
Charter Township of Plymouth

Wayne County, Michigan

Financial Report
with Supplemental Information
December 31, 2019

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Independent Auditor's Report

To the Board of Trustees
Charter Township of Plymouth

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Plymouth (the "Township") as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Charter Township of Plymouth's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Plymouth as of December 31, 2019 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements the Township adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which established accounting and financial reporting standards for the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

To the Board of Trustees
Charter Township of Plymouth

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Charter Township of Plymouth's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

May 27, 2020

As management of the Charter Township of Plymouth (the "Township"), we offer readers this narrative overview and analysis of the financial activities for the year ended December 31, 2019.

Business Highlights

- In November 2018, voters approved a public safety millage of 1.2 mills to help bring the police and fire departments up to full staffing, fund the replacement of aged fire equipment, and address burgeoning pension and retiree healthcare (OPEB) legacy costs.
- An initial contribution of \$1.2 million was made to the newly created OPEB savings fund as part of a corrective action plan negotiated with the State to address the underfunded legacy costs.
- ADV Hilltop Golf Management LLC assumed management of the Hilltop Golf Course in 2019 as part of new five-year agreement. The financial terms of this agreement enabled us to move the financial reporting of the golf course operations from the Golf Course Fund (business-type activity) to the General Fund (governmental activity).

Financial Highlights

- At the end of the 2019 fiscal year, the assets of the Township exceeded its liabilities by approximately \$57 million. When viewed separately, the governmental activities had liabilities in excess of assets by \$5.6 million, and the business-type activities had assets in excess of liabilities of \$62.6 million.
- The Township's financial rating with Standard & Poor's rating service remains at AA+.
- General Fund net change in fund balance was \$1,188,561, with a restatement of the 2018 fund balance of \$3.4 million reflecting the change in net position due to the Golf Fund no longer being separately reported as a fund. This activity is now recorded in the General Fund parks department and is included in the recreation and culture line item. The 2019 General Fund fund balance is \$4.6 million.
- The Water and Sewer Fund experienced a \$3.2 million increase in net position. The increase is primarily due to the reduction in the cost of sewage treatment, as well as water and sewer benefit fees received.
- The State of Michigan approved the corrective action plan submitted by the Township required by Public Act 202. Based upon the 2017 audit, the other postemployment benefit plan (OPEB) was deemed underfunded because plan assets were less than 40 percent of total plan liabilities. In 2019, a one-time investment contribution of \$1.2 million was made to the OPEB trust fund, helping to decrease the net OPEB liability by \$3.9 million from \$19.5 million in 2018 to \$15.6 million in 2019 with an increase in the funded ratio of 7.7 percent.

Using This Annual Report

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

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

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve 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 by approximately \$57.1 million at the close of the most recent fiscal year.

The analysis below presents separate tables for the governmental activities and the business-type activities. The governmental activities include most of the Township's basic services, such as fire/paramedic service, police/dispatch service, parks, building, community development, and general administration. Most of the funding is provided by property taxes, state-shared revenue, charges for service, and agreements.

The business-type activities consist of the Water and Sewer Fund, Solid Waste Disposal Fund, Special Assessments Fund, and the Senior Transportation Fund.

- The Township provides water to residents from the Great Lakes Water Authority water system. Sewage treatment is provided through the Western Townships Utilities Authority, which collects sewage, equalizes it, and sends it to the Ypsilanti Community Utilities Authority sewage treatment plant.
- The Solid Waste Disposal Fund was created to account for revenue and expenses for trash collection and recycling programs requiring separate accounting and financing.
- The Golf Course Fund operation is no longer being separately reported. This activity is now recognized as part of the General Fund's parks and recreation department due to a new contractual relationship that no longer requires the Golf Course Fund operations to be separately reported. The Hilltop Golf Course was managed during the year by ADV Hilltop Golf Management LLC, which is responsible for the day-to-day operations.
- The Special Assessments Fund was created to account for revenue and expenses for certain special assessments (road paving and sidewalk repairs) requiring separate accounting and financing.
- The Senior Transportation Fund provides for senior transportation within the Plymouth community.

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

The Township's Net Position

	Governmental Activities				
	2017	2018	2019	Change	Percent Change
Assets					
Current and other assets:					
Cash and investments	\$ 5,632,962	\$ 7,549,106	\$ 9,368,635	\$ 1,819,529	24.1
Receivables	7,996,047	8,043,324	7,759,083	(284,241)	(3.5)
Other assets	125,545	110,754	27,370	(83,384)	(75.3)
Capital assets	17,496,784	17,371,290	18,564,832	1,193,542	6.9
Total assets	31,251,338	33,074,474	35,719,920	2,645,446	8.0
Deferred Outflows of Resources	2,409,424	5,734,899	5,467,129	(267,770)	(4.7)
Liabilities					
Current liabilities	1,979,783	1,468,582	2,096,152	627,570	42.7
Noncurrent liabilities:					
Due within one year	1,156,823	1,241,825	1,276,855	35,030	2.8
Due in more than one year	25,921,964	33,334,057	31,308,182	(2,025,875)	(6.1)
Total liabilities	29,058,570	36,044,464	34,681,189	(1,363,275)	(3.8)
Deferred Inflows of Resources	7,049,375	9,814,233	12,081,684	2,267,451	23.1
Net Position					
Net investment in capital assets	12,003,218	12,496,227	13,387,689	891,462	7.1
Restricted	942,856	1,380,857	2,440,994	1,060,137	76.8
Unrestricted	(15,393,257)	(20,926,408)	(21,404,507)	(478,099)	2.3
Total net position	<u>\$ (2,447,183)</u>	<u>\$ (7,049,324)</u>	<u>\$ (5,575,824)</u>	<u>\$ 1,473,500</u>	(20.9)

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

	Business-type Activities				
	2017	2018	2019	Change	Percent Change
Assets					
Current and other assets:					
Cash and investments	\$ 7,689,471	\$ 9,697,921	\$ 15,336,928	\$ 5,639,007	58.1
Receivables	3,464,273	2,698,198	1,659,409	(1,038,789)	(38.5)
Other assets	21,147,234	21,956,778	22,543,423	586,645	2.7
Capital assets	<u>30,549,610</u>	<u>29,739,515</u>	<u>27,762,828</u>	<u>(1,976,687)</u>	(6.6)
Total assets	62,850,588	64,092,412	67,302,588	3,210,176	5.0
Deferred Outflows of Resources	-	99,813	93,843	(5,970)	(6.0)
Liabilities					
Current liabilities	2,342,120	1,742,605	2,021,474	278,869	16.0
Noncurrent liabilities:					
Due within one year	344,525	240,174	223,084	(17,090)	(7.1)
Due in more than one year	<u>2,894,661</u>	<u>2,703,186</u>	<u>2,390,207</u>	<u>(312,979)</u>	(11.6)
Total liabilities	5,581,306	4,685,965	4,634,765	(51,200)	(1.1)
Deferred Inflows of Resources	-	919	135,374	134,455	14,630.6
Net Position					
Net investment in capital assets	28,361,658	27,825,244	26,179,234	(1,646,010)	(5.9)
Unrestricted	<u>28,907,624</u>	<u>31,680,097</u>	<u>36,447,058</u>	<u>4,766,961</u>	15.0
Total net position	<u>\$ 57,269,282</u>	<u>\$ 59,505,341</u>	<u>\$ 62,626,292</u>	<u>\$ 3,120,951</u>	5.2

The net position of the Township's business-type activities totals \$62.6 million. This is an increase of approximately \$3.1 million over 2018. The increase is attributable primarily to water and sewer operations and the completion of most special assessment debt (SAD) projects.

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

The Township's Changes in Net Position

	Governmental Activities				
	2017	2018	2019	Change	Percent Change
Revenue					
Program revenue:					
Charges for services	\$ 2,167,388	\$ 2,215,535	\$ 2,664,875	\$ 449,340	20.3
Operating grants	172,396	430,348	697,682	267,334	62.1
Capital grants	750,099	384,378	357,286	(27,092)	(7.0)
General revenue:					
Taxes	6,925,641	7,516,399	9,864,961	2,348,562	31.2
State-shared revenue and grants	3,342,787	2,748,956	2,904,707	155,751	5.7
Investment earnings	117,585	87,025	117,311	30,286	34.8
Other revenue	860,911	1,217,968	1,010,748	(207,220)	(17.0)
Total revenue	14,336,807	14,600,609	17,617,570	3,016,961	20.7
Expenses					
General government	2,231,726	2,667,337	2,712,851	45,514	1.7
Public safety	10,989,984	10,515,934	11,827,309	1,311,375	12.5
Public works	859,877	29,979	104	(29,875)	(99.7)
Community services	15,583	30,732	92,782	62,050	201.9
Planning and zoning	235,169	161,832	161,136	(696)	(0.4)
Recreation and culture	848,644	920,208	1,060,223	140,015	15.2
Debt service	131,063	137,479	121,307	(16,172)	(11.8)
Total expenses	15,312,046	14,463,501	15,975,712	1,512,211	10.5
Change in Net Position	\$ (975,239)	\$ 137,108	\$ 1,641,858	\$ 1,504,750	1,097.5
Business-type Activities					
	2017	2018	2019	Change	Percent Change
Revenue					
Program revenue:					
Charges for services	\$ 16,462,203	\$ 15,886,730	\$ 15,078,270	\$ (808,460)	(5.1)
Operating grants	1,177,711	684,342	-	(684,342)	(100.0)
Capital contributions	745,141	844,685	1,039,502	194,817	23.1
General revenue:					
Investment earnings	136,738	174,943	204,500	29,557	16.9
Other revenue	9,590	-	-	-	-
Total revenue	18,531,383	17,590,700	16,322,272	(1,268,428)	(7.2)
Expenses					
Water and sewer	13,800,740	13,034,018	11,359,006	(1,675,012)	(12.9)
Solid waste disposal	1,497,626	1,516,657	1,528,784	12,127	0.8
Golf course	784,495	711,208	-	(711,208)	(100.0)
Special assessments	628,162	115,885	343,792	227,907	196.7
Senior transportation	153,828	136,197	120,594	(15,603)	(11.5)
Total expenses	16,864,851	15,513,965	13,352,176	(2,161,789)	(13.9)
Change in Net Position	\$ 1,666,532	\$ 2,076,735	\$ 2,970,096	\$ 893,361	43.0

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

The Township's total governmental activities revenue was \$17.6 million, which is an increase from 2018 of \$3.0 million. This is due to a variety of factors, including a \$2.3 million increase in property tax revenue, an increase of approximately \$400,000 in state-shared revenue and grants, and the proceeds from the 5 Mile land property sale. Governmental activities expenses increased by approximately \$1.5 million. Increases were primarily due to the initial \$1.2 million contribution to other postemployment benefit (OPEB) healthcare fund, contractual wage increases, and the first time reporting of the golf course operational expenditures as part of the General Fund's parks and recreation department versus the Golf Course Fund.

In 2019, business-type activities revenue totaled \$16.3 million, a decrease from 2018 of approximately \$1.3 million. The decrease is primarily due to the elimination of golf course revenue in the amount of approximately \$539,100 and a reduction in operating grants of nearly \$700,000.

Expenses for business-type activities totaled \$13.4 million, a decrease from 2018 of approximately \$2.2 million. This is due to a reduction in the cost of sewage treatment, a decrease in repair and maintenance costs, and the elimination of the golf course expenses.

General Fund

The General Fund experienced a \$3.0 million (20.7 percent) increase in revenue. This increase reflects the 2018 voter approved public safety millage of \$2.3 million, a \$400,000 increase in building department program revenue, and an increase of \$267,000 in operating grants.

Expenditures increased by \$1.5 million (10.5 percent). This increase can be attributed to the initial \$1.2 million contribution to other postemployment benefit (OPEB) healthcare fund and the reclassification of the golf course expenses.

Water and Sewer Fund

The Water and Sewer Fund experienced a \$3.2 million increase in net position. The increase is primarily due to a reduction in the cost of sewage treatment and a reduction in the cost of infrastructure repair and maintenance.

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget by approximately \$33,000 to take into account events during the year. The most significant budget changes during the year were in the areas of public safety and debt service expenditures. Overall, township departments experienced a favorable final amended budget expenditure variance of approximately \$582,500 resulting in total expenditures of nearly \$18.4 million with a surplus budget of approximately \$1,088,000.

Capital Assets and Debt Administration

As of year end, the Township had \$46.3 million invested in a variety of capital assets, including buildings, fire and police equipment, and water and sewer lines. This figure represents a decrease from 2018 as a result of depreciation expenses and the disposal of assets like the 5 Mile property. Roads within the Township are accounted for and maintained by the County of Wayne, Michigan (therefore, they are not included in the capital assets totaling \$46.3 million). A summary of capital assets is presented in Note 5 to the financial statements.

At the end of the current fiscal year, the Charter Township of Plymouth had total bonded debt outstanding of approximately \$6.8 million. A summary of long-term debt is presented in Note 7 to the financial statements.

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets and Rates

The State of Michigan relies on various taxes and fees to provide governmental activities to its citizens. Local governments rely primarily on property taxes and state-shared revenue to provide governmental activities to their citizens. For business-type activities (including water and sewer, solid waste disposal, and special assessments) and certain governmental activities (including permitting and development), the user pays a related fee or charge associated with the service. During 2019, the Township continued to see positive change. Home sale prices continued to rise, state-shared revenue continued to increase, construction and business development activity continued to increase, and unemployment in the Charter Township of Plymouth remains low. Amid the COVID-19 outbreak in 2020, the economic downturn and recovery outlook is still currently unpredictable. During this time of economic uncertainty, the township board is taking proactive steps to reduce expenditures in relation to anticipated reductions in state-shared revenue.

The township board of trustees remains diligent in its quest to continuously improve the quality of service and quality of life within the community while efficiently managing current expenses and addressing long-term legacy costs.

Requests for Further Information

This financial report is intended to provide a general overview of the Township's finances and demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, please contact the office of the Township Clerk at 9955 N. Haggerty Road, Plymouth, MI 48170. This report, township budgets, and other financial information are available on the Township's website at www.plymouthtp.org.

Charter Township of Plymouth

Statement of Net Position (Deficit)

December 31, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents (Note 3)	\$ 9,368,635	\$ 15,336,928	\$ 24,705,563	\$ 3,058,703
Receivables:				
Property taxes receivable	3,931,510	114,972	4,046,482	949
Special assessments receivable	-	1,175,141	1,175,141	-
Receivables from sales to customers on account	-	2,953,115	2,953,115	-
Other receivables	-	8,249	8,249	-
Due from other governments	921,896	257,478	1,179,374	-
Due from component units (Note 6)	56,131	-	56,131	-
Internal balances	2,849,546	(2,849,546)	-	-
Prepaid expenses	27,370	138,335	165,705	-
Investment in WTUA (Note 1)	-	22,405,088	22,405,088	-
Capital assets: (Note 5)				
Assets not subject to depreciation	4,708,080	909,058	5,617,138	-
Assets subject to depreciation - Net	13,856,752	26,853,770	40,710,522	-
Total assets	35,719,920	67,302,588	103,022,508	3,059,652
Deferred Outflows of Resources				
Deferred pension costs (Notes 4 and 9)	3,826,614	-	3,826,614	-
Deferred OPEB costs (Notes 4 and 10)	1,640,515	93,843	1,734,358	-
Total deferred outflows of resources	5,467,129	93,843	5,560,972	-
Liabilities				
Accounts payable	407,960	1,454,792	1,862,752	27,279
Due to primary government (Note 6)	-	-	-	56,131
Refundable deposits, bonds, etc.	1,210,648	-	1,210,648	-
Accrued liabilities and other	469,444	66,682	536,126	-
Unearned revenue	8,100	500,000	508,100	-
Noncurrent liabilities:				
Due within one year (Note 7)	1,276,855	223,084	1,499,939	-
Due in more than one year:				
Compensated absences (Note 7)	765,760	109,150	874,910	-
Net pension liability (Note 9)	11,332,291	-	11,332,291	-
Net OPEB liability (Note 10)	14,756,590	844,123	15,600,713	-
Long-term debt (Note 7)	4,453,541	1,436,934	5,890,475	-
Total liabilities	34,681,189	4,634,765	39,315,954	83,410
Deferred Inflows of Resources				
Property taxes levied for the following year (Note 4)	9,714,318	-	9,714,318	191,609
Deferred pension cost reductions (Notes 4 and 9)	817	-	817	-
Deferred OPEB cost reductions (Notes 4 and 10)	2,366,549	135,374	2,501,923	-
Total deferred inflows of resources	12,081,684	135,374	12,217,058	191,609
Net Position (Deficit)				
Net investment in capital assets	13,387,689	26,179,234	39,566,923	-
Restricted (Note 12)	2,440,994	-	2,440,994	-
Unrestricted	(21,404,507)	36,447,058	15,042,551	2,784,633
Total net position (deficit)	\$ (5,575,824)	\$ 62,626,292	\$ 57,050,468	\$ 2,784,633

Charter Township of Plymouth

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,712,851	\$ 275,741	\$ -	\$ -
Public safety:				
Police	4,083,191	81,246	418,949	270,827
Fire	5,393,590	157,054	73,984	-
Dispatch	1,795,137	610,242	-	-
Building inspections	555,391	1,454,975	-	-
Public works	104	156	-	-
Community services	92,782	-	202,216	86,459
Planning and zoning	161,136	85,461	-	-
Recreation and culture	1,060,223	-	2,533	-
Interest on long-term debt	121,307	-	-	-
Total governmental activities	15,975,712	2,664,875	697,682	357,286
Business-type activities:				
Water and Sewer	11,359,006	13,411,376	-	1,039,502
Solid Waste Disposal	1,528,784	1,553,196	-	-
Special Assessments	343,792	-	-	-
Senior Transportation	120,594	113,698	-	-
Total business-type activities	13,352,176	15,078,270	-	1,039,502
Total primary government	\$ 29,327,888	\$ 17,743,145	\$ 697,682	\$ 1,396,788
Component units:				
Downtown Development Authority	\$ 216,600	\$ -	\$ -	\$ -
Brownfield Redevelopment Authority	23,322	-	-	-
Total component units	\$ 239,922	\$ -	\$ -	\$ -

General revenue:

- Property taxes
- State-shared revenue
- Interest and rents
- Cable franchise fees
- Other miscellaneous income

Total general revenue

Change in Net Position (Deficit)

Net Position (Deficit) - Beginning of year, as restated (Note 14)

Net Position (Deficit) - End of year

Statement of Activities

Year Ended December 31, 2019

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (2,437,110)	\$ -	\$ (2,437,110)	\$ -
(3,312,169)	-	(3,312,169)	-
(5,162,552)	-	(5,162,552)	-
(1,184,895)	-	(1,184,895)	-
899,584	-	899,584	-
52	-	52	-
195,893	-	195,893	-
(75,675)	-	(75,675)	-
(1,057,690)	-	(1,057,690)	-
(121,307)	-	(121,307)	-
(12,255,869)	-	(12,255,869)	-
-	3,091,872	3,091,872	-
-	24,412	24,412	-
-	(343,792)	(343,792)	-
-	(6,896)	(6,896)	-
-	2,765,596	2,765,596	-
(12,255,869)	2,765,596	(9,490,273)	-
-	-	-	(216,600)
-	-	-	(23,322)
-	-	-	(239,922)
9,864,961	-	9,864,961	333,835
2,904,707	-	2,904,707	100,045
117,311	204,500	321,811	35,700
699,122	-	699,122	-
311,626	-	311,626	1,860
13,897,727	204,500	14,102,227	471,440
1,641,858	2,970,096	4,611,954	231,518
(7,217,682)	59,656,196	52,438,514	2,553,115
\$ (5,575,824)	\$ 62,626,292	\$ 57,050,468	\$ 2,784,633

Charter Township of Plymouth

Governmental Funds Balance Sheet

December 31, 2019

	General Fund	Nonmajor Funds	Total Governmental Funds
Assets			
Cash and cash equivalents (Note 3)	\$ 8,649,737	\$ 718,898	\$ 9,368,635
Receivables:			
Property taxes receivable	3,931,510	-	3,931,510
Due from other governments	921,896	-	921,896
Due from component units (Note 6)	56,131	-	56,131
Due from other funds (Note 6)	2,951,341	13,312	2,964,653
Prepaid expenses	27,370	-	27,370
	<u>\$ 16,537,985</u>	<u>\$ 732,210</u>	<u>\$ 17,270,195</u>
Total assets			
Liabilities			
Accounts payable	\$ 403,752	\$ 4,208	\$ 407,960
Due to other funds (Note 6)	55,021	60,086	115,107
Refundable deposits, bonds, etc.	1,210,648	-	1,210,648
Accrued liabilities and other	439,281	-	439,281
Unearned revenue	8,100	-	8,100
	<u>2,116,802</u>	<u>64,294</u>	<u>2,181,096</u>
Total liabilities			
Deferred Inflows of Resources (Note 4)	9,800,455	-	9,800,455
Fund Balances			
Nonspendable - Prepaids	27,370	-	27,370
Restricted (Note 12)	1,836,770	604,224	2,440,994
Committed - Public safety millage	129,244	-	129,244
Assigned - Capital improvements	-	63,692	63,692
Unassigned	2,627,344	-	2,627,344
	<u>4,620,728</u>	<u>667,916</u>	<u>5,288,644</u>
Total fund balances			
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,537,985</u>	<u>\$ 732,210</u>	<u>\$ 17,270,195</u>

Charter Township of Plymouth

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position (Deficit)

December 31, 2019

Fund Balances Reported in Governmental Funds	\$ 5,288,644
Amounts reported for governmental activities in the statement of net position (deficit) are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	18,564,832
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	86,137
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(5,177,143)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(1,319,013)
Pension benefits	(7,506,494)
Retiree healthcare benefits	(15,482,624)
Accrued longevity pay for employees is not reported as a fund liability until it is due and payable	(5,163)
Accrued insurance claims are not reported as a fund liability until the payment is due and payable	(25,000)
Net Position of Governmental Activities	<u><u>\$ (5,575,824)</u></u>

Charter Township of Plymouth

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2019

	General Fund	Nonmajor Funds	Total Governmental Funds
Revenue			
Property taxes	\$ 9,864,961	\$ -	\$ 9,864,961
State-shared revenue and grants:			
Federal grants	325,349	15,299	340,648
State-shared revenue and grants	3,323,656	255,528	3,579,184
Charges for services:			
Intragovernmental service charge	764,930	-	764,930
City of Plymouth, Michigan	465,423	-	465,423
Other	156	-	156
Fines and forfeitures	11,578	-	11,578
Licenses and permits	1,537,338	-	1,537,338
Interest and rentals	110,323	6,988	117,311
Other revenue:			
Cable franchise fees	699,122	-	699,122
Other miscellaneous income	838,120	-	838,120
Other charges for services	152,065	-	152,065
Total revenue	18,093,021	277,815	18,370,836
Expenditures			
Current services:			
General government	4,568,150	-	4,568,150
Public safety	11,502,008	6,777	11,508,785
Public works	584,615	-	584,615
Community services	78,865	-	78,865
Planning and zoning	161,136	-	161,136
Recreation and culture	549,495	-	549,495
Capital outlay	-	75,149	75,149
Debt service	954,080	-	954,080
Total expenditures	18,398,349	81,926	18,480,275
Excess of Revenue (Under) Over Expenditures	(305,328)	195,889	(109,439)
Other Financing Sources (Uses)			
Transfers in (Note 6)	-	50,000	50,000
Transfers out (Note 6)	(50,000)	-	(50,000)
New debt issued (Note 7)	937,739	-	937,739
Sale of capital assets	606,150	9,990	616,140
Total other financing sources	1,493,889	59,990	1,553,879
Net Change in Fund Balances	1,188,561	255,879	1,444,440
Fund Balances - Beginning of year, as restated (Note 14)	3,432,167	412,037	3,844,204
Fund Balances - End of year	\$ 4,620,728	\$ 667,916	\$ 5,288,644

Charter Township of Plymouth

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

Year Ended December 31, 2019

Net Change in Fund Balances Reported in Governmental Funds	\$ 1,444,440
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(1,122,344)
Net book value of assets disposed of	(712,443)
Capital asset additions	2,122,404
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(87,421)
Issuing debt provides current financial resources to governmental funds, but increases long-term liabilities in the statement of net position	(937,739)
Repayment of bond principal (including amortization of bond premiums) is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	828,129
Interest expense is recognized in the government-wide statements as it accrues	4,644
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	102,188
Change in Net Position of Governmental Activities	<u>\$ 1,641,858</u>

Charter Township of Plymouth

Proprietary Funds Statement of Net Position (Deficit)

December 31, 2019

	Enterprise Funds				Total
	Water and Sewer	Solid Waste Disposal	Special Assessments	Nonmajor Enterprise - Senior Transportation	
Assets					
Current assets:					
Cash and cash equivalents (Note 3)	\$ 14,613,991	\$ -	\$ 654,856	\$ 68,081	\$ 15,336,928
Receivables:					
Property taxes receivable	114,972	-	-	-	114,972
Special assessments receivable - Due within one year	-	-	332,788	-	332,788
Receivables from sales to customers on account	2,708,586	244,529	-	-	2,953,115
Other receivables	3,209	-	-	5,040	8,249
Due from other governments	-	-	250,000	7,478	257,478
Due from other funds (Note 6)	6,225	1,379,528	41,709	-	1,427,462
Prepaid expenses	138,271	64	-	-	138,335
Total current assets	17,585,254	1,624,121	1,279,353	80,599	20,569,327
Noncurrent assets:					
Advances to other funds (Note 6)	1,646,694	-	-	-	1,646,694
Special assessment receivables - Greater than one year	-	-	842,353	-	842,353
Investment in WTUA	22,405,088	-	-	-	22,405,088
Capital assets: (Note 5)					
Assets not subject to depreciation	909,058	-	-	-	909,058
Assets subject to depreciation - Net	26,843,820	-	-	9,950	26,853,770
Total noncurrent assets	51,804,660	-	842,353	9,950	52,656,963
Total assets	69,389,914	1,624,121	2,121,706	90,549	73,226,290
Deferred Outflows of Resources - Deferred OPEB costs (Notes 4 and 10)	93,843	-	-	-	93,843
Liabilities					
Current liabilities:					
Accounts payable	1,075,712	244,823	133,165	1,092	1,454,792
Due to other funds (Note 6)	3,062,948	1,173,299	-	40,761	4,277,008
Accrued liabilities and other	57,341	3,172	-	6,169	66,682
Unearned revenue	-	-	500,000	-	500,000
Compensated absences (Note 7)	71,396	5,028	-	-	76,424
Current portion of long-term debt (Note 7)	146,660	-	-	-	146,660
Total current liabilities	4,414,057	1,426,322	633,165	48,022	6,521,566
Noncurrent liabilities:					
Advances from other funds (Note 6)	-	-	1,646,694	-	1,646,694
Compensated absences (Note 7)	102,615	6,535	-	-	109,150
Net OPEB liability (Note 10)	844,123	-	-	-	844,123
Long-term debt (Note 7)	1,436,934	-	-	-	1,436,934
Total noncurrent liabilities	2,383,672	6,535	1,646,694	-	4,036,901
Total liabilities	6,797,729	1,432,857	2,279,859	48,022	10,558,467
Deferred Inflows of Resources - Deferred OPEB costs (Notes 4 and 10)	135,374	-	-	-	135,374
Net Position					
Net investment in capital assets	26,169,284	-	-	9,950	26,179,234
Unrestricted	36,381,370	191,264	(158,153)	32,577	36,447,058
Total net position	\$ 62,550,654	\$ 191,264	\$ (158,153)	\$ 42,527	\$ 62,626,292

See notes to financial statements.

Charter Township of Plymouth

Proprietary Funds

Statement of Revenue, Expenses, and Changes in Net Position (Deficit)

Year Ended December 31, 2019

	Enterprise Funds				Total
	Water and Sewer	Solid Waste Disposal	Special Assessments	Nonmajor Enterprise - Senior Transportation	
Operating Revenue					
Sale of water	\$ 5,851,542	\$ -	\$ -	\$ -	\$ 5,851,542
Sewage disposal charges	5,634,516	-	-	-	5,634,516
Meter charges	1,429,982	-	-	-	1,429,982
Solid waste charges	-	1,529,845	-	-	1,529,845
Installation fees	29,332	-	-	-	29,332
Other miscellaneous revenue	299,418	-	-	113,698	413,116
Charges to other funds	166,586	23,351	-	-	189,937
Total operating revenue	13,411,376	1,553,196	-	113,698	15,078,270
Operating Expenses					
Cost of water	4,353,295	-	-	-	4,353,295
Cost of sewage treatment	1,500,429	-	-	-	1,500,429
Solid waste disposal	-	1,405,387	-	-	1,405,387
Salaries and fringe benefits	1,465,118	93,141	-	96,665	1,654,924
Intergovernmental service charge	726,078	-	-	-	726,078
Miscellaneous	329,033	3,397	-	13,980	346,410
Change in investment in WTUA	1,184,560	-	-	-	1,184,560
Special assessment project costs	-	-	281,889	-	281,889
Repair and maintenance	350,883	-	-	-	350,883
Professional service and administrative expense	48,913	26,124	-	-	75,037
Depreciation	1,346,597	735	-	9,949	1,357,281
Total operating expenses	11,304,906	1,528,784	281,889	120,594	13,236,173
Operating Income (Loss)	2,106,470	24,412	(281,889)	(6,896)	1,842,097
Nonoperating Revenue (Expense)					
Investment Income	141,307	-	62,674	519	204,500
Interest expense	(54,100)	-	(61,903)	-	(116,003)
Total nonoperating revenue	87,207	-	771	519	88,497
Income (Loss) - Before capital contributions	2,193,677	24,412	(281,118)	(6,377)	1,930,594
Capital Contributions - Benefit fees	1,039,502	-	-	-	1,039,502
Change in Net Position	3,233,179	24,412	(281,118)	(6,377)	2,970,096
Net Position - Beginning of year	59,317,475	166,852	122,965	48,904	59,656,196
Net Position (Deficit) - End of year	<u>\$ 62,550,654</u>	<u>\$ 191,264</u>	<u>\$ (158,153)</u>	<u>\$ 42,527</u>	<u>\$ 62,626,292</u>

Charter Township of Plymouth

Proprietary Funds Statement of Cash Flows

Year Ended December 31, 2019

	Enterprise Funds				
	Water and Sewer	Solid Waste Disposal	Special Assessments	Nonmajor Enterprise - Senior Transportation	Total
Cash Flows from Operating Activities					
Receipts from customers	\$ 13,612,449	\$ 1,551,693	\$ 20,435	\$ 113,698	\$ 15,298,275
Internal activity - Receipts (payments) from other funds	1,693,300	(129,650)	(19,343)	40,574	1,584,881
Payments to suppliers	(7,834,701)	(1,328,732)	(228,496)	(14,301)	(9,406,230)
Payments to employees and fringes	(1,160,500)	(93,311)	-	(94,026)	(1,347,837)
Claims paid	(352,275)	-	-	(2,957)	(355,232)
Distribution to joint venture	(1,184,560)	-	-	-	(1,184,560)
Other receipts	188,947	-	-	5,379	194,326
Net cash and cash equivalents provided by (used in) operating activities	4,962,660	-	(227,404)	48,367	4,783,623
Cash Flows from Noncapital Financing Activities					
Loans received from other funds	-	-	99,110	-	99,110
Loans made to other funds	(99,110)	-	(103,612)	-	(202,722)
Repayments of loans from other funds	-	-	41,709	-	41,709
Net cash and cash equivalents (used in) provided by noncapital financing activities	(99,110)	-	37,207	-	(61,903)
Cash Flows from Capital and Related Financing Activities					
Special assessment collections	-	-	257,614	-	257,614
Benefit fees	857,089	-	-	-	857,089
Purchase of capital assets	(104,105)	-	-	-	(104,105)
Principal and interest paid on capital debt	(192,315)	-	-	-	(192,315)
Net cash and cash equivalents provided by capital and related financing activities	560,669	-	257,614	-	818,283
Cash Flows Provided by Investing Activities - Interest received on investments	141,307	-	62,674	518	204,499
Net Increase in Cash and Cash Equivalents	5,565,526	-	130,091	48,885	5,744,502
Cash and Cash Equivalents - Beginning of year	9,048,465	-	524,765	19,196	9,592,426
Cash and Cash Equivalents - End of year	\$ 14,613,991	\$ -	\$ 654,856	\$ 68,081	\$ 15,336,928
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities					
Operating income (loss)	\$ 2,106,470	\$ 24,412	\$ (281,889)	\$ (6,896)	\$ 1,842,097
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	1,346,597	735	-	9,949	1,357,281
Changes in assets and liabilities:					
Receivables	390,020	(1,503)	20,435	5,379	414,331
Due to and from other funds	1,693,300	(129,650)	(19,343)	40,574	1,584,881
Prepaid and other assets	65,259	1,173	-	-	66,432
Accrued and other liabilities	148,895	2,851	-	(318)	151,428
Accounts payable	(787,881)	101,982	53,393	(321)	(632,827)
Net cash and cash equivalents provided by (used in) operating activities	\$ 4,962,660	\$ -	\$ (227,404)	\$ 48,367	\$ 4,783,623
Significant Noncash Transactions - Contributed capital	\$ 182,413	\$ -	\$ -	\$ -	\$ 182,413

Charter Township of Plymouth

Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2019

	Other Postemployment Benefits Fund	Custodial Funds	Total Fiduciary Funds
Assets			
Cash and cash equivalents	\$ -	\$ 3,200,042	\$ 3,200,042
Interest in pooled investments	1,293,132	-	1,293,132
Total assets	1,293,132	3,200,042	4,493,174
Liabilities			
Due to other governmental units	-	3,196,746	3,196,746
Refundable deposits, bonds, etc.	-	3,296	3,296
Total liabilities	-	3,200,042	3,200,042
Net Position - Restricted - Postemployment benefits other than pension	<u>\$ 1,293,132</u>	<u>\$ -</u>	<u>\$ 1,293,132</u>

Charter Township of Plymouth

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2019

	Other Postemployment Benefits Fund	Custodial Funds	Total Fiduciary Funds
Additions			
Investment income (loss):			
Net increase in fair value of investments	\$ 94,816	\$ -	\$ 94,816
Investment-related expenses	(1,684)	-	(1,684)
Net investment income	93,132	-	93,132
Contributions - Employer	1,760,670	-	1,760,670
Property tax collections	-	59,907,644	59,907,644
Police bond collections	-	108,343	108,343
Total additions	1,853,802	60,015,987	61,869,789
Deductions			
Benefit payments	560,670	-	560,670
Tax distributions to other governments	-	59,907,644	59,907,644
Police bond distributions	-	108,343	108,343
Total deductions	560,670	60,015,987	60,576,657
Net Increase in Fiduciary Net Position	1,293,132	-	1,293,132
Net Position - Beginning of year	-	-	-
Net Position - End of year	\$ 1,293,132	\$ -	\$ 1,293,132

Charter Township of Plymouth

Component Units Statement of Net Position

December 31, 2019

	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Assets			
Cash and cash equivalents (Note 3)	\$ 1,405,361	\$ 1,653,342	\$ 3,058,703
Receivables - Property taxes	-	949	949
Total assets	1,405,361	1,654,291	3,059,652
Liabilities			
Accounts payable	27,279	-	27,279
Due to primary government (Note 6)	56,131	-	56,131
Total liabilities	83,410	-	83,410
Deferred Inflows of Resources - Property taxes levied for the following year	182,102	9,507	191,609
Net Position - Unrestricted	\$ 1,139,849	\$ 1,644,784	\$ 2,784,633

Charter Township of Plymouth

Component Units Statement of Activities

Year Ended December 31, 2019

	Expenses	Net (Expense) Revenue and Changes in Net Position		
		Downtown Development Authority	Brownfield Redevelopment Authority	Total
Functions/Programs				
Downtown Development Authority	\$ 216,600	\$ (216,600)	\$ -	\$ (216,600)
Brownfield Redevelopment Authority	23,322	-	(23,322)	(23,322)
Total component units	\$ 239,922	(216,600)	(23,322)	(239,922)
General revenue:				
Property taxes		310,544	23,291	333,835
State-shared revenue		100,045	-	100,045
Interest and rents		13,722	21,978	35,700
Other miscellaneous income		1,860	-	1,860
Total general revenue		426,171	45,269	471,440
Change in Net Position		209,571	21,947	231,518
Net Position - Beginning of year		930,278	1,622,837	2,553,115
Net Position - End of year		\$ 1,139,849	\$ 1,644,784	\$ 2,784,633

December 31, 2019

Note 1 - Significant Accounting Policies

Basis of Presentation

The accounting policies of the Charter Township of Plymouth (the "Township") conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The following is a summary of the significant accounting policies used by the Charter Township of Plymouth:

Reporting Entity

The Charter Township of Plymouth is governed by an elected seven-member board of trustees. Although blended component units are legally separate entities, in substance, they are part of the Township's operations. The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Township (see discussion below for description).

Discretely Presented Component Units

Downtown Development Authority

The Downtown Development Authority (DDA) was created to correct and prevent deterioration in the downtown district, to eliminate blighting influences and brownfield impacts, and to promote the overall image of the downtown district. The township board of trustees appoints the Downtown Development Authority's governing body and has the ability to impose its will. It is reported within the component unit column in the government-wide financial statements to emphasize that it is legally separate from the Township. The Downtown Development Authority does not publish a separately issued financial statement. The Downtown Development Authority can be contacted at its administrative offices at 9955 N. Haggerty Road, Plymouth, MI 48170.

Brownfield Redevelopment Authority

The Brownfield Redevelopment Authority (BRDA) was created to finance environmental cleanup within the boundaries of the Township. The township board of trustees appoints the Brownfield Redevelopment Authority's governing body and has the ability to impose its will. It is reported within the component unit column in the government-wide financial statements to emphasize that it is legally separate from the Township. The Brownfield Redevelopment Authority does not publish a separately issued financial statement. The Brownfield Redevelopment Authority can be contacted at its administrative offices at 9955 N. Haggerty Road, Plymouth, MI 48170.

Fiduciary Component Unit

The Charter Township of Plymouth OPEB plan is governed by the township board. Although it is legally separate from the Township, it is reported as a fiduciary component unit because the Township appoints a voting majority to the board and the plan imposes a financial burden on the Township.

Jointly Governed Organization

The Township is a member of the Western Townships Utilities Authority (WTUA), which provides sewage disposal services to the townships of Canton, Northville, and Plymouth. The participating communities provide annual funding for its operations through payment of monthly sewer use invoices and semiannual debt payments. During the current year, the Township paid WTUA approximately \$221,000 for its capital projects and \$1,524,000 for its debt. WTUA has currently been funded with \$279,000 of working capital and is current in its debt payments. The investment in WTUA is reported in the financial statements net of the Township's portion of assets and debt. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments. Complete financial statements for WTUA can be obtained from the administrative offices at 40905 Joy Road, Canton, MI 48187.

December 31, 2019

Note 1 - Significant Accounting Policies (Continued)

Accounting and Reporting Principles

The Charter Township of Plymouth follows accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB).

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position (deficit) and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenue are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Township's water and sewer function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

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

Fund Accounting

The Township accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures for which specific revenue was used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The Township reports the following fund as a "major" governmental fund:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.

December 31, 2019

Note 1 - Significant Accounting Policies (Continued)

Proprietary Funds

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

- The Water and Sewer Fund provides water to customers and disposes of sanitary sewage in exchange for quarterly user charges.
- The Solid Waste Disposal Fund is used to account for the results of operations for providing solid waste services (trash pickup and household hazardous waste disposal) to citizens of the Township. The revenue is generated through a user charge to citizens requesting solid waste services.
- The Special Assessments Fund is used to account for the results of operations of the special assessments captured by the Township.

Fiduciary Funds

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

- The Other Postemployment Benefits Fund accumulates resources for future healthcare payments to retirees.
- The custodial Tax Collection Fund accounts for assets held by the Township in a trustee capacity. The Tax Collection Fund is fiduciary in nature and records tax collections received and remitted to other units of government (the county, school district, etc.).
- The custodial Police Bond Fund records collections received on behalf of district courts and subsequently remitted.

Interfund Activity

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

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

Basis of Accounting

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

Note 1 - Significant Accounting Policies (Continued)

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

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

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

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets have been depreciated using the straight-line method for real property and the 150 percent declining balance for personal property through the fiscal year ended December 31, 2011. Effective for the fiscal year ended December 31, 2012, the Township going forward is using the straight-line method for both real and personal property depreciation over the following useful lives:

	Depreciable Life - Years
Water and sewer transportation lines	50
Buildings and improvements	30-40
Meters and supplies	15
Furnishings, vehicles, and equipment	2-20
Buildings and improvements	25
Road improvements	40

Note 1 - Significant Accounting Policies (Continued)

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as "other financing sources," as well as bond premiums and discounts. The General Fund is generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position (deficit) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Township reports deferred outflows of resources related to the defined pension plan, made up of the difference between projected and actual experience, changes in assumption related to economic and demographic factors, variance between the plan's actual investment earnings compared to the plan's assumed investment earnings, and contributions subsequent to the measurement date. The Township also reports deferred outflows of resources related to the OPEB plan, made up of changes in assumptions related to economic and demographic factors.

In addition to liabilities, the statement of net position (deficit) will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue qualifies for reporting in this category and arises only under a modified accrual basis of accounting. Accordingly, it is reported only in the governmental funds balance sheet. The governmental funds and government-wide statements report revenue from property taxes levied for the following year and other sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Township also reports deferred inflows of resources related to the defined pension plan, made up of the difference between projected and actual experience. The Township also reports deferred inflows of resources related to the OPEB plan made up of the difference between projected and actual experience and variance between the plan's actual investment earnings compared to the plan's assumed investment earnings.

Net Position

Net position of the Township is classified in three components. Net investment in capital assets - net of related debt consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted net position is further classified as expendable and nonexpendable. Expendable restricted net position has been limited for use by donors and as held in trust for debt service and self-insured professional liability. Nonexpendable restricted net position has been restricted by donors to be maintained in perpetuity. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Note 1 - Significant Accounting Policies (Continued)

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

The Township will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as committed. The Township has, by resolution, authorized the finance director to assign fund balance. The township board of trustees has, by resolution, authorized the treasurer to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Township's 2018 tax is levied and collectible on December 1, 2018 and is recognized as revenue in the year ended December 31, 2019, when the proceeds of the levy are budgeted and available for the financing of operations.

Note 1 - Significant Accounting Policies (Continued)

The 2018 taxable valuation of the Township totaled \$1,819,000,000 (a portion of which is abated and a portion of which is captured by the DDA and BRDA), on which taxes levied consisted of 0.81590 mills for operating purposes and 4.38570 mills for police and fire services. This resulted in approximately \$1,446,000 for operating and \$7,775,000 for police and fire services. These amounts are recognized in the General Fund financial statements as tax revenue (net of adjustments for delinquent amounts and prior year tax tribunal changes).

Pension

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

Other Postemployment Benefit Costs

The Township offers retiree healthcare benefits to retirees. The Township records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about fiduciary net position of the Charter Township of Plymouth OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported in the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences (Vacation and Sick Leave)

It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the Township does not have a policy to pay any amounts when employees separate from service with the Township. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Typically, the General Fund or the Water and Sewer Fund, based on whichever an employee is assigned (and to which the employee's salary and wages are charged), will also be the fund to liquidate any compensated absences.

Use of Estimates

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

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including May 27, 2020, which is the date the financial statements were available to be issued.

December 31, 2019

Note 1 - Significant Accounting Policies (Continued)

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted business operations. As of the date of issuance of the financial statements, the Township's operations have not been significantly impacted, but the Township holds significant investments that are subject to the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. No impairments were recorded as of the statement of net position (deficit) date; however, due to significant uncertainty surrounding the situation, management continues to monitor the situation, and judgment regarding this could change in the future. In addition, while the Township's results of operations, cash flows, and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.

Upcoming Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the Township's financial statements for the year ending December 31, 2020 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement were originally effective for the Township's financial statements for the year ending December 31, 2020 but were extended to December 31, 2021 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

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

December 31, 2019

Note 1 - Significant Accounting Policies (Continued)

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which delays the above pronouncements and implementation guides by one year, except for GASB 87 and the related implementation guide, which is extended by 18 months.

Adoption of New Accounting Pronouncements

During the current year, the Township adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the following activities not previously reported in the financial statements now meet the definition of a fiduciary activity and are now reported as such: the Other Postemployment Benefits Fund. The following activities were previously reported as fiduciary activities but no longer meet the definition of such; therefore, these activities are now reported within governmental or proprietary funds: escrow and performance bonds issued by the Township, as well as taxes collected on behalf of the Township.

This was also the first year GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was applicable to the Township’s financial statements. This was a result of the Township contributing to a postemployment health benefits trust fund in 2019 that is now being reported as a fiduciary fund under GASB Statement No. 84. As a result, some of the disclosures within the OPEB plan footnotes have changed, along with the related schedules in the required supplemental information.

Note 2 - Stewardship, Compliance, and Accountability

Excess of Expenditures Over Appropriations in Budgeted Funds

The Township had significant expenditure budget variances during the year, as discussed in the notes to required supplemental information.

Construction Code Fees

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

Cumulative surplus at January 1, 2019		\$	841,676
Current year permit revenue			1,531,410
Related expenses:			
Direct costs	\$	589,471	
Estimated indirect costs		230,580	820,051
Current year surplus			711,359
Cumulative surplus December 31, 2019		\$	1,553,035

Fund Deficits

The Township's governmental activities have a deficit in unrestricted net position and total net position at the government-wide level, but a positive unassigned fund balance at the fund level. This net position deficit is caused primarily by the net OPEB liability and net pension liability in the governmental activities. The Township's Special Assessment Fund has a fund deficit but has overall positive working capital (current assets exceed current liabilities).

December 31, 2019

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Other Postemployment Benefits Fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Township has designated three banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority, as listed above. The Township's deposits and investments comply with all required laws and regulations.

The Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$26,498,522 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Township believes that, due to the dollar amounts of cash deposits and the limits of Federal Deposit Insurance Corporation (FDIC) insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. The component units had a bank balance of \$2,867,094. The federal depository insurance coverage pertains to all of the deposits of the Township; hence, the specific coverage pertaining to the component units, if any, is not determinable.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township owns no investment securities with fixed maturity dates. The Township's investment policy has no restrictions on maturity lengths (other than that found in state law, as described below).

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of year end, the Township had no investments in commercial paper.

Investments in Entities that Calculate Net Asset Value per Share

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

December 31, 2019

Note 3 - Deposits and Investments (Continued)

At December 31, 2019, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Carrying Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
MERS Balanced Income Fund	\$ 647,681	\$ -	N/A	N/A
MERS Capital Preservation Fund	645,451	-	N/A	N/A
Total	<u>\$ 1,293,132</u>	<u>\$ -</u>		

The MERS Balanced Income Fund is a diversified portfolio that invests in a combination of stocks and bonds, seeking to provide growth of capital and downside protection. This fund has a focus on a small amount of asset growth with a moderately short time horizon and may experience some fluctuations in value.

The MERS Capital Preservation Fund is a diversified portfolio that invests in a combination of stocks and bonds, seeking to preserve capital and provide income. This fund has a focus on stability with a short time horizon and aims to minimize fluctuations in value.

MERS manages the asset allocation and monitors the underlying investment managers of the MERS Balanced Income and Capital Preservation Portfolios.

Note 4 - Deferred Inflows/Outflows of Resources

At the end of the current fiscal year, the various components of deferred outflows of resources are as follows:

	Governmental Activities	Business-type Activities
Deferred outflows related to pension	\$ 3,826,614	\$ -
Deferred outflows related to OPEB	1,640,515	93,843
Total deferred outflows	<u>\$ 5,467,129</u>	<u>\$ 93,843</u>

At the end of the current fiscal year, the various components of deferred inflows of resources are as follows:

	Governmental Funds	Governmental Activities	Business-type Activities	Component Units
Property taxes levied for the next fiscal year	\$ 9,714,318	\$ 9,714,318	\$ -	\$ 191,609
Revenue received beyond 60 days:				
Block grant	8,305	-	-	-
Wayne County parks	43,949	-	-	-
Federal grant revenue	33,883	-	-	-
Deferred inflows related to pension	-	817	-	-
Deferred inflows related to OPEB	-	2,366,549	135,374	-
Total deferred inflows	<u>\$ 9,800,455</u>	<u>\$ 12,081,684</u>	<u>\$ 135,374</u>	<u>\$ 191,609</u>

December 31, 2019

Note 5 - Capital Assets

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

Governmental Activities

	Balance January 1, 2019	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2019
Capital assets not being depreciated:					
Land	\$ 3,731,178	\$ 727,076	\$ -	\$ (708,443)	\$ 3,749,811
Construction in progress	463,616	(463,617)	958,270	-	958,269
Subtotal	4,194,794	263,459	958,270	(708,443)	4,708,080
Capital assets being depreciated:					
Buildings and improvements	16,548,515	1,012,307	133,157	-	17,693,979
Sidewalks	1,205,525	-	23,785	-	1,229,310
Road improvements	815,902	-	-	-	815,902
Furnishings, vehicles, and equipment	7,453,036	1,360,719	1,007,192	(463,946)	9,357,001
Subtotal	26,022,978	2,373,026	1,164,134	(463,946)	29,096,192
Accumulated depreciation:					
Buildings and improvements	6,251,658	959,455	402,642	-	7,613,755
Sidewalks	641,277	-	39,464	-	680,741
Road improvements	206,877	-	24,319	-	231,196
Furnishings, vehicles, and equipment	5,746,670	771,105	655,919	(459,946)	6,713,748
Subtotal	12,846,482	1,730,560	1,122,344	(459,946)	15,239,440
Net capital assets being depreciated	13,176,496	642,466	41,790	(4,000)	13,856,752
Net governmental activities capital assets	<u>\$ 17,371,290</u>	<u>\$ 905,925</u>	<u>\$ 1,000,060</u>	<u>\$ (712,443)</u>	<u>\$ 18,564,832</u>

December 31, 2019

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance January 1, 2019	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2019
Capital assets not being depreciated:					
Land	\$ 1,636,134	\$ (727,076)	\$ -	\$ -	\$ 909,058
Construction in progress	3,865	-	-	(3,865)	-
Subtotal	1,639,999	(727,076)	-	(3,865)	909,058
Capital assets being depreciated:					
Water and sewer transportation lines	54,702,488	-	182,413	101	54,885,002
Buildings and improvements	4,834,012	(1,012,307)	-	3	3,821,708
Meters and supplies	1,991,130	-	56,629	1	2,047,760
Equipment and other	2,903,320	(897,102)	51,365	(128)	2,057,455
Subtotal	64,430,950	(1,909,409)	290,407	(23)	62,811,925
Accumulated depreciation:					
Water and sewer transportation	30,658,935	-	1,019,245	-	31,678,180
Buildings and improvements	2,717,970	(959,455)	104,151	(1)	1,862,665
Meters and supplies	981,529	-	76,304	1	1,057,834
Equipment and other	1,973,000	(771,105)	157,581	-	1,359,476
Subtotal	36,331,434	(1,730,560)	1,357,281	-	35,958,155
Net capital assets being depreciated	28,099,516	(178,849)	(1,066,874)	(23)	26,853,770
Net business-type activities capital assets	<u>\$ 29,739,515</u>	<u>\$ (905,925)</u>	<u>\$ (1,066,874)</u>	<u>\$ (3,888)</u>	<u>\$ 27,762,828</u>

As described in Note 14, when the Golf Course Fund was collapsed into the General Fund, \$905,925 of net capital assets were transferred from business-type activities to governmental activities.

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

Governmental activities:	
General government	\$ 65,301
Police	8,038
Public works	63,882
Fire	167,598
Dispatch	25,330
Building inspections	6,075
Support services	275,605
Recreation and culture	510,515
Total governmental activities	<u>\$ 1,122,344</u>
Business-type activities:	
Water and sewer	\$ 1,346,597
Solid waste and disposal	735
Senior transportation	9,949
Total business-type activities	<u>\$ 1,357,281</u>

December 31, 2019

Note 5 - Capital Assets (Continued)

The Township entered into a purchase agreement for a fire truck totaling \$937,739. The truck has not been received as of December 31, 2019 and is included as construction in progress.

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste Disposal Fund	\$ 1,173,299
	Nonmajor enterprise funds	34,536
	Water and Sewer Fund	1,683,420
	Nonmajor governmental funds	60,086
	Total General Fund	2,951,341
Nonmajor governmental fund	General Fund	13,312
Water and Sewer Fund	Nonmajor enterprise funds	6,225
Solid Waste Disposal Fund	Water and Sewer Fund	1,379,528
Special Assessment Fund	General Fund	41,709
	Total	<u>\$ 4,392,115</u>

Advances to Other Funds

Fund Borrowed From	Fund Loaned To	Amount
Water and Sewer Fund	Special Assessment Fund	\$ 1,646,694

Due to/from Primary Government and Component Units

Receivable	Payable	Amount
General Fund	Downtown Development Authority	\$ 56,131

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

The transfer from the Improvement Revolving Fund to the General Fund represents repayment of excess amounts set aside to fund debt payments.

Advances

The long-term advance from the Water and Sewer Fund to the Special Assessments Fund is to cover the cost of special assessment projects and will be repaid with an interest rate of 4 percent.

December 31, 2019

Note 7 - Long-term Debt

Long-term debt can be summarized as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:					
Direct borrowings and direct placements:					
2011 Five Mile Road property installment purchase agreement	\$ 185,759	\$ -	\$ (185,759)	\$ -	\$ -
2019 fire truck installment purchase agreement	-	937,739	-	937,739	79,750
Total direct borrowings and direct placements principal outstanding	185,759	937,739	(185,759)	937,739	79,750
Other debt - General obligations	4,510,718	192,470	(616,858)	4,086,330	618,340
Unamortized bond premium	178,586	-	(25,512)	153,074	25,512
Total bonds and contracts payable	4,875,063	1,130,209	(828,129)	5,177,143	723,602
Compensated absences	1,262,864	625,432	(569,283)	1,319,013	553,253
Total governmental activities long-term debt	<u>\$ 6,137,927</u>	<u>\$ 1,755,641</u>	<u>\$ (1,397,412)</u>	<u>\$ 6,496,156</u>	<u>\$ 1,276,855</u>

Business-type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -					
Other debt - General obligations	\$ 1,914,271	\$ -	\$ (330,677)	\$ 1,583,594	\$ 146,660
Compensated absences	163,861	88,188	(66,475)	185,574	76,424
Total business-type activities long-term debt	<u>\$ 2,078,132</u>	<u>\$ 88,188</u>	<u>\$ (397,152)</u>	<u>\$ 1,769,168</u>	<u>\$ 223,084</u>

As described in Note 14, when the Golf Course Fund was collapsed into the General Fund, \$192,470 of general obligation debt was transferred from business-type activities to governmental activities.

December 31, 2019

Note 7 - Long-term Debt (Continued)

General Obligation Bonds and Contracts

The Township issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligations have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. General obligations outstanding at December 31, 2019 are as follows:

Purpose	Year Issued	Interest Rates	Maturing	Outstanding
Governmental Activities				
Direct borrowings and direct placements:				
2019 installment purchase agreement issued for \$937,739, used to pay for the costs of acquiring a fire truck, with principal maturity ranges from approximately \$80,000 to \$109,000	2019	3.35%	2025	\$ 937,739
Other debt:				
2017 general obligation refunding bond originally issued for \$887,400, used to refund various general obligation debt, with principal maturity ranges from \$37,000 to \$87,000	2017	3.00%	2026	793,800
2012 general obligation limited tax refunding bonds, used to advance refund \$4,400,000 of outstanding 2004 general obligation bonds, with principal maturity ranges from \$375,000 to \$435,000	2012	2.0%-4.0%	2025	2,778,073
2013 general obligation limited tax capital improvement bonds, used for various township park improvements, with principal maturity ranges from approximately \$106,000 to \$134,000	2013	2.16%	2024	510,619
2013 general obligation limited tax capital improvement bonds, used for various golf course improvements, with principal maturity ranges from approximately \$33,000 to \$41,000	2013	2.16%	2024	156,912
Total governmental activities				<u>\$ 5,177,143</u>

December 31, 2019

Note 7 - Long-term Debt (Continued)

Purpose	Year Issued	Interest Rates	Maturing	Outstanding
Business-type Activities				
Other debt:				
2017 limited tax general obligation capital improvement refunding bonds originally issued for \$1,577,600, used to refund various general obligation capital improvement debt, with principal maturity ranges from \$68,000 to \$154,000	2017	3.00%	2030	\$ 1,411,200
2013 general obligation limited tax bonds, used for various water and sewer system improvements, with principal maturity ranges from approximately \$35,000 to \$45,000	2013	2.16%	2029	<u>172,394</u>
Total business-type activities				<u><u>\$ 1,583,594</u></u>

Note 7 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

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

Years Ending December 31	Governmental Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal*	Interest	
2020	\$ 79,750	\$ 33,290	\$ 618,340	\$ 129,553	\$ 860,933
2021	82,581	30,459	640,314	112,068	865,422
2022	85,512	27,527	685,061	93,500	891,600
2023	88,548	24,491	692,615	69,979	875,633
2024	91,692	21,348	562,800	45,419	721,259
2025-2029	509,656	55,540	824,200	52,294	1,441,690
2030-2031	-	-	63,000	1,260	64,260
Total	\$ 937,739	\$ 192,655	\$ 4,086,330	\$ 504,073	\$ 5,720,797

Years Ending December 31	Business-type Activities		
	Other Debt		
	Principal	Interest	Total
2020	\$ 146,660	\$ 53,574	\$ 200,234
2021	179,687	48,232	227,919
2022	184,940	42,320	227,260
2023	192,307	36,179	228,486
2024	147,200	29,900	177,100
2025-2029	620,800	76,078	696,878
2030-2031	112,000	2,240	114,240
Total	\$ 1,583,594	\$ 288,523	\$ 1,872,117

*Excludes the \$153,074 of unamortized premiums.

Bond Refunding

In prior years, the Township defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the basic financial statements. At December 31, 2019, \$2,205,000 of bonds outstanding is considered defeased.

Note 8 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township participates in the Michigan Municipal League risk pool for claims relating to workers' compensation and employee medical benefit claims and participates in the Michigan Municipal Risk Management Authority for claims relating to general liability claims.

Note 8 - Risk Management (Continued)

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

The Township estimates the liability for general liability claims that have been incurred through the end of the fiscal year, including claims that have been reported, as well as those that have not yet been reported, and reports them in the statement of net position (deficit) (included in accrued liabilities and other). Changes in the estimated liability for the past two fiscal years were as follows:

	2019	2018
Unpaid claims - Beginning of year	\$ 25,000	\$ 25,000
Incurred claims, including claims incurred but not reported	6,390	70,119
Claim payments	(6,390)	(70,119)
Unpaid claims - End of year	\$ 25,000	\$ 25,000

Note 9 - Pension Plans

Plan Description

Defined Benefit Plan

The Township participates in the MERS pension plan, an agent multiple-employer defined benefit plan, administered by the Municipal Employees' Retirement System of Michigan (MERS), which covers all police and fire union employees plus certain command officers. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board.

The pension system issues a publicly available financial report that can be obtained at www.mersofmichigan.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Defined Contribution Plan

The Charter Township of Plymouth also provides pension benefits to all of its full time general office and department of public works (DPW) employees through a defined contribution plan. The benefits are administered by John Hancock.

Benefits Provided

Defined Benefit Plan

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The MERS plan covers all police and fire union employees plus certain command officers.

Retirement benefits for POAM and COAM employees are calculated as 2.80 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 25 years of service (unreduced) or 55 with 15 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. A nonduty death benefit is payable after 10 years of service. A duty death benefit is payable upon hire equal to a minimum of 25 percent of the employee's final average compensation. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Note 9 - Pension Plans (Continued)

Retirement benefits for fire union employees are calculated as 2.80 percent of the employee’s final three-year average salary times the employee’s years of service. Normal retirement age is 60 with early retirement at 25 years of service (unreduced) or 55 with 15 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. A nonduty death benefit is payable after 10 years of service. A duty death benefit is payable upon hire equal to a minimum of 25 percent of the employee's final average compensation. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for dispatch employees are calculated as 2.80 percent of the employee’s final three-year average salary times the employee’s years of service. Normal retirement age is 60 with early retirement at 25 years of service (unreduced) or 55 with 15 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. A nonduty death benefit is payable after 10 years of service. A duty death benefit is payable upon hire equal to a minimum of 25 percent of the employee's final average compensation. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

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

Defined Contribution Plan

The defined contribution plan benefit terms are established and may be amended by the township board. For each employee in the plan, the Township is required to contribute 15 percent of base earnings, and certain employees contribute 5 percent of base earnings, with an additional 5 percent allowed.

Employees Covered by Benefit Terms

At the December 31, 2018 measurement date, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	36
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	38
	80
Total employees covered by the plan	80

Contributions

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

For the year ended December 31, 2019, the average active employee contribution rate was 9.5 percent of annual pay, and the Township's average contribution rate was 25.5 percent of annual payroll.

December 31, 2019

Note 9 - Pension Plans (Continued)

Net Pension Liability

The net pension liability reported at December 31, 2019 was determined using a measure of the total pension liability and the pension net position as of December 31, 2018. The December 31, 2018 total pension liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2017	\$ 32,321,023	\$ 22,581,516	\$ 9,739,507
Changes for the year:			
Service cost	494,292	-	494,292
Interest	2,532,010	-	2,532,010
Differences between expected and actual experience	(1,089)	-	(1,089)
Contributions - Employer	-	2,017,324	(2,017,324)
Contributions - Employee	-	339,508	(339,508)
Net investment loss	-	(880,860)	880,860
Benefit payments, including refunds	(1,836,100)	(1,836,100)	-
Administrative expenses	-	(43,543)	43,543
Net changes	1,189,113	(403,671)	1,592,784
Balance at December 31, 2018	\$ 33,510,136	\$ 22,177,845	\$ 11,332,291

The plan's fiduciary net position represents 66.2 percent of the total pension liability.

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

For the year ended December 31, 2019, the Township recognized pension expense of \$2,456,532 from all plans, which includes \$2,063,745 from the MERS defined benefit plan and \$392,787 from the John Hancock defined contribution plan.

At December 31, 2019, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 664,270	\$ (817)
Changes in assumptions	376,074	-
Net difference between projected and actual earnings on pension plan investments	1,642,709	-
Employer contributions to the plan subsequent to the measurement date	1,143,561	-
Total	\$ 3,826,614	\$ (817)

December 31, 2019

Note 9 - Pension Plans (Continued)

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

Years Ending December 31	Amount
2020	\$ 1,090,892
2021	722,481
2022	327,573
2023	541,290

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using an inflation assumption of 2.50 percent, assumed salary increases (including inflation) of 3.75 percent (with merit increases totaling up to 11 percent, for a total of 3.75 percent to 14.75 percent), an investment rate of return (net of investment expenses) of 8.00 percent (including inflation), and the RP-2014 healthy annuitant mortality tables.

The actuarial assumptions used in the December 31, 2018 actuarial valuation date valuation were based on the results of an actuarial experience study for the period from January 1, 2009 through December 31, 2013.

Discount Rate

The discount rate used to measure the total pension liability was 8.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

Investment Rate of Return

Best estimates of arithmetic real rates of return as of the December 31, 2018 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	55.50 %	6.15 %
Global fixed income	18.50	1.26
Real assets	13.50	7.22
Diversifying strategies	12.50	5.00

Note 9 - Pension Plans (Continued)

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

	1 Percentage Point Decrease (7.0%)	Current Discount Rate (8.0%)	1 Percentage Point Increase (9.0%)
Net pension liability of the MERS pension plan	\$ 15,321,952	\$ 11,332,291	\$ 8,022,848

Pension Plan Fiduciary Net Position

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

Note 10 - Other Postemployment Benefit Plan

Plan Description

Defined Benefit Plan

The Township provides retiree healthcare benefits to eligible employees hired prior to certain dates (which vary from 2009 to 2012, dependent on employee group) and their beneficiaries. This is a single-employer defined benefit plan administered by the Township. The benefits are provided under collective bargaining agreements.

Defined Contribution Plan

The Township also provides a health savings account to employees hired after the eligibility dates for the defined benefit plan. This defined contribution plan calls for the Township to contribute \$75 per pay period for each participating employee; the participants are not required to contribute. Plan members are fully vested after 10 years. The plan is administered by Alerus Financial.

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

Benefits Provided

The Charter Township of Plymouth OPEB Plan provides healthcare and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan. As of 2014, the plan was closed to new entrants.

Benefit terms provide for annual cost of living adjustments to each employee's OPEB benefits subsequent to the employee's retirement date. The annual adjustments are one-half of the change in the Consumer Price Index, limited to a maximum increase in OPEB benefits of 2 percent for all employees.

The township board grants the authority to establish and amend the benefit terms and contribution requirements.

December 31, 2019

Note 10 - Other Postemployment Benefit Plan (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	December 31, 2019
Inactive plan members or beneficiaries currently receiving benefits	67
Active plan members	<u>56</u>
Total plan members	<u><u>123</u></u>

Contributions

Retiree healthcare costs are paid by the Township on a "pay-as-you-go" basis. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment. For the fiscal year ended December 31, 2019, the Township made payments for postemployment health benefit premiums of \$560,670. In 2019, the Township also contributed an additional \$1,200,000 to the plan.

Pertaining to the defined contribution plan, during the year ended December 31, 2019, the Township made contributions of \$107,934 to the health savings accounts.

Net OPEB Liability

The Township has chosen to use the December 31 measurement date as its measurement date for the net OPEB liability. The December 31, 2019 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2019 measurement date. The December 31, 2019 measurement date total OPEB liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at December 31, 2018	\$ 19,563,676	\$ -	\$ 19,563,676
Changes for the year:			
Service cost	418,535	-	418,535
Interest	591,056	-	591,056
Changes in benefits	(23,616)	-	(23,616)
Differences between expected and actual experience	(3,210,798)	-	(3,210,798)
Changes in assumptions	115,662	-	115,662
Contributions - Employer	-	1,760,670	(1,760,670)
Net investment income	-	94,816	(94,816)
Benefit payments, including refunds	(560,670)	(560,670)	-
Administrative expenses	-	(1,684)	1,684
Net changes	<u>(2,669,831)</u>	<u>1,293,132</u>	<u>(3,962,963)</u>
Balance at December 31, 2019	<u><u>\$ 16,893,845</u></u>	<u><u>\$ 1,293,132</u></u>	<u><u>\$ 15,600,713</u></u>

The plan's fiduciary net position represents 7.7 percent of the total OPEB liability.

December 31, 2019

Note 10 - Other Postemployment Benefit Plan (Continued)

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

For the year ended December 31, 2019, the Township recognized OPEB expense of \$801,355.

At December 31, 2019, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (2,442,846)
Changes in assumptions	1,734,358	-
Net difference between projected and actual earnings on OPEB plan investments	-	(59,077)
Total	\$ 1,734,358	\$ (2,501,923)

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

Years Ending December 31	Amount
2020	\$ (165,334)
2021	(165,334)
2022	(346,638)
2023	(90,259)

Actuarial Assumptions

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using an inflation assumption of 2.1 percent; assumed salary increases (including inflation) of 3.5 percent; an investment rate of return (including inflation) of 3.5 percent; a healthcare cost trend rate of 8.5 percent, decreasing 0.25 percent per year to an ultimate rate of 4.5 percent; and the PUB-2010 mortality tables with the MP-2019 improvement scale.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.36 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that township contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees after the year 2040. Therefore, the discount rate was determined by blending the long-term expected rate of return on OPEB plan investments 3.5 percent with the current yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, which currently stands at 3.26 percent (as published by Bartel Associates, LLC, December 31, 2019).

December 31, 2019

Note 10 - Other Postemployment Benefit Plan (Continued)

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the December 31, 2019 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

Asset Class	Long-term Expected Real Rate of Return
Balanced income	1.80 %
Capital preservation	1.00

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

The following presents the net OPEB liability of the Township, calculated using the discount rate of 3.36 percent, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (2.36%)	Current Discount Rate (3.36%)	1 Percentage Point Increase (4.36%)
Net OPEB liability of the Charter Township of Plymouth OPEB Plan	\$ 17,823,359	\$ 15,600,713	\$ 13,753,505

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

The following presents the net OPEB liability of the Township, calculated using the healthcare cost trend rate of 8.5 percent, as well as what the Township's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (7.5%)	Current Healthcare Cost Trend Rate (8.5%)	1 Percentage Point Increase (9.5%)
Net OPEB liability of the Charter Township of Plymouth OPEB Plan	\$ 13,491,182	\$ 15,600,713	\$ 18,188,635

Assumption Changes

Assumption changes from the December 31, 2018 valuation include an increase in discount rate from 3.0 to 3.36 percent, updated mortality tables, and updated healthcare trend rates.

December 31, 2019

Note 10 - Other Postemployment Benefit Plan (Continued)

Investment Policy

The OPEB plan’s policy in regard to the allocation of invested assets is established and may be amended by the OPEB board by a majority vote of its members. It is the policy of the OPEB board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the OPEB board’s adopted asset allocation policy as of December 31, 2019:

Asset Class	Target Allocation
Balanced income	50.00 %
Capital preservation	50.00

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 13.76 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 11 - Commitments - Brownfield Redevelopment Authority

Brownfield redevelopment costs of approximately \$34,000 have been incurred by property owners in the brownfield district. These costs will be paid through future property tax collections. The Township is not responsible for costs incurred in excess of property taxes captured.

Note 12 - Restricted Net Position

Net position of the governmental activities and the fund balance in the General Fund have been restricted for the following purposes:

Drug enforcement	\$ 604,224
Construction code activity (Note 2)	1,553,035
PEG fees	<u>283,735</u>
Total restricted net position/fund balance	<u>\$ 2,440,994</u>

Note 13 - Tax Abatements

The Township uses the industrial facilities tax exemption (PA 57 of 2018) to enter into agreements with local businesses to construct new industrial facilities or rehabilitate historical facilities. Under the program, the Township grants reductions of 50 percent of the property tax bill for new property (or it can freeze taxable values for rehabilitation properties) for up to 12 years.

For the fiscal year ended December 31, 2019, the Township abated \$74,609 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

Additionally, the Brownfield Redevelopment Authority, a discretely presented component unit, uses brownfield redevelopment agreements under PA 57 of 2018 to reimburse taxpayers that remediate environmental contamination on their properties. As a result of these agreements, the BRDA’s tax revenue is reduced. For the fiscal year ended December 31, 2019, the BRDA abated \$5,464 of taxes under this program. There are no provisions to recapture taxes.

There are no significant abatements made by other governments that reduce the Township’s tax revenue.

December 31, 2019

Note 14 - Prior Period Adjustment

During 2019, as a result of changes to the management structure of the golf course, it was determined the Golf Course Fund no longer met the requirements of an enterprise fund; therefore, it was collapsed into the General Fund.

The accompanying financial statements for 2019 have been restated to account for this change in accounting. As a result, the beginning net positions of the governmental activities, business-type activities, and the Golf Course Fund and the beginning fund balance of the General Fund have been restated as follows:

	<u>As Previously Reported</u>	<u>As Restated</u>	<u>Effect of Change</u>
Governmental activities	\$ (7,049,324)	\$ (7,217,682)	\$ (168,358)
Business-type activities	59,505,341	59,656,196	150,855
General Fund	4,309,476	3,432,167	(877,309)
Golf Course Fund	(150,855)	-	150,855

Required Supplemental Information

Charter Township of Plymouth

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended December 31, 2019

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 9,820,000	\$ 9,820,000	\$ 9,864,961	\$ 44,961
State-shared revenue and grants:				
Federal grants	427,528	354,028	325,349	(28,679)
State-shared revenue and grants	3,441,697	3,518,626	3,323,656	(194,970)
Charges for services:				
Intragovernmental service charge	766,851	766,851	764,930	(1,921)
City of Plymouth, Michigan	342,000	342,000	465,423	123,423
Other	-	-	156	156
Fines and forfeitures	10,000	10,000	11,578	1,578
Licenses and permits	1,308,500	1,487,000	1,537,338	50,338
Interest and rentals	25,000	85,000	110,323	25,323
Other revenue:				
Cable franchise fees	765,000	697,721	699,122	1,401
Other miscellaneous income	925,856	1,196,356	838,120	(358,236)
Other charges for services	120,000	140,000	152,065	12,065
Total revenue	<u>17,952,432</u>	<u>18,417,582</u>	<u>18,093,021</u>	<u>(324,561)</u>
Expenditures				
Current services:				
General government	4,840,462	4,874,520	4,568,150	306,370
Public safety	11,123,432	12,167,349	11,502,008	665,341
Public works	536,191	559,309	584,615	(25,306)
Community services	80,587	80,587	78,865	1,722
Planning and zoning	136,826	148,326	161,136	(12,810)
Recreation and culture	305,681	325,058	549,495	(224,437)
Debt service	795,729	825,729	954,080	(128,351)
Total expenditures	<u>17,818,908</u>	<u>18,980,878</u>	<u>18,398,349</u>	<u>582,529</u>
Excess of Revenue Over (Under)				
Expenditures	133,524	(563,296)	(305,328)	257,968
Other Financing (Uses) Sources				
Transfers out	-	(274,170)	(50,000)	224,170
New debt issued	-	937,739	937,739	-
Sale of capital assets	-	-	606,150	606,150
Total other financing sources	<u>-</u>	<u>663,569</u>	<u>1,493,889</u>	<u>830,320</u>
Net Change in Fund Balance	133,524	100,273	1,188,561	1,088,288
Fund Balance - Beginning of year, as restated	3,432,167	3,432,167	3,432,167	-
Fund Balance - End of year	<u>\$ 3,565,691</u>	<u>\$ 3,532,440</u>	<u>\$ 4,620,728</u>	<u>\$ 1,088,288</u>

Charter Township of Plymouth

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

	Last Five Fiscal Years				
	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	\$ 494,292	\$ 494,127	\$ 569,526	\$ 559,291	\$ 549,735
Interest	2,532,010	2,346,393	2,238,167	2,086,180	1,981,341
Differences between expected and actual experience	(1,089)	1,150,117	11,232	254,164	-
Changes in assumptions	-	-	-	1,128,222	-
Benefit payments, including refunds	<u>(1,836,100)</u>	<u>(1,504,921)</u>	<u>(1,351,905)</u>	<u>(1,333,920)</u>	<u>(1,196,222)</u>
Net Change in Total Pension Liability	1,189,113	2,485,716	1,467,020	2,693,937	1,334,854
Total Pension Liability - Beginning of year	<u>32,321,023</u>	<u>29,835,307</u>	<u>28,368,287</u>	<u>25,674,350</u>	<u>24,339,496</u>
Total Pension Liability - End of year	<u>\$ 33,510,136</u>	<u>\$ 32,321,023</u>	<u>\$ 29,835,307</u>	<u>\$ 28,368,287</u>	<u>\$ 25,674,350</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 2,017,324	\$ 738,427	\$ 856,865	\$ 685,285	\$ 629,153
Contributions - Member	339,508	375,793	356,673	343,691	300,261
Net investment (loss) income	(880,860)	2,676,932	2,093,078	(284,305)	1,149,359
Administrative expenses	(43,543)	(42,361)	(41,301)	(41,663)	(42,269)
Benefit payments, including refunds	<u>(1,836,100)</u>	<u>(1,504,921)</u>	<u>(1,351,905)</u>	<u>(1,333,920)</u>	<u>(1,196,222)</u>
Net Change in Plan Fiduciary Net Position	(403,671)	2,243,870	1,913,410	(630,912)	840,282
Plan Fiduciary Net Position - Beginning of year	<u>22,581,516</u>	<u>20,337,646</u>	<u>18,424,236</u>	<u>19,055,148</u>	<u>18,214,866</u>
Plan Fiduciary Net Position - End of year	<u>\$ 22,177,845</u>	<u>\$ 22,581,516</u>	<u>\$ 20,337,646</u>	<u>\$ 18,424,236</u>	<u>\$ 19,055,148</u>
Township's Net Pension Liability - Ending	<u>\$ 11,332,291</u>	<u>\$ 9,739,507</u>	<u>\$ 9,497,661</u>	<u>\$ 9,944,051</u>	<u>\$ 6,619,202</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	66.18 %	69.87 %	68.17 %	64.95 %	74.22 %
Covered Payroll	\$ 3,498,016	\$ 3,472,263	\$ 3,970,486	\$ 3,950,911	\$ 3,887,319
Township's Net Pension Liability as a Percentage of Covered Payroll	323.96 %	280.49 %	239.21 %	251.69 %	170.28 %

Charter Township of Plymouth

Required Supplemental Information Schedule of Pension Contributions

Last Ten Fiscal Years Years Ended December 31

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 1,143,561	\$ 917,323	\$ 738,427	\$ 685,285	\$ 629,153	\$ 583,883	\$ 489,480	\$ 554,612	\$ 577,569	\$ 663,468
Contributions in relation to the actuarially determined contribution	1,143,561	2,017,323	738,427	685,285	629,153	583,883	489,480	554,612	577,569	663,468
Contribution Excess	\$ -	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 3,498,016	\$ 3,472,263	\$ 3,970,486	\$ 3,950,911	\$ 3,887,319	\$ 3,814,924	\$ 3,778,240	\$ 4,142,812	\$ 4,757,684	\$ 4,781,800
Contributions as a Percentage of Covered Payroll	32.69 %	58.10 %	18.60 %	17.34 %	16.18 %	15.31 %	12.96 %	13.39 %	12.14 %	13.87 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Normal entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	Five-year smoothed
Inflation	2.50 percent
Salary increase	3.75 percent
Investment rate of return	8.00 percent - Gross of administrative expenses
Retirement age	Varies depending on plan adoption
Mortality	50 percent female/50 percent male RP-2014 Healthy Annuitant Mortality Table
Other information	None

Charter Township of Plymouth

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

	Last Two Fiscal Years	
	2019	2018
Total OPEB Liability		
Service cost	\$ 418,535	\$ 290,829
Interest	591,056	622,715
Changes in benefit terms	(23,616)	-
Differences between expected and actual experience	(3,210,798)	(26,407)
Changes in assumptions	115,662	2,866,837
Benefit payments, including refunds	(560,670)	(573,414)
Net Change in Total OPEB Liability	(2,669,831)	3,180,560
Total OPEB Liability - Beginning of year	19,563,676	16,383,116
Total OPEB Liability - End of year	\$ 16,893,845	\$ 19,563,676
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,760,670	\$ -
Net investment income	94,816	-
Administrative expenses	(1,684)	-
Benefit payments, including refunds	(560,670)	-
Net Change in Plan Fiduciary Net Position	1,293,132	-
Plan Fiduciary Net Position - Beginning of year	-	-
Plan Fiduciary Net Position - End of year	\$ 1,293,132	\$ -
Net OPEB Liability - Ending	\$ 15,600,713	\$ 19,563,676
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	7.65 %	- %

Contributions to the OPEB plan are not based on a measure of pay; therefore, no covered payroll is presented.

Charter Township of Plymouth

Required Supplemental Information Schedule of OPEB Contributions

	Last Two Fiscal Years	
	Years Ended December 31	
	2019	2018
Actuarially determined contribution	\$ 2,545,483	\$ 2,250,400
Contributions in relation to the actuarially determined contribution	1,760,670	-
Contribution Deficiency	<u>\$ (784,813)</u>	<u>\$ (2,250,400)</u>

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31 of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	11 years
Asset valuation method	Market value of assets
Inflation	2.1 percent
Healthcare cost trend rates	Initial trend of 8.5 percent, gradually decreasing to 4.5 percent by 0.25 percent per year
Salary increase	3.5 percent
Investment rate of return	3.5 percent
Retirement age	Service-based table of rates that are specific to participant
Mortality	PUB-2010 mortality tables with the MP-2019 improvement scale
Other information	None

Charter Township of Plymouth

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

**Last Two Fiscal Years
Years Ended December 31**

	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	13.76 %	- %

December 31, 2019

Budgetary Information

The Township adopts a formal budget for the General Fund and all special revenue funds. The budget is prepared in accordance with generally accepted accounting principles. By August 1 of each year, all department heads submit spending requests to the township supervisor so that a budget may be prepared. Before September 1, the proposed budget is submitted to the township board for review. Public hearings are held and a final budget is adopted no later than December 31. The township board must approve any budget amendments.

Appropriations are adopted by the township board on an activity basis for the General Fund, as reported on the General Fund budgetary comparison schedule. Appropriations for all other budgeted funds are adopted at the fund level. Michigan law requires expenditures to be within budget at this level. Several expenditure activities had budget overruns in the current year. Expenditures were primarily over budget for the following reasons:

1. Recreation and culture variance is the result of a new contractual relationship between Plymouth Township and AMV Hilltop Golf Management LLC resulting in the golf course operation no longer being a separately reported fund. This activity is now recorded in the General Fund's parks department. This department is included in the recreation and culture line item. These expenditures were not included in the budget, as treatment for the operations were determined subsequent to year end and are primarily made up of operation and contractual services. The variance is also partly due to the recent construction of the Township Park Pathway project in 2019, which is part of a reimbursable expenditure to the Township as part of the Wayne County Park Intergovernmental agreement.
2. Debt service was higher than originally budgeted due to the absorption of the golf course operations by the General Fund with the budget variance mainly due to the loan payoff resulting from the sale of the 5 Mile property.
3. In public works, the budget overrun resulted from slightly higher demands for unexpected contractual services.
4. Planning and zoning incurred higher actual expenditures primarily due to slightly higher than normal contractual services and utility expenditures than originally anticipated.

During the current year, the budget was amended in a legally permissible manner. Encumbrances represent commitments related to unperformed contracts (or purchase orders) for goods or services. The amount of encumbrances outstanding at December 31, 2019 has not been calculated. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures.

Changes in Assumptions

In 2016, the pension valuation decreased the discount rate from 8.25 percent to 8.0 percent.

In 2018, the OPEB valuation decreased the discount rate from 3.8 percent to 3.0 percent, updated mortality tables, increased salary scale from 3.0 percent to 3.5 percent, and updated healthcare trend rates.

Other Supplemental Information

Charter Township of Plymouth

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2019

	Special Revenue Funds			Capital Project Fund		Total Nonmajor Funds
	Federal Drug Forfeiture Fund	State Drug Forfeiture Fund	IRS Drug Forfeiture Fund	Total Special Revenue Funds	Improvement Revolving Fund	
Assets						
Cash and cash equivalents	\$ 277,353	\$ 323,286	\$ 67,879	\$ 668,518	\$ 50,380	\$ 718,898
Due from other funds	-	-	-	-	13,312	13,312
Total assets	<u>\$ 277,353</u>	<u>\$ 323,286</u>	<u>\$ 67,879</u>	<u>\$ 668,518</u>	<u>\$ 63,692</u>	<u>\$ 732,210</u>
Liabilities - Accounts payable	\$ 60,086	\$ 4,208	\$ -	\$ 64,294	\$ -	\$ 64,294
Fund Balances						
Restricted	217,267	319,078	67,879	604,224	-	604,224
Assigned	-	-	-	-	63,692	63,692
Total fund balances	<u>217,267</u>	<u>319,078</u>	<u>67,879</u>	<u>604,224</u>	<u>63,692</u>	<u>667,916</u>
Total liabilities and fund balances	<u>\$ 277,353</u>	<u>\$ 323,286</u>	<u>\$ 67,879</u>	<u>\$ 668,518</u>	<u>\$ 63,692</u>	<u>\$ 732,210</u>

Charter Township of Plymouth

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

Year Ended December 31, 2019

	Special Revenue Funds			Capital Project Fund		Total Nonmajor Funds
	Federal Drug Forfeiture Fund	State Drug Forfeiture Fund	IRS Drug Forfeiture Fund	Total Special Revenue Funds	Improvement Revolving Fund	
Revenue						
State-shared revenue and grants:						
Federal grants	\$ 15,299	\$ -	\$ -	\$ 15,299	\$ -	\$ 15,299
State-shared revenue and grants	-	255,528	-	255,528	-	255,528
Interest and rentals	3,405	2,297	917	6,619	369	6,988
Total revenue	18,704	257,825	917	277,446	369	277,815
Expenditures - Capital outlay	80,089	-	1,837	81,926	-	81,926
Excess of Revenue (Under) Over Expenditures	(61,385)	257,825	(920)	195,520	369	195,889
Other Financing Sources						
Transfers in	-	-	-	-	50,000	50,000
Sale of capital assets	9,990	-	-	9,990	-	9,990
Total other financing sources	9,990	-	-	9,990	50,000	59,990
Net Change in Fund Balances	(51,395)	257,825	(920)	205,510	50,369	255,879
Fund Balances - Beginning of year	268,662	61,253	68,799	398,714	13,323	412,037
Fund Balances - End of year	<u>\$ 217,267</u>	<u>\$ 319,078</u>	<u>\$ 67,879</u>	<u>\$ 604,224</u>	<u>\$ 63,692</u>	<u>\$ 667,916</u>

Charter Township of Plymouth

Other Supplemental Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

December 31, 2019

	Custodial Funds		
	Tax Collection Fund	Police Bond Fund	Total
Assets - Cash and cash equivalents	\$ 3,196,746	\$ 3,296	\$ 3,200,042
Liabilities			
Due to other governmental units	3,196,746	-	3,196,746
Refundable deposits, bonds, etc.	-	3,296	3,296
Total liabilities	3,196,746	3,296	3,200,042
Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Charter Township of Plymouth

**Other Supplemental Information
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds**

Year Ended December 31, 2019

	Custodial Funds		
	Tax Collection Fund	Police Bond Fund	Total
Additions			
Property tax collections	\$ 59,907,644	\$ -	\$ 59,907,644
Police bond collections	-	108,343	108,343
Total additions	59,907,644	108,343	60,015,987
Deductions			
Tax distributions to other governments	59,907,644	-	59,907,644
Police bond distributions	-	108,343	108,343
Total deductions	59,907,644	108,343	60,015,987
Net Change in Fiduciary Net Position	-	-	-
Net Position - Beginning of year	-	-	-
Net Position - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Charter Township of Plymouth

Other Supplemental Information
Statement of Net Position/Governmental Fund Balance Sheet
Downtown Development Authority

December 31, 2019

	<u>Modified Accrual</u>	<u>Full Accrual</u>	<u>Statement of Net</u>
	<u>Balance Sheet</u>	<u>Adjustments</u>	<u>Position</u>
Assets - Cash and investments	\$ 1,405,361	\$ -	\$ 1,405,361
Total assets	<u>\$ 1,405,361</u>	-	1,405,361
Liabilities			
Accounts payable	\$ 27,279	-	27,279
Due to primary government	56,131	-	56,131
Total liabilities	83,410	-	83,410
Deferred Inflows of Resources - Property taxes levied for the following year	182,102	-	182,102
Fund Balance - Unassigned	1,139,849	(1,139,849)	-
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,405,361</u>		
Net Position - Unrestricted		<u>\$ 1,139,849</u>	<u>\$ 1,139,849</u>

Charter Township of Plymouth

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

Year Ended December 31, 2019

	<u>Modified Accrual</u> Statement of Revenue, Expenditures, and Changes in Fund Balance	Full Accrual Adjustments	Statement of Activities
Revenue			
Property taxes	\$ 310,544	\$ -	\$ 310,544
State-shared revenue and grants	100,045	-	100,045
Interest and rentals	13,722	-	13,722
Other revenue	1,860	-	1,860
Total revenue	426,171	-	426,171
Expenditures - Current - Other contract services	216,600	-	216,600
Net Change in Fund Balance/Net Position	209,571	-	209,571
Fund Balance/Net Position - Beginning of year	930,278	-	930,278
Fund Balance/Net Position - End of year	<u>\$ 1,139,849</u>	<u>\$ -</u>	<u>\$ 1,139,849</u>

Charter Township of Plymouth

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

December 31, 2019

	<u>Modified Accrual</u>		<u>Full Accrual</u>		<u>Statement of Net</u>
	<u>Balance Sheet</u>		<u>Adjustments</u>		<u>Position</u>
Assets					
Cash and cash equivalents	\$ 1,653,342	\$	-	\$	1,653,342
Receivables - Property taxes	949		-		949
Total assets	<u>\$ 1,654,291</u>		-		1,654,291
Liabilities	\$ -		-		-
Deferred Inflows of Resources - Property taxes levied for the following year	9,507		-		9,507
Fund Balance - Unrestricted	1,644,784		(1,644,784)		-
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,654,291</u>				
Net Position - Unrestricted			<u>\$ 1,644,784</u>	\$	<u>1,644,784</u>

Charter Township of Plymouth

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

Year Ended December 31, 2019

	<u>Modified Accrual</u> <u>Statement of</u> <u>Revenue,</u> <u>Expenditures,</u> <u>and Changes in</u> <u>Fund Balance</u>	<u>Full Accrual</u> <u>Adjustments</u>	<u>Statement of</u> <u>Activities</u>
Revenue			
Property taxes	\$ 23,291	\$ -	\$ 23,291
Interest and rentals	21,978	-	21,978
Total revenue	45,269	-	45,269
Expenditures - Current - Environmental remediation	23,322	-	23,322
Net Change in Fund Balance/Net Position	21,947	-	21,947
Fund Balance/Net Position - Beginning of year	1,622,837	-	1,622,837
Fund Balance/Net Position - End of year	<u>\$ 1,644,784</u>	<u>\$ -</u>	<u>\$ 1,644,784</u>