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# Village of Milford, Michigan

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**Financial Report  
with Supplemental Information  
June 30, 2021**

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## **Independent Auditor's Report**

To the Village Council  
Village of Milford, Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Milford, Michigan (the "Village") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Village of Milford, Michigan's basic financial statements, as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Milford, Michigan as of June 30, 2021 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Village Council  
Village of Milford, Michigan

**Other Matters**

*Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

*Other Supplemental Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Milford, Michigan'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.

The other supplemental 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. Such 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*

November 24, 2021

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, 2021. 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	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and other assets	\$ 11,072,691	\$ 9,965,001	\$ 4,347,380	\$ 4,528,727	\$ 15,420,071	\$ 14,493,728
Capital assets	12,271,906	12,064,775	20,369,010	20,040,810	32,640,916	32,105,585
Total assets	23,344,597	22,029,776	24,716,390	24,569,537	48,060,987	46,599,313
<b>Deferred Outflows of Resources</b>	970,635	799,144	152,937	125,882	1,123,572	925,026
<b>Liabilities</b>						
Current liabilities	310,817	483,522	189,628	157,101	500,445	640,623
Noncurrent liabilities	5,604,793	6,587,153	10,314,982	11,150,653	15,919,775	17,737,806
Total liabilities	5,915,610	7,070,675	10,504,610	11,307,754	16,420,220	18,378,429
<b>Deferred Inflows of Resources</b>	1,302,531	332,492	166,226	54,927	1,468,757	387,419
<b>Net Position</b>						
Net investment in capital assets	9,961,004	11,010,901	10,455,366	9,383,763	20,416,370	20,394,664
Restricted	7,581,470	7,067,966	-	-	7,581,470	7,067,966
Unrestricted	(445,383)	(2,653,114)	3,743,125	3,948,975	3,297,742	1,295,861
Total net position	<b>\$ 17,097,091</b>	<b>\$ 15,425,753</b>	<b>\$ 14,198,491</b>	<b>\$ 13,332,738</b>	<b>\$ 31,295,582</b>	<b>\$ 28,758,491</b>

## 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	
	2021	2020	2021	2020	2021	2020
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 4,217,664	\$ 4,223,047	\$ 3,291,058	\$ 3,295,402	\$ 7,508,722	\$ 7,518,449
Operating grants and contributions	495,963	83,670	28,522	-	524,485	83,670
Capital grants and contributions	145,079	411,233	158,465	178,310	303,544	589,543
General revenue:						
Property taxes	2,166,442	2,096,367	-	-	2,166,442	2,096,367
State-shared revenue	1,406,912	1,253,713	-	-	1,406,912	1,253,713
Unrestricted investment earnings	55,037	194,622	17,180	65,924	72,217	260,546
Other revenue:						
Franchise fees	131,828	127,355	-	-	131,828	127,355
Gain on sale of capital assets	(40,804)	1,081	1,600	3,317	(39,204)	4,398
Other miscellaneous income	186,723	178,018	-	-	186,723	178,018
<b>Total revenue</b>	<b>8,764,844</b>	<b>8,569,106</b>	<b>3,496,825</b>	<b>3,542,953</b>	<b>12,261,669</b>	<b>12,112,059</b>
<b>Expenses</b>						
General government	452,541	736,924	-	-	452,541	736,924
Public safety	3,752,081	3,824,796	-	-	3,752,081	3,824,796
Public works	2,761,644	2,594,160	-	-	2,761,644	2,594,160
Community and economic development	47,476	39,378	-	-	47,476	39,378
Debt service	79,764	56,711	-	-	79,764	56,711
Water and sewer	-	-	2,631,072	2,599,708	2,631,072	2,599,708
<b>Total expenses</b>	<b>7,093,506</b>	<b>7,251,969</b>	<b>2,631,072</b>	<b>2,599,708</b>	<b>9,724,578</b>	<b>9,851,677</b>
<b>Change in Net Position</b>	<b>1,671,338</b>	<b>1,317,137</b>	<b>865,753</b>	<b>943,245</b>	<b>2,537,091</b>	<b>2,260,382</b>
<b>Net Position - Beginning of year</b>	<b>15,425,753</b>	<b>14,108,616</b>	<b>13,332,738</b>	<b>12,389,493</b>	<b>28,758,491</b>	<b>26,498,109</b>
<b>Net Position - End of year</b>	<b>\$ 17,097,091</b>	<b>\$ 15,425,753</b>	<b>\$ 14,198,491</b>	<b>\$ 13,332,738</b>	<b>\$ 31,295,582</b>	<b>\$ 28,758,491</b>

#### 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 2020-2021 include the General Fund, the Municipal Street Fund, and the Police Fund.

In 2021, the General Fund recognized an increase in revenue of approximately \$81,000. Property taxes recognized a modest increase, and, even though state-shared revenue was forecasted to decrease, it went up by 13 percent. Oakland County provided \$97,900 in funding due to COVID-19 to offset expenditures that were not budgeted. Fees associated with building and planning were down 30 percent, mostly at the beginning of the fiscal year, but started ramping up once restrictions for COVID-19 began to ease. Investment income was down as well, going from approximately \$53,000 in 2020 to approximately \$21,000 in 2021. Rates for certificates of deposit, which had been paying 2.1 percent before the pandemic, are now paying 0.15 percent.

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 expedite and fund road improvements, with a large portion dedicated to paving Peters Road. The project, which was budgeted for \$1.5 million, was done for a cost of \$1.265 million, a savings of \$235,000. The Huron Street Reconstruction and Water Main Improvements Project began in fiscal year 2020-2021 and is expected to be completed in the spring of 2022. The project, which will repave Huron Street, will also upgrade the water main and allow for a mill and overlay of the surrounding streets; the total cost is \$1.6 million.

The Police Fund recognized a 7 percent increase in revenue from the prior fiscal year. The original budget was approximately \$4,059,000 and came in at approximately \$4,237,000. While court fees and other fees were less than budgeted, the funding from COVID-19 made a significant difference. Oakland County, Michigan provided \$14,200 toward expenses, such as PPE equipment and the disinfection of the building and patrol cars. The State of Michigan disbursed \$20,000 for the First Responder Hazard Pay Premiums and \$197,000 for the Public Safety and Public Health Payroll Reimbursement programs. Both programs were funded by the CARES Act. Capital purchases consisted of four vehicles and computer equipment, for a total cost of \$178,000. The fund paid out \$50,000 in retiree health care benefits and is 77 percent funded toward its pension obligations.

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

During FY 2020-2021, the Village added over \$2.5 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 \$33,398,453. Total outstanding debt for the Village (including component units) is \$13,219,211. The legal debt limit is 10 percent of our state equalized value (SEV). The Village's current level is 3.3 percent.

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

The Village's taxable value for FY 2021-2022 is \$315.5 million, an increase of 4.1 percent from last year. This generates \$2,436,165 in revenue. The TIF captures approximately \$244,000, which nets the total tax revenue to approximately \$2,192,000. Millage rates are again rolled back for the 2021-2022 fiscal year, going from 7.9342 mills to 7.7216 mills. The levies are as follows: general operating 3.1009 mills, refuse 1.8500 mills, and streets 2.7707 mills. The Downtown Development Authority levies an additional 1.6578 mills in its district, unchanged from FY 2020-2021.

Effective July 1, 2021, base rates for water and wastewater have decreased by \$3.50 per quarter, while the per thousand rate has increased \$1.48. The water system has four 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.

The impact from COVID-19 is far from behind us, but, economically speaking, the Village has made it through unscathed. The General Fund has received approximately \$97,000 in revenue from the State of Michigan and Oakland County, Michigan. Other funds, including the Police, Downtown Development Authority (component unit), Water, and Sewer Funds, received \$277,750 in revenue. The funding, provided by the Coronavirus Relief Fund, represents reimbursement for PPE expenditures, public safety and public health salaries, and economic assistance. An application was submitted to FEMA in April 2019, and payment of \$7,000 was just received. As of yet, a single audit, which is required when more than \$750,000 in federal funds has been expended, has not been needed. However, due to additional ARPA funds that will be available through the State and the federal government for infrastructure, a single audit will probably be necessary in the next few years.

#### ***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, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents (Note 3)	\$ 9,567,765	\$ 3,329,016	\$ 12,896,781	\$ 1,009,487
Receivables:				
Customer	52,530	964,698	1,017,228	-
Accrued interest	3,315	1,275	4,590	606
Other	105,525	-	105,525	90,238
Due from other governments	336,148	-	336,148	-
Capital lease	46,275	-	46,275	-
Prepaid expenses and other assets	83,742	1,446	85,188	-
Restricted cash	-	-	-	464,873
Net other postemployment benefit asset (Note 11)	877,391	50,945	928,336	-
Capital assets: (Note 4)				
Assets not subject to depreciation	601,481	-	601,481	606,263
Assets subject to depreciation	11,670,425	20,369,010	32,039,435	151,274
<b>Total assets</b>	<b>23,344,597</b>	<b>24,716,390</b>	<b>48,060,987</b>	<b>2,322,741</b>
<b>Deferred Outflows of Resources</b>				
Deferred pension costs (Note 9)	902,708	148,941	1,051,649	-
Deferred OPEB costs (Note 11)	67,927	3,996	71,923	-
<b>Total deferred outflows of resources</b>	<b>970,635</b>	<b>152,937</b>	<b>1,123,572</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable	130,470	84,295	214,765	40,755
Deposits	52,175	13,301	65,476	-
Accrued liabilities and other	127,892	92,032	219,924	11,140
Unearned revenue	280	-	280	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 7)	280,414	37,740	318,154	18,002
Current portion of installment payments to MDEQ (Note 6)	-	-	-	18,571
Current portion of long-term debt (Note 7)	259,500	763,500	1,023,000	135,451
Due in more than one year:				
Compensated absences (Note 7)	194,606	-	194,606	-
Installment payments to MDEQ (Note 6)	-	-	-	55,716
Landfill closure and postclosure	200,000	-	200,000	-
Long-term debt (Note 7)	2,051,402	9,150,144	11,201,546	859,214
Net pension liability (Note 9)	2,618,871	363,598	2,982,469	-
<b>Total liabilities</b>	<b>5,915,610</b>	<b>10,504,610</b>	<b>16,420,220</b>	<b>1,138,849</b>
<b>Deferred Inflows of Resources</b>				
Deferred pension cost reductions (Note 9)	829,282	138,628	967,910	-
Deferred OPEB cost reductions (Note 11)	473,249	27,598	500,847	-
<b>Total deferred inflows of resources</b>	<b>1,302,531</b>	<b>166,226</b>	<b>1,468,757</b>	<b>-</b>
<b>Net Position</b>				
Net investment in capital assets	9,961,004	10,455,366	20,416,370	227,745
Restricted:				
Streets and highways	2,854,407	-	2,854,407	-
Police operations	4,263,143	-	4,263,143	-
Drug law enforcement	3,727	-	3,727	-
PEG fees	79,184	-	79,184	-
Transportation - Senior van	22,403	-	22,403	-
Refuse	358,606	-	358,606	-
Unrestricted	(445,383)	3,743,125	3,297,742	956,147
<b>Total net position</b>	<b>\$ 17,097,091</b>	<b>\$ 14,198,491</b>	<b>\$ 31,295,582</b>	<b>\$ 1,183,892</b>



## Village of Milford, Michigan

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 452,541	\$ 106,902	\$ 97,964	\$ -
Public safety	3,752,081	4,050,039	239,516	-
Public works	2,761,644	-	-	145,079
Community and economic development	47,476	60,723	28,892	-
Recreation and culture	-	-	129,591	-
Interest on long-term debt	79,764	-	-	-
Total governmental activities	7,093,506	4,217,664	495,963	145,079
Business-type activities:				
Enterprise Fund - Water	833,106	1,169,465	7,978	10,165
Enterprise Fund - Sewer	1,797,966	2,121,593	20,544	148,300
Total business-type activities	2,631,072	3,291,058	28,522	158,465
Total primary government	<b>\$ 9,724,578</b>	<b>\$ 7,508,722</b>	<b>\$ 524,485</b>	<b>\$ 303,544</b>
Component units:				
Downtown Development Authority	\$ 394,364	\$ -	\$ 16,888	\$ -
Brownfield Redevelopment Authority	1,330	-	-	-
Total component units	<b>\$ 395,694</b>	<b>\$ -</b>	<b>\$ 16,888</b>	<b>\$ -</b>
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
(Loss) gain on sale of capital assets				
Other miscellaneous income				
Total general revenue				
<b>Change in Net Position</b>				
<b>Net Position - Beginning of year</b>				
<b>Net Position - End of year</b>				

## Statement of Activities

Year Ended June 30, 2021

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (247,675)	\$ -	\$ (247,675)	\$ -
537,474	-	537,474	-
(2,616,565)	-	(2,616,565)	-
42,139	-	42,139	-
129,591	-	129,591	-
(79,764)	-	(79,764)	-
(2,234,800)	-	(2,234,800)	-
-	354,502	354,502	-
-	492,471	492,471	-
-	846,973	846,973	-
(2,234,800)	846,973	(1,387,827)	-
-	-	-	(377,476)
-	-	-	(1,330)
-	-	-	(378,806)
2,166,442	-	2,166,442	534,960
1,406,912	-	1,406,912	5,792
55,037	17,180	72,217	7,922
131,828	-	131,828	-
(40,804)	1,600	(39,204)	(39,699)
186,723	-	186,723	3,719
3,906,138	18,780	3,924,918	512,694
1,671,338	865,753	2,537,091	133,888
15,425,753	13,332,738	28,758,491	1,050,004
<b>\$ 17,097,091</b>	<b>\$ 14,198,491</b>	<b>\$ 31,295,582</b>	<b>\$ 1,183,892</b>

# Village of Milford, Michigan

## Governmental Funds Balance Sheet

June 30, 2021

	General Fund	Police Fund	Municipal Street Fund	Nonmajor Governmental Funds	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 2,190,381	\$ 4,404,853	\$ 1,634,759	\$ 1,337,772	\$ 9,567,765
Receivables:					
Capital lease	46,275	-	-	-	46,275
Customer	47,942	-	-	4,588	52,530
Accrued interest	898	1,857	55	505	3,315
Other	6,239	4,286	95,000	-	105,525
Due from other governments	120,505	-	105,149	110,494	336,148
Prepaid expenses and other assets	51,107	-	-	32,635	83,742
<b>Total assets</b>	<b>\$ 2,463,347</b>	<b>\$ 4,410,996</b>	<b>\$ 1,834,963</b>	<b>\$ 1,485,994</b>	<b>\$ 10,195,300</b>
<b>Liabilities</b>					
Accounts payable	\$ 50,091	\$ 68,335	\$ 1,834	\$ 10,210	\$ 130,470
Deposits	52,175	-	-	-	52,175
Accrued liabilities and other	28,283	79,518	-	7,556	115,357
Unearned revenue	280	-	-	-	280
<b>Total liabilities</b>	<b>130,829</b>	<b>147,853</b>	<b>1,834</b>	<b>17,766</b>	<b>298,282</b>
<b>Deferred Inflows of Resources -</b>					
Unavailable revenue	46,275	-	95,000	-	141,275
<b>Total liabilities and deferred inflows of resources</b>	<b>177,104</b>	<b>147,853</b>	<b>96,834</b>	<b>17,766</b>	<b>439,557</b>
<b>Fund Balances</b>					
Nonspendable - Prepays	51,107	-	-	32,635	83,742
Restricted:					
Roads	-	-	1,738,129	988,643	2,726,772
Police	-	4,263,143	-	-	4,263,143
Drug law enforcement	-	-	-	3,727	3,727
PEG fees	79,184	-	-	-	79,184
Senior van	-	-	-	22,403	22,403
Refuse	-	-	-	358,606	358,606
Assigned:					
Retiree health care	60,859	-	-	-	60,859
Parking	326,862	-	-	-	326,862
Capital projects	-	-	-	62,214	62,214
Unassigned	1,768,231	-	-	-	1,768,231
<b>Total fund balances</b>	<b>2,286,243</b>	<b>4,263,143</b>	<b>1,738,129</b>	<b>1,468,228</b>	<b>9,755,743</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,463,347</b>	<b>\$ 4,410,996</b>	<b>\$ 1,834,963</b>	<b>\$ 1,485,994</b>	<b>\$ 10,195,300</b>

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2021

<b>Fund Balances Reported in Governmental Funds</b>	\$ 9,755,743
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	12,271,906
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	141,275
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(2,310,902)
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	(475,020)
Pension benefits	(2,618,871)
Retiree health care benefits	877,391
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	(331,896)
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)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 17,097,091</u></b>

# Village of Milford, Michigan

## Governmental Funds

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

**Year Ended June 30, 2021**

	General Fund	Police Fund	Municipal Street Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenue</b>					
Property taxes	\$ 860,166	\$ -	\$ 768,416	\$ 537,860	\$ 2,166,442
Special assessments	28,892	-	-	-	28,892
Intergovernmental:					
Federal grants	97,964	231,688	-	-	329,652
State sources	667,125	35,208	4,228	700,351	1,406,912
Local grants and contributions	-	-	43,745	-	43,745
Charges for services	125,212	3,938,810	-	41,382	4,105,404
Fines and forfeitures	4,782	-	-	-	4,782
Fees:					
Cable franchise fees	131,828	-	-	-	131,828
Licenses and permits	100,009	-	-	-	100,009
Investment income	20,846	8,820	18,212	7,159	55,037
Other revenue - Other miscellaneous income	273,816	22,891	4,300	5,389	306,396
Total revenue	<u>2,310,640</u>	<u>4,237,417</u>	<u>838,901</u>	<u>1,292,141</u>	<u>8,679,099</u>
<b>Expenditures</b>					
Current services:					
General government	730,086	-	-	-	730,086
Public safety	146,971	3,858,851	-	-	4,005,822
Public works	1,039,734	-	746,991	1,023,686	2,810,411
Community and economic development	35,794	-	-	-	35,794
Capital outlay	-	18,537	-	-	18,537
Debt service:					
Principal	50,933	-	235,000	-	285,933
Interest on long-term debt	12,391	-	67,373	-	79,764
Total expenditures	<u>2,015,909</u>	<u>3,877,388</u>	<u>1,049,364</u>	<u>1,023,686</u>	<u>7,966,347</u>
<b>Excess of Revenue Over (Under) Expenditures</b>	294,731	360,029	(210,463)	268,455	712,752
<b>Other Financing Sources (Uses)</b>					
Transfers in (Note 5)	-	-	-	180,200	180,200
Transfers out (Note 5)	(25,000)	-	(60,200)	(95,000)	(180,200)
Total other financing (uses) sources	<u>(25,000)</u>	<u>-</u>	<u>(60,200)</u>	<u>85,200</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	269,731	360,029	(270,663)	353,655	712,752
<b>Fund Balances - Beginning of year</b>	<u>2,016,512</u>	<u>3,903,114</u>	<u>2,008,792</u>	<u>1,114,573</u>	<u>9,042,991</u>
<b>Fund Balances - End of year</b>	<u><u>\$ 2,286,243</u></u>	<u><u>\$ 4,263,143</u></u>	<u><u>\$ 1,738,129</u></u>	<u><u>\$ 1,468,228</u></u>	<u><u>\$ 9,755,743</u></u>

## 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, 2021

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	<b>\$ 712,752</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	1,215,362
Depreciation expense	(1,013,890)
Loss on disposal of capital assets	(77,936)
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	62,347
Capital contributions that do not provide current financial resources are not reported as revenue in the funds	83,595
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	285,933
Compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(30,325)
Change in net pension liability	726,752
Change in net other postemployment benefit asset	505,296
Deferred inflows related to pension and OPEB are recorded when incurred in the statement of activities	(970,039)
Deferred outflows related to pension and OPEB are recorded when incurred in the statement of activities	171,491
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 1,671,338</u></b>

# Village of Milford, Michigan

## Proprietary Funds Statement of Net Position

June 30, 2021

	Enterprise Fund - Sewer	Enterprise Fund - Water	Total Enterprise Funds
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 2,139,548	\$ 1,189,468	\$ 3,329,016
Receivables from sales to customers on account	625,170	340,803	965,973
Prepaid expenses and other assets	1,446	-	1,446
Total current assets	2,766,164	1,530,271	4,296,435
Noncurrent assets:			
Net other postemployment benefit asset (Note 11)	25,466	25,479	50,945
Capital assets - Assets subject to depreciation (Note 4)	13,965,426	6,403,584	20,369,010
Total noncurrent assets	13,990,892	6,429,063	20,419,955
Total assets	16,757,056	7,959,334	24,716,390
<b>Deferred Outflows of Resources</b>			
Deferred pension costs (Note 9)	113,528	35,413	148,941
Deferred OPEB costs (Note 11)	1,998	1,998	3,996
Total deferred outflows of resources	115,526	37,411	152,937
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	61,575	22,720	84,295
Deposits	2,051	11,250	13,301
Accrued liabilities and other	75,571	16,461	92,032
Compensated absences (Note 7)	11,907	25,833	37,740
Current portion of long-term debt (Note 7)	434,504	328,996	763,500
Total current liabilities	585,608	405,260	990,868
Noncurrent liabilities:			
Net pension liability (Note 9)	290,867	72,731	363,598
Long-term debt (Note 7)	8,351,560	798,584	9,150,144
Total noncurrent liabilities	8,642,427	871,315	9,513,742
Total liabilities	9,228,035	1,276,575	10,504,610
<b>Deferred Inflows of Resources</b>			
Deferred pension cost reductions (Note 9)	105,254	33,374	138,628
Deferred OPEB cost reductions (Note 11)	13,797	13,801	27,598
Total deferred inflows of resources	119,051	47,175	166,226
<b>Net Position</b>			
Net investment in capital assets	5,179,362	5,276,004	10,455,366
Unrestricted	2,346,134	1,396,991	3,743,125
Total net position	<u>\$ 7,525,496</u>	<u>\$ 6,672,995</u>	<u>\$ 14,198,491</u>

## Village of Milford, Michigan

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

**Year Ended June 30, 2021**

	Enterprise Fund - Sewer	Enterprise Fund - Water	Total Enterprise Funds
<b>Operating Revenue</b>			
Water and sewer billings	\$ 1,360,943	\$ 791,599	\$ 2,152,542
Miscellaneous	57,281	941	58,222
Total operating revenue	1,418,224	792,540	2,210,764
<b>Operating Expenses</b>			
Salaries and wages	386,652	181,318	567,970
Benefits	169,221	70,565	239,786
Operating supplies	77,800	19,904	97,704
Utilities	107,875	70,503	178,378
Equipment rental	12,570	12,218	24,788
Contracted services	82,800	41,419	124,219
Maintenance	90,814	29,074	119,888
Insurance	19,500	26,834	46,334
Data processing	6,838	2,500	9,338
Miscellaneous	6,683	30,576	37,259
Depreciation	605,595	310,362	915,957
Total operating expenses	1,566,348	795,273	2,361,621
<b>Operating Loss</b>	(148,124)	(2,733)	(150,857)
<b>Nonoperating Revenue (Expense)</b>			
Investment income	12,759	4,421	17,180
Interest expense	(231,618)	(37,833)	(269,451)
Gain on sale of assets	1,600	-	1,600
Connection fees	22,586	17,682	40,268
Water and sewer debt charges	680,783	359,243	1,040,026
Federal grants	20,544	7,978	28,522
Total nonoperating revenue	506,654	351,491	858,145
<b>Income - Before capital contributions</b>	358,530	348,758	707,288
<b>Capital Contributions - Capital grants</b>	148,300	10,165	158,465
<b>Change in Net Position</b>	506,830	358,923	865,753
<b>Net Position - Beginning of year</b>	7,018,666	6,314,072	13,332,738
<b>Net Position - End of year</b>	<b>\$ 7,525,496</b>	<b>\$ 6,672,995</b>	<b>\$ 14,198,491</b>



## Village of Milford, Michigan

## Proprietary Funds Statement of Cash Flows

Year Ended June 30, 2021

	Enterprise Fund - Sewer	Enterprise Fund - Water	Total Enterprise Funds
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 1,389,764	\$ 746,986	\$ 2,136,750
Payments to suppliers	(321,822)	(176,743)	(498,565)
Payments to employees and fringes	(632,334)	(329,988)	(962,322)
Net cash and cash equivalents provided by operating activities	435,608	240,255	675,863
<b>Cash Flows Provided by Noncapital Financing Activities - Federal grants</b>	20,544	7,978	28,522
<b>Cash Flows from Capital and Related Financing Activities</b>			
Capital grants	148,300	10,165	158,465
Disposal of capital assets	1,600	-	1,600
Purchase of capital assets	(1,226,342)	(17,815)	(1,244,157)
Principal and interest paid on capital debt	(654,760)	(355,502)	(1,010,262)
Debt service charge	680,783	359,243	1,040,026
Connection fees	22,586	17,682	40,268
Net cash and cash equivalents (used in) provided by capital and related financing activities	(1,027,833)	13,773	(1,014,060)
<b>Cash Flows Provided by Investing Activities - Interest received on investments</b>	19,266	6,451	25,717
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(552,415)	268,457	(283,958)
<b>Cash and Cash Equivalents - Beginning of year</b>	2,691,963	921,011	3,612,974
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 2,139,548</b>	<b>\$ 1,189,468</b>	<b>\$ 3,329,016</b>
<b>Reconciliation of Operating Loss to Net Cash from Operating Activities</b>			
Operating loss	\$ (148,124)	\$ (2,733)	\$ (150,857)
Adjustments to reconcile operating loss to net cash from operating activities:			
Depreciation	605,595	310,362	915,957
Changes in assets and liabilities:			
Receivables	(28,460)	(45,554)	(74,014)
Prepaid and other assets	(1,446)	-	(1,446)
Accrued and other liabilities	(21,577)	(6,049)	(27,626)
Accounts payable	29,620	(15,771)	13,849
Total adjustments	583,732	242,988	826,720
Net cash provided by operating activities	<b>\$ 435,608</b>	<b>\$ 240,255</b>	<b>\$ 675,863</b>

## Village of Milford, Michigan

### Fiduciary Funds Statement of Fiduciary Net Position

June 30, 2021

	Other Postemployment Benefits Trust Fund	Custodial Fund	Total Fiduciary Funds
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 94,918	\$ 94,918
Investments held with MERS	<u>2,149,227</u>	<u>-</u>	<u>2,149,227</u>
Total assets	2,149,227	94,918	2,244,145
<b>Liabilities</b> - Due to other governmental units	<u>-</u>	<u>94,918</u>	<u>94,918</u>
<b>Net Position</b> - Restricted for postemployment benefits other than pensions	<u>\$ 2,149,227</u>	<u>\$ -</u>	<u>\$ 2,149,227</u>

Fiduciary Funds  
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2021

	Other Postemployment Benefits Trust Fund	Custodial Fund	Total Fiduciary Funds
<b>Additions</b>			
Investment income (expense):			
Interest and dividends	\$ 472,338	\$ -	\$ 472,338
Investment-related expenses	(3,474)	-	(3,474)
Net investment income	468,864	-	468,864
Employer contributions	87,051	-	87,051
PILOT collections	-	94,918	94,918
Total additions	555,915	94,918	650,833
<b>Deductions</b>			
Benefit payments	87,051	-	87,051
PILOT distributions	-	94,918	94,918
Total deductions	87,051	94,918	181,969
<b>Net Increase in Fiduciary Net Position</b>	468,864	-	468,864
<b>Net Position - Beginning of year</b>	1,680,363	-	1,680,363
<b>Net Position - End of year</b>	<b>\$ 2,149,227</b>	<b>\$ -</b>	<b>\$ 2,149,227</b>

## Village of Milford, Michigan

## Component Units Statement of Net Position

June 30, 2021

	Downtown Development Authority	Brownfield Redevelopment Authority	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 1,006,943	\$ 2,544	\$ 1,009,487
Receivables	90,844	-	90,844
Restricted cash	464,873	-	464,873
Capital assets:			
Assets not subject to depreciation	606,263	-	606,263
Assets subject to depreciation	151,274	-	151,274
Total assets	2,320,197	2,544	2,322,741
<b>Liabilities</b>			
Accounts payable	40,755	-	40,755
Accrued liabilities and other:			
Accrued salaries and wages	3,121	-	3,121
Accrued interest payable	7,442	-	7,442
Accrued other	577	-	577
Noncurrent liabilities:			
Debt due within one year:			
Compensated absences	18,002	-	18,002
Current portion of installment payments to MDEQ	18,571	-	18,571
Current portion of long-term debt	135,451	-	135,451
Due in more than one year:			
Installment payments to MDEQ	55,716	-	55,716
Long-term debt	859,214	-	859,214
Total liabilities	1,138,849	-	1,138,849
<b>Net Position</b>			
Net investment in capital assets	227,745	-	227,745
Unrestricted	953,603	2,544	956,147
Total net position	<u>\$ 1,181,348</u>	<u>\$ 2,544</u>	<u>\$ 1,183,892</u>

# Village of Milford, Michigan

## Component Units Statement of Activities

Year Ended June 30, 2021

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	\$ 394,364	\$ -	\$ 16,888	\$ -	\$ (377,476)	\$ -	\$ (377,476)
Brownfield Redevelopment Authority	1,330	-	-	-	-	(1,330)	(1,330)
<b>Total</b>	<b>\$ 395,694</b>	<b>\$ -</b>	<b>\$ 16,888</b>	<b>\$ -</b>	<b>(377,476)</b>	<b>(1,330)</b>	<b>(378,806)</b>
General revenue:							
Property taxes					534,960	-	534,960
State-shared revenue					5,792	-	5,792
Investment income					7,922	-	7,922
Loss on sale of capital assets					(39,699)	-	(39,699)
Other miscellaneous income					3,719	-	3,719
					<b>512,694</b>	<b>-</b>	<b>512,694</b>
<b>Change in Net Position</b>					135,218	(1,330)	133,888
<b>Net Position - Beginning of year</b>					1,046,130	3,874	1,050,004
<b>Net Position - End of year</b>					<b>\$ 1,181,348</b>	<b>\$ 2,544</b>	<b>\$ 1,183,892</b>

June 30, 2021

**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.

June 30, 2021

**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.

**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).



June 30, 2021

**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 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 \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

**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

**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. The deferred outflows of resources result from four transactions: contributions to the defined benefit pension plan subsequent to the plan's year end through the Village's fiscal year end, changes in assumptions, the difference between expected and actual experience, and the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings.

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

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

The Village has three items that qualify for reporting in this category: deferred inflows of resources related to unavailable revenue, 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 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 and result from three transactions: changes in assumptions, difference between expected and actual experience, and the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**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.

**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.

June 30, 2021

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

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 2020 property tax revenue was levied and collectible on July 1, 2020 and is recognized as revenue in the year ended June 30, 2021 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2020 taxable valuation of the Village totaled \$303.4 million (a portion of which is abated and a portion of which is captured by the DDA), on which taxes levied consisted of 3.1498 mills for operating purposes, 1.97 mills for refuse collection, and 2.8144 mills for roads. This resulted in approximately \$860,000 for operating, \$538,000 for refuse collection, and \$768,000 for roads. These amounts are recognized in the General Fund, Refuse Fund, and Municipal Street Fund financial statements as tax revenue.

**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.

June 30, 2021

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

**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.

**Upcoming Accounting Pronouncements**

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the Village's financial statements for the year ended June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement were originally effective for the Village's financial statements for the June 30, 2021 fiscal year but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. 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.

June 30, 2021

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

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The 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 June 2020, the Governmental Accounting Standards Board issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or an other employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the Village's financial statements for the year ending June 30, 2022.

**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, 2020		\$	(569,747)
Current year permit revenue			115,005
Related expenses:			
Construction code direct expenses	\$	147,007	
Construction code indirect expenses		16,682	163,689
			<u>          </u>
Current year shortfall			<u>(48,684)</u>
Cumulative shortfall June 30, 2021		\$	<u><u>(618,431)</u></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.

June 30, 2021

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

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 \$7,233,052 (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)
<b>Primary Government</b>		
Oakland County Local Government Investment Pool	\$ 4,149,931	1.22
Investment	Carrying Value	Weighted-average Maturity (Years)
<b>Fiduciary Funds</b>		
MERS ISP Total Market Portfolio	\$ 2,149,227	N/A

**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, 2021, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Carrying Value	Rating	Rating Organization
<b>Primary Government</b>			
Oakland County Local Government Investment Pool	\$ 4,149,931	Not rated	N/A
MBIA CLASS	1,404,924	Aam	S&P

June 30, 2021

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

Investment	Carrying Value	Rating	Rating Organization
<b>Fiduciary Funds</b>			
MERS ISP Total Market Portfolio	\$ 2,149,227	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.

The Village has the following recurring fair value measurements as of June 30, 2021:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2021
Investments measured at net asset value (NAV):				
Michigan CLASS investment pool	\$	\$	\$	\$ 1,404,924
Oakland County Local Government Investment Pool				4,149,931
MERS ISP Total Market Portfolio				2,149,227
<b>Total investments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,704,082</b>

**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.



June 30, 2021

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

At June 30, 2021, 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	\$ 1,404,924	\$ -	N/A	None
Oakland County Local Government Investment Pool	4,149,931	-	N/A	None
MERS ISP Total Market Portfolio	2,149,227	-	N/A	None
Total	<u>\$ 7,704,082</u>	<u>\$ -</u>		

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, 2021

**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, 2020	Reclassifications/ Transfers	Additions	Disposals	Balance at June 30, 2021
Capital assets not being depreciated:					
Land	\$ 424,887	\$ -	\$ -	\$ -	\$ 424,887
Construction in progress	667,111	(1,291,947)	847,856	(46,426)	176,594
Subtotal	1,091,998	(1,291,947)	847,856	(46,426)	601,481
Capital assets being depreciated:					
Equipment	2,898,513	-	289,393	(26,607)	3,161,299
Furniture	41,661	-	-	-	41,661
Streets, sidewalks, and bridges	24,085,420	1,291,947	6,702	-	25,384,069
Vehicles	1,328,582	-	155,006	(223,024)	1,260,564
Land improvements	499,535	-	-	-	499,535
Building	2,867,222	-	-	-	2,867,222
Subtotal	31,720,933	1,291,947	451,101	(249,631)	33,214,350
Accumulated depreciation:					
Equipment	1,937,038	-	143,103	(21,284)	2,058,857
Furniture	19,888	-	2,139	-	22,027
Streets, sidewalks, and bridges	15,657,354	-	655,224	-	16,312,578
Vehicles	938,584	-	123,944	(196,837)	865,691
Land improvements	448,795	-	8,828	-	457,623
Building	1,746,497	-	80,652	-	1,827,149
Subtotal	20,748,156	-	1,013,890	(218,121)	21,543,925
Net capital assets being depreciated	10,972,777	1,291,947	(562,789)	(31,510)	11,670,425
Net governmental activities capital assets	\$ 12,064,775	\$ -	\$ 285,067	\$ (77,936)	\$ 12,271,906

June 30, 2021

**Note 4 - Capital Assets (Continued)**

***Business-type Activities***

	Balance at July 1, 2020	Reclassifications	Additions	Disposals/ Transfers	Balance at June 30, 2021
Capital assets not being depreciated:					
Sewer construction in progress	\$ 430,249	\$ (430,249)	\$ -	\$ -	\$ -
Water construction in progress	25,920	(25,920)	-	-	-
Subtotal	456,169	(456,169)	-	-	-
Capital assets being depreciated:					
Treatment plant	19,211,079	-	-	-	19,211,079
Sewer equipment	959,950	-	1,095,864	(3,119)	2,052,695
Water equipment	445,335	-	-	-	445,335
Sewer vehicles	96,005	-	-	-	96,005
Water vehicles	57,648	-	-	-	57,648
Water lines	12,144,634	25,920	17,815	-	12,188,369
Sewer system	4,694,757	430,249	130,478	-	5,255,484
Iron removal plant	544,426	-	-	-	544,426
Subtotal	38,153,834	456,169	1,244,157	(3,119)	39,851,041
Accumulated depreciation:					
Treatment plant	8,729,099	-	370,195	-	9,099,294
Sewer equipment	715,066	-	-	(3,119)	711,947
Water equipment	300,677	-	21,536	-	322,213
Sewer vehicles	55,590	-	86,330	-	141,920
Water vehicles	57,647	-	9,062	-	66,709
Water lines	5,666,899	-	278,972	-	5,945,871
Sewer system	2,547,606	-	140,008	-	2,687,614
Iron removal plant	496,609	-	9,854	-	506,463
Subtotal	18,569,193	-	915,957	(3,119)	19,482,031
Net capital assets being depreciated	19,584,641	456,169	328,200	-	20,369,010
Net business-type activities capital assets	\$ 20,040,810	\$ -	\$ 328,200	\$ -	\$ 20,369,010

June 30, 2021

**Note 4 - Capital Assets (Continued)**

**Component Units**

	Balance at July 1, 2020	Reclassifications	Additions	Disposals	Balance at June 30, 2021
Capital assets not being depreciated:					
Land	\$ 790,721	\$ -	\$ -	\$ (589,750)	\$ 200,971
Construction in progress	540,563	-	89,678	(224,949)	405,292
Subtotal	1,331,284	-	89,678	(814,699)	606,263
Capital assets being depreciated:					
Equipment	615,236	-	-	-	615,236
Furniture	16,981	-	-	-	16,981
Streets, sidewalks, and bridges	1,157,120	-	-	-	1,157,120
Buildings	100,000	-	-	-	100,000
Subtotal	1,889,337	-	-	-	1,889,337
Accumulated depreciation:					
Equipment	608,052	-	2,811	-	610,863
Furniture	14,996	-	248	-	15,244
Street, sidewalks, and bridges	1,019,573	-	56,383	-	1,075,956
Buildings	34,000	-	2,000	-	36,000
Subtotal	1,676,621	-	61,442	-	1,738,063
Net capital assets being depreciated	212,716	-	(61,442)	-	151,274
Net capital assets	\$ 1,544,000	\$ -	\$ 28,236	\$ (814,699)	\$ 757,537

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

Governmental activities:	
General government	\$ 124,054
Public safety	146,661
Public works	76,270
Streets	655,223
Parking	11,682
Total governmental activities	\$ 1,013,890
Business-type activities:	
Water Fund	\$ 310,362
Sewer Fund	605,595
Total business-type activities	\$ 915,957
Component unit activities - DDA	\$ 61,442

June 30, 2021

**Note 5 - Interfund Receivables, Payables, and Transfers**

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Sidewalk Fund	\$ 25,000
Municipal Street Fund	Local Streets Fund	60,200
Major Streets Fund	Local Streets Fund	95,000
	Total	<u>\$ 180,200</u>

The transfer from the Major Streets Fund into the Local Streets Fund and the transfer from the Municipal Street Fund into the Local Streets Fund were for street maintenance, and the transfer from the General Fund into the Sidewalk Fund was the maintenance of sidewalks.

**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, 2021, the remaining balance payable to the MDEQ was \$74,287. 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, 2021

**Note 7 - Long-term Debt**

Long-term debt activity for the year ended June 30, 2021 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 -							
John Deere capital lease							
Maturing through 2021							
	3.75%	\$0	\$ 31,268	\$ -	\$ (31,268)	-	-
Other debt -							
2010 Capital Improvement Bonds:							
Amount of issue - \$365,000							
Maturing through 2030							
	1.75%- 2.90%	\$19,500- \$35,347	255,567	-	(19,665)	235,902	19,500
2019 Capital Improvement Bonds:							
Amount of issue - \$2,545,000							
Maturing through 2029							
	1.75%- 2.90%	\$240,000- \$280,000	2,310,000	-	(235,000)	2,075,000	240,000
Total other debt principal outstanding			2,565,567	-	(254,665)	2,310,902	259,500
Total bonds and contracts payable			2,596,835	-	(285,933)	2,310,902	259,500
Compensated absences			444,695	310,739	(280,414)	475,020	280,414
Total governmental activities long-term debt			<u>\$ 3,041,530</u>	<u>\$ 310,739</u>	<u>\$ (566,347)</u>	<u>\$ 2,785,922</u>	<u>\$ 539,914</u>

June 30, 2021

**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	\$ 810,000	\$ -	\$ (80,000)	\$ 730,000	\$ 85,000
2001 Drinking Water Revolving Fund loan:							
Amount of issue - \$1,905,000							
Maturing through 2021							
	2.50%	\$120,000	235,000	-	(115,000)	120,000	120,000
2002 Drinking Water Revolving Fund loan:							
Amount of issue - \$1,760,000							
Maturing through 2022							
	2.50%	\$110,000	220,000	-	(110,000)	110,000	110,000
2015 State Revolving Fund:							
Amount of issue - \$10,735,000							
Maturing through 2037							
	2.50%	\$405,000- \$460,000	8,828,415	-	(395,000)	8,433,415	405,000
Total direct borrowings and direct placements principal outstanding			10,093,415	-	(700,000)	9,393,415	720,000
Other debt -							
2010 Capital Improvement Bond:							
Amount of issue - \$810,000							
Maturing through 2030							
	2.75%- 4.50%	\$43,500- \$58,000	563,632	-	(43,403)	520,229	43,500
Total bonds and contracts payable			10,657,047	-	(743,403)	9,913,644	763,500
Compensated absences			28,454	47,026	(37,740)	37,740	37,740
Total business-type activities long-term debt			<u>\$ 10,685,501</u>	<u>\$ 47,026</u>	<u>\$ (781,143)</u>	<u>\$ 9,951,384</u>	<u>\$ 801,240</u>

June 30, 2021

**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 -		\$38,403-					
\$586,835	1.50%	\$55,451	\$ 511,214	\$ -	\$ -	\$ 511,214	\$ 55,451
Other debt -							
2010 Capital							
Improvement Bond:							
Amount of issue -							
\$225,000							
Maturing through	2.75%-	\$12,000-					
2030	4.50%	\$20,000	155,384	-	(11,933)	143,451	12,000
2015 DDA Bonds Debt:							
Amount of issue -							
\$475,000							
Maturing through							
2025	4.70%	\$68,000	408,000	-	(68,000)	340,000	68,000
Total other debt principal outstanding			563,384	-	(79,933)	483,451	80,000
Total bonds and contracts payable			1,074,598	-	(79,933)	994,665	135,451
Compensated absences			18,682	17,322	(18,002)	18,002	18,002
Total component unit long-term debt			<u>\$ 1,093,280</u>	<u>\$ 17,322</u>	<u>\$ (97,935)</u>	<u>\$ 1,012,667</u>	<u>\$ 153,453</u>

**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 are payable solely from the net revenue of the water system. The remaining principal and interest to be paid on the bonds total \$234,250. The remaining principal and interest to be paid on the drinking water revolving fund loan total \$814,250. During the current year, net revenue of the system was \$1,230,420, compared to annual debt requirements of \$335,187.



**Note 7 - Long-term Debt (Continued)**

***Debt Service Requirements to Maturity***

Total interest expense for the year was approximately \$364,000. 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	
2022	\$ -	\$ -	\$ 259,500	\$ 59,731	\$ 319,231
2023	-	-	264,500	54,261	318,761
2024	-	-	269,500	48,449	317,949
2025	-	-	281,000	42,121	323,121
2026	-	-	286,000	35,138	321,138
2027-2031	-	-	950,402	58,034	1,008,436
2032-2036	-	-	-	-	-
2037-2038	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,310,902</b>	<b>\$ 297,734</b>	<b>\$ 2,608,636</b>

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2022	\$ 720,000	\$ 228,266	\$ 43,500	\$ 21,674	\$ 1,013,440
2023	510,000	211,516	43,500	19,912	784,928
2024	525,000	198,641	43,500	18,150	785,291
2025	540,000	185,329	58,000	16,023	799,352
2026	550,000	171,704	58,000	13,529	793,233
2027-2031	2,830,000	641,894	273,729	25,716	3,771,339
2032-2036	2,925,000	286,082	-	-	3,211,082
2037-2038	793,415	13,743	-	-	807,158
<b>Total</b>	<b>\$ 9,393,415</b>	<b>\$ 1,937,175</b>	<b>\$ 520,229</b>	<b>\$ 115,004</b>	<b>\$11,965,823</b>

Years Ending June 30	Component Unit Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2022	\$ 55,451	\$ -	\$ 80,000	\$ 20,361	\$ 155,812
2023	55,451	-	80,000	16,679	152,130
2024	49,405	6,046	80,000	12,997	148,448
2025	50,152	5,300	84,000	9,214	148,666
2026	50,909	4,542	84,000	5,330	144,781
2027-2031	249,846	10,695	75,451	7,094	343,086
2032-2036	-	-	-	-	-
2037-2038	-	-	-	-	-
<b>Total</b>	<b>\$ 511,214</b>	<b>\$ 26,583</b>	<b>\$ 483,451</b>	<b>\$ 71,675</b>	<b>\$ 1,092,923</b>

**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.mersofmichigan.com](http://www.mersofmichigan.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.

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.

June 30, 2021

**Note 9 - Defined Benefit Pension Plan (Continued)**

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 six 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, 2020 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

**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, 2020, the average active employee contribution rate was 8.4 percent of annual pay, and the Village's average contribution rate was 35.5 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, 2021 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, 2020 measurement date. The December 31, 2020 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

**Note 9 - Defined Benefit Pension Plan (Continued)**

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2019</b>	\$ 15,919,154	\$ 12,108,379	\$ 3,810,775
Changes for the year:			
Service cost	199,081	-	199,081
Interest	1,184,177	-	1,184,177
Differences between expected and actual experience	(308,422)	-	(308,422)
Changes in assumptions	562,218	-	562,218
Contributions - Employer	-	614,561	(614,561)
Contributions - Employee	-	145,877	(145,877)
Net investment income	-	1,729,383	(1,729,383)
Benefit payments, including refunds	(874,843)	(874,843)	-
Administrative expenses	-	(24,461)	24,461
Net changes	762,211	1,590,517	(828,306)
<b>Balance at December 31, 2020</b>	<u>\$ 16,681,365</u>	<u>\$ 13,698,896</u>	<u>\$ 2,982,469</u>

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

For the year ended June 30, 2021, the Village recognized pension expense of \$343,326.

At June 30, 2021, 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	\$ 45,509	\$ (383,847)
Changes in assumptions	680,377	-
Net difference between projected and actual earnings on pension plan investments	-	(584,063)
Employer contributions to the plan subsequent to the measurement date	325,763	-
Total	<u>\$ 1,051,649</u>	<u>\$ (967,910)</u>

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
2022	\$ 39,045
2023	104,443
2024	(222,626)
2025	(162,886)
Total	<u>\$ (242,024)</u>

June 30, 2021

**Note 9 - Defined Benefit Pension Plan (Continued)**

**Actuarial Assumptions**

The total pension liability in the December 31, 2020 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 7.6 percent, and the Pub-2010 mortality tables using scale MP-2019.

The actuarial assumptions used in the December 31, 2020 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 7.6 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.

**Investment Rate of Return**

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

The target allocation and best estimates of arithmetic real rates of return as of December 31, 2020, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	5.25 %
Global fixed income	20.00	1.25
Private investments	20.00	7.25

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

The following presents the net pension liability of the Village, calculated using the discount rate of 7.6 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 (6.6%)	Current Discount Rate (7.6%)	1 Percentage Point Increase (8.6%)
Net pension liability of the Village	\$ 5,195,527	\$ 2,982,469	\$ 1,151,726

June 30, 2021

**Note 9 - Defined Benefit Pension Plan (Continued)**

***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 mortality tables from the RP-2014 mortality tables to the Pub-2010 mortality tables.

**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 MERS of Michigan and ICMA, depending on the plan. 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 \$151,142 and employees contributed \$50,718 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, 2021
Inactive plan members or beneficiaries currently receiving benefits	18
Active plan members	<u>30</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.

June 30, 2021

**Note 11 - Other Postemployment Benefit Plan (Continued)**

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, 2021, the Village made payments for postemployment health benefit premiums of \$87,051.

**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, 2021 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, 2021 measurement date. The June 30, 2021 measurement date total OPEB liability was determined by an actuarial valuation performed as of that date.

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
<b>Balance at July 1, 2020</b>	\$ 1,293,011	\$ 1,680,363	\$ (387,352)
Changes for the year:			
Service cost	7,795	-	7,795
Interest	92,410	-	92,410
Differences between expected and actual experience	(44,177)	-	(44,177)
Changes in assumptions	(41,097)	-	(41,097)
Contributions - Employer	-	87,051	(87,051)
Net investment income	-	472,338	(472,338)
Benefit payments, including refunds	(87,051)	(87,051)	-
Administrative expenses	-	(3,474)	3,474
<b>Net changes</b>	<b>(72,120)</b>	<b>468,864</b>	<b>(540,984)</b>
<b>Balance at June 30, 2021</b>	<b>\$ 1,220,891</b>	<b>\$ 2,149,227</b>	<b>\$ (928,336)</b>

The plan's fiduciary net position represents 176 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, 2021, the Village recognized OPEB expense of \$(88,555).

At June 30, 2021, 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	\$ -	\$ (47,308)
Changes in assumptions	-	(172,009)
Net difference between projected and actual earnings on OPEB plan investments	71,923	(281,530)
<b>Total</b>	<b>\$ 71,923</b>	<b>\$ (500,847)</b>

**Note 11 - Other Postemployment Benefit Plan (Continued)**

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

Years Ending June 30	Amount
2022	\$ (2,361)
2023	(66,075)
2024	(79,034)
2025	(94,369)
2026	(24,577)
Thereafter	<u>(162,508)</u>
Total	<u>\$ (428,924)</u>

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using an inflation assumption of 2.5 percent; assumed salary increases (including inflation) of 3.0 percent; and an investment rate of return (net of investment expenses) of 7.75 percent, using the Pub-2010 mortality tables using scale MP-2020. 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 7.75 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.



June 30, 2021

**Note 11 - Other Postemployment Benefit Plan (Continued)**

**Investment Rate of Return**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2021 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	55.50 %	6.15 %
Global fixed income	18.50	1.26
Private investments	26.00	6.15

**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 asset of the Village, calculated using the discount rate of 7.75 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 (6.75%)	Current Discount Rate (7.75%)	1 Percentage Point Increase (8.75%)
Net OPEB asset of the plan	\$ (761,336)	\$ (928,336)	\$ (1,076,336)

**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, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 27.90 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 7.35 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.

June 30, 2021

**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, 2021, the Police Fund has restricted fund balance of \$4,263,143. Of that amount, \$2,146,125 and \$1,660,856 has been earmarked for operating expenditures for the fiscal year 2021-2022 and for unfunded liabilities related to pensions, respectively.

At June 30, 2021, the Police Fund has fund balance totaling \$4,263,143. The components are as follows:

Restricted but earmarked:	
2021 operations	\$ 2,146,125
Unfunded pension liability	1,660,856
Discretionary police enforcement	<u>456,162</u>
Total	<u>\$ 4,263,143</u>

**Note 14 - Subsequent Events**

On August 4, 2021, the Downtown Development Authority closed on Limited Tax General Obligation Bonds totaling \$3,135,000 in anticipation of the collection and payment of certain tax increment revenue by the DDA. The DDA has pledged the tax increment revenue as security for the payment of these bonds. Additionally, on August 19, 2021, the Village closed on an \$855,000 Limited Tax General Obligation Refunding Bond to refund the 2010 Capital Improvement Bonds that were outstanding as of June 30, 2021.

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## Required Supplemental Information

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## Village of Milford, Michigan

### Required Supplemental Information Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 861,500	\$ 861,500	\$ 860,166	\$ (1,334)
Intergovernmental:				
Federal grants	15,570	102,020	97,964	(4,056)
State sources	584,500	638,200	667,125	28,925
Charges for services	127,000	127,000	105,871	(21,129)
Fines and forfeitures	11,000	11,000	4,782	(6,218)
Fees:				
Cable franchise fees	138,000	138,000	131,828	(6,172)
Licenses and permits	125,000	100,000	100,009	9
Investment income	27,000	17,000	19,256	2,256
Other revenue - Other miscellaneous income	104,300	232,300	272,158	39,858
Total revenue	1,993,870	2,227,020	2,259,159	32,139
<b>Expenditures</b>				
Current services:				
General government	813,374	854,203	698,200	156,003
Public safety	201,855	166,855	147,007	19,848
Public works	1,137,741	1,290,912	1,038,184	252,728
Debt service	150,250	64,250	63,324	926
Total expenditures	2,303,220	2,376,220	1,946,715	429,505
<b>Excess of Revenue (Under) Over Expenditures</b>	(309,350)	(149,200)	312,444	461,644
<b>Other Financing (Uses) Sources</b>				
Transfers out	(56,850)	(56,850)	(56,850)	-
Capital leases	265,000	-	-	-
Total other financing sources (uses)	208,150	(56,850)	(56,850)	-
<b>Net Change in Fund Balance</b>	(101,200)	(206,050)	255,594	461,644
<b>Fund Balance - Beginning of year</b>	1,642,928	1,642,928	1,642,928	-
<b>Fund Balance - End of year</b>	<u>\$ 1,541,728</u>	<u>\$ 1,436,878</u>	<u>\$ 1,898,522</u>	<u>\$ 461,644</u>

## Village of Milford, Michigan

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

**Year Ended June 30, 2021**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Intergovernmental:				
Federal grants	\$ -	\$ 243,500	\$ 231,688	\$ (11,812)
State sources	35,000	35,000	35,208	208
Charges for services	3,975,000	3,975,000	3,938,810	(36,190)
Investment income	13,000	3,000	8,820	5,820
Other revenue	35,750	35,750	22,891	(12,859)
Total revenue	4,058,750	4,292,250	4,237,417	(54,833)
<b>Expenditures</b>				
Current services - Public safety	4,038,250	4,271,750	3,858,851	412,899
Capital outlay	20,000	20,000	18,537	1,463
Total expenditures	4,058,250	4,291,750	3,877,388	414,362
<b>Net Change in Fund Balance</b>	500	500	360,029	359,529
<b>Fund Balance - Beginning of year</b>	3,903,114	3,903,114	3,903,114	-
<b>Fund Balance - End of year</b>	<b>\$ 3,903,614</b>	<b>\$ 3,903,614</b>	<b>\$ 4,263,143</b>	<b>\$ 359,529</b>

**Village of Milford, Michigan**

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

**Year Ended June 30, 2021**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 769,000	\$ 769,000	\$ 768,416	\$ (584)
Intergovernmental	1,000	1,000	47,973	46,973
Investment income	25,000	25,000	18,212	(6,788)
Other revenue - Other miscellaneous income	4,900	4,900	4,300	(600)
Total revenue	799,900	799,900	838,901	39,001
<b>Expenditures</b>				
Current services - Public works	915,000	915,000	746,991	168,009
Debt service	289,500	289,500	302,373	(12,873)
Total expenditures	1,204,500	1,204,500	1,049,364	155,136
<b>Excess of Expenditures Over Revenue</b>	(404,600)	(404,600)	(210,463)	194,137
<b>Other Financing Uses - Transfers out</b>	(60,200)	(60,200)	(60,200)	-
<b>Net Change in Fund Balance</b>	(464,800)	(464,800)	(270,663)	194,137
<b>Fund Balance - Beginning of year</b>	2,008,792	2,008,792	2,008,792	-
<b>Fund Balance - End of year</b>	<b>\$ 1,543,992</b>	<b>\$ 1,543,992</b>	<b>\$ 1,738,129</b>	<b>\$ 194,137</b>

## Village of Milford, Michigan

### Required Supplemental Information Schedule of Village Pension Contributions

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially required contribution	\$ 654,637	\$ 572,205	\$ 539,216	\$ 535,095	\$ 435,754	\$ 426,531	\$ 394,285	\$ 398,800	\$ 333,352	\$ 328,839
Contributions in relation to the actuarially determined contribution	654,637	572,205	539,216	535,095	435,754	626,531	748,478	798,800	435,252	728,839
<b>Contribution Excess</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 354,193</b>	<b>\$ 400,000</b>	<b>\$ 101,900</b>	<b>\$ 400,000</b>
<b>Village's Covered Payroll</b>	\$ 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	\$ 1,669,596
<b>Contributions as a Percentage of Covered Payroll</b>	37.71 %	32.74 %	33.80 %	33.82 %	26.28 %	36.79 %	43.26 %	42.70 %	23.41 %	43.65 %

#### 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	18 years
Asset valuation method	5-year smoothed
Inflation	2.5 percent
Salary increase	3.75 percent
Investment rate of return	7.75 percent - Gross of pension plan investment expense, including inflation
Retirement age	60 years
Mortality	50 percent female/50 percent male RP-2014 Health 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

	<b>Last Seven Fiscal Years</b>						
	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)
<b>Total Pension Liability</b>							
Service cost	\$ 199,081	\$ 201,258	\$ 186,785	\$ 188,093	\$ 197,345	\$ 203,672	\$ 226,020
Interest	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	(308,422)	(305,061)	182,036	96,908	(183,062)	17,709	-
Changes in assumptions	562,218	517,427	-	-	-	634,338	-
Benefit payments, including refunds	(874,843)	(859,344)	(828,459)	(793,697)	(710,495)	(632,995)	(609,472)
<b>Net Change in Total Pension Liability</b>	<b>762,211</b>	<b>742,119</b>	<b>674,868</b>	<b>580,791</b>	<b>367,568</b>	<b>1,222,359</b>	<b>570,970</b>
<b>Total Pension Liability - Beginning of year</b>	<b>15,919,154</b>	<b>15,177,035</b>	<b>14,502,167</b>	<b>13,921,376</b>	<b>13,553,808</b>	<b>12,331,449</b>	<b>11,760,479</b>
<b>Total Pension Liability - End of year</b>	<b>\$ 16,681,365</b>	<b>\$ 15,919,154</b>	<b>\$ 15,177,035</b>	<b>\$ 14,502,167</b>	<b>\$ 13,921,376</b>	<b>\$ 13,553,808</b>	<b>\$ 12,331,449</b>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 614,561	\$ 556,525	\$ 537,134	\$ 485,335	\$ 628,973	\$ 762,140	\$ 397,005
Contributions - Member	145,877	71,350	68,279	68,895	70,801	77,541	77,485
Net investment income (loss)	1,729,383	1,476,757	(452,762)	1,381,417	1,085,896	(153,810)	567,005
Administrative expenses	(24,461)	(25,442)	(22,474)	(21,873)	(21,390)	(21,013)	(20,841)
Benefit payments, including refunds	(874,843)	(859,344)	(828,459)	(793,697)	(710,495)	(632,995)	(609,472)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,590,517</b>	<b>1,219,846</b>	<b>(698,282)</b>	<b>1,120,077</b>	<b>1,053,785</b>	<b>31,863</b>	<b>411,182</b>
<b>Plan Fiduciary Net Position - Beginning of year</b>	<b>12,108,379</b>	<b>10,888,533</b>	<b>11,586,815</b>	<b>10,466,738</b>	<b>9,412,953</b>	<b>9,381,090</b>	<b>8,969,908</b>
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 13,698,896</b>	<b>\$ 12,108,379</b>	<b>\$ 10,888,533</b>	<b>\$ 11,586,815</b>	<b>\$ 10,466,738</b>	<b>\$ 9,412,953</b>	<b>\$ 9,381,090</b>
<b>Village's Net Pension Liability - Ending</b>	<b>\$ 2,982,469</b>	<b>\$ 3,810,775</b>	<b>\$ 4,288,502</b>	<b>\$ 2,915,352</b>	<b>\$ 3,454,638</b>	<b>\$ 4,140,855</b>	<b>\$ 2,950,359</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	82.12 %	76.06 %	71.74 %	79.90 %	75.18 %	69.45 %	76.07 %
<b>Covered Payroll</b>	\$ 1,730,028	\$ 1,740,023	\$ 1,595,515	\$ 1,582,332	\$ 1,658,117	\$ 1,703,094	\$ 1,730,308
<b>Village's Net Pension Liability as a Percentage of Covered Payroll</b>	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**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ 111,652	\$ 111,652	\$ 93,933	\$ 110,411	\$ 113,940	\$ 123,396
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	125,915
<b>Contribution Excess (Deficiency)</b>	<b>\$ 87,051</b>	<b>\$ 77,753</b>	<b>\$ 73,825</b>	<b>\$ 65,596</b>	<b>\$ (56,102)</b>	<b>\$ 258,948</b>	<b>\$ 200,427</b>	<b>\$ 107,189</b>	<b>\$ 87,110</b>	<b>\$ 2,519</b>

#### Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date                      Actuarially determined contribution rates are calculated as of 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, based on level percentage of projected salary
Amortization method	Average remaining service of active and inactive plan members, closed
Remaining amortization period	14.9 years
Asset valuation method	Fair market value
Inflation	2.50 percent
Salary increase	2.0 percent
Investment rate of return	7.0 percent
Retirement age	70
Mortality	RP-2014 generational table, back-projected to 2006, then scaled using MP-2018, applied on a gender-specific basis

## Village of Milford, Michigan

### Required Supplemental Information Schedule of Changes in the Village Net OPEB Asset and Related Ratios

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

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

## Village of Milford, Michigan

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### Required Supplemental Information Schedule of OPEB Investment Returns

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**Last Two Fiscal Years  
Year Ended June 30**

	<u>2021</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	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	\$ 2,310,640	\$ 2,015,909	\$ 25,000
Parking Fund	(51,393)	(37,344)	-
Retiree Health Care Fund	(88)	(31,850)	31,850
Amounts per budget statement	<u>\$ 2,259,159</u>	<u>\$ 1,946,715</u>	<u>\$ 56,850</u>

**Pension Information - Changes in Assumptions**

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 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.

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## Other Supplemental Information

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**Village of Milford, Michigan**

**Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds**

**June 30, 2021**

	Special Revenue Funds					Capital Project Fund	Total
	Major Streets	Local Streets	Drug Law Enforcement	Senior Van	Refuse	Sidewalk	
<b>Assets</b>							
Cash and cash equivalents	\$ 473,996	\$ 419,834	\$ 3,727	\$ 22,403	\$ 360,186	\$ 57,626	\$ 1,337,772
Receivables:							
Customer	-	-	-	-	-	4,588	4,588
Accrued interest	191	160	-	-	154	-	505
Due from other governments	78,605	31,889	-	-	-	-	110,494
Prepaid expenses and other assets	16,317	16,318	-	-	-	-	32,635
<b>Total assets</b>	<b>\$ 569,109</b>	<b>\$ 468,201</b>	<b>\$ 3,727</b>	<b>\$ 22,403</b>	<b>\$ 360,340</b>	<b>\$ 62,214</b>	<b>\$ 1,485,994</b>
<b>Liabilities</b>							
Accounts payable	\$ 471	\$ 9,269	\$ -	\$ -	\$ 470	\$ -	\$ 10,210
Accrued liabilities and other	2,543	3,749	-	-	1,264	-	7,556
<b>Total liabilities</b>	3,014	13,018	-	-	1,734	-	17,766
<b>Fund Balances</b>							
Nonspendable	16,317	16,318	-	-	-	-	32,635
Restricted:							
Roads	549,778	438,865	-	-	-	-	988,643
Drug law enforcement	-	-	3,727	-	-	-	3,727
Senior van	-	-	-	22,403	-	-	22,403
Refuse	-	-	-	-	358,606	-	358,606
Assigned - Capital projects	-	-	-	-	-	62,214	62,214
<b>Total fund balances</b>	566,095	455,183	3,727	22,403	358,606	62,214	1,468,228
<b>Total liabilities and fund balances</b>	<b>\$ 569,109</b>	<b>\$ 468,201</b>	<b>\$ 3,727</b>	<b>\$ 22,403</b>	<b>\$ 360,340</b>	<b>\$ 62,214</b>	<b>\$ 1,485,994</b>

## Village of Milford, Michigan

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

**Year Ended June 30, 2021**

	Special Revenue Funds					Capital Project Fund	Total
	Major Streets	Local Streets	Drug Law Enforcement	Senior Van	Refuse	Sidewalk	
<b>Revenue</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 537,860	\$ -	\$ 537,860
Intergovernmental - State sources - State-shared revenue	480,066	217,322	-	-	2,963	-	700,351
Charges for services	-	-	-	-	-	41,382	41,382
Investment income	1,728	1,165	-	-	4,200	66	7,159
Other revenue - Other miscellaneous income	595	1,784	-	-	3,010	-	5,389
Total revenue	482,389	220,271	-	-	548,033	41,448	1,292,141
<b>Expenditures</b> - Current services - Public works	236,828	263,365	-	-	494,745	28,748	1,023,686
<b>Excess of Revenue Over (Under) Expenditures</b>	245,561	(43,094)	-	-	53,288	12,700	268,455
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	155,200	-	-	-	25,000	180,200
Transfers out	(95,000)	-	-	-	-	-	(95,000)
Total other financing (uses) sources	(95,000)	155,200	-	-	-	25,000	85,200
<b>Net Change in Fund Balances</b>	150,561	112,106	-	-	53,288	37,700	353,655
<b>Fund Balances</b> - Beginning of year	415,534	343,077	3,727	22,403	305,318	24,514	1,114,573
<b>Fund Balances</b> - End of year	<u>\$ 566,095</u>	<u>\$ 455,183</u>	<u>\$ 3,727</u>	<u>\$ 22,403</u>	<u>\$ 358,606</u>	<u>\$ 62,214</u>	<u>\$ 1,468,228</u>