

**White Lake Township - Treasurer's Annual Report
For the Year ended December 31, 2021**

Date: May 17, 2022

To: White Lake Twp. Board of Trustees

From: Mike Roman – Treasurer

Subject: 2021 Annual Treasurer's Report

All investments within Township funds are made in accordance with Michigan Public Act 20 per the Township's investment policy. Safety of capital is our foremost objective, followed by liquidity and finally yield.

INVESTMENT INCOME

General, Police and Fire fund investments earned approximately \$88,315 in interest income in 2021 utilizing mainly FDIC insured certificates and the Oakland County Municipal Pool. All of our Financial Institutions received four-star(excellent) or five-star (superior) ratings through Bauer Financial Inc. which is an independent bank research firm. I have included these ratings in this package.

The average yield earned on General Fund, Police, Fire Dept. investments in 2021 was .39% compared to 1.13% in 2020 as interest rates hit all-time lows again in 2021. Market yield benchmarks are provided and are based on U.S. Treasury Bill yields. We exceeded all benchmarks which I have included in this package.

LEGACY COSTS

In regard to Legacy costs that affect White Lake Township, we continued funding our OPEB (Other post-employment benefits) liability by transferring \$790,000 to MERS (Municipal Employees Retirement System) in 2021. The OPEB transfers help to fund retiree healthcare obligations of the Township. Total transfers to MERS for OPEB amount to \$5,057,500 through the end of 2021. Our OPEB funds are currently invested in the MERS Total Market Portfolio. The value of these assets as of 12-31-21 amounts to \$7,138,431. The activity summary for 2021 is attached along with MERS Total Market Portfolio information that describes this Portfolio's objective, asset breakdown and performance.

TAXABLE VALUE WITHIN OUR TOWNSHIP

Our 2021 Taxable value of our Ad Valorem tax roll increased from approximately \$1.239 billion to \$1.287 billion dollars an increase of approximately \$48 million dollars over the 2020 taxable value. As our general operating millage declined slightly due to the Headlee rollback, the increase in taxable value generated approximately \$29,867 in additional 2021 General Fund tax revenue over 2020.

Respectfully yours,

Mike Roman
White Lake Township Treasurer

MERS Total Market Portfolio

Retiree Health Funding Vehicle (RHFV) and
Investment Services Program (ISP)



Objective

The MERS Total Market Portfolio is a diversified portfolio that provides current income and capital appreciation while minimizing the volatility of the capital markets.

Fund Expenses

Administrative Fee	0.18%
Investment Management Expenses	0.28%
Total Annual Operating Expense	0.46%

The total annual operating expense is deducted from the rate of return of the fund. This means that for every \$1,000 invested in the MERS Total Market Portfolio, an employer is charged \$4.60 in fees each year.

Asset Allocation

Global Equity	53.7%
U.S. Stocks	23.9%
European Stocks	11.3%
Japanese Stocks	8.0%
Emerging Market Stocks	10.6%
Global Fixed Income	23.2%
U.S. Treasury Bonds	13.0%
U.S. Investment Grade Bonds	0.0%
U.S. High Yield Bonds	0.1%
Emerging Market Bonds	6.8%
Short Duration Bonds	3.3%
Private Markets	23.1%

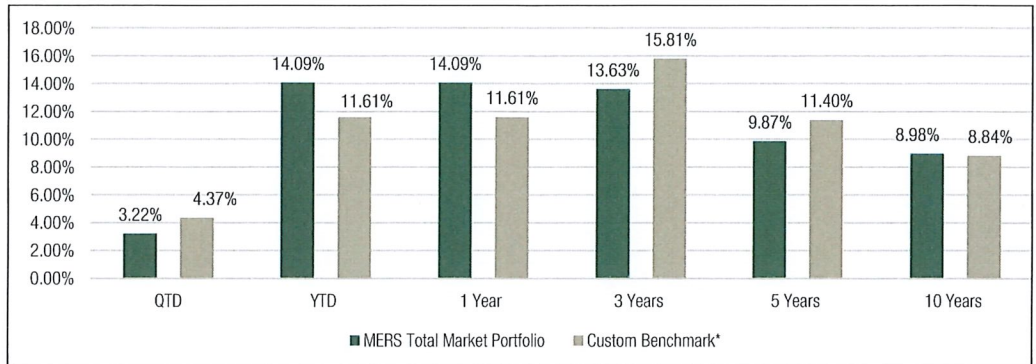
Risk Analysis



Standard Deviation (5-Year) Describes the volatility of the historical returns of the fund. A higher standard deviation indicates more risk due to higher fluctuation above and below the average.	7.80%
Sharpe Ratio (5-Year) Measures returns generated per unit of risk taken. The higher the Sharpe Ratio, the more you are being compensated for the amount of risk you are taking.	1.11

Performance – Annualized

Fund Inception: October 1975



Performance – By Calendar Year

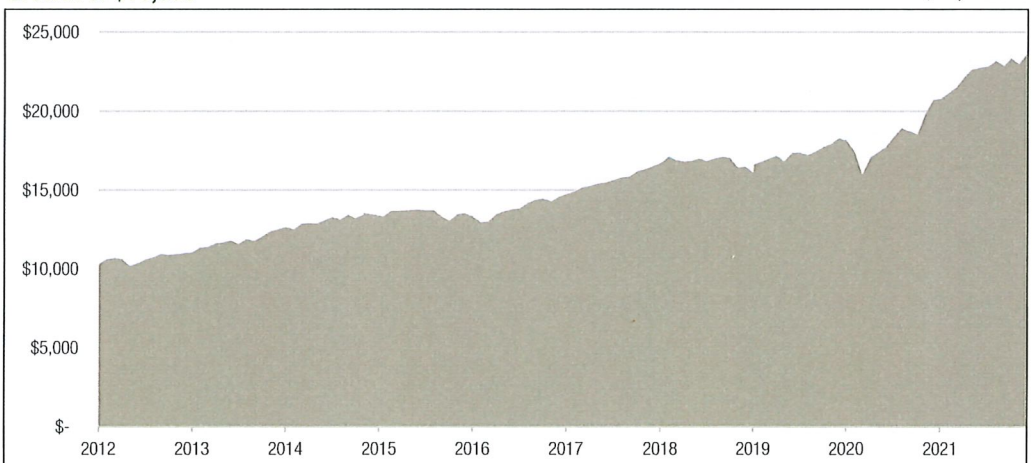
Year	MERS Total Market Portfolio	Custom Benchmark*
2020	13.29%	15.19%
2019	13.52%	20.83%
2018	-3.62%	-5.36%
2017	13.21%	16.72%
2016	10.67%	6.30%
2015	-0.97%	-2.33%
2014	6.35%	2.74%
2013	14.48%	14.36%

Top Ten Holdings

Invesco S&P 500 QVM Multi-Factor ETF	6.06%
SPDR Short Term Treasury ETF	5.28%
iShares JP Morgan USD EM Bond ETF	2.18%
iShares 20+ Year Treasury Bond ETF	1.67%
J.P. Morgan Betabuilders Japan ETF	1.62%
Invesco S&P 400 QVM Multi-Factor ETF	1.53%
SPDR BBG EM Local Bond ETF	1.28%
SPDR BBG EM USD Bond ETF	0.90%
Vanguard Short Term Treasury	0.78%
Apple Inc	0.61%

Growth of \$10,000

Balance After 10 Years: \$23,634.01



This graph shows the growth of \$10,000. If someone invested \$10,000 in the MERS Total Market Portfolio ten years ago with no additional contributions or withdrawals, they would have \$23,634.01 as of 12/31/2021.

Fund Restrictions

A 2.00% redemption fee is charged for shares sold within 90 days of purchase. The charge is applied on a first-in, first-out basis.

*Custom Benchmark: 45% Russell 3000, 20% MSCI ACWI ex USA IMI (Net), 25% BBG BARC Agg, 10% BBG BARC Global Agg ex US. Benchmark does not have expenses.

Disclaimers

Returns:

Return information prior to 10/1/2014 are presented after the Total Annual Operating Expense. After 10/1/2014, returns are presented net of Investment Manager expenses only. Past performance is no guarantee of future results. Current performance may be higher or lower. Funds are subject to investment risk from a number of sources, including the management style of the fund and market volatility. Markets are volatile and can rise or decline significantly in response to company, political, regulatory, market, or economic developments. A fund's total return, like securities prices generally, will fluctuate within a wide range. As a result, you could lose money over short or even long periods. Funds are also subject to investment-related risk, which is the chance that returns from companies invested in by the fund will trail returns from other asset classes or the overall market.

Fees:

The Total Annual Operating Expense consists of MERS' administrative fee and investment management expenses. MERS' administrative fee includes costs related to bookkeeping, setting trade activity, holding assets in custody at a bank, and running the day-to-day operations of the plan, which include legal, accounting, auditing, compliance, printing, and overhead costs. The investment management expenses are incurred in the direct management of the fund. These vary based on the level of assets. As assets increase, these are expected to decline.

General:

MERS, as a governmental plan, is exempted by state and federal law from registration with the SEC. The MERS Funds consist of a portfolio of assets managed in a separate account in a collective trust, specifically for MERS Plans. Unlike a mutual fund, only the participants in a MERS Plan can invest in the MERS Funds. Because the MERS Funds are not mutual funds, a prospectus is not available.

This summary is designed to provide descriptive information only. Investors should research all possible investment choices. Please make independent investment decisions carefully and seek the assistance of independent experts where appropriate. We recommend investors define their goals, risk tolerance, time horizon, and investment objectives to determine whether this fund is appropriate for you. Please make independent investment decisions carefully and seek the assistance of independent experts where appropriate.

Bank of New York Mellon, as the custodian for the MERS Funds, calculates the unit value as of the close of business each day. The MERS Funds invest in a broad selection of securities. Some securities may not be priced daily or prices may be determined on a delayed basis. These securities are reflected in the unit value of the fund at their most recent market value adjusted for interim cash flows.

MERS Funds are constructed utilizing several underlying investment strategies within a particular asset class. Consequently, a fund's asset allocation may vary over time as a result of underlying manager activity.

Funds are subject to investment risks from a number of sources, including the management style of the fund and market volatility. Markets are volatile and can rise or decline significantly in response to company, political, regulatory, market or economic developments. A fund's total return, like securities prices generally, will fluctuate within a wide range. As a result, an investor could lose money over short or even long periods. Funds are also subject to investment-related risk, which is the chance that returns from companies invested in by the fund will trail returns from other asset classes or the overall market.

MERS has made every effort to ensure that the information provided is accurate and up to date. For more information about this fund, please contact the MERS Service Center at 800.767.MERS (6377) or visit www.mersofmich.com.

Charter Twp of White Lake RHFV U & Non twp EE's MAP/POLC MAFF

Activity From **01/01/2021** to **12/31/2021**.

Investment: **All Investments**

Source: **All Sources**

Activity Summary

Activity	Balance	Shares
Beginning Balance	\$5,528,765.76	218,515.3268
Contributions	790,000.00	29,208.1428
Cash Earnings	.00	.0000
Dividends	.00	.0000
Distributions	.00	.0000
Other	.00	.0000
Transfers	.00	.0000
Fees	-11,765.50	-427.2300
Gain/Loss	831,430.49	.0000
Ending Balance	\$7,138,430.75	247,296.2396

State:

Select One

Institution Name:

OR x Type An Institution Name

FDIC#:

OR

Tell Me More	Star Rating	Name	FDIC Certificate Number
Tell Me More (/star-ratings/tell-me-more?cert=57990&type=B&urlink=www.hvsb.com)	5 STARS	Huron Valley State Bank - Milford, MI (/star-ratings/tell-me-more?cert=57990&type=B&urlink=www.hvsb.com)	57990

Star ratings are current as of 04/22/2022 .

Bank star ratings are based on 12/31/2021 financial data; credit union star ratings are based on 12/31/2021 financial data.

Downloadable reports on individual institutions as well as on groups of institutions are also available from the "Tell Me More" Button.

Three easy ways to lookup an institution. First, select Bank Rating or Credit Union Rating, then...(<https://www.bauerfinancial.com/>)

1. Select a State. An alphabetical list of all institutions in that state will display below.
2. Select by institution name. Begin typing and a list will appear with the institutions that match your input.
3. If you know the FDIC Certificate Number or NCUA Charter Number, enter the unique number.



STAR RATING DEFINITIONS:	
5 STARS	Superior (These institutions are recommended by Bauer.)
4 STARS	Excellent (These institutions are recommended by Bauer.)
3 1/2 STARS	Good
3 STARS	Adequate
2 STARS	Problematic
1 STAR	Troubled
ZERO STARS	Our lowest rating
S.U. START UP	Start-up. Institutions that are too new to rate. (Obsolete beginning with June 30, 2018 financial data.)
N.R. NOT RATED	Credit Unions that either: have less than \$1.5 million in assets, are not NCUA insured or are too new to rate.
FDIC/ RSLVD	Institution has failed or is operating under regulatory conservatorship.

Financial data is compiled for U.S. banks and thrifts from call report data as reported to federal regulators. Although the financial data obtained from these sources is consistently reliable, the accuracy and completeness of the data cannot be guaranteed by BauerFinancial, Inc. CEO names and addresses are subject to change. While our staff makes every effort to ensure that these are current, the accuracy and completeness cannot be guaranteed by BauerFinancial.

All institutions are subject to federal regulatory capital requirements, but those requirements vary among institutions and are dependent on many factors. In general, banks are required to maintain a leverage capital ratio of at least 4%, a tier 1 risk-based capital ratio of at least 6% and a total risk-based capital ratio of at least 8%.

In addition to the capital ratio, other criteria are used to determine the BauerFinancial™ Star-Rating. Some of these include but are not limited to: profitability/loss trend, evaluating the level of delinquent loans, chargeoffs and repossessed assets, the market versus book value of the investment portfolio, regulatory supervisory agreements, the community reinvestment rating (CRA), historical data and liquidity.

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State:

Select One

Institution Name:

OR x Type An Institution Name

FDIC#:

OR Submit

Tell Me More	Star Rating	Name	FDIC Certificate Number
Tell Me More (/star-ratings/tell-me-more?cert=32541&type=B&urlink=www.dcbk.org)	5 STARS	Desert Community Bank, a trade name for Flagstar Bank FSB - Troy, MI (/star-ratings/tell-me-more?cert=32541&type=B&urlink=www.dcbk.org)	32541
Tell Me More (/star-ratings/tell-me-more?cert=32541&type=B&urlink=www.flagstar.com)	5 STARS	Flagstar Bank FSB - Troy, MI (/star-ratings/tell-me-more?cert=32541&type=B&urlink=www.flagstar.com)	32541

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[\(https://www.addtoanv.com/share#url=https%3A%2F%2Fwww.bauerfinancial.com/star-ratings/?ref=#2-loadhere\)](https://www.addtoanv.com/share#url=https%3A%2F%2Fwww.bauerfinancial.com/star-ratings/?ref=#2-loadhere)

State:

Select One

Institution Name:

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FDIC#:

OR

Tell Me More	Star Rating	Name	FDIC Certificate Number
Tell Me More (/star-ratings/tell-me-more?cert=628&type=B&urlink=www.jpmorganchase.com)	5 STARS	Chase, a trade name for JPMorgan Chase Bank N.A. - Columbus, OH (/star-ratings/tell-me-more?cert=628&type=B&urlink=www.jpmorganchase.com)	628
Tell Me More (/star-ratings/tell-me-more?cert=628&type=B&urlink=www.jpmorganchase.com)	5 STARS	J.P.Morgan, a trade name for JPMorgan Chase Bank N.A. - Columbus, OH (/star-ratings/tell-me-more?cert=628&type=B&urlink=www.jpmorganchase.com)	628
Tell Me More (/star-ratings/tell-me-more?cert=628&type=B&urlink=www.jpmorganchase.com)	5 STARS	JPMorgan Chase Bank N.A. - Columbus, OH (/star-ratings/tell-me-more?cert=628&type=B&urlink=www.jpmorganchase.com)	628

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**White Lake Township
Market Yield Benchmarks
For the year ended December 31, 2021**

Benchmarks	4 week	13 week	26 week	52 week
US Treasury Bills - Coupon yield @ 12-31-21	0.06%	0.06%	0.19%	0.38%

White Lake Township
Quarterly Cash and Investment Report
As of December 31, 2021

Account	Account number	Financial Institution	12/31/2021	FDIC Insured	General fund *	Other funds**	Current Yield	Account purpose
Construction - Checking	858127850	Chase Bank	100	0		100	0.00%	Construction account
Drug Forfeiture - Savings	2952433130	Chase Bank	102,732	0		102,732	0.05%	Police use only
Flexible Spending - Checking	816891295	Chase Bank	16,716	0		16,716	0.00%	Flexible spending payroll clearing
General fund - Checking	220002988771	Chase Bank	131,889	0	131,889	0	0.00%	General fund use
General fund - Savings	2952431126	Chase Bank	904,983	0	904,983	0	0.05%	General fund use
Parks & Rec. - Savings	2330804721	Chase Bank	155,449	0		155,449	0.05%	Parks & Recreation use
Pontiac Lake Sewer - Savings	2330493491	Chase Bank	80,805	0		80,805	0.05%	Debt service Pontiac Lake sewer bonds
Public Act 188 - Checking	600582378	Chase Bank	60,777	0		60,777	0.00%	Special Assessment funded by WLT
Public Act 188 - Savings	2330545589	Chase Bank	326,559	0		326,559	0.05%	Special Assessment funded by WLT
Special Assess. Sewer Debt - Savings	2932485036	Chase Bank	42,604	0		42,604	0.05%	SAD -contract 7 & 8, Castlewood & Nordic Dr.
Sewer Phase 1 & 2 - Savings	2952433155	Chase Bank	237,591	0		237,591	0.05%	Debt service for Phase 1 & 2 sewer bonds
Sewer Maintenance - Savings	2952433148	Chase Bank	1,084,682	250,000		1,084,682	0.05%	Sewer maintenance
Special Assessment Rubbish - Savings	2952431134	Chase Bank	353,083	0		353,083	0.05%	To pay for trash pick up
Trust & Agency - Checking	220002982994	Chase Bank	84,764	0		84,764	0.00%	Trust and agency use
Trust & Agency - Savings	2952433163	Chase Bank	304,075	0		304,075	0.05%	Trust and agency use
Chase Bank - Totals			3,886,809	250,000	1,036,872	2,849,937		
Current Tax - CDARS **	CDARS	Flagstar Bank	5,000,000	5,000,000		5,000,000	0.05%	Tax bill receipts - April / May settlement
Current Tax - Savings **	101433598	Flagstar Bank	3,728,653	0		3,728,653	0.15%	Tax bill receipts - April / May settlement
General Fund - CDARS	CDARS	Flagstar Bank	10,913,518	10,913,518	10,913,518	0	.05% - .10%	General fund use
Improvement Revolving - Savings	108363912	Flagstar Bank	796,368	250,000		796,368	0.25%	Improvement Revolving use
Library Bond fund **	5492	Flagstar Bank	23,216	0		23,216	0.25%	To service Bond Debt for new Library
Water Capital Savings	120527744	Flagstar Bank	79,548	0		79,548	0.25%	Water Capital use
SAD Savings - Non sewer	8959	Flagstar Bank	126,866	0		126,866	0.25%	SAD savings Twin Lakes Road
Flagstar Bank - Totals			20,668,169	16,163,518	10,913,518	9,754,651		
Water Capital - Savings	602000309	H.V.S.B.	442,122	0		442,122	0.10%	Debt Service Water Capital & other use
Water Operating - Checking	202002952	H.V.S.B.	273,060	0		273,060	0.00%	For Water operating
Water Operating - Money Market Savings	515	H.V.S.B.	1,482,184	250,000		1,482,184	0.30%	For Water operating
Huron Valley State Bank - Totals			2,197,366	250,000	0	2,197,366		
General Fund - ARPA - O.C. Pool	77808	O.C. Pool	1,641,278	0	1,641,278		0.26%	From American Rescue Plan Act
General fund - O.C. Pool	77801	O.C. Pool	8,832,792	0	8,832,792		0.26%	General fund use
Parks & Rec. - O.C. Pool	77803	O.C. Pool	820,612	0		820,612	0.26%	Parks & Recreation use
Pontiac Lake Sewer - O.C. Pool	77804	O.C. Pool	170,629	0		170,629	0.26%	Debt service Pontiac Lake sewer bonds
Improvement Revolving - O.C. Pool	77807	O.C. Pool	7,057,738	0		7,057,738	0.26%	Improvement Revolving Savings
Trust & Agency - O.C. Pool	77806	O.C. Pool	431,650	0		431,650	0.26%	Trust and agency use
Water Capital - O.C. Pool	77802	O.C. Pool	2,142,982	0		2,142,982	0.26%	Water Capital use
Total Oakland County Municipal Pool			21,097,681	0	10,474,070	10,623,611		
Totals			47,850,025	16,663,518	22,424,460	25,425,565		

* General Fund amounts includes Police , Fire and Building Dept.

** Other funds include Current Tax and Library Bond funds.

White Lake Township
Cash and Investment Balances
As of December 31, 2021

Breakdown by type of Investment

	Total	FDIC Insured	General fund *	Other funds **
Total Insured CDARS	15,913,518	15,913,518	10,913,518	5,000,000
Total O.C. Pool	21,097,681	0	10,474,070	10,623,611
Total Insured Savings	750,000	750,000	0	750,000
Total Uninsured Checking & Savings	10,088,826	0	1,036,872	9,051,954
Totals by type of investment	47,850,025	16,663,518	22,424,460	25,425,565

* General Fund amounts include Police , Fire and Building Dept.

** Other funds include Current Tax and Library Bond funds.