
Village of Milford, Michigan

**Financial Report
with Supplemental Information
June 30, 2022**

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Independent Auditor's Report

To the Village Council
Village of Milford, Michigan

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregated discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Milford, Michigan (the "Village") as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregated discretely presented component units, each major fund, and the aggregate remaining fund information of the Village as of June 30, 2022 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Village and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 1 to the financial statements, in 2022, the Village adopted the provisions of GASB Statement No. 87, *Leases*. As a result, the governmental activities and fund financial statements now include a receivable for the present value of payments expected to be received and deferred inflows of resources that will be recognized as revenue over the term of the leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

To the Village Council
Village of Milford, Michigan

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village'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 Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplemental Information

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

To the Village Council
Village of Milford, Michigan

Supplemental Information

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

Plante & Moran, PLLC

December 16, 2022

Our discussion and analysis of the Village of Milford, Michigan's (the "Village") financial performance provides an overview of the Village's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the Village's financial statements.

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 Village as a whole and present a longer-term view of the Village'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 determine 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 Village's operations in more detail than the government-wide financial statements by providing information about the Village's most significant funds. The fiduciary fund statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

The Village as a Whole

The following table shows, in a condensed format, the net position as of the current date and compared to the prior year:

The Village's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$12,041,220	\$11,072,691	\$ 5,500,888	\$ 4,347,380	\$17,542,108	\$15,420,071
Capital assets	13,304,870	12,271,906	20,130,782	20,369,010	33,435,652	32,640,916
Total assets	25,346,090	23,344,597	25,631,670	24,716,390	50,977,760	48,060,987
Deferred Outflows of Resources	1,832,398	970,635	217,721	152,937	2,050,119	1,123,572
Liabilities						
Current liabilities	1,728,864	310,817	175,555	189,628	1,904,419	500,445
Noncurrent liabilities	5,745,572	5,604,793	10,731,132	10,314,982	16,476,704	15,919,775
Total liabilities	7,474,436	5,915,610	10,906,687	10,504,610	18,381,123	16,420,220
Deferred Inflows of Resources	1,592,096	1,302,531	185,995	166,226	1,778,091	1,468,757
Net Position						
Net investment in capital assets	10,903,789	9,961,004	10,964,600	10,455,366	21,868,389	20,416,370
Restricted	7,480,617	7,581,470	-	-	7,480,617	7,581,470
Unrestricted	(272,450)	(445,383)	3,792,109	3,743,125	3,519,659	3,297,742
Total net position	\$18,111,956	\$17,097,091	\$14,756,709	\$14,198,491	\$32,868,665	\$31,295,582

Village of Milford, Michigan

Management's Discussion and Analysis (Continued)

The following table shows the changes of net position during the current and prior years:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue						
Program revenue:						
Charges for services	\$ 4,334,550	\$ 4,217,664	\$ 3,427,046	\$ 3,291,058	\$ 7,761,596	\$ 7,508,722
Operating grants and contributions	79,575	495,963	-	28,522	79,575	524,485
Capital grants and contributions	113,748	145,079	3,732	158,465	117,480	303,544
General revenue:						
Property taxes	2,186,523	2,166,442	-	-	2,186,523	2,166,442
State-shared revenue	1,607,379	1,406,912	-	-	1,607,379	1,406,912
Unrestricted investment earnings	43,330	55,037	21,055	17,180	64,385	72,217
Other revenue:						
Franchise fees	129,302	131,828	-	-	129,302	131,828
Gain on sale of capital assets	36,030	(40,804)	(62,067)	1,600	(26,037)	(39,204)
Other miscellaneous income	98,279	186,723	-	-	98,279	186,723
Total revenue	8,628,716	8,764,844	3,389,766	3,496,825	12,018,482	12,261,669
Expenses						
General government	784,370	452,541	-	-	784,370	452,541
Public safety	4,258,742	3,752,081	-	-	4,258,742	3,752,081
Public works	2,468,376	2,761,644	-	-	2,468,376	2,761,644
Community and economic development	42,679	47,476	-	-	42,679	47,476
Debt service	59,684	79,764	-	-	59,684	79,764
Water and sewer	-	-	2,831,548	2,631,072	2,831,548	2,631,072
Total expenses	7,613,851	7,093,506	2,831,548	2,631,072	10,445,399	9,724,578
Change in Net Position	1,014,865	1,671,338	558,218	865,753	1,573,083	2,537,091
Net Position - Beginning of year	17,097,091	15,425,753	14,198,491	13,332,738	31,295,582	28,758,491
Net Position - End of year	\$ 18,111,956	\$ 17,097,091	\$ 14,756,709	\$ 14,198,491	\$ 32,868,665	\$ 31,295,582

The Village's Funds

Our analysis of the Village's major funds begins on page 9, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Village as a whole. The Village Council creates funds to help manage money for specific purposes and to show accountability for certain activities, such as special property tax millages. The Village's major funds for 2021-2022 include the General Fund, the Municipal Street Fund, and the Police Fund.

In 2022, the General Fund recognized a decrease in revenue of approximately \$13,000 and a decrease in expenditures of \$459,000, which resulted in an addition of \$263,000 to fund balance. Property taxes recognized a modest increase, and state-shared revenue increased by 14 percent. In August 2021, the Village refunded the 2010 Capital Improvement Bonds for an overall savings of \$146,000. The bonds are utilized by four funds, General, Water, Sewer and DDA, and are set to expire in 2029. The savings for the General Fund portion is \$38,200. The General Fund made transfers out of \$485,000 to the Local Streets, Sidewalk, and Equipment funds. The Village received approximately \$684,600 in ARPA funds, which will not be recognized as revenue until spent. The funds have been recorded in the General Fund.

Village of Milford, Michigan

Management's Discussion and Analysis (Continued)

The Municipal Street Fund is a special revenue fund and falls under governmental funds. Revenue is received from a dedicated millage that extends to 2032. In 2019, bonds were sold for \$2,545,000 to further fund road improvements and are set to expire in 2028-2029. The Huron Street Reconstruction and Water Main Improvements Project began in fiscal year 2020-2021 and was completed in fall 2022 for a total cost of \$1.6 million. In preparation for the Commerce Road Project in fiscal year 2022-2023, the Commerce Road culvert was replaced for a cost of \$220,000. Concrete and asphalt repairs continue throughout the Village.

The Police Fund is a special revenue fund and receives the majority of its funding from a millage that is levied by Milford Township. The levy increased by over \$100,000 from last year, while federal grants decreased due to the end of COVID-19 funding. Overall, the Police Fund recognized a decrease in revenue of approximately 1 percent from the prior fiscal year. The original budget was approximately \$4,106,000 and came in at approximately \$4,179,000. Nearly 80 percent of the budget is spent on salaries and fringe benefits. Capital outlay consists of two vehicles and computer equipment for a total cost of \$125,000. A reserve of \$75,000 is funding future building improvements. Retiree health care benefits totaled \$51,000, and pension obligations are 80 percent funded. New hires are enrolled in a hybrid pension plan, as the defined benefit plan is closed.

Capital Assets and Debt Administration

During FY 2021-2022, the Village added over \$4.4 million to its investment in capital assets. Total assets, net of depreciation, including buildings, public works, police equipment, streets, sidewalks, parking lots, bridges, and water and sewer systems, were \$35,691,777. Total outstanding debt for the Village (including component units) is \$16,061,740. The legal debt limit is 10 percent of our state equalized value (SEV). The Village's current level is 3.8 percent.

Economic Factors and Next Year's Budgets and Rates

The Village's taxable value for FY 2022-2023 is \$333.4 million, an increase of 5.7 percent from last year. This generates \$2,534,000 in revenue. The TIF captures approximately \$262,000, which nets the total tax revenue to approximately \$2,272,000. Millage rates are again rolled back for the 2021-2022 fiscal year, going from 7.7216 mills to 7.5969 mills. The levies are as follows: General Operating, 3.0509 mills; Refuse, 1.8200 mills; and Streets, 2.7260 mills. The Downtown Development Authority levies an additional 1.6418 mills in its district.

Effective July 1, 2022, base rates for water and wastewater have increased by \$6.50 per quarter, while the per thousand rate has decreased by \$1.21. This includes a new base rate for new water meters and reading/billing software. Beginning in fall 2022, the Village will be changing out all the meters in the system. The goal is to have the project done by spring 2023. The water system has three bonds outstanding, with maturities ranging from FY 2021-2022 through FY 2029-2030. Wastewater has two bonds outstanding, with maturities from FY 2029-2030 through FY 2037-2038. Rates for debt service payments vary due to fluctuations in payments.

As a result of COVID-19, the Village received \$684,653 in American Rescue Plan Act (ARPA) funding. The funds have to be obligated by December 31, 2024 and expended by December 31, 2026. Some of the allowable uses are water, sewer, and infrastructure. The Village plans on using the funds for stormwater and lead line replacement in fiscal year 2022-2023. The General Fund is expecting to make use of fund balance for other infrastructure projects.

Contacting the Village's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Village's finances and demonstrate the Village's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the treasurer's office.

Village of Milford, Michigan

Statement of Net Position

June 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 11,310,355	\$ 3,265,230	\$ 14,575,585	\$ 844,719
Receivables:				
Customer	50,120	1,059,598	1,109,718	-
Accrued interest	5,163	1,957	7,120	1,214
Leases receivable (Note 14)	241,395	-	241,395	-
Other	52,012	-	52,012	90,115
Due from other governments	247,134	-	247,134	313,358
Inventory	49,108	-	49,108	-
Prepaid expenses and other assets	34,024	-	34,024	-
Restricted cash	-	1,171,762	1,171,762	1,738,711
Net other postemployment benefit asset (Note 11)	51,909	2,341	54,250	-
Capital assets: (Note 4)				
Assets not subject to depreciation	1,629,252	178,462	1,807,714	2,137,860
Assets subject to depreciation	11,675,618	19,952,320	31,627,938	118,265
Total assets	25,346,090	25,631,670	50,977,760	5,244,242
Deferred Outflows of Resources				
Deferred pension costs (Note 9)	1,264,827	190,935	1,455,762	-
Deferred OPEB costs (Note 11)	567,571	26,786	594,357	-
Total deferred outflows of resources	1,832,398	217,721	2,050,119	-
Liabilities				
Accounts payable	670,931	88,285	759,216	575,349
Deposits	213,294	4,600	217,894	-
Accrued liabilities and other	159,706	82,670	242,376	11,651
Unearned revenue	684,933	-	684,933	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 7)	280,414	33,073	313,487	18,380
Current portion of installment payments to MDEQ (Note 6)	-	-	-	18,571
Current portion of long-term debt (Note 7)	350,872	679,083	1,029,955	147,903
Due in more than one year:				
Compensated absences (Note 7)	179,676	-	179,676	-
Installment payments to MDEQ (Note 6)	-	-	-	37,145
Landfill closure and postclosure	200,000	-	200,000	-
Long-term debt (Note 7)	2,050,209	9,658,861	11,709,070	3,174,812
Net pension liability (Note 9)	2,684,401	360,115	3,044,516	-
Total liabilities	7,474,436	10,906,687	18,381,123	3,983,811
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 9)	1,171,543	178,301	1,349,844	-
Deferred OPEB cost reductions (Note 11)	187,047	7,694	194,741	-
Deferred inflows from leases (Note 14)	233,506	-	233,506	-
Total deferred inflows of resources	1,592,096	185,995	1,778,091	-
Net Position				
Net investment in capital assets	10,903,789	10,964,600	21,868,389	672,121
Restricted:				
Streets and highways	2,393,607	-	2,393,607	-
Police operations	4,476,455	-	4,476,455	-
Drug law enforcement	3,727	-	3,727	-
PEG fees	208,486	-	208,486	-
Transportation - Senior van	22,403	-	22,403	-
Refuse	370,083	-	370,083	-
Parks	5,856	-	5,856	-
Unrestricted	(272,450)	3,792,109	3,519,659	588,310
Total net position	\$ 18,111,956	\$ 14,756,709	\$ 32,868,665	\$ 1,260,431

See notes to financial statements.

Village of Milford, Michigan

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary government:				
Governmental activities:				
General government	\$ 784,370	\$ 177,978	\$ 1,428	\$ -
Public safety	4,258,742	4,131,481	17,043	-
Public works	2,468,376	-	-	113,748
Community and economic development	42,679	25,091	29,310	-
Recreation and culture	-	-	31,794	-
Interest on long-term debt	59,684	-	-	-
Total governmental activities	<u>7,613,851</u>	<u>4,334,550</u>	<u>79,575</u>	<u>113,748</u>
Business-type activities:				
Enterprise Fund - Water	981,132	1,243,392	-	3,732
Enterprise Fund - Sewer	1,850,416	2,183,654	-	-
Total business-type activities	<u>2,831,548</u>	<u>3,427,046</u>	<u>-</u>	<u>3,732</u>
Total primary government	<u>\$ 10,445,399</u>	<u>\$ 7,761,596</u>	<u>\$ 79,575</u>	<u>\$ 117,480</u>
Component units:				
Downtown Development Authority	\$ 520,134	\$ -	\$ -	\$ -
Brownfield Redevelopment Authority	346,527	-	-	346,527
Total component units	<u>\$ 866,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346,527</u>
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Gain (loss) on sale of capital assets				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year				
Net Position - End of year				

Statement of Activities

Year Ended June 30, 2022

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (604,964)	\$ -	\$ (604,964)	\$ -
(110,218)	-	(110,218)	-
(2,354,628)	-	(2,354,628)	-
11,722	-	11,722	-
31,794	-	31,794	-
(59,684)	-	(59,684)	-
(3,085,978)	-	(3,085,978)	-
-	265,992	265,992	-
-	333,238	333,238	-
-	599,230	599,230	-
(3,085,978)	599,230	(2,486,748)	-
-	-	-	(520,134)
-	-	-	-
-	-	-	(520,134)
2,186,523	-	2,186,523	570,097
1,607,379	-	1,607,379	6,407
43,330	21,055	64,385	16,157
129,302	-	129,302	-
36,030	(62,067)	(26,037)	4,012
98,279	-	98,279	-
4,100,843	(41,012)	4,059,831	596,673
1,014,865	558,218	1,573,083	76,539
17,097,091	14,198,491	31,295,582	1,183,892
\$ 18,111,956	\$ 14,756,709	\$ 32,868,665	\$ 1,260,431

Village of Milford, Michigan

Governmental Funds Balance Sheet

June 30, 2022

	General Fund	Police Fund	Municipal Street Fund	Nonmajor Governmental Funds	Total
Assets					
Cash and investments	\$ 3,317,351	\$ 4,628,475	\$ 1,456,586	\$ 1,548,271	\$ 10,950,683
Receivables:					
Customer	49,370	-	-	750	50,120
Accrued interest	1,525	2,264	725	649	5,163
Leases receivable	241,395	-	-	-	241,395
Other	5,876	2,634	43,502	-	52,012
Due from other governments	132,672	-	-	114,462	247,134
Prepaid expenses and other assets	1,390	-	-	32,634	34,024
Total assets	\$ 3,749,579	\$ 4,633,373	\$ 1,500,813	\$ 1,696,766	\$ 11,580,531
Liabilities					
Accounts payable	\$ 83,651	\$ 54,193	\$ 236,375	\$ 67,963	\$ 442,182
Deposits	213,294	-	-	-	213,294
Accrued liabilities and other	25,349	102,725	-	16,207	144,281
Unearned revenue	684,933	-	-	-	684,933
Total liabilities	1,007,227	156,918	236,375	84,170	1,484,690
Deferred Inflows of Resources					
Unavailable revenue	-	-	39,544	-	39,544
Deferred inflows from leases (Note 14)	233,506	-	-	-	233,506
Total deferred inflows of resources	233,506	-	39,544	-	273,050
Total liabilities and deferred inflows of resources	1,240,733	156,918	275,919	84,170	1,757,740
Fund Balances					
Nonspendable - Prepays	1,390	-	-	32,634	34,024
Restricted:					
Roads	-	-	1,224,894	1,096,535	2,321,429
Police	-	4,476,455	-	-	4,476,455
Drug law enforcement	-	-	-	3,727	3,727
PEG fees	208,486	-	-	-	208,486
Senior van	-	-	-	22,403	22,403
Refuse	-	-	-	370,083	370,083
Parks	5,856	-	-	-	5,856
Assigned:					
Retiree health care	59,026	-	-	-	59,026
Parking	352,247	-	-	-	352,247
Capital projects	-	-	-	87,214	87,214
Unassigned	1,881,841	-	-	-	1,881,841
Total fund balances	2,508,846	4,476,455	1,224,894	1,612,596	9,822,791
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,749,579	\$ 4,633,373	\$ 1,500,813	\$ 1,696,766	\$ 11,580,531

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2022

Fund Balances Reported in Governmental Funds	\$ 9,822,791
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	12,312,992
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	39,544
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(2,059,180)
Accrued interest is not due and payable in the current period and is not reported in the funds	(12,535)
Some employee fringe benefits are receivable (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) assets:	
Employee compensated absences	(460,090)
Pension benefits	(2,684,401)
Retiree health care benefits	51,909
Deferred inflows and outflows related to pension and retiree health care benefits do not provide current financial resources and are not reported in governmental funds	473,808
Other long-term liabilities, such as potential environmental remediation, do not present a claim on current financial resources and are not reported as fund liabilities	(200,000)
Internal service funds are included as part of governmental activities:	
Capital assets-related items	991,878
Debt-related items	(341,901)
All other items	177,141
Net Position of Governmental Activities	\$ 18,111,956

Village of Milford, Michigan

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2022

	General Fund	Police Fund	Municipal Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenue					
Property taxes	\$ 878,144	\$ -	\$ 784,577	\$ 523,802	\$ 2,186,523
Special assessments	29,310	-	-	-	29,310
Intergovernmental:					
Federal grants	1,428	8,901	-	-	10,329
State sources	764,640	77,357	4,138	761,244	1,607,379
Local grants and contributions	-	-	113,748	-	113,748
Charges for services	199,163	4,044,303	-	-	4,243,466
Fines and forfeitures	7,891	-	-	-	7,891
Fees:					
Cable franchise fees	129,302	-	-	-	129,302
Licenses and permits	81,620	-	-	-	81,620
Investment income	19,144	10,713	8,330	5,143	43,330
Other revenue - Other miscellaneous income	146,092	37,977	4,272	5,284	193,625
Total revenue	2,256,734	4,179,251	915,065	1,295,473	8,646,523
Expenditures					
Current services:					
General government	732,770	-	-	-	732,770
Public safety	184,403	3,965,939	-	-	4,150,342
Public works	577,183	-	1,138,286	1,316,105	3,031,574
Community and economic development	33,305	-	-	-	33,305
Debt service:					
Principal	19,665	-	240,000	-	259,665
Interest on long-term debt	9,670	-	50,014	-	59,684
Total expenditures	1,556,996	3,965,939	1,428,300	1,316,105	8,267,340
Excess of Revenue Over (Under) Expenditures	699,738	213,312	(513,235)	(20,632)	379,183
Other Financing Sources (Uses)					
Transfers in (Note 5)	-	-	-	355,000	355,000
Transfers out (Note 5)	(485,000)	-	-	(190,000)	(675,000)
Issuance of refunding bonds	224,180	-	-	-	224,180
Payment to bond refunding escrow agent	(216,315)	-	-	-	(216,315)
Total other financing (uses) sources	(477,135)	-	-	165,000	(312,135)
Net Change in Fund Balances	222,603	213,312	(513,235)	144,368	67,048
Fund Balances - Beginning of year	2,286,243	4,263,143	1,738,129	1,468,228	9,755,743
Fund Balances - End of year	\$ 2,508,846	\$ 4,476,455	\$ 1,224,894	\$ 1,612,596	\$ 9,822,791

Village of Milford, Michigan

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

Year Ended June 30, 2022

Net Change in Fund Balances Reported in Governmental Funds	\$ 67,048
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	1,424,133
Depreciation expense	(1,114,018)
Net book value of assets disposed of and transferred to the equipment fund	(269,107)
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	(101,731)
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(224,180)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	475,980
Compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	14,930
Change in net pension liability	(65,530)
Change in net other postemployment benefit asset	(825,482)
Deferred inflows related to pension and OPEB are recorded when incurred in the statement of activities	805,704
Internal service funds are included as part of governmental activities:	
Capital asset-related items in internal service funds	553,539
Debt-related items in internal service funds	(341,901)
All other items	615,480
Change in Net Position of Governmental Activities	\$ 1,014,865

Village of Milford, Michigan

Proprietary Funds Statement of Net Position

June 30, 2022

	Enterprise Funds			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Proprietary Internal Service Fund - Equipment Fund
Assets				
Current assets:				
Cash and investments	\$ 2,392,431	\$ 872,799	\$ 3,265,230	\$ 359,672
Receivables:				
Customer	655,572	404,026	1,059,598	-
Accrued interest	967	990	1,957	-
Inventory	-	-	-	49,108
Total current assets	3,048,970	1,277,815	4,326,785	408,780
Noncurrent assets:				
Restricted cash - Unspent bond proceeds	-	1,171,762	1,171,762	-
Net other postemployment benefit asset (Note 11)	1,164	1,177	2,341	-
Capital assets - Assets subject to depreciation (Note 4)	13,508,970	6,621,812	20,130,782	991,878
Total noncurrent assets	13,510,134	7,794,751	21,304,885	991,878
Total assets	16,559,104	9,072,566	25,631,670	1,400,658
Deferred Outflows of Resources				
Deferred pension costs (Note 9)	147,099	43,836	190,935	-
Deferred OPEB costs (Note 11)	13,393	13,393	26,786	-
Total deferred outflows of resources	160,492	57,229	217,721	-
Liabilities				
Current liabilities:				
Accounts payable	28,791	59,494	88,285	228,749
Deposits	4,600	-	4,600	-
Accrued liabilities and other	69,071	13,599	82,670	2,890
Compensated absences (Note 7)	15,441	17,632	33,073	-
Current portion of long-term debt (Note 7)	460,325	218,758	679,083	82,274
Total current liabilities	578,228	309,483	887,711	313,913
Noncurrent liabilities:				
Net pension liability (Note 9)	288,046	72,069	360,115	-
Long-term debt (Note 7)	7,903,418	1,755,443	9,658,861	259,627
Total noncurrent liabilities	8,191,464	1,827,512	10,018,976	259,627
Total liabilities	8,769,692	2,136,995	10,906,687	573,540
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 9)	136,970	41,331	178,301	-
Deferred OPEB cost reductions (Note 11)	3,845	3,849	7,694	-
Total deferred inflows of resources	140,815	45,180	185,995	-
Net Position				
Net investment in capital assets	5,145,227	5,819,373	10,964,600	649,977
Unrestricted	2,663,862	1,128,247	3,792,109	177,141
Total net position	\$ 7,809,089	\$ 6,947,620	\$ 14,756,709	\$ 827,118

Village of Milford, Michigan

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

Year Ended June 30, 2022

	Enterprise Funds			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Proprietary Internal Service Fund - Equipment Fund
Operating Revenue				
Water and sewer billings	\$ 1,499,780	\$ 878,541	\$ 2,378,321	\$ -
Miscellaneous	74,130	6,576	80,706	9,600
Charges to other funds	-	-	-	275,584
Total operating revenue	1,573,910	885,117	2,459,027	285,184
Operating Expenses				
Salaries and wages	404,539	176,993	581,532	72,062
Benefits	222,480	72,097	294,577	33,241
Operating supplies	83,678	21,079	104,757	49,813
Utilities	111,950	73,721	185,671	-
Equipment rental	34,407	33,903	68,310	-
Contracted services	99,582	58,181	157,763	-
Maintenance	68,659	7,092	75,751	28,431
Insurance	6,126	149,625	155,751	10,000
Data processing	7,868	2,500	10,368	-
Miscellaneous	17,418	36,115	53,533	791
Depreciation	570,860	321,112	891,972	106,701
Total operating expenses	1,627,567	952,418	2,579,985	301,039
Operating Loss	(53,657)	(67,301)	(120,958)	(15,855)
Nonoperating Revenue (Expense)				
Investment income	12,422	8,633	21,055	-
Interest expense	(212,375)	(23,782)	(236,157)	-
Bond issuance costs	(10,474)	(4,932)	(15,406)	-
(Loss) gain on sale of assets	(62,067)	-	(62,067)	253,866
Connection fees	3,500	27,411	30,911	-
Water and sewer debt charges	606,244	330,864	937,108	-
Total nonoperating revenue	337,250	338,194	675,444	253,866
Income - Before capital contributions	283,593	270,893	554,486	238,011
Capital Contributions				
Capital grants	-	3,732	3,732	-
Other capital contributions	-	-	-	269,107
Total capital contributions	-	3,732	3,732	269,107
Transfers In	-	-	-	320,000
Change in Net Position	283,593	274,625	558,218	827,118
Net Position - Beginning of year	7,525,496	6,672,995	14,198,491	-
Net Position - End of year	<u>\$ 7,809,089</u>	<u>\$ 6,947,620</u>	<u>\$ 14,756,709</u>	<u>\$ 827,118</u>

Village of Milford, Michigan

Proprietary Funds Statement of Cash Flows

Year Ended June 30, 2022

	Enterprise Funds			Governmental Activities
	Sewer	Water	Total Enterprise Funds	Proprietary Internal Service Fund - Equipment Fund
Cash Flows from Operating Activities				
Receipts from customers	\$ 1,542,691	\$ 821,436	\$ 2,364,127	\$ -
Receipts from other funds	-	-	-	275,584
(Payments to) receivable from suppliers	(446,897)	(141,373)	(588,270)	143,491
Payments to employees and fringes	(635,419)	(468,061)	(1,103,480)	(145,698)
Net cash and cash equivalents provided by operating activities	460,375	212,002	672,377	273,377
Cash Flows Provided by Noncapital Financing Activities - Transfers from other funds	-	-	-	320,000
Cash Flows from Capital and Related Financing Activities				
Issuance of bonds	335,588	1,329,201	1,664,789	432,894
Capital grants	-	3,732	3,732	-
Proceeds from sale of capital assets	-	-	-	253,866
Purchase of capital assets	(176,471)	(539,340)	(715,811)	(829,472)
Principal and interest paid on capital debt	(988,625)	(516,878)	(1,505,503)	(90,993)
Debt service charge	606,244	354,775	961,019	-
Connection fees	3,500	3,500	7,000	-
Net cash and cash equivalents (used in) provided by capital and related financing activities	(219,764)	634,990	415,226	(233,705)
Cash Flows Provided by Investing Activities - Interest received on investments	12,272	8,101	20,373	-
Net Increase in Cash and Cash Equivalents	252,883	855,093	1,107,976	359,672
Cash and Cash Equivalents - Beginning of year	2,139,548	1,189,468	3,329,016	-
Cash and Cash Equivalents - End of year	\$ 2,392,431	\$ 2,044,561	\$ 4,436,992	\$ 359,672
Classification of Cash and Cash Equivalents				
Cash and investments	\$ 2,392,431	\$ 872,799	\$ 3,265,230	\$ 359,672
Restricted cash	-	1,171,762	1,171,762	-
Total cash and cash equivalents	\$ 2,392,431	\$ 2,044,561	\$ 4,436,992	\$ 359,672

Village of Milford, Michigan

Proprietary Funds Statement of Cash Flows (Continued)

Year Ended June 30, 2022

	Enterprise Funds			Governmental Activities
				Proprietary Internal Service Fund - Equipment Fund
	Sewer	Water	Total Enterprise Funds	
Reconciliation of Operating Loss to Net Cash from Operating Activities				
Operating loss	\$ (53,657)	\$ (67,301)	\$ (120,958)	\$ (15,855)
Adjustments to reconcile operating loss to net cash from operating activities:				
Depreciation	570,860	321,112	891,972	106,701
Changes in assets and liabilities:				
Receivables	(31,219)	(63,681)	(94,900)	-
Inventories	-	-	-	(49,108)
Prepaid and other assets	1,446	-	1,446	-
Accrued and other liabilities	3,180	(3,652)	(472)	2,890
Accounts payable	(30,235)	25,524	(4,711)	228,749
Total adjustments	514,032	279,303	793,335	289,232
Net cash provided by operating activities	\$ 460,375	\$ 212,002	\$ 672,377	\$ 273,377
Significant Noncash Transactions - Capital assets contributed from governmental activities	\$ -	\$ -	\$ -	\$ 269,107

Village of Milford, Michigan

Fiduciary Funds Statement of Fiduciary Net Position

June 30, 2022

	Other Postemployment Benefits Trust Fund	Custodial Fund	Total Fiduciary Funds
Assets			
Cash and investments	\$ -	\$ 95,668	\$ 95,668
Investments held with MERS	1,880,156	-	1,880,156
Total assets	1,880,156	95,668	1,975,824
Liabilities - Due to other governmental units	-	95,668	95,668
Net Position - Restricted for postemployment benefits other than pensions	<u>\$ 1,880,156</u>	<u>\$ -</u>	<u>\$ 1,880,156</u>

Village of Milford, Michigan

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2022

	Other Postemployment Benefits Trust Fund	Custodial Fund	Total Fiduciary Funds
Additions			
Investment (expense) income:			
Investment loss	\$ (168,480)	\$ -	\$ (168,480)
Investment-related expenses	(8,261)	-	(8,261)
Net investment loss	(176,741)	-	(176,741)
PILOT collections	-	113,319	113,319
Total additions	(176,741)	113,319	(63,422)
Deductions			
Benefit payments	92,330	-	92,330
PILOT distributions	-	113,319	113,319
Total deductions	92,330	113,319	205,649
Net Decrease in Fiduciary Net Position	(269,071)	-	(269,071)
Net Position - Beginning of year	2,149,227	-	2,149,227
Net Position - End of year	<u>\$ 1,880,156</u>	<u>\$ -</u>	<u>\$ 1,880,156</u>

Village of Milford, Michigan

Component Units Statement of Net Position

June 30, 2022

	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Assets			
Cash and investments	\$ 842,078	\$ 2,641	\$ 844,719
Receivables	91,329	313,358	404,687
Restricted cash	1,738,711	-	1,738,711
Capital assets:			
Assets not subject to depreciation	2,137,860	-	2,137,860
Assets subject to depreciation	118,265	-	118,265
Total assets	4,928,243	315,999	5,244,242
Liabilities			
Accounts payable	261,991	313,358	575,349
Accrued liabilities and other:			
Accrued salaries and wages	3,632	-	3,632
Accrued interest payable	7,442	-	7,442
Accrued other	577	-	577
Noncurrent liabilities:			
Debt due within one year:			
Compensated absences	18,380	-	18,380
Current portion of installment payments to MDEQ	18,571	-	18,571
Current portion of long-term debt	147,903	-	147,903
Due in more than one year:			
Installment payments to MDEQ	37,145	-	37,145
Long-term debt	3,174,812	-	3,174,812
Total liabilities	3,670,453	313,358	3,983,811
Net Position			
Net investment in capital assets	672,121	-	672,121
Unrestricted	585,669	2,641	588,310
Total net position	<u>\$ 1,257,790</u>	<u>\$ 2,641</u>	<u>\$ 1,260,431</u>

Village of Milford, Michigan

Component Units Statement of Activities

Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Downtown Development Authority	\$ 520,134	\$ -	\$ -	\$ -	\$ (520,134)	\$ -	\$ (520,134)
Brownfield Redevelopment Authority	346,527	-	-	346,527	-	-	-
Total	\$ 866,661	\$ -	\$ -	\$ 346,527	(520,134)	-	(520,134)
General revenue:							
Property taxes					570,000	97	570,097
State-shared revenue					6,407	-	6,407
Investment income					16,157	-	16,157
Gain on sale of capital assets					4,012	-	4,012
Total general revenue					596,576	97	596,673
Change in Net Position					76,442	97	76,539
Net Position - Beginning of year					1,181,348	2,544	1,183,892
Net Position - End of year					\$ 1,257,790	\$ 2,641	\$ 1,260,431

Note 1 - Significant Accounting Policies

Accounting and Reporting Principles

The Village of Milford, Michigan (the "Village") 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. The following is a summary of the significant accounting policies used by the Village:

Reporting Entity

The Village of Milford, Michigan is governed by an elected seven-member council. The accompanying financial statements present the Village and its component units, entities for which the Village is considered to be financially accountable. Blended component units are, in substance, part of the Village's operations, even though they are separate legal entities. Thus, blended component units are appropriately presented as funds of the Village. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Village (see discussion below for description).

Blended Component Units

The Parking Authority is incorporated into the Village's financial statements. It is governed by the Village Council. The Village has retained responsibility for funding the Parking Authority and exercises ultimate control over it.

Discretely Presented Component Units

The Downtown Development Authority and Brownfield Redevelopment Financing Authority component units are reported within the component unit column in the financial statements. They are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the Village.

Downtown Development Authority

The Downtown Development Authority (the "Authority" or the "DDA") was created to promote economic growth within the downtown district. The Authority's governing body, which consists of 10 individuals, is appointed by the Village Council. In addition, the Authority's budget is subject to approval by the Village Council.

Brownfield Redevelopment Financing Authority

The Brownfield Redevelopment Financing Authority (the "Brownfield Authority") was established pursuant to Public Act 381 of 1996. The Brownfield Authority was created to promote revitalization of environmentally distressed areas within the boundaries of the Village. The Brownfield Authority's governing body, which consists of 7 individuals, is appointed by the Village Council. In addition, the Brownfield Authority's budget is subject to approval by the Village Council.

Fiduciary Component Unit

The Other Postemployment Benefits Trust Fund is governed by the Village Council. Although it is legally separate from the Village, it is reported as a fiduciary component unit because the Village appoints a voting majority of the board, and the plan imposes a financial burden on the Village.

Note 1 - Significant Accounting Policies (Continued)

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. 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. Taxes and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between the Village's water and sewer function and various other functions of the Village. 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 Village has spent its resources.

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

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Village 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, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, miscellaneous revenue 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.

Note 1 - Significant Accounting Policies (Continued)

Fund Accounting

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

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. Special revenue funds are used to account for the proceeds of earmarked revenue or financing activities requiring separate accounting because of legal or regulatory provisions. The Village 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 activities of the Village's police department. A millage is levied by Milford Township on all township and village residents to provide police services to all residents within the village and township boundaries.
- The Municipal Street Fund is funded by a special voted millage and accounts for the operation, maintenance, and construction of all village roads not otherwise funded by Act 51, which are accounted for through the Major Streets and Local Streets funds (both nonmajor special revenue funds).

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 Village). The Village reports the following funds as major enterprise funds:

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

The Village's internal service fund is used to allocate machinery and equipment purchases and maintenance to the various funds on a full accrual basis so that the full costs are recognized and allocated to the various funds in the year that the costs are incurred.

Fiduciary Funds

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

- The Other Postemployment Benefits Trust Fund accounts for activities of the other postemployment benefits trust and accumulates resources for future retiree health care payments to retirees.
- The Custodial Fund collects payments in lieu of taxes on behalf of other taxing authorities (state, county, school district, township, and the various smaller authorities).

Note 1 - Significant Accounting Policies (Continued)

Interfund Activity

During the course of operations, the Village 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 the 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, Cash Equivalents, 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.

Receivables and Payables

In general, outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

Prepaid Items

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Cash

Unspent debt proceeds of the Downtown Development Authority and the Water Fund are required to be set aside for specific spending of the debt. These amounts have been classified as restricted cash.

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 Village as assets with an initial individual cost of more than \$0 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Note 1 - Significant Accounting Policies (Continued)

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

	Depreciable Life - Years
Building	25 to 50
Equipment and machinery	3 to 15
Furniture	10
Vehicles	3 to 10
Land improvements	10 to 20
Treatment plant/Iron removal plant	5 to 50
Water lines	10 to 50
Sewer system	50
Streets, sidewalks, and bridges	20 to 40

Leases

The Village is a lessor for noncancelable leases of a cell tower and land. The Village 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 Village 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 Village determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The Village uses the incremental borrowing rate as the discount rate for leases in situations when the lease agreement does not have a stated interest rate.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Village 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.

Unearned Revenue

Unearned revenue represents amounts received through nonexchange transactions prior to all applicable eligibility criteria being met or amounts being received through exchange transactions prior to goods or services being provided. The Village has one item, unearned revenue related to funds received from the American Rescue Plan Act, that qualifies for reporting in this category.

Note 1 - Significant Accounting Policies (Continued)

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 and premiums as other financing sources and bond discounts as other financing uses. The General Fund, Municipal Street Fund, Water Fund, and Sewer Fund are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

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

The Village reports deferred outflows related to the defined benefit pension plan and retiree health care plan in the government-wide financial statements and the Water and Sewer funds, as further described in Notes 9 and 11, respectively.

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

The Village has four items that qualify for reporting in this category: deferred inflows of resources related to unavailable revenue, deferred inflows of resources related to leases, deferred inflows of resources related to the defined benefit pension plan, and deferred inflows of resources related to the retiree health care plan. Unavailable revenue is reported only in the governmental funds balance sheet. Deferred inflows of resources from leases are reported in both the governmental fund and government-wide financial statements. Deferred inflows of resources related to the defined benefit pension plan and retiree health care plan are reported in the government-wide financial statements and the Water and Sewer funds, as further described in Notes 9 and 11, respectively.

Net Position

Net position of the Village 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 Village 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 Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Note 1 - Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions

The Village 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 Village'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 nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The Village 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 Village's highest level of decision-making authority. The Village Council is the highest level of decision-making authority for the Village that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Village Council has, by resolution, authorized the treasurer/finance director to assign fund balance. 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. Unassigned is the remaining classification after all of the funds have been allocated to the appropriate fund balance components noted above.

Property Tax Revenue

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

The Village's 2021 property tax revenue was levied and collectible on July 1, 2021 and is recognized as revenue in the year ended June 30, 2022 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2021 taxable valuation of the Village totaled \$315.6 million (a portion of which is abated and a portion of which is captured by the DDA), on which taxes levied consisted of 3.1009 mills for operating purposes, 1.85 mills for refuse collection, and 2.7707 mills for roads. This resulted in approximately \$878,000 for operating, \$524,000 for refuse collection, and \$785,000 for roads. These amounts are recognized in the General Fund, Refuse Fund, and Municipal Street Fund financial statements as tax revenue.

Note 1 - Significant Accounting Policies (Continued)

Pension

The Village offers a defined benefit pension plan to its employees. The Village records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

The Village offers retiree health care benefits to retirees. The Village records a net OPEB asset 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 asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position 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 Village's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Compensated absences will be liquidated primarily by the General Fund, the Downtown Development Authority component unit, the Water Fund, and the Sewer Fund.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds is charges to customers for sales or services. Operating expenses for these funds include the cost of sales or services and administrative expenses and may include 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.

Adoption of New Accounting Pronouncement

During the current year, the Village adopted GASB Statement No. 87, *Leases*. As a result, the governmental activities and fund financial statements now include receivables for the present value of payments expected to be received and deferred inflows of resources that will be recognized as revenue over the term of the leases. Lease activity is further described in Note 14.

Note 1 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Village's financial statements for the year ending June 30, 2023.

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

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the Village's financial statements for the year ending June 30, 2024.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Village's financial statements for the year ending June 30, 2025.

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees

The Village 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 Village 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 shortfall generated since July 1, 2000 is as follows:

Cumulative shortfall at July 1, 2021		\$	(618,431)
Current year permit revenue			93,706
Related expenses:			
Construction code direct expenses	\$	133,633	
Construction code indirect expenses		19,307	16,682
			<u>77,024</u>
Current year surplus			<u>77,024</u>
Cumulative shortfall at June 30, 2022		\$	<u>(541,407)</u>

Note 3 - Deposits and Investments

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

The Village's investment policy, adopted in accordance with state law, permits the Village to invest in investment pools organized under the Surplus Funds Investment Act of 1982 and under the Investment Company Act of 1940.

The Village has designated six 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 CDs, but not the remainder of state statutory authority, as listed above. The Village's deposits and investments are in accordance with statutory authority.

The Village'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 Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. At year end, the Village had bank deposits of \$9,937,172 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Village believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Village evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Village'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 Village had the following investments:

Investment	Carrying Value	Weighted- average Maturity (Years)
Primary Government		
Oakland County Local Government Investment Pool	\$ 4,595,915	1.49
U.S. government agency securities	1,973,655	0.59
Investment	Carrying Value	Weighted- average Maturity (Years)
Fiduciary Funds		
MERS ISP Total Market Portfolio	\$ 1,880,156	N/A

Note 3 - Deposits and Investments (Continued)

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Village has no investment policy that would further limit its investment choices. As of June 30, 2022, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Carrying Value	Rating	Rating Organization
Primary Government			
Oakland County Local Government Investment Pool	\$ 4,595,915	Not rated	N/A
Michigan CLASS investment pool	205,488	AAAm	S&P
U.S. government agency securities	1,973,655	Aaa	Moody's
Investment	Carrying Value	Rating	Rating Organization
Fiduciary Funds			
MERS ISP Total Market Portfolio	\$ 1,880,156	Not rated	N/A

Concentration of Credit Risk

The Village places no limit on the amount it may invest in any one issuer. There are no investments held by the Village with a concentration of 5 percent or more in the current year.

Fair Value Measurements

The Village 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 Village's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

June 30, 2022

Note 3 - Deposits and Investments (Continued)

The Village has the following recurring fair value measurements as of June 30, 2022:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2022			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2022
Investments measured at net asset value (NAV):				
Michigan CLASS investment pool	\$	\$	\$	\$ 205,488
Oakland County Local Government Investment Pool				4,296,455
MERS ISP Total Market Portfolio				1,880,156
Total investments	\$ -	\$ -	\$ -	\$ 6,382,099

Investments in Entities that Calculate Net Asset Value per Share

The Village holds shares in investment pools where the fair value of the investments is measured on a recurring basis using net asset value per share of the investment pools as a practical expedient.

At June 30, 2022, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Michigan CLASS investment pool	\$ 205,488	\$ -	N/A	None
Oakland County Local Government Investment Pool	4,296,455	-	N/A	None
MERS ISP Total Market Portfolio	1,880,156	-	N/A	None
Total	\$ 6,382,099	\$ -		

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

The Oakland County Local Government Investment Pool (LGIP) is not registered with the SEC and does not issue a separate report. The pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized cost. Accordingly, the investment is reported at fair value. The fair value of the position in the pool is not the same as the value of the pool shares.

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

June 30, 2022

Note 4 - Capital Assets

Capital asset activity of the Village's governmental, business-type, and component unit activities was as follows:

Governmental Activities

	Balance at July 1, 2021	Reclassifications/ Transfers	Additions	Disposals	Balance at June 30, 2022
Capital assets not being depreciated:					
Land	\$ 424,887	\$ -	\$ -	\$ -	\$ 424,887
Construction in progress	176,594	-	1,027,771	-	1,204,365
Subtotal	601,481	-	1,027,771	-	1,629,252
Capital assets being depreciated:					
Equipment	3,161,299	145,898	896,317	(479,007)	3,724,507
Furniture	41,661	-	33,741	(2,399)	73,003
Streets, sidewalks, and bridges	25,384,069	-	272,105	-	25,656,174
Vehicles	1,260,564	147,039	80,916	(47,788)	1,440,731
Land improvements	499,535	-	-	-	499,535
Building	2,867,222	-	-	-	2,867,222
Subtotal	33,214,350	292,937	1,283,079	(529,194)	34,261,172
Accumulated depreciation:					
Equipment	2,058,857	130,896	202,786	(269,834)	2,122,705
Furniture	22,027	-	6,240	(1,349)	26,918
Streets, sidewalks, and bridges	16,312,578	-	672,302	-	16,984,880
Vehicles	865,691	115,685	149,405	(47,788)	1,082,993
Land improvements	457,623	-	5,594	-	463,217
Building	1,827,149	-	77,692	-	1,904,841
Subtotal	21,543,925	246,581	1,114,019	(318,971)	22,585,554
Net capital assets being depreciated	11,670,425	46,356	169,060	(210,223)	11,675,618
Net governmental activities capital assets	\$ 12,271,906	\$ 46,356	\$ 1,196,831	\$ (210,223)	\$ 13,304,870

June 30, 2022

Note 4 - Capital Assets (Continued)

Business-type Activities

	Balance at July 1, 2021	Reclassifications/ Transfers	Additions	Disposals	Balance at June 30, 2022
Capital assets not being depreciated - Water construction in progress	\$ -	\$ -	\$ 178,462	\$ -	\$ 178,462
Capital assets being depreciated:					
Treatment plant	19,211,079	-	-	-	19,211,079
Sewer equipment	2,052,695	(41,334)	36,082	(266,652)	1,780,791
Water equipment	445,335	(19,436)	-	(20,393)	405,506
Sewer vehicles	96,005	(89,391)	-	-	6,614
Water vehicles	57,648	(57,648)	-	-	-
Water lines	12,188,369	-	360,879	-	12,549,248
Sewer system	5,255,484	-	184,077	-	5,439,561
Iron removal plant	544,426	-	-	-	544,426
Subtotal	39,851,041	(207,809)	581,038	(287,045)	39,937,225
Accumulated depreciation:					
Treatment plant	9,099,294	-	369,948	-	9,469,242
Sewer equipment	711,947	(26,331)	70,229	(120,922)	634,923
Water equipment	322,213	(19,436)	21,390	(20,393)	303,774
Sewer vehicles	141,920	(58,038)	-	(77,269)	6,613
Water vehicles	66,709	(57,648)	-	(9,061)	-
Water lines	5,945,871	-	289,868	-	6,235,739
Sewer system	2,687,614	-	130,683	-	2,818,297
Iron removal plant	506,463	-	9,854	-	516,317
Subtotal	19,482,031	(161,453)	891,972	(227,645)	19,984,905
Net capital assets being depreciated	20,369,010	(46,356)	(310,934)	(59,400)	19,952,320
Net business-type activities capital assets	\$ 20,369,010	\$ (46,356)	\$ (132,472)	\$ (59,400)	\$ 20,130,782

June 30, 2022

Note 4 - Capital Assets (Continued)

Component Units

	Balance at July 1, 2021	Reclassifications	Additions	Disposals	Balance at June 30, 2022
Capital assets not being depreciated:					
Land	\$ 200,971	\$ 300,407	\$ -	\$ -	\$ 501,378
Construction in progress	405,292	(300,407)	1,531,595	-	1,636,480
Subtotal	606,263	-	1,531,595	-	2,137,858
Capital assets being depreciated:					
Equipment	615,236	-	-	(9,792)	605,444
Furniture	16,981	-	33,740	-	50,721
Streets, sidewalks, and bridges	1,157,120	-	-	-	1,157,120
Buildings	100,000	-	-	-	100,000
Subtotal	1,889,337	-	33,740	(9,792)	1,913,285
Accumulated depreciation:					
Equipment	610,863	-	1,902	(9,792)	602,973
Furniture	15,244	-	6,996	-	22,240
Street, sidewalks, and bridges	1,075,956	-	55,851	-	1,131,807
Buildings	36,000	-	2,000	-	38,000
Subtotal	1,738,063	-	66,749	(9,792)	1,795,020
Net capital assets being depreciated	151,274	-	(33,009)	-	118,265
Net capital assets	\$ 757,537	\$ -	\$ 1,498,586	\$ -	\$ 2,256,123

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

Governmental activities:	
General government	\$ 122,866
Public safety	164,255
Public works	38,521
Streets	672,302
Parking	9,374
Internal Service Fund depreciation is charged to the various functions based on their usage of the asset	106,701
Total governmental activities	<u>\$ 1,114,019</u>
Business-type activities:	
Water Fund	\$ 321,112
Sewer Fund	570,860
Total business-type activities	<u>\$ 891,972</u>

June 30, 2022

Note 4 - Capital Assets (Continued)

Construction Commitments

At year end, the Village's commitments with contractors for active construction projects are as follows:

	Spent to Date	Remaining Commitment
Road improvements	\$ 987,495	\$ 353,059

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Water Fund	Sewer Fund	\$ 193,076

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Sidewalk Fund	\$ 25,000
	Local Streets Fund	140,000
	Equipment Fund	320,000
	Total General Fund	485,000
Major Streets Fund	Local Streets Fund	190,000
	Total	\$ 675,000

The transfers from the Major Streets Fund and General Fund to the Local Streets Fund were for street maintenance. The transfer from the General Fund to the Sidewalk Fund was for the maintenance of sidewalks. The transfers from the General Fund to the Equipment Fund was for the establishment of the Internal Service Equipment Fund.

Note 6 - Installment Payments to MDEQ

The Downtown Development Authority incurred a liability of \$130,000 payable to the Michigan Department of Environmental Quality (MDEQ) in a prior year for a lien on property that was purchased by the Authority in a prior year. At June 30, 2022, the remaining balance payable to the MDEQ was \$55,716. Payments to the MDEQ are payable over seven years with no interest in an amount of approximately \$18,571 per year. Payments commenced during the year ended June 30, 2019 and are due annually through June 30, 2025.

June 30, 2022

Note 7 - Long-term Debt

Long-term debt activity for the year ended June 30, 2022 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Direct borrowings and direct placements -							
Vactor installment purchase							
Maturing through 2025	2.55%	\$82,274 - \$88,730	\$ -	\$ 432,895	\$ (90,994)	\$ 341,901	\$ 82,274
Other debt:							
2010 Capital Improvement Bonds:							
Amount of issue - \$365,000							
Maturing through 2030	1.75% - 2.90%	\$19,500 - \$35,347	235,902	-	(235,902)	-	-
2019 Capital Improvement Bonds:							
Amount of issue - \$2,545,000							
Maturing through 2029	1.75% - 2.90%	\$240,000 - \$280,000	2,075,000	-	(240,000)	1,835,000	245,000
2021 Refunding Bond:							
Amount of issue - \$855,000 Maturing through 2029							
	1.21%	\$22,287- \$32,775	-	224,180	-	224,180	23,598
Total other debt principal outstanding			2,310,902	224,180	(475,902)	2,059,180	268,598
Total bonds and contracts payable			2,310,902	657,075	(566,896)	2,401,081	350,872
Compensated absences			475,020	265,484	(280,414)	460,090	280,414
Total governmental activities long-term debt			\$ 2,785,922	\$ 922,559	\$ (847,310)	\$ 2,861,171	\$ 631,286

June 30, 2022

Note 7 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Direct borrowings and direct placements -							
2009 Drinking Water Revolving Fund loan:							
Amount of issue - \$1,301,602							
Maturing through 2029	2.50%	\$85,000 - \$100,000	\$ 730,000	\$ -	\$ (85,000)	\$ 645,000	\$ 85,000
2001 Drinking Water Revolving Fund loan:							
Amount of issue - \$1,905,000							
Maturing through 2022	2.50%	-	120,000	-	(120,000)	-	-
2002 Drinking Water Revolving Fund loan:							
Amount of issue - \$1,760,000							
Maturing through 2022	2.50%	-	110,000	-	(110,000)	-	-
2015 State Revolving Fund:							
Amount of issue - \$10,735,000							
Maturing through 2037	2.50%	\$405,000 - \$460,000	8,433,415	-	(405,260)	8,028,155	425,000
Water meters installment purchase Maturing through 2032							
	2.75%	\$117,000	-	1,170,000	-	1,170,000	117,000
Total direct borrowings and direct placements principal outstanding			9,393,415	1,170,000	(720,260)	9,843,155	627,000
Other debt:							
2010 Capital Improvement Bond:							
Amount of issue - \$810,000							
Maturing through 2030	2.75% - \$4.50%	-	520,229	-	(520,229)	-	-
2021 Refunding Bond:							
Amount of issue - \$855,000 Maturing through 2029							
	1.21%	\$49,189 - \$72,337	-	494,789	-	494,789	52,083
Total bonds and contracts payable			9,913,644	1,664,789	(1,240,489)	10,337,944	679,083
Compensated absences			37,740	28,406	(33,073)	33,073	33,073
Total business-type activities long-term debt			\$ 9,951,384	\$ 1,693,195	\$ (1,273,562)	\$ 10,371,017	\$ 712,156

June 30, 2022

Note 7 - Long-term Debt (Continued)

Component Units

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Direct borrowings and direct placements -							
2018 MDEQ CMI Loan							
Amount of issue - \$586,835	1.50%	\$38,403 - \$55,451	\$ 511,214	\$ -	\$ (511,214)	\$ -	\$ -
Other debt:							
2010 Capital Improvement Bond:							
Amount of issue - \$225,000	2.75% -	\$12,000 -					
Maturing through 2030	4.50%	\$20,000	143,451	-	(143,451)	-	-
2015 DDA Bonds Debt:							
Amount of issue - \$475,000							
Maturing through 2025	4.70%	\$68,000	340,000	-	(340,000)	-	-
2021 Refunding Bond:							
Amount of issue - \$855,000							
Maturing through 2029	1.21%	\$13,523 - \$19,887	-	136,031	-	136,031	14,319
2021 Limited Tax General Obligation Bond:							
Amount of issue - \$3,135,000							
Maturing through 2041	3.00%	\$125,000 - \$190,000	-	3,135,000	(120,000)	3,015,000	125,000
Total other debt principal outstanding			483,451	3,271,031	(603,451)	3,151,031	139,319
Unamortized bond premiums			-	171,684	-	171,684	8,584
Total bonds and contracts payable			994,665	3,442,715	(1,114,665)	3,322,715	147,903
Compensated absences			18,002	18,758	(18,380)	18,380	18,380
Total component unit long-term debt			\$ 1,012,667	\$ 3,461,473	\$ (1,133,045)	\$ 3,341,095	\$ 166,283

General Obligation Bonds and Contracts

The Village issues general obligation 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 Village. County contractual agreements and installment purchase agreements are also general obligations of the Village.

Revenue Bonds

Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets and to pay debt service. Business-type activities utilize revenue bonds to finance the water and sewer system. The Village has pledged substantially all revenue of the Water Fund, net of operating expenses, to repay the 2001 and 2002 Water Supply Revenue Bonds. Proceeds from the bonds provided financing for the construction of the water supply system improvements. The bonds were paid in full during the year ended June 30, 2022.

Note 7 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Total interest expense for the year was approximately \$356,000. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2023	\$ 82,274	\$ 8,718	\$ 268,598	\$ 47,902	\$ 407,492
2024	84,372	6,620	272,287	42,603	405,882
2025	86,524	4,468	283,842	36,919	411,753
2026	88,731	2,262	287,531	30,713	409,237
2027	-	-	297,531	24,010	321,541
2028-2032	-	-	649,391	25,482	674,873
2033-2037	-	-	-	-	-
2038-2042	-	-	-	-	-
Total	\$ 341,901	\$ 22,068	\$ 2,059,180	\$ 207,629	\$ 2,630,778

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2023	\$ 627,000	\$ 243,959	\$ 52,083	\$ 5,665	\$ 928,707
2024	642,000	227,598	49,189	5,053	923,840
2025	657,000	211,069	63,657	4,370	936,096
2026	667,000	194,226	60,763	3,618	925,607
2027	692,000	177,009	60,763	2,884	932,656
2028-2032	3,395,000	618,468	208,334	3,704	4,225,506
2033-2037	3,010,000	211,894	-	-	3,221,894
2038-2042	153,155	1,914	-	-	155,069
Total	\$ 9,843,155	\$ 1,886,137	\$ 494,789	\$ 25,294	\$12,249,375

Years Ending June 30	Component Unit Activities		
	Other Debt		
	Principal	Interest	Total
2023	\$ 139,319	\$ 74,858	\$ 214,177
2024	138,523	70,940	209,463
2025	147,504	67,002	214,506
2026	151,705	62,895	214,600
2027	156,705	58,643	215,348
2028-2032	812,275	225,168	1,037,443
2033-2037	860,000	129,300	989,300
2038-2042	745,000	38,600	783,600
Total	\$ 3,151,031	\$ 727,406	\$ 3,878,437

Note 7 - Long-term Debt (Continued)

Current Bond Refunding

During the year, the Village issued \$855,000 in general obligation bonds with interest rates ranging from 4.05 to 4.50 percent. The net proceeds of these bonds (after payment of \$25,818 in underwriting fees, insurance, and other issuance costs) plus an additional \$13,743 million of General Fund moneys were used to immediately refund \$825,000 of outstanding 2010 Capital Improvement Bonds with interest rates ranging from 2.75 to 4.50 percent. As a result, the liability for the 2010 Capital Improvement Bonds has been removed from long-term debt. The refunding reduced total debt service payments over the next eight years by approximately \$102,869, which represents an economic gain of approximately \$95,706.

Revenue Pledged in Connection with Component Unit Debt

The Village has pledged as security for the limited tax general obligation bonds a portion of the Village's revenue. The bonds, issued by the DDA in 2022 in the amount of \$3,135,000 to provide funding for various capital projects, are payable through 2041. The Village has committed to appropriate each year, from the Village, amounts sufficient to cover the principal and interest requirements of the DDA's debt should the tax increment revenue of the DDA be insufficient for payment. The DDA has pledged tax increment revenue of the DDA as the primary security for the bonds and, as additional security for the bonds, has pledged the appropriations from the Village. Total principal and interest remaining on the debt is \$3,735,450, with annual requirements ranging from \$198,300 in 2023 to \$193,800 in the final year. The DDA tax increment revenue, from which the appropriations will be made, have averaged \$482,000 over the last three years. For the current year, the principal and interest paid by the DDA and the total tax increment revenue recognized by the DDA were \$165,628 and \$533,621, respectively.

Note 8 - Risk Management

The Village 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 Village participates in the Michigan Municipal League Risk pool for all claims.

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

Note 9 - Defined Benefit Pension Plan

Plan Description

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

Benefits Provided

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

The MERS of Michigan plan covers general employees, nonunion employees, and police employees who were hired prior to various plan closing dates.

Note 9 - Defined Benefit Pension Plan (Continued)

Retirement benefits for department head employees are calculated as 2.25 percent of the employee's final 5-year average salary times the employee's years of service. Normal retirement age is 60, with early retirement at 55 with 25 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are always the larger of the benefit computed as a contingent survivor beneficiary or 85 percent of accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Retirement benefits for police employees are calculated as 2.50 percent of the employee's final 5-year average salary times the employee's years of service. Normal retirement age is 60, with early retirement at 55 with 15 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are always the larger of the benefit computed as a contingent survivor beneficiary or 85 percent of accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Retirement benefits for nonunion employees are calculated as 2.00 percent of the employee's final 5-year average salary times the employee's years of service. Normal retirement age is 60, with early retirement at 55 with 15 years of service. The vesting period is 8 years. Employees are eligible for nonduty disability benefits after 8 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are always the larger of the benefit computed as a contingent survivor beneficiary or 85 percent of accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Retirement benefits for patrol dispatch and command after May 1, 2012 are calculated as 1.50 percent multiplier. Normal retirement age is 60, with early retirement at 55 with 25 years of service. The vesting period is 6 years. Employees are eligible for nonduty disability benefits after 6 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are always the larger of the benefit computed as a contingent survivor beneficiary or 85 percent of accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date limited to increases in the Consumer Price Index.

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

Employees Covered by Benefit Terms

At the December 31, 2021 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	25
Inactive plan members entitled to but not yet receiving benefits	12
Active plan members	20
Total employees covered by MERS of Michigan	57

Note 9 - Defined Benefit Pension Plan (Continued)

Contributions

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

For the measurement year ended December 31, 2021, the average active employee contribution rate was 11.2 percent of annual pay, and the Village's average contribution rate was 30.5 percent of annual payroll.

Net Pension Liability

The Village has chosen to use the December 31 measurement date as its measurement date for the net pension liability. The June 30, 2022 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2021 measurement date. The December 31, 2021 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2020	\$ 16,681,365	\$ 13,698,896	\$ 2,982,469
Changes for the year:			
Service cost	231,075	-	231,075
Interest	1,243,991	-	1,243,991
Differences between expected and actual experience	431,086	-	431,086
Changes in assumptions	773,684	-	773,684
Contributions - Employer	-	570,372	(570,372)
Contributions - Employee	-	209,223	(209,223)
Net investment income	-	1,860,219	(1,860,219)
Benefit payments, including refunds	(857,212)	(857,212)	-
Administrative expenses	-	(22,025)	22,025
Net changes	1,822,624	1,760,577	62,047
Balance at December 31, 2021	\$ 18,503,989	\$ 15,459,473	\$ 3,044,516

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

For the year ended June 30, 2022, the Village recognized pension expense of \$526,592.

June 30, 2022

Note 9 - Defined Benefit Pension Plan (Continued)

At June 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 287,391	\$ (230,476)
Changes in assumptions	926,255	-
Net difference between projected and actual earnings on pension plan investments	-	(1,119,368)
Employer contributions to the plan subsequent to the measurement date	242,116	-
Total	\$ 1,455,762	\$ (1,349,844)

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

Years Ending June 30	Amount
2023	\$ 341,455
2024	14,386
2025	(327,463)
2026	(164,576)
Total	\$ (136,198)

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases (including a percentage based on an age-related scale to reflect merit, longevity, and promotional pay increases) of 3 percent, an investment rate of return (net of investment expenses) of 7.25 percent, and the Pub-2010 mortality tables using scale MP-2019.

The actuarial assumptions used in the December 31, 2021 actuarial valuation date valuation were based on the results of an actuarial experience study for the period from December 31, 2014 through December 31, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

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

Note 9 - Defined Benefit Pension Plan (Continued)

Investment Rate of Return

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

The target allocation and best estimates of arithmetic real rates of return as of December 31, 2021, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

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

The following presents the net pension liability of the Village, calculated using the discount rate of 7.25 percent, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension liability of the Village	\$ 5,567,089	\$ 3,044,516	\$ 960,314

Pension Plan Fiduciary Net Position

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

Assumption Changes

Assumption changes are the result of the change in the interest rate assumption from 7.60 percent as of the December 31, 2020 measurement date to 7.25 percent as of the December 31, 2021 measurement date.

Note 10 - Defined Contribution Pension Plan

The Village provides pension benefits to nearly all of its nonunion and Department of Public Works employees through various defined contribution plans. The plans are named The Village of Milford, Michigan 107670, 107457, 106030, 110136, 110157, or 108649 and are administered by Mission Square. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the Village Council, the Village contributes 7 percent of nonunion employees' gross earnings, and nonunion employees contribute 3 percent of earnings. The Village also contributes a range of 7 percent to 12 percent of the Department of Public Works employees' gross earnings, and those employees who receive a 12 percent village contribution do not contribute to the plan. In accordance with these requirements, the Village contributed \$160,560 and employees contributed \$53,382 during the current year.

Note 11 - Other Postemployment Benefit Plan

Plan Description

The Village provides OPEB for all employees who meet eligibility requirements. The benefits are provided through the plan, a single-employer plan administered by the Village.

Management of the plan is vested in the Village Council.

Benefits Provided

The plan provides retiree health care benefits for all full-time employees upon retirement, in accordance with labor contracts. Currently, 18 retirees are eligible for a monthly stipend.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	June 30, 2022
Inactive plan members or beneficiaries currently receiving benefits	20
Active plan members	<u>28</u>
Total plan members	<u><u>48</u></u>

Contributions

The Village Council has the authority to establish and amend the contribution requirements of the Village and employees. The Village Council establishes contribution rates based on an actuarially determined rate per a funding valuation.

The collective bargaining agreements require the payment of a monthly stipend, which ranges from \$350 to \$625 per month for all participants. The Village has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a pay-as-you-go basis). For the fiscal year ended June 30, 2022, the Village made no payments for postemployment health benefit premiums, as payments totaling \$92,330 were paid out of the Other Postemployment Benefits Trust Fund.

Net OPEB Asset

The Village has chosen to use the June 30 measurement date as its measurement date for the net OPEB asset. The June 30, 2022 fiscal year end reported net OPEB asset was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2022 measurement date. The June 30, 2022 measurement date total OPEB liability was determined by an actuarial valuation performed as of that date.

Note 11 - Other Postemployment Benefit Plan (Continued)

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

Changes in Net OPEB Asset	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Asset
Balance at July 1, 2021	\$ 1,220,891	\$ 2,149,227	\$ (928,336)
Changes for the year:			
Service cost	7,599	-	7,599
Interest	91,335	-	91,335
Differences between expected and actual experience	469,483	-	469,483
Changes in assumptions	128,928	-	128,928
Net investment loss	-	(168,480)	168,480
Benefit payments, including refunds	(92,330)	(92,330)	-
Administrative expenses	-	(8,261)	8,261
Net changes	605,015	(269,071)	874,086
Balance at June 30, 2022	<u>\$ 1,825,906</u>	<u>\$ 1,880,156</u>	<u>\$ (54,250)</u>

The plan's fiduciary net position represents 103 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 June 30, 2022, the Village recognized OPEB expense of \$45,545.

At June 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 388,499	\$ (43,204)
Changes in assumptions	106,688	(151,537)
Net difference between projected and actual earnings on OPEB plan investments	99,170	-
Total	<u>\$ 594,357</u>	<u>\$ (194,741)</u>

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

Years Ending June 30	Amount
2023	\$ (2,361)
2024	90,420
2025	75,085
2026	144,877
2027	57,713
Thereafter	33,882
Total	<u>\$ 399,616</u>

Note 11 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using an assumed salary increase (including inflation) of 3.0 percent and an investment rate of return (net of investment expenses) of 7.0 percent, using the Pub-2010 mortality tables using scale MP-2019. The Village provides an HRA, which consists of a flat rate and is not expected to fluctuate. Therefore, the health care cost trend rate is assumed at 0 percent. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2022 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Village Council by a majority vote of its members.

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

The following presents the net OPEB liability (asset) of the Village, calculated using the discount rate of 7.00 percent, as well as what the Village's net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.00%)	Current Discount Rate (7.00%)	1 Percentage Point Increase (8.00%)
Net OPEB liability (asset) of the plan	\$ 144,304	\$ (54,250)	\$ (222,806)

Note 11 - Other Postemployment Benefit Plan (Continued)

OPEB Plan Fiduciary Net Position

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

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was (7.93) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Assumption Changes

Assumption changes are the result of a change in the investment rate of return from 7.75 percent to 7.00 percent.

Note 12 - Contingent Liabilities

Pursuant to a settlement agreement executed between the Village of Milford, Michigan; Milford Township; and CSX Transportation (the “railroad company”) and after discussions with the Michigan Department of Environmental Quality, the Village, Milford Township, and the railroad company jointly submitted a proposed response activity plan and administrative consent order in order to fully resolve their liability to the State of Michigan for a contaminated landfill site. The Village, Milford Township, and the railroad company agreed to share costs associated with the performance of response activities, including the extension of a municipal waterline to service residences located hydraulically downgradient of the landfill. The Village is responsible for 42.5 percent of the cost of remediation.

The extension to the waterline was completed as of June 30, 2010 and was funded by the Village’s 2009 Drinking Water Revolving Fund loan (see Note 7).

At this time, the response activity plan and administrative consent order have been submitted and fully approved by the MDEQ. The Village has recorded a contingent liability of \$200,000 in the government-wide statements. The Village calculated this liability using an expected cash flow technique.

Note 13 - Fund Balance of the Police Fund

As of June 30, 2022, the Police Fund has restricted fund balance of \$4,476,455. Of that amount, \$2,175,850 and \$1,777,074 has been earmarked for operating expenditures for the fiscal year 2022-2023 and for unfunded liabilities related to pensions, respectively.

At June 30, 2022, the Police Fund has fund balance totaling \$4,476,455. The components are as follows:

Restricted but earmarked:	
2023 operations	\$ 2,175,850
Unfunded pension liability	1,777,074
Discretionary police enforcement	<u>523,531</u>
Total	<u>\$ 4,476,455</u>

Note 14 - Leases

The Village leases certain assets to various third parties. The assets leased include a cell tower and land. Payments are generally fixed monthly.

During the year ended June 30, 2022, the Village recognized the following related to its lessor agreements:

Lease revenue	\$	26,512
Interest income related to its leases		13,805

Required Supplemental Information

Village of Milford, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 880,500	\$ 880,500	\$ 878,144	\$ (2,356)
Intergovernmental:				
Federal grants	15,500	1,450	1,428	(22)
State sources	638,400	741,750	764,640	22,890
Charges for services	49,600	148,600	174,072	25,472
Fines and forfeitures	3,750	7,400	7,891	491
Fees:				
Cable franchise fees	138,000	138,000	129,302	(8,698)
Licenses and permits	100,000	80,000	81,620	1,620
Investment income	19,500	16,000	17,992	1,992
Other revenue - Other miscellaneous income	86,800	182,100	142,856	(39,244)
Total revenue	1,932,050	2,195,800	2,197,945	2,145
Expenditures				
Current services:				
General government	790,120	874,040	780,200	93,840
Public safety	167,460	163,290	135,041	28,249
Public works	835,725	770,005	577,183	192,822
Debt service	29,465	29,465	29,335	130
Total expenditures	1,822,770	1,836,800	1,521,759	315,041
Excess of Revenue Over Expenditures	109,280	359,000	676,186	317,186
Other Financing (Uses) Sources				
Transfers out	(378,280)	(485,000)	(485,000)	-
Issuance of refunding bonds	-	-	224,180	224,180
Payment to bond refunding escrow agent	-	-	(216,315)	(216,315)
Total other financing uses	(378,280)	(485,000)	(477,135)	7,865
Net Change in Fund Balance	(269,000)	(126,000)	199,051	325,051
Fund Balance - Beginning of year	1,898,522	1,898,522	1,898,522	-
Fund Balance - End of year	<u>\$ 1,629,522</u>	<u>\$ 1,772,522</u>	<u>\$ 2,097,573</u>	<u>\$ 325,051</u>

Village of Milford, Michigan

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental:				
Federal grants	\$ -	\$ 5,600	\$ 8,901	\$ 3,301
State sources	25,000	25,000	77,357	52,357
Charges for services	4,056,500	4,058,300	4,044,303	(13,997)
Investment income	4,000	4,000	10,713	6,713
Other revenue	20,725	20,725	37,977	17,252
Total revenue	4,106,225	4,113,625	4,179,251	65,626
Expenditures - Current services - Public safety	4,105,225	4,112,625	3,965,939	146,686
Net Change in Fund Balance	1,000	1,000	213,312	212,312
Fund Balance - Beginning of year	4,263,143	4,263,143	4,263,143	-
Fund Balance - End of year	<u>\$ 4,264,143</u>	<u>\$ 4,264,143</u>	<u>\$ 4,476,455</u>	<u>\$ 212,312</u>

Village of Milford, Michigan

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds (Continued) Municipal Street Fund

Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Property taxes	\$ 786,000	\$ 786,000	\$ 784,577	\$ (1,423)
Intergovernmental	3,500	3,500	117,886	114,386
Investment income	7,000	7,000	8,330	1,330
Other revenue - Other miscellaneous income	4,900	4,900	4,272	(628)
Total revenue	801,400	801,400	915,065	113,665
Expenditures				
Current services - Public works	1,388,800	1,419,800	1,138,286	281,514
Debt service	290,050	290,050	290,014	36
Total expenditures	1,678,850	1,709,850	1,428,300	281,550
Excess of Expenditures Over Revenue	(877,450)	(908,450)	(513,235)	395,215
Other Financing Uses - Transfers out	(31,000)	-	-	-
Net Change in Fund Balance	(908,450)	(908,450)	(513,235)	395,215
Fund Balance - Beginning of year	1,738,129	1,738,129	1,738,129	-
Fund Balance - End of year	<u>\$ 829,679</u>	<u>\$ 829,679</u>	<u>\$ 1,224,894</u>	<u>\$ 395,215</u>

Village of Milford, Michigan

Required Supplemental Information Schedule of Village Pension Contributions

**Last Ten Fiscal Years
Years Ended June 30**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially required contribution	\$ 486,726	\$ 654,637	\$ 572,205	\$ 539,216	\$ 535,095	\$ 435,754	\$ 426,531	\$ 394,285	\$ 398,800	\$ 333,352
Contributions in relation to the actuarially determined contribution	486,726	654,637	572,205	539,216	535,095	435,754	626,531	748,478	798,800	435,252
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 354,193	\$ 400,000	\$ 101,900
Village's Covered Payroll	\$ 1,861,150	\$ 1,736,138	\$ 1,747,868	\$ 1,595,515	\$ 1,582,332	\$ 1,658,117	\$ 1,703,094	\$ 1,730,308	\$ 1,870,909	\$ 1,859,500
Contributions as a Percentage of Covered Payroll	26.15 %	37.71 %	32.74 %	33.80 %	33.82 %	26.28 %	36.79 %	43.26 %	42.70 %	23.41 %

Notes to Schedule of Village Pension Contributions

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	17 years
Asset valuation method	5-year smoothed
Inflation	2.5 percent
Salary increase	3.00 percent in the long term
Investment rate of return	7.60 percent - Net of investment expense, including inflation
Retirement age	60
Mortality	50 percent female/50 percent male RP-2014 Healthy Annuity Mortality Table (rates multiplied by 105 percent), RP-2014 Employee Mortality Table, and RP-2014 Juvenile Mortality Table. For disabled retirees, RP-2014 Disabled Retiree Mortality Table, 50 percent male and 50 percent female
Other information	None

Village of Milford, Michigan

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

Last Eight Fiscal Years

	2022 (Measurement Date 12/31/21)	2021 (Measurement Date 12/31/20)	2020 (Measurement Date 12/31/19)	2019 (Measurement Date 12/31/18)	2018 (Measurement Date 12/31/17)	2017 (Measurement Date 12/31/16)	2016 (Measurement Date 12/31/15)	2015 (Measurement Date 12/31/14)
Total Pension Liability								
Service cost	\$ 231,075	\$ 199,081	\$ 201,258	\$ 186,785	\$ 188,093	\$ 197,345	\$ 203,672	\$ 226,020
Interest	1,243,991	1,184,177	1,187,839	1,134,506	1,089,487	1,063,780	999,635	954,422
Differences between expected and actual experience	431,086	(308,422)	(305,061)	182,036	96,908	(183,062)	17,709	-
Changes in assumptions	773,684	562,218	517,427	-	-	-	634,338	-
Benefit payments, including refunds	(857,212)	(874,843)	(859,344)	(828,459)	(793,697)	(710,495)	(632,995)	(609,472)
Net Change in Total Pension Liability	1,822,624	762,211	742,119	674,868	580,791	367,568	1,222,359	570,970
Total Pension Liability - Beginning of year	16,681,365	15,919,154	15,177,035	14,502,167	13,921,376	13,553,808	12,331,449	11,760,479
Total Pension Liability - End of year	\$ 18,503,989	\$ 16,681,365	\$ 15,919,154	\$ 15,177,035	\$ 14,502,167	\$ 13,921,376	\$ 13,553,808	\$ 12,331,449
Plan Fiduciary Net Position								
Contributions - Employer	\$ 570,372	\$ 614,561	\$ 556,525	\$ 537,134	\$ 485,335	\$ 628,973	\$ 762,140	\$ 397,005
Contributions - Member	209,223	145,877	71,350	68,279	68,895	70,801	77,541	77,485
Net investment income (loss)	1,860,219	1,729,383	1,476,757	(452,762)	1,381,417	1,085,896	(153,810)	567,005
Administrative expenses	(22,025)	(24,461)	(25,442)	(22,474)	(21,873)	(21,390)	(21,013)	(20,841)
Benefit payments, including refunds	(857,212)	(874,843)	(859,344)	(828,459)	(793,697)	(710,495)	(632,995)	(609,472)
Net Change in Plan Fiduciary Net Position	1,760,577	1,590,517	1,219,846	(698,282)	1,120,077	1,053,785	31,863	411,182
Plan Fiduciary Net Position - Beginning of year	13,698,896	12,108,379	10,888,533	11,586,815	10,466,738	9,412,953	9,381,090	8,969,908
Plan Fiduciary Net Position - End of year	\$ 15,459,473	\$ 13,698,896	\$ 12,108,379	\$ 10,888,533	\$ 11,586,815	\$ 10,466,738	\$ 9,412,953	\$ 9,381,090
Village's Net Pension Liability - Ending	\$ 3,044,516	\$ 2,982,469	\$ 3,810,775	\$ 4,288,502	\$ 2,915,352	\$ 3,454,638	\$ 4,140,855	\$ 2,950,359
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	83.55 %	82.12 %	76.06 %	71.74 %	79.90 %	75.18 %	69.45 %	76.07 %
Covered Payroll	\$ 1,871,368	\$ 1,730,028	\$ 1,740,023	\$ 1,595,515	\$ 1,582,332	\$ 1,658,117	\$ 1,703,094	\$ 1,730,308
Village's Net Pension Liability as a Percentage of Covered Payroll	162.69 %	172.39 %	219.01 %	268.78 %	184.24 %	208.35 %	243.14 %	170.51 %

*Schedule is being built prospectively from adoption of GASB 68.

Village of Milford, Michigan

Required Supplemental Information Schedule of Village OPEB Contributions

**Last Ten Fiscal Years
Years Ended June 30**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 2,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,652	\$ 93,933	\$ 110,411	\$ 113,940
Contributions in relation to the actuarially determined contribution	-	87,051	77,753	73,825	65,596	55,550	370,600	294,360	217,600	201,050
Contribution (Deficiency) Excess	\$ (2,770)	\$ 87,051	\$ 77,753	\$ 73,825	\$ 65,596	\$ 55,550	\$ 258,948	\$ 200,427	\$ 107,189	\$ 87,110

Notes to Schedule of Village OPEB Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	14.1 years, closed
Asset valuation method	Fair market value
Inflation	NA
Salary increase	3.0 percent
Investment rate of return	7.75 percent
Retirement age	70
Mortality	Pub-2010 mortality table, then scaled using MP-2020, applied on a gender-specific basis by job categories: Teacher and General

Village of Milford, Michigan

Required Supplemental Information

Schedule of Changes in the Village Net OPEB Asset and Related Ratios

	Last Five Fiscal Years				
	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 7,599	\$ 7,795	\$ 6,871	\$ 9,165	\$ 9,165
Interest	91,335	92,410	90,910	97,099	94,812
Differences between expected and actual experience	469,483	(44,177)	-	(9,178)	-
Changes in assumptions	128,928	(41,097)	(70,980)	(109,556)	-
Benefit payments, including refunds	(92,330)	(87,051)	(77,753)	(73,825)	(65,596)
Net Change in Total OPEB Liability	605,015	(72,120)	(50,952)	(86,295)	38,381
Total OPEB Liability - Beginning of year	1,220,891	1,293,011	1,343,963	1,430,258	1,391,877
Total OPEB Liability - End of year	\$ 1,825,906	\$ 1,220,891	\$ 1,293,011	\$ 1,343,963	\$ 1,430,258
Plan Fiduciary Net Position					
Contributions - Employer	\$ -	\$ 87,051	\$ 77,753	\$ 73,825	\$ 65,596
Net investment (loss) income	(168,480)	472,338	38,370	47,165	115,895
Administrative expenses	(8,261)	(3,474)	(3,010)	(3,136)	(3,900)
Benefit payments, including refunds	(92,330)	(87,051)	(77,753)	(73,825)	(65,596)
Net Change in Plan Fiduciary Net Position	(269,071)	468,864	35,360	44,029	111,995
Plan Fiduciary Net Position - Beginning of year	2,149,227	1,680,363	1,645,003	1,600,974	1,488,979
Plan Fiduciary Net Position - End of year	\$ 1,880,156	\$ 2,149,227	\$ 1,680,363	\$ 1,645,003	\$ 1,600,974
Net OPEB Asset - Ending	\$ (54,250)	\$ (928,336)	\$ (387,352)	\$ (301,040)	\$ (170,716)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	102.97 %	176.04 %	129.96 %	122.40 %	111.94 %
Covered-employee Payroll	\$ 2,399,272	\$ 2,135,943	\$ 2,413,000	\$ 2,331,220	\$ 2,901,000
Net OPEB Asset as a Percentage of Covered-employee Payroll	(2.26)%	(43.46)%	(16.05)%	(12.91)%	(5.88)%

*Schedule is being built prospectively from adoption of GASB 75.

Village of Milford, Michigan

Required Supplemental Information Schedule of OPEB Investment Returns

	Last Three Fiscal Years		
	Year Ended June 30		
	2022	2021	2020
Annual money-weighted rate of return, net of investment expense	(7.93)%	27.90 %	2.15 %

This schedule is intended to show information for 10 years. The first year of implementation of GASB 74 was for the year ended June 30, 2020, and additional years' information will be reported as it becomes available.

Budgetary Information

The annual budgets are prepared by the village manager and adopted by the Village Council; subsequent amendments are approved by the Village Council. Unexpected appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at June 30, 2021 has not been calculated. During the current year, the budget was amended in a legally permissible manner.

The budgets for the General Fund and special revenue funds have been prepared in accordance with accounting principles generally accepted in the United States of America.

The budgets have been adopted on a fund-level basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations to the budgets of the General Fund, Police Fund, and Municipal Street Fund, at the activity level, is included in the required supplemental information of the basic financial statements. The budget comparison shown for the General Fund, Police Fund, and Municipal Street Fund is more detailed than the General Appropriations Act. Information in this schedule is presented for the purpose of additional analysis. A comparison of the actual results of operations to the nonmajor special revenue funds budgets, as adopted by the Village Council, is available at the village offices for inspection.

A reconciliation of the budgetary comparison schedules to the fund-based statement of revenue, expenditures, and changes in fund balances is below. This reconciliation illustrates the effects of GASB Statement No. 54 on the General Fund, as funds that were previously considered to be special revenue funds are now included in the General Fund on the fund-based statements.

	Total Revenue	Total Expenditures	Transfers Out
Amounts per operating statement	\$ 2,297,008	\$ 1,556,996	\$ 485,000
Parking Fund	(58,690)	(33,305)	-
Retiree Health Care Fund	(99)	(1,932)	-
Amounts per budget statement	<u>\$ 2,238,219</u>	<u>\$ 1,521,759</u>	<u>\$ 485,000</u>

Excess of expenditures over appropriations in budgeted funds - During the year, the Village of Milford, Michigan incurred expenditures that were in excess of the amounts budgeted, as follows:

	Budget	Actual	Variance
General Fund - Payment to bond refunding escrow agent	\$ -	\$ 216,315	\$ (216,315)

Pension Information - Changes in Assumptions

Assumption changes in 2022 (December 31, 2021 measurement date) are the result of the change in the investment rate of return assumption from 7.60 percent to 7.25 percent.

Assumption changes in 2021 (December 31, 2020 measurement date) are the result of the change in mortality tables from the RP-2014 mortality tables to the Pub-2010 mortality tables.

Assumption changes in 2020 (December 31, 2019 measurement date) are the result of a reduction in the investment rate of return assumption from 7.75 percent to 7.35 percent and a change in the assumed rate of wage inflation from 3.75 percent to 3.00 percent.

Assumption changes in 2016 (December 31, 2015 measurement date) are the result of the investment rate of return assumption reduced from 8.25 percent to 8.0 percent.

OPEB Information - Changes in Assumptions

Assumption changes in 2022 are the result of a change in the investment rate of return from 7.75 percent to 7.00 percent.

June 30, 2022

Assumption changes in 2021 are the result of a change in the investment rate of return from 7.35 percent to 7.75 percent, a change in the mortality assumption from the RP-2014 mortality table to the Pub-2010 mortality table, and a change in the assumed salary increases from 3.5 percent to 3.0 percent.

Assumption changes in 2020 are the result of a change in the discount rate from 7.35 percent to 7.75 percent.

Assumption changes in 2019 are the result of updating the mortality improvement scale from MP-2016 to MP-2018 and a change in the salary scale assumption from 2.0 percent to 3.5 percent.

Other Supplemental Information

Village of Milford, Michigan

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2022

	Special Revenue Funds					Capital Project Fund	Total
	Major Streets	Local Streets	Drug Law Enforcement	Senior Van	Refuse	Sidewalk	
Assets							
Cash and investments	\$ 565,173	\$ 498,963	\$ 3,727	\$ 22,403	\$ 371,541	\$ 86,464	\$ 1,548,271
Receivables:							
Customer	-	-	-	-	-	750	750
Accrued interest	258	202	-	-	189	-	649
Due from other governments	81,604	32,858	-	-	-	-	114,462
Prepaid expenses and other assets	16,317	16,317	-	-	-	-	32,634
Total assets	\$ 663,352	\$ 548,340	\$ 3,727	\$ 22,403	\$ 371,730	\$ 87,214	\$ 1,696,766
Liabilities							
Accounts payable	\$ 52,095	\$ 15,776	\$ -	\$ -	\$ 92	\$ -	\$ 67,963
Accrued liabilities and other	2,913	11,739	-	-	1,555	-	16,207
Total liabilities	55,008	27,515	-	-	1,647	-	84,170
Fund Balances							
Nonspendable	16,317	16,317	-	-	-	-	32,634
Restricted:							
Roads	592,027	504,508	-	-	-	-	1,096,535
Drug law enforcement	-	-	3,727	-	-	-	3,727
Senior van	-	-	-	22,403	-	-	22,403
Refuse	-	-	-	-	370,083	-	370,083
Assigned - Capital projects	-	-	-	-	-	87,214	87,214
Total fund balances	608,344	520,825	3,727	22,403	370,083	87,214	1,612,596
Total liabilities and fund balances	\$ 663,352	\$ 548,340	\$ 3,727	\$ 22,403	\$ 371,730	\$ 87,214	\$ 1,696,766

Village of Milford, Michigan

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

Year Ended June 30, 2022

	Special Revenue Funds					Capital Project Fund	Total
	Major Streets	Local Streets	Drug Law Enforcement	Senior Van	Refuse	Sidewalk	
Revenue							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 523,802	\$ -	\$ 523,802
Intergovernmental - State sources - State-shared revenue	523,187	235,161	-	-	2,896	-	761,244
Investment income	1,383	1,028	-	-	2,732	-	5,143
Other revenue - Other miscellaneous income	608	1,823	-	-	2,853	-	5,284
Total revenue	525,178	238,012	-	-	532,283	-	1,295,473
Expenditures - Current services - Public works	292,929	502,370	-	-	520,806	-	1,316,105
Excess of Revenue Over (Under) Expenditures	232,249	(264,358)	-	-	11,477	-	(20,632)
Other Financing Sources (Uses)							
Transfers in	-	330,000	-	-	-	25,000	355,000
Transfers out	(190,000)	-	-	-	-	-	(190,000)
Total other financing (uses) sources	(190,000)	330,000	-	-	-	25,000	165,000
Net Change in Fund Balances	42,249	65,642	-	-	11,477	25,000	144,368
Fund Balances - Beginning of year	566,095	455,183	3,727	22,403	358,606	62,214	1,468,228
Fund Balances - End of year	<u>\$ 608,344</u>	<u>\$ 520,825</u>	<u>\$ 3,727</u>	<u>\$ 22,403</u>	<u>\$ 370,083</u>	<u>\$ 87,214</u>	<u>\$ 1,612,596</u>