

WHITEFORD TOWNSHIP
Ottawa Lake, Michigan

ANNUAL FINANCIAL REPORT
June 30, 2021

WHITEFORD TOWNSHIP

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Independent Auditor's Report

Township Board
Whiteford Township
Ottawa Lake, Michigan 49267

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Whiteford Township, Michigan, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of Whiteford Township, Michigan, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 15 to the basic financial statements, the Township adopted GASB Statement No. 84, *Fiduciary Activities* as of and for the year ended June 30, 2021, which represents a change in its policy for reporting fiduciary activities. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 47 through 50 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Whiteford Township, Michigan's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

Cooley Hehl Sabo + Calkins

November 15, 2021

WHITEFORD TOWNSHIP

Management's Discussion and Analysis Year Ended June 30, 2021

This section of Whiteford Township's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended June 30, 2021. Please read it in conjunction with the Township's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the Township's revenues and expenditures by program for the General Fund, Special Revenue Funds, Capital Projects Fund, and Proprietary Funds.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Whiteford Township financially as a whole. The ***Government-Wide Financial Statements***, which include the Statement of Net Position and the Statement of Activities, provide information about the activities of the Township as a whole and presents both a short-term and a long-term view of those finances. The ***Fund Financial Statements*** provide the next level of detail. For governmental activities, these statements explain how services were financed in the short-term as well as what remains for future spending. The ***Fund Financial Statements*** 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 General Fund, the County Road Fund, the Fire Department Fund, the Capital Projects Fund, the Water Fund, the Sewer I Fund, and the Sewer II Fund. The following summary illustrates how the various parts of this annual report are arranged:

Management's Discussion and Analysis (MD&A)
(Required Supplemental Information)

Basic Financial Statements

Government-Wide Financial Statements *Fund Financial Statements*

Notes to the Basic Financial Statements

Budgetary Information for Major Funds
(Required Supplemental Information)

Other Supplemental Information

WHITEFORD TOWNSHIP

Management's Discussion and Analysis Year Ended June 30, 2021

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities (pages 10-12), which appear first in the Township's financial statements, report information on the Township as a whole and its activities. These statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two government-wide statements report the Township's net position and changes in them. The change in net position provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The relationship between revenues and expenses indicates the Township's operating results. However, the Township's goal is to provide services to our residents, not generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the services provided and the safety of the public to assess the overall health of the Township.

The government-wide financial statements of the Township are divided into two categories:

Governmental activities - The governmental activities for the Township, which encompass Township services, include general government services, public safety, public works, community and economic development, and recreation and cultural services. Property taxes, state-shared revenue, and licenses and permits provide most of the funding.

Business-type activities - The Township charges fees to customers to help it cover the costs of certain services it provides. The Township's water and sewer systems are treated as business-type activities.

Fund Financial Statements

The Township's Fund Financial Statements (pages 13-25) provide detailed information about the most significant or "major" funds - not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes other funds to control and manage money for particular purposes or to show that it is properly using revenues. The Township's three types of funds, governmental, proprietary, and fiduciary use different accounting approaches as described below:

Governmental funds - Many of the Township's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Township and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation format in the financial section on pages 15 and 18.

Proprietary funds - Proprietary Funds are used to account for the business-type activities of the Township, which consists of the Water Fund, the Sewer I Fund, and the Sewer II Fund. These funds account for the services provided by the Township where the Township charges customers for the services it provides. These funds use accrual accounting; the same method used by private sector business.

WHITEFORD TOWNSHIP

*Management's Discussion and Analysis
Year Ended June 30, 2021*

Fund Financial Statements - Concluded

Fiduciary funds – This fund is used to account for the collection and disbursement of resources, namely property taxes, for the benefit of parties outside of the Township. The Township is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. The Township's fiduciary balances are reported in the statement of fiduciary net position and the statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the Township cannot use these assets to finance its operations.

Government–Wide Financial Analysis

Recall that the Statement of Net Position provides the perspective of the Township as a whole. Table 1 provides a summary of the Township's net position as of June 30, 2021 and 2020:

Table 1:

**Condensed Statement of Net Position
June 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$2,179,704	\$1,903,415	\$5,160,722	\$5,404,441	\$7,340,426	\$7,307,856
Capital assets, net	2,576,116	2,568,288	11,418,745	11,733,035	13,994,861	14,301,323
Total Assets	4,755,820	4,471,703	16,579,467	17,137,476	21,335,287	21,609,179
Current and other liabilities	157,933	139,790	117,940	122,079	275,873	261,869
Long-term liabilities	75,000	150,000	4,657,000	4,929,000	4,732,000	5,079,000
Total Liabilities	232,933	289,790	4,774,940	5,051,079	5,007,873	5,340,869
Deferred Inflows of Resources	0	0	4,436,208	4,580,915	4,436,208	4,580,915
Net Position						
Net investment in capital assets	2,424,220	2,340,429	6,681,745	6,722,035	9,105,965	9,062,464
Restricted for:						
County road	123,672	19,119	0	0	123,672	19,119
Fire protection	880,868	649,636	0	0	880,868	649,636
Capital outlay	126,229	122,844	0	0	126,229	122,844
Liquor law enforcement	10,013	12,492	0	0	10,013	12,492
Public works	9,721	7,803	0	0	9,721	7,803
Repair and replacement	0	0	180,591	118,179	180,591	118,179
Unrestricted	948,164	1,029,590	505,983	665,268	1,454,147	1,694,858
Total Net Position	\$4,522,887	\$4,181,913	\$7,368,319	\$7,505,482	\$11,891,206	\$11,687,395

WHITEFORD TOWNSHIP

*Management's Discussion and Analysis
Year Ended June 30, 2021*

Government-Wide Financial Analysis – Continued

As depicted in Table 1, the Township's net position was \$11.9 million at June 30, 2021. Of this amount, \$948,164 and \$505,983 were unrestricted for governmental activities and business-type activities, respectively. This amount represents the *accumulated* results of all past years' operations. The unrestricted net position balance is used for working capital and cash flow needs, as well as to provide for future uncertainties. It means that if we had to pay off all of our debts *today*, including all of our noncapital liabilities, we could with current resources. The operating results of the General Fund, the Water Fund, and the Sewer Funds will have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for the Township as a whole are reported in the Statement of Activities (Table 2), which shows the changes in net position for the fiscal years ended June 30, 2021 and 2020.

Table 2:

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$330,661	\$307,209	\$327,425	\$300,832	\$658,086	\$608,041
Operating grants and contributions	24,123	160,004	0	0	24,123	160,004
Capital grants and contributions	72,565	0	0	0	72,565	0
	<u>427,349</u>	<u>467,213</u>	<u>327,425</u>	<u>300,832</u>	<u>754,774</u>	<u>768,045</u>
General revenues						
Property taxes	775,421	725,791	0	0	775,421	725,791
Federal grants	60,266	0	0	0	60,266	0
State grants	469,208	415,995	0	0	469,208	415,995
Special assessments	0	0	182,958	202,667	182,958	202,667
Interest and penalties	2,972	7,150	178,503	186,681	181,475	193,831
Gain on sale of capital asset	0	1,895	0	0	0	1,895
Other general revenues	45,495	77,065	12,540	16,762	58,035	93,827
	<u>1,353,362</u>	<u>1,227,896</u>	<u>374,001</u>	<u>406,110</u>	<u>1,727,363</u>	<u>1,634,006</u>
Total Revenues	1,780,711	1,695,109	701,426	706,942	2,482,137	2,402,051
Functions/Program Expenses						
Legislative	21,186	18,871	0	0	21,186	18,871
General government	491,758	449,061	0	0	491,758	449,061
Public safety	517,776	495,523	0	0	517,776	495,523
Public works	308,887	471,481	0	0	308,887	471,481
Community and economic development	2,966	1,911	0	0	2,966	1,911
Recreation and cultural	93,374	89,117	0	0	93,374	89,117
Interest on long-term debt	3,790	6,089	0	0	3,790	6,089
Water and sewer	0	0	838,589	859,481	838,589	859,481
Total Expenses	<u>1,439,737</u>	<u>1,532,053</u>	<u>838,589</u>	<u>859,481</u>	<u>2,278,326</u>	<u>2,391,534</u>
Increase (Decrease) in Net Position	<u>\$340,974</u>	<u>\$163,056</u>	<u>(\$137,163)</u>	<u>(\$152,539)</u>	<u>\$203,811</u>	<u>\$10,517</u>

WHITEFORD TOWNSHIP

*Management's Discussion and Analysis
Year Ended June 30, 2021*

Government-Wide Financial Analysis – Concluded

As indicated in Table 2, the cost of *all governmental* activities this year was \$1,439,737. Of this amount, \$427,349 was subsidized with revenue generated from charges for services and operating grants and contributions with the remaining costs financed with general revenues, which consisted mainly of property taxes and state shared revenues. The Township's governmental activities experienced an increase in net position of \$340,974. The increase in net position differs from the change in fund balance. A reconciliation of the change in fund balances of the governmental funds to the change in net position appears on page 18.

As indicated in Table 2, the cost of all business-type activities this year was \$838,589. The water and sewer systems are financed by special assessments and grants.

Fund Financial Analysis

As noted earlier, the Township uses funds to help control and manage money for particular purposes. Looking at funds helps the reader consider whether Whiteford Township is being held accountable for the resources taxpayers and others provide to it and may give more insight into the Township's overall financial health.

As the Township completed this year, the governmental funds reported a combined fund balance of \$2,098,667, which is an increase of \$257,183 from last year. The changes by the major fund are as follows:

	<u>General Fund</u>	<u>County Road Fund</u>	<u>Fire Department Fund</u>	<u>Capital Projects Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>
Fund balances -						
Beginning of Year	\$1,029,590	\$19,119	\$649,636	\$122,844	\$20,295	\$1,841,484
Increase (decrease)	(81,426)	104,553	231,232	3,385	(561)	257,183
Fund balances -						
End of Year	<u>\$948,164</u>	<u>\$123,672</u>	<u>\$880,868</u>	<u>\$126,229</u>	<u>\$19,734</u>	<u>\$2,098,667</u>

The Township's General Fund balance decrease is due to an increase in expenditures \$291,793, or 29.8%. The most significant increases were \$126,790 in public works and \$36,819 in recreation and cultural. There was also an increase in general government of \$43,911 and a transfer to the capital improvement fund of \$85,000.

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Percent Change</u>
Revenues			
Property taxes	\$307,633	\$280,228	9.8%
Licenses and permits	80,058	90,204	(11.3)%
State grants	467,846	414,946	12.7%
Charges for services	238,985	203,985	17.2%
Interest and penalties	991	4,367	(77.3)%
Other revenue	95,260	77,065	23.6%
Total Revenues	<u>\$1,190,773</u>	<u>\$1,070,795</u>	11.2%

WHITEFORD TOWNSHIP

*Management's Discussion and Analysis
Year Ended June 30, 2021*

Fund Financial Analysis – Concluded

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Percent Change</u>
Expenditures			
Legislative	\$21,186	\$18,871	12.3%
General government	431,088	387,177	11.3%
Public safety	222,247	225,294	(1.4)%
Public works	281,309	154,519	82.1%
Community and economic development	2,966	1,911	55.2%
Recreation and cultural	168,875	132,056	27.9%
Other	59,528	60,578	(1.7)%
Operating transfer out	85,000	0	100.0%
	<u> </u>	<u> </u>	
Total Expenditures	<u>\$1,272,199</u>	<u>\$980,406</u>	29.8%

General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires the Township Board to adopt the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. Over the course of the year, the Township revises its budget as it attempts to deal with the unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule illustrating the Township's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements.

The revisions made to the original budget were relatively minor. The original budget for revenues of \$883,750 was amended during the year by \$67,000 to \$950,750. The amendment was the addition of \$67,000 for park donations and grants. The original budget for expenditures was \$1,075,340 which was amended during the year to \$1,353,100. The most significant amendments were for public works, recreation and cultural, and a transfer to the capital improvement fund of \$85,000 to cover a land purchase for the new site of the Township Hall.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2021, the Township had \$18,235,281 invested in a broad range of capital assets, including land, building and building improvements, park improvements, equipment, furniture and fixtures, vehicles, and water and sewer lines. This amount represents an increase (including additions and disposals) of \$200,348 from last year. This year's additions included a land purchase for a new township hall, fire equipment (a breathing air compression system), a basketball court, and pavilions. This year's disposal includes the 1979 Ford Pumper WC#1. Depreciation for governmental activities totaled \$277,834, and depreciation for business-type activities totaled \$403,806. Detailed information regarding capital assets is included in Note 5 to the financial statements.

WHITEFORD TOWNSHIP

*Management's Discussion and Analysis
Year Ended June 30, 2021*

Capital Assets and Debt Administration -- Concluded

Debt

As of June 30, 2021, the Township had \$4,887,000 in bonds payable. The bonds payable are comprised of Michigan transportation fund bonds, a general obligation limited tax note, and limited tax special assessment bonds. Detailed information regarding the Township's debt is included in Note 8 to the financial statements.

Development of the 2022 Fiscal Year Budget

Whiteford Township officials considered many factors when setting the Township's 2022 budget. The Township used the 2021 budget as a template by reviewing the previous fiscal year's spending patterns. Thought is also given to important factors affecting the budget, such as property taxes and state shared revenue, which account for 58% of the Township's budgeted revenues. Total budgeted revenues are \$1,008,200. Budgeted revenues increased by \$57,450. The increase in revenues is due primarily to increases, state shared revenue, quarry tipping fees, and private grants. The budget for expenditures is \$1,139,972 which decreased by \$92,603. The most significant decreases were in roads and park. This budget will decrease the carryforward fund balance by \$131,772.

Contacting Whiteford Township

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate their accountability for the money it receives. If you have questions about this report or need additional information, contact Whiteford Township, 8000 Yankee Road, Suite 100, Ottawa Lake, MI 49267.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WHITEFORD TOWNSHIP

*Statement of Net Position
Year Ended June 30, 2021*

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$1,601,443	\$591,458	\$2,192,901
Certificates of deposit	123,390	0	123,390
Receivables:			
Accounts and accrued interest	32,083	31,692	63,775
Special assessments	0	4,565,192	4,565,192
Due from other governmental units	156,227	0	156,227
Prepaid expenses	58,350	0	58,350
Internal balances	208,211	(208,211)	0
Non-current assets:			
Restricted cash	0	180,591	180,591
Capital assets, net	2,576,116	11,418,745	13,994,861
Total Assets	<u>4,755,820</u>	<u>16,579,467</u>	<u>21,335,287</u>
Liabilities			
Current liabilities:			
Accounts payable	59,409	14,084	73,493
Accrued liabilities	21,628	9,291	30,919
Accrued interest	1,896	14,565	16,461
Bonds payable - current portion	75,000	80,000	155,000
Non-current liabilities:			
Bonds payable - non-current portion	75,000	4,657,000	4,732,000
Total Liabilities	232,933	4,774,940	5,007,873
Deferred Inflows of Resources			
Special assessments	0	4,436,208	4,436,208
Net Position			
Net investment in capital assets	2,424,220	6,681,745	9,105,965
Restricted for:			
County road	123,672	0	123,672
Fire protection	880,868	0	880,868
Capital outlay	126,229	0	126,229
Liquor law enforcement	10,013	0	10,013
Public works	9,721	0	9,721
Repair and replacement	0	180,591	180,591
Unrestricted	948,164	505,983	1,454,147
Total Net Position	<u>\$4,522,887</u>	<u>\$7,368,319</u>	<u>\$11,891,206</u>

See accompanying notes to the basic financial statements.

WHITEFORD TOWNSHIP

*Statement of Activities
Year Ended June 30, 2021*

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
Legislative	\$21,186	\$0	\$0	\$0
General government	491,758	109,773	5,000	0
Public safety	517,776	80	8,980	0
Public works	308,887	220,808	10,143	0
Community and economic development	2,966	0	0	0
Recreation and cultural	93,374	0	0	72,565
Interest on long-term debt	3,790	0	0	0
Total Governmental Activities	1,439,737	330,661	24,123	72,565
Business-type activities:				
Water and Sewer	838,589	327,425	0	0
Total Primary Government	\$2,278,326	\$658,086	\$24,123	\$72,565

General Revenues:

- Property taxes
- Federal grants
- State grants
- Special assessments
- Interest and penalties
- Other revenue

Total General Revenues

Change in Net Position

Net Position - Beginning
of year

Net Position - End of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and
Changes in Net Position
Primary Government

<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
(\$21,186)	\$0	(\$21,186)
(376,985)	0	(376,985)
(508,716)	0	(508,716)
(77,936)	0	(77,936)
(2,966)	0	(2,966)
(20,809)	0	(20,809)
(3,790)	0	(3,790)
(1,012,388)	0	(1,012,388)
<u>0</u>	<u>(511,164)</u>	<u>(511,164)</u>
(1,012,388)	(511,164)	(1,523,552)
775,421	0	775,421
60,266	0	60,266
469,208	0	469,208
0	182,958	182,958
2,972	178,503	181,475
45,495	12,540	58,035
<u>1,353,362</u>	<u>374,001</u>	<u>1,727,363</u>
340,974	(137,163)	203,811
<u>4,181,913</u>	<u>7,505,482</u>	<u>11,687,395</u>
<u>\$4,522,887</u>	<u>\$7,368,319</u>	<u>\$11,891,206</u>

FUND FINANCIAL STATEMENTS

WHITEFORD TOWNSHIP

*Governmental Funds
Balance Sheet
June 30, 2021*

	Special Revenue Funds		
	General	County Road	Fire Department
Assets			
Cash and cash equivalents	\$595,458	\$135,367	\$847,467
Certificates of deposit	0	0	0
Accounts receivable and accrued interest	32,083	0	0
Due from other funds	208,211	0	0
Due from other governmental units	156,227	0	0
Prepaid expenditures	24,949	0	33,401
Total Assets	\$1,016,928	\$135,367	\$880,868
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$47,136	\$11,695	\$0
Accrued liabilities	21,628	0	0
Total Liabilities	68,764	11,695	0
Fund Balances			
Nonspendable:			
Prepaid expenditures	24,949	0	33,401
Restricted for:			
County road	0	123,672	0
Fire department	0	0	847,467
Liquor law enforcement	0	0	0
Public works	0	0	0
Committed to:			
Capital projects	0	0	0
Assigned to:			
Park	4,619	0	0
Unassigned	918,596	0	0
Total Fund Balances	948,164	123,672	880,868
Total Liabilities and Fund Balances	\$1,016,928	\$135,367	\$880,868

See accompanying notes to the basic financial statements.

Capital Projects Fund Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
\$2,839	\$20,312	\$1,601,443
123,390	0	123,390
0	0	32,083
0	0	208,211
0	0	156,227
0	0	58,350
<u>\$126,229</u>	<u>\$20,312</u>	<u>\$2,179,704</u>
\$0	\$578	\$59,409
0	0	21,628
0	578	81,037
0	0	58,350
0	0	123,672
0	0	847,467
0	10,013	10,013
0	9,721	9,721
126,229	0	126,229
0	0	4,619
0	0	918,596
<u>126,229</u>	<u>19,734</u>	<u>2,098,667</u>
<u>\$126,229</u>	<u>\$20,312</u>	<u>\$2,179,704</u>

WHITEFORD TOWNSHIP

*Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Year Ended June 30, 2021*

Total Fund Balances - Governmental Funds		\$2,098,667
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Cost of the capital assets	\$5,782,346	
Accumulated depreciation	<u>(3,206,230)</u>	
		2,576,116
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	(150,000)	
Accrued interest	<u>(1,896)</u>	
		<u>(151,896)</u>
Total Net Position - Governmental Activities		<u><u>\$4,522,887</u></u>

See accompanying notes to the basic financial statements.

WHITEFORD TOWNSHIP

*Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2021*

	Special Revenue Funds			Capital Projects
	General	County	Fire	Fund
		Road	Department	Capital Projects
Revenues				
Property taxes	\$307,633	\$235,030	\$235,031	\$0
Special assessments	0	0	0	0
Licenses and permits	80,058	0	0	0
Federal grant	0	0	60,266	0
State grants	467,846	8,444	8,060	0
Local grants	0	0	0	0
Charges for services	238,985	0	0	0
Interest and penalties	991	15	1,420	546
Other revenue	95,260	0	27,800	0
Total Revenues	1,190,773	243,489	332,577	546
Expenditures				
Legislative	21,186	0	0	0
General government	431,088	0	0	0
Public safety	222,247	0	101,345	0
Public works	281,309	59,183	0	0
Community and economic development	2,966	0	0	0
Recreation and cultural	168,875	0	0	0
Capital outlay	0	0	0	82,161
Debt service	0	79,753	0	0
Other	59,528	0	0	0
Total Expenditures	1,187,199	138,936	101,345	82,161
Other Financing Sources				
Operating transfers in	0	0	0	85,000
Operating transfers out	(85,000)	0	0	0
Total Other Financing Sources	(85,000)	0	0	85,000
Net Change in Fund Balances	(81,426)	104,553	231,232	3,385
Fund Balances - Beginning of year	1,029,590	19,119	649,636	122,844
Fund Balances - End of year	\$948,164	\$123,672	\$880,868	\$126,229

See accompanying notes to the basic financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$777,694
9,345	9,345
0	80,058
0	60,266
3,981	488,331
0	0
0	238,985
0	2,972
0	123,060
13,326	1,780,711
0	21,186
0	431,088
6,460	330,052
7,427	347,919
0	2,966
0	168,875
0	82,161
0	79,753
0	59,528
13,887	1,523,528
0	85,000
0	(85,000)
0	0
(561)	257,183
20,295	1,841,484
\$19,734	\$2,098,667

WHITEFORD TOWNSHIP

*Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2021*

Net Change in Fund Balances - Total Governmental Funds		\$257,183
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation expense.		
Depreciation expense	(\$277,834)	
Capital outlay	<u>285,662</u>	7,828
Repayment of long-term debt is reported as expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		75,000
Accrued interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid.		<u>963</u>
Change in Net Position of Governmental Activities		<u><u>\$340,974</u></u>

See accompanying notes to the basic financial statements.

WHITEFORD TOWNSHIP

*Proprietary Funds
Statement of Net Position
June 30, 2021*

	Business-type Activities Enterprise Funds			Totals
	Water Fund	Sewer I Fund	Sewer II Fund	
Assets				
Current Assets:				
Cash	\$404,393	\$41,106	\$145,959	\$591,458
Receivables:				
Accounts	16,360	3,473	11,859	31,692
Special assessments	4,075,423	0	489,769	4,565,192
Total Current Assets	4,496,176	44,579	647,587	5,188,342
Restricted Assets:				
Certificates of deposit	88,091	38,775	53,725	180,591
Capital Assets	9,662,685	22,114	2,768,136	12,452,935
Less: accumulated depreciation	(688,504)	(2,502)	(343,184)	(1,034,190)
Total capital assets	8,974,181	19,612	2,424,952	11,418,745
Total Assets	13,558,448	102,966	3,126,264	16,787,678

See accompanying notes to the basic financial statements.

	Business-type Activities Enterprise Funds			Totals
	Water Fund	Sewer I Fund	Sewer II Fund	
Liabilities				
Current liabilities:				
Accounts payable	\$8,777	\$2,445	\$2,862	\$14,084
Accrued payroll liabilities	9,291	0	0	9,291
Accrued interest	9,900	0	4,665	14,565
Due to other funds	135,903	48,216	24,092	208,211
Bonds payable - current portion	66,000	0	14,000	80,000
Total Current Liabilities	229,871	50,661	45,619	326,151
Non-current liabilities:				
Bonds payable - non-current portion	4,109,000	0	548,000	4,657,000
Total Liabilities	4,338,871	50,661	593,619	4,983,151
Deferred Inflows of Resources				
Special assessments	3,961,894	0	474,314	4,436,208
Net Position				
Net investment in capital assets	4,799,181	19,612	1,862,952	6,681,745
Restricted	88,091	38,775	53,725	180,591
Unrestricted	370,411	(6,082)	141,654	505,983
Total Net Position	\$5,257,683	\$52,305	\$2,058,331	\$7,368,319

WHITEFORD TOWNSHIP

*Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2021*

	Business-type Activities Enterprise Funds			Totals
	Water Fund	Sewer I Fund	Sewer II Fund	
Operating Revenues				
Charges for services:				
Collection fees	\$229,269	\$38,309	\$59,847	\$327,425
Operating Expenses				
Sources of supply:				
Wages	73,385	0	0	73,385
Fringe benefits	6,289	0	0	6,289
Contracted services	0	509	709	1,218
Utilities	39,870	1,855	6,348	48,073
Operation and maintenance	9,659	34,591	40,955	85,205
Operating supplies	36,047	255	0	36,302
Depreciation	346,897	443	56,466	403,806
	512,147	37,653	104,478	654,278
Office and administration:				
Wages	0	4,800	4,800	9,600
Fringe benefits	0	367	367	734
Office supplies and maintenance	1,088	0	2,002	3,090
Contracted services	32,566	0	0	32,566
Professional fees	2,145	0	0	2,145
Miscellaneous	1,449	12	0	1,461
	37,248	5,179	7,169	49,596
Total Operating Expenses	549,395	42,832	111,647	703,874
Total Operating Income (Loss)	(320,126)	(4,523)	(51,800)	(376,449)
Non-Operating Revenues (Expenses)				
Special assessment	162,557	0	20,401	182,958
Interest revenue	162,720	46	15,737	178,503
Interest expense	(123,434)	0	(11,281)	(134,715)
Initial connection	12,540	0	0	12,540
Total Non-Operating Revenues (Expenses)	214,383	46	24,857	239,286
Change in Net Position	(105,743)	(4,477)	(26,943)	(137,163)
Net Position - Beginning of Year	5,363,426	56,782	2,085,274	7,505,482
Net Position - End of Year	\$5,257,683	\$52,305	\$2,058,331	\$7,368,319

See accompanying notes to the basic financial statements.

WHITEFORD TOWNSHIP

*Proprietary Funds
Statement of Cash Flows
Year Ended June 30, 2021*

	Business-type Activities Enterprise Funds			Totals
	Water Fund	Sewer I Fund	Sewer II Fund	
Cash Flows from Operating Activities				
Receipts from customers	\$254,762	\$40,980	\$59,090	\$354,832
Payments to suppliers	(124,977)	(36,552)	(49,470)	(210,999)
Payments to employees	(80,127)	(5,167)	(5,167)	(90,461)
Net cash provided (used) by operating activities	49,658	(739)	4,453	53,372
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	(89,516)	0	0	(89,516)
Principal payments on bonds payable	(261,000)	0	(13,000)	(274,000)
Interest paid	(124,073)	0	(11,389)	(135,462)
Special assessments	162,556	0	20,402	182,958
Initial connections	12,540	0	0	12,540
Net cash provided (used) for capital and related financing activities	(299,493)	0	(3,987)	(303,480)
Cash Flows from Investing Activities				
Interest income	162,720	46	15,737	178,503
Net Increase (Decrease) in Cash and Cash Equivalents	(87,115)	(693)	16,203	(71,605)
Cash and Cash Equivalents - Beginning of Year	579,599	80,574	183,481	843,654
Cash and Cash Equivalents - End of Year	\$492,484	\$79,881	\$199,684	\$772,049
Balance Sheet Classification of Cash and Cash Equivalents				
Cash	\$404,393	\$41,106	\$145,959	\$591,458
Certificates of deposit	0	0	0	0
Restricted Cash	88,091	38,775	53,725	180,591
Total Cash and Cash Equivalents	\$492,484	\$79,881	\$199,684	\$772,049

See accompanying notes to the basic financial statements.

WHITEFORD TOWNSHIP

*Proprietary Funds
Statement of Cash Flows
Year Ended June 30, 2021*

	Business-type Activities Enterprise Funds			Totals
	Water Fund	Sewer I Fund	Sewer II Fund	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income (loss)	(\$320,126)	(\$4,523)	(\$51,800)	(\$376,449)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	346,897	443	56,466	403,806
Changes in operating assets and liabilities:				
(Increase) decrease accounts receivable	25,493	2,671	(757)	27,407
(Increase) decrease prepaid expenses	0	0	0	0
Increase (decrease) accounts payable	(2,153)	670	544	(939)
Increase (decrease) accrued payroll liabilities	(453)	0	0	(453)
Increase (decrease) due to other funds	0	0	0	0
Net Cash Provided by Operating Activities	\$49,658	(\$739)	\$4,453	\$53,372

See accompanying notes to the basic financial statements.

WHITEFORD TOWNSHIP

Custodial Fund
Statement of Fiduciary Net Position
June 30, 2021

	<u>Tax Collection</u>
Assets	
Cash and cash equivalents	\$0
Liabilities	
Due to other governmental units	<u>\$0</u>
Net Position	
Committed for other governments	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

WHITEFORD TOWNSHIP

Custodial Fund
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2021

	<u>Tax Collection</u>
Additions	
Property taxes collected for other governments	\$6,649,490
Deductions	
Property taxes distributed to other governments	<u>6,649,490</u>
Net increase in net position	0
Net position committed for other governments:	
Beginning of year	<u>0</u>
End of year	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 1 Description of the Township and Reporting Entity
The Township operates under a locally elected five member Board form of government and provides the following services: public safety, roads and drains, recreation and culture, public improvements, planning and zoning, water and sewer services, and general administrative services.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the Township consists of all funds, departments, boards, and agencies that are not legally separate from the Township.

Component units are legally separate organizations for which the Township is financially accountable. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt, or the levying of taxes. The Township does not have any component units.

Note 2 Summary of Significant Accounting Policies
The financial statements of Whiteford Township have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the Township's accounting policies.

Basis of Presentation

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities which rely, to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Amounts reported as program revenue include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. General revenue includes taxes, intergovernmental payments, sales of property, and other items not properly included among program revenues.

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

WHITEFORD TOWNSHIP

Notes to Financial Statements
Year Ended June 30, 2021

Note 2

Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as 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.

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

On the governmental funds' statements, property taxes, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Fiduciary fund statements also are reported using the economic resources measurement focus and the cash basis of accounting.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. The General Fund accounts for all financial resources of the Township, except those required to be accounted for in another fund.

The County Road Fund is a special revenue fund. The County Road Fund accounts for proceeds from a tax millage to be used for the purpose of construction and maintenance of county roads.

The Fire Department Fund is a special revenue fund. The Fire Department Fund accounts for proceeds from a tax millage to be used for the purpose of capital expenditures including equipment purchases and debt reduction.

The Capital Projects Fund accounts for capital improvements and other capital expenditures.

The Township reports the following major proprietary funds:

The Water Fund, the Sewer I Fund, and the Sewer II Fund account for the provision of water and sewer services to residents of the Township.

WHITEFORD TOWNSHIP

Notes to Financial Statements
Year Ended June 30, 2021

Note 2

Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)

The Township reports the following nonmajor funds:

The Streetlight Fund, the Liquor Law Enforcement Fund, and the Private Roads Fund are the Township’s nonmajor governmental funds. These funds are restricted for a particular purpose.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Water Fund and the Sewer Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Assets, Liabilities, and Net Position or Equity

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

Property Tax Receivable - Property taxes are assessed as of December 31 and the related property taxes become a lien on July 1 and December 1 of the following year. Summer taxes are considered delinquent July 31 and winter taxes are considered delinquent February 14 of the following year.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. water lines, sewer lines, roads etc.) are reported in the applicable governmental or business-type activities columns of the government-wide financial statements. Capital assets are defined by the Township as assets with an 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 when actual cost information is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

All reported capital assets, other than land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Buildings and Buildings Improvements	20-50 years
Machinery and Equipment	3-10 years
Vehicles	5-8 years
Water Lines	50 years
Sewer Lines	50 years

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 2

Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

C. Assets, Liabilities, and Net Position or Equity (Continued)

Interfund Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental activities column of the statement of net position. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Accrued Liabilities and Long-Term Obligations - In the government-wide financial statements and proprietary fund financial statements, long-term debts, notes, and other obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund types statement of net position.

Once payables and accrued liabilities are incurred they are reported as obligations of the funds. In general, they are paid in a timely manner. However, claims and judgments that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Payments of long-term loans that are paid from governmental funds are recognized as an expenditure on the governmental fund financial statements when due.

Unavailable/Unearned Revenue - Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received but not yet earned.

Net Position - Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The components of net position are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net position is unrestricted when other net position does not meet the definition of net investment in capital assets or is restricted and is available for general use. Restricted resources should be used first, followed by unrestricted amounts.

Interfund Transactions - Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Non-spendable, Restricted, Committed, Assigned, and Unassigned - The fund balance is categorized as non-spendable, restricted, committed, assigned, or unassigned based on the relative strength of the spending constraints. The Township Board has the authority to place funds under the committed and assigned categories. Restricted resources should be used first, followed by committed funds, assigned amounts, and then unassigned amounts. The Township Board will maintain a minimum unassigned fund balance in the General Fund that is at least 50% of annual budgeted expenditures.

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 2

Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

C. Assets, Liabilities, and Net Position or Equity (Concluded)

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

D. Estimates - The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

E. Extraordinary and Special Items - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Township and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2021.

F. Budgetary Policies - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The General Fund and all Special Revenue Funds are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Township Board at the function level. Any budgetary modifications may only be made by the Township's Board.

The Township follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements.

1. Prior to June 30, the fiscal officer submits to Township Board a proposed operating budget for the fiscal year commencing on July 1.
 2. A public hearing is conducted during June to obtain taxpayer comments.
 3. Prior to June 30, the budget is legally enacted through passage of a resolution.
 4. During the year the budget is monitored, and amendments to the budget deemed necessary are approved by the Township Board.
 5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
 6. Lapsing of Appropriations - At the close of each year all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations.
- G. Restricted Assets - Restricted assets on the statement of net position indicate restrictions imposed by the funding source or some other outside source which precludes their use for unrestricted purposes. The following are the various net position restrictions as of June 30, 2021: county road, fire department, liquor law enforcement, public works, and capital outlay.

WHITEFORD TOWNSHIP

Notes to Financial Statements
Year Ended June 30, 2021

Note 3 Stewardship, Accountability and Compliance

The Township shall not incur expenditures in excess of the amount appropriated. Annual budgets are adopted on a basis that is consistent with generally accepted accounting principles and State Law for the General and Special Revenue Funds.

In the required supplemental information, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, which is the adopted legal level of control.

Note 4 Deposits

Statutes authorize the Township to invest in obligations of the U.S. Treasury, agencies and instrumentalities; commercial paper within the three highest rate classifications by at least two rating services; bankers' acceptances of U.S. banks, U.S. or agency repurchase agreements; savings accounts and certificates of deposit with banks and savings and loan associations, or credit unions which are insured with the applicable federal agency. Public funds of the Township may not be deposited in financial institutions located in states other than Michigan.

Public Act 367 of 1982 (known as the Surplus Funds Investment Pool Act) enables municipalities to invest surplus operating funds in investment pools managed by qualified financial institutions. At June 30, 2021, Whiteford Township had invested in such a fund with a local bank. The Township is able to retrieve these funds without restriction and, accordingly, this amount is considered to be available cash. The local bank invests these funds in a variety of instruments including bonds and direct obligations of the United States, certificates of deposit, commercial paper rated within the three highest classifications by not less than two standard rating services, United States government or federal agency obligation repurchase agreements and bankers acceptances of the United States banks.

The Township believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, and since State of Michigan legislation does not require that all deposits be collateralized, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk at each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The Board has adopted an investment policy authorizing certain types of investments and authorized these depositories: First Merchants Bank, Fifth Third Bank, Metamora State Bank, and Blissfield State Bank.

Interest rate risk. The Township's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. The Township will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the Township's investment policy.

Concentration of credit risk. The Township does not place any limits on the amount the Township may deposit or invest in any one issuer.

Foreign currency risk. The Township is not authorized to invest in investments which have this type of risk.

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 4

Deposits (Concluded)

Custodial credit risk. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover the collateral securities in the possession of an of an outside party. The Township has \$2,598,505 invested in certificates of deposit, checking accounts, and money markets. The Township's deposits are insured by the FDIC in the amount of \$770,443. The Township has uninsured of \$1,828,062. The Township Board approves and designates a list of authorized depository institutions. The Township's investment policy does not address deposit risk.

Cash is restricted in the proprietary fund financial statements for the following:

	<u>Water Fund</u>	<u>Sewer I Fund</u>	<u>Sewer II Fund</u>	<u>Total</u>
Repair and replacement	\$88,091	\$38,775	\$53,725	\$180,591
Total restricted cash	<u>\$88,091</u>	<u>\$38,775</u>	<u>\$53,725</u>	<u>\$180,591</u>

Note 5

Capital Assets

A summary of changes in capital assets follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
Governmental Activities:				
Assets not being depreciated:				
Land	\$685,531	\$82,161	\$0	\$767,692
Construction in process	41,425	41,609	(22,998)	60,036
	<u>726,956</u>	<u>123,770</u>	<u>(22,998)</u>	<u>827,728</u>
Capital assets being depreciated:				
Buildings and building improvements	1,603,303	0	0	1,603,303
Park improvements	149,190	121,652	0	270,842
Land improvements	16,439	0	0	16,439
Equipment	706,168	63,238	0	769,406
Furniture and fixtures	25,425	0	0	25,425
Vehicles	2,444,033	0	(174,830)	2,269,203
	<u>4,944,558</u>	<u>184,890</u>	<u>(174,830)</u>	<u>4,954,618</u>
Total capital assets	<u>5,671,514</u>	<u>308,660</u>	<u>(197,828)</u>	<u>5,782,346</u>
Less accumulated depreciation for:				
Buildings and building improvements	(914,196)	(59,336)	0	(973,532)
Park improvements	(39,997)	(14,722)	0	(54,719)
Land improvements	(2,209)	(822)	0	(3,031)
Equipment	(528,792)	(35,213)	0	(564,005)
Furniture and fixtures	(25,425)	0	0	(25,425)
Vehicles	(1,592,607)	(167,741)	174,830	(1,585,518)
	<u>(3,103,226)</u>	<u>(277,834)</u>	<u>174,830</u>	<u>(3,206,230)</u>
Total accumulated depreciation	<u>(3,103,226)</u>	<u>(277,834)</u>	<u>174,830</u>	<u>(3,206,230)</u>
Net capital assets	<u>\$2,568,288</u>	<u>\$30,826</u>	<u>(\$22,998)</u>	<u>\$2,576,116</u>

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 5

Capital Assets (Concluded)

Depreciation expense was charged to governmental functions as follows:

General government	\$1,142
Public safety	250,962
Public works	822
Recreation and cultural	<u>24,908</u>
 Total Governmental activities	 <u><u>\$277,834</u></u>

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Business-type Activities:				
Assets not being depreciated:				
Construction in progress - water	\$23,380	\$0	(\$23,380)	\$0
Capital assets being depreciated:				
Sewer lines	2,757,156	0	0	2,757,156
Sewer land improvements	3,000	0	0	3,000
Sewer equipment	30,094	0	0	30,094
Water lines	6,574,557	0	0	6,574,557
Water land improvements	124,656	4,000	0	128,656
Water buildings and improvements	1,338,853	44,267	0	1,383,120
Water equipment	1,511,723	64,629	0	1,576,352
Total capital assets	<u>12,363,419</u>	<u>112,896</u>	<u>(23,380)</u>	<u>12,452,935</u>
Less accumulated depreciation for:				
Water lines	(179,494)	(179,747)	0	(359,241)
Sewer lines	(275,517)	(55,143)	0	(330,660)
Land improvements	(8,935)	(8,213)	0	(17,148)
Equipment	(101,113)	(93,877)	0	(194,990)
Building	(65,325)	(66,826)	0	(132,151)
Total accumulated depreciation	<u>(630,384)</u>	<u>(403,806)</u>	<u>0</u>	<u>(1,034,190)</u>
Net capital assets	<u>\$11,733,035</u>	<u>(\$290,910)</u>	<u>(\$23,380)</u>	<u>\$11,418,745</u>

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 6 Interfund Payables and Receivables
Such balances at June 30, 2021 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Water Fund	\$135,903	\$0
Sewer I Fund	48,216	0
Sewer II Fund	24,092	0
Water Fund:		
General Fund	0	135,903
Sewer I Fund:		
General Fund	0	48,216
Sewer II Fund:		
General Fund	<u>0</u>	<u>24,092</u>
	<u>\$208,211</u>	<u>\$208,211</u>

Interfund balances reflect temporary loans and reimbursements due in the normal course of interfund activity.

Note 7 Interfund Transfers
Interfund transfers for the year ended June 30, 2021 consisted of the following:

	<u>Transfer Out General Fund</u>
<u>Transfer In</u>	
Capital Projects Fund	<u>\$85,000</u>

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 8

Long-Term Debt

The following is a summary of long-term debt outstanding as of June 30, 2021:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity Dates</u>	<u>Original Amount of Issue</u>	<u>Balance Outstanding</u>
Governmental activities:					
Contract Liability for:					
Act 143 Notes, Series 2012 Michigan Transportation Fund Bonds.	3.050%	5/31/12	8/1/22	\$700,000	\$150,000
Business-type activities:					
Contract Liability for:					
2017 Special Assessment Bond, Series A-1, Limited Tax General Obligation Water System Bonds.	2.000%	6/22/17	6/1/57	1,091,000	1,017,000
2017 Special Assessment Bond, Series A-2, Limited Tax General Obligation Water System Bonds.	2.000%	6/22/17	6/1/57	528,000	447,000
2017 Special Assessment Bond, Series B, Limited Tax General Obligation Water System Bonds.	3.375%	6/22/17	6/1/57	3,013,000	2,711,000
Contract Liability for:					
2013 Special Assessment Bond, Series A, Limited Tax General Obligation Sewer System Bonds.	2.000%	8/20/13	8/1/54	618,000	547,000
2013 Special Assessment Bond, Series B, Limited Tax General Obligation Sewer System Bonds.	2.125%	8/20/13	8/1/54	<u>62,000</u>	<u>15,000</u>
				<u>5,312,000</u>	<u>4,737,000</u>
				<u>\$6,012,000</u>	<u>\$4,887,000</u>

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 8

Long-Term Debt (Continued)

The following is a summary of changes in long-term debt as of June 30, 2021:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
Governmental activities:					
Act 143 Notes, Series 2012					
Michigan Transportation Fund					
Bonds: \$700,000 issue dated					
May 31, 2012, maturing in annual					
amounts from \$50,000 to \$75,000					
and bearing an interest rate of					
3.050%.	<u>\$225,000</u>	<u>\$0</u>	<u>\$75,000</u>	<u>\$150,000</u>	<u>\$75,000</u>
Total governmental activities	<u>\$225,000</u>	<u>\$0</u>	<u>\$75,000</u>	<u>\$150,000</u>	<u>\$75,000</u>

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 8 **Long-Term Debt (Continued)**

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
Business-type activities:					
2013 Special Assessment Bonds, Series A (limited tax): \$618,000 issue dated August 20, 2013, maturing in annual amounts from \$2,000 to \$21,000 and bearing an interest rate of 2.000%.	559,000	\$0	\$12,000	\$547,000	\$13,000
2013 Special Assessment Bonds, Series B (limited tax): \$62,000 issue dated August 20, 2013, maturing in annual amounts from \$1,000 to \$3,000 and bearing an interest rate of 2.125%.	16,000	0	1,000	15,000	1,000
2017 Special Assessment Bonds, Series A-1 (limited tax): \$1,091,000 issue dated June 22, 2017, maturing in annual amounts from \$18,000 to \$41,000 and bearing an interest rate of 2.000%.	1,036,000	0	19,000	1,017,000	20,000
2017 Special Assessment Bonds, Series A-2 (limited tax): \$528,000 issue dated June 22, 2017, maturing in annual amounts from \$9,000 to \$19,000 and bearing an interest rate of 2.000%.	501,000	0	54,000	447,000	8,000
2017 Special Assessment Bonds, Series B (limited tax): \$3,013,000 issue dated June 22, 2017, maturing in annual amounts from \$37,000 to \$136,000 and bearing an interest rate of 3.375%.	2,899,000	0	188,000	2,711,000	38,000
Total business-type activities	<u>5,011,000</u>	<u>0</u>	<u>274,000</u>	<u>4,737,000</u>	<u>80,000</u>
Total long-term debt	<u>\$5,236,000</u>	<u>\$0</u>	<u>\$349,000</u>	<u>\$4,887,000</u>	<u>\$155,000</u>

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 8 **Long-Term Debt (Continued)**
Act 143 Notes, Series 2012 Michigan Transportation Fund Bonds

Year	Principal	Interest		Total Principal and Interest Due Annually
	August 1	August 1	February 1	
2022	\$75,000	\$2,288	\$1,144	\$78,432
2023	75,000	1,144	0	76,144
	<u>\$150,000</u>	<u>\$3,432</u>	<u>\$1,144</u>	<u>\$154,576</u>

2013 Special Assessment Bonds, Series A (Limited Tax)

Year	Principal	Interest		Total Principal and Interest Due Annually
	August 1	August 1	February 1	
2022	\$13,000	\$5,470	\$5,340	\$23,810
2023	13,000	5,340	5,210	23,550
2024	13,000	5,210	5,080	23,290
2025	13,000	5,080	4,950	23,030
2026	14,000	4,950	4,810	23,760
2027	14,000	4,810	4,670	23,480
2028	14,000	4,670	4,530	23,200
2029	15,000	4,530	4,380	23,910
2030	15,000	4,380	4,230	23,610
2031	15,000	4,230	4,080	23,310
2032	15,000	4,080	3,930	23,010
2033	15,000	3,930	3,780	22,710
2034	15,000	3,780	3,630	22,410
2035	15,000	3,630	3,480	22,110
2036	16,000	3,480	3,320	22,800
2037	16,000	3,320	3,160	22,480
2038	16,000	3,160	3,000	22,160
2039	17,000	3,000	2,830	22,830
2040	17,000	2,830	2,660	22,490
2041	17,000	2,660	2,490	22,150
2042	17,000	2,490	2,320	21,810
2043	18,000	2,320	2,140	22,460
2044	18,000	2,140	1,960	22,100
2045	18,000	1,960	1,780	21,740
2046	19,000	1,750	1,590	22,340
2047	19,000	1,590	1,400	21,990
2048	19,000	1,400	1,210	21,610
2049	19,000	1,210	1,020	21,230
2050	20,000	1,020	820	21,840
2051	20,000	820	620	21,440
2052	20,000	620	420	21,040
2053	21,000	420	210	21,630
2054	21,000	210	0	21,210
	<u>\$547,000</u>	<u>\$100,490</u>	<u>\$95,050</u>	<u>\$742,540</u>

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 8 Long-Term Debt (Continued)
2013 Special Assessment Bonds, Series B (Limited Tax)

<u>Year</u>	<u>Principal August 1</u>	<u>Interest</u>		<u>Total Principal and Interest Due Annually</u>
		<u>August 1</u>	<u>February 1</u>	
2022	\$1,000	\$159	\$159	\$1,318
2023	1,000	149	149	1,298
2024	1,000	138	138	1,276
2025	1,000	128	128	1,256
2026	1,000	117	117	1,234
2027	1,000	106	106	1,212
2028	1,000	96	96	1,192
2029	1,000	85	85	1,170
2030	1,000	74	74	1,148
2031	1,000	64	64	1,128
2032	1,000	53	53	1,106
2033	1,000	43	43	1,086
2034	1,000	32	32	1,064
2035	1,000	21	21	1,042
2036	1,000	11	11	1,022
	<u>\$15,000</u>	<u>\$1,276</u>	<u>\$1,276</u>	<u>\$17,552</u>

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 8 **Long-Term Debt (Continued)**
2017 Special Assessment Bonds, Series A-1 (Limited Tax)

Year	Principal		Interest		Total Principal and Interest Due Annually
	June 1	December 1	June 1	June 1	
2022	\$20,000	\$10,170	\$10,170		\$40,340
2023	20,000	9,970	9,970		39,940
2024	20,000	9,770	9,770		39,540
2025	21,000	9,570	9,570		40,140
2026	21,000	9,360	9,360		39,720
2027	22,000	9,150	9,150		40,300
2028	22,000	8,930	8,930		39,860
2029	22,000	8,710	8,710		39,420
2030	23,000	8,490	8,490		39,980
2031	23,000	8,260	8,260		39,520
2032	24,000	8,030	8,030		40,060
2033	24,000	7,790	7,790		39,580
2034	25,000	7,550	7,550		40,100
2035	25,000	7,300	7,300		39,600
2036	26,000	7,050	7,050		40,100
2037	26,000	6,790	6,790		39,580
2038	27,000	6,530	6,530		40,060
2039	27,000	6,260	6,260		39,520
2040	28,000	5,990	5,990		39,980
2041	28,000	5,710	5,710		39,420
2042	29,000	5,430	5,430		39,860
2043	30,000	5,140	5,140		40,280
2044	30,000	4,840	4,840		39,680
2045	31,000	4,540	4,540		40,080
2046	31,000	4,230	4,230		39,460
2047	32,000	3,920	3,920		39,840
2048	33,000	3,600	3,600		40,200
2049	33,000	3,270	3,270		39,540
2050	34,000	2,940	2,940		39,880
2051	35,000	2,600	2,600		40,200
2052	35,000	2,250	2,250		39,500
2053	36,000	1,900	1,900		39,800
2054	37,000	1,540	1,540		40,080
2055	38,000	1,170	1,170		40,340
2056	38,000	790	790		39,580
2057	41,000	410	410		41,820
	<u>\$1,017,000</u>	<u>\$209,950</u>	<u>\$209,950</u>		<u>\$1,436,900</u>

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 8 **Long-Term Debt (Continued)**
2017 Special Assessment Bonds, Series A-2 (Limited Tax)

Year	Principal	Interest		Total Principal and Interest Due Annually
	June 1	December 1	June 1	
2022	\$8,000	\$4,470	\$4,470	\$16,940
2023	9,000	4,390	4,390	17,780
2024	9,000	4,300	4,300	17,600
2025	9,000	4,210	4,210	17,420
2026	9,000	4,120	4,120	17,240
2027	9,000	4,030	4,030	17,060
2028	10,000	3,940	3,940	17,880
2029	10,000	3,840	3,840	17,680
2030	10,000	3,740	3,740	17,480
2031	10,000	3,640	3,640	17,280
2032	11,000	3,540	3,540	18,080
2033	11,000	3,430	3,430	17,860
2034	11,000	3,320	3,320	17,640
2035	11,000	3,210	3,210	17,420
2036	11,000	3,100	3,100	17,200
2037	12,000	2,990	2,990	17,980
2038	12,000	2,870	2,870	17,740
2039	12,000	2,750	2,750	17,500
2040	13,000	2,630	2,630	18,260
2041	13,000	2,500	2,500	18,000
2042	13,000	2,370	2,370	17,740
2043	13,000	2,240	2,240	17,480
2044	14,000	2,110	2,110	18,220
2045	14,000	1,970	1,970	17,940
2046	14,000	1,830	1,830	17,660
2047	15,000	1,690	1,690	18,380
2048	15,000	1,540	1,540	18,080
2049	14,000	1,390	1,390	16,780
2050	14,000	1,250	1,250	16,500
2051	15,000	1,110	1,110	17,220
2052	15,000	960	960	16,920
2053	15,000	810	810	16,620
2054	16,000	660	660	17,320
2055	16,000	500	500	17,000
2056	17,000	340	340	17,680
2057	17,000	170	170	17,340
	<u>\$447,000</u>	<u>\$91,960</u>	<u>\$91,960</u>	<u>\$630,920</u>

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 8 **Long-Term Debt (Continued)**
2017 Special Assessment Bonds, Series B (Limited Tax)

Year	Principal June 1	Interest		Total Principal and Interest Due Annually
		December 1	June 1	
2022	\$38,000	\$45,748	\$45,748	\$129,496
2023	39,000	45,107	45,107	129,214
2024	41,000	44,449	44,449	129,898
2025	42,000	43,757	43,757	129,514
2026	44,000	43,048	43,048	130,096
2027	45,000	42,306	42,306	129,612
2028	47,000	41,546	41,546	130,092
2029	49,000	40,753	40,753	130,506
2030	51,000	39,926	39,926	130,852
2031	52,000	39,066	39,066	130,132
2032	54,000	38,188	38,188	130,376
2033	56,000	37,277	37,277	130,554
2034	58,000	36,332	36,332	130,664
2035	60,000	35,353	35,353	130,706
2036	63,000	34,341	34,341	131,682
2037	65,000	33,278	33,278	131,556
2038	67,000	32,181	32,181	131,362
2039	70,000	31,050	31,050	132,100
2040	72,000	29,869	29,869	131,738
2041	75,000	28,654	28,654	132,308
2042	77,000	27,388	27,388	131,776
2043	80,000	26,089	26,089	132,178
2044	83,000	24,739	24,739	132,478
2045	86,000	23,338	23,338	132,676
2046	89,000	21,887	21,887	132,774
2047	92,000	20,385	20,385	132,770
2048	95,000	18,833	18,833	132,666
2049	99,000	17,229	17,229	133,458
2050	102,000	15,559	15,559	133,118
2051	106,000	13,838	13,838	133,676
2052	109,000	12,049	12,049	133,098
2053	113,000	10,209	10,209	133,418
2054	117,000	8,303	8,303	133,606
2055	121,000	6,328	6,328	133,656
2056	125,000	4,286	4,286	133,572
2057	129,000	2,177	2,177	133,354
	<u>\$2,711,000</u>	<u>\$1,014,866</u>	<u>\$1,014,866</u>	<u>\$4,740,732</u>

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 8 Long-Term Debt (Concluded)

The annual requirements to pay principal and interest on the long-term debt outstanding at June 30, 2021 are as follows:

<u>Fiscal Years</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$75,000	\$3,432	\$78,432
2023	75,000	1,144	76,144
	<u>\$150,000</u>	<u>\$4,576</u>	<u>\$154,576</u>

<u>Fiscal Years</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$80,000	\$131,904	\$211,904
2023	82,000	129,782	211,782
2024	84,000	127,604	211,604
2025	86,000	125,360	211,360
2026	89,000	123,050	212,050
2027-2031	483,000	578,014	1,061,014
2032-2036	551,000	508,982	1,059,982
2037-2041	630,000	429,214	1,059,214
2042-2046	724,000	336,732	1,060,732
2047-2051	831,000	229,418	1,060,418
2052-2056	910,000	106,070	1,016,070
2057	187,000	5,514	192,514
	<u>\$4,737,000</u>	<u>\$2,831,644</u>	<u>\$7,568,644</u>

Note 9 Charges for Services

Charges for users of the Water and Sewer Enterprise Funds consist of the following:

Water Fund – For the Water Fund, all customers will be assessed a fixed monthly fee as part of the general operating costs of the system. This fee is established to maintain a state of readiness to meet peak demands on the system. The residential 1” meter size has a fixed monthly fee of \$29.50, which includes the first 4,500 gallons of water used, plus the \$2.50 billing fee, plus the \$11.46 repair, replacement, and improvement fee for a total of \$45.46. Commercial customers will be assessed a fixed monthly fee ranging from \$50.86 to \$118.00 (depending on meter size), which includes the first 4,500 gallons of water used, plus the \$2.50 billing fee, plus the \$11.46 to \$45.09 repair, replacement, and improvement fee for a total ranging from \$64.82 to \$165.59. Residential customers using more than 4,500 gallons per month shall pay a fixed rate of \$7.00 per thousand gallons, and commercial customers using more than 4,500 gallons per month shall pay a fixed rate of \$9.00 per thousand gallons.

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 9 Charges for Services (Concluded)

Sewer I and Sewer II Enterprise Funds:

Sewer Service Charges - For Sewer I, customers using less than 4,500 gallons per month shall be charged a minimum monthly fee of \$180. All customers using more than 4,500 gallons per month shall pay \$180 plus a fixed rate of \$7.00 per thousand gallons. All customers shall be subject to a billing charge for bill processing and customer services of \$6.00 per month. All customers shall pay a monthly fee of \$48.75 for repair, replacement, and improvement of the sewage system. For Sewer II, customers are billed \$51.86 for each REU on a monthly basis.

Note 10 Property Taxes

The Township bills and collects its own property taxes and also taxes for the State of Michigan, County of Monroe, Bedford Public Schools, Blissfield Community Schools, Whiteford Agricultural Schools, Monroe County Community College, Monroe County Intermediate School District, and Lenawee County Intermediate School District. Collections are accounted for in the Tax Collection Custodial Fund. For the year ended June 30, 2021, the Township levied, on December 1, 2020, the following mills due and payable on February 14, 2021:

General Operating	0.9213
County Road	0.9733
Fire Department	<u>0.9733</u>
	<u>2.8679</u>

Taxable values, which amounted to \$239,579,153 represent a percent of the fair market value of the assessed properties on December 31, 2020. The Township also collected taxes on properties covered under industrial facilities exemptions which had a total taxable value of \$707,690.

For the year ended June 30, 2021, the Township also billed and retained \$76,249 as administrative fees for the above tax collection.

Note 11 Tax Abatements

The Township entered into property tax abatement agreements with local businesses under the Industrial Facilities Tax Exemption, P.A. 198 of 1974, M.C.L. 207.551 et seq and the New Personal Property Exemption, P.A. 328 of 1998, M.C.L. 211.9f, as amended. Under these exemptions, localities may grant property tax abatements of a business's property tax bill for the purpose of attracting or retaining businesses within their jurisdiction, and to any business located within or promising to relocate to the Township.

For the year ended December 31, 2020, the Township abated property taxes totaling approximately \$1,015 under these programs.

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2021*

Note 12 Operating Lease

The Township entered into a lease with a third-party on October 1, 2019 through December 31, 2022, for office space with payments of \$1,747 per month. The Township's future minimum lease payments for the office space is as follows:

<u>Fiscal year</u>	<u>Amount</u>
2022	\$20,970
2023	10,485
	<u>\$31,455</u>

The Township entered into an operating lease with MT Business Technologies, Inc. for the use of a copier. The lease term is sixty-three (63) months, ending July 31, 2023. The following are the annual lease payment obligations:

<u>Fiscal year</u>	<u>Amount</u>
2022	\$996
2023	83
	<u>\$1,079</u>

Note 13 Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions and employee injuries (workman's compensation). The Township has purchased commercial insurance for property loss, torts, errors, omissions and employee injuries.

Note 14 Building Department

The Township tracks building permit fees and their related costs in the General Fund. Fees for the fiscal year ending June 30, 2021, of \$79,978, did not exceed the related costs and administrative overhead.

Note 15 New Accounting Standard

During the year ended June 30, 2021, the Township implemented the following pronouncement: GASB Statement No. 84, *Fiduciary Activities*. As a result, a statement of fiduciary net position and a statement of changes in fiduciary net position have been presented. The statement of fiduciary net position reports all assets, liabilities, and net position of fiduciary funds, as in the past. However, liabilities are now only recognized when an event occurs that compels the government to disburse fiduciary resources. The statement of changes in fiduciary net position reports the additions and deductions from fiduciary net position, which is a new requirement for custodial funds, which replace agency funds.

WHITEFORD TOWNSHIP

*Notes to Financial Statements
Year Ended June 30, 2019*

Note 16 Subsequent Events

The Township's management evaluated subsequent events from June 30, 2021 through November 15, 2021, the date the financial statements were available to be issued. In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. While the ultimate impact and duration of this outbreak is uncertain, the Township anticipates a negative impact on net assets, operations, and cash flows. Possible effects include, but are not limited to, decreases in property taxes, state shared revenue, state grants, charges for services, and other revenue. However, the financial impact of such decreases cannot be reasonably estimated at this time.

It has recently come to the attention of the Township that some residents were overcharged for the repair, replacement, and improvement fees in the Water Fund. Residents who have not yet tapped into the water lines should not have been charged this fee. The Township is in the process of calculating and refunding the excess fees, which are estimated to be approximately \$50,000.

REQUIRED SUPPLEMENTAL INFORMATION

WHITEFORD TOWNSHIP

*General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$215,000	\$215,000	\$229,111	\$14,111
Administrative fees	73,000	73,000	76,249	3,249
Penalties and interest on tax	3,500	3,500	2,273	(1,227)
	<u>291,500</u>	<u>291,500</u>	<u>307,633</u>	<u>16,133</u>
Licenses and permits:				
Business	4,500	4,500	80	(4,420)
Non-business	79,100	79,100	79,978	878
	<u>83,600</u>	<u>83,600</u>	<u>80,058</u>	<u>(3,542)</u>
State grants:				
State shared revenue	300,000	300,000	450,422	150,422
Local community stabilization share	11,000	11,000	7,281	(3,719)
Right of way	10,000	10,000	10,143	143
	<u>321,000</u>	<u>321,000</u>	<u>467,846</u>	<u>146,846</u>
Charges for services:				
Franchise fees	25,000	25,000	22,877	(2,123)
Rentals	3,500	3,500	4,645	1,145
Cemetery	48,100	48,100	80,528	32,428
Haul route fees	85,000	85,000	130,935	45,935
	<u>161,600</u>	<u>161,600</u>	<u>238,985</u>	<u>77,385</u>
Interest	1,200	1,200	991	(209)
Other revenue:				
Donations and grants	12,000	79,000	77,565	(1,435)
Other revenue	12,850	12,850	17,695	4,845
	<u>24,850</u>	<u>91,850</u>	<u>95,260</u>	<u>3,410</u>
Total Revenues	883,750	950,750	1,190,773	240,023
Expenditures				
Legislative:				
Township board	20,720	22,916	21,186	1,730
General government:				
Supervisor	63,455	70,280	70,116	164
Elections	10,850	24,652	24,250	402
Board of review	1,405	1,580	1,453	127
Assessor	41,502	41,902	41,775	127
Clerk	61,990	64,175	61,441	2,734
Treasurer	68,250	69,425	69,320	105
Township hall and grounds	135,450	167,715	162,733	4,982
	<u>382,902</u>	<u>439,729</u>	<u>431,088</u>	<u>8,641</u>

WHITEFORD TOWNSHIP

*General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Expenditures (Concluded)				
Public safety:				
Police department	\$84,630	\$64,792	\$62,132	\$2,660
Fire department	105,213	129,978	107,574	22,404
Building inspection	61,070	54,220	52,541	1,679
	<u>250,913</u>	<u>248,990</u>	<u>222,247</u>	<u>26,743</u>
Public works:				
Street lights	9,200	12,400	11,389	1,011
Roads and drains	125,000	110,650	98,176	12,474
Cemetery	84,600	118,225	107,195	11,030
Water and Sewer	23,000	57,650	57,559	91
Engineer	0	7,500	6,990	510
	<u>241,800</u>	<u>306,425</u>	<u>281,309</u>	<u>25,116</u>
Community and economic development:				
Zoning enforcement	2,155	2,985	2,966	19
Recreation and cultural:				
Park	102,600	175,820	168,875	6,945
Other:				
Insurance	73,500	69,685	58,571	11,114
Other	750	1,550	957	593
	<u>74,250</u>	<u>71,235</u>	<u>59,528</u>	<u>11,707</u>
Total Expenditures	<u>1,075,340</u>	<u>1,268,100</u>	<u>1,187,199</u>	<u>80,901</u>
Other Financing Sources (Uses)				
Operating transfer out	<u>0</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>0</u>
Net Change in Fund Balance	<u>(191,590)</u>	<u>(402,350)</u>	<u>(81,426)</u>	<u>320,924</u>
Fund Balance - Beginning of year	<u>1,029,590</u>	<u>1,029,590</u>	<u>1,029,590</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$838,000</u></u>	<u><u>\$627,240</u></u>	<u><u>\$948,164</u></u>	<u><u>\$320,924</u></u>

WHITEFORD TOWNSHIP

*County Road Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property taxes	\$226,000	\$226,000	\$235,030	\$9,030
State grants:				
Local community stabilization share	10,000	10,000	8,444	(1,556)
Interest	175	175	15	(160)
Total Revenue	236,175	236,175	243,489	7,314
Expenditures				
Public works:				
Roads and drains	129,500	129,500	59,158	70,342
Other	400	400	25	375
	129,900	129,900	59,183	70,717
Debt Service:				
Bond principal	75,000	75,000	75,000	0
Bond interest	5,719	5,719	4,753	966
	80,719	80,719	79,753	966
Total Expenditures	210,619	210,619	138,936	71,683
Net Change in Fund Balance	25,556	25,556	104,553	78,997
Fund Balance - Beginning of year	19,119	19,119	19,119	0
Fund Balance - End of year	\$44,675	\$44,675	\$123,672	\$78,997

WHITEFORD TOWNSHIP

*Fire Department Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes:				
Property taxes	\$226,000	\$226,000	\$235,031	\$9,031
Federal grant:				
FEMA grant	0	0	60,266	60,266
State grants:				
Volunteer fire assistance grant	2,500	2,500	4,999	2,499
Local community stabilization share	4,500	4,500	3,061	(1,439)
	<u>7,000</u>	<u>7,000</u>	<u>8,060</u>	<u>1,060</u>
Other revenue:				
Interest	1,000	1,000	1,420	420
Reimbursement	0	0	27,800	27,800
	<u>1,000</u>	<u>1,000</u>	<u>29,220</u>	<u>28,220</u>
Total Revenue	234,000	234,000	332,577	38,311
Expenditures				
Public safety:				
Capital outlay	43,850	118,720	100,990	17,730
Other	550	680	355	325
Total Expenditures	<u>44,400</u>	<u>119,400</u>	<u>101,345</u>	<u>18,055</u>
Net Change in Fund Balance	189,600	114,600	231,232	56,366
Fund Balance - Beginning of year	<u>649,636</u>	<u>649,636</u>	<u>649,636</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$839,236</u></u>	<u><u>\$764,236</u></u>	<u><u>\$880,868</u></u>	<u><u>\$56,366</u></u>

OTHER SUPPLEMENTAL INFORMATION

WHITEFORD TOWNSHIP

*Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$1,000	\$1,004	\$546	(\$458)
Expenditures				
Capital outlay	0	85,000	82,161	2,839
Excess (Deficiency) of Revenues over Expenditures	1,000	(83,996)	(81,615)	2,381
Other Financing Sources (Uses)				
Operating transfer in	0	85,000	85,000	0
Net Change in Fund Balance	1,000	(83,996)	3,385	2,381
Fund Balance - Beginning of year	122,844	122,844	122,844	0
Fund Balance - End of year	\$123,844	\$38,848	\$126,229	\$2,381

WHITEFORD TOWNSHIP

*Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2021*

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Streetlight	Liquor Law Enforcement	Private Roads	
Assets				
Cash	\$1,780	\$10,551	\$7,981	\$20,312
Total Assets	<u>\$1,780</u>	<u>\$10,551</u>	<u>\$7,981</u>	<u>\$20,312</u>
Liabilities and Fund Balances				
Liabilities	\$0	\$538	\$40	\$578
Fund Balances				
Restricted for:				
Liquor law enforcement	0	10,013	0	10,013
Public works	1,780	0	7,941	9,721
Total Fund Balances	<u>1,780</u>	<u>10,013</u>	<u>7,941</u>	<u>19,734</u>
Total Liabilities and Fund Balances	<u>\$1,780</u>	<u>\$10,551</u>	<u>\$7,981</u>	<u>\$20,312</u>

WHITEFORD TOWNSHIP

*Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2021*

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Streetlight	Liquor Law Enforcement	Private Roads	
Revenues				
Special assessments	\$0	\$0	\$9,345	\$9,345
State grants	0	3,981	0	3,981
Total Revenues	0	3,981	9,345	13,326
Expenditures				
Public safety	0	6,460	0	6,460
Public works	0	0	7,427	7,427
Total Expenditures	0	6,460	7,427	13,887
Net Change in Fund Balances	0	(2,479)	1,918	(561)
Fund Balances - Beginning of year	1,780	12,492	6,023	20,295
Fund Balances - End of year	\$1,780	\$10,013	\$7,941	\$19,734

WHITEFORD TOWNSHIP

Streetlight Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special assessments	\$2,080	\$0	\$0	\$0
Expenditures				
Public works:				
Streetlight utility bills	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	80	0	0	0
Fund Balance - Beginning of year	<u>1,780</u>	<u>1,780</u>	<u>1,780</u>	<u>0</u>
Fund Balance - End of year	<u>\$1,860</u>	<u>\$1,780</u>	<u>\$1,780</u>	<u>\$0</u>

WHITEFORD TOWNSHIP

Liquor Law Enforcement Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
State grants	\$4,000	\$4,000	\$3,981	(\$19)
Expenditures				
Public safety:				
Liquor inspection	<u>6,665</u>	<u>6,665</u>	<u>6,460</u>	<u>205</u>
Net Change in Fund Balance	(2,665)	(2,665)	(2,479)	186
Fund Balance - Beginning of year	<u>12,492</u>	<u>12,492</u>	<u>12,492</u>	<u>0</u>
Fund Balance - End of year	<u>\$9,827</u>	<u>\$9,827</u>	<u>\$10,013</u>	<u>\$186</u>

WHITEFORD TOWNSHIP

*Private Roads Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2021*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special assessment	\$8,500	\$8,500	\$9,345	\$845
Expenditures				
Public works:				
Road maintenance	<u>8,300</u>	<u>8,300</u>	<u>7,427</u>	<u>873</u>
Net Change in Fund Balance	200	200	1,918	1,718
Fund Balance - Beginning of year	<u>6,023</u>	<u>6,023</u>	<u>6,023</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$6,223</u></u>	<u><u>\$6,223</u></u>	<u><u>\$7,941</u></u>	<u><u>\$1,718</u></u>

WHITEFORD TOWNSHIP

Water Fund

*Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
Years Ended June 30, 2021 and 2020*

	2021	2020
Operating Revenues		
Charges for services:		
Collection fees	\$229,269	\$208,102
Operating Expenses		
Sources of supply:		
Wages	73,385	85,558
Fringe benefits	6,289	9,420
Utilities	39,870	33,355
Operations and maintenance	9,659	45,969
Operating supplies	36,047	51,095
Depreciation	346,897	341,607
	<u>512,147</u>	<u>567,004</u>
Office and administration:		
Office supplies and maintenance	1,088	2,913
Contracted services	32,566	10,524
Professional fees	2,145	6,835
Miscellaneous	1,449	3,674
	<u>37,248</u>	<u>23,946</u>
 Total Operating Expenses	 <u>549,395</u>	 <u>590,950</u>
 Net Operating Income (Loss)	 (320,126)	 (382,848)
Non-Operating Revenues (Expenses)		
Special assessment	162,557	181,957
Interest revenue	162,720	170,213
Interest expense	(123,434)	(130,073)
Insurance reimbursement	0	16,762
Initial connection	12,540	0
	<u>214,383</u>	<u>238,859</u>
 Total Non-Operating Revenues (Expenses)	 214,383	 238,859
 Change in Net Position	 (105,743)	 (143,989)
 Net Position - Beginning of year	 <u>5,363,426</u>	 <u>5,507,415</u>
 Net Position - End of year	 <u>\$5,257,683</u>	 <u>\$5,363,426</u>

WHITEFORD TOWNSHIP

Sewer I Fund

*Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
Years Ended June 30, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Charges for services:		
Collection fees	\$38,309	\$33,088
Operating Expenses		
Sources of supply:		
Contracted services	509	400
Utilities	1,855	1,818
Operations and maintenance	34,591	19,681
Operating supplies	255	117
Depreciation	443	442
	<u>37,653</u>	<u>22,458</u>
Office and administration:		
Wages	4,800	4,800
Fringe benefits	367	367
Other	12	17
	<u>5,179</u>	<u>5,184</u>
 Total Operating Expenses	 <u>42,832</u>	 <u>27,642</u>
 Net Operating Income (Loss)	 (4,523)	 5,446
 Non-Operating Revenues (Expenses)		
Interest revenue	46	88
 Change in Net Position	 (4,477)	 5,534
 Net Position - Beginning of year	 <u>56,782</u>	 <u>51,248</u>
 Net Position - End of year	 <u><u>\$52,305</u></u>	 <u><u>\$56,782</u></u>

WHITEFORD TOWNSHIP

Sewer II Fund

*Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position
Years Ended June 30, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Charges for services:		
Collection fees	\$59,847	\$59,642
Operating Expenses		
Sources of supply:		
Contracted services	709	400
Utilities	6,348	6,177
Operating supplies	40,955	29,045
Depreciation	56,466	56,998
	<u>104,478</u>	<u>92,620</u>
Office and administration:		
Wages	4,800	4,800
Fringe benefits	367	367
Office supplies and maintenance	2,002	1,487
	<u>7,169</u>	<u>6,654</u>
 Total Operating Expenses	 <u>111,647</u>	 <u>99,274</u>
 Net Operating Income (Loss)	 (51,800)	 (99,274)
 Non-Operating Revenues (Expenses)		
Special assessment	20,401	20,710
Interest revenue	15,737	16,380
Interest expense	(11,281)	(11,542)
	<u>24,857</u>	<u>25,548</u>
 Total Non-Operating Revenues (Expenses)	 <u>24,857</u>	 <u>25,548</u>
 Change in Net Position	 (26,943)	 (73,726)
 Net Position - Beginning of year	 <u>2,025,632</u>	 <u>2,099,358</u>
 Net Position - End of year	 <u><u>\$1,998,689</u></u>	 <u><u>\$2,025,632</u></u>

COOLEY HEHL SABO & CALKINS

CERTIFIED PUBLIC ACCOUNTANTS

Township Board
Whiteford Township
Ottawa Lake, Michigan 49267

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Whiteford Township as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered Whiteford Township's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

This communication is intended solely for the information and use of the Township Board, management, others within the Township and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



November 15, 2021

COOLEY HEHL SABO & CALKINS

CERTIFIED PUBLIC ACCOUNTANTS

November 16, 2021

To the Township Board
Whiteford Township

We have audited the 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 Whiteford Township for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 30, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Whiteford Township are described in Note 2 to the financial statements. Whiteford Township implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* for the fiscal year ended June 30, 2021. We noted no transactions entered into by Whiteford Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the useful lives of depreciable capital assets based on the length of time those assets will provide economic benefit in the future. We evaluated the key factors and assumptions used to develop the useful lives of depreciable capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

To the Township Board
Whiteford Township

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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 15, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

We applied certain limited procedures to the major fund budget and actual statements, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the nonmajor fund budget and actual statements and the comparative statement of revenues, expenses, and changes in net position. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

To the Township Board
Whiteford Township

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Restriction on Use

This information is intended solely for the Township Board and management of Whiteford Township and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Cooley Hehl Sabo + Calkins