

2021

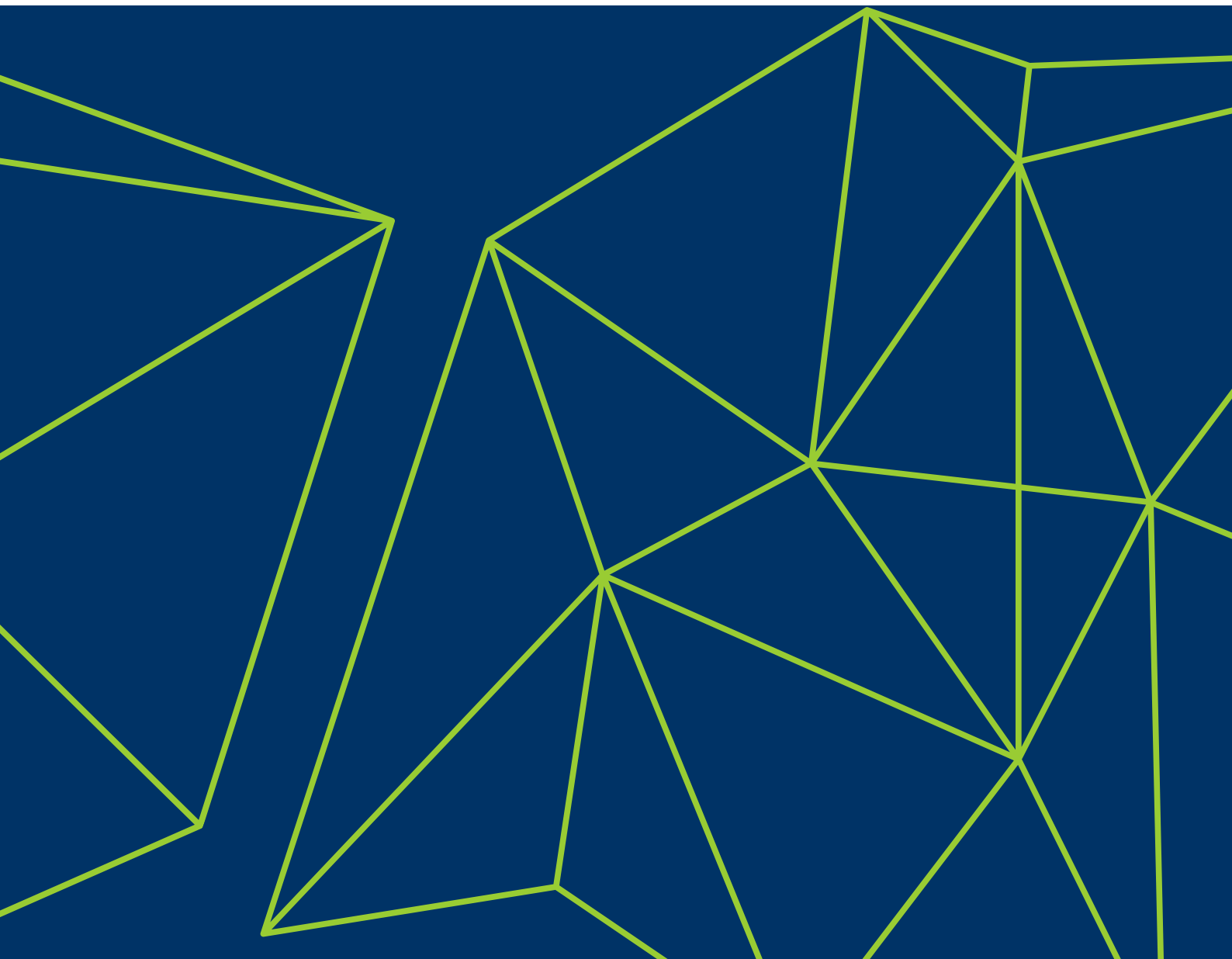


PITTSFIELD
CHARTER
TOWNSHIP

Annual Comprehensive Financial Report

FISCAL YEAR ENDED DECEMBER 31, 2021

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**Pittsfield
Charter
Township,
Michigan**



Year Ended
December 31,
2021

Annual
Comprehensive
Financial Report

Mandy Grewal, Ph.D., Township Supervisor

Tracy Watkins, Finance Director

Prepared by: Finance Department

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PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

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INTRODUCTORY SECTION

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Pittsfield Charter Township

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Website: www.pittsfield-mi.gov

Office of the Supervisor

June 8, 2022

To the Honorable Board of Trustees of Pittsfield Charter Township:

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in conformity with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the annual comprehensive financial report for Pittsfield Charter Township for the fiscal year ended December 31, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rehmann Robson LLC has issued an unmodified ("clean") opinion on the Township's financial statements for the year ended December 31, 2021. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and it should be read in conjunction with it.

Profile of the Government

Organized in 1834 and chartered in 1972, Pittsfield Charter Township, which is approximately 28 square miles with a population of 39,575, bridges the territory between the City of Ann Arbor and the City of Saline. Pittsfield Charter Township has the second largest tax base in Washtenaw County, second only to the City of Ann Arbor. Pittsfield has an outstanding Department of Public Safety which extends fire and police protection to all township residents with a response rate of 5 minutes or less. Pittsfield also provides rubbish collection and recycling, public water and sanitary sewer services. With about 1,200 acres of public park land, Pittsfield offers numerous recreational activities for youth, adults and seniors along with offering an outstanding variety of park and open spaces increasingly accessible by non-motorized amenities.

Pittsfield Charter Township is a vibrant community with a wide spectrum of land uses including commercial corridors, business parks, agricultural lands, park land, open spaces, and many strong residential neighborhoods representing a variety of housing options. The true hallmark of the Township, however, is the diversity and talent of its residents. Pittsfield is bordered by the three communities of Ann Arbor, Saline, and Ypsilanti. Pittsfield is uniquely poised to take advantage of the density supported by its proximity to these communities while simultaneously providing for existing larger-scale agricultural, residential, commercial, and business use developments. Leveraging the existing mix of urban, suburban, and rural influences, along with the various mixture of land uses and its demographic diversity, Pittsfield has taken a leadership role in establishing a new standard for mainstreaming non-motorized transportation, dense mixed-use, green/open space preservation and infill development within a township context.

Pittsfield Township has operated under the charter township form of government since 1972. A charter township status is a special township classification created by the Michigan Legislature in 1947 to provide additional powers and streamlined administration for governing a growing community. Pittsfield Township government is conducted by a township board consisting of seven members – a supervisor, clerk, treasurer, and four trustees - who are elected by Township residents.

Procedures for the Township's financial administration, such as budgets, accounting, investments and deposits, are closely regulated by the State. Township meetings must comply with Michigan's Open Meetings Act (*MCL 15.261-15.275*), and Township records must be stored and made available in conformance with specific laws, such as the Freedom of Information Act (*MCL 15.231-15.246*). The Charter Act (*MCL 42.1 - 42.34*) gives charter townships broad powers to enact and enforce a variety of ordinances. Zoning ordinances enacted under the Michigan Zoning Enabling Act (*MCL 125.3101 - 125.3702*) give townships the authority to regulate land use, while many other specific ordinances control activities that infringe on the rights of citizens. The Michigan Constitution and state statutes also limit the amount of property tax millage that townships can levy for general township operations. Charter townships may levy up to five mills. Townships also utilize other sources of revenue to support services. User fees, permits, fines and special assessments on real property are the most frequently used sources.

All powers of the Township shall be vested in and all matters of policy of the Township shall be exercised and determined by the Township board of trustees. The Township board typically holds two regular meetings per month. The Township board is the Township's legislative and policy making body. The Township board is responsible for adopting the annual budget, contracts, laws, ordinances and resolutions; approving purchases; and granting permits and license terms. Board members are elected at large to a four year term, and general elections are held in November of a Presidential election year. The Township board serves as the direct citizen's link to Township Hall.

The Township board appoints all boards, committees and commissions except for the Parks & Recreation Commission Board, which is independently elected. Statutorily, the Township supervisor, clerk and treasurer appoint their deputies. The government's three full-time elected officials (supervisor, clerk, and treasurer) are responsible for carrying out the policies and ordinances of the Township board, for supervising the day-to-day operations of the government, and for appointing the heads of the government's various operating departments.

The Township is also financially accountable for a legally separate entity, which is reported separately within the Townships' financial statements. Additional information on this legally separate entity can be found in the notes to the basic financial statements.

Pittsfield Township operates on a calendar year fiscal cycle. For its regular budget development schedule, the Charter Township Act provides that the Township must conduct a budget public hearing by December 15 or earlier, and adopt the budget by December 31 of the year preceding the calendar year for which the budget is being prepared. Concurrent with budget adoption, the Township board is required to provide for a tax levy necessary to meet the budget expenditures up to the authorized charter millage of the Township. This annual budget serves as the foundation for the Township's financial planning and control. The budget is prepared by fund, department, and function. The Township supervisor is authorized to approve transfers of budgetary funds within a cost center, excluding wages, salaries, overtime and fringes, in consultation with the effected department director and/or the Finance Director.

Factors Affecting Economic Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the Township operates as described below:

Local economy

Many municipalities in Michigan are struggling to address the fundamental flaws in the existing local government financing system. The combined effects of Proposal A and the Headlee Amendment caps a township's ability to generate revenue at the rate of inflation, while the cost of providing services continues to increase faster than inflation. The state and federal government also limit a township's ability to raise non-tax revenue.

The Township's 2021 ad valorem taxable valuation of \$2,129,914,501 represents a 6.06% increase from 2020. The ratio of total township tax collections to date for tax year 2021 (current and delinquent) to the current tax levy is 99.75%.

The State of Michigan is currently in the midst of a fundamental economic shift from a manufacturing base to a new economy. Many national forces are also having a profound impact on the State: a slowing national economy, the foreclosure crisis and volatile energy costs. While many would view this as a time to forego various projects, Pittsfield Township is moving forward on ensuring the economic health and vitality of the Township's future.

Long-term financial planning

Pittsfield Township continues to refine and update its financial forecast model to address changes and trends identified. By seeing what potential outcomes are available, the Township can position itself to more adequately deal with its future.

Relevant financial policies

The Township has recently reviewed some of its financial policies and procedures and made changes to ensure that adequate controls are in place. The Township is constantly undergoing a review of its current water and sewer rates in order to develop a long-term rate track plan. The plan will help to ensure the financial stability of the water and sewer utilities. The Township is in the process of evaluating outstanding debt generated from utility capital improvement projects and exploring what potential savings can be recognized.

Major initiatives

In August of 2021, construction started on the first phase of the Montibeller Park Improvements project. This phase consists of constructing a new all weather shelter pavilion building, restrooms, parking lot curbs, sidewalks, and utility leads. This also includes the removal of the existing shed structure and trees in the proposed plaza construction area. In addition, alternatives include the construction of an arrival point plaza, gravel parking lot improvements, existing restroom building rehabilitation, removal of an existing tennis court, removing of an existing pavilion, and baseball field improvements. This phase of the improvement project costs are estimated at \$1.6 million funded by the Parks Millage Fund.

In late 2021, the Township successfully secured financing for the US-12 Wastewater (Sewer) Improvement Project. Funds are provided by the State of Michigan Clean Water State Revolving Fund (CWSRF) loan to finance this project. The CWSRF is a low-interest loan financing program that assists local municipalities with the construction of needed water pollution control facilities and infrastructure. This project will design and construct a new interceptor sewer to address deteriorating conditions and capacity constraints within Pittsfield Charter Township's wastewater collection system. The route of the new proposed sewer will consist of large sections along Munger Road, Crane Road, Textile Road, and Michigan Avenue. It will be designed to address the structural integrity and capacity concerns of the system while increasing operational efficiency with the elimination of two existing pump stations along the route. Sections of the existing sewer along Michigan Avenue not requiring replacement will be lined with Cured-In-Place Pipe (CIPP) to extend the useful life of the pipe with minimal intrusion. The design, construction engineering and construction are projected at a cost of \$30 million with a two year timeline. This project will begin in the Spring of 2022 and all funding will be through the Water Enterprise Fund.

The Federal Coronavirus Local Fiscal Recovery Fund (CLFRF) was established under section 9901 of the American Rescue Plan Act of 2021 (ARPA). The fund provides substantial funding to local governments by either federal direct payments to Metropolitan Cities and Counties or state payments to Non-Entitlement Units of Local Government (NEU's). In the fall of 2021, the Township was allocated just over \$4 million from the ARPA, with 50% of these funds distributed in September of 2021 and the remainder will be distributed in the September of 2022. The Township Board of Trustees (BOT) has designated \$2.5 million to the US-12 wastewater (sewer) improvement infrastructure project. Another \$1 million going towards improving the air quality systems of all its municipal building, \$500 thousand going towards safety infrastructure throughout the township, and the remainder to be allocated to parks infrastructure.

In March 2020, Pittsfield Charter Township received an award of \$1,072,747 in federal funding through the Transportation Alternatives Program (TAP) offered in cooperation by the Southeast Michigan Council of Governments (SEMCOG) and the Michigan Department of Transportation (MDOT). This project, known as the Platt Road Greenway Phase II (PRGII), will be the first constructed 10' greenway south of Michigan Avenue in Pittsfield Township to connect thousands of area residents to the southern-most (Wall) park in our community. The first greenway Pittsfield installed, over a decade ago, was the Platt Road Greenway along Platt Road between Ellsworth and Michigan Avenue, which connects to the Township's most visited (Lillie) park. This second phase extends the 10' wide paved pathway south of Michigan along Platt Road between Michigan Avenue and Wall Park (south of Merritt Road and north of Bemis Road). It will add two mid-block crossings at Township Hall and at Wall Park with mast arm LED crosswalk illumination and Rapid Flashing Beacons. In December 2020, the Township was also awarded a grant through the Washtenaw County Parks & Recreation Commission (WCPAC) in the amount of \$250,000 for construction. The remainder funding source will come from Township's General Fund. In 2021, this project's main focus was obtaining the easements needed in place before actual construction can begin. We are hopeful that construction will start in July/August of 2022 with a completion date of November 2022. The total estimate of this project is approximately \$2.3 Million.

As Pittsfield Township continues to enhance its multi-modal network, the addition of a greenway south of Michigan Avenue by way of PRGII assists in meeting its goal. By providing non-motorized amenities to the many residents in the area that are looking to age in place or reside in multi-unit housing while having access to recreational, cultural, public, commercial, and open spaces. The ultimate goal, as always, for Pittsfield Township remains to enhance the quality of life for all in our community.

Awards and Acknowledgements

<http://pittsfield-mi.gov/awards>

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pittsfield Charter Township for its annual comprehensive financial report for the fiscal year ended December 31, 2020. This is the eleventh consecutive year that the Township has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized financial report that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In 2020, Pittsfield Charter Township was once again, recognized for its successes and efforts in contributing to Michigan's entrepreneurial growth and economic development in the annual eCities study conducted by researchers at iLabs, the University of Michigan-Dearborn's Center for Innovation Research. The program uniquely researches factors that contribute to economic success at the local level. Pittsfield Charter Township was selected, for the fourth consecutive year, as one of a handful in the state, to receive the highest designation of being a 5-star Best Practices Community for clearly identifying and implementing a vision to foster economic success, including articulating a place making strategy. This is the sixth consecutive year that the Township has received this award.

Pittsfield Township was awarded in November 2019, a Gold Certification in the Michigan Green Communities Challenge for commitment to sustainability. Michigan communities were honored in the statewide Michigan Green Communities Challenge for commitment to sustainability projects, from green infrastructure improvements to renewable energy projects. This is the third year that the Township has received this award. Program benefits include creating a roadmap for sustainability initiatives; establishing benchmarks for your community's progress toward sustainability initiatives; and the motivation of comparing and competing with other Michigan communities.

In May 2018, Pittsfield Charter Township was awarded the Michigan Employee Support of the Guard and Reserve (ESGR) Pro Patria Award for exemplary support of township employees who serve in the National Guard or Reserves. The ESGR, a U.S. Department of Defense program, has been recognizing exceptional support and treatment of guard and reserve members and their families by employers. The Pro Patria Award is the highest that can be bestowed by the Michigan ESGR Committee. It is presented annually to the public sector employer in each state that has demonstrated the greatest support to guard and reserve employees through their leadership and practices, including adopting personnel policies that make it easier for employees to participate in the National Guard and Reserves.

Pittsfield Township has been named, in the Niche.com annual list of the Best Places to Live in 2017, as the 8th most desirable community in the State of Michigan. The best places to live ranking provides a comprehensive assessment of the overall livability of an area. This ranking takes into account several key factors of a location, including the quality of local schools, crime rates, housing trends, employment statistics and access to amenities in an attempt to measure the overall quality of an area.

In March 2016, Pittsfield Charter Township was ranked among the top 50 safest places to live in the State of Michigan, coming in at #40.

The Southeast Michigan Council of Governments (SEMCOG) selected Pittsfield Charter Township to receive the Sustainable Community Leader Award at the gold level in December 2014. Pittsfield is the first community in Washtenaw County and the 14th in southeast Michigan to receive this award and distinction. This award recognizes SEMCOG member communities that are incorporating sustainable practices.

For local governments, sustainability is about achieving economic prosperity while protecting the environment and providing a high quality of life for resident. SEMCOG supported initiatives help local governments achieve and maintain sustainability along economic, fiscal, environmental, place making, and accessibility parameters.

In addition, Pittsfield Township Parks and Recreation received its third Marketing Award for Best Single Brochure for Fall 2012 and Winter 2013 from the Michigan Recreation and Park Association (MRPA) on March 1, 2013.

The MRPA honors exemplary parks and recreation professionals and citizen advocates through the Association's annual awards. Honorees embody the core values of the profession, demonstrate the highest level of performance in their job duties and maintain a tremendous commitment to MRPA and its membership. Marketing Awards honor outstanding promotional activities of members and agencies, recognizing single and special brochures, web sites, integrated marketing campaigns, videos and media advocates.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the accounting and administration departments. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the governing township board for its unfailing support for maintaining the highest standards of professionalism in the management of Pittsfield Charter Township's finances.

Respectfully submitted,

Signature not included for security purposes

Mandy Grewal, Ph.D.
Township Supervisor

Tracy Watkins
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Pittsfield Charter Township
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

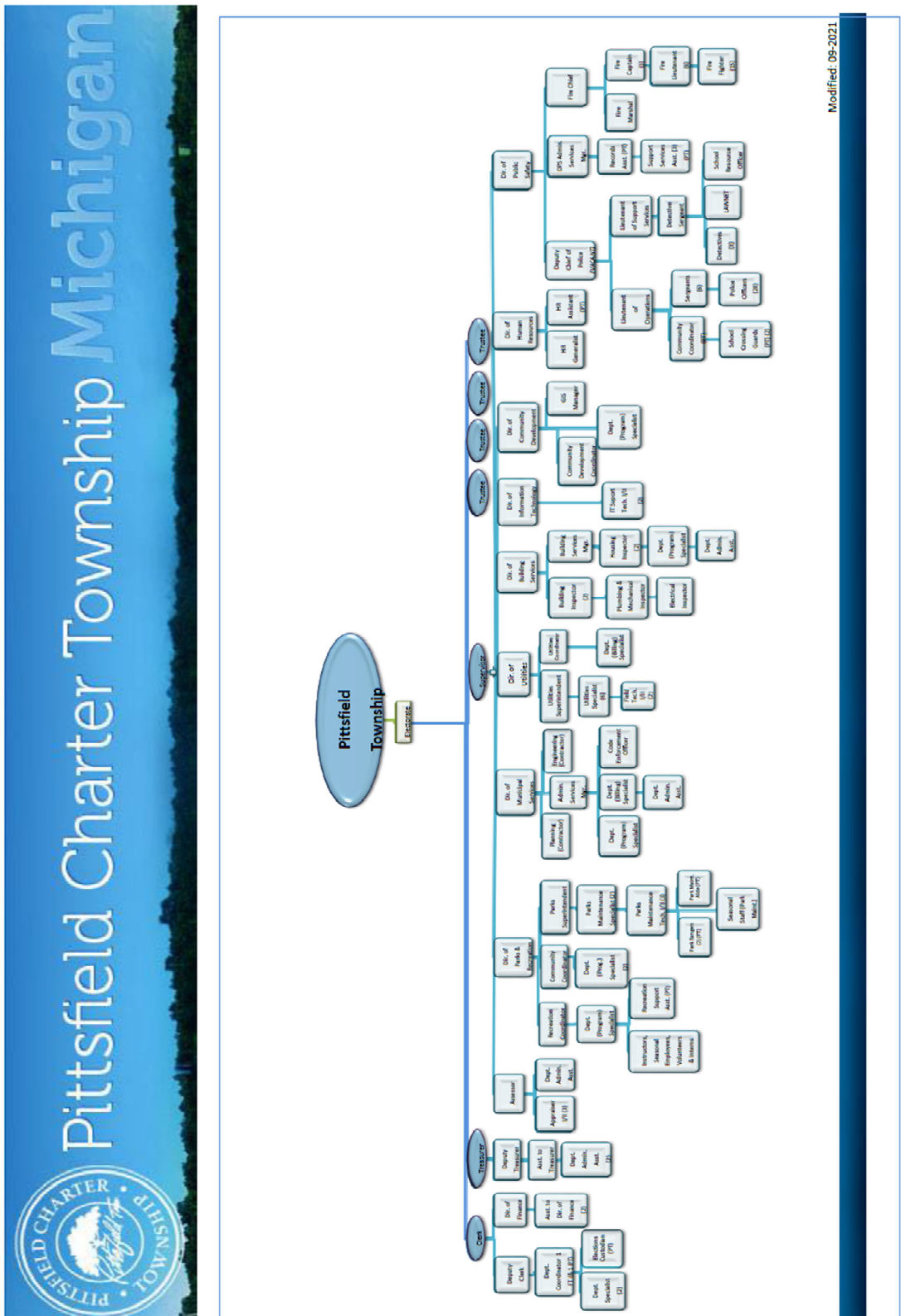
December 31, 2020

Christopher P. Morill

Executive Director/CEO

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Table of Organization



PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

LIST OF ELECTED AND APPOINTED OFFICERS

For the Year Ended December 31, 2021

Elected Officials

Mandy Grewal, Township Supervisor
Michelle L. Anzaldi, Clerk
Patricia Tupacz Scribner, Treasurer
Linda Edwards-Brown, Trustee
Gerald Krone, Trustee
Yameen Jaffer, Trustee
Andrea Urda-Thompson, Trustee

Appointed Officials

Jill Mitchell, Deputy Clerk
Orna Angus, Deputy Treasurer

Administration

Matthew Harshberger, Public Safety Director
Tracy Watkins, Finance Director
Patricia Denig, Human Resources Director
Kurt Weiland, Building Director
Barbara McDermott, Assessor
John Adams, Information Technology Director
Billy Weirich, Utilities Director
Matthew Best, Municipal Services Director
Jessica West, Community Development Director

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

June 8, 2022

Board of Trustees
Pittsfield Charter Township
Ann Arbor, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Pittsfield Charter Township, Michigan** (the "Township"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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



Responsibilities of Management for the Financial Statements

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

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

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2022, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

As management of Pittsfield Charter Township, Michigan (the "Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

· Total net position	\$ 76,235,984
· Change in total net position	2,177,600
· Fund balances, governmental funds	14,361,975
· Change in fund balances, governmental funds	(226,068)
· Unassigned fund balance, general fund	4,294,955
· Change in fund balance, general fund	355,815
· Bonded debt outstanding	7,969,080
· Change in bonded debt	(1,026,000)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Township's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the remaining amount reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, planning and zoning, and culture and recreation. The business-type activities of the Township are water and sewer.

The government-wide financial statements include not only the Township itself (known as the primary government), but also a legally separate entity for which the Township is financially accountable. Financial information for the Economic Development Corporation component unit is reported separately from the financial information presented for the primary government itself.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental, proprietary, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund and the public safety special revenue fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. The combining statements referred to earlier in connection with nonmajor funds are presented immediately following the required supplementary information.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements or schedules have been provided for these funds to demonstrate compliance with the budgets.

Proprietary Funds. The Township has two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The Township uses an enterprise fund to account for its combined water and sewer operations, which is considered to be a major fund of the Township. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Township's various functions. The Township uses an internal service fund to account for its insurance. Because this service predominately benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

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

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to the management's discussion and analysis and schedules concerning the Township's progress in funding its obligation to provide pension and other postemployment benefits to certain employees.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

Government-wide Financial Analysis

As previously stated, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$76,235,984 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 38,672,276	\$ 33,788,673	\$ 14,206,293	\$ 16,671,341	\$ 52,878,569	\$ 50,460,014
Capital assets, net	36,069,869	34,975,363	32,835,109	32,760,560	68,904,978	67,735,923
Total assets	74,742,145	68,764,036	47,041,402	49,431,901	121,783,547	118,195,937
Deferred outflows of resources	6,131,452	2,880,662	721,074	315,611	6,852,526	3,196,273
Liabilities						
Current liabilities	5,567,119	3,356,104	1,636,788	3,142,880	7,203,907	6,498,984
Long-term debt	6,960,670	7,295,397	4,901,712	5,529,078	11,862,382	12,824,475
Other noncurrent liabilities	9,452,194	10,684,362	927,265	960,620	10,379,459	11,644,982
Total liabilities	21,979,983	21,335,863	7,465,765	9,632,578	29,445,748	30,968,441
Deferred inflows of resources	22,408,403	16,209,690	545,938	155,695	22,954,341	16,365,385
Net position						
Net investment in capital assets	32,808,380	31,891,412	28,213,647	27,484,013	61,022,027	59,375,425
Restricted	5,975,838	5,565,755	-	-	5,975,838	5,565,755
Unrestricted (deficit)	(2,299,007)	(3,358,022)	11,537,126	12,475,226	9,238,119	9,117,204
Total net position	\$ 36,485,211	\$ 34,099,145	\$ 39,750,773	\$ 39,959,239	\$ 76,235,984	\$ 74,058,384

The largest portion of the Township's net position (80.0% or \$61,022,027) reflects its investment in capital assets (e.g., land and easements, construction in progress, buildings and improvements, infrastructure, and machinery and equipment) less any related debt used to acquire those assets that are still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Township's net position (7.9% or \$5,975,838) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (12.1% or \$9,238,119) may be used to meet the government's ongoing obligations.

Governmental activities revenues increased by approximately 2.6% from the prior year, largely due to an increase in taxable value tax collection and State Revenue Sharing funds.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

Governmental activities expenses increased by approximately 12.3% from the prior year, largely due to resuming back to normal operations from prior year. An increase in labor, fringe benefits, contractual services, supplies and materials have all contributed in the escalation of expenses.

Business-type activities revenues remained relatively consistent with a slight decrease of approximately 0.3% from the prior year.

Business-type activities expenses increased by approximately 6.6% from the prior year, largely due to unforeseen emergency sewer repairs. Also, the increase in contractual service fees, sewer purchases costs and general price increases in parts and materials.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 7,191,613	\$ 6,956,001	\$ 14,026,043	\$ 13,897,985	\$ 21,217,656	\$ 20,853,986
Grants/contributions:						
Operating	450,661	429,217	-	-	450,661	429,217
Capital	34,024	618,820	455,339	582,960	489,363	1,201,780
General revenues:						
Property taxes	14,278,745	13,632,825	-	-	14,278,745	13,632,825
State shared revenue	3,698,877	3,302,224	-	-	3,698,877	3,302,224
Unrestricted investment earnings	41,085	102,235	22,855	68,641	63,940	170,876
Total revenues	25,695,005	25,041,322	14,504,237	14,549,586	40,199,242	39,590,908
Expenses						
General government	5,643,695	3,391,810	-	-	5,643,695	3,391,810
Public safety	12,765,737	11,934,564	-	-	12,765,737	11,934,564
Public works	2,966,705	3,165,932	-	-	2,966,705	3,165,932
Planning and zoning	508,559	615,807	-	-	508,559	615,807
Culture and recreation	1,333,796	1,542,958	-	-	1,333,796	1,542,958
Interest on debt	90,447	100,055	-	-	90,447	100,055
Water and sewer	-	-	14,712,703	13,803,335	14,712,703	13,803,335
Total expenses	23,308,939	20,751,126	14,712,703	13,803,335	38,021,642	34,554,461
Change in net position	2,386,066	4,290,196	(208,466)	746,251	2,177,600	5,036,447
Net position -						
Beginning of year	34,099,145	29,808,949	39,959,239	39,212,988	74,058,384	69,021,937
End of year	\$ 36,485,211	\$ 34,099,145	\$ 39,750,773	\$ 39,959,239	\$ 76,235,984	\$ 74,058,384

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

Financial Analysis of the Township's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$14,361,975, a decrease of \$226,068 from the prior year. Approximately 29.9% of this total amount (or \$4,294,955) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, or committed to indicate that it is not available for new spending.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, the total fund balance of the general fund was \$6,001,126, of which \$4,294,955 was unassigned. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures and transfers out. Unassigned fund balance represents 30.1% of total general fund expenditures and transfers out. Overall, the fund balance of the general fund increased by \$355,815 for the year, resulting in the actual increase in fund balance exceeding the budgeted change by \$1,844,095.

Other factors affecting the general fund financial results for the year include:

- Total general fund revenues increased approximately 5.8% compared to the prior year. This is largely due to a 5.5% increase in the taxable value of property tax collections, delinquent property tax collections and tax administration fees. Other factors include better than expected growth in State Revenue Sharing, recreational programing and planning fees all have seen an upward movement as compared to last year.
- Total general fund expenditures remained relatively consistent with the prior year, decreasing approximately 1.3% compared to the prior year.
- The Township transferred \$6.0 million to the public safety special revenue fund to support its operations.

The public safety special revenue fund had an ending fund balance of \$2,777,464. This balance is a decrease from the previous year of \$371,792. This decrease is largely due to staffing levels down due to retirements, causing a man power shortage that created more required overtime for the department. Other huge increases in fuel, uniforms, equipment and insurance costs have all been contributing factors.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

General Fund Budgetary Highlights

The Township takes an active role in monitoring all departmental needs and budget requests throughout the fiscal year. The Township will continue to find ways to reduce costs and still provide the essential services to the citizens of Pittsfield.

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Percentage Over (Under) Final Budget
Revenues	\$ 13,902,023	\$ 13,917,540	\$ 14,624,911	\$ 707,371	5.08%
Expenditures	8,328,903	8,113,920	6,978,029	(1,135,891)	-14.00%
Other financing uses	(6,309,400)	(7,291,900)	(7,291,067)	(833)	0.01%

Budget amendments of \$15,517 were made to increase revenues. These amendments were made as a result of the Township being awarded a private grant from the Helen McCalla Foundation to make building improvements to the Senior Center. These grant funds were used to replace flooring, paint walls and replace furniture.

Budget amendments of \$214,983 were made to decrease expenditures. These amendments were made primarily to reduce the amount of expenditures the Township would normally spend on local road projects. Due to higher material costs on paving, the Township had to defer some of the schedule road projects into next year's budget allocations.

Budget amendments of \$982,500 were made to increase transfers out. These amendments were made as a result of covering cost to various capital projects. These projects consist of rebuilding the intersection at Ann Arbor-Saline Road and Oak Valley Road in the amount of \$680,000. Other transfers were made to cover costs of two major pathways that are being built: the Platt-Textile Pathway (\$2,500) and the Platt Road Greenway Phase II (\$300,000).

Actual revenues exceeded the final budgeted amount by \$707,371. These budget overages were the result of an unexpected increase in anticipated State Shared Revenues by \$677,595. Other increases in planning fees and cost center contributions make up the remainder.

Actual expenditures were less than budgeted amounts by \$1,135,891. This was the result of lower staffing by delaying hiring, putting projects and capital spending on hold due to the uncertainty of the economy.

Actual transfers out were fairly consistent with the final budgeted amount, with actual less than budgeted amounts by \$833.

Public Safety Special Revenue Fund Budgetary Highlights

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	Percentage Over (Under) Final Budget
Revenues	\$ 5,073,229	\$ 5,073,229	\$ 5,000,051	\$ (73,178)	-1.44%
Expenditures	11,508,292	11,508,292	11,371,843	(136,449)	-1.19%
Other financing sources	6,000,000	6,000,000	6,000,000	-	0.00%

There were no budget amendments made to the Public Safety Special Revenue Fund.

Actual revenues were less than the final budgeted amount by \$73,178, which is largely due to fines and forfeitures. The Township expected fines and forfeitures to rise back to the level they were prior to the COVID-19 pandemic. However, that did not happen and instead remained consistent with the prior year.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

Actual expenditures were less than budgeted amounts by \$136,449. This was the result of delaying capital purchases to due uncertainty of the economy.

Actual transfers out were the same as the final budgeted amount.

Capital Asset and Debt Administration

Capital Assets. At the end of 2021, the Township had \$68,904,978 invested in a broad range of net capital assets including land and easements, construction in progress, buildings and improvements, infrastructure, and machinery and equipment.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and easements	\$ 25,595,400	\$ 25,595,400	\$ 379,578	\$ 379,578	\$ 25,974,978	\$ 25,974,978
Construction in progress	1,640,447	225,199	1,193,957	1,551,851	2,834,404	1,777,050
Buildings/improvements	722,668	938,212	972,334	316,437	1,695,002	1,254,649
Infrastructure	6,846,993	6,753,794	29,772,318	29,803,962	36,619,311	36,557,756
Machinery and equipment	1,264,361	1,462,758	516,922	708,732	1,781,283	2,171,490
Total capital assets, net	\$ 36,069,869	\$ 34,975,363	\$ 32,835,109	\$ 32,760,560	\$ 68,904,978	\$ 67,735,923

Major capital asset purchases during the current fiscal year included:

- 1 Dodge Charger
- Lillie Park parking lot improvements
- Community Center roof and building improvements
- District III Booster Station improvements
- State Street sewer lining
- Fire extraction equipment

Additional information on the Township's capital asset activity may be found in Note 5 of the notes to the financial statements.

Long-term Debt. At the end of the current year, the Township had total long-term debt (excluding compensated absences and unamortized premiums) outstanding of \$8,954,065, which is backed by the full faith and credit of the government.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 3,303,000	\$ 3,664,000	\$ 4,666,080	\$ 5,331,080	\$ 7,969,080	\$ 8,995,080
Special assessments debt w/ government commitment	984,985	1,104,864	-	-	984,985	1,104,864
Total outstanding debt	\$ 4,287,985	\$ 4,768,864	\$ 4,666,080	\$ 5,331,080	\$ 8,954,065	\$ 10,099,944

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Management's Discussion and Analysis

The Township has an AA+ rating from Standard & Poor's on its general obligation bonds.

Additional information on the Township's long-term debt activity can be found in Note 8 of the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

The Township's expenditure budget for next fiscal year is \$762,743 lower than the current year amended budget which includes \$60,223 of fund balance that will be used for capital expenditures. Revenues are budgeted to be \$665,314 higher. This increase in the revenue budget is due to a 4% growth in the Township's taxable value in property tax revenue for fiscal year 2022. As we have started our fiscal year 2022, we see budgeting in the era of COVID-19 requires consideration of a number of unprecedented variables, both in terms of revenues and expenditures - all while dealing with the day-to-day impacts of the Coronavirus pandemic. The Township will be facing budget amendments for the 2022 budget year due to filling staffing shortages and as inflation starts to impact delivery of services and resources. The Township's goal is to preserve jobs with no reduction in service levels and will monitor expenses closely.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, you are welcome to contact the Clerk's Office at (734) 822-3120.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Net Position

December 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
Assets				
Cash and cash equivalents	\$ 28,671,577	\$ 11,641,269	\$ 40,312,846	\$ 8,953
Receivables	10,017,116	2,181,132	12,198,248	-
Internal balances	(79,581)	79,581	-	-
Other assets	63,164	304,311	367,475	-
Capital assets not being depreciated	27,235,847	1,573,535	28,809,382	-
Capital assets being depreciated, net	8,834,022	31,261,574	40,095,596	-
Total assets	74,742,145	47,041,402	121,783,547	8,953
Deferred outflows of resources				
Deferred pension amounts	3,572,622	340,793	3,913,415	-
Deferred other postemployment benefit amounts	2,558,830	335,663	2,894,493	-
Deferred charge on bond refunding	-	44,618	44,618	-
Total deferred outflows of resources	6,131,452	721,074	6,852,526	-
Liabilities				
Accounts payable	2,327,711	1,590,001	3,917,712	8,953
Accrued liabilities	1,439,958	46,787	1,486,745	-
Unearned revenue	1,799,450	-	1,799,450	-
Long-term debt:				
Due within one year	1,609,066	758,000	2,367,066	-
Due in more than one year	5,351,604	4,143,712	9,495,316	-
Other liabilities, due in more than one year:				
Net pension liability	8,736,327	833,359	9,569,686	-
Net other postemployment benefit liability	715,867	93,906	809,773	-
Total liabilities	21,979,983	7,465,765	29,445,748	8,953
Deferred inflows of resources				
Deferred pension amounts	2,693,070	256,892	2,949,962	-
Deferred other postemployment benefit amounts	2,203,455	289,046	2,492,501	-
Taxes levied but intended for subsequent period	17,511,878	-	17,511,878	-
Total deferred inflows of resources	22,408,403	545,938	22,954,341	-
Net position				
Net investment in capital assets	32,808,380	28,213,647	61,022,027	-
Restricted for:				
General government	386,608	-	386,608	-
Public safety	3,113,039	-	3,113,039	-
Public works	658,487	-	658,487	-
Culture and recreation	1,046,550	-	1,046,550	-
Debt service	533,991	-	533,991	-
Other governmental programs	237,163	-	237,163	-
Unrestricted (deficit)	(2,299,007)	11,537,126	9,238,119	-
Total net position	\$ 36,485,211	\$ 39,750,773	\$ 76,235,984	\$ -

The accompanying notes are an integral part of these basic financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2021

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 5,643,695	\$ 6,072,822	\$ 377,700	\$ -	\$ 806,827
Public safety	12,765,737	478,902	72,961	1,610	(12,212,264)
Public works	2,966,705	344,363	-	22,404	(2,599,938)
Planning and zoning	508,559	128,310	-	-	(380,249)
Culture and recreation	1,333,796	167,216	-	10,010	(1,156,570)
Interest on long-term debt	90,447	-	-	-	(90,447)
Total governmental activities	23,308,939	7,191,613	450,661	34,024	(15,632,641)
Business-type activities -					
Water and sewer	14,712,703	14,026,043	-	455,339	(231,321)
Total primary government	<u>\$ 38,021,642</u>	<u>\$ 21,217,656</u>	<u>\$ 450,661</u>	<u>\$ 489,363</u>	<u>\$ (15,863,962)</u>
Component unit					
Economic Development Corporation	\$ -	\$ -	\$ -	\$ -	\$ -

continued...

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net expense	\$ (15,632,641)	\$ (231,321)	\$ (15,863,962)	\$ -
General revenues:				
Property taxes	14,278,745	-	14,278,745	-
Unrestricted state shared revenue	3,698,877	-	3,698,877	-
Unrestricted investment earnings	41,085	22,855	63,940	-
Total general revenues	18,018,707	22,855	18,041,562	-
Change in net position	2,386,066	(208,466)	2,177,600	-
Net position, beginning of year	34,099,145	39,959,239	74,058,384	-
Net position, end of year	<u>\$ 36,485,211</u>	<u>\$ 39,750,773</u>	<u>\$ 76,235,984</u>	<u>\$ -</u>

concluded.

The accompanying notes are an integral part of these basic financial statements.

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FUND FINANCIAL STATEMENTS

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Balance Sheet

Governmental Funds

December 31, 2021

	General	Public Safety	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 12,780,374	\$ 6,178,728	\$ 8,529,093	\$ 27,488,195
Receivables:				
Accounts	241,304	152,955	565,407	959,666
Special assessments	-	-	363,265	363,265
Taxes	4,551,160	3,362,954	531,461	8,445,575
Due from other funds	11,052	5,624	1,797	18,473
Prepaid items	15,745	46,783	636	63,164
Total assets	<u>\$ 17,599,635</u>	<u>\$ 9,747,044</u>	<u>\$ 9,991,659</u>	<u>\$ 37,338,338</u>
Liabilities				
Accounts payable	\$ 461,863	\$ 129,107	\$ 280,668	\$ 871,638
Accrued liabilities	80,503	303,393	956,189	1,340,085
Due to other funds	5,847	-	11,798	17,645
Due to other governments	38,501	-	-	38,501
Escrow payable	1,028,701	-	5,200	1,033,901
Unearned revenue	51,699	8,725	1,739,026	1,799,450
Total liabilities	<u>1,667,114</u>	<u>441,225</u>	<u>2,992,881</u>	<u>5,101,220</u>
Deferred inflows of resources				
Unavailable revenue -				
Special assessments	-	-	363,265	363,265
Taxes levied but intended for subsequent period	9,931,395	6,528,355	1,052,128	17,511,878
Total deferred inflows of resources	<u>9,931,395</u>	<u>6,528,355</u>	<u>1,415,393</u>	<u>17,875,143</u>
Fund balances				
Nonspendable - prepaid items	15,745	46,783	636	63,164
Restricted for:				
General government	-	-	386,608	386,608
Public safety	-	-	3,112,403	3,112,403
Public works	-	-	658,487	658,487
Culture and recreation	-	-	1,046,550	1,046,550
Debt service	-	-	197,752	197,752
Capital improvements	-	-	41,511	41,511
Right of way	210,651	-	-	210,651
Police training grants	-	9,607	-	9,607
Donations	14,775	2,130	-	16,905
Committed for:				
Public safety	-	2,118,944	-	2,118,944
Capital projects	500,000	600,000	139,438	1,239,438
Budget stabilization	965,000	-	-	965,000
Unassigned	4,294,955	-	-	4,294,955
Total fund balances	<u>6,001,126</u>	<u>2,777,464</u>	<u>5,583,385</u>	<u>14,361,975</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,599,635</u>	<u>\$ 9,747,044</u>	<u>\$ 9,991,659</u>	<u>\$ 37,338,338</u>

The accompanying notes are an integral part of these basic financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds to Net Position of
Governmental Activities
December 31, 2021

Fund balances - total governmental funds	\$ 14,361,975
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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 therefore are not reported in the fund statement.

Capital assets not being depreciated	27,235,847
Capital assets being depreciated, net	8,834,022

Internal service funds are used by management to charge the costs of certain equipment
usage to individual governmental funds. The assets and liabilities of the internal service
funds are included in governmental activities in the statement of net position.

Net position of governmental internal service fund	975,474
Portion of internal service fund net position attributed to business-type funds	(80,409)

Unavailable revenue is not a current financial resource and therefore is not
reported as revenue in the governmental funds.

	363,265
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Certain liabilities, such as bonds payable, are not due and payable
in the current period, and therefore are not reported in the funds.

General obligation bond and special assessment debt payable	(4,287,985)
Unamortized premium on bonds	(17,932)
Accrued interest on bond and special assessment debt payable	(27,026)
Compensated absences	(2,654,753)

Certain pension and other postemployment benefit-related amounts, such as the
net pension and other postemployment benefit liabilities and deferred amounts
are not due and payable in the current period or do not represent current financial
resources and therefore are not reported in the funds.

Net pension liability	(8,736,327)
Deferred outflows related to the net pension liability	3,572,622
Deferred inflows related to the net pension liability	(2,693,070)
Net other postemployment benefit liability	(715,867)
Deferred outflows related to the net other postemployment benefit liability	2,558,830
Deferred inflows related to the net other postemployment benefit liability	(2,203,455)

Net position of governmental activities	<u>\$ 36,485,211</u>
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The accompanying notes are an integral part of these basic financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2021

	General	Public Safety	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes and special assessments	\$ 8,585,146	\$ 4,795,012	\$ 1,064,073	\$ 14,444,231
Licenses and permits	88,160	44,181	1,827,267	1,959,608
Intergovernmental	3,739,709	76,324	335,004	4,151,037
Charges for services	1,625,060	12,218	1,937,875	3,575,153
Fines and forfeitures	250	51,352	-	51,602
Franchise fees	490,548	-	-	490,548
Interest income	26,035	6,434	8,616	41,085
Donations	10,010	-	-	10,010
Other revenues	59,993	14,530	8,893	83,416
Total revenues	14,624,911	5,000,051	5,181,728	24,806,690
Expenditures				
Current:				
General government	3,503,503	-	298,145	3,801,648
Public safety	94,797	11,326,052	1,338,551	12,759,400
Public works	1,207,862	-	1,731,197	2,939,059
Planning and zoning	537,302	-	-	537,302
Culture and recreation	1,061,151	-	302,583	1,363,734
Contingencies	37,089	-	-	37,089
Debt service:				
Principal	361,000	-	119,879	480,879
Interest and fiscal charges	74,844	-	20,909	95,753
Capital outlay	100,481	45,791	2,871,622	3,017,894
Total expenditures	6,978,029	11,371,843	6,682,886	25,032,758
Revenues over (under) expenditures	7,646,882	(6,371,792)	(1,501,158)	(226,068)
Other financing sources (uses)				
Transfers in	-	6,000,000	1,291,067	7,291,067
Transfers out	(7,291,067)	-	-	(7,291,067)
Total other financing sources (uses)	(7,291,067)	6,000,000	1,291,067	-
Net change in fund balances	355,815	(371,792)	(210,091)	(226,068)
Fund balances, beginning of year	5,645,311	3,149,256	5,793,476	14,588,043
Fund balances, end of year	\$ 6,001,126	\$ 2,777,464	\$ 5,583,385	\$ 14,361,975

The accompanying notes are an integral part of these basic financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Reconciliation

Net Change in Fund Balances of Governmental Funds to
Change in Net Position of Governmental Activities
For the Year Ended December 31, 2021

Net change in fund balances - total governmental funds \$ (226,068)

Amounts reported for *governmental activities* in the statement of activities are different because:

Collection of special assessments levied in the prior years provides current financial gain in the funds, but do not affect net position. (120,648)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital assets purchased/constructed	2,046,252
Depreciation expense	(940,770)
Loss on disposal of capital assets	(10,976)

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments on long-term debt	480,879
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Accrued interest expense on bonds and the amortization of bond premiums are not recorded by governmental funds, but are reported under interest and fiscal charges for purposes of net position.

Change in accrued interest payable on bond and special assessment debt	3,065
Amortization of premium	2,241

Internal service funds are used by management to charge the costs of medical insurance to individual governmental funds. The net revenues (expense) attributable to those funds is reported with governmental activities.

Operating income in internal service fund	81,814
Interest income from governmental internal service fund	617
Internal service fund change in net position accounted for in business-type activities	(7,189)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in the net pension liability and related deferred amounts	596,802
Change in net other postemployment benefit liability and related deferred amounts	628,440
Change in the accrual for compensated absences	(148,393)

Change in net position of governmental activities \$ 2,386,066

The accompanying notes are an integral part of these basic financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ 8,553,758	\$ 8,553,758	\$ 8,585,146	\$ 31,388
Licenses and permits	128,300	128,300	88,160	(40,140)
Intergovernmental	3,021,545	3,037,062	3,739,709	702,647
Charges for services	1,569,220	1,569,220	1,625,060	55,840
Fines and forfeitures	10,000	10,000	250	(9,750)
Franchise fees	525,000	525,000	490,548	(34,452)
Interest income	20,000	20,000	26,035	6,035
Donations	10,000	10,000	10,010	10
Other revenues	64,200	64,200	59,993	(4,207)
Total revenues	13,902,023	13,917,540	14,624,911	707,371
Expenditures				
General government:				
Township board	65,565	82,165	72,915	(9,250)
Township supervisor	116,195	118,894	118,287	(607)
Elections	294,755	274,041	248,538	(25,503)
Finance	343,174	378,874	373,911	(4,963)
Assessor	521,055	521,055	495,356	(25,699)
Township clerk	374,147	410,147	397,552	(12,595)
Community development	362,733	379,933	375,453	(4,480)
Human resources	314,594	357,044	349,149	(7,895)
Post employment services	386,698	371,698	346,127	(25,571)
Board of review	3,800	3,800	3,489	(311)
Administrative	77,000	92,000	70,994	(21,006)
Professional services	292,000	351,473	342,805	(8,668)
Township treasurer	470,000	484,500	476,817	(7,683)
Information technology	426,979	576,979	438,947	(138,032)
Building and grounds	207,100	235,535	194,317	(41,218)
Less: reimbursements	(810,000)	(810,000)	(801,154)	8,846
Total general government	3,445,795	3,828,138	3,503,503	(324,635)
Public safety -				
Property maintenance inspections	93,125	112,600	94,797	(17,803)
Public works -				
Highways, streets and drains	2,042,000	1,651,200	1,207,862	(443,338)

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PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Planning and zoning -				
Municipal services	\$ 598,500	\$ 608,408	\$ 537,302	\$ (71,106)
Culture and recreation:				
Parks and recreation	1,136,701	1,188,186	1,058,941	(129,245)
Historical commission	12,670	12,670	2,210	(10,460)
Total culture and recreation	1,149,371	1,200,856	1,061,151	(139,705)
Contingencies	200,000	49,975	37,089	(12,886)
Debt service:				
Principal	361,000	361,000	361,000	-
Interest and fiscal charges	75,112	75,112	74,844	(268)
Total debt service	436,112	436,112	435,844	(268)
Capital outlay	364,000	226,631	100,481	(126,150)
Total expenditures	8,328,903	8,113,920	6,978,029	(1,135,891)
Revenues over expenditures	5,573,120	5,803,620	7,646,882	1,843,262
Other financing uses				
Transfers out	(6,309,400)	(7,291,900)	(7,291,067)	(833)
Net change in fund balance	(736,280)	(1,488,280)	355,815	1,844,095
Fund balance, beginning of year	5,645,311	5,645,311	5,645,311	-
Fund balance, end of year	\$ 4,909,031	\$ 4,157,031	\$ 6,001,126	\$ 1,844,095

concluded.

The accompanying notes are an integral part of these basic financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Public Safety Special Revenue Fund

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ 4,714,329	\$ 4,714,329	\$ 4,795,012	\$ 80,683
Licenses and permits	45,000	45,000	44,181	(819)
Intergovernmental	76,000	76,000	76,324	324
Charges for services	30,400	30,400	12,218	(18,182)
Fines and forfeitures	145,000	145,000	51,352	(93,648)
Interest income	10,000	10,000	6,434	(3,566)
Donations	500	500	-	(500)
Other revenue	52,000	52,000	14,530	(37,470)
Total revenues	<u>5,073,229</u>	<u>5,073,229</u>	<u>5,000,051</u>	<u>(73,178)</u>
Expenditures				
Public safety	11,168,902	11,426,569	11,326,052	(100,517)
Capital outlay	339,390	81,723	45,791	(35,932)
Total expenditures	<u>11,508,292</u>	<u>11,508,292</u>	<u>11,371,843</u>	<u>(136,449)</u>
Revenues under expenditures	(6,435,063)	(6,435,063)	(6,371,792)	63,271
Other financing sources				
Transfers in	6,000,000	6,000,000	6,000,000	-
Net change in fund balance	<u>(435,063)</u>	<u>(435,063)</u>	<u>(371,792)</u>	<u>63,271</u>
Fund balance, beginning of year	<u>3,149,256</u>	<u>3,149,256</u>	<u>3,149,256</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,714,193</u>	<u>\$ 2,714,193</u>	<u>\$ 2,777,464</u>	<u>\$ 63,271</u>

The accompanying notes are an integral part of these basic financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Net Position

Proprietary Funds

December 31, 2021

	Business-type Activities - Water and Sewer Enterprise Fund	Governmental Activities - Medical Insurance Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,641,269	\$ 1,183,382
Accounts receivable	2,181,132	248,610
Due from other funds	7,314	-
Inventory	251,947	-
Prepaid items	52,364	-
Total current assets	<u>14,134,026</u>	<u>1,431,992</u>
Noncurrent assets:		
Capital assets not being depreciated	1,573,535	-
Capital assets being depreciated, net	31,261,574	-
Total noncurrent assets	<u>32,835,109</u>	<u>-</u>
Total assets	<u>46,969,135</u>	<u>1,431,992</u>
Deferred outflows of resources		
Deferred pension amounts	340,793	-
Deferred other postemployment benefit amounts	335,663	-
Deferred charge on refunding	44,618	-
Total deferred outflows of resources	<u>721,074</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable	1,312,148	383,671
Accrued liabilities	24,927	72,847
Accrued interest	21,860	-
Due to other funds	8,142	-
Escrow payable	277,853	-
Compensated absences, current portion	68,000	-
Bonds payable, current portion	690,000	-
Total current liabilities	<u>2,402,930</u>	<u>456,518</u>
Noncurrent liabilities:		
Net pension liability	833,359	-
Net other postemployment benefit liability	93,906	-
Compensated absences, net of current portion	167,632	-
Bonds payable, net of current portion	3,976,080	-
Total noncurrent liabilities	<u>5,070,977</u>	<u>-</u>
Total liabilities	<u>7,473,907</u>	<u>456,518</u>
Deferred inflows of resources		
Deferred pension amounts	256,892	-
Deferred other postemployment benefit amounts	289,046	-
Total deferred inflows of resources	<u>545,938</u>	<u>-</u>
Net position		
Net investment in capital assets	28,213,647	-
Unrestricted	<u>11,456,717</u>	<u>975,474</u>
Total net position	<u>\$ 39,670,364</u>	<u>\$ 975,474</u>

The accompanying notes are an integral part of these basic financial statements.

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PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
December 31, 2021

Net position - enterprise fund	\$ 39,670,364
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Amounts reported for *business-type activities* in the statement of net position
are different because:

Internal service funds are used by management to charge the costs of certain services
to individual governmental and enterprise funds. The net revenues (expense) of
the internal service funds are allocated to governmental and business-type activities.

Portion of internal service fund cumulative change in net position
attributed to enterprise fund.

80,409

Net position of business-type activities	<u><u>\$ 39,750,773</u></u>
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The accompanying notes are an integral part of these basic financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2021

	Business-type Activities - Water and Sewer Enterprise Fund	Governmental Activities - Medical Insurance Internal Service Fund
Operating revenues		
Charges for services	\$ 14,026,043	\$ 2,121,432
Operating expenses		
Personnel services	1,141,653	-
Materials and supplies	10,491,330	-
Contractual	274,606	-
Insurance	44,057	-
Maintenance	208,756	-
Benefits and insurance premiums	-	2,039,618
Other expense	761,488	-
Depreciation	1,588,776	-
Total operating expenses	14,510,666	2,039,618
Operating income (loss)	(484,623)	81,814
Nonoperating revenues (expenses)		
Interest income	22,855	617
Interest expense and fees	(209,226)	-
Total nonoperating revenues (expenses)	(186,371)	617
Income (loss) before contributions	(670,994)	82,431
Capital contributions - tap fees and other	455,339	-
Change in net position	(215,655)	82,431
Net position, beginning of year	39,886,019	893,043
Net position, end of year	\$ 39,670,364	\$ 975,474

The accompanying notes are an integral part of these basic financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Reconciliation

Change in Net Position of Enterprise Funds
to Change in Net Position of Business-type Activities
For the Year Ended December 31, 2021

Change in net position - enterprise fund	\$ (215,655)
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Amounts reported for *business-type activities* in the statement of activities
are different because:

Internal service funds are used by management to charge the costs of certain services
to individual governmental and enterprise funds. The current year change in
net position of the internal service fund is allocated to governmental and
business-type activities.

7,189

Change in net position of business-type activities	<u>\$ (208,466)</u>
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The accompanying notes are an integral part of these basic financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2021

	Business-type Activities - Water and Sewer Enterprise Fund	Governmental Activities - Medical Insurance Internal Service Fund
Cash flows from operating activities		
Receipts from customers and users	\$ 14,111,612	\$ -
Receipts from interfund services	-	1,876,259
Payments to suppliers	(12,981,705)	(1,868,160)
Payments to employees	(1,164,023)	-
	<u>(34,116)</u>	<u>8,099</u>
Net cash provided by (used in) operating activities		
Cash flows from capital and related financing activities		
Principal paid on debt	(665,000)	-
Interest paid on debt	(202,132)	-
Purchase of capital assets	(1,663,325)	-
Cash contributions for tap fees	455,339	-
	<u>(2,075,118)</u>	<u>-</u>
Net cash used in capital and related financing activities		
Cash flows from investing activities		
Interest income received	22,855	617
	<u>(2,086,379)</u>	<u>8,716</u>
Net change in cash and cash equivalents		
Cash and cash equivalents, beginning of year	13,727,648	1,174,666
Cash and cash equivalents, end of year	<u>\$ 11,641,269</u>	<u>\$ 1,183,382</u>

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PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2021

	Business-type Activities - Water and Sewer Enterprise Fund	Governmental Activities - Medical Insurance Internal Service Fund
Cash flows from operating activities		
Operating income (loss)	\$ (484,623)	\$ 81,814
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	1,588,776	-
Change in:		
Accounts receivable	85,569	(248,610)
Due from other funds	(6,540)	3,437
Inventory	201,860	-
Prepaid items	101,179	-
Deferred outflows of resources:		
Pension amounts	(114,451)	-
Other postemployment benefit amounts	(300,927)	-
Accounts payable	(1,363,814)	150,663
Accrued liabilities	(1,514)	20,795
Due to other funds	3,790	-
Escrow payable	(137,943)	-
Net pension liability	(33,770)	-
Net other postemployment benefit liability	415	-
Deferred inflows of resources:		
Pension amounts	153,779	-
Other postemployment benefit amounts	236,464	-
Compensated absences	37,634	-
Net cash provided by (used in) operating activities	<u>\$ (34,116)</u>	<u>\$ 8,099</u>

concluded.

The accompanying notes are an integral part of these basic financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2021

		Custodial Fund
	Retiree Healthcare Trust	Tax Collection Fund
Assets		
Cash and cash equivalents	\$ -	\$ 7,066,309
Investments -		
MERS total market portfolio	15,159,861	-
Total assets	15,159,861	7,066,309
Liabilities		
Undistributed receipts	-	7,066,309
Net position		
Restricted for -		
Other postemployment benefits	\$ 15,159,861	\$ -

The accompanying notes are an integral part of these basic financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2021

	Retiree Healthcare Trust	Custodial Fund Tax Collection Fund
Additions		
Investment income -		
Net appreciation in fair value of investments	\$ 1,831,804	\$ -
Employer contributions	727,951	-
Taxes collected for other governments	-	86,838,227
Total additions	<u>2,559,755</u>	<u>86,838,227</u>
Deductions		
Benefit payments	256,444	-
Administrative expenses	25,513	-
Payments of taxes to other governments	-	86,838,227
Total deductions	<u>281,957</u>	<u>86,838,227</u>
Total net change in net position	2,277,798	-
Net position, beginning of year	<u>12,882,063</u>	<u>-</u>
Net position, end of year	<u>\$ 15,159,861</u>	<u>\$ -</u>

The accompanying notes are an integral part of these basic financial statements.

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NOTES TO FINANCIAL STATEMENTS

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Pittsfield Charter Township, Washtenaw County, Michigan (the "Township") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, if any, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Discretely Presented Component Unit

Pittsfield Township Economic Development Corporation (the "EDC") – The EDC, established pursuant to State statutes, was formed to assist economic activity in the Township, primarily through the issuance of tax-exempt bonds. The Township has no obligation to fund deficits of the EDC nor does it guarantee its debt. Members of the EDC's Board of Directors are appointed by the Township's Board of Trustees. Although the EDC does not otherwise meet the criteria for inclusion, the Township has determined that its exclusion would render the financial statements misleading. Separate financial statements are not issued for the EDC. Instead, the activities of the EDC are presented in the statements of net position and activities (and no adjustments are required for this accrual basis presentation).

Fiduciary Component Unit

The Pittsfield Charter Township Other Postemployment Benefit Plan (the "OPEB Plan") is a single-employer defined benefit postemployment healthcare plan established and administered by the Township to provide healthcare benefits to eligible retirees and their beneficiaries. The OPEB Plan is administered through the Retiree Healthcare Trust. The Township is financially accountable for the OPEB Plan, as it is obligated to make employer contributions. Plan provisions are established and may be amended by the Charter Township Board of Trustees, subject to the Township's various collective bargaining agreements.

Government-wide and Fund Financial Statements

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 unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

The statement of activities demonstrates the degree to which the *direct expenses* of given functions or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the respective fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, state shared revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Township reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

The *public safety special revenue fund* accounts for the public safety millage revenue and related expenditures.

The government reports the following major proprietary fund:

The *water and sewer enterprise fund* accounts for the activities of the water distribution and the sewage disposal and treatment system, which are financed primarily by user charges.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Additionally, the government reports the following fund types:

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The *debt service funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The *capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The *internal service fund* accounts for the self-insurance services provided to other departments or funds on a cost reimbursement basis.

The *retiree healthcare trust fund* accounts for the accumulated resources for other postemployment benefit payments to qualified retirees.

The *custodial fund* accounts for assets held by the Township in a custodial capacity for other governments and entities such as property taxes collected for other governments.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues 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 revenues of the enterprise fund are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial paper, repurchase agreements, banker acceptances and mutual funds composed of otherwise legal investments.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non current portion of interfund loans). All other outstanding balances between funds are reported as *due to/from other funds*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as *internal balances*. Advances between funds, if any, are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Amounts received in advance of project costs being incurred are reported as unearned revenue.

Other Assets

Inventory is valued at cost, which approximates market, using the first in/first out method. The costs of governmental fund type inventory is primarily recorded as expenditures when purchased rather than when consumed.

Payments made to vendors for services that will benefit future periods are recorded as prepaid items, using the consumption method, in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, buildings, equipment, vehicles and infrastructure assets (e.g., roads, bridges, drains and similar items), with an initial cost greater than \$5,000, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government are depreciated using the straight-line method over the useful lives of the assets as follows:

Asset	Years
Buildings and improvements	15-30
Infrastructure	15-50
Machinery and equipment	5-20

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The Township has two items that qualify for reporting in this category, reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Township also reports deferred outflows of resources related to its pension and other postemployment benefit plans.

Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/payables (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as internal balances.

Compensated Absences

In accordance with contracts negotiated with the various employee groups of the Township, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in the contracts. All sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only when they have matured or come due. The compensated absences balance related to the governmental funds is a liability recorded in the statement of net position.

Long-term Obligations

In the government-wide and proprietary 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 bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods. In the government-wide and proprietary fund statements, the Township also reports deferred inflows of resources related to its net pension and other postemployment benefits liabilities.

Fund Equity and Net Position Flow Assumption

Governmental funds report *nonspendable* fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted* fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed* fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees (the government's highest level of decision-making authority). A formal resolution of the Board of Trustees is required to establish, modify, or rescind a fund balance commitment. The Township may report *assigned* fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed; however, the Board of Trustees has not yet authorized anyone to assign fund balance. *Unassigned* fund balance is the residual classification for the general fund or deficit fund balances in other funds, of which there are none.

The Township Board of Trustees has established a budget stabilization policy whose goal is to keep a reserve not to exceed either 15 percent of the General Fund operating budget or 15 percent of the average of the municipality's five most recent General Fund operating budgets, whichever is less. If the Budget Stabilization balance exceeds the maximum, the excess money shall be appropriated in the Township's next General Fund operating budget, but shall not be appropriated to the fund. As of December 31, 2021, the balance in the stabilization arrangement was \$965,000, which is reported in the General Fund within committed fund balance.

Funds in the budget stabilization fund may be appropriated by an ordinance or resolution adopted by a 2/3 by the Township's Board of Trustees which created the fund for the following purposes: (a) To cover a general fund deficit, when the municipality's annual audit reveals such a deficit. (b) To prevent a reduction in the level of public services or in the number of employees at any time in a fiscal year when the municipality's budgeted revenue is not being collected in an amount sufficient to cover budgeted expenses. (c) To prevent a reduction in the level of public services or in the number of employees when in preparing the budget for the next fiscal year the municipality's estimated revenue does not appear sufficient to cover estimated expenses. (d) To cover expenses arising because of a natural disaster, including a flood, fire, or tornado. However, if federal or state funds are received to offset the appropriations from the fund, that funds shall be returned to the fund. In determining whether the Township's revenue is not sufficient to cover its expenses, a reduction in the amount of money received for the fiscal year from any source in comparison to the amount of money received for the previous fiscal year, including a reduction in the allocation of state tax money, shall be considered.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amount to restricted and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

2. BUDGETARY INFORMATION

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year-end. Public hearings are conducted in September and October to obtain citizen comment. Prior to December 15 of each year, the Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. A budget is legally enacted by the Township Board through the passage of a budget resolution on or before December 15. Line item budgets are adopted for internal financial management; however, the legal level of control for the budgets is at the departmental basis. Formal budgetary integration is employed as a management control device for the general and special revenue funds; budgets for these funds are prepared and adopted on a basis consistent with generally accepted accounting principles. The Township does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds.

During the year ended December 31, 2021, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts budgeted, as follows:

	Final Budget	Actual	Actual Over Final Budget
800 MHz Consortium			
Public safety	\$ 52,000	\$ 53,352	\$ 1,352

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposits and investments as of December 31, 2021:

	Primary Government	Component Unit	Totals
Statement of Net Position			
Cash and cash equivalents	\$ 40,312,846	\$ 8,953	\$ 40,321,799
Statement of Fiduciary Net Position			
Cash and cash equivalents	7,066,309	-	7,066,309
Investments	-	15,159,861	15,159,861
Total	<u>\$ 47,379,155</u>	<u>\$ 15,168,814</u>	<u>\$ 62,547,969</u>
Deposits and investments			
Bank deposits (checking, savings, CDARs, and ICS)			\$ 19,157,717
Certificates of deposit (maturing in less than one year)			9,942,747
Collateralized sweep accounts			18,286,944
Investments - MERS total market portfolio			15,159,861
Cash on hand			700
Total			<u>\$ 62,547,969</u>

Deposit and Investment Risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the following list of authorized investments. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Township is not exposed to interest rate risk.

Custodial Credit Risk - Deposits. Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Deposits are exposed to custodial credit risk if they are not covered by depository insurance. State law does not require and the Township does not have a policy for deposit custodial credit risk.

At year-end, \$4,166,498 of the combined bank balance of \$36,600,153 of deposits and collateralized sweep accounts (total book balance of \$47,387,408) was exposed to custodial credit risk as it was uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable level are used as depositories.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Custodial Credit Risk - Investments. Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agency but not in the government's name. In accordance with the Township's investment policy, all investments are held in the name of the Township and are evidenced by a safekeeping receipt confirmation, and thus not exposed to custodial credit risk.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified under "statutory authority" above. The Township's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year end are reported above.

Fair Value Measurement

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. As of December 31, 2021, the Township's investments in the MERS total market portfolio are classified as level 1.

4. RECEIVABLES

Receivables of the primary government are comprised of the following at year end:

	Governmental Activities	Business-type Activities
Accounts receivable	\$ 1,208,276	\$ 2,181,132
Special assessments	363,265	-
Taxes receivable	8,445,575	-
	<u>\$ 10,017,116</u>	<u>\$ 2,181,132</u>
Special assessments not expected to be collected within one year	<u>\$ 299,612</u>	<u>\$ -</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

5. CAPITAL ASSETS

Primary government

Capital asset activity for the primary government for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land and easements	\$ 25,595,400	\$ -	\$ -	\$ -	\$ 25,595,400
Construction in progress	225,199	1,415,248	-	-	1,640,447
	<u>25,820,599</u>	<u>1,415,248</u>	<u>-</u>	<u>-</u>	<u>27,235,847</u>
Capital assets being depreciated:					
Buildings and improvements	6,476,691	10,445	(24,215)	-	6,462,921
Infrastructure	18,707,058	397,985	-	-	19,105,043
Machinery and equipment	9,888,282	222,574	-	-	10,110,856
	<u>35,072,031</u>	<u>631,004</u>	<u>(24,215)</u>	<u>-</u>	<u>35,678,820</u>
Less accumulated depreciation for:					
Buildings and improvements	(5,538,479)	(215,013)	13,239	-	(5,740,253)
Infrastructure	(11,953,264)	(304,786)	-	-	(12,258,050)
Machinery and equipment	(8,425,524)	(420,971)	-	-	(8,846,495)
	<u>(25,917,267)</u>	<u>(940,770)</u>	<u>13,239</u>	<u>-</u>	<u>(26,844,798)</u>
Total capital assets being depreciated, net	<u>9,154,764</u>	<u>(309,766)</u>	<u>(10,976)</u>	<u>-</u>	<u>8,834,022</u>
Governmental activities capital assets, net	<u>\$ 34,975,363</u>	<u>\$ 1,105,482</u>	<u>\$ (10,976)</u>	<u>\$ -</u>	<u>\$ 36,069,869</u>

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

General government	\$ 404,234
Public safety	432,932
Public works	27,646
Parks and recreation	<u>75,958</u>
Total depreciation expense	<u>\$ 940,770</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 379,578	\$ -	\$ -	\$ -	\$ 379,578
Construction in progress	1,551,851	977,545	-	(1,335,439)	1,193,957
	<u>1,931,429</u>	<u>977,545</u>	<u>-</u>	<u>(1,335,439)</u>	<u>1,573,535</u>
Capital assets being depreciated:					
Buildings	949,314	685,780	-	1,335,439	2,970,533
Infrastructure	57,279,862	-	-	-	57,279,862
Machinery and equipment	2,399,676	-	-	-	2,399,676
	<u>60,628,852</u>	<u>685,780</u>	<u>-</u>	<u>1,335,439</u>	<u>62,650,071</u>
Less accumulated depreciation for:					
Buildings	(632,877)	(1,365,322)	-	-	(1,998,199)
Infrastructure	(27,475,900)	(31,644)	-	-	(27,507,544)
Machinery and equipment	(1,690,944)	(191,810)	-	-	(1,882,754)
	<u>(29,799,721)</u>	<u>(1,588,776)</u>	<u>-</u>	<u>-</u>	<u>(31,388,497)</u>
Total capital assets being depreciated, net	<u>30,829,131</u>	<u>(902,996)</u>	<u>-</u>	<u>1,335,439</u>	<u>31,261,574</u>
Business-type activities capital assets, net	<u>\$ 32,760,560</u>	<u>\$ 74,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,835,109</u>

At December 31, 2021, the Township's governmental activities had outstanding commitments through construction contracts of approximately \$1.4 million for the Montibeller improvement project. Additionally, the Township's business-type activities had outstanding commitments through construction contracts of approximately \$30 million for the US-12 Wastewater (sewer) improvement project.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year end:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 1,255,309	\$ 1,312,148	\$ 8,953
Due to other governments	38,501	-	-
Escrow payable	1,033,901	277,853	-
	<u>\$ 2,327,711</u>	<u>\$ 1,590,001</u>	<u>\$ 8,953</u>

Accrued liabilities are comprised of the following at year end:

	Governmental Activities	Business-type Activities	Component Units
Accrued liabilities	\$ 1,412,932	\$ 24,927	\$ -
Interest payable	27,026	21,860	-
	<u>\$ 1,439,958</u>	<u>\$ 46,787</u>	<u>\$ -</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At December 31, 2021, amounts due from and due to other funds were as follows:

Receivable funds	Payable Funds			Totals
	General	Nonmajor Governmental	Water and Sewer	
General	\$ -	\$ 4,707	6,345	\$ 11,052
Public safety	524	5,100	-	5,624
Nonmajor governmental	-	-	1,797	1,797
Water and sewer	5,323	1,991	-	7,314
	<u>\$ 5,847</u>	<u>\$ 11,798</u>	<u>\$ 8,142</u>	<u>\$ 25,787</u>

Due to/from balances result primarily from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and/or payments between funds are made. Interfund receivables and payables represent routine and temporary cash flow assistance. The amounts outstanding at year end consisted primarily of the following: (1) the nonmajor governmental funds and water and sewer funds owe the general fund for refunds and legal fees that were assigned to the wrong fund, and (2) the nonmajor governmental funds and general fund owes the public safety special revenue fund for purchases that were assigned to the wrong account.

For the year ended December 31, 2021, interfund transfers consisted of the following:

Transfers Out	Transfers In		Totals
	Public Safety	Nonmajor Governmental	
General	<u>\$ 6,000,000</u>	<u>\$ 1,291,067</u>	<u>\$ 7,291,067</u>

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

During the year ended December 31, 2021, the Township transferred unrestricted resources from the general fund to the public safety special revenue fund and the parks millage special revenue fund (nonmajor governmental fund) to supplement operating expenditures not covered by the Public Safety Millage or the Parks Millage. The Township also transferred unrestricted resources from the general fund to nonmajor governmental funds to finance the various capital projects (i.e. Platt Road Greenway PH II, Platt Road-Textile Greenway and the Ann Arbor-Saline Road at Oak Valley Intersection) and its portion of the debt repayment of the East Michigan Ave Drain.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

8. LONG-TERM DEBT

General obligation bonds - governmental activities. The Township has issued a general obligation bond to finance certain capital improvement projects. The Township has pledged its full faith and credit within statutory limitations for the following issues:

\$4,000,000 2019 Capital Improvement Bonds due in annual installments of \$361,000 to \$457,000 through 2029, interest at 2.05%.	<u>\$ 3,303,000</u>
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Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2022	\$ 371,000	\$ 67,712
2023	383,000	60,106
2024	394,000	52,255
2025	406,000	44,178
2026	418,000	35,855
2027-2029	<u>1,331,000</u>	<u>55,104</u>
	<u>\$ 3,303,000</u>	<u>\$ 315,210</u>

Special assessment debt with government commitment. The government has been assessed for its at-large share of certain drainage district project costs, payable over a multiyear period with interest at 1.625% to 5.0%. Special assessment debt with government commitment, for which debt proceeds are received and expended by the Washtenaw County Drain Commission (and the resulting infrastructure capital asset is its property), currently outstanding is as follows:

\$2,180,000 2006 Mallets Creek Serial Bonds due in annual installments of \$19,879 to \$22,900 through 2026, interest 1.625%. The Township's share of the bond is \$412,706 or 18.93% and Washtenaw County's share of the bond is \$1,767,294 or 81.07%.	\$ 109,985
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\$1,340,000 2016 Refunding of Michigan Avenue East Serial Bonds due in annual installments of \$100,000 to \$120,000 through 2029, interest at 2.00% to 3.00%.	<u>875,000</u>
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Total special assessment debt with government commitment	<u><u>\$ 984,985</u></u>
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PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Annual debt service requirements to maturity for drain assessments are as follows:

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2022	\$ 120,825	\$ 18,587
2023	126,771	16,199
2024	126,771	13,745
2025	132,718	11,239
2026	132,900	8,672
2027-2029	345,000	11,200
	<u>\$ 984,985</u>	<u>\$ 79,642</u>

General obligation bonds – business-type activities. The government issues general obligation bonds to provide funds for the acquisition and construction of major water and sewer system capital infrastructure. The original amount of the outstanding general obligation bonds was \$9,484,650.

General obligation bonds currently outstanding are as follows:

\$4,630,000 2016 Refunding of the 2004 Capital Improvement Serial Bonds due in annual installments of \$440,000 to \$525,000 through 2026, interest at 1.99%.	\$ 2,490,000
\$4,854,650 2010 Drinking Water Revolving Bonds due in annual installments of \$210,000 to \$266,080 through 2030, interest at 2.50%.	<u>2,176,080</u>
Total general obligation bonds	<u><u>\$ 4,666,080</u></u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended December 31,	Business-type Activities	
	Principal	Interest
2022	\$ 690,000	\$ 99,277
2023	710,000	84,274
2024	730,000	68,850
2025	745,000	53,050
2026	765,000	36,876
2027-2030	1,026,080	64,984
	<u>\$ 4,666,080</u>	<u>\$ 407,311</u>

During the year ended December 31, 2021, the Township did not make any draws against the State Revolving Fund bonds. The total amount authorized under this issue is \$30,000,000. The total amount drawn through the year ended December 31, 2021 was \$0.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Changes in long-term debt. Long-term debt activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	\$ 3,664,000	\$ -	\$ (361,000)	\$ 3,303,000	\$ 371,000
Special assessment debt with government commitment	1,104,864	-	(119,879)	984,985	120,825
Unamortized premium	20,173	-	(2,241)	17,932	2,241
Compensated absences	2,506,360	313,318	(164,925)	2,654,753	1,115,000
Total governmental activities	<u>\$ 7,295,397</u>	<u>\$ 313,318</u>	<u>\$ (648,045)</u>	<u>\$ 6,960,670</u>	<u>\$ 1,609,066</u>
Business-type activities					
General obligation bonds	\$ 5,331,080	\$ -	\$ (665,000)	\$ 4,666,080	\$ 690,000
Compensated absences	197,998	99,512	(61,878)	235,632	68,000
Total business-type activities	<u>\$ 5,529,078</u>	<u>\$ 99,512</u>	<u>\$ (726,878)</u>	<u>\$ 4,901,712</u>	<u>\$ 758,000</u>

The governmental activities compensated absences are generally liquidated by the general fund.

9. OPERATING LEASES

The Township has lease agreements for ten copy machines, one each expiring on February 22, 2022, March 1, 2022, December 12, 2022, August 10, 2025, April 6, 2026, and five expiring on June 30, 2025. Rent expense totaled \$17,250 for the year ended December 31, 2021. The remaining future commitments are as follows:

Year Ended December 31,	Amount
2022	\$ 12,919
2023	12,285
2024	12,285
2025	<u>5,377</u>
Total	<u>\$ 42,866</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

10. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2021, the government carried commercial insurance to cover all risks of losses. The Township has had no settled claims from these risks that exceeded its commercial coverage in any of the past three fiscal years.

The general, public safety, building department, parks millage, and water and sewer funds of the Township make payments to the medical insurance internal service fund based on rates established to fund estimated actual liabilities. The total claims liability of \$61,065 reported in the fund at December 31, 2021, is based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements. The Township has estimated its ultimate liability based upon estimates of known claims and actuarial based computations of incurred but not reported claims.

Changes in the fund's claims liability amount was:

	2021	2020
Balance at the beginning of year	\$ 52,052	\$ 78,485
Current year claims and changes in estimates	2,039,618	2,071,637
Claims paid	(2,018,823)	(2,098,070)
Balance at end of year	\$ 72,847	\$ 52,052

11. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by federal and state grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government and its component unit, individually or jointly, are the defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government and component unit's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

12. PROPERTY TAXES AND ABATEMENTS

Property taxes become an enforceable lien on the property as of December 31. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes along with collecting taxes for various other taxing jurisdictions. Township tax revenues are recognized in the fiscal year following the December 1 levy date. Taxes are considered delinquent on March 1, at which time the applicable property is subject to lien and penalty and interest is assessed.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Assessed values, as established annually by the government, are subject to acceptance by the County and equalized by the State at an estimated 50% of current market value. For the December 31, 2020 levy, the taxable value of real and personal property in the Township totaled \$2,129,914,501. The government's general operating tax rate for the December 1, 2020 levy, which is considered revenue for fiscal year 2021 was 3.9923 mills, with an additional 1.8730 and 0.4662 special-voted mills for public safety and parks, respectively.

The Township received reduced property tax revenues during 2021 as a result of industrial facilities tax exemptions (IFT's). The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the Township. The abatements amounted to approximately \$61,000 in reduced Township tax revenues for 2021.

13. PENSION PLAN

General Information About the Plan

Plan Description. The Township participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at www.mersofmich.com.

Benefits Provided. Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 year period) and multipliers ranging from 1.50% to 2.50%. Participants vesting requirements range from 6 to 10 years. Normal retirement age is 60 with early retirement at age 50 or 55 with 25 or 15 years of service, respectively. Member contributions range from 0.00% to 9.06%. The plan is closed to certain union and non-union employees.

Employees Covered by Benefit Terms. At the December 31, 2020 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	68
Inactive employees entitled to but not yet receiving benefits	80
Active employees	124
	<hr/>
Total membership	272
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PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees 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 fiscal year beginning January 1, 2021, the Township's contributions ranged from 7.01% to 9.04% of annual payroll for open divisions. Closed divisions employer contributions ranged from \$1,303 to \$56,380 per month. Employee contributions ranged from 0.00% to 9.06%.

Net Pension Liability. The Township's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020.

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.00% in the long-term
Investment rate of return	7.35%, net of investment expense and including inflation

The base mortality tables used are constructed as described below and are based on amount weighted sex distinct rates:

- Pre-retirement mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 100% of PubG-2010 Employee Mortality Tables for Ages 18-80, and 100% of PubG-2010 Healthy Retiree Tables for ages 81-120
- Non-disabled retired plan members and beneficiaries mortality based on 106% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, and 106% of PubG-2010 Healthy Retiree Tables for ages 50-120
- Disabled retired plan members mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, and 100% of PubNS-2010 Disabled Retiree Tables for ages 18-120

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Long-term Expected Rate of Return. The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses 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 for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.00%	5.25%	3.15%
Global fixed income	20.00%	1.25%	0.25%
Private investments	20.00%	7.25%	1.45%
	<u>100.00%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u>7.60%</u>

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2021 was 7.6%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay 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.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Changes in Net Pension Liability. The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2020	\$ 46,855,555	\$ 36,134,482	\$ 10,721,073
Changes for the year:			
Service cost	1,035,263	-	1,035,263
Interest	3,531,441	-	3,531,441
Difference between expected and actual experience	557,885	-	557,885
Changes in assumptions	1,803,145	-	1,803,145
Employer contributions	-	2,091,091	(2,091,091)
Employee contributions	-	692,577	(692,577)
Net Investment income	-	5,187,741	(5,187,741)
Benefit payments, including refunds of employee contributions	(1,813,716)	(1,813,716)	-
Administrative expense	-	(59,489)	59,489
Other changes	(167,201)	-	(167,201)
Net changes	4,946,817	6,098,204	(1,151,387)
Balances at December 31, 2021	\$ 51,802,372	\$ 42,232,686	\$ 9,569,686

Changes in assumptions. A 5-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Township, calculated using the discount rate of 7.6%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.6%) or 1% higher (8.6%) than the current rate:

	1% Decrease (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
Township's net pension liability	\$ 17,031,933	\$ 9,569,686	\$ 3,456,342

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

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

For the year ended December 31, 2021, the Township recognized pension expense of \$1,499,847. The Township reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 1,351,868	\$ -	\$ 1,351,868
Changes in assumptions	2,561,547	-	2,561,547
Net difference between projected and actual earnings on pension plan investments	-	2,949,962	(2,949,962)
	<u>\$ 3,913,415</u>	<u>\$ 2,949,962</u>	<u>\$ 963,453</u>

Amounts reported as pension-related deferred outflows/inflows of resources will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2022	\$ 769,098
2023	95,284
2024	108,248
2025	<u>(9,177)</u>
Total	<u><u>\$ 963,453</u></u>

Payable to the Pension Plan. At December 31, 2021, the Township reported no amount payable to the Plan.

The governmental activities net pension liability is generally liquidated by the general fund.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

14. OTHER POSTEMPLOYMENT BENEFITS PLAN

General Information About the Plan

Plan Description. The Township participates in a single-employer other postemployment benefit plan (the "OPEB Plan") that provides healthcare benefits to eligible retirees and their beneficiaries. The OPEB Plan was adopted and established by the Township Board of Trustees.

The Township opted to participate in the Municipal Employees' Retirement System (MERS) Retirement Health Funding Vehicle (RHFV). The MERS RHFV became operational in the fall of 2004, and was made available to all municipalities in Michigan. Participating municipalities can contribute monies to the Trust as desired and no contribution method is imposed. These funds constitute a health care fund, which enable municipalities to accumulate monies to provide or subsidize health benefits for retirees and beneficiaries as defined by Code Section 213. The Retiree Health Funding Vehicle accounts are invested in the MERS portfolio choices and earnings are tax exempt as a result of the MERS Private Letter Ruling. Plan provisions and requirements are specified in the MERS Health Care Savings Program and Retiree Health Funding Vehicle Plan Document and Trust.

Benefits Provided. The Townships provides other postemployment benefits, as follows:

Employee Type	Benefits Provided
Non-represented employees (excluding elected officials), police (TPOAM), dispatchers, and firefighters (IAFF)	<p>For employees hired before December 31, 2006 (December 31, 2007 for non-represented members), the Township will pay a portion of the cost of medical plan premiums for the retiree and spouse for life. The Township portion of premiums is 100% for employees with 10 or more years of service as of 12/31/2009 and 90% for all others. Benefits continue to the surviving spouse after the retiree's death.</p> <p>For employees hired after December 31, 2006 (December 31, 2007 for non-represented members), the Township will pay a portion of the retiree-only medical plan premiums for life. The maximum amount payable by the Township is \$600 per month, and this amount is not indexed. No benefits are payable for spouse coverage or surviving spouse coverage.</p>
Class 1: Full-time elected officials	<p>For Class I Full-Time Elected Officials elected before December 31, 2007, the Township will pay 90% of the applicable premium for both the eligible Elected Official and their spouse at the time of retirement (provided he/she remains the spouse). When the eligible retiree or his/her spouse at the time of retirement reaches age sixty-five (65) (or the Medicare eligibility age, if higher), the retiree or spouse must. apply for Medicare Coverage (Parts A and B) and pay the applicable premium. The retiree or spouse will then be enrolled in a Township provided supplemental health insurance plan and the Employer will pay the premium to provide said supplemental coverage for the eligible retiree and spouse at the time of retirement Benefits continue to the surviving spouse after the retiree's death.</p>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Employee Type	Benefits Provided
Class 1: Full-time elected officials (concluded)	For Class I Full-Time Elected Officials elected after December 31, 2007, the Township shall only pay the cost of single subscriber coverage up to \$600 per month for the retiree. When the eligible retiree reaches age sixty-five (65) (or the Medicare eligibility age, if higher), the retiree must apply for Medicare Coverage (Parts A and B) and pay the applicable premium. The retiree will then be enrolled in a Township provided supplemental plan and the Employer will pay up to \$600 per month towards the supplemental premium to provide said supplemental coverage for the eligible retiree. No benefits are payable for spouse coverage or surviving spouse coverage.
Police Patrol (POAM)	Beginning at age 50, the Township will pay a portion of the cost of medical plan premiums for the retiree and his/her spouse for life. The Township portion of premiums is 100% for employees hired before January 1, 2007 and 50% for those hired after. Benefits continue to the surviving spouse after the retiree's death.
Police Command	The Township will pay 100% of the cost of medical plan premiums for the retiree and his/her spouse for life. Benefits continue to the surviving spouse after the retiree's death. Retirees who then work for another township in the same capacity have their retiree medical coverage suspended. When the retiree is no longer working, he/she can resume medical coverage with Pittsfield.

Employees Covered by Benefit Terms. At January 1, 2021, the date of the most recent actuarial valuation, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	24
Inactive employees entitled to but not yet receiving benefits	2
Active employees	<u>123</u>
Total membership	<u><u>149</u></u>

Net Other Postemployment Benefits Liability. The Township's net other postemployment benefits liability was measured as of December 31, 2021, and the total other postemployment benefits liability used to calculate the net other postemployment benefits liability was determined by an actuarial valuation as of January 1, 2021 (rolled forward to December 31, 2021).

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Actuarial Assumptions. The total other postemployment benefits liability was determined by an actuarial valuation as of January 1, 2021 (and rolled forward to December 31, 2021, the measurement date), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50% per year
Salary Increases	3.00%
Investment rate of return	6.75%
Healthcare trend rate	9.00% graded down to 4.04%

Rates of mortality for members and their beneficiaries are the same as what is used in the MERS December 31, 2020 actuarial valuation. MERS uses the following tables:

Pre-Retirement Mortality:

- 100% of Pub-2010 Juvenile Mortality Tables for Ages 0-17
- 100% of PubG-2010 Employee Mortality Tables for Ages 18-80
- 100% of PubG-2010 Healthy Retiree Tables for Ages 81-120

Non-disabled retired plan members and beneficiaries:

- 106% of Pub-2010 Juvenile Mortality Tables for Ages 0-17
- 106% of PubG-2010 Employee Mortality Tables for Ages 18-80
- 106% of PubG-2010 Healthy Retiree Tables for Ages 81-120

Disabled retired plan members:

Rates of mortality for disabled members are the same as what is used in the MERS December 31, 2020, actuarial valuation. MERS uses 100% of Pub-2010 Juvenile Mortality Table for Ages 0-17 and 100% of PubNs-2010 Disabled Retiree Tables for Ages 18-120.

Future Mortality Improvements:

Future mortality improvements are assumed each year using scale MP-2019 applied fully generationally from the Pub-2010 base year of 2010.

Investment Policy. The OPEB Plan's policy in regard to the allocation of invested assets is established and may be amended by the Township Board of Trustees. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment processes that the Township Board of Trustees deems appropriate. The OPEB Plan's asset allocation policy is shown on the following pages.

Concentrations. At December 31, 2021, the OPEB Plan's investments were fully invested in the MERS Retiree Health Funding Vehicle.

Rate of Return. For the year ended December 31, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 13.46 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Long-term Expected Rate of Return. The long-term expected rate of return on other postemployment benefits plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses 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 for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.00%	4.95%	2.97%
Global fixed income	20.00%	2.40%	0.48%
Private investments	20.00%	7.00%	1.40%
	<u>100.00%</u>		
Inflation			2.50%
Risk adjustment			<u>-0.60%</u>
Investment rate of return			<u>6.75%</u>

Discount Rate. The discount rate used to measure the total other postemployment benefits liability is 6.75% for 2021. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the other postemployment benefits plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on other postemployment benefits plan investments was applied to all periods of projected benefit payments to determine the total other postemployment benefits liability.

Net OPEB Liability of the Township. The components of the net OPEB liability of the Township at December 31, 2021, were as follows:

Total OPEB liability	\$ 15,969,634
Plan fiduciary net position	<u>15,159,861</u>
Township's net OPEB liability	<u>\$ 809,773</u>
Plan fiduciary net position as a percentage of the total OPEB liability	94.9%

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Changes in Net Other Postemployment Benefits Liability. The components of the change in the net other postemployment benefits (OPEB) liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at December 31, 2020	\$ 13,805,972	\$ 12,882,063	\$ 923,909
Changes for the year:			
Service cost	309,294	-	309,294
Interest	1,107,496	-	1,107,496
Changes in benefit terms	(470,974)	-	(470,974)
Differences between expected and actual experience	(1,414,888)	-	(1,414,888)
Changes of assumptions	2,889,178	-	2,889,178
Employer contributions	-	727,951	(727,951)
Net investment income	-	1,831,804	(1,831,804)
Benefit payments, including refunds of employee contributions	(256,444)	(256,444)	-
Administrative expense	-	(25,513)	25,513
Net changes	2,163,662	2,277,798	(114,136)
Balances at December 31, 2021	\$ 15,969,634	\$ 15,159,861	\$ 809,773

Changes in benefit terms. The Blue Cross Blue Shield HAS PPO Plan (Division 0007/0009) deductible was increased to \$1,400/\$2,800 for individuals/family, effective January 1, 2021. Additionally, the Blue Cross Blue Shield PPO Community Blue Plan (Divisions 0003/0004) was terminated on December 31, 2020.

Changes in assumptions. Trends were updated to reflect the recent experience and industry expectations. Additionally, retirement rates, termination rates, mortality rates, salary increase rates, and family composition were changed to reflect the assumptions used in the MERS December 31, 2020, actuarial valuation. Expected claim costs for the year were updated to reflect the latest claim and premium information. A COVID surge adjustment was applied to 2020 medical experience.

Sensitivity of the Net Other Postemployment Benefits Liability to Changes in the Discount Rate. The following presents the net other postemployment benefits liability of the Township, calculated using the discount rate of 6.75%, as well as what the Township's net other postemployment benefits liability would be if it were calculated using a discount rate that is 1% lower (5.75%) or 1% higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Township's net other postemployment benefits liability (asset)	\$ 3,515,579	\$ 809,773	\$ (1,360,306)

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Sensitivity of the Net Other Postemployment Benefits Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net other postemployment benefits liability of the Township, calculated using the healthcare cost trend rate of 9.00%, as well as what the Township's net other postemployment benefits liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (8.00%) or 1% higher (10.00%) than the current rate:

	1% Decrease (8.00% graded down to 3.04%)	Current Healthcare Cost Trend Rate (9.00% graded down to 4.04%)	1% Increase (10.00% graded down to 5.04%)
Township's net other postemployment benefits liability (asset)	\$ (1,687,613)	\$ 809,773	\$ 4,002,198

Other Postemployment Benefit Expense and Deferred Outflows/Inflows of Resources Related to Other Postemployment Benefits

For the year ended December 31, 2021, the Township recognized other postemployment benefits expense of \$35,463. The Township reported deferred outflows/inflows of resources related to other postemployment benefits as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 789	\$ 1,273,399	\$ (1,272,610)
Changes in assumptions	2,893,704	-	2,893,704
Net difference between projected and actual earnings on other postemployment benefits plan investments	-	1,219,102	(1,219,102)
	<u>\$ 2,894,493</u>	<u>\$ 2,492,501</u>	<u>\$ 401,992</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

Amounts reported as other postemployment benefits-related deferred outflows/inflows of resources will be recognized in other postemployment benefits expense as follows:

Year Ended December 31,	Amount
2022	\$ (51,521)
2023	(254,735)
2024	(133,952)
2025	6,978
2026	196,468
2027-2030	638,754
Total	\$ 401,992

Payable to the Other Postemployment Benefits Plan. At December 31, 2021, the Township reported no amount payable to the OPEB plan.

Governmental activities net other postemployment benefits liability is generally liquidated by the general fund.

15. DEFINED CONTRIBUTION OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description. The employer's defined contribution OPEB plan (Health Care Savings Program) provides certain health care benefits to plan members and legal dependents upon termination of employment. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple employer, statewide public employee defined contribution OPEB plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Contribution Rates or Amounts. The employer contributes 1% - 2% of base pay; employees are required to contribute 1% of base pay. Contribution rates are determined by the employer and may be amended by the local governing body.

Benefit Terms. Employees are immediately vested in their contributions and earnings of those contributions, and become vested on employer contributions after completion of 10 years of creditable service with the employer depending on the plan provisions.

Contribution Amounts. For the year ended December 31, 2021, employee contributions were \$40,585 and employer contributions were \$71,029.

Forfeiture Amounts. Nonvested employer contributions are forfeited upon termination of employment. Such forfeitures are used to cover future employer contributions, be directed to the employer's Retiree Health Funding Vehicle, (if applicable) or be equally distributed among all remaining active participants in the plan. At the end of December 31, 2021 forfeitures of \$47,169 reduced the employer's defined contribution OPEB expense.

Employer Liability. At December 31, 2021, the Township reported no amount payable to the OPEB plan.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes To Financial Statements

16. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of December 31, 2021, was as follows:

	Governmental activities	Business-type activities
Capital assets:		
Capital assets not being depreciated	\$ 27,235,847	\$ 1,573,535
Capital assets being depreciated, net	8,834,022	31,261,574
	<u>36,069,869</u>	<u>32,835,109</u>
Less related debt:		
Bonds payable	3,303,000	4,666,080
Unamortized deferred charge on refunding	-	(44,618)
Less: unspent bond proceeds	(41,511)	-
	<u>3,261,489</u>	<u>4,621,462</u>
Net investment in capital assets	<u><u>\$ 32,808,380</u></u>	<u><u>\$ 28,213,647</u></u>

Long-term debt related to special assessments is not included in the calculation for net investment in capital assets since these assets do not belong to the Township.

17. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the Township for providing emergency services to its citizens, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. The Township directly received over \$2.0 million (of which, \$1.7 million is unearned) during 2021 from various funding sources to be used to respond to the impacts of the COVID-19 pandemic through the ARPA and other funding sources. This funding was used to provide relief in multiple areas such as vaccination programs, personal protection equipment (PPE) programs, small business grants, housing assistance, and food and transportation assistance among others.

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REQUIRED SUPPLEMENTARY INFORMATION

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31,			
	2015	2016	2017	2018
Total pension liability				
Service cost	\$ 903,775	\$ 977,110	\$ 977,200	\$ 979,549
Interest	2,288,114	2,468,421	2,726,214	2,924,157
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	534,889	56,321	357,535
Changes of assumptions	-	1,505,883	-	-
Benefit payments, including refunds of employee contributions	(914,391)	(1,015,819)	(1,134,680)	(1,379,821)
Other changes	(77,905)	(253,685)	(29,374)	5,725
Net change in total pension liability	<u>2,199,593</u>	<u>4,216,799</u>	<u>2,595,681</u>	<u>2,887,145</u>
Total pension liability, beginning of year	<u>27,740,022</u>	<u>29,939,615</u>	<u>34,156,414</u>	<u>36,752,095</u>
Total pension liability, end of year	<u>29,939,615</u>	<u>34,156,414</u>	<u>36,752,095</u>	<u>39,639,240</u>
Plan fiduciary net position				
Employer contributions	992,974	1,226,767	1,475,913	1,487,963
Employee contributions	460,559	649,802	902,319	389,763
Net investment income (loss)	(313,982)	2,363,526	3,195,447	(1,126,793)
Benefit payments, including refunds of employee contributions	(914,391)	(1,015,819)	(1,134,680)	(1,379,821)
Administrative expense	(44,917)	(46,573)	(50,335)	(54,738)
Net change in plan fiduciary net position	<u>180,243</u>	<u>3,177,703</u>	<u>4,388,664</u>	<u>(683,626)</u>
Plan fiduciary net position, beginning of year	<u>20,060,537</u>	<u>20,240,780</u>	<u>23,418,483</u>	<u>27,807,147</u>
Plan fiduciary net position, end of year	<u>20,240,780</u>	<u>23,418,483</u>	<u>27,807,147</u>	<u>27,123,521</u>
Township's net pension liability	<u>\$ 9,698,835</u>	<u>\$ 10,737,931</u>	<u>\$ 8,944,948</u>	<u>\$ 12,515,719</u>
Plan fiduciary net position as a percentage of total pension liability	67.6%	68.6%	75.7%	68.4%
Covered payroll	\$ 7,708,416	\$ 8,476,189	\$ 8,424,988	\$ 8,632,459
Township's net pension liability as a percentage of covered payroll	125.8%	126.7%	106.2%	145.0%

See notes to required supplementary information.



Year Ended December 31,		
2019	2020	2021
\$ 981,318	\$ 1,028,555	\$ 1,035,263
3,150,994	3,183,213	3,531,441
-	(6,478)	-
169,536	891,166	557,885
-	1,237,596	1,803,145
(1,484,947)	(1,616,881)	(1,813,716)
(277,592)	(40,165)	(167,201)
<u>2,539,309</u>	<u>4,677,006</u>	<u>4,946,817</u>
<u>39,639,240</u>	<u>42,178,549</u>	<u>46,855,555</u>
<u>42,178,549</u>	<u>46,855,555</u>	<u>51,802,372</u>
1,568,013	1,680,775	2,091,091
514,318	533,785	692,577
3,741,272	4,203,514	5,187,741
(1,484,947)	(1,616,881)	(1,813,716)
(64,501)	(64,387)	(59,489)
<u>4,274,155</u>	<u>4,736,806</u>	<u>6,098,204</u>
<u>27,123,521</u>	<u>31,397,676</u>	<u>36,134,482</u>
<u>31,397,676</u>	<u>36,134,482</u>	<u>42,232,686</u>
<u>\$ 10,780,873</u>	<u>\$ 10,721,073</u>	<u>\$ 9,569,686</u>
74.4%	77.1%	81.5%
\$ 8,607,588	\$ 9,117,281	\$ 9,208,558
125.2%	117.6%	103.9%

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan
Schedule of Contributions

Fiscal Year Ending December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution (Deficiency) Excess	Covered Payroll	Contributions as Percentage of Covered Payroll
2021	\$ 2,091,091	\$ 2,091,091	\$ -	\$ 9,208,558	22.7%
2020	1,680,775	1,680,775	-	9,117,281	18.4%
2019	1,568,013	1,568,013	-	8,607,588	18.2%
2018	1,487,963	1,487,963	-	8,632,459	17.2%
2017	1,475,913	1,475,913	-	8,424,988	17.5%
2016	1,226,767	1,226,767	-	8,476,189	14.5%
2015	992,974	992,974	-	7,708,416	12.9%

See notes to required supplementary information.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information

Single-Employer Defined Benefit Other Postemployment Benefits Plan

Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios

	Year Ended December 31,			
	2018	2019	2020	2021
Total other postemployment benefits liability				
Service cost	\$ 251,620	\$ 280,902	\$ 299,800	\$ 309,294
Interest	712,082	819,196	880,400	1,107,496
Changes in benefit terms	-	703,266	-	(470,974)
Differences between expected and actual experience	-	1,185	-	(1,414,888)
Changes of assumptions	-	440,165	-	2,889,178
Benefit payments, including refunds of employee contributions	(149,747)	(196,487)	(230,998)	(256,444)
Net change in total other postemployment benefits liability	<u>813,955</u>	<u>2,048,227</u>	<u>949,202</u>	<u>2,163,662</u>
Total other postemployment benefits liability, beginning of year	<u>9,994,588</u>	<u>10,808,543</u>	<u>12,856,770</u>	<u>13,805,972</u>
Total other postemployment benefits liability, end of year	<u>10,808,543</u>	<u>12,856,770</u>	<u>13,805,972</u>	<u>15,969,634</u>
Plan fiduciary net position				
Employer contributions	467,310	607,530	682,197	727,951
Net investment income (loss)	(349,245)	1,270,292	1,460,774	1,831,804
Benefit payments, including refunds of employee contributions	(149,747)	(196,487)	(230,998)	(256,444)
Administrative expense	(22,963)	(18,036)	(19,741)	(25,513)
Net change in plan fiduciary net position	<u>(54,645)</u>	<u>1,663,299</u>	<u>1,892,232</u>	<u>2,277,798</u>
Plan fiduciary net position, beginning of year	<u>9,381,177</u>	<u>9,326,532</u>	<u>10,989,831</u>	<u>12,882,063</u>
Plan fiduciary net position, end of year	<u>9,326,532</u>	<u>10,989,831</u>	<u>12,882,063</u>	<u>15,159,861</u>
Township's net other postemployment benefits liability	<u>\$ 1,482,011</u>	<u>\$ 1,866,939</u>	<u>\$ 923,909</u>	<u>\$ 809,773</u>
Plan fiduciary net position as a percentage of total other postemployment benefits liability	86.3%	85.5%	93.3%	94.9%
Covered payroll	\$ 7,562,184	\$ 8,200,337	\$ 9,615,839	\$ 8,532,682
Township's net other postemployment benefits liability as a percentage of covered payroll	19.6%	22.8%	9.6%	9.5%

See notes to required supplementary information.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information

Single-Employer Defined Benefit Other Postemployment Benefits Plan
Schedule of Contributions

Fiscal Year Ending December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution (Deficiency) Excess	Covered Payroll	Contributions as Percentage of Covered Payroll
2021	\$ 388,000	\$ 727,951	\$ 339,951	\$ 8,532,682	8.5%
2020	620,198	682,197	61,999	9,615,839	7.1%
2019	559,530	607,530	48,000	8,200,337	7.4%
2018	534,079	467,310	(66,769)	7,562,184	6.2%

See notes to required supplementary information.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Required Supplementary Information

Single-Employer Defined Benefit Other Postemployment Benefits Plan
Schedule of Investment Returns

Fiscal Year Ending December 31,	Annual Return ⁽¹⁾
2021	13.46%
2020	13.46%
2019	13.51%
2018	-3.80%

⁽¹⁾ Annual money-weighted rate of return, net of investment expenses

See notes to required supplementary information.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Notes to Schedule of Changes in Net Pension Liability and Related Ratios

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in Assumptions. In 2016, amounts reported as changes of assumptions resulted primarily from adjustments to the mortality table to reflect longer lifetimes, decreases in the assumed rate of return, and changes in asset smoothing.

In 2020, amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

In 2021, amounts reported as changes of assumptions related to updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

Notes to Required Supplementary Information

Notes to Schedule of Contributions

Valuation Date	Actuarially determined contribution rates are calculated as of the December 31 that is 12 months prior to the beginning of the fiscal year in which contributions are reported.
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Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.35%, net of investment and administrative expense including inflation
Normal retirement age	Age 60
Mortality	50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes to Required Supplementary Information

Single-Employer Defined Benefit Other Postemployment Benefits Plan

Notes to Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios

GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Benefit terms changes for 2019. There were new bargaining agreements and extensions which reflected paid on-call service for Firefighter eligibility and removed the requirement that Police Patrol (POAM) retirees pay the full premium between ages 50 and 55.

In 2021, the Blue Cross Blue Shield HAS PPO Plan (Division 0007/0009) deductible was increased to \$1,400/\$2,800 for individuals/family, effective January 1, 2021. Additionally, the Blue Cross Blue Shield PPO Community Blue Plan (Divisions 0003/0004) was terminated on December 31, 2020.

Assumption changes for 2019. Expected claims costs for 2019 were updated to reflect the latest claim and premium information. Additionally, the plan started offering two additional plans: (1) BCBS Simply Blue HSA PPO Plan (Division 0007) and (2) BCBS Community Blue PPO (Division 0008) through the BCBSM PPO plans.

In 2021, trends were updated to reflect the recent experience and industry expectations. Additionally, retirement rates, termination rates, mortality rates, salary increase rates, and family composition were changed to reflect the assumptions used in the MERS December 31, 2020, actuarial valuation. Expected claim costs for the year were updated to reflect the latest claim and premium information. A COVID surge adjustment was applied to 2020 medical experience.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Notes to Required Supplementary Information

Single-Employer Defined Benefit Other Postemployment Benefits Plan

Notes to Schedule of Contributions

GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Valuation Date January 1, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	29 years
Asset valuation method	Market value
Inflation	2.5%
Salary increases	3.00%
Investment rate of return	6.75%
Healthcare cost trend	9.00% graded down to 4.04%
Normal retirement age	Age 60
Mortality	50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables

Notes to Schedule of Investment Returns

GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2021

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 8,142,995	\$ 218,176	\$ 167,922	\$ 8,529,093
Accounts receivable	547,035	-	18,372	565,407
Special assessments receivable	-	363,265	-	363,265
Taxes receivable	531,461	-	-	531,461
Due from other funds	1,797	-	-	1,797
Prepaid items	636	-	-	636
Total assets	<u>\$ 9,223,924</u>	<u>\$ 581,441</u>	<u>\$ 186,294</u>	<u>\$ 9,991,659</u>
Liabilities				
Accounts payable	\$ 275,323	\$ -	\$ 5,345	\$ 280,668
Accrued liabilities	956,189	-	-	956,189
Due to other funds	11,798	-	-	11,798
Escrow payable	5,200	-	-	5,200
Unearned revenue	1,739,026	-	-	1,739,026
Total liabilities	<u>2,987,536</u>	<u>-</u>	<u>5,345</u>	<u>2,992,881</u>
Deferred inflows of resources				
Unavailable revenue -				
Special assessments	-	363,265	-	363,265
Taxes levied but intended for subsequent period	1,031,704	20,424	-	1,052,128
Total deferred inflows of resources	<u>1,031,704</u>	<u>383,689</u>	<u>-</u>	<u>1,415,393</u>
Fund balances				
Nonspendable - prepaid items	636	-	-	636
Restricted:				
General government	386,608	-	-	386,608
Public safety	3,112,403	-	-	3,112,403
Public works	658,487	-	-	658,487
Culture and recreation	1,046,550	-	-	1,046,550
Debt service	-	197,752	-	197,752
Capital improvements	-	-	41,511	41,511
Committed -				
Capital projects	-	-	139,438	139,438
Total fund balances	<u>5,204,684</u>	<u>197,752</u>	<u>180,949</u>	<u>5,583,385</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,223,924</u>	<u>\$ 581,441</u>	<u>\$ 186,294</u>	<u>\$ 9,991,659</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2021

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Taxes and special assessments	\$ 995,630	\$ 68,443	\$ -	\$ 1,064,073
Licenses and permits	1,827,267	-	-	1,827,267
Intergovernmental	335,004	-	-	335,004
Charges for services	1,937,875	-	-	1,937,875
Interest income	8,074	78	464	8,616
Other revenues	8,893	-	-	8,893
Total revenues	5,112,743	68,521	464	5,181,728
Expenditures				
Current:				
General government	298,145	-	-	298,145
Public safety	1,338,551	-	-	1,338,551
Public works	1,731,197	-	-	1,731,197
Culture and recreation	302,583	-	-	302,583
Debt service:				
Principal	-	119,879	-	119,879
Interest and fiscal charges	-	20,909	-	20,909
Capital outlay	1,189,354	-	1,682,268	2,871,622
Total expenditures	4,859,830	140,788	1,682,268	6,682,886
Revenues over (under) expenditures	252,913	(72,267)	(1,681,804)	(1,501,158)
Other financing sources				
Transfers in	250,000	59,400	981,667	1,291,067
Net change in fund balances	502,913	(12,867)	(700,137)	(210,091)
Fund balances, beginning of year	4,701,771	210,619	881,086	5,793,476
Fund balances, end of year	\$ 5,204,684	\$ 197,752	\$ 180,949	\$ 5,583,385

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2021

	Refuse Collection	Tree Mitigation	Building Department	Parks & Recreation Millage	E 911 Service
Assets					
Cash and cash equivalents	\$ 170,923	\$ 289,758	\$ 4,012,185	\$ 1,764,201	\$ -
Accounts receivable	525,179	-	14,502	7,354	-
Taxes receivable	-	-	-	531,461	-
Due from other funds	1,797	-	-	-	-
Prepaid items	-	-	634	-	-
Total assets	<u>\$ 697,899</u>	<u>\$ 289,758</u>	<u>\$ 4,027,321</u>	<u>\$ 2,303,016</u>	<u>\$ -</u>
Liabilities					
Accounts payable	\$ 32,221	\$ -	\$ 13,340	\$ 224,762	\$ -
Accrued liabilities	-	-	954,870	-	-
Due to other funds	1,991	-	4,707	-	-
Escrow payable	5,200	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>39,412</u>	<u>-</u>	<u>972,917</u>	<u>224,762</u>	<u>-</u>
Deferred inflows of resources					
Taxes levied but intended for subsequent period	-	-	-	1,031,704	-
Fund balances					
Nonspendable - prepaid items	-	-	634	-	-
Restricted:					
General government	-	289,758	-	-	-
Public safety	-	-	3,053,770	-	-
Public works	658,487	-	-	-	-
Culture and recreation	-	-	-	1,046,550	-
Total fund balances	<u>658,487</u>	<u>289,758</u>	<u>3,054,404</u>	<u>1,046,550</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 697,899</u>	<u>\$ 289,758</u>	<u>\$ 4,027,321</u>	<u>\$ 2,303,016</u>	<u>\$ -</u>

800 MHz Consortium	Sidewalk Reserve	Fire	Federal Forfeitures	Drug Law Enforcement	ARPA Local Fiscal Recovery	Total
\$ 26,318	\$ 101,605	\$ 4,297	\$ 10,438	\$ 23,999	\$ 1,739,271	\$ 8,142,995
-	-	-	-	-	-	547,035
-	-	-	-	-	-	531,461
-	-	-	-	-	-	1,797
2	-	-	-	-	-	636
<u>\$ 26,320</u>	<u>\$ 101,605</u>	<u>\$ 4,297</u>	<u>\$ 10,438</u>	<u>\$ 23,999</u>	<u>\$ 1,739,271</u>	<u>\$ 9,223,924</u>
\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 275,323
1,319	-	-	-	-	-	956,189
-	-	-	5,100	-	-	11,798
-	-	-	-	-	-	5,200
-	-	-	-	-	1,739,026	1,739,026
<u>1,319</u>	<u>5,000</u>	<u>-</u>	<u>5,100</u>	<u>-</u>	<u>1,739,026</u>	<u>2,987,536</u>
-	-	-	-	-	-	1,031,704
2	-	-	-	-	-	636
-	96,605	-	-	-	245	386,608
24,999	-	4,297	5,338	23,999	-	3,112,403
-	-	-	-	-	-	658,487
-	-	-	-	-	-	1,046,550
<u>25,001</u>	<u>96,605</u>	<u>4,297</u>	<u>5,338</u>	<u>23,999</u>	<u>245</u>	<u>5,204,684</u>
<u>\$ 26,320</u>	<u>\$ 101,605</u>	<u>\$ 4,297</u>	<u>\$ 10,438</u>	<u>\$ 23,999</u>	<u>\$ 1,739,271</u>	<u>\$ 9,223,924</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2021

	Refuse Collection	Tree Mitigation	Building Department	Parks & Recreation Millage	E 911 Service
Revenues					
Taxes and special assessments	\$ -	\$ -	\$ -	\$ 995,630	\$ -
Licenses and permits	-	-	1,827,267	-	-
Intergovernmental	-	-	-	7,354	-
Charges for services	1,880,272	-	-	-	-
Interest income	-	109	5,137	2,505	-
Other revenue	-	-	-	111	-
Total revenues	<u>1,880,272</u>	<u>109</u>	<u>1,832,404</u>	<u>1,005,600</u>	<u>-</u>
Expenditures					
Current:					
General government	-	268	-	-	-
Public safety	-	-	1,284,927	-	272
Public works	1,731,197	-	-	-	-
Culture and recreation	-	-	-	302,583	-
Capital outlay	-	-	-	1,153,139	-
Total expenditures	<u>1,731,197</u>	<u>268</u>	<u>1,284,927</u>	<u>1,455,722</u>	<u>272</u>
Revenues over (under) expenditures	149,075	(159)	547,477	(450,122)	(272)
Other financing sources					
Transfers in	-	-	-	250,000	-
Net change in fund balances	149,075	(159)	547,477	(200,122)	(272)
Fund balances, beginning of year	<u>509,412</u>	<u>289,917</u>	<u>2,506,927</u>	<u>1,246,672</u>	<u>272</u>
Fund balances, end of year	<u>\$ 658,487</u>	<u>\$ 289,758</u>	<u>\$ 3,054,404</u>	<u>\$ 1,046,550</u>	<u>\$ -</u>

800 MHz Consortium	Sidewalk Reserve	Fire	Federal Forfeitures	Drug Law Enforcement	ARPA Local Fiscal Recovery	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 995,630
-	-	-	-	-	-	1,827,267
-	-	29,773	-	-	297,877	335,004
55,122	-	2,481	-	-	-	1,937,875
7	62	-	1	8	245	8,074
-	1	-	8,781	-	-	8,893
55,129	63	32,254	8,782	8	298,122	5,112,743
-	-	-	-	-	297,877	298,145
53,352	-	-	-	-	-	1,338,551
-	-	-	-	-	-	1,731,197
-	-	-	-	-	-	302,583
-	-	28,290	5,100	2,825	-	1,189,354
53,352	-	28,290	5,100	2,825	297,877	4,859,830
1,777	63	3,964	3,682	(2,817)	245	252,913
-	-	-	-	-	-	250,000
1,777	63	3,964	3,682	(2,817)	245	502,913
23,224	96,542	333	1,656	26,816	-	4,701,771
\$ 25,001	\$ 96,605	\$ 4,297	\$ 5,338	\$ 23,999	\$ 245	\$ 5,204,684

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Refuse Collection
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	2,144,677	2,144,677	1,880,272	(264,405)
Interest income	500	500	-	(500)
Other revenues	-	-	-	-
Total revenues	<u>2,145,177</u>	<u>2,145,177</u>	<u>1,880,272</u>	<u>(264,905)</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	2,006,856	2,006,856	1,731,197	(275,659)
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>2,006,856</u>	<u>2,006,856</u>	<u>1,731,197</u>	<u>(275,659)</u>
Revenues over expenditures	138,321	138,321	149,075	10,754
Other financing sources				
Transfers in	-	-	-	-
Net change in fund balance	138,321	138,321	149,075	10,754
Fund balance, beginning of year	<u>509,412</u>	<u>509,412</u>	<u>509,412</u>	<u>-</u>
Fund balance, end of year	<u>\$ 647,733</u>	<u>\$ 647,733</u>	<u>\$ 658,487</u>	<u>\$ 10,754</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Tree Mitigation

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest income	50	50	109	59
Other revenues	200,000	200,000	-	(200,000)
Total revenues	<u>200,050</u>	<u>200,050</u>	<u>109</u>	<u>(199,941)</u>
Expenditures				
Current:				
General government	270,000	270,000	268	(269,732)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>270,000</u>	<u>270,000</u>	<u>268</u>	<u>(269,732)</u>
Revenues under expenditures	(69,950)	(69,950)	(159)	69,791
Other financing sources				
Transfers in	-	-	-	-
Net change in fund balance	<u>(69,950)</u>	<u>(69,950)</u>	<u>(159)</u>	<u>69,791</u>
Fund balance, beginning of year	<u>289,917</u>	<u>289,917</u>	<u>289,917</u>	<u>-</u>
Fund balance, end of year	<u>\$ 219,967</u>	<u>\$ 219,967</u>	<u>\$ 289,758</u>	<u>\$ 69,791</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Building Department

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,170,000	1,420,000	1,827,267	407,267
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest income	2,000	2,000	5,137	3,137
Other revenues	1,000	1,000	-	(1,000)
Total revenues	<u>1,173,000</u>	<u>1,423,000</u>	<u>1,832,404</u>	<u>409,404</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	1,164,955	1,370,955	1,284,927	(86,028)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	43,500	87,500	-	(87,500)
Total expenditures	<u>1,208,455</u>	<u>1,458,455</u>	<u>1,284,927</u>	<u>(173,528)</u>
Revenues over (under) expenditures	(35,455)	(35,455)	547,477	582,932
Other financing sources				
Transfers in	-	-	-	-
Net change in fund balance	(35,455)	(35,455)	547,477	582,932
Fund balance, beginning of year	<u>2,506,927</u>	<u>2,506,927</u>	<u>2,506,927</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 2,471,472</u></u>	<u><u>\$ 2,471,472</u></u>	<u><u>\$ 3,054,404</u></u>	<u><u>\$ 582,932</u></u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Parks and Recreation Millage

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ 992,966	\$ 992,966	\$ 995,630	\$ 2,664
Licenses and permits	-	-	-	-
Intergovernmental	6,000	6,000	7,354	1,354
Charges for services	-	-	-	-
Interest income	500	500	2,505	2,005
Other revenues	10,000	10,000	111	(9,889)
Total revenues	<u>1,009,466</u>	<u>1,009,466</u>	<u>1,005,600</u>	<u>(3,866)</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	399,801	399,801	302,583	(97,218)
Capital outlay	1,338,000	1,338,000	1,153,139	(184,861)
Total expenditures	<u>1,737,801</u>	<u>1,737,801</u>	<u>1,455,722</u>	<u>(282,079)</u>
Revenues under expenditures	(728,335)	(728,335)	(450,122)	278,213
Other financing sources				
Transfers in	250,000	250,000	250,000	-
Net change in fund balance	<u>(478,335)</u>	<u>(478,335)</u>	<u>(200,122)</u>	<u>278,213</u>
Fund balance, beginning of year	<u>1,246,672</u>	<u>1,246,672</u>	<u>1,246,672</u>	<u>-</u>
Fund balance, end of year	<u>\$ 768,337</u>	<u>\$ 768,337</u>	<u>\$ 1,046,550</u>	<u>\$ 278,213</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - E 911 Service

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest income	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
General government	-	-	-	-
Public safety	314	314	272	(42)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	314	314	272	(42)
Revenues under expenditures	(314)	(314)	(272)	42
Other financing sources				
Transfers in	-	-	-	-
Net change in fund balance	(314)	(314)	(272)	42
Fund balance, beginning of year	314	314	272	(42)
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - 800 MHz Consortium

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	52,500	52,500	55,122	2,622
Interest income	10	10	7	(3)
Other revenues	-	-	-	-
Total revenues	<u>52,510</u>	<u>52,510</u>	<u>55,129</u>	<u>2,619</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	52,000	52,000	53,352	1,352
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>52,000</u>	<u>52,000</u>	<u>53,352</u>	<u>1,352</u>
Revenues over expenditures	510	510	1,777	1,267
Other financing sources				
Transfers in	-	-	-	-
Net change in fund balance	510	510	1,777	1,267
Fund balance, beginning of year	<u>23,224</u>	<u>23,224</u>	<u>23,224</u>	<u>-</u>
Fund balance, end of year	<u>\$ 23,734</u>	<u>\$ 23,734</u>	<u>\$ 25,001</u>	<u>\$ 1,267</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Sidewalk Reserve
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest income	100	100	62	(38)
Other revenues	30,000	30,000	1	(29,999)
Total revenues	<u>30,100</u>	<u>30,100</u>	<u>63</u>	<u>(30,037)</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	30,000	30,000	-	(30,000)
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Revenues over expenditures	100	100	63	(37)
Other financing sources				
Transfers in	-	-	-	-
Net change in fund balance	100	100	63	(37)
Fund balance, beginning of year	<u>96,542</u>	<u>96,542</u>	<u>96,542</u>	<u>-</u>
Fund balance, end of year	<u>\$ 96,642</u>	<u>\$ 96,642</u>	<u>\$ 96,605</u>	<u>\$ (37)</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Fire

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	30,000	29,773	(227)
Charges for services	-	2,500	2,481	(19)
Interest income	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	32,500	32,254	(246)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	32,500	28,290	(4,210)
Total expenditures	-	32,500	28,290	(4,210)
Revenues over expenditures	-	-	3,964	3,964
Other financing sources				
Transfers in	-	-	-	-
Net change in fund balance	-	-	3,964	3,964
Fund balance, beginning of year	333	333	333	-
Fund balance, end of year	<u>\$ 333</u>	<u>\$ 333</u>	<u>\$ 4,297</u>	<u>\$ 3,964</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Federal Forfeitures

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest income	10	10	1	(9)
Other revenues	20,000	20,000	8,781	(11,219)
Total revenues	<u>20,010</u>	<u>20,010</u>	<u>8,782</u>	<u>(11,228)</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	10	10	-	(10)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	20,000	20,000	5,100	(14,900)
Total expenditures	<u>20,010</u>	<u>20,010</u>	<u>5,100</u>	<u>(14,910)</u>
Revenues over expenditures	-	-	3,682	3,682
Other financing sources				
Transfers in	-	-	-	-
Net change in fund balance	-	-	3,682	3,682
Fund balance, beginning of year	<u>1,656</u>	<u>1,656</u>	<u>1,656</u>	-
Fund balance, end of year	<u>\$ 1,656</u>	<u>\$ 1,656</u>	<u>\$ 5,338</u>	<u>\$ 3,682</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Drug Law Enforcement

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest income	10	10	8	(2)
Other revenues	50,000	50,000	-	(50,000)
Total revenues	<u>50,010</u>	<u>50,010</u>	<u>8</u>	<u>(50,002)</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	48,500	48,500	2,825	(45,675)
Total expenditures	<u>48,500</u>	<u>48,500</u>	<u>2,825</u>	<u>(45,675)</u>
Revenues over (under) expenditures	1,510	1,510	(2,817)	(4,327)
Other financing sources				
Transfers in	-	-	-	-
Net change in fund balance	1,510	1,510	(2,817)	(4,327)
Fund balance, beginning of year	26,816	26,816	26,816	-
Fund balance, end of year	<u>\$ 28,326</u>	<u>\$ 28,326</u>	<u>\$ 23,999</u>	<u>\$ (4,327)</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - ARPA Local Fiscal Recovery

For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	2,036,903	297,877	(1,739,026)
Charges for services	-	-	-	-
Interest income	-	100	245	145
Other revenues	-	-	-	-
Total revenues	-	2,037,003	298,122	(1,738,881)
Expenditures				
Current:				
General government	-	517,000	297,877	(219,123)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	517,000	297,877	(219,123)
Revenues over expenditures	-	1,520,003	245	(1,519,758)
Other financing sources				
Transfers in	-	-	-	-
Net change in fund balance	-	1,520,003	245	(1,519,758)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ 1,520,003	\$ 245	\$ (1,519,758)

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Combining Balance Sheet

Nonmajor Debt Service Funds

December 31, 2021

	Mallets Creek	Michigan Avenue East	Total
Assets			
Cash and cash equivalents	\$ 72,846	\$ 145,330	\$ 218,176
Special assessments receivable	63,857	299,408	363,265
Total assets	<u>\$ 136,703</u>	<u>\$ 444,738</u>	<u>\$ 581,441</u>
Deferred inflows of resources			
Unavailable revenue -			
Special assessments	\$ 63,857	\$ 299,408	\$ 363,265
Taxes levied but intended for			
subsequent period	7,289	13,135	20,424
Total deferred inflows of resources	71,146	312,543	383,689
Fund balances			
Restricted for debt service	65,557	132,195	197,752
Total deferred inflows of resources			
and fund balances	<u>\$ 136,703</u>	<u>\$ 444,738</u>	<u>\$ 581,441</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended December 31, 2021

	Mallets Creek	Michigan Avenue East	Total
Revenues			
Taxes and special assessments	\$ 22,404	\$ 46,039	\$ 68,443
Interest income	25	53	78
Total revenues	<u>22,429</u>	<u>46,092</u>	<u>68,521</u>
Expenditures			
Debt service:			
Principal	19,879	100,000	119,879
Interest and fiscal charges	2,109	18,800	20,909
Total expenditures	<u>21,988</u>	<u>118,800</u>	<u>140,788</u>
Revenues over (under) expenditures	441	(72,708)	(72,267)
Other financing sources			
Transfers in	-	59,400	59,400
Net change in fund balances	441	(13,308)	(12,867)
Fund balances, beginning of year	<u>65,116</u>	<u>145,503</u>	<u>210,619</u>
Fund balances, end of year	<u>\$ 65,557</u>	<u>\$ 132,195</u>	<u>\$ 197,752</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2021

	Township Greenways	Saline Oak Valley	Local Roads Maintenance	Total
Assets				
Cash and cash equivalents	\$ 140,482	\$ -	\$ 27,440	\$ 167,922
Accounts receivable	-	-	18,372	18,372
Total assets	<u>\$ 140,482</u>	<u>\$ -</u>	<u>\$ 45,812</u>	<u>\$ 186,294</u>
Liabilities				
Accounts payable	\$ 1,044	\$ -	\$ 4,301	\$ 5,345
Fund balance				
Restricted for capital improvements	-	-	41,511	41,511
Committed for capital projects	139,438	-	-	139,438
Total fund balances	<u>139,438</u>	<u>-</u>	<u>41,511</u>	<u>180,949</u>
Total liabilities and fund balances	<u>\$ 140,482</u>	<u>\$ -</u>	<u>\$ 45,812</u>	<u>\$ 186,294</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2021

	Township Greenways	Saline Oak Valley	Local Roads Maintenance	Total
Revenues				
Interest income	\$ -	\$ -	\$ 464	\$ 464
Expenditures				
Capital outlay	185,589	957,677	539,002	1,682,268
Revenues under expenditures	(185,589)	(957,677)	(538,538)	(1,681,804)
Other financing sources				
Transfers in	302,492	679,175	-	981,667
Net change in fund balances	116,903	(278,502)	(538,538)	(700,137)
Fund balances, beginning of year	22,535	278,502	580,049	881,086
Fund balances, end of year	<u>\$ 139,438</u>	<u>\$ -</u>	<u>\$ 41,511</u>	<u>\$ 180,949</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Balance Sheet / Statement of Net Position

Economic Development Corporation Component Unit

December 31, 2021

	Economic Development Authority	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 8,953	\$ -	\$ 8,953
Liabilities			
Accounts payable	8,953	-	8,953
Fund balance			
Unassigned	-	-	-
Total liabilities and fund balance	\$ 8,953		
Net position - unrestricted		\$ -	\$ -

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statement of Revenues, Expenditures

and Changes in Fund Balance / Statement of Activities

Economic Development Corporation Component Unit

For the Year Ended December 31, 2021

	Economic Development Authority	Adjustments	Statement of Activities
Change in fund balance / net position	\$ -	\$ -	\$ -
Fund balance / net position, beginning of year	-	-	-
Fund balance / net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Statistical Section Table of Contents

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

	<u>Page</u>
Financial Trends	These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time. 121-133
Revenue Capacity	These schedules contain information to help the reader assess the Township's most significant local revenue source, the property tax. 134-139
Debt Capacity	These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future. 140-144
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place. 145-153

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Net Position by Component

Last Ten Years
(Accrual Basis of Accounting)

	2012	2013	2014	[1] 2015
Governmental activities				
Net investment in capital assets	\$ 27,933,571	\$ 28,568,888	\$ 28,591,948	\$ 29,339,544
Restricted	6,458,014	5,228,038	5,483,842	5,522,883
Unrestricted (deficit)	<u>4,385,932</u>	<u>4,955,360</u>	<u>5,249,141</u>	<u>(2,428,164)</u>
Total net position	<u>\$ 38,777,517</u>	<u>\$ 38,752,286</u>	<u>\$ 39,324,931</u>	<u>\$ 32,434,263</u>
Business-type activities				
Net investment in capital assets	\$ 25,980,446	\$ 25,944,485	\$ 25,681,148	\$ 25,287,945
Unrestricted	<u>8,530,740</u>	<u>9,899,374</u>	<u>10,473,159</u>	<u>10,723,528</u>
Total net position	<u>\$ 34,511,186</u>	<u>\$ 35,843,859</u>	<u>\$ 36,154,307</u>	<u>\$ 36,011,473</u>
Total primary government				
Net investment in capital assets	\$ 53,914,017	\$ 54,513,373	\$ 54,273,096	\$ 54,627,489
Restricted	1,228,596	1,303,303	5,483,842	5,522,883
Unrestricted	<u>18,146,090</u>	<u>18,779,469</u>	<u>15,722,300</u>	<u>8,295,364</u>
Total net position	<u>\$ 73,288,703</u>	<u>\$ 74,596,145</u>	<u>\$ 75,479,238</u>	<u>\$ 68,445,736</u>

[1] GASB Statement No. 68 adopted; prior years are not restated.

[2] GASB Statement No. 75 adopted; prior years are not restated.

Source: Pittsfield Charter Township Finance Department

Schedule 1
Unaudited

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2016	2017	[2] 2018	2019	2020	2021
\$ 31,723,059	\$ 32,160,625	\$ 32,076,247	\$ 30,253,665	\$ 31,891,412	\$ 32,808,380
4,493,097	4,237,293	5,859,102	4,425,236	5,565,755	5,975,838
<u>(2,515,412)</u>	<u>(2,064,337)</u>	<u>(5,016,417)</u>	<u>(4,869,952)</u>	<u>(3,358,022)</u>	<u>(2,299,007)</u>
<u>\$ 33,700,744</u>	<u>\$ 34,333,581</u>	<u>\$ 32,918,932</u>	<u>\$ 29,808,949</u>	<u>\$ 34,099,145</u>	<u>\$ 36,485,211</u>
\$ 26,246,868	\$ 26,089,810	\$ 25,687,327	\$ 26,932,047	\$ 27,484,013	\$ 28,213,647
<u>10,470,598</u>	<u>11,438,231</u>	<u>12,318,632</u>	<u>12,280,941</u>	<u>12,475,226</u>	<u>11,537,126</u>
<u>\$ 36,717,466</u>	<u>\$ 37,528,041</u>	<u>\$ 38,005,959</u>	<u>\$ 39,212,988</u>	<u>\$ 39,959,239</u>	<u>\$ 39,750,773</u>
\$ 57,969,927	\$ 58,250,435	\$ 57,763,574	\$ 57,185,712	\$ 59,375,425	\$ 61,022,027
4,493,097	4,237,293	5,859,102	4,425,236	5,565,755	5,975,838
<u>7,955,186</u>	<u>9,373,894</u>	<u>7,302,215</u>	<u>7,410,989</u>	<u>9,117,204</u>	<u>9,238,119</u>
<u>\$ 70,418,210</u>	<u>\$ 71,861,622</u>	<u>\$ 70,924,891</u>	<u>\$ 69,021,937</u>	<u>\$ 74,058,384</u>	<u>\$ 76,235,984</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	\$ 3,062,073	\$ 3,354,770	\$ 4,436,503	\$ 4,991,228
Public safety	9,539,187	10,648,372	10,142,446	10,827,667
Public works	2,704,712	2,345,450	2,897,197	2,935,584
Planning and zoning	450,033	496,898	571,306	580,313
Culture and recreation	1,539,044	1,013,722	1,020,879	1,040,377
Interest on long-term debt	23,829	173,350	137,072	113,348
Subtotal governmental activities	17,318,878	18,032,562	19,205,403	20,488,517
Business-type activities -				
Water and sewer	12,301,239	10,668,630	11,322,705	11,714,090
Total expenses	29,620,117	28,701,192	30,528,108	32,202,607
Program revenues				
Governmental activities:				
Charges for services:				
General government	2,847,185	3,395,348	3,598,373	3,555,319
Public safety	1,152,975	1,175,576	1,195,130	1,226,894
Public works	476,125	350,302	351,817	345,507
Planning and zoning	19,755	22,350	42,243	36,380
Culture and recreation	263,295	280,129	244,734	292,818
Operating grants and contributions	576,870	594,970	943,292	159,059
Capital grants and contributions	295,353	257,855	178,659	1,001,700
Subtotal governmental activities	5,631,558	6,076,530	6,554,248	6,617,677
Business-type activities:				
Charges for services	11,446,602	10,712,639	10,897,820	11,639,920
Capital grants and contributions	74,840	611,530	413,541	125,076
Subtotal business-type activities	11,521,442	11,324,169	11,311,361	11,764,996
Total program revenues	17,153,000	17,400,699	17,865,609	18,382,673
Net (expense)/revenue				
Governmental activities	(11,687,320)	(11,956,032)	(12,651,155)	(13,870,840)
Business-type activities	(779,797)	655,539	(11,344)	50,906
Total net expense	(12,467,117)	(11,300,493)	(12,662,499)	(13,819,934)

Schedule 2
Unaudited

2016	2017	2018	2019	2020	2021
\$ 1,866,037	\$ 3,873,204	\$ 5,128,492	\$ 7,566,538	\$ 3,391,810	\$ 5,643,695
11,105,474	11,100,671	11,661,957	13,653,191	11,934,564	12,765,737
3,682,229	3,669,446	3,286,464	3,363,362	3,165,932	2,966,705
679,520	545,261	531,653	669,289	615,807	508,559
1,215,857	1,315,306	1,579,556	1,759,681	1,542,958	1,333,796
121,904	41,477	43,823	61,737	100,055	90,447
18,671,021	20,545,365	22,231,945	27,073,798	20,751,126	23,308,939
12,979,953	13,302,595	13,952,869	13,985,622	13,803,335	14,712,703
31,650,974	33,847,960	36,184,814	41,059,420	34,554,461	38,021,642
3,544,774	4,429,619	5,227,334	5,337,242	6,068,540	6,072,822
1,437,775	804,053	611,259	572,824	394,277	478,902
323,379	410,965	388,227	394,743	345,895	344,363
65,437	60,478	78,188	93,785	88,321	128,310
273,469	284,423	290,573	285,653	58,968	167,216
166,295	354,501	229,733	700,137	429,217	450,661
27,601	78,878	194,667	879,011	618,820	34,024
5,838,730	6,422,917	7,019,981	8,263,395	8,004,038	7,676,298
13,257,931	13,478,573	13,705,805	13,283,992	13,897,985	14,026,043
169,968	577,346	647,034	1,514,063	582,960	455,339
13,427,899	14,055,919	14,352,839	14,798,055	14,480,945	14,481,382
19,266,629	20,478,836	21,372,820	23,061,450	22,484,983	22,157,680
(12,832,291)	(14,122,448)	(15,211,964)	(18,810,403)	(12,747,088)	(15,632,641)
447,946	753,324	399,970	812,433	677,610	(231,321)
(12,384,345)	(13,369,124)	(14,811,994)	(17,997,970)	(12,069,478)	(15,863,962)

continued...

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2012	2013	2014	2015
General revenues				
Governmental activities:				
Property taxes	\$ 8,764,881	\$ 9,987,401	\$ 10,806,241	\$ 10,920,470
Unrestricted state shared revenue	2,511,761	2,581,031	2,661,470	2,707,778
Unrestricted investment earnings	11,948	25,035	51,585	52,729
Gain on sale of capital assets	-	-	-	21,100
Transfers	21,561	(662,666)	(295,496)	(230,000)
Subtotal governmental activities	<u>11,310,151</u>	<u>11,930,801</u>	<u>13,223,800</u>	<u>13,472,077</u>
Business-type activities:				
Unrestricted investment earnings	6,226	14,468	26,296	27,997
Gain on sale of capital assets	1,245	-	-	17,120
Transfers	(21,561)	662,666	295,496	230,000
Subtotal business-type activities	<u>(14,090)</u>	<u>677,134</u>	<u>321,792</u>	<u>275,117</u>
Total general revenues	<u>11,296,061</u>	<u>12,607,935</u>	<u>13,545,592</u>	<u>13,747,194</u>
Change in net position				
Governmental activities	(377,169)	(25,231)	572,645	(398,763)
Business-type activities	<u>(793,887)</u>	<u>1,332,673</u>	<u>310,448</u>	<u>326,023</u>
Total change in net position	<u>\$ (1,171,056)</u>	<u>\$ 1,307,442</u>	<u>\$ 883,093</u>	<u>\$ (72,740)</u>

Source: Pittsfield Charter Township Finance Department

Schedule 2
Unaudited

2016	2017	2018	2019	2020	2021
\$ 11,516,766	\$ 11,722,320	\$ 11,981,580	\$ 12,525,684	\$ 13,632,825	\$ 14,278,745
2,739,040	2,963,638	3,042,482	3,311,753	3,302,224	3,698,877
61,348	64,915	73,638	156,733	102,235	41,085
11,618	-	-	-	-	-
(230,000)	4,412	-	(293,750)	-	-
<u>14,098,772</u>	<u>14,755,285</u>	<u>15,097,700</u>	<u>15,700,420</u>	<u>17,037,284</u>	<u>18,018,707</u>
28,047	29,479	46,120	100,846	68,641	22,855
-	32,184	92,033	-	-	-
230,000	(4,412)	-	293,750	-	-
<u>258,047</u>	<u>57,251</u>	<u>138,153</u>	<u>394,596</u>	<u>68,641</u>	<u>22,855</u>
<u>14,356,819</u>	<u>14,812,536</u>	<u>15,235,853</u>	<u>16,095,016</u>	<u>17,105,925</u>	<u>18,041,562</u>
1,266,481	632,837	(114,264)	(3,109,983)	4,290,196	2,386,066
705,993	810,575	538,123	1,207,029	746,251	(208,466)
<u>\$ 1,972,474</u>	<u>\$ 1,443,412</u>	<u>\$ 423,859</u>	<u>\$ (1,902,954)</u>	<u>\$ 5,036,447</u>	<u>\$ 2,177,600</u>

concluded.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Fund Balances - Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 54,243	\$ 22,288	\$ 63,572	\$ 8,244
Restricted	1,080,154	1,047,218	1,060,350	1,071,963
Committed	300,000	985,000	950,000	-
Assigned	-	-	-	-
Unassigned	5,138,749	5,245,990	5,267,352	5,107,325
Total general fund	<u>\$ 6,573,146</u>	<u>\$ 7,300,496</u>	<u>\$ 7,341,274</u>	<u>\$ 6,187,532</u>
All Other Governmental Funds				
Nonspendable	\$ 92,676	\$ 8,569	\$ 100,119	\$ 20,027
Restricted	5,377,860	4,180,820	4,423,492	4,450,920
Committed	-	28,190	184,887	619,316
Total all other governmental funds	<u>\$ 5,470,536</u>	<u>\$ 4,217,579</u>	<u>\$ 4,708,498</u>	<u>\$ 5,090,263</u>

Source: Pittsfield Charter Township Finance Department

Schedule 3
Unaudited

2016	2017	2018	2019	2020	2021
\$ 16,446	\$ 15,853	\$ 14,241	\$ 19,770	\$ 54,274	\$ 15,745
127,432	140,492	160,338	173,616	186,068	225,426
650,000	1,615,000	1,165,000	1,165,000	1,465,000	1,465,000
-	-	-	2,708	-	-
3,841,454	3,532,873	3,892,531	4,157,575	3,939,969	4,294,955
<u>\$ 4,635,332</u>	<u>\$ 5,304,218</u>	<u>\$ 5,232,110</u>	<u>\$ 5,518,669</u>	<u>\$ 5,645,311</u>	<u>\$ 6,001,126</u>
\$ 15,441	\$ 31,517	\$ 12,867	\$ 11,157	\$ 124,936	\$ 47,419
4,365,665	4,096,801	4,701,629	4,826,123	5,502,722	5,455,048
427,187	206,123	502,405	2,052,411	3,315,074	2,858,382
<u>\$ 4,808,293</u>	<u>\$ 4,334,441</u>	<u>\$ 5,216,901</u>	<u>\$ 6,889,691</u>	<u>\$ 8,942,732</u>	<u>\$ 8,360,849</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015
Revenues				
Taxes and special assessments	\$ 9,407,420	\$ 10,732,225	\$ 11,190,558	\$ 11,372,476
Licenses and permits	550,757	867,021	1,001,339	842,851
Intergovernmental	2,925,226	3,000,110	3,066,993	2,818,791
Charges for services	2,840,862	2,963,635	3,002,764	3,148,082
Fines and forfeitures	115,501	160,140	160,253	131,057
Franchise fees	514,309	519,593	544,575	570,869
Interest income	9,828	22,146	51,585	52,729
Donations	24,351	29,666	19,822	6,400
Other revenues	836,267	824,558	1,220,209	799,694
Total revenues	<u>17,224,521</u>	<u>19,119,094</u>	<u>20,258,098</u>	<u>19,742,949</u>
Expenditures				
General government	2,657,052	2,859,147	2,795,747	3,129,331
Public safety	9,073,259	9,437,128	9,583,519	10,020,995
Public works	2,463,230	2,123,037	2,676,387	2,768,533
Planning and zoning	433,127	475,587	544,518	543,822
Culture and recreation	1,074,929	949,886	932,448	988,230
Other unallocated	670,459	598,028	446,142	333,469
Debt service:				
Principal	867,532	877,532	804,878	714,878
Interest and other charges	213,773	172,605	134,648	105,930
Capital outlay	1,654,212	1,489,085	1,512,618	1,679,738
Total expenditures	<u>19,107,573</u>	<u>18,982,035</u>	<u>19,430,905</u>	<u>20,284,926</u>
Revenues over (under) expenditures	<u>(1,883,052)</u>	<u>137,059</u>	<u>827,193</u>	<u>(541,977)</u>
Other financing sources (uses)				
Issuance of long-term debt	-	-	-	-
Transfers in	5,171,859	4,983,013	5,500,498	6,941,019
Transfers out	(5,150,298)	(5,645,679)	(5,795,994)	(7,171,019)
Total other financing sources (uses)	<u>21,561</u>	<u>(662,666)</u>	<u>(295,496)</u>	<u>(230,000)</u>
Net change in fund balance	<u>\$ (1,861,491)</u>	<u>\$ (525,607)</u>	<u>\$ 531,697</u>	<u>\$ (771,977)</u>
Debt services as a percentage of noncapital expenditures	<u>6.33%</u>	<u>5.92%</u>	<u>4.94%</u>	<u>4.28%</u>

Source: Pittsfield Charter Township Finance Department

Schedule 4
Unaudited

2016	2017	2018	2019	2020	2021
\$ 11,753,664	\$ 11,993,003	\$ 12,182,823	\$ 13,080,988	\$ 13,697,632	\$ 14,444,231
767,172	980,767	1,445,987	1,596,970	2,025,602	1,959,608
2,816,250	3,301,141	3,089,363	4,397,158	4,278,446	4,151,037
3,359,736	3,486,167	3,585,616	3,404,452	3,383,548	3,575,153
119,656	130,842	136,457	129,874	64,615	51,602
581,539	566,779	538,167	518,839	498,414	490,548
61,348	64,915	73,638	156,733	102,235	41,085
9,707	17,000	7,736	235,740	5,026	10,010
876,446	119,372	295,661	202,877	149,911	83,416
<u>20,345,518</u>	<u>20,659,986</u>	<u>21,355,448</u>	<u>23,723,631</u>	<u>24,205,429</u>	<u>24,806,690</u>
3,207,498	2,813,457	3,065,677	3,099,524	3,278,374	3,801,648
10,291,358	10,723,699	10,237,872	11,046,761	11,370,397	12,759,400
3,560,605	3,527,891	3,195,688	3,277,733	3,081,128	2,939,059
649,780	540,489	499,504	626,398	620,222	537,302
1,111,672	1,339,345	1,437,046	1,569,897	1,487,954	1,363,734
319,491	420,093	328,930	388,957	75,000	37,089
675,824	702,822	85,000	109,878	450,878	480,879
82,960	37,169	46,347	25,356	115,433	95,753
1,085,500	1,329,399	1,649,032	5,326,028	1,546,360	3,017,894
<u>20,984,688</u>	<u>21,434,364</u>	<u>20,545,096</u>	<u>25,470,532</u>	<u>22,025,746</u>	<u>25,032,758</u>
<u>(639,170)</u>	<u>(774,378)</u>	<u>810,352</u>	<u>(1,746,901)</u>	<u>2,179,683</u>	<u>(226,068)</u>
-	-	-	4,000,000	-	-
5,668,781	5,966,544	6,502,288	6,167,971	6,701,866	7,291,067
<u>(5,898,781)</u>	<u>(5,962,132)</u>	<u>(6,502,288)</u>	<u>(6,461,721)</u>	<u>(6,701,866)</u>	<u>(7,291,067)</u>
<u>(230,000)</u>	<u>4,412</u>	<u>-</u>	<u>3,706,250</u>	<u>-</u>	<u>-</u>
<u>\$ (869,170)</u>	<u>\$ (769,966)</u>	<u>\$ 810,352</u>	<u>\$ 1,959,349</u>	<u>\$ 2,179,683</u>	<u>\$ (226,068)</u>
<u>4.20%</u>	<u>3.59%</u>	<u>0.66%</u>	<u>0.57%</u>	<u>2.94%</u>	<u>2.51%</u>

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Changes in Fund Balances - General Fund

Last Ten Years

(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015
Revenues				
Property taxes	\$ 6,556,789	\$ 6,413,007	\$ 6,914,364	\$ 7,045,243
Licenses and permits	86,145	117,006	89,365	108,740
Intergovernmental	2,673,668	2,725,466	2,735,937	2,733,084
Charges for services	1,435,782	1,332,844	1,320,181	1,374,995
Fines and forfeitures	1,200	2,350	3,300	1,550
Franchise fees	512,189	516,704	544,575	570,869
Investment earnings	7,100	17,060	38,080	41,022
Donations	24,106	29,666	6,850	6,400
Other revenues	506,132	517,542	492,917	602,488
Total revenues	11,803,111	11,671,645	12,145,569	12,484,391
Expenditures				
General government	2,650,810	2,846,263	2,795,747	3,061,592
Public safety	138,685	108,353	116,585	165,884
Public works	1,243,107	849,836	1,336,487	1,336,654
Planning and zoning	433,127	475,587	544,518	543,822
Culture and recreation	1,017,255	939,392	891,966	951,687
Other unallocated	670,459	598,028	446,142	333,469
Debt service	-	-	-	-
Capital outlay	436,786	426,598	345,845	151,727
Total expenditures	6,590,229	6,244,057	6,477,290	6,544,835
Revenues over (under) expenditures	5,212,882	5,427,588	5,668,279	5,939,556
Other financing sources (uses)				
Transfers in	112,176	193,651	61,824	-
Transfers out	(5,038,122)	(4,893,889)	(5,689,325)	(7,093,298)
Total other financing sources (uses)	(4,925,946)	(4,700,238)	(5,627,501)	(7,093,298)
Net change in fund balance	<u>\$ 286,936</u>	<u>\$ 727,350</u>	<u>\$ 40,778</u>	<u>\$ (1,153,742)</u>

Source: Pittsfield Charter Township Finance Department

Schedule 5
Unaudited

2016	2017	2018	2019	2020	2021
\$ 7,358,916	\$ 7,494,824	\$ 7,638,208	\$ 7,792,815	\$ 8,129,773	\$ 8,585,146
132,753	154,779	172,602	184,255	95,282	88,160
2,775,551	3,259,512	3,055,699	3,877,571	3,535,369	3,739,709
1,395,045	1,550,701	1,575,317	1,650,062	1,414,060	1,625,060
1,800	1,960	3,600	6,750	6,800	250
581,539	566,779	538,167	518,839	498,414	490,548
48,916	52,975	49,676	117,570	84,894	26,035
5,000	15,500	5,625	235,740	5,000	10,010
614,102	58,009	56,636	62,758	54,571	59,993
12,913,622	13,155,039	13,095,530	14,446,360	13,824,163	14,624,911
3,195,798	2,810,817	3,065,677	3,029,664	3,246,973	3,503,503
112,145	130,450	136,608	138,262	104,178	94,797
2,105,004	1,993,867	1,603,584	1,574,854	1,175,975	1,207,862
649,780	540,489	499,504	626,398	620,222	537,302
1,053,287	1,298,955	760,240	819,706	1,121,496	1,061,151
319,491	369,314	328,930	388,957	75,000	37,089
-	-	-	-	428,250	435,844
177,625	515,123	511,420	1,413,989	296,563	100,481
7,613,130	7,659,015	6,905,963	7,991,830	7,068,657	6,978,029
5,300,492	5,496,024	6,189,567	6,454,530	6,755,506	7,646,882
3,595	87,203	120,000	-	-	-
(5,891,287)	(5,879,341)	(6,381,675)	(6,167,971)	(6,628,864)	(7,291,067)
(5,887,692)	(5,792,138)	(6,261,675)	(6,167,971)	(6,628,864)	(7,291,067)
\$ (587,200)	\$ (296,114)	\$ (72,108)	\$ 286,559	\$ 126,642	\$ 355,815

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Taxable and Estimated Actual Value of Property

Last Ten Years

As of Dec. 31,	FYE Dec. 31,	Real Property (1)		Personal Property (1)	
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value
2020	2021	\$ 2,000,483,501	\$ 4,000,967,002	\$ 129,431,000	\$ 258,862,000
2019	2020	1,893,648,909	3,787,297,818	114,554,100	229,108,200
2018	2019	1,807,708,197	3,615,416,394	120,192,400	240,384,800
2017	2018	1,731,565,944	3,463,131,888	117,308,500	234,617,000
2016	2017	1,685,245,245	3,370,490,490	115,649,500	231,299,000
2015	2016	1,630,269,442	3,260,538,884	119,400,002	238,800,004
2014	2015	1,574,701,371	3,149,402,742	116,147,300	232,294,600
2013	2014	1,534,854,820	3,069,709,640	122,153,900	244,307,800
2012	2013	1,529,357,932	3,058,715,864	122,398,500	244,797,000
2011	2012	1,558,976,815	3,117,953,630	123,020,600	246,041,200

(1) Does not include properties subject to Industrial Facility Tax exemptions.

(2) Per \$1,000 of taxable value.

Source: Pittsfield Charter Township Assessing Department

**Schedule 6
Unaudited**

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Total		(2) Total
Taxable Value	Estimated Actual Value	Direct Tax Rate
\$ 2,129,914,501	\$ 4,259,829,002	6.3315
2,008,203,009	4,016,406,018	6.3315
1,927,900,597	3,855,801,194	6.3315
1,848,874,444	3,697,748,888	6.4887
1,800,894,745	3,601,789,490	6.5479
1,749,669,444	3,499,338,888	6.5916
1,690,848,671	3,381,697,342	6.5916
1,657,008,720	3,314,017,440	6.5916
1,651,756,432	3,303,512,864	6.3113
1,681,997,415	3,363,994,830	5.3554

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Direct and Overlapping Property Tax Rates

Last Ten Years

(rate per \$1,000 of taxable value)

Fiscal Year Ended December 31,	Township Total Direct Rate	Ann Arbor Public Schools	Milan Public Schools	Saline Public Schools	State Education Tax	Washtenaw Community College
2021	6.3315	28.2064	28.3694	26.8387	6.0000	3.3538
2020	6.3315	26.8669	28.3694	26.8440	6.0000	3.3763
2019	6.3315	27.0615	30.9694	26.8471	6.0000	3.3978
2018	6.4887	26.9021	30.9694	26.8406	6.0000	3.4268
2017	6.5479	25.5406	30.9694	26.8452	6.0000	3.4360
2016	6.5916	21.4168	30.9748	25.8500	6.0000	3.4576
2015	6.5916	21.4500	27.3148	25.8500	6.0000	3.4576
2014	6.5916	21.4500	26.0148	25.8500	6.0000	3.4576
2013	6.3113	21.4500	26.9148	25.8500	6.0000	3.6376
2012	5.3554	21.1497	26.0148	25.8500	6.0000	3.7176

Components of Total Direct Rate

	Special Voted			
	Operating	Public Safety	Parks	Total
2021	3.9923	1.8730	0.4662	6.3315
2020	3.9923	1.8730	0.4662	6.3315
2019	3.9923	1.8730	0.4662	6.3315
2018	4.0914	1.9195	0.4778	6.4887
2017	4.1286	1.9371	0.4822	6.5479
2016	4.1561	1.9500	0.4855	6.5916
2015	4.1561	1.9500	0.4855	6.5916
2014	4.1561	1.9500	0.4855	6.5916
2013	3.8758	1.9500	0.4855	6.3113
2012	3.8758	0.9941	0.4855	5.3554

Source: Pittsfield Charter Township Treasurer's Department

Schedule 7
Unaudited

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Washtenaw County	Washtenaw Intermediate School District	Ann Arbor District Library	Saline District Library	Total Homestead	Total Non- Homestead
6.8858	5.6625	1.8365	1.1432	96.6278	114.6278
6.8976	5.3285	1.8519	1.1682	95.0343	113.0343
6.9403	5.3641	1.8663	1.1712	97.9492	115.9492
5.9982	5.4109	1.8913	1.1740	97.1020	115.1020
6.0286	5.4509	1.9000	1.3753	96.0939	114.0939
6.3058	3.9745	1.6500	1.1830	89.4041	112.9225
6.2838	3.9745	1.5500	1.1830	85.6553	103.6553
5.7801	3.9745	1.5500	1.1830	83.8516	101.8516
5.7654	3.9745	1.5500	1.1830	84.6366	102.6366
5.7518	3.9745	1.5500	1.3164	82.6802	100.6802

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

**Schedule 8
Unaudited**

Principal Property Taxpayers

Current Year and Nine Years Ago

Taxpayer	2021			2012		
	[1] Taxable Valuation	Rank	% of Total Twp Taxable Value	[1] Taxable Valuation	Rank	% of Total Twp Taxable Value
LVP BH Valley Ranch	\$ 20,300,000	1	0.91%	\$ -	-	-
LSG Spicetree Apartments	19,950,538	2	0.90%	-	-	-
DTE Electric	19,543,982	3	0.88%	12,811,717	7	0.78%
Pines of Cloverlane	16,827,158	4	0.76%	14,292,400	4	0.87%
Hamptons of Cloverlane	15,678,342	5	0.70%	-	-	-
Meijer Inc	15,542,011	6	0.70%	14,257,594	5	0.86%
Glencoe Hills LLC	14,345,407	7	0.64%	13,307,606	6	0.81%
Uptown Ann Arbor LLC	13,205,000	8	0.59%	-	-	-
Oak Valley Partners Inc	12,943,310	9	0.58%	-	-	-
WR MEZZ GP LLC	11,288,594	10	0.51%	-	-	-
McMullen Properties	-	-	-	21,322,149	1	1.29%
CitiMortgage	-	-	-	16,034,200	2	0.97%
Highland Industrial Dev Co	-	-	-	14,529,300	3	0.88%
Hunt Club Apartments	-	-	-	12,757,300	8	0.77%
Michigan Consolidated Gas	-	-	-	12,071,200	9	0.73%
Waters Place LLC	-	-	-	9,590,335	10	0.58%
	<u>\$ 159,624,342</u>		<u>7.16%</u>	<u>\$ 140,973,801</u>		<u>8.54%</u>

[1] Includes ad valorem and Industrial Facilities Tax properties.

Source: Pittsfield Charter Township Treasurer's Department

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Schedule 9

Unaudited

Property Tax Levies and Collections

Last Ten Years

(1) Fiscal Year Ended December 31,	(2) Taxies Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		(3) Delinquent Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2021	\$ 13,500,051	\$ 13,187,693	97.69%	\$ 278,061	\$ 13,465,754	99.75%
2020	12,807,805	12,502,690	97.62%	285,957	12,788,647	99.85%
2019	12,211,853	11,916,562	97.58%	250,619	12,167,181	99.63%
2018	11,985,168	11,629,610	97.03%	331,299	11,960,909	99.80%
2017	11,774,835	11,427,074	97.05%	324,602	11,751,676	99.80%
2016	11,553,223	11,240,899	97.30%	290,799	11,531,698	99.81%
2015	11,097,413	10,741,137	96.79%	317,544	11,058,681	99.65%
2014	10,889,827	10,485,003	96.28%	338,926	10,823,929	99.39%
2013	10,360,713	10,010,053	96.62%	320,524	10,330,577	99.71%
2012	8,985,189	8,594,157	95.65%	358,994	8,953,151	99.64%

(1) Property taxes are levied July 1 of the current fiscal year based on taxable property values as of the preceding December 31. Unpaid property taxes become delinquent as of March 1 of the current fiscal year. The Township's delinquent real property taxes are purchased by Washtenaw County. Uncollected personal property taxes must be collected by the Township Treasurer.

(2) Includes Industrial Facility Tax.

(3) Includes settlement payment from Washtenaw County Treasurer's department for purchase of delinquent real property tax roll.

Source: Pittsfield Charter Township Treasurer's Department

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Ratios of Outstanding Debt by Type

Last Ten Years

	2012	2013	2014	2015
Governmental activities				
General obligation bonds	\$ 3,255,852	\$ 2,543,682	\$ 1,821,512	\$ 1,189,342
Special assessment debt	2,083,454	1,915,922	1,698,144	1,613,266
	<u>5,339,306</u>	<u>4,459,604</u>	<u>3,519,656</u>	<u>2,802,608</u>
Business-type activities				
General obligation bonds	<u>10,217,580</u>	<u>9,717,080</u>	<u>9,281,080</u>	<u>8,825,080</u>
Total outstanding debt	<u>\$ 15,556,886</u>	<u>\$ 14,176,684</u>	<u>\$ 12,800,736</u>	<u>\$ 11,627,688</u>
 Total taxable value	 \$ 1,681,997,415	 \$ 1,651,756,432	 \$ 1,657,008,720	 \$ 1,690,848,671
 Ratio of total debt to taxable value	 0.95%	 0.86%	 0.77%	 0.69%
 Total population	 35,821	 36,068	 37,588	 38,309
 Total debt per capita	 \$ 436	 \$ 393	 \$ 341	 \$ 304
 % of personal income	 1.06%	 0.91%	 0.78%	 0.63%

Source: Pittsfield Charter Township Finance Department

Details regarding the Township's debt can be found in the notes to the financial statements.

Schedule 10
Unaudited

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2016	2017	2018	2019	2020	2021
\$ 602,172	\$ -	\$ -	\$ 4,000,000	\$ 3,664,000	\$ 3,303,000
1,546,579	1,441,516	1,354,275	1,242,156	1,125,037	1,002,917
2,148,751	1,441,516	1,354,275	5,242,156	4,789,037	4,305,917
7,811,080	7,211,080	6,601,080	5,976,080	5,331,080	4,666,080
<u>\$ 9,959,831</u>	<u>\$ 8,652,596</u>	<u>\$ 7,955,355</u>	<u>\$ 11,218,236</u>	<u>\$ 10,120,117</u>	<u>\$ 8,971,997</u>

\$ 1,749,669,444	\$ 1,800,894,745	\$ 1,848,874,444	\$ 1,927,900,597	\$ 2,008,203,209	\$ 2,129,914,501
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0.57%	0.48%	0.43%	0.58%	0.50%	0.42%
38,435	39,730	40,721	39,368	40,360	39,575
\$ 259	\$ 218	\$ 195	\$ 285	\$ 251	\$ 227
0.50%	0.41%	0.35%	0.48%	0.41%	0.36%

Ratios of Net General Bonded Debt Outstanding

Last Ten Years

Year	Governmental Activities	Business-type Activities	Amounts Available in Debt Service Funds	Total	% of Total Personal Income	% of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	General Obligation Bonds					
2021	\$ 3,303,000	\$ 4,666,080	\$ (197,752)	\$ 7,771,328	0.31%	0.40%	\$ 196.37
2020	3,664,000	5,331,080	(210,619)	8,784,461	0.36%	0.46%	217.65
2019	4,000,000	5,976,080	(211,671)	9,764,409	0.42%	0.51%	248.03
2018	-	6,601,080	(218,746)	6,382,334	0.28%	0.35%	156.73
2017	-	7,211,080	(60,193)	7,150,887	0.34%	0.40%	179.99
2016	602,172	7,811,080	(106,824)	8,306,428	0.03%	0.03%	12.89
2015	1,189,342	8,825,080	(104,445)	9,909,977	0.06%	0.06%	28.32
2014	1,821,512	9,281,080	(153,919)	10,948,673	0.10%	0.10%	42.77
2013	2,543,682	9,717,080	(232,547)	12,028,215	0.13%	0.12%	54.06
2012	3,255,852	10,217,580	(928,596)	12,544,836	0.13%	0.12%	54.06

Source: Pittsfield Charter Township Finance Department

Details regarding the Township's debt can be found in the notes to the financial statements.

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Schedule 12
Unaudited

Computation of Net Direct and Overlapping Debt

As of December 31, 2021

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
Direct debt			
Bonds and related premium	\$ 4,305,917	\$ 1,002,917	\$ 3,303,000
Overlapping debt			
School districts:			
Saline			38,418,239
Ann Arbor			34,317,126
Milan			6,767,193
Washtenaw County			2,892,097
Washtenaw Community College			655,344
Washtenaw Intermediate School District			4,933,929
Net overlapping debt			87,983,928
Net direct and overlapping debt			\$ 91,286,928

Source: Municipal Advisory Council of Michigan

Overlapping Debt – The issuer's proportionate share of the debt of other local governmental units that either overlap it (the issuer is located either wholly or partly within the geographic limits of the other units) or underlie it (the other units are located within the geographic limits of the issuer). The debt is generally apportioned based upon relative Assessed Values.

The Assessed Values is the appraised worth of a property as set by a taxing authority for purposes of ad valorem taxation. The method of establishing assessed valuation varies from state to state. For example, in certain jurisdictions the assessed valuation is equal to the full or market value of the property; in other jurisdictions the assessed valuation is equal to a set percentage of full or market value.

Legal Debt Margin

Last Ten Years

Legal debt margin calculation for fiscal 2020

Assessed value (excluding IFT values)	<u>\$ 2,129,914,501</u>
Debt limit (10% of assessed value)	\$ 212,991,450
Less: net debt applicable to limit	<u>(4,666,080)</u>
Legal debt margin	<u>\$ 208,325,370</u>

Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2021	\$ 212,991,450	\$ 4,666,080	\$ 208,325,370	2.19%
2020	200,820,301	5,331,080	195,489,221	2.65%
2019	192,790,060	5,976,080	186,813,980	3.10%
2018	184,887,444	6,601,080	178,286,364	3.57%
2017	180,089,475	7,211,080	172,878,395	4.00%
2016	174,966,944	8,411,080	166,555,864	4.81%
2015	169,084,867	10,066,080	159,018,787	5.95%
2014	165,700,872	11,096,080	154,604,792	6.70%
2013	165,175,643	12,096,080	153,079,563	7.32%
2012	168,199,742	13,151,080	155,048,662	7.82%

Source: Pittsfield Charter Township Finance Department & Assessing Department

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Schedule 14

Unaudited

Demographic and Economic Statistics

Last Ten Years

Year	Population	(1) Total Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2021	39,575	\$ 2,519,147	\$ 63,655	4.31%
2020	39,147	2,381,821	60,843	6.45%
2019	39,368	2,337,003	59,363	2.70%
2018	38,884	2,191,036	56,348	2.90%
2017	38,817	2,050,081	52,814	3.10%
2016	38,435	1,975,559	51,400	3.00%
2015	38,309	1,852,815	48,365	3.30%
2014	37,588	1,651,128	43,927	4.50%
2013	36,068	1,558,210	43,202	5.40%
2012	35,821	1,462,249	40,821	5.30%

(1) Data specific for the Township is not available; accordingly, amount shown is calculated based on Township's population and per capita personal income for Washtenaw County.

Sources: Regional Economic Information System, Bureau of Economic Analysis,
U.S. Department of Commerce, Bureau of Economic Analysis

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Principal Employers

Current Year and Nine Years Ago

Employer	Category	2021			2012		
		Employees	Rank	% of Total Township Employment	Employees	Rank	% of Total Township Employment
Thomson Reuters	Software Publishers	1000-4999	1	21%	N/A	-	-
Truck Hero (Extang Corp)	Motor Vehicle Body and Trailer parts	500-999	2	13%	N/A	-	-
Huron Valley Correctional	Correctional Institutions	500-999	3	10%	500-999	2	19%
Huron Valley Ambulance	Ambulance Services	250-499	4	7%	250-499	4	6%
Cayman Chemical	Medical Devices/Life Sciences Manufacturing	250-499	5	6%	N/A	-	-
Costco	Warehouse clubs and supercenters	250-499	6	6%	100-249	4	6%
Meijer	Supermarket and other grocery stores	250-499	7	5%	500-999	3	8%
Walmart Superstore	Department stores, except discounts	250-499	8	5%	N/A	-	-
Target	Department stores, except discounts	250-499	9	4%	250-499	4	6%
Kroger	Supermarket and other grocery stores	250-499	10	4%	250-499	4	6%
Sam's Club Warehouse	Warehouse clubs and supercenters	100-249	11	4%	100-249	5	5%
Avfuel Corp	Aviation/Business Services	100-249	12	4%	N/A	-	-
FAAC Inc.	Fim Studio Production Facilities	100-249	13	3%	100-249	6	4%
Saline High School	Elementary and secondary schools	100-249	14	2%	250-499	6	4%
Tecumseh Products	Other Electrical Components Mfg.	100-249	15	2%	N/A	-	-
Ann Arbor Hospice	Nursing care facilities	100-249	15	2%	100-249	8	3%
Arotech Corp	Miscellaneous electrical Equipment Mfg.	100-249	15	2%	100-249	7	3%
Pittsfield Care LLC	Senior Community Living	100-249	15	2%	N/A	-	-
Citigroup	Financial	N/A	-	-	1000-4999	1	30%

Source: Michigan Department of Technology, Management & Budget and
Ann Arbor Sparks

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Full-Time Equivalent Governmental Employees by Function/Program

Last Ten Years

Function/Program	2012	2013	2014	2015
General Government				
Supervisor	2	2	2	2
Clerk/Elections	5	4	5	5
Treasurer	4	5	5	5
Assessing	5	4	4	4
Finance	2	2	2	3
Community Development	1	1	1	2
Human Resources	1	2	2	2
Information Technology	1	1	1	1
Municipal Services	5	8	7	7
Building Safety	5	5	5	7
Public Safety				
Police	42	41	36	38
Fire	24	24	25	25
Dispatch/Clerical	10	11	11	14
Public Works				
Department of Public Works	8	10	10	10
Grounds Maintenance	-	-	3	3
Parks and recreation	10	10	8	9
Total	125	130	127	137

Source: Pittsfield Charter Township Finance Department

Schedule 16
Unaudited

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2016	2017	2018	2019	2020	2021
2	2	1	1	1	1
5	5	5	5	5	3
5	5	5	5	5	5
4	4	5	5	4	5
3	3	3	3	3	3
2	3	3	4	4	4
2	2	2	2	2	2
1	2	2	2	2	2
7	5	5	5	6	4
5	5	6	6	5	7
39	39	41	40	39	36
26	26	26	26	24	22
10	12	1	1	1	3
12	13	13	13	12	13
3	3	-	-	-	
8	9	12	13	13	9
134	138	130	131	126	119

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2012	2013	2014	2015
Election data				
Registered voters	23,878	24,878	23,151	23,211
Voters (at the polls or absentee)	16,367	1,939	9,921	4,974
Percentage voting	68.54%	7.79%	42.85%	21.43%
Police				
Traffic citations	3,181	3,730	2,890	2,506
Arrests	1,737	1,599	1,551	1,282
Calls for service	14,469	15,660	16,147	14,948
Fire				
Medical runs	1,487	1,474	1,509	1,448
Accident runs	479	564	628	496
Fire runs	133	373	144	208
Other calls for service	557	359	534	556

Source: Pittsfield Charter Township Clerk's Department
Pittsfield Charter Township Public Safety Department

Schedule 17
Unaudited

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2016	2017	2018	2019	2020	2021
25,535	25,118	26,218	26,337	29,148	28,829
19,590	4,001	16,727	2,068	21,433	6,058
76.72%	15.93%	63.80%	7.85%	73.53%	21.01%
2,116	2,951	3,238	2,574	824	785
1,206	1,593	1,766	1,390	777	776
16,411	17,491	17,670	16,992	11,576	12,043
1,498	1,552	1,662	1,310	1,540	2,444
495	530	611	499	246	448
500	592	410	338	275	222
220	347	404	582	410	637

PITTSFIELD CHARTER TOWNSHIP, MICHIGAN

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2012	2013	2014	2015
Police				
Police department building	1	1	1	1
Vehicle patrol units	27	27	31	31
Fire				
Number of stations	3	3	3	3
Fire units:				
Fire engines	3	4	5	5
Ladder trucks	2	2	2	2
Tanker trucks	1	1	1	1
Rescue vehicles	1	1	1	1
Brush trucks	1	1	1	1
Adm/Utility trucks	3	3	3	3
Public Works				
Sewer:				
Feet of sanitary mains	712,861	713,356	728,230	731,962
Water:				
Feet of water mains	974,554	978,570	981,524	988,943
Number of fire hydrants	2,255	2,274	2,290	2,313
Parks and Recreation				
Parks	16	16	16	16
Park acreage	1,036	1,036	1,036	1,066
Fishing docks	2	2	2	2
Play structures	12	11	11	13
Historical Farm	1	1	1	1
Community center	1	1	1	1
Tennis courts	4	4	2	2
Pavilions	8	8	8	9

Source: Pittsfield Charter Township

Schedule 18
Unaudited

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2016	2017	2018	2019	2020	2021
1	1	1	1	1	1
27	25	29	33	34	35
3	3	3	3	3	3
3	3	3	3	3	3
2	2	2	2	2	2
1	1	1	3	3	3
-	-	-	-	-	-
1	1	1	1	1	1
5	5	5	3	3	3
756,916	766,867	773,641	792,094	797,951	800,531
1,015,771	1,027,796	1,037,001	1,056,843	1,068,437	1,070,833
2,328	2,361	2,391	2,452	2,482	2,490
16	17	17	17	17	18
1,070	1,070	1,070	1,070	1,085	1,112
2	2	2	2	2	2
14	14	14	14	14	15
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
9	9	9	9	9	9

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INTERNAL CONTROL AND COMPLIANCE SECTION

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

June 8, 2022

Board of Trustees
Pittsfield Charter Township
Ann Arbor, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Pittsfield Charter Township, Michigan** (the "Township"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 8, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lehmann Lobson LLC". The signature is written in a cursive, flowing style.