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# Michigan International Technology Center Redevelopment Authority

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**Financial Report  
with Supplementary Information  
December 31, 2024**

# Michigan International Technology Center Redevelopment Authority

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## Independent Auditor's Report

To the Board of Directors  
Michigan International Technology Center  
Redevelopment Authority

### **Opinions**

We have audited the financial statements of the governmental activities and the General Fund of the Michigan International Technology Center Redevelopment Authority (MITC) as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Michigan International Technology Center Redevelopment Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Michigan International Technology Center Redevelopment Authority as of December 31, 2024 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of MITC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the 2023 basic financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MITC's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors  
Michigan International Technology Center  
Redevelopment Authority

In performing an audit in accordance with GAAS, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required 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.

*Plante & Moran, PLLC*

May 5, 2025

# Michigan International Technology Center Redevelopment Authority

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## Management's Discussion and Analysis

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The Michigan International Technology Center Redevelopment Authority (MITC) is a separate legal entity and public body corporate that was created to jointly exercise the brownfield economic development powers shared by the Charter Township of Northville Brownfield Redevelopment Authority and the Plymouth Township Brownfield Redevelopment Authority within the geographic boundaries of the Five Mile Corridor development zone. Various sites along the Five Mile Corridor are known to be contaminated, and other areas require infrastructure installation and improvement, which qualify as eligible project properties under the Brownfield Redevelopment Financing Act, PA 381 of 1996.

### ***Financial Highlights***

- During 2024, MITC maintained its focus on promoting land sales and business opportunities within the development. Available land parcels were actively marketed to potential investors and developers. By leveraging strategic partnerships, marketing initiatives, and ongoing infrastructure investments, MITC aims to attract and support a diverse range of businesses and industries.
- In 2024, MITC secured significant grant funding to support critical infrastructure improvements within the development. A Carbon Reduction Grant, totaling approximately \$391,000, was awarded to fund essential intersection upgrades at Five Mile and Ridge roads. In addition, a Special Legislative Grant of \$10 million was awarded for the reconstruction and widening of Five Mile Road between Beck and Ridge roads. These strategic investments play a vital role in advancing infrastructure improvements and supporting the continued growth, accessibility, and sustainability of the Michigan International Technology Center.
- Tax increment revenue increased due to development the corridor. Specifically, development within Northville Township generated an additional \$14,000 of tax increment revenue and development within Plymouth Township generated an additional \$168,000 of tax increment revenue within the MITC corridor.

### ***Using This Annual Report***

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of MITC as a whole in a manner similar to a private sector business and present a longer-term view of MITC's finances.

Governmental fund financial statements are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year; this information is useful in evaluating a government's near-term financing requirements in comparison to near-term resources available.

Because the measurement focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The government-wide statements give readers a better understanding of the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the statement of revenue, expenditures, and changes in fund balance provide reconciliation to the governmental activities column in the government-wide statements, facilitating this comparison.

# Michigan International Technology Center Redevelopment Authority

## Management's Discussion and Analysis (Continued)

### Government-wide Overall Financial Analysis

Changes in net position may serve as a useful indicator of a government's financial position. MITC's total assets exceeded its liabilities by \$769,809 (net position) at the close of December 31, 2024. The following table shows, in a condensed format, MITC's net position as of December 31, 2023 and 2024:

#### MITC's Net Position

	2023 (as restated)	2024
<b>Assets</b> - Current and other assets	\$ 595,701	\$ 3,638,939
<b>Liabilities</b> - Current liabilities	56,782	2,777,965
<b>Deferred Inflows of Resources</b>	19,997	91,165
<b>Net Position</b>		
Restricted - Grants	291,622	192,267
Unrestricted	227,300	577,542
<b>Total net position</b>	<b>\$ 518,922</b>	<b>\$ 769,809</b>

Net position reflects the cumulative tax increment revenue collected, after deducting the 3 mills State Education Tax payable to the State of Michigan and amounts owed to the Michigan State Land Bank. Tax increment capture refers to the additional property tax revenue generated within the MITC corridor as a result of rising property values stemming from new development and infrastructure improvements.

The following table shows the change in net position during 2023 and 2024:

#### MITC's Changes in Net Position

	2023	2024
<b>Revenue</b>		
Property taxes	\$ 81,708	\$ 273,819
State sources	-	9,289,096
Investment earnings	-	100,566
<b>Total revenue</b>	81,708	9,663,481
<b>Expenses</b>		
Contractual	564,189	9,380,145
Administrative	11,807	32,449
<b>Total expenses</b>	575,996	9,412,594
<b>Change in Net Position</b>	(494,288)	250,887
<b>Net Position</b> - Beginning of year, as restated	1,013,210	518,922
<b>Net Position</b> - End of year	<b>\$ 518,922</b>	<b>\$ 769,809</b>

The increase in net position is primarily attributed to three key revenue sources: tax increment revenue totaling \$273,819, investment income of \$100,566, and the recognition of grant revenue received in advance of related expenditures. The tax increment revenue reflects the continued growth in property values within the MITC corridor, while the investment income demonstrates effective stewardship of available funds. The early recognition of grant revenue aligns with accounting standards and reflects committed funding for upcoming infrastructure projects.

# **Michigan International Technology Center Redevelopment Authority**

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## **Management's Discussion and Analysis (Continued)**

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### **General Fund Budgetary Highlights**

MITC's General Fund is classified as a major fund and serves as the primary account for all of MITC's financial resources. Expenditures during the year were supported by a combination of state grant funding and advances provided by Northville Township. The 2024 budget includes anticipated federal grant funding that was ultimately not awarded during the fiscal year. As a result, actual expenditures within the General Fund came in under budget for fiscal year 2024. MITC intends to pursue this federal grant funding in future budget cycles to support ongoing infrastructure and development initiatives.

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

As of December 31, 2024, MITC had not acquired or constructed any capital assets, nor had it issued any debt.

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

MITC anticipates an increase in tax increment revenue in the upcoming budget year, driven by current-year land sales and rising taxable property values within the district. Additional tax capture is expected to begin in 2025 from properties currently under pending purchase agreements. All tax increment revenue must be allocated in accordance with the lien priority structure outlined in the applicable Brownfield Plan agreements and Act 381 Work Plans. This ensures that reimbursements and expenditures are made in a manner consistent with statutory requirements and previously approved development financing agreements.

### **Requests for Further Information**

This financial report is designed to provide citizens, taxpayers, stakeholders, and investors with a general overview of MITC's financial position and to demonstrate accountability for the public resources it receives. For questions or additional information regarding this report, please contact the Finance and Budget Department at the Township of Northville, 44405 Six Mile Road, Northville, MI 48168. You may also visit our website at [www.mitc-usa.org](http://www.mitc-usa.org) or reach the Finance and Budget Office directly at (248) 348-5810.

# Michigan International Technology Center Redevelopment Authority

## Statement of Net Position/Governmental Fund Balance Sheet

December 31, 2024

	General Fund - Modified Accrual Basis	Adjustments	Statement of Net Position - Full Accrual Basis
<b>Assets</b>			
Cash and cash equivalents (Note 2)	\$ 809,801	\$ -	\$ 809,801
Receivables:			
Property taxes receivable	91,165	-	91,165
Due from other governments	2,737,973	-	2,737,973
Total assets	<u><b>\$ 3,638,939</b></u>	-	3,638,939
<b>Liabilities</b>			
Accounts payable	\$ 246,956	-	246,956
Due to other governmental units	24,143	-	24,143
Due to Northville Township	2,506,866	-	2,506,866
Total liabilities	2,777,965	-	2,777,965
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	150,000	(150,000)	-
Property taxes levied for the following year	91,165	-	91,165
Total deferred inflows of resources	241,165	(150,000)	91,165
Total liabilities and deferred inflows of resources	3,019,130	(150,000)	2,869,130
<b>Equity</b>			
Fund balance:			
Restricted - Grants	192,267	(192,267)	-
Unassigned	427,542	(427,542)	-
Total fund balance	619,809	(619,809)	-
Total liabilities, deferred inflows of resources, and fund balance	<u><b>\$ 3,638,939</b></u>		
Net position:			
Restricted - Grants		192,267	192,267
Unrestricted		577,542	577,542
Total net position		<u><b>\$ 769,809</b></u>	<u><b>\$ 769,809</b></u>



## Michigan International Technology Center Redevelopment Authority

### Statement of Activities/Statement of Revenue, Expenditures, and Changes in Fund Balance

Year Ended December 31, 2024

	General Fund - Modified Accrual Basis	Adjustments	Statement of Activities - Full Accrual Basis
<b>Revenue</b>			
Property taxes	\$ 273,819	\$ -	\$ 273,819
Intergovernmental - State sources	9,139,096	150,000	9,289,096
Interest and rentals - Investment earnings	100,566	-	100,566
Total revenue	9,513,481	150,000	9,663,481
<b>Expenditures</b>			
Contractual	9,380,145	-	9,380,145
Administrative	32,449	-	32,449
Total expenditures	9,412,594	-	9,412,594
<b>Net Change in Fund Balance</b>	100,887	150,000	250,887
<b>Fund Balances/Net Position</b> - Beginning of year, as previously reported	227,300	-	227,300
<b>Error Correction</b> (Note 1)	291,622	-	291,622
<b>Fund Balance/Net Position</b> - Beginning of year, as restated	518,922	-	518,922
<b>Fund Balance/Net Position</b> - End of year	<u><u>\$ 619,809</u></u>	<u><u>\$ 150,000</u></u>	<u><u>\$ 769,809</u></u>

December 31, 2024

### Note 1 - Significant Accounting Policies

#### ***Reporting Entity***

Under an interlocal public agency agreement between the brownfield redevelopment authorities of the townships of Plymouth and Northville, the Michigan International Technology Center Redevelopment Authority (MITC) functions as an intergovernmental organization for the purpose of encouraging economic development in its geographic area. In accordance with government accounting principles, MITC has no component units.

An intergovernmental agreement between the Charter Township of Northville Brownfield Redevelopment Authority and the Plymouth Township Brownfield Redevelopment Authority creating MITC became effective on January 4, 2019, pursuant to the provisions of the Urban Cooperation Act of 1967, Act 7 of the Public Acts of Michigan, as amended, MCL 125.501 to 125.512.

MITC, a separate legal entity and public body corporate, was created to jointly exercise the brownfield economic development powers shared by the Charter Township of Northville Brownfield Redevelopment Authority and the Plymouth Township Brownfield Redevelopment Authority within the geographic boundaries of the Five Mile Corridor development zone. Various sites along the Five Mile Corridor are known to be contaminated, and other areas require infrastructure installation and improvement, which qualify as eligible project properties under the Brownfield Redevelopment Financing Act, PA 381 of 1996.

MITC shall be governed by the MITC board, which shall be a five-member board. The MITC board shall consist of the following members:

- One member appointed by the board of the Charter Township of Northville Brownfield Redevelopment Authority
- One member appointed by the board of the Plymouth Township Brownfield Redevelopment Authority
- One member appointed by the Northville Township supervisor and the Plymouth Township supervisor
- The Northville Township supervisor
- The Plymouth Township supervisor

The combined authority will create one or more brownfield plans for the purpose of capturing tax increment revenue to finance eligible costs of MITC. The obligations of MITC to fund such improvements are to be repaid from captured tax increment revenue, which relies on anticipated economic growth along the Five Mile Corridor. The future collection of tax increment revenue is dependent on several factors, including the timing of when properties along Five Mile will be sold and developed.

During 2022, Northville Township entered into a Land Bank Agreement with the State Land Bank Authority to transfer three vacant parcels into the State Land Bank. These three parcels reside within the MITC corridor. Although the Township retains the rights of ownership, the transfers will allow MITC to capture for infrastructure improvements once the parcels are sold and developed. The eligibility of these financial incentives will enhance both the value and marketability of the land. As land sales occur, ownership of the parcels reverts to the Township.

#### ***Accounting and Reporting Principles***

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

December 31, 2024

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

#### ***Report Presentation***

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The General Fund column presents activities on the modified accrual basis of accounting, as discussed above, which demonstrates accountability for how the current resources have been spent. The government-wide column is presented on the economic resources measurement focus and the full accrual basis of accounting in order to measure the cost of providing government services and the extent to which constituents have paid the full cost of government services.

On the full accrual basis of accounting, revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. On the modified accrual basis of accounting, revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year.

#### ***Fund Accounting***

MITC accounts for its various activities in one fund, the General Fund.

#### ***Basis of Accounting***

The General Fund uses the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how MITC has spent its resources.

Expenditures are reported when the goods are received or the services are rendered.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, MITC considers amounts collected within 60 days of year end to be available for recognition.

#### ***Reimbursable Expenses***

The Townships of Northville and Plymouth have paid approximately \$3,388,000 and \$917,000, respectively, cumulatively in administrative and other expenses on behalf of MITC during 2020 through 2024. These costs are eligible for reimbursement through tax increment financing capture, specifically designated under the MITC Infrastructure category. The timing and priority of such reimbursements are governed by the terms outlined in each developer reimbursement agreement, ensuring that funds are allocated in accordance with previously established commitments and project timelines.

MITC also records a liability to Northville Township of \$2,506,866, which represents payments advanced by the Township for expenditures incurred under the Michigan Economic Development Corporation Grant. As outlined in a memorandum of understanding, these advancements will be reimbursed by MITC.

#### ***Specific Balances and Transactions***

##### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and demand deposits.

##### **Accounts Receivable**

Accounts receivable are amounts due from the townships for tax increment revenue and from the State of Michigan for grant revenue. As of December 31, 2024, MITC had no allowance for doubtful accounts.

December 31, 2024

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

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. MITC has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. At December 31, 2024, MITC has deferred inflows of \$91,165 for 2024 winter taxes that are levied for the following year and will be recognized as revenue in 2025. Additionally, the General Fund reports unavailable revenue from grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### **Net Position Flow Assumption**

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

#### **Fund Balance Flow Assumptions**

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

#### **Fund Balance Policies**

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

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. MITC has, by resolution, authorized the finance director to assign fund balance. The board of directors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Note 1 - Significant Accounting Policies (Continued)

Use of Estimates

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

Upcoming Accounting Pronouncements

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the MITC's financial statements for the year ending December 31, 2025.

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the MITC's financial statements for the year ending December 31, 2026.

Accounting Changes and Error Corrections

Correction of an Error in Previously Issued Financial Statements

During fiscal year 2024, MITC revised its methodology for recognizing intergovernmental revenue, resulting in a correction of \$291,622 in previously understated revenue. Originally, this revenue was recorded as unearned and recognized only when related expenditures were incurred. However, a closer review of the grant agreements revealed that revenue should have been recognized at the time the agreements were executed. This change primarily affects specific advance-funded grants. The financial impact of this correction is detailed in the table at the end of this section.

Adjustments to and Restatements of Beginning Balances

During fiscal year 2024, the changes noted above resulted in adjustments to and restatements of beginning net position and fund net position as follows:

	December 31, 2023		December 31, 2023
	As Previously Reported	Error Correction	As Restated
Government-wide - Governmental activities	\$ 227,300	\$ 291,622	\$ 518,922
General Fund	\$ 227,300	\$ 291,622	\$ 518,922

Note 2 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, MITC's deposits may not be returned to it. MITC does not have a deposit policy for custodial credit risk. At year end, MITC had no uninsured or uncollateralized deposits. MITC believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The MITC has no investment policy that would further limit its investment choices. As of December 31, 2024, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Carrying Value	Rating	Rating Organization
MI CLASS	\$ 617,065	AAAm	S&P

Fair Value Measurements

The MITC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability. Level 1 inputs are quoted prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The MITC's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is presented in the table below.

Investments in Entities that Calculate Net Asset Value per Share

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

December 31, 2024

### Note 2 - Deposits and Investments (Continued)

At December 31, 2024, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Carrying Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
MI CLASS	\$ 617,065	\$ -	None	None

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated A1 or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

### Note 3 - Risk Management

MITC is exposed to various risks of loss related to property loss, torts, errors, and omissions.

Northville Township and Plymouth Township both participate in the Michigan Municipal Risk Management Authority (MMRMA). The policy of each township covers all individuals officially appointed to the MITC board but not MITC itself. The MMRMA risk pool program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to MITC that it uses to pay claims up to the retention limits, the ultimate liability for those claims remains with each township.

As of December 31, 2024, MITC does not have any employees or own any property.

### Note 4 - Commitments

As of December 31, 2024, MITC has outstanding commitments for professional engineering services to prepare design plans for sanitary sewer and the reconstruction of Five Mile Road, from a location starting west of Beck Road intersection, continuing westward through the Ridge Road intersection and continuing from Ridge Road westward through Napier Road. Funding for these services is made available through the Michigan Infrastructure Grant, which was awarded to MITC in October 2021, the Michigan Department of Transportation Legislative Earmark awarded in October 2022, and the Michigan Economic Development Corporation Grant awarded in February 2024.

The total commitment is \$11,905,620, of which \$721,157 is remaining.

### Note 5 - Reconciliation of Individual Fund Columns of the Statement of Net Position/Statement of Activities

Net position reported in the statement of net position column is different than the fund balance reported in the individual fund columns because of the different measurement focus and basis of accounting, as discussed in Note 1. Below is a reconciliation of the differences:

<b>Fund Balances Reported in Governmental Funds</b>	\$ 619,809
Amounts reported for governmental activities in the are different because:	
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	150,000
<b>Net Position of Governmental Activities</b>	<u>\$ 769,809</u>



December 31, 2024

**Note 5 - Reconciliation of Individual Fund Columns of the Statement of Net Position/Statement of Activities (Continued)**

The change in net position reported in the statement of activities column is different than the change in fund balance reported in the individual fund columns because of the different measurements focus and basis of accounting, as discussed in Note 1. Below is a reconciliation of the differences:

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	<b>\$ 100,887</b>
Amounts reported for governmental activities in the are different because:	
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	<u>150,000</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 250,887</u></b>



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## Required Supplementary Information

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## Michigan International Technology Center Redevelopment Authority

### Required Supplementary Information Budgetary Comparison Schedule General Fund

Year Ended December 31, 2024

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 83,000	\$ 83,000	\$ 273,819	\$ 190,819
Intergovernmental:				
Federal grants	2,000,000	2,000,000	-	(2,000,000)
State sources	260,100	9,917,596	9,139,096	(778,500)
Township contributions	391,000	391,000	-	(391,000)
Interest and rentals - Investment earnings	-	-	100,566	100,566
Total revenue	2,734,100	12,391,596	9,513,481	(2,878,115)
<b>Expenditures</b> - Current services	2,651,100	12,308,596	9,412,594	2,896,002
<b>Net Change in Fund Balance</b> - Excess of revenue over expenditures	83,000	83,000	100,887	17,887
<b>Fund Balance</b> - Beginning of year, as restated	518,922	518,922	518,922	-
<b>Fund Balance</b> - End of year	<u>\$ 601,922</u>	<u>\$ 601,922</u>	<u>\$ 619,809</u>	<u>\$ 17,887</u>

**December 31, 2024**

#### ***Budgetary Information***

The annual budget is prepared by the finance manager. The draft budget is presented to and approved by MITC's board. Subsequent amendments, if any, are approved by MITC's board. All annual appropriations lapse at fiscal year end. Amendments are made during the year as necessary. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America.

The budget document presents information at the fund level; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. The budget is approved before the December 31 immediately preceding the beginning of the fiscal year. A comparison of actual results of operations to the budget adopted by MITC's board can be seen by examining the totals in the budgetary comparison schedule. During the current year, the budget was amended in a legally permissible manner.