | <b>\$ 3,492,553</b>  |

Other Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds

**December 31, 2023**

| Special Revenue Funds           |                     |                      | Capital Project Funds    |                               |                      |  |
|---------------------------------|---------------------|----------------------|--------------------------|-------------------------------|----------------------|--|
| Michigan<br>Indigent<br>Defense | Grant               | Opioid<br>Settlement | Improvement<br>Revolving | Capital Project<br>Allocation | Total                |  |
| \$ 245,813                      | \$ 3,743,638        | \$ 94,363            | \$ 5,840,206             | \$ 11,337,598                 | \$ 31,349,525        |  |
| -                               | -                   | -                    | -                        | -                             | 1,724,443            |  |
| -                               | -                   | -                    | 4,440                    | -                             | 4,440                |  |
| -                               | -                   | -                    | -                        | -                             | 106,483              |  |
| -                               | -                   | -                    | -                        | -                             | 1,090,817            |  |
| -                               | -                   | -                    | -                        | 537,241                       | 537,241              |  |
| <b>\$ 245,813</b>               | <b>\$ 3,743,638</b> | <b>\$ 94,363</b>     | <b>\$ 5,844,646</b>      | <b>\$ 11,874,839</b>          | <b>\$ 34,812,949</b> |  |
| \$ 6,055                        | \$ -                | \$ -                 | \$ 41,600                | \$ -                          | \$ 233,568           |  |
| -                               | -                   | -                    | 94,987                   | -                             | 106,361              |  |
| -                               | -                   | -                    | 131,106                  | -                             | 211,315              |  |
| 71,967                          | 3,569,993           | -                    | -                        | -                             | 3,641,960            |  |
| 78,022                          | 3,569,993           | -                    | 267,693                  | -                             | 4,193,204            |  |
| -                               | -                   | -                    | 8,141                    | -                             | 1,098,958            |  |
| -                               | -                   | -                    | -                        | -                             | 4,098,709            |  |
| -                               | -                   | -                    | 8,141                    | -                             | 5,197,667            |  |
| 78,022                          | 3,569,993           | -                    | 275,834                  | -                             | 9,390,871            |  |
| -                               | -                   | -                    | -                        | 537,241                       | 537,241              |  |
| -                               | -                   | -                    | -                        | -                             | 1,361,611            |  |
| -                               | -                   | -                    | -                        | -                             | 452,715              |  |
| -                               | -                   | -                    | -                        | -                             | 2,032,978            |  |
| -                               | -                   | -                    | -                        | -                             | 585,679              |  |
| -                               | -                   | 94,363               | -                        | -                             | 94,363               |  |
| 167,791                         | -                   | -                    | -                        | -                             | 167,791              |  |
| -                               | -                   | -                    | -                        | 3,021,127                     | 3,021,127            |  |
| -                               | -                   | -                    | -                        | 3,460,836                     | 3,460,836            |  |
| -                               | -                   | -                    | -                        | 4,505,450                     | 4,505,450            |  |
| -                               | -                   | -                    | -                        | 350,185                       | 350,185              |  |
| -                               | 173,645             | -                    | -                        | -                             | 173,645              |  |
| -                               | -                   | -                    | -                        | -                             | 824,837              |  |
| -                               | -                   | -                    | -                        | -                             | 200,000              |  |
| -                               | -                   | -                    | 5,568,812                | -                             | 5,568,812            |  |
| -                               | -                   | -                    | -                        | -                             | 2,084,808            |  |
| 167,791                         | 173,645             | 94,363               | 5,568,812                | 11,874,839                    | 25,422,078           |  |
| <b>\$ 245,813</b>               | <b>\$ 3,743,638</b> | <b>\$ 94,363</b>     | <b>\$ 5,844,646</b>      | <b>\$ 11,874,839</b>          | <b>\$ 34,812,949</b> |  |



## Charter Township of Waterford

|  | Special Revenue Funds                   |                     |                      |                          |                   |                     |                         |
|--|---|---------------------|----------------------|--------------------------|-------------------|---------------------|-------------------------|
|  | Community<br>Development<br>Block Grant | Library             | Library<br>Donations | Police<br>Restricted Use | Nature Center     | Cable<br>Commission | Parks and<br>Recreation |
| <b>Revenue</b>                                     |   |                     |                      |                          |                   |                     |                         |
| Property taxes                                     | \$ -                                    | \$ 2,602,450        | \$ -                 | \$ -                     | \$ -              | \$ -                | \$ 1,198,518            |
| Special assessments                                | -                                       | -                   | -                    | -                        | -                 | -                   | -                       |
| Intergovernmental:                                 |   |                     |                      |                          |                   |                     |                         |
| Federal grants                                     | 497,247                                 | -                   | -                    | 1,015,646                | -                 | -                   | 662,958                 |
| State sources                                      | -                                       | 82,353              | -                    | 3,577                    | -                 | -                   | 4,835                   |
| Charges for services                               | -                                       | -                   | -                    | -                        | -                 | 222,749             | 488,684                 |
| Fines and forfeitures                              | -                                       | 112,653             | -                    | -                        | -                 | -                   | -                       |
| Licenses and permits                               | -                                       | -                   | -                    | -                        | -                 | -                   | -                       |
| Investment income                                  | -                                       | 49,257              | -                    | 21,176                   | 8,806             | 13,236              | 37,352                  |
| Other revenue:                                     |   |                     |                      |                          |                   |                     |                         |
| Local contributions                                | -                                       | 11,850              | 22,763               | 1,500                    | -                 | -                   | -                       |
| Other miscellaneous income                         | -                                       | -                   | -                    | 33,924                   | -                 | -                   | 51,951                  |
| Cable franchise fees                               | -                                       | -                   | -                    | -                        | -                 | 111,672             | -                       |
| <b>Total revenue</b>                               | <b>497,247</b>                          | <b>2,858,563</b>    | <b>22,763</b>        | <b>1,075,823</b>         | <b>8,806</b>      | <b>347,657</b>      | <b>2,444,298</b>        |
| <b>Expenditures</b>                                |   |                     |                      |                          |                   |                     |                         |
| Current services:                                  |   |                     |                      |                          |                   |                     |                         |
| General government                                 | -                                       | -                   | -                    | -                        | -                 | 328,222             | -                       |
| Public safety                                      | -                                       | -                   | -                    | 97,215                   | -                 | -                   | -                       |
| Public works                                       | -                                       | -                   | -                    | -                        | -                 | -                   | -                       |
| Community and economic development                 | 497,101                                 | -                   | -                    | -                        | -                 | -                   | -                       |
| Recreation and culture                             | -                                       | 2,528,554           | 5,622                | -                        | -                 | -                   | 1,802,657               |
| Capital outlay                                     | -                                       | 334,710             | 68,811               | 483,531                  | -                 | 27,084              | 391,679                 |
| <b>Total expenditures</b>                          | <b>497,101</b>                          | <b>2,863,264</b>    | <b>74,433</b>        | <b>580,746</b>           | <b>-</b>          | <b>355,306</b>      | <b>2,194,336</b>        |
| <b>Excess of Revenue Over (Under) Expenditures</b> | <b>146</b>                              | <b>(4,701)</b>      | <b>(51,670)</b>      | <b>495,077</b>           | <b>8,806</b>      | <b>(7,649)</b>      | <b>249,962</b>          |
| <b>Other Financing Sources (Uses)</b>              |   |                     |                      |                          |                   |                     |                         |
| Transfers in                                       | -                                       | 198,500             | -                    | -                        | -                 | -                   | 322,250                 |
| Transfers out                                      | -                                       | -                   | -                    | -                        | -                 | -                   | (20,000)                |
| <b>Total other financing sources</b>               | <b>-</b>                                | <b>198,500</b>      | <b>-</b>             | <b>-</b>                 | <b>-</b>          | <b>-</b>            | <b>302,250</b>          |
| <b>Net Change in Fund Balances</b>                 | <b>146</b>                              | <b>193,799</b>      | <b>(51,670)</b>      | <b>495,077</b>           | <b>8,806</b>      | <b>(7,649)</b>      | <b>552,212</b>          |
| <b>Fund Balances - Beginning of year</b>           | <b>652,569</b>                          | <b>1,630,072</b>    | <b>260,777</b>       | <b>866,534</b>           | <b>576,873</b>    | <b>832,486</b>      | <b>1,532,596</b>        |
| <b>Fund Balances - End of year</b>                 | <b>\$ 652,715</b>                       | <b>\$ 1,823,871</b> | <b>\$ 209,107</b>    | <b>\$ 1,361,611</b>      | <b>\$ 585,679</b> | <b>\$ 824,837</b>   | <b>\$ 2,084,808</b>     |

Other Supplementary Information

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

Nonmajor Governmental Funds

**Year Ended December 31, 2023**

| Special Revenue Funds           |                   |                      | Capital Project Funds    |                               | Total                |
|---------------------------------|-------------------|----------------------|--------------------------|-------------------------------|----------------------|
| Michigan<br>Indigent<br>Defense | Grant             | Opioid<br>Settlement | Improvement<br>Revolving | Capital Project<br>Allocation |                      |
| \$ -                            | \$ -              | \$ -                 | \$ -                     | \$ -                          | \$ 3,800,968         |
| -                               | -                 | -                    | 7,864                    | -                             | 7,864                |
| -                               | -                 | -                    | -                        | -                             | 2,175,851            |
| 187,620                         | -                 | -                    | 24,401                   | -                             | 302,786              |
| -                               | -                 | -                    | -                        | -                             | 711,433              |
| -                               | -                 | -                    | -                        | -                             | 112,653              |
| -                               | -                 | -                    | 48,921                   | -                             | 48,921               |
| 2,182                           | 119,821           | -                    | 90,557                   | 127,970                       | 470,357              |
| -                               | -                 | -                    | -                        | -                             | 36,113               |
| -                               | -                 | 94,363               | 26,083                   | -                             | 206,321              |
| -                               | -                 | -                    | -                        | -                             | 111,672              |
| 189,802                         | 119,821           | 94,363               | 197,826                  | 127,970                       | 7,984,939            |
| 187,620                         | -                 | -                    | -                        | -                             | 515,842              |
| -                               | -                 | -                    | -                        | -                             | 97,215               |
| -                               | -                 | -                    | 240,994                  | -                             | 240,994              |
| -                               | -                 | -                    | -                        | -                             | 497,101              |
| -                               | -                 | -                    | -                        | -                             | 4,336,833            |
| -                               | -                 | -                    | 1,299,149                | 452,719                       | 3,057,683            |
| 187,620                         | -                 | -                    | 1,540,143                | 452,719                       | 8,745,668            |
| 2,182                           | 119,821           | 94,363               | (1,342,317)              | (324,749)                     | (760,729)            |
| 32,056                          | -                 | -                    | 1,597,663                | 4,354,000                     | 6,504,469            |
| -                               | -                 | -                    | -                        | -                             | (20,000)             |
| 32,056                          | -                 | -                    | 1,597,663                | 4,354,000                     | 6,484,469            |
| 34,238                          | 119,821           | 94,363               | 255,346                  | 4,029,251                     | 5,723,740            |
| 133,553                         | 53,824            | -                    | 5,313,466                | 7,845,588                     | 19,698,338           |
| <b>\$ 167,791</b>               | <b>\$ 173,645</b> | <b>\$ 94,363</b>     | <b>\$ 5,568,812</b>      | <b>\$ 11,874,839</b>          | <b>\$ 25,422,078</b> |

## Charter Township of Waterford

### Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds Community Development Block Grant

Year Ended December 31, 2023

|  | Original Budget<br>(Unaudited) | Amended<br>Budget<br>(Unaudited) | Actual                   | Variance with<br>Amended<br>Budget<br>(Unaudited) |
|--|--------------------------------|----------------------------------|--------------------------|---|
| <b>Revenue</b> - Intergovernmental   | \$ -                           | \$ 466,150                       | \$ 497,247               | \$ 31,097   |
| <b>Expenditures</b> - Current services - Community<br>and economic development | -                              | 466,150                          | 497,101                  | (30,951)  |
| <b>Net Change in Fund Balance</b>  | -                              | -                                | 146                      | 146   |
| <b>Fund Balance</b> - Beginning of year  | 652,569                        | 652,569                          | 652,569                  | -   |
| <b>Fund Balance</b> - End of year  | <u><u>\$ 652,569</u></u>       | <u><u>\$ 652,569</u></u>         | <u><u>\$ 652,715</u></u> | <u><u>\$ 146</u></u>                              |

## Charter Township of Waterford

### Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Library

Year Ended December 31, 2023

|  | Original Budget<br>(Unaudited) | Amended<br>Budget<br>(Unaudited) | Actual              | Variance with<br>Amended<br>Budget<br>(Unaudited) |
|--|--------------------------------|----------------------------------|---------------------|---|
| <b>Revenue</b>   |                                |                                  |                     |   |
| Property taxes   | \$ 2,578,883                   | \$ 2,578,883                     | \$ 2,602,450        | \$ 23,567   |
| Intergovernmental                                      | 77,650                         | 77,650                           | 82,353              | 4,703   |
| Fines and forfeitures                                  | 122,600                        | 122,600                          | 112,653             | (9,947)   |
| Investment income                                      | 17,733                         | 43,877                           | 49,257              | 5,380   |
| Other revenue  | 1,605                          | 1,605                            | 11,850              | 10,245  |
| Total revenue  | 2,798,471                      | 2,824,615                        | 2,858,563           | 33,948  |
| <b>Expenditures</b>                                    |                                |                                  |                     |   |
| Current services - Recreation and culture -<br>Library | 2,495,379                      | 2,601,533                        | 2,528,554           | 72,979  |
| Capital outlay   | 334,000                        | 400,870                          | 334,710             | 66,160  |
| Total expenditures                                     | 2,829,379                      | 3,002,403                        | 2,863,264           | 139,139   |
| <b>Excess of Expenditures Over Revenue</b>             | (30,908)                       | (177,788)                        | (4,701)             | 173,087   |
| <b>Other Financing Sources</b> - Transfers in          | -                              | 198,500                          | 198,500             | -   |
| <b>Net Change in Fund Balance</b>                      | (30,908)                       | 20,712                           | 193,799             | 173,087   |
| <b>Fund Balance</b> - Beginning of year                | 1,630,072                      | 1,630,072                        | 1,630,072           | -   |
| <b>Fund Balance</b> - End of year                      | <u>\$ 1,599,164</u>            | <u>\$ 1,650,784</u>              | <u>\$ 1,823,871</u> | <u>\$ 173,087</u>                                 |

## Charter Township of Waterford

### Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Library Donations

Year Ended December 31, 2023

|  | Original Budget<br>(Unaudited) | Amended<br>Budget<br>(Unaudited) | Actual            | Variance with<br>Amended<br>Budget<br>(Unaudited) |
|--|--------------------------------|----------------------------------|-------------------|---|
| <b>Revenue</b> - Other revenue - Local donations       | \$ 254,116                     | \$ 254,116                       | \$ 22,763         | \$ (231,353)                                      |
| <b>Expenditures</b>                                    |                                |                                  |                   |   |
| Current services - Recreation and culture -<br>Library | 7,500                          | 10,800                           | 5,622             | 5,178   |
| Capital outlay   | 105,567                        | 164,448                          | 68,811            | 95,637  |
| Total expenditures                                     | 113,067                        | 175,248                          | 74,433            | 100,815   |
| <b>Net Change in Fund Balance</b>                      | 141,049                        | 78,868                           | (51,670)          | (130,538)   |
| <b>Fund Balance</b> - Beginning of year                | 260,777                        | 260,777                          | 260,777           | -   |
| <b>Fund Balance</b> - End of year                      | <u>\$ 401,826</u>              | <u>\$ 339,645</u>                | <u>\$ 209,107</u> | <u>\$ (130,538)</u>                               |

## Charter Township of Waterford

### Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Police Restricted Use

Year Ended December 31, 2023

|   | Original Budget<br>(Unaudited) | Amended<br>Budget<br>(Unaudited) | Actual                     | Variance with<br>Amended<br>Budget<br>(Unaudited) |
|---|--------------------------------|----------------------------------|----------------------------|---|
| <b>Revenue</b>                          |                                |                                  |                            |   |
| Intergovernmental                       | \$ 35,000                      | \$ 35,000                        | \$ 1,019,223               | \$ 984,223  |
| Investment income                       | 7,525                          | 7,525                            | 21,176                     | 13,651  |
| Other revenue                           | 23,000                         | 23,000                           | 35,424                     | 12,424  |
| Total revenue                           | 65,525                         | 65,525                           | 1,075,823                  | 1,010,298   |
| <b>Expenditures</b>                     |                                |                                  |                            |   |
| Current services - Public safety        | 206,590                        | 231,590                          | 97,215                     | 134,375   |
| Capital outlay                          | 55,112                         | 548,563                          | 483,531                    | 65,032  |
| Total expenditures                      | 261,702                        | 780,153                          | 580,746                    | 199,407   |
| <b>Net Change in Fund Balance</b>       | (196,177)                      | (714,628)                        | 495,077                    | 1,209,705   |
| <b>Fund Balance - Beginning of year</b> | 866,534                        | 866,534                          | 866,534                    | -   |
| <b>Fund Balance - End of year</b>       | <u><u>\$ 670,357</u></u>       | <u><u>\$ 151,906</u></u>         | <u><u>\$ 1,361,611</u></u> | <u><u>\$ 1,209,705</u></u>                        |

## Charter Township of Waterford

### Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Nature Center

Year Ended December 31, 2023

|                                  | Original Budget<br>(Unaudited) | Amended<br>Budget<br>(Unaudited) | Actual            | Variance with<br>Amended<br>Budget<br>(Unaudited) |
|----------------------------------|--------------------------------|----------------------------------|-------------------|---|
| Revenue - Investment income      | \$ 3,616                       | \$ 3,616                         | \$ 8,806          | \$ 5,190  |
| Expenditures                     | -                              | -                                | -                 | -   |
| Net Change in Fund Balance       | 3,616                          | 3,616                            | 8,806             | 5,190   |
| Fund Balance - Beginning of year | 576,873                        | 576,873                          | 576,873           | -   |
| Fund Balance - End of year       | <u>\$ 580,489</u>              | <u>\$ 580,489</u>                | <u>\$ 585,679</u> | <u>\$ 5,190</u>                                   |

## Charter Township of Waterford

### Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Cable Commission

Year Ended December 31, 2023

|   | Original Budget<br>(Unaudited) | Amended<br>Budget<br>(Unaudited) | Actual                   | Variance with<br>Amended<br>Budget<br>(Unaudited) |
|---|--------------------------------|----------------------------------|--------------------------|---|
| <b>Revenue</b>                          |                                |                                  |                          |   |
| Charges for services                    | \$ 227,292                     | \$ 227,292                       | \$ 222,749               | \$ (4,543)  |
| Investment income                       | 5,439                          | 5,439                            | 13,236                   | 7,797   |
| Other revenue                           | 110,604                        | 110,604                          | 111,672                  | 1,068   |
| Total revenue                           | 343,335                        | 343,335                          | 347,657                  | 4,322   |
| <b>Expenditures</b>                     |                                |                                  |                          |   |
| Current services - General government   | 363,485                        | 352,614                          | 328,222                  | 24,392  |
| Capital outlay                          | 32,650                         | 56,594                           | 27,084                   | 29,510  |
| Total expenditures                      | 396,135                        | 409,208                          | 355,306                  | 53,902  |
| <b>Net Change in Fund Balance</b>       | (52,800)                       | (65,873)                         | (7,649)                  | 58,224  |
| <b>Fund Balance - Beginning of year</b> | 832,486                        | 832,486                          | 832,486                  | -   |
| <b>Fund Balance - End of year</b>       | <u><u>\$ 779,686</u></u>       | <u><u>\$ 766,613</u></u>         | <u><u>\$ 824,837</u></u> | <u><u>\$ 58,224</u></u>                           |



## Charter Township of Waterford

### Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Parks and Recreation

Year Ended December 31, 2023

|  | Original Budget<br>(Unaudited) | Amended<br>Budget<br>(Unaudited) | Actual              | Variance with<br>Amended<br>Budget<br>(Unaudited) |
|--|--------------------------------|----------------------------------|---------------------|---|
| <b>Revenue</b>                                     |                                |                                  |                     |   |
| Property taxes                                     | \$ 1,191,989                   | \$ 1,191,989                     | \$ 1,198,518        | \$ 6,529  |
| Intergovernmental                                  | 29,675                         | 210,785                          | 667,793             | 457,008   |
| Charges for services                               | 484,850                        | 484,850                          | 488,684             | 3,834   |
| Investment income                                  | 11,730                         | 32,177                           | 37,352              | 5,175   |
| Other revenue                                      | 20,270                         | 20,270                           | 51,951              | 31,681  |
| Total revenue                                      | 1,738,514                      | 1,940,071                        | 2,444,298           | 504,227   |
| <b>Expenditures</b>                                |                                |                                  |                     |   |
| Current services - Recreation and culture          | 2,031,573                      | 1,968,367                        | 1,802,657           | 165,710   |
| Capital outlay                                     | 118,500                        | 420,152                          | 391,679             | 28,473  |
| Total expenditures                                 | 2,150,073                      | 2,388,519                        | 2,194,336           | 194,183   |
| <b>Excess of Revenue (Under) Over Expenditures</b> | (411,559)                      | (448,448)                        | 249,962             | 698,410   |
| <b>Other Financing Sources (Uses)</b>              |                                |                                  |                     |   |
| Transfers in                                       | 250,000                        | 322,500                          | 322,250             | (250)   |
| Transfers out                                      | (20,000)                       | (20,000)                         | (20,000)            | -   |
| Sale of capital assets                             | 300                            | 300                              | -                   | (300)   |
| Total other financing sources                      | 230,300                        | 302,800                          | 302,250             | (550)   |
| <b>Net Change in Fund Balance</b>                  | (181,259)                      | (145,648)                        | 552,212             | 697,860   |
| <b>Fund Balance - Beginning of year</b>            | 1,532,596                      | 1,532,596                        | 1,532,596           | -   |
| <b>Fund Balance - End of year</b>                  | <u>\$ 1,351,337</u>            | <u>\$ 1,386,948</u>              | <u>\$ 2,084,808</u> | <u>\$ 697,860</u>                                 |

## Charter Township of Waterford

### Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Michigan Indigent Defense

Year Ended December 31, 2023

|   | Original Budget<br>(Unaudited) | Amended<br>Budget<br>(Unaudited) | Actual                   | Variance with<br>Amended<br>Budget<br>(Unaudited) |
|---|--------------------------------|----------------------------------|--------------------------|---|
| <b>Revenue</b>  |                                |                                  |                          |   |
| Intergovernmental   | \$ 240,995                     | \$ 240,995                       | \$ 187,620               | \$ (53,375)                                       |
| Investment income   | 750                            | 750                              | 2,182                    | 1,432   |
| Total revenue   | 241,745                        | 241,745                          | 189,802                  | (51,943)  |
| <b>Expenditures</b> - Current services - General government | 273,052                        | 273,052                          | 187,620                  | 85,432  |
| <b>Excess of Revenue (Under) Over Expenditures</b>          | (31,307)                       | (31,307)                         | 2,182                    | 33,489  |
| <b>Other Financing Sources</b> - Transfers in               | 32,057                         | 32,057                           | 32,056                   | (1)   |
| <b>Net Change in Fund Balance</b>                           | 750                            | 750                              | 34,238                   | 33,488  |
| <b>Fund Balance</b> - Beginning of year                     | 133,553                        | 133,553                          | 133,553                  | -   |
| <b>Fund Balance</b> - End of year                           | <u><u>\$ 134,303</u></u>       | <u><u>\$ 134,303</u></u>         | <u><u>\$ 167,791</u></u> | <u><u>\$ 33,488</u></u>                           |

## Charter Township of Waterford

### Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Grant

Year Ended December 31, 2023

|   | Original Budget<br>(Unaudited) | Amended<br>Budget<br>(Unaudited) | Actual            | Variance with<br>Amended<br>Budget<br>(Unaudited) |
|---|--------------------------------|----------------------------------|-------------------|---|
| <b>Revenue</b>  |                                |                                  |                   |   |
| Intergovernmental   | \$ 4,640,006                   | \$ 4,640,006                     | \$ -              | \$ (4,640,006)                                    |
| Investment income   | -                              | 104,165                          | 119,821           | 15,656  |
| Total revenue   | 4,640,006                      | 4,744,171                        | 119,821           | (4,624,350)                                       |
| <b>Expenditures</b> - Current services - General government | 7,850,006                      | 7,919,898                        | -                 | 7,919,898   |
| <b>Net Change in Fund Balance</b>                           | (3,210,000)                    | (3,175,727)                      | 119,821           | 3,295,548   |
| <b>Fund Balance</b> - Beginning of year                     | 53,824                         | 53,824                           | 53,824            | -   |
| <b>Fund Balance (Deficit)</b> - End of year                 | <u>\$ (3,156,176)</u>          | <u>\$ (3,121,903)</u>            | <u>\$ 173,645</u> | <u>\$ 3,295,548</u>                               |

## Charter Township of Waterford

### Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Opioid Settlement

Year Ended December 31, 2023

|                                  | Original Budget<br>(Unaudited) | Amended<br>Budget<br>(Unaudited) | Actual           | Variance with<br>Amended<br>Budget<br>(Unaudited) |
|----------------------------------|--------------------------------|----------------------------------|------------------|---|
| Revenue                          | \$ -                           | \$ -                             | \$ 94,363        | \$ 94,363   |
| Expenditures                     | -                              | -                                | -                | -   |
| Net Change in Fund Balance       | -                              | -                                | 94,363           | 94,363  |
| Fund Balance - Beginning of year | -                              | -                                | -                | -   |
| Fund Balance - End of year       | <u>\$ -</u>                    | <u>\$ -</u>                      | <u>\$ 94,363</u> | <u>\$ 94,363</u>                                  |

## Charter Township of Waterford

### Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Improvement Revolving

Year Ended December 31, 2023

|   | Original Budget<br>(Unaudited) | Amended<br>Budget<br>(Unaudited) | Actual              | Variance with<br>Amended<br>Budget<br>(Unaudited) |
|---|--------------------------------|----------------------------------|---------------------|---|
| <b>Revenue</b>                                |                                |                                  |                     |   |
| Special assessments                           | \$ 5,000                       | \$ 5,000                         | \$ 7,864            | \$ 2,864  |
| Intergovernmental                             | 67,500                         | 183,500                          | 24,401              | (159,099)   |
| Licenses and permits                          | 42,500                         | 42,500                           | 48,921              | 6,421   |
| Investment income                             | 27,398                         | 75,378                           | 90,557              | 15,179  |
| Other revenue                                 | 10,000                         | 10,000                           | 26,083              | 16,083  |
| Total revenue                                 | 152,398                        | 316,378                          | 197,826             | (118,552)   |
| <b>Expenditures</b>                           |                                |                                  |                     |   |
| Current services - General government         | 204,500                        | 436,779                          | 240,994             | 195,785   |
| Capital outlay                                | 1,580,905                      | 1,808,251                        | 1,299,149           | 509,102   |
| Total expenditures                            | 1,785,405                      | 2,245,030                        | 1,540,143           | 704,887   |
| <b>Excess of Expenditures Over Revenue</b>    | (1,633,007)                    | (1,928,652)                      | (1,342,317)         | 586,335   |
| <b>Other Financing Sources</b> - Transfers in | 997,663                        | 1,597,663                        | 1,597,663           | -   |
| <b>Net Change in Fund Balance</b>             | (635,344)                      | (330,989)                        | 255,346             | 586,335   |
| <b>Fund Balance</b> - Beginning of year       | 5,313,466                      | 5,313,466                        | 5,313,466           | -   |
| <b>Fund Balance</b> - End of year             | <u>\$ 4,678,122</u>            | <u>\$ 4,982,477</u>              | <u>\$ 5,568,812</u> | <u>\$ 586,335</u>                                 |

## Charter Township of Waterford

### Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Capital Project Allocation

Year Ended December 31, 2023

|   | Original Budget<br>(Unaudited) | Amended<br>Budget<br>(Unaudited) | Actual                      | Variance with<br>Amended<br>Budget<br>(Unaudited) |
|---|--------------------------------|----------------------------------|-----------------------------|---|
| <b>Revenue</b> - Investment income            | \$ 9,299                       | \$ 9,299                         | \$ 127,970                  | \$ 118,671  |
| <b>Expenditures</b> - Capital outlay          | 1,376,000                      | 1,376,000                        | 452,719                     | 923,281   |
| <b>Excess of Expenditures Over Revenue</b>    | (1,366,701)                    | (1,366,701)                      | (324,749)                   | 1,041,952   |
| <b>Other Financing Sources</b> - Transfers in | 445,001                        | 4,354,001                        | 4,354,000                   | (1)   |
| <b>Net Change in Fund Balance</b>             | (921,700)                      | 2,987,300                        | 4,029,251                   | 1,041,951   |
| <b>Fund Balance</b> - Beginning of year       | 7,845,588                      | 7,845,588                        | 7,845,588                   | -   |
| <b>Fund Balance</b> - End of year             | <u><u>\$ 6,923,888</u></u>     | <u><u>\$ 10,832,888</u></u>      | <u><u>\$ 11,874,839</u></u> | <u><u>\$ 1,041,951</u></u>                        |

Fiduciary funds are used to account for assets held by the government in a trustee capacity.

#### ***Custodial Funds***

These funds account for fiduciary activities that are not required to be reported as trust funds.

#### ***Pension and Other Postemployment Trust Funds***

The Township operates two retirement systems and one retiree health care fund, which are accounted for in three separate funds. These funds include the General Employees' Pension Fund, covering all full-time regular employees (excluding sworn police and fire employees); the Police and Fire Pension Fund, which covers sworn police and fire employees; and the Other Postemployment Benefit Trust Fund, which covers all full-time employees upon retirement or individuals receiving system disability pensions, in accordance with various labor contracts.

## Charter Township of Waterford

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

December 31, 2023

|   | Pension and Other Postemployment Benefit Trust Funds |                            |                                    |                       | Custodial Funds   |                |                   |                   |
|---|--|----------------------------|------------------------------------|-----------------------|-------------------|----------------|-------------------|-------------------|
|   | Police and Fire Pension                              | General Employees' Pension | Other Postemployment Benefit Trust | Total                 | Tax Collections   | District Court | Weed Control      | Total             |
| <b>Assets</b>   |  |                            |                                    |                       |                   |                |                   |                   |
| Cash and cash equivalents   | \$ 54,969  | \$ 13,356                  | \$ 9,352,370                       | \$ 9,420,695          | \$ 6,501,525      | \$ 79,414      | \$ 615,100        | \$ 7,196,039      |
| Investments:  |  |                            |                                    |                       |                   |                |                   |                   |
| Fixed-income funds  | -  | 15,836,957                 | 6,792,871                          | 22,629,828            | -                 | -              | -                 | -                 |
| Publicly traded partnerships  | 28,084,817   | 4,108,651                  | 1,715,438                          | 33,908,906            | -                 | -              | -                 | -                 |
| Stocks  | 35,428,983   | 38,877,788                 | 34,308,540                         | 108,615,311           | -                 | -              | -                 | -                 |
| Mutual funds  | 34,863,181   | 8,464,281                  | -                                  | 43,327,462            | -                 | -              | -                 | -                 |
| Real estate investment funds  | 4,076,310  | 2,681,271                  | -                                  | 6,757,581             | -                 | -              | -                 | -                 |
| Pension manager short-term funds  | 5,563,019  | 1,782,536                  | -                                  | 7,345,555             | -                 | -              | -                 | -                 |
| Securities lending short-term collateral bank investment pool - Mutual funds                                | -  | 1,603,517                  | -                                  | 1,603,517             | -                 | -              | -                 | -                 |
| Receivables:  |  |                            |                                    |                       |                   |                |                   |                   |
| Property taxes receivable   | -  | -                          | -                                  | -                     | 4,337,607         | -              | -                 | 4,337,607         |
| Special assessments receivable  | -  | -                          | -                                  | -                     | -                 | -              | 114,832           | 114,832           |
| Accrued interest receivable   | -  | -                          | 144,504                            | 144,504               | -                 | -              | -                 | -                 |
| Prepaid items   | 658,233  | 389,799                    | -                                  | 1,048,032             | -                 | -              | -                 | -                 |
| <b>Total assets</b>   | <b>108,729,512</b>                                   | <b>73,758,156</b>          | <b>52,313,723</b>                  | <b>234,801,391</b>    | <b>10,839,132</b> | <b>79,414</b>  | <b>729,932</b>    | <b>11,648,478</b> |
| <b>Liabilities</b>  |  |                            |                                    |                       |                   |                |                   |                   |
| Accounts payable  | -  | -                          | -                                  | -                     | -                 | -              | 6,243             | 6,243             |
| Due to other governmental units   | -  | -                          | -                                  | -                     | 6,417,600         | -              | -                 | 6,417,600         |
| Accrued liabilities and other   | -  | -                          | -                                  | -                     | 83,925            | 79,414         | -                 | 163,339           |
| Obligations under securities lending agreements   | -  | 1,603,517                  | -                                  | 1,603,517             | -                 | -              | -                 | -                 |
| <b>Total liabilities</b>  | <b>-</b>   | <b>1,603,517</b>           | <b>-</b>                           | <b>1,603,517</b>      | <b>6,501,525</b>  | <b>79,414</b>  | <b>6,243</b>      | <b>6,587,182</b>  |
| <b>Deferred Inflows of Resources</b> - Property taxes and special assessments levied for the following year | -  | -                          | -                                  | -                     | 4,337,607         | -              | 271,143           | 4,608,750         |
| <b>Total liabilities and deferred inflows of resources</b>  | <b>-</b>   | <b>1,603,517</b>           | <b>-</b>                           | <b>1,603,517</b>      | <b>10,839,132</b> | <b>79,414</b>  | <b>277,386</b>    | <b>11,195,932</b> |
| <b>Net Position</b>   |  |                            |                                    |                       |                   |                |                   |                   |
| Restricted:   |  |                            |                                    |                       |                   |                |                   |                   |
| Pension   | 108,729,512  | 72,154,639                 | -                                  | 180,884,151           | -                 | -              | -                 | -                 |
| Postemployment benefits other than pension  | -  | -                          | 52,313,723                         | 52,313,723            | -                 | -              | -                 | -                 |
| Individuals, organizations, and other governments   | -  | -                          | -                                  | -                     | -                 | -              | 452,546           | 452,546           |
| <b>Total net position</b>   | <b>\$ 108,729,512</b>                                | <b>\$ 72,154,639</b>       | <b>\$ 52,313,723</b>               | <b>\$ 233,197,874</b> | <b>\$ -</b>       | <b>\$ -</b>    | <b>\$ 452,546</b> | <b>\$ 452,546</b> |



## Charter Township of Waterford

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

Year Ended December 31, 2023

|  | Pension and Other Postemployment Benefit Trust Funds |                            |                                    |                       | Custodial Funds |                |                   |                   |
|--|--|----------------------------|------------------------------------|-----------------------|-----------------|----------------|-------------------|-------------------|
|  | Police and Fire Pension                              | General Employees' Pension | Other Postemployment Benefit Trust | Total                 | Tax Collections | District Court | Weed Control      | Total             |
| <b>Additions</b>   |  |                            |                                    |                       |                 |                |                   |                   |
| Investment income:                                       |  |                            |                                    |                       |                 |                |                   |                   |
| Interest and dividends                                   | \$ 2,071,842   | \$ 1,252,623               | \$ 2,611,060                       | \$ 5,935,525          | \$ -            | \$ -           | \$ -              | \$ -              |
| Net increase in fair value of investments                | 10,358,215   | 10,372,210                 | 3,898,168                          | 24,628,593            | -               | -              | -                 | -                 |
| Investment costs   | (426,938)  | (327,039)                  | (201,200)                          | (955,177)             | -               | -              | -                 | -                 |
| Net investment income                                    | 12,003,119   | 11,297,794                 | 6,308,028                          | 29,608,941            | -               | -              | -                 | -                 |
| Contributions:   |  |                            |                                    |                       |                 |                |                   |                   |
| Employer contributions                                   | 2,317,855  | 657,020                    | 14,349,650                         | 17,324,525            | -               | -              | -                 | -                 |
| Employee contributions                                   | 244,303  | 3,605                      | 31,328                             | 279,236               | -               | -              | -                 | -                 |
| Total contributions                                      | 2,562,158  | 660,625                    | 14,380,978                         | 17,603,761            | -               | -              | -                 | -                 |
| Property tax collections for other governments           | -  | -                          | -                                  | -                     | 75,898,312      | -              | -                 | 75,898,312        |
| Special assessments                                      | -  | -                          | -                                  | -                     | -               | -              | 282,164           | 282,164           |
| District court receipts                                  | -  | -                          | -                                  | -                     | -               | 697,168        | -                 | 697,168           |
| Total additions  | 14,565,277   | 11,958,419                 | 20,689,006                         | 47,212,702            | 75,898,312      | 697,168        | 282,164           | 76,877,644        |
| <b>Deductions</b>  |  |                            |                                    |                       |                 |                |                   |                   |
| Benefit payments   | 8,705,779  | 4,506,335                  | 7,830,821                          | 21,042,935            | -               | -              | -                 | -                 |
| Administrative expenses                                  | 61,417   | 71,132                     | 23,270                             | 155,819               | -               | -              | -                 | -                 |
| Tax distributions to other governments                   | -  | -                          | -                                  | -                     | 75,898,312      | -              | -                 | 75,898,312        |
| Weed control   | -  | -                          | -                                  | -                     | -               | -              | 293,715           | 293,715           |
| District court disbursements                             | -  | -                          | -                                  | -                     | -               | 697,168        | -                 | 697,168           |
| Total deductions   | 8,767,196  | 4,577,467                  | 7,854,091                          | 21,198,754            | 75,898,312      | 697,168        | 293,715           | 76,889,195        |
| <b>Net Increase (Decrease) in Fiduciary Net Position</b> | 5,798,081  | 7,380,952                  | 12,834,915                         | 26,013,948            | -               | -              | (11,551)          | (11,551)          |
| <b>Net Position - Beginning of year</b>                  | 102,931,431  | 64,773,687                 | 39,478,808                         | 207,183,926           | -               | -              | 464,097           | 464,097           |
| <b>Net Position - End of year</b>                        | <u>\$ 108,729,512</u>                                | <u>\$ 72,154,639</u>       | <u>\$ 52,313,723</u>               | <u>\$ 233,197,874</u> | <u>\$ -</u>     | <u>\$ -</u>    | <u>\$ 452,546</u> | <u>\$ 452,546</u> |

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## Statistical Section

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This part of the Township's Annual Comprehensive Financial Report presents detailed information to assist in understanding what information in the financial statements, note disclosures, and required supplemental information says about the overall financial condition of the Charter Township of Waterford.

**1. Financial Trend Information**

These schedules contain certain trend information to help the reader understand how the Township's financial position and performance have changed over time.

**2. Revenue Capacity Information**

These schedules contain information to help the reader assess the factors affecting the Township's ability to generate its main income source - property taxes.

**3. Debt Capacity Information**

These schedules present information to help the reader assess the affordability of the Township's current level of outstanding debt and the ability to issue additional debt in the future.

**4. Demographic and Economic Information**

These schedules present various demographic and economic indicators for the reader to understand the environment within the Township that affects the Township's financial statements.

**5. Operating Information**

These schedules contain information about the Township's operations and resources to help the reader understand how the Township's financial information relates to the services the Township provides and the activities it performs.

## Charter Township of Waterford

|                                     | As of December 31,    |                       |                       |                       |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                     | 2014                  | 2015 *                | 2016                  | 2017                  |
| <b>Governmental Activities:</b>     |                       |                       |                       |                       |
| Net investment in capital assets    | \$ 46,799,756         | \$ 47,424,323         | \$ 47,755,197         | \$ 49,917,271         |
| Restricted                          | 5,299,562             | 5,512,742             | 5,573,050             | 5,006,923             |
| Unrestricted                        | (14,614,667)          | (35,750,457)          | (40,613,351)          | (43,621,655)          |
| Total net position                  | <u>\$ 39,183,867</u>  | <u>\$ 37,484,651</u>  | <u>\$ 17,186,608</u>  | <u>\$ 12,714,896</u>  |
| <b>Business-type Activities:</b>    |                       |                       |                       |                       |
| Net investment in capital assets    | \$ 76,598,026         | \$ 75,365,037         | \$ 76,149,383         | \$ 77,300,259         |
| Restricted                          | 813,588               | 2,998,522             | 1,098,158             | 2,342,415             |
| Unrestricted                        | 14,544,118            | 13,754,631            | 15,948,494            | 15,485,980            |
| Total net position                  | <u>\$ 91,821,393</u>  | <u>\$ 91,955,732</u>  | <u>\$ 92,118,190</u>  | <u>\$ 93,196,035</u>  |
| <b>Primary Government in Total:</b> |                       |                       |                       |                       |
| Net investment in capital assets    | \$ 123,397,782        | \$ 122,789,360        | \$ 123,904,580        | \$ 127,217,530        |
| Restricted                          | 6,113,150             | 8,511,264             | 6,671,208             | 7,349,338             |
| Unrestricted                        | (70,549)              | (21,995,826)          | (24,664,857)          | (28,135,675)          |
| Total net position                  | <u>\$ 129,440,383</u> | <u>\$ 109,304,798</u> | <u>\$ 105,910,931</u> | <u>\$ 106,431,193</u> |

Source: Township's annual financial statements

\* The Township implemented GASB No. 68 in 2015. The numbers in this table have not been updated retrospectively.

\*\* The Township implemented GASB No. 75 in 2018. The numbers in this table have not been updated retrospectively.

## Net Position by Component

Last Ten Fiscal Years

(Unaudited)

| As of December 31,   |                        |                        |                        |                       |                       |
|----------------------|------------------------|------------------------|------------------------|-----------------------|-----------------------|
| 2018 **              | 2019                   | 2020                   | 2021                   | 2022                  | 2023                  |
| \$ 51,276,047        | \$ 50,863,258          | \$ 51,139,451          | \$ 52,629,567          | \$ 53,667,473         | \$ 54,872,997         |
| 5,027,552            | 4,947,475              | 4,779,142              | 4,668,478              | 5,202,192             | 6,810,763             |
| (132,654,683)        | (122,242,179)          | (106,615,527)          | (82,653,824)           | (39,788,292)          | (17,017,269)          |
| <b>\$ 11,302,539</b> | <b>\$ (76,351,084)</b> | <b>\$ (66,431,446)</b> | <b>\$ (50,696,934)</b> | <b>\$ 19,081,373</b>  | <b>\$ 44,666,491</b>  |
| \$ 78,449,817        | \$ 78,011,843          | \$ 73,861,071          | \$ 79,466,052          | \$ 80,075,882         | \$ 81,093,262         |
| 1,572,136            | 786,958                | 6,253,705              | 386,799                | 312,153               | 2,324,205             |
| 3,544,020            | 4,891,823              | 9,580,664              | 13,437,291             | 21,977,727            | 23,714,722            |
| <b>\$ 95,128,654</b> | <b>\$ 83,565,973</b>   | <b>\$ 83,690,624</b>   | <b>\$ 89,695,440</b>   | <b>\$ 102,365,762</b> | <b>\$ 107,132,189</b> |
| \$ 129,725,864       | \$ 128,875,101         | \$ 125,000,522         | \$ 132,095,619         | \$ 133,743,355        | \$ 135,966,259        |
| 6,599,688            | 5,734,433              | 11,032,847             | 5,055,277              | 5,514,345             | 9,134,968             |
| (129,110,663)        | (117,350,356)          | (97,034,863)           | (69,216,533)           | (17,810,565)          | 6,697,453             |
| <b>\$ 7,214,889</b>  | <b>\$ 17,259,178</b>   | <b>\$ 38,998,506</b>   | <b>\$ 67,934,363</b>   | <b>\$ 121,447,135</b> | <b>\$ 151,798,680</b> |

## Charter Township of Waterford

|  | As of December 31,    |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2014                  | 2015                  | 2016                  | 2017                  |
| <b>Expenses:</b>                               |                       |                       |                       |                       |
| General government                             | \$ 7,371,411          | \$ 8,468,129          | \$ 10,008,883         | \$ 9,566,130          |
| District Court                                 | 2,382,795             | 2,023,796             | 2,060,646             | 1,950,465             |
| Police and fire                                | 32,860,164            | 33,814,996            | 32,607,963            | 31,148,383            |
| Building inspection                            | 1,091,307             | 1,137,157             | 1,128,343             | 1,299,693             |
| Public works activities                        | 378,338               | 341,865               | 447,811               | 644,788               |
| Community & economic development               | 1,407,689             | 1,365,836             | 1,436,840             | 1,237,013             |
| Recreation and culture                         | 4,172,091             | 4,106,423             | 4,235,473             | 4,457,445             |
| Interest on long-term debt                     | 194,547               | 170,170               | 144,707               | 142,935               |
| Total expenses                                 | 49,858,342            | 51,428,372            | 52,070,666            | 50,446,852            |
| <b>Program revenues:</b>                       |                       |                       |                       |                       |
| Charges for services                           |                       |                       |                       |                       |
| General government                             | 2,642,128             | 1,832,510             | 1,952,187             | 737,664               |
| District Court                                 | 1,282,052             | 1,037,257             | 1,072,440             | 1,089,797             |
| Police and fire                                | 8,567,130             | 8,366,943             | 8,486,146             | 9,074,822             |
| Building inspection                            | 636,514               | 594,148               | 667,341               | 703,837               |
| Community & economic development               | 131,987               | 131,393               | 119,145               | 372,302               |
| Recreation and culture                         | 1,311,791             | 1,368,111             | 1,345,423             | 1,127,118             |
| Other activities                               | 592,061               | 544,191               | 534,973               | 55,708                |
| Total charges for services                     | 15,163,663            | 13,874,553            | 14,177,655            | 13,161,248            |
| Operating grants and contributions             | 4,515,109             | 4,841,171             | 2,652,932             | 4,241,920             |
| Capital grants and contributions               | 117,289               | 38                    | 32,731                | 5,000                 |
| Total program revenue                          | 19,796,061            | 18,715,762            | 16,863,318            | 17,408,168            |
| <b>Excess of Expenses Over Program Revenue</b> | <b>(30,062,281)</b>   | <b>(32,712,610)</b>   | <b>(35,207,348)</b>   | <b>(33,038,684)</b>   |
| <b>General revenues:</b>                       |                       |                       |                       |                       |
| Property taxes                                 | 21,006,495            | 22,021,348            | 22,553,997            | 22,825,673            |
| State-shared revenues                          | 5,784,757             | 5,764,563             | 5,913,916             | 6,403,176             |
| Unrestricted investment earnings/(loss)        | 237,100               | 176,563               | 194,776               | 262,207               |
| Franchise fees                                 | 1,193,645             | 1,250,899             | 1,243,092             | 1,210,578             |
| Miscellaneous                                  | 141,068               | 491,375               | 829,855               | 924,693               |
| Total general revenues                         | 28,363,065            | 29,704,748            | 30,735,636            | 31,626,327            |
| <b>Change in net position</b>                  | <b>\$ (1,699,216)</b> | <b>\$ (3,007,862)</b> | <b>\$ (4,471,712)</b> | <b>\$ (1,412,357)</b> |

Source: Township's annual financial statements

## Changes in Governmental Net Position

**Last Ten Fiscal Years  
(Unaudited)**

| As of December 31,    |                     |                      |                      |                      |                      |
|-----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| 2018                  | 2019                | 2020                 | 2021                 | 2022                 | 2023                 |
| \$ 5,361,318          | \$ 2,692,313        | \$ 2,654,531         | \$ (1,922,889)       | \$ (6,821,859)       | \$ 690,844           |
| 2,772,032             | 2,570,218           | 2,230,009            | 2,022,200            | 626,694              | 2,450,951            |
| 38,386,451            | 33,854,132          | 28,832,069           | 24,350,585           | 14,142,198           | 30,532,105           |
| 1,273,845             | 1,252,993           | 1,181,691            | 1,366,187            | 1,550,658            | 1,538,685            |
| 818,722               | 670,260             | 671,591              | 835,880              | 815,804              | 1,013,886            |
| 1,763,727             | 1,817,024           | 1,704,205            | 1,692,262            | 1,791,348            | 1,851,045            |
| 5,146,552             | 3,718,735           | 3,467,112            | 3,161,179            | 3,223,617            | 4,284,571            |
| 82,835                | 17,504              | 10,947               | 6,132                | -                    | -                    |
| 55,605,482            | 46,593,179          | 40,752,155           | 31,511,536           | 15,328,460           | 42,362,087           |
| 754,514               | 794,252             | 796,647              | 928,228              | 849,906              | 920,117              |
| 1,114,223             | 1,041,707           | 785,457              | 922,189              | 925,456              | 1,000,594            |
| 9,436,126             | 9,908,858           | 9,833,873            | 10,554,004           | 11,242,376           | 11,728,079           |
| 1,142,404             | 877,047             | 592,755              | 801,177              | 891,282              | 1,400,857            |
| 367,586               | 374,292             | 325,042              | 412,847              | 425,285              | 484,012              |
| 1,145,407             | 1,177,979           | 275,601              | 493,291              | 554,156              | 601,337              |
| 54,745                | 42,422              | 85,405               | 108,158              | 126,964              | 144,209              |
| 14,015,005            | 14,216,557          | 12,694,780           | 14,219,894           | 15,015,425           | 16,279,205           |
| 4,678,239             | 3,919,115           | 5,345,093            | 1,853,478            | 2,596,509            | 6,908,054            |
| 10,940                | 14,501              | 100                  | -                    | 3,604                | -                    |
| 18,704,184            | 18,150,173          | 18,039,973           | 16,073,372           | 17,615,538           | 23,187,259           |
| (36,901,298)          | (28,443,006)        | (22,712,182)         | (15,438,164)         | 2,287,078            | (19,174,828)         |
| 23,246,943            | 28,639,060          | 29,685,147           | 30,940,036           | 31,598,326           | 33,489,976           |
| 6,603,644             | 6,852,470           | 6,796,110            | 7,896,046            | 8,325,179            | 8,184,277            |
| 422,183               | 722,751             | 636,814              | 344,527              | 395,000              | 1,249,495            |
| 1,141,743             | 1,131,587           | 1,099,017            | 1,103,363            | 1,065,646            | 1,015,197            |
| 633,459               | 1,016,776           | 560,053              | 495,347              | 765,923              | 821,001              |
| 32,047,972            | 38,362,644          | 38,777,141           | 40,779,319           | 42,150,074           | 44,759,946           |
| <b>\$ (4,853,326)</b> | <b>\$ 9,919,638</b> | <b>\$ 16,064,959</b> | <b>\$ 25,341,155</b> | <b>\$ 44,437,152</b> | <b>\$ 25,585,118</b> |

## Charter Township of Waterford

|  | As of December 31,    |                       |                       |                   |
|--|-----------------------|-----------------------|-----------------------|-------------------|
|  | 2014                  | 2015                  | 2016                  | 2017              |
| <b>Operating Revenue</b>                         |                       |                       |                       |                   |
| Water usage billings                             | \$ 4,916,805          | \$ 5,767,266          | \$ 6,012,824          | \$ 5,793,618      |
| Sewage disposal charges                          | 15,211,866            | 15,606,349            | 16,506,995            | 16,673,937        |
| Other sales to customers                         | 24,770                | 32,237                | 24,730                | 39,044            |
| Charges for services                             | 288,726               | 262,479               | 466,141               | 500,839           |
| Operating grants                                 | 10,536                | -                     | -                     | -                 |
| Total operating revenue                          | 20,452,703            | 21,668,331            | 23,010,690            | 23,007,438        |
| <b>Operating Expenses</b>                        |                       |                       |                       |                   |
| Cost of water                                    | 1,658,724             | 1,600,899             | 1,690,175             | 1,721,613         |
| Cost of sewage disposal                          | 9,005,056             | 9,259,783             | 9,166,971             | 9,677,724         |
| Operation and maintenance costs                  | 730,739               | 727,738               | 799,509               | 896,008           |
| Billing and administrative costs                 | 5,525,326             | 5,677,345             | 5,847,148             | 5,057,079         |
| Depreciation                                     | 3,586,054             | 4,022,724             | 4,138,057             | 5,062,949         |
| Total operating expenses                         | 20,505,899            | 21,288,489            | 21,641,860            | 22,415,373        |
| <b>Operating (Loss) Income</b>                   | (53,196)              | 379,842               | 1,368,830             | 592,065           |
| <b>Nonoperating Revenue (Expenses)</b>           |                       |                       |                       |                   |
| Gain (loss) on sale of assets                    | 11,960                | -                     | (95,143)              | 101,451           |
| Operating grants                                 | -                     | -                     | -                     | 469,295           |
| Investment income                                | 135,605               | 114,119               | 107,899               | 146,368           |
| Interest expense                                 | (379,690)             | (576,350)             | (522,830)             | (508,114)         |
| Total nonoperating revenue (expense)             | (232,125)             | (462,231)             | (510,074)             | 209,000           |
| <b>Income (Loss) - Before contributions</b>      | (285,321)             | (82,389)              | 858,756               | 801,065           |
| <b>Capital Contributions</b>                     | 419,660               | 750,175               | 219,089               | 1,131,554         |
| <b>Change in Net Position</b>                    | 134,339               | 667,786               | 1,077,845             | 1,932,619         |
| <b>Change in Primary Government Net Position</b> |                       |                       |                       |                   |
| Change in governmental net position              | (1,699,216)           | (3,007,862)           | (4,471,712)           | (1,412,357)       |
| Change in business-type net position             | 134,339               | 667,786               | 1,077,845             | 1,932,619         |
| Total change in primary government net position  | <u>\$ (1,564,877)</u> | <u>\$ (2,340,076)</u> | <u>\$ (3,393,867)</u> | <u>\$ 520,262</u> |

Source: Township's annual financial statements



## Changes in Business-type Net Position

**Last Ten Fiscal Years  
(Unaudited)**

| As of December 31,    |                      |                      |                      |                      |                      |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2018                  | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 |
| \$ 5,818,649          | \$ 6,134,309         | \$ 6,895,847         | \$ 6,710,974         | \$ 7,588,021         | \$ 7,354,164         |
| 17,205,120            | 17,541,306           | 17,950,840           | 17,413,909           | 18,548,595           | 18,498,493           |
| 42,682                | 33,771               | 32,627               | 36,825               | 37,405               | 79,464               |
| 434,160               | 385,026              | 394,422              | 437,165              | 1,120,830            | 336,666              |
| 348,335               | 124,560              | -                    | -                    | -                    | -                    |
| 23,848,946            | 24,218,972           | 25,273,736           | 24,598,873           | 27,294,851           | 26,268,787           |
| 1,710,431             | 1,727,482            | 1,806,859            | 1,970,478            | 2,168,235            | 2,355,836            |
| 9,980,975             | 10,192,062           | 9,820,447            | 9,593,868            | 9,846,848            | 10,078,102           |
| 1,041,300             | 2,328,329            | 751,566              | 1,011,956            | 1,573,324            | 2,052,228            |
| 4,795,245             | 4,458,218            | 1,929,440            | 2,409,702            | (1,039,638)          | 3,109,725            |
| 5,286,323             | 5,514,070            | 5,642,313            | 5,840,697            | 5,924,879            | 6,019,092            |
| 22,814,274            | 24,220,161           | 19,950,625           | 20,826,701           | 18,473,648           | 23,614,983           |
| 1,034,672             | (1,189)              | 5,323,111            | 3,772,172            | 8,821,203            | 2,653,804            |
| 12,012                | 53,598               | 8,593                | -                    | -                    | 24,994               |
| -                     | -                    | -                    | -                    | -                    | -                    |
| 314,230               | 307,450              | 520,139              | (141,600)            | 172,776              | 739,880              |
| (725,060)             | (728,440)            | (721,910)            | (741,313)            | (662,655)            | (612,186)            |
| (398,818)             | (367,392)            | (193,178)            | (882,913)            | (489,879)            | 152,688              |
| 635,854               | (368,581)            | 5,129,933            | 2,889,259            | 8,331,324            | 2,806,492            |
| 902,428               | 493,232              | 874,883              | 705,443              | 744,296              | 1,959,935            |
| 1,538,282             | 124,651              | 6,004,816            | 3,594,702            | 9,075,620            | 4,766,427            |
| (4,853,326)           | 9,919,638            | 16,064,959           | 25,341,155           | 44,437,152           | 25,585,118           |
| 1,538,282             | 124,651              | 6,004,816            | 3,594,702            | 9,075,620            | 4,766,427            |
| <b>\$ (3,315,044)</b> | <b>\$ 10,044,289</b> | <b>\$ 22,069,775</b> | <b>\$ 28,935,857</b> | <b>\$ 53,512,772</b> | <b>\$ 30,351,545</b> |

## Charter Township of Waterford

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|   | As of December 31,   |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 2014                 | 2015                 | 2016                 | 2017                 |
| <b>General Fund:</b>                                |                      |                      |                      |                      |
| Nonspendable  | \$ 102,118           | \$ 176,681           | \$ 96,798            | \$ 192,148           |
| Committed   | 1,820,048            | 2,125,140            | 2,551,284            | 2,745,602            |
| Assigned  | -                    | -                    | 64,373               | 534,566              |
| Unassigned  | 4,412,750            | 5,804,705            | 7,254,216            | 6,154,494            |
| Total general fund                                  | 6,334,916            | 8,106,526            | 9,966,671            | 9,626,810            |
| <b>All other governmental funds:</b>                |                      |                      |                      |                      |
| Nonspendable  | 7                    | 271,341              | 2,668                | 276,216              |
| Restricted  | 3,870,972            | 4,029,098            | 4,018,863            | 3,812,681            |
| Committed   | -                    | 145,000              | 441,499              | 591,235              |
| Assigned  | 6,890,698            | 7,820,864            | 9,348,667            | 10,165,176           |
| Total General Fund and all other governmental funds | <b>\$ 17,096,593</b> | <b>\$ 20,372,829</b> | <b>\$ 23,778,368</b> | <b>\$ 24,472,118</b> |

Source: Township's annual financial statements

## Fund Balances - Governmental Funds

**Last Ten Fiscal Years  
(Unaudited)**

| As of December 31,          |                             |                             |                             |                             |                             |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 2018                        | 2019                        | 2020                        | 2021                        | 2022                        | 2023                        |
| \$ 68,596                   | \$ 87,676                   | \$ 6,409                    | \$ 191,834                  | \$ 168,774                  | \$ 135,765                  |
| 3,070,045                   | 3,549,529                   | 4,375,238                   | 5,557,955                   | 5,713,569                   | 5,872,230                   |
| -                           | -                           | -                           | -                           | -                           | -                           |
| <u>7,607,096</u>            | <u>8,532,520</u>            | <u>10,891,425</u>           | <u>11,867,889</u>           | <u>12,653,726</u>           | <u>17,139,912</u>           |
| 10,745,737                  | 12,169,725                  | 15,273,072                  | 17,617,678                  | 18,536,069                  | 23,147,907                  |
| 3                           | 997,588                     | 1,014,422                   | 524,524                     | 552,991                     | 537,241                     |
| 3,901,915                   | 3,816,298                   | 3,603,925                   | 3,097,049                   | 4,001,601                   | 4,831,238                   |
| 1,054,391                   | 3,246,590                   | 4,746,898                   | 6,131,864                   | 7,308,347                   | 11,337,598                  |
| <u>11,232,977</u>           | <u>13,578,378</u>           | <u>13,942,511</u>           | <u>14,929,924</u>           | <u>16,540,653</u>           | <u>18,251,281</u>           |
| <b><u>\$ 26,935,023</u></b> | <b><u>\$ 33,808,579</u></b> | <b><u>\$ 38,580,828</u></b> | <b><u>\$ 42,301,039</u></b> | <b><u>\$ 46,939,661</u></b> | <b><u>\$ 58,105,265</u></b> |

## Charter Township of Waterford

|   | As of December 31,   |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 2014                 | 2015                 | 2016                 | 2017                 |
| <b>Revenue</b>  |                      |                      |                      |                      |
| Property taxes  | \$ 20,932,159        | \$ 22,039,689        | \$ 22,528,159        | \$ 22,828,163        |
| Intergovernmental revenue                               | 10,670,673           | 9,711,390            | 8,685,835            | 10,706,072           |
| Licenses and permits                                    | 657,977              | 612,176              | 696,992              | 723,426              |
| Fines and forfeitures                                   | 1,544,005            | 1,507,749            | 1,501,791            | 1,576,247            |
| Charges for services                                    | 10,636,717           | 10,749,411           | 10,847,802           | 11,226,029           |
| Special assessments                                     | 830,284              | 855,076              | 837,264              | 328,236              |
| Interest and miscellaneous                              | 2,720,465            | 2,907,439            | 3,052,781            | 3,578,267            |
| Total revenue   | 47,992,280           | 48,382,930           | 48,150,624           | 50,966,440           |
| <b>Expenditures</b>                                     |                      |                      |                      |                      |
| Current:  |                      |                      |                      |                      |
| General government and district court                   | 7,349,954            | 7,185,480            | 7,796,775            | 9,019,979            |
| Public safety   | 29,953,841           | 29,746,712           | 29,410,301           | 32,110,975           |
| Community and economic development                      | 1,358,975            | 1,300,250            | 1,357,980            | 1,273,026            |
| Recreation and culture                                  | 3,426,284            | 3,593,989            | 3,618,730            | 3,798,000            |
| Miscellaneous   | 68,175               | -                    | -                    | 53,953               |
| Capital outlay  | 1,148,223            | 1,893,200            | 1,372,641            | 2,601,873            |
| Debt administration:                                    |                      |                      |                      |                      |
| Principal   | 1,175,000            | 1,232,932            | 1,344,032            | 1,404,429            |
| Interest  | 199,527              | 164,731              | 127,970              | 149,663              |
| Total expenditures                                      | 44,679,979           | 45,117,294           | 45,028,429           | 50,411,898           |
| <b>Excess of Revenue Over (Under) Expenditures</b>      | 3,312,301            | 3,265,636            | 3,122,195            | 554,542              |
| <b>Other Financing Sources (Uses)</b>                   |                      |                      |                      |                      |
| Face value of debt issue                                | -                    | -                    | 276,699              | -                    |
| Proceeds from sale of capital assets                    | -                    | 10,600               | 6,645                | 139,208              |
| Transfers in  | 7,345,000            | 8,267,500            | 9,007,500            | 10,067,500           |
| Transfers out   | (7,345,000)          | (8,267,500)          | (9,007,500)          | (10,067,500)         |
| Total other financing sources (uses)                    | -                    | 10,600               | 283,344              | 139,208              |
| <b>Net change in fund balances</b>                      | 3,312,301            | 3,276,236            | 3,405,539            | 693,750              |
| <b>Fund Balances - Beginning of year</b>                | 13,784,292           | 17,096,593           | 20,372,829           | 23,778,368           |
| <b>Fund Balances - End of year</b>                      | <b>\$ 17,096,593</b> | <b>\$ 20,372,829</b> | <b>\$ 23,778,368</b> | <b>\$ 24,472,118</b> |
| Debt service as a percentage of noncapital expenditures | 3.16%                | 3.23%                | 3.37%                | 3.25%                |

Note: 2020 beginning of year fund balance was restated as a result of implementing GASB Statement No. 84

## Changes in Fund Balances - Governmental Funds

**Last Ten Fiscal Years  
(Unaudited)**

| As of December 31,   |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 |
| \$ 23,242,014        | \$ 28,647,354        | \$ 29,676,669        | \$ 30,948,924        | \$ 31,569,832        | \$ 33,501,404        |
| 11,033,711           | 10,464,386           | 11,379,894           | 9,507,515            | 10,343,745           | 14,943,243           |
| 1,226,493            | 972,933              | 664,630              | 901,237              | 992,605              | 1,538,600            |
| 1,576,665            | 1,539,971            | 1,144,655            | 1,490,579            | 1,398,246            | 1,542,805            |
| 11,490,680           | 11,858,005           | 11,255,309           | 12,381,995           | 13,062,468           | 13,736,090           |
| 322,266              | 324,748              | 17,157               | 16,146               | 15,845               | 7,864                |
| 3,210,417            | 4,035,063            | 3,528,812            | 3,268,441            | 3,871,211            | 4,236,196            |
| 52,102,246           | 57,842,460           | 57,667,126           | 58,514,837           | 61,253,952           | 69,506,202           |
| 7,898,940            | 8,659,899            | 9,274,752            | 9,120,624            | 10,898,626           | 10,895,253           |
| 32,779,431           | 34,114,138           | 35,164,379           | 35,560,835           | 35,998,364           | 36,679,684           |
| 1,475,980            | 1,798,749            | 1,972,888            | 2,299,651            | 2,110,788            | 2,112,419            |
| 3,793,252            | 4,222,055            | 3,491,142            | 3,740,494            | 3,864,456            | 4,336,833            |
| 179,578              | 98,693               | 116,028              | 32,882               | 127,453              | 240,994              |
| 1,732,409            | 2,178,085            | 2,446,302            | 3,786,632            | 3,627,478            | 4,089,168            |
| 1,710,008            | 119,162              | 123,654              | 265,457              | -                    | -                    |
| 83,210               | 13,272               | 10,106               | 7,254                | -                    | -                    |
| 49,652,808           | 51,204,053           | 52,599,251           | 54,813,829           | 56,627,165           | 58,354,351           |
| 2,449,438            | 6,638,407            | 5,067,875            | 3,701,008            | 4,626,787            | 11,151,851           |
| -                    | -                    | -                    | -                    | -                    | -                    |
| 13,467               | 235,149              | 34,821               | 19,203               | 11,835               | 13,753               |
| 9,202,500            | 17,607,398           | 15,138,190           | 15,979,140           | 16,196,422           | 19,585,230           |
| (9,202,500)          | (17,607,398)         | (15,138,190)         | (15,979,140)         | (16,196,422)         | (19,585,230)         |
| 13,467               | 235,149              | 34,821               | 19,203               | 11,835               | 13,753               |
| 2,462,905            | 6,873,556            | 5,102,696            | 3,720,211            | 4,638,622            | 11,165,604           |
| 24,472,118           | 26,935,023           | 33,478,132           | 38,580,828           | 42,301,039           | 46,939,661           |
| <b>\$ 26,935,023</b> | <b>\$ 33,808,579</b> | <b>\$ 38,580,828</b> | <b>\$ 42,301,039</b> | <b>\$ 46,939,661</b> | <b>\$ 58,105,265</b> |
| 3.74%                | 0.27%                | 0.27%                | 0.53%                | 0.00%                | 0.00%                |

## General Governmental Revenue History

**Last Ten Fiscal Years  
(Unaudited)**

| Fiscal year | General<br>Property<br>Taxes | Intergovernmental<br>Revenue | Special<br>Assessments | Licenses<br>and<br>Permits | Fines<br>and<br>Fees | Charges<br>for<br>Services | Interest<br>and<br>Miscellaneous | Total<br>Revenue |
|-------------|------------------------------|------------------------------|------------------------|----------------------------|----------------------|----------------------------|----------------------------------|------------------|
| 2014        | 20,932,159                   | 10,670,673                   | 830,284                | 657,977                    | 1,544,005            | 10,636,717                 | 2,720,465                        | 47,992,280       |
| 2015        | 22,039,689                   | 9,711,390                    | 855,076                | 612,176                    | 1,507,749            | 10,749,411                 | 2,907,439                        | 48,382,930       |
| 2016        | 22,528,159                   | 8,685,835                    | 837,264                | 696,992                    | 1,501,791            | 10,847,802                 | 3,052,781                        | 48,150,624       |
| 2017        | 22,828,163                   | 10,706,072                   | 328,236                | 723,426                    | 1,576,247            | 11,226,029                 | 3,578,267                        | 50,966,440       |
| 2018        | 23,242,014                   | 11,033,711                   | 322,266                | 1,226,493                  | 1,576,665            | 11,490,680                 | 3,210,417                        | 52,102,246       |
| 2019        | 28,647,354                   | 10,464,386                   | 324,748                | 972,933                    | 1,539,971            | 11,858,005                 | 4,035,063                        | 57,842,460       |
| 2020        | 29,676,669                   | 11,379,894                   | 17,157                 | 664,630                    | 1,144,655            | 11,255,309                 | 3,528,812                        | 57,667,126       |
| 2021        | 30,948,924                   | 9,507,515                    | 16,146                 | 901,237                    | 1,490,579            | 12,381,995                 | 3,268,441                        | 58,514,837       |
| 2022        | 31,569,832                   | 10,343,745                   | 15,845                 | 992,605                    | 1,398,246            | 13,062,468                 | 3,871,211                        | 61,253,952       |
| 2023        | 33,501,404                   | 14,943,243                   | 7,864                  | 1,538,600                  | 1,542,805            | 13,736,090                 | 4,236,196                        | 69,506,202       |

NOTE: Includes all governmental-type funds

Source: Township annual financial statements

## General Governmental Expenditure History

**Last Ten Fiscal Years  
(Unaudited)**

| Fiscal year | General<br>Government | Public<br>Safety | Community<br>and Economic<br>Development | Recreation<br>and Culture | Capital<br>Outlay | Debt<br>Admin | Miscellaneous | Total<br>Expenditures |
|-------------|-----------------------|------------------|--|---------------------------|-------------------|---------------|---------------|-----------------------|
| 2014        | 7,349,954             | 29,953,841       | 1,358,975                                | 3,426,284                 | 1,148,223         | 1,374,527     | 68,175        | 44,679,979            |
| 2015        | 7,185,480             | 29,746,712       | 1,300,250                                | 3,593,989                 | 1,893,200         | 1,397,663     | -             | 45,117,294            |
| 2016        | 7,796,775             | 29,410,301       | 1,357,980                                | 3,618,730                 | 1,372,641         | 1,472,002     | -             | 45,028,429            |
| 2017        | 9,019,979             | 32,110,975       | 1,273,026                                | 3,798,000                 | 2,601,873         | 1,554,092     | 53,953        | 50,411,898            |
| 2018        | 7,898,940             | 32,779,431       | 1,475,980                                | 3,793,252                 | 1,732,409         | 1,793,218     | 179,578       | 49,652,808            |
| 2019        | 8,659,899             | 34,114,138       | 1,798,749                                | 4,222,055                 | 2,178,085         | 132,434       | 98,693        | 51,204,053            |
| 2020        | 9,274,752             | 35,164,379       | 1,972,888                                | 3,491,142                 | 2,446,302         | 133,760       | 116,028       | 52,599,251            |
| 2021        | 9,120,624             | 35,560,835       | 2,299,651                                | 3,740,494                 | 3,786,632         | 272,711       | 32,882        | 54,813,829            |
| 2022        | 10,898,626            | 35,998,364       | 2,110,788                                | 3,864,456                 | 3,627,478         | -             | 127,453       | 56,627,165            |
| 2023        | 10,895,253            | 36,679,684       | 2,112,419                                | 4,336,833                 | 4,089,168         | -             | 240,994       | 58,354,351            |

NOTE: Includes all governmental fund types under modified accrual accounting

Source: Township annual financial statements

**Charter Township of Waterford****General Fund Balance Compared to Annual Expenditures****Last Ten Fiscal Years  
(Unaudited)**

| Fiscal year | Nonspendable<br>Fund Balance | Restricted<br>Fund Balance | Unrestricted<br>Fund Balance | Annual<br>Expenditures<br>and Transfers | Unrestricted<br>Fund Balance as a<br>Percentage of Expenditures |
|-------------|------------------------------|----------------------------|------------------------------|---|---|
| 2014        | \$ 102,118                   | \$ -                       | \$ 6,232,798                 | \$ 17,981,655                           | 34.66%  |
| 2015        | 176,681                      | -                          | 7,929,845                    | 17,484,283                              | 45.35%  |
| 2016        | 96,798                       | -                          | 9,805,500                    | 18,694,328                              | 52.45%  |
| 2017        | 192,148                      | -                          | 9,434,662                    | 20,198,298                              | 46.71%  |
| 2018        | 68,596                       | -                          | 10,677,141                   | 19,433,985                              | 54.94%  |
| 2019        | 87,676                       | -                          | 12,082,049                   | 19,806,459                              | 61.00%  |
| 2020        | 6,409                        | -                          | 15,266,663                   | 19,246,198                              | 79.32%  |
| 2021        | 191,834                      | -                          | 17,425,844                   | 20,258,914                              | 86.02%  |
| 2022        | 168,774                      | -                          | 18,367,295                   | 22,042,510                              | 83.33%  |
| 2023        | 135,765                      | -                          | 23,012,142                   | 23,678,926                              | 97.18%  |

Source: Township annual financial statements



## Charter Township of Waterford

| Taxable Value by Property Type (1) |               |             |            |                   |               |
|------------------------------------|---------------|-------------|------------|-------------------|---------------|
| Real Property                      |               |             |            |                   |               |
| Tax Year                           | Residential   | Commercial  | Industrial | Personal Property | Total Value   |
| 2014                               | 1,456,683,719 | 358,646,790 | 15,849,700 | 72,869,590        | 1,904,049,799 |
| 2015                               | 1,498,201,930 | 345,433,650 | 26,680,740 | 73,377,976        | 1,943,694,296 |
| 2016                               | 1,534,483,430 | 344,829,640 | 26,741,060 | 75,399,276        | 1,981,453,406 |
| 2017                               | 1,591,768,390 | 346,359,740 | 28,031,370 | 77,964,300        | 2,044,123,800 |
| 2018                               | 1,667,442,430 | 344,426,360 | 29,641,120 | 80,179,970        | 2,121,689,880 |
| 2019                               | 1,760,280,880 | 360,026,370 | 31,602,690 | 87,805,490        | 2,239,715,430 |
| 2020                               | 1,856,209,320 | 362,130,810 | 31,957,690 | 96,256,250        | 2,346,554,070 |
| 2021                               | 1,954,392,660 | 371,883,920 | 32,384,460 | 100,816,380       | 2,459,477,420 |
| 2022                               | 2,078,115,080 | 386,879,620 | 32,939,890 | 104,711,210       | 2,602,645,800 |
| 2023                               | 2,253,038,330 | 422,655,290 | 34,450,880 | 97,237,310        | 2,807,381,810 |

(1) Under Michigan law, the revenue base is taxable value. Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year

Source: Township Assessing Department records

## Assessed Value and Actual Value of Taxable Property

**Last Ten Years  
(Unaudited)**

| Tax Rate (mills) | Estimated Actual<br>Value | Taxable Value as a<br>% of Actual |
|------------------|---------------------------|-----------------------------------|
| 11.5800          | 4,114,381,038             | 46.28%                            |
| 11.5796          | 4,548,921,312             | 42.73%                            |
| 11.5064          | 4,998,497,592             | 39.64%                            |
| 11.3266          | 5,387,595,720             | 37.94%                            |
| 13.5791          | 5,601,838,470             | 37.87%                            |
| 10.5256          | 6,095,120,070             | 36.75%                            |
| 10.3809          | 6,587,142,980             | 35.62%                            |
| 10.2310          | 6,904,775,380             | 35.62%                            |
| 10.2615          | 7,242,953,060             | 35.93%                            |
| 10.2615          | 7,991,203,832             | 35.13%                            |

## Direct and Overlapping Property Tax Rates

**Last Ten Years  
(Unaudited)**

| Tax Year | Millage Rates - Direct Township Taxes (1) |        |                       |                       | Overlapping Taxes      |                      |                                 |                           |                                | (2) Total Tax Rate: |              |
|----------|---|--------|-----------------------|-----------------------|------------------------|----------------------|---------------------------------|---------------------------|--------------------------------|---------------------|--------------|
|          | General<br>Operating                      | Debt   | Special<br>Assessment | Total Direct<br>Taxes | County<br>Combined (4) | Community<br>College | Intermediate<br>School District | School -<br>Principal (3) | School - Non-<br>principal (3) | Principal           | Nonprincipal |
| 2014     | 10.8896                                   | 0.6900 | -                     | 11.5796               | 4.9461                 | 1.5844               | 3.3690                          | 13.0000                   | 31.0000                        | 34.4791             | 52.4791      |
| 2015     | 10.8896                                   | 0.6900 | -                     | 11.5796               | 4.8450                 | 1.5819               | 3.3633                          | 13.0000                   | 31.0000                        | 34.3698             | 52.3698      |
| 2016     | 10.8164                                   | 0.6900 | -                     | 11.5064               | 4.7909                 | 1.5707               | 3.3398                          | 13.0000                   | 31.0000                        | 34.2078             | 52.2078      |
| 2017     | 10.6766                                   | 0.6500 | -                     | 11.3266               | 4.7849                 | 1.5555               | 3.3079                          | 13.0000                   | 31.0000                        | 33.9749             | 51.9749      |
| 2018     | 10.6291                                   | -      | 2.9500                | 13.5791               | 4.7805                 | 1.5431               | 3.2813                          | 13.0000                   | 31.0000                        | 36.1840             | 54.1840      |
| 2019     | 10.5256                                   | -      | 2.7800                | 13.3056               | 4.7748                 | 1.5303               | 3.2539                          | 12.7500                   | 30.7500                        | 35.6146             | 53.6146      |
| 2020     | 10.3809                                   | -      | 2.9000                | 13.2809               | 4.7492                 | 1.5184               | 3.2280                          | 12.7500                   | 30.7500                        | 35.5265             | 53.5265      |
| 2021     | 10.2310                                   | -      | 2.7500                | 12.9810               | 4.8544                 | 1.5057               | 3.2012                          | 12.4818                   | 30.4818                        | 35.0241             | 53.0241      |
| 2022     | 10.2615                                   | -      | 2.7000                | 12.9615               | 4.8077                 | 1.4891               | 3.1658                          | 12.3523                   | 30.3523                        | 34.7764             | 52.7764      |
| 2023     | 10.2615                                   | -      | 2.7500                | 13.0115               | 5.7577                 | 1.4891               | 3.1658                          | 12.3523                   | 30.3523                        | 35.7764             | 53.7764      |

(1) Includes general operating, fire, police, library, parks & rec, police & fire building debt and police & fire special assessment taxes.

(2) Previously termed Homestead and Non-homestead

(3) School rates are based on the Waterford School District, which services a vast majority of the Township's land area.

(4) Combined rate includes County operating, County Parks & Rec, Huron Clinton Metro Authority, Zoo Authority, Art Institute & Oakland Transit

Source: Township Assessing Department records

# Principal Property Taxpayers

Current Year and Ten Years Ago  
(Unaudited)

|                                    | Type of Business | Year Ended December 31, 2023 |                     |      | Year Ended December 31, 2014 |                     |      |
|------------------------------------|------------------|------------------------------|---------------------|------|------------------------------|---------------------|------|
|                                    |                  | Taxable Value                | Percentage of Total | Rank | Taxable Value                | Percentage of Total | Rank |
| Detroit Edison                     | Utility          | 33,697,030                   | 1.20%               | 1    | 26,808,090                   | 1.41%               | 1    |
| Consumers Energy                   | Utility          | 16,468,260                   | 0.59%               | 2    | 6,592,750                    | 0.35%               | 3    |
| Cass Lake Shore Club               | Apartment        | 14,336,970                   | 0.51%               | 3    | 8,027,130                    | 0.42%               | 2    |
| Village Green                      | Apartment        | 8,153,000                    | 0.29%               | 4    | 4,764,080                    | 0.25%               | 9    |
| 5400 Perry Drive LLC/Rite Aid      | Distribution     | 7,516,590                    | 0.27%               | 5    | 5,930,800                    | 0.31%               | 6    |
| Glengary Park Group                | Apartments       | 7,317,980                    | 0.26%               | 6    | -                            | N/A                 | N/A  |
| Meijer                             | Retail           | 7,123,570                    | 0.25%               | 7    | 5,984,300                    | 0.31%               | 5    |
| Occidental Development/Rivers Edge | Apartments       | 6,831,730                    | 0.24%               | 8    | 5,670,970                    | 0.30%               | 7    |
| Pentastar                          | Aviation         | 6,819,120                    | 0.24%               | 9    | 5,383,480                    | 0.28%               | 8    |
| Lithia Real Estate/Suburban Ford   | Dealership       | 6,219,040                    | 0.22%               | 10   | -                            | N/A                 | N/A  |
| Total                              |                  | <u>\$ 114,483,290</u>        | <u>4.08%</u>        |      | <u>\$ 69,161,600</u>         | <u>3.63%</u>        |      |
| Total taxable value for each year  |                  | <u>\$ 2,807,381,810</u>      |                     |      | <u>\$ 1,904,049,799</u>      |                     |      |

Source: Waterford Township Assessing Department records

## Property Tax Levies and Collections

**Last Ten Fiscal Years  
(Unaudited)**

| Fiscal<br>Year | Total Levy | Collections | Percent<br>Collected | Delinquent<br>Collections<br>(Real) | Total Tax<br>Collections | Percent of Levy<br>Collected | Delinquent<br>Tax<br>Receivable |
|----------------|------------|-------------|----------------------|-------------------------------------|--------------------------|------------------------------|---------------------------------|
| 2014           | 21,967,753 | 20,771,999  | 94.56%               | 1,163,240                           | 21,935,239               | 99.85%                       | 32,514                          |
| 2015           | 22,423,378 | 21,270,467  | 94.86%               | 1,096,206                           | 22,366,673               | 99.75%                       | 55,874                          |
| 2016           | 22,755,214 | 21,676,415  | 95.26%               | 1,035,653                           | 22,712,068               | 99.81%                       | 42,004                          |
| 2017           | 23,121,178 | 22,070,784  | 95.46%               | 1,013,142                           | 23,083,926               | 99.84%                       | 36,247                          |
| 2018           | 28,524,264 | 27,300,414  | 95.71%               | 1,187,040                           | 28,487,455               | 99.87%                       | 36,835                          |
| 2019           | 29,556,658 | 28,308,116  | 95.78%               | 1,175,526                           | 29,483,642               | 99.75%                       | 31,042                          |
| 2020           | 30,867,636 | 29,602,084  | 95.90%               | 1,184,925                           | 30,787,009               | 99.74%                       | 54,191                          |
| 2021           | 31,651,357 | 30,267,808  | 95.63%               | 1,156,044                           | 31,423,852               | 99.28%                       | 51,532                          |
| 2022           | 33,451,286 | 32,191,049  | 96.23%               | 1,170,493                           | 33,361,543               | 99.73%                       | 61,023                          |
| 2023           | 36,260,846 | 34,878,349  | 96.19%               | 1,257,007                           | 36,135,356               | 99.65%                       | 53,110                          |

Source: Township Treasurer's Office records

## Charter Township of Waterford

|   | As of December 31,   |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 2014                 | 2015                 | 2016                 | 2017                 |
| <b>Governmental Activities:</b>             |                      |                      |                      |                      |
| General obligation bonds                    | \$ 5,922,969         | \$ 4,690,037         | \$ 3,378,736         | \$ 1,984,066         |
| Installment purchase agreements             | -                    | 672,614              | 691,517              | 523,509              |
| Notes payable                               | -                    | -                    | 243,974              | 234,210              |
| Total                                       | 5,922,969            | 5,362,651            | 4,314,227            | 2,741,785            |
| <b>Business-type Activities:</b>            |                      |                      |                      |                      |
| General obligation bonds                    | 32,500,078           | 36,033,495           | 34,868,462           | 32,719,833           |
| Notes payable                               | -                    | -                    | 61,337               | 58,883               |
| Total                                       | 32,500,078           | 36,033,495           | 34,929,799           | 32,778,716           |
| <b>Total Debt of the Government</b>         | <b>\$ 38,423,047</b> | <b>\$ 41,396,146</b> | <b>\$ 39,244,026</b> | <b>\$ 35,520,501</b> |
| <b>Total Taxable Value</b>                  | \$ 1,904,049,799     | \$ 1,943,694,296     | \$ 1,981,453,406     | \$ 2,044,123,800     |
| <b>Ratio of Total Debt to Taxable Value</b> | 2.02%                | 2.13%                | 1.98%                | 1.74%                |
| <b>Total Population</b>                     | 72,181               | 72,503               | 72,756               | 72,863               |
| <b>Total Debt per Capita</b>                | \$ 532               | \$ 571               | \$ 539               | \$ 487               |
| <b>Per Capita Personal Income</b>           | \$ 26,151            | \$ 28,717            | \$ 28,268            | \$ 31,149            |
| <b>Ratio of Debt to Personal Income</b>     | 2.04%                | 1.99%                | 1.91%                | 1.57%                |

Source: Township annual financial statements; population data reported from demographics schedule

## Ratios of Outstanding Debt

**Last Ten Fiscal Years**  
**(Unaudited)**

| As of December 31,   |                      |                      |                      |                      |                      |  |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--|
| 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 |  |
| \$ 508,273           | \$ 389,111           | \$ 265,457           | \$ -                 | \$ -                 | \$ -                 |  |
| 352,294              | 177,812              | -                    | -                    | -                    | -                    |  |
| -                    | -                    | -                    | -                    | -                    | -                    |  |
| 860,567              | 566,923              | 265,457              | -                    | -                    | -                    |  |
| 32,199,070           | 31,212,762           | 32,805,496           | 29,933,460           | 27,804,548           | 25,499,584           |  |
| -                    | -                    | -                    | -                    | -                    | -                    |  |
| 32,199,070           | 31,212,762           | 32,805,496           | 29,933,460           | 27,804,548           | 25,499,584           |  |
| <b>\$ 33,059,637</b> | <b>\$ 31,779,685</b> | <b>\$ 33,070,953</b> | <b>\$ 29,933,460</b> | <b>\$ 27,804,548</b> | <b>\$ 25,499,584</b> |  |
| \$ 2,121,689,880     | \$ 2,239,715,430     | \$ 2,346,554,070     | \$ 2,459,477,420     | \$ 2,602,645,800     | \$ 2,807,381,810     |  |
| 1.56%                | 1.42%                | 1.41%                | 1.22%                | 1.07%                | 0.91%                |  |
| 72,948               | 73,142               | 72,976               | 72,842               | 70,984               | 69,543               |  |
| \$ 453               | \$ 434               | \$ 453               | \$ 411               | \$ 392               | \$ 367               |  |
| \$ 29,189            | \$ 33,551            | \$ 33,831            | \$ 38,630            | \$ 35,419            | \$ 41,804            |  |
| 1.55%                | 1.30%                | 1.34%                | 1.06%                | 1.11%                | 0.88%                |  |

## Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years  
(Unaudited)

| Fiscal Year | General Obligation Bonds | Tax Supported Bonds | Less Pledged Debt Service Funds | Net General Bonded Debt | Taxable Value | Debt as a Percentage of Taxable Value | Population | General Bonded Debt Per Capita |
|-------------|--------------------------|---------------------|---------------------------------|-------------------------|---------------|---------------------------------------|------------|--------------------------------|
| 2014        | 33,458,047               | 4,965,000           | 80,092                          | 38,342,955              | 1,904,049,799 | 2.01%                                 | 72,181     | 531                            |
| 2015        | 36,883,532               | 3,840,000           | 121,224                         | 40,602,308              | 1,943,694,296 | 2.09%                                 | 72,503     | 560                            |
| 2016        | 35,607,198               | 2,640,000           | 158,920                         | 38,088,278              | 1,981,453,406 | 1.92%                                 | 72,756     | 524                            |
| 2017        | 33,343,899               | 1,360,000           | 176,212                         | 34,527,687              | 2,044,123,800 | 1.69%                                 | 72,863     | 474                            |
| 2018        | 32,707,343               | -                   | 135,636                         | 32,571,707              | 2,121,689,880 | 1.54%                                 | 72,948     | 447                            |
| 2019        | 31,701,873               | -                   | -                               | 31,701,873              | 2,239,715,430 | 1.42%                                 | 73,142     | 433                            |
| 2020        | 33,070,953               | -                   | -                               | 33,070,953              | 2,346,554,070 | 1.41%                                 | 72,976     | 453                            |
| 2021        | 29,933,460               | -                   | -                               | 29,933,460              | 2,459,477,420 | 1.22%                                 | 72,842     | 411                            |
| 2022        | 27,804,547               | -                   | -                               | 27,804,547              | 2,602,645,800 | 1.07%                                 | 70,984     | 392                            |
| 2023        | 25,499,584               | -                   | -                               | 25,499,584              | 2,807,381,810 | 0.91%                                 | 69,543     | 367                            |

Note: Special assessment bonds have been excluded.

Source: Township annual financial statements.



## Direct and Overlapping Debt

December 31, 2023  
(Unaudited)

| Governmental Unit   | Debt Outstanding | Estimated Percent<br>Applicable to<br>Waterford | Estimated Share of<br>Overlapping Debt |
|---|------------------|---|--|
| Oakland County  | \$ 176,379,048   | 3.74%   | \$ 6,596,576                           |
| School Districts:   |                  |   |  |
| Clarkston school district   | 205,264,869      | 2.07%   | 4,248,983                              |
| Pontiac school district   | 141,644,135      | 2.09%   | 2,790,389                              |
| Waterford school district   | 179,710,000      | 85.63%  | 153,202,775                            |
| Oakland Community College   | -                | N/A   | -                                      |
| Intermediate school district  | 39,675,000       | 3.75%   | 1,487,813                              |
| Total overlapping debt  | 742,673,052      |   | 168,326,536                            |
| Direct Township debt (not including debt related to business-type activities) | -                | - %   | -                                      |
| Total direct and overlapping debt   | \$ 742,673,052   |   | \$ 168,326,536                         |

Note: The percentage of overlapping bonded debt related to each governmental unit was established using the taxable value of assessed property. Percentages were estimated by calculating the portion of each governmental unit's taxable property located within the boundaries of the Township and dividing it by the unit's total taxable value.

Source: Municipal Advisory Council of Michigan

## Charter Township of Waterford

|  | As of December 31     |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2014                  | 2015                  | 2016                  | 2017                  |
| <b>Calculation of Debt Limit: (1)</b>                        |                       |                       |                       |                       |
| State equalized valuation                                    | \$ 2,057,190,519      | \$ 2,274,460,656      | \$ 2,499,248,796      | \$ 2,693,797,860      |
| Debt limit (10% of SEV)                                      | 205,719,052           | 227,446,066           | 249,924,880           | 269,379,786           |
| <b>Calculation of Debt Subject to Limit:</b>                 |                       |                       |                       |                       |
| Total debt   | 38,423,047            | 41,396,146            | 39,244,026            | 35,520,501            |
| Less debt not subject to limit:                              |                       |                       |                       |                       |
| Installment purchase agreements                              | -                     | 672,614               | 691,517               | 523,509               |
| Notes payable  | -                     | -                     | 305,311               | 293,098               |
| Enterprise fund bonds  | 32,500,078            | 36,033,495            | 34,868,462            | 32,719,833            |
| <b>Net Debt Subject to Limit</b>                             | <u>5,922,969</u>      | <u>4,690,037</u>      | <u>3,378,736</u>      | <u>1,984,061</u>      |
| <b>Legal Debt Margin</b>                                     | <u>\$ 199,796,083</u> | <u>\$ 222,756,029</u> | <u>\$ 246,546,144</u> | <u>\$ 267,395,725</u> |
| <b>Net Debt Subject to Limit as Percentage of Debt Limit</b> | 2.88%                 | 2.06%                 | 1.35%                 | 0.74%                 |

(1) The legal debt limit continues to be derived from State Equalized Value (SEV), not Taxable Value (TV).

Source: Township annual financial statements, Total SEV Township Assessing Department records

## Legal Debt Margin

Last Ten Fiscal Years  
(Unaudited)

| As of December 31               |                                 |                                 |                                 |                                 |                                 |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 2018                            | 2019                            | 2020                            | 2021                            | 2022                            | 2023                            |
| \$ 2,800,919,235<br>280,091,924 | \$ 3,047,560,035<br>304,756,004 | \$ 3,293,571,490<br>329,357,149 | \$ 3,452,387,690<br>345,238,769 | \$ 3,621,476,530<br>362,147,653 | \$ 3,995,601,916<br>399,560,192 |
| 33,059,637                      | 31,779,685                      | 33,070,953                      | 29,933,460                      | 27,804,548                      | 25,499,584                      |
| 352,294                         | 177,812                         | -                               | -                               | -                               | -                               |
| -                               | -                               | -                               | -                               | -                               | -                               |
| 32,199,070                      | 31,212,762                      | 32,805,496                      | 29,933,460                      | 27,804,548                      | 25,499,584                      |
| 508,273                         | 389,111                         | 265,457                         | -                               | -                               | -                               |
| <b>\$ 279,583,651</b>           | <b>\$ 304,366,893</b>           | <b>\$ 329,091,692</b>           | <b>\$ 345,238,769</b>           | <b>\$ 362,147,653</b>           | <b>\$ 399,560,192</b>           |
| 0.18%                           | 0.13%                           | 0.08%                           | 0.00%                           | 0.00%                           | 0.00%                           |

## Demographic and Economic Statistics

**Last Ten Fiscal Years  
(Unaudited)**

| Fiscal year | Population |      | Personal Income<br>(in thousands) | Estimated<br>Number of<br>Households | Per Capita<br>Personal Income | Median Age | Unemployment Rate |
|-------------|------------|------|-----------------------------------|--------------------------------------|-------------------------------|------------|-------------------|
| 2014        | 72,181     | (1)  | 1,899,739                         | 29,612                               | 28,717                        | 40.0       | 6.8%              |
| 2015        | 72,503     | (2)  | 2,072,822                         | 29,255                               | 28,268                        | 40.7       | 4.6%              |
| 2016        | 72,756     | (3)  | 2,049,515                         | 30,342                               | 31,149                        | 40.5       | 4.0%              |
| 2017        | 72,863     | (4)  | 2,266,277                         | 29,525                               | 29,189                        | 41.0       | 3.6%              |
| 2018        | 72,948     | (5)  | 2,126,798                         | 32,284                               | 33,551                        | 41.7       | 3.5%              |
| 2019        | 73,142     | (6)  | 2,447,478                         | 30,659                               | 33,831                        | 41.5       | 3.2%              |
| 2020        | 72,976     | (7)  | 2,474,467                         | 32,003                               | 38,630                        | 41.9       | 8.6%              |
| 2021        | 72,842     | (8)  | 2,819,063                         | 30,833                               | 35,419                        | 42.0       | 3.5%              |
| 2022        | 70,984     | (9)  | 2,579,991                         | 30,483                               | 38,471                        | 42.5       | 2.8%              |
| 2023        | 69,543     | (10) | 2,730,825                         | 30,757                               | 41,804                        | 40.5       | 2.5%              |

(1) 2013 Census Department - American Community Survey Data Profile Review

(2) 2014 Census Department - American Community Survey Data Profile Review

(3) 2015 Census Department - American Community Survey Data Profile Review

(4) 2016 Census Department - American Community Survey Data Profile Review

(5) 2017 Census Department - American Community Survey Data Profile Review

(6) 2018 Census Department - American Community Survey Data Profile Review

(7) 2019 Census Department - American Community Survey Data Profile Review

(8) 2020 Census Department - American Community Survey Data Profile Review

(9) 2021 Census Department - American Community Survey Data Profile Review

(10) 2022 Census Department - American Community Survey Data Profile Review

| Employer                         | Enterprise         | 2023                 | Percentage of<br>Total | 2014      | Percentage of<br>Total |
|----------------------------------|--------------------|----------------------|------------------------|-----------|------------------------|
|                                  |                    | Employees<br>(1) (2) |                        | Employees |                        |
| 1 Waterford School District      | Education          | 1,278                | 3.3%                   | 1,247     | 4.5%                   |
| 2 Oakland County                 | Government         | 1,129                | 2.9%                   | 1,394     | 5.0%                   |
| 3 Oakland Intermediary Schools   | Education          | 389                  | 1.0%                   | 252       | 0.9%                   |
| 4 Township Of Waterford (2)      | Government         | 390                  | 1.0%                   | 328       | 1.2%                   |
| 5 Oakland Community College (3)  | Education          | 211                  | 0.5%                   | 167       | 0.6%                   |
| 6 Penn Engineering               | Manufacturing      | 291                  | 0.7%                   | N/A       | N/A                    |
| 7 Meijer                         | Retail             | 260                  | 0.7%                   | 263       | 0.9%                   |
| 8 Pentastar Aviation, LLC        | Air Transportation | 228                  | 0.6%                   | 239       | 0.9%                   |
| 9 Road Commission Of Oakland Cty | Transportation     | 221                  | 0.6%                   | 433       | 1.6%                   |
| 10 Canterbury Healthcare, Inc.   | Nursing Care       | 175                  | 0.4%                   | 230       | 0.8%                   |
| Total                            |                    | <u>4,572</u>         |                        |           |                        |
| Total Township Employment (1)    |                    | <u>39,257</u>        |                        |           |                        |

(1) Data is from various sources including:  
2023 American Community Survey  
Employer provided Information

(2) Direct full-time & part-time employees only - not contracted/outsourced

(3) Direct hire and estimated Adjunct

## Full-time Equivalent Government Employees

Last Ten Fiscal Years  
(Unaudited)

| Department                  | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Supervisor/Assessing        | 6          | 6          | 7          | 7          | 8          | 8          | 8          | 8          | 8          | 8          |
| Clerk's Office              | 6          | 6          | 7          | 7          | 7          | 7          | 7          | 7          | 8          | 8          |
| Treasurer's Office          | 6          | 6          | 6          | 6          | 6          | 6          | 7          | 8          | 8          | 7          |
| Fiscal & Human Resources    | 2          | 2          | 2          | 2          | 2          | 2          | 2          | 2          | 2          | 2          |
| 51st District Court         | 23         | 22         | 19         | 20         | 20         | 20         | 19         | 20         | 20         | 19         |
| Planning & Development      | 3          | 3          | 3          | 3          | 3          | 3          | 3          | 3          | 4          | 4          |
| Information Systems         | 3          | 3          | 4          | 4          | 4          | 4          | 4          | 4          | 6          | 6          |
| Facilities & Operations     | 10         | 10         | 8          | 8          | 8          | 8          | 7          | 7          | 7          | 7          |
| Building & Engineering      | 7          | 8          | 8          | 8          | 8          | 9          | 9          | 9          | 9          | 9          |
| Parks & Recreation          | 5          | 6          | 8          | 8          | 8          | 8          | 8          | 8          | 7          | 8          |
| Police Department           | 63         | 66         | 67         | 72         | 69         | 76         | 76         | 76         | 66         | 69         |
| Fire Department (1,2,3,4,5) | 140        | 104        | 119        | 138        | 131        | 109        | 110        | 104        | 106        | 112        |
| Library                     | 13         | 13         | 13         | 14         | 14         | 13         | 13         | 13         | 12         | 13         |
| Water & Sewer               | 41         | 40         | 41         | 39         | 39         | 37         | 39         | 39         | 43         | 46         |
| Cable                       | -          | -          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| Total                       | <u>328</u> | <u>295</u> | <u>313</u> | <u>337</u> | <u>328</u> | <u>311</u> | <u>313</u> | <u>309</u> | <u>307</u> | <u>319</u> |

NOTE: Full-time employees reported only, data are not available for equivalent part-time positions.

- (1) In 2015 Waterford Twp Federal Safer Grant was not renewed resulting in the lay off of the 39 grant positions.
- (2) In 2016 Waterford Twp was awarded a Federal Safer Grant which increased the Fire Dep't staffing by 15 positions at year end.
- (3) In 2017 Waterford Twp Fire Dep't increased staffing for the Federal Safer Grant by an add'l 21 positions, for a total of 36 grant positions.
- (4) In 2018 Waterford Twp Fire Dep't had 35 of 39 positions related to the Federal Safer Grant.
- (5) In 2019 Waterford Twp Fire Dep't had 36 of 39 positions related to the Federal Safer Grant which ended on 9/25/2019.

Source: Payroll & Benefit department and other records

## Charter Township of Waterford

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| Function/Program                                  | 2014        | 2015        | 2016        | 2017        |
|---|-------------|-------------|-------------|-------------|
| <b>Police:</b>                                    |             |             |             |             |
| Physical Arrests                                  | 1,062       | 915         | 1,019       | 1,161       |
| Traffic violations                                | 3,391       | 4,286       | 4,179       | 3,815       |
| Non traffic misdemeanors                          | 310         | 284         | 724         | 883         |
| Non traffic civil infractions                     | 315         | 420         | 711         | 875         |
| <b>Fire:</b>                                      |             |             |             |             |
| Emergency responses                               | 11,276      | 11,398      | 12,104      | 13,095      |
| Fires extinguished                                | 542         | 487         | 519         | 519         |
| Inspections                                       | 750         | 1,033       | 1,045       | 709         |
| <b>Parks and recreation:</b>                      |             |             |             |             |
| Recreation programs (estimated)                   | 810         | 817         | 612         | 615         |
| <b>Library:</b>                                   |             |             |             |             |
| Circulation (books borrowed)                      | 317,510     | 291,656     | 279,587     | 271,667     |
| Collection volume                                 | 188,328     | 195,377     | 638,798     | 602,814     |
| Visits: Walk-ins                                  | 198,183     | 183,775     | 175,120     | 170,981     |
| Visits: Website                                   | 185,378     | 372,372     | 194,511     | 445,200     |
| <b>Water:</b>                                     |             |             |             |             |
| New connections                                   | 74          | 86          | 91          | 133         |
| Water main breaks                                 | 45          | 16          | 14          | 15          |
| Total consumption (billed - cubic feet)           | 258,557,800 | 267,587,530 | 288,257,794 | 273,197,387 |
| Average annual consumption per customer (gallons) | 50,601      | 50,990      | 50,212      | 48,447      |

Source: Township Departmental correspondence

## Operating Indicators

Last Ten Fiscal Years

(Unaudited)

| 2018        | 2019        | 2020        | 2021        | 2022        | 2023        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 1,183       | 1,277       | 998         | 708         | 1,131       | 1,471       |
| 4,170       | 3,007       | 1,952       | 2,895       | 3,517       | 4,185       |
| 868         | 908         | 565         | 662         | 659         | 185         |
| 1,095       | 626         | 421         | 543         | 534         | 45          |
| 13,587      | 13,813      | 12,937      | 14,244      | 14,416      | 15,026      |
| 400         | 337         | 369         | 350         | 343         | 353         |
| 692         | 770         | 670         | 676         | 430         | 443         |
| 614         | 614         | 144         | 144         | 225         | 406         |
| 260,813     | 251,405     | 170,699     | 251,405     | 287,463     | 322,081     |
| 130,371     | 120,148     | 120,487     | 112,166     | 112,207     | 113,341     |
| 165,883     | 165,387     | 31,862      | 53,319      | 77,231      | 88,254      |
| 561,083     | 269,262     | 478,997     | 496,905     | 661,821     | 181,242     |
| 108         | 130         | 98          | 95          | 83          | 47          |
| 27          | 18          | 15          | 14          | 22          | 10          |
| 276,935,659 | 245,690,487 | 262,616,594 | 244,003,142 | 259,556,843 | 255,989,018 |
| 48,327      | 47,070      | 49,016      | 46,263      | 46,292      | 45,006      |



## Capital Asset Statistics

**Last Ten Fiscal Years  
(Unaudited)**

| Function/ program                      | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Police:</b>                         |       |       |       |       |       |       |       |       |       |       |
| Stations                               | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Patrol units                           | 44    | 44    | 28    | 26    | 28    | 27    | 27    | 28    | 23    | 23    |
| <b>Fire:</b>                           |       |       |       |       |       |       |       |       |       |       |
| Stations                               | 9     | 9     | 9     | 9     | 9     | 9     | 9     | 9     | 9     | 9     |
| Emergency Response Vehicles            | 27    | 27    | 27    | 27    | 27    | 26    | 27    | 28    | 39    | 40    |
| <b>Parks and recreation:</b>           |       |       |       |       |       |       |       |       |       |       |
| Acreage                                | 854   | 854   | 854   | 854   | 854   | 854   | 854   | 854   | 854   | 854   |
| Playgrounds                            | 6     | 3     | 3     | 3     | 3     | 3     | 1     | 1     | 2     | 2     |
| Soccer fields                          | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     |
| Baseball/ softball diamonds            | 13    | 13    | 13    | 13    | 13    | 13    | 13    | 13    | 13    | 13    |
| <b>Libraries:</b>                      |       |       |       |       |       |       |       |       |       |       |
| Branches                               | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| <b>Water:</b>                          |       |       |       |       |       |       |       |       |       |       |
| mains (miles)                          | 350   | 350   | 350   | 350   | 350   | 350   | 350   | 350   | 350   | 350   |
| Fire hydrants                          | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |
| Storage capacity (millions of gallons) | 9     | 9     | 9     | 9     | 9     | 9     | 9     | 9     | 9     | 9     |
| <b>Sewer:</b>                          |       |       |       |       |       |       |       |       |       |       |
| Miles of sanitary sewers               | 350   | 350   | 350   | 350   | 350   | 350   | 350   | 350   | 350   | 350   |

Source: Departmental correspondence